Aeroporti di Roma

ANNUAL REPORT 2020

MANAGEMENT REPORT ON OPERATIONS

Management Report on Operations

Before examining the operating performance, we cannot fail to remember the indelible example of professionalism and unparalleled humanity that our president Prof. Antonio Catricalà left in the memory of all the staff of Aeroporti di Roma in these years when he was at the helm of the company. He leaves a void that is difficult to fill and that strengthens our willingness to continue to achieve in the future those goals of excellence to which he contributed with all his efforts.

Message to the stakeholders

The crisis that has hit our industrial sector consequently to the COVID-19 pandemic is unprecedented in the history of commercial aviation in terms of intensity and duration.

The global health emergency that started spreading at the end of the first quarter of 2020 has led to the collapse of air transport because of the closures of national and regional borders imposed by governments, which were followed by a drastic cut in capacity by airlines.
The pandemic caused aviation to regress by 60 years, bringing traffic volumes to the levels of the period between 1961 and 1970, when commercial scheduled aviation began to develop. Traffic in 2020 at the Fiumicino and Ciampino airport system stood at 11.5 million passengers, down 76.8% compared to 2019.

In this context, management focused primarily on the health safety of airports and on strengthening the Group's economic and financial stability, through incisive "cost recovery" operations and greater levels of available financial liquidity.

While Group revenues decreased by 757.1 million euros, EBITDA fell by 568.4 million euros, thanks to the cost containment measures implemented since the first phase of the crisis.
The initiatives concerned the concentration of Fiumicino's activities only on the essential airport areas, the reorganization of activities with an extensive use of social security benefits, the activation of a redundancy incentive plan for the categories closest to retiring, the elimination of variable bonuses and zero hiring, as well as a renegotiation of the contractual conditions with the main suppliers of the Group.

All the financial covenants contained in the existing bank loan contracts have been subject to specific waivers which, with the approval of the banks concerned, neutralized their effects until 2021.
Thanks to the new funding lines activated during 2020, the liquidity position at the end of the year was strengthened (1,097.2 million euros) so as to guarantee, on the basis of the most recent traffic projections, coverage of future financial commitments until the end of 2022.

However, health and safety have been and remain top priorities in the Group's operational management. The health measures adopted during the year led to a major reorganization of passenger flows and the layout of the infrastructures left open and dedicated to passenger arrival and departure procedures. The work,

carried out in close contact with the Civil Protection, the Ministry of Health, the State Police and ENAC, focused on adopting and testing technical solutions, including innovative ones (such as Covid-tested flights). The main purpose of this was to guarantee passengers a travel experience that is as safe and simple as possible to implement, thus avoiding, as far as possible, quarantines or other restrictive measures on arrival.
Work on this front continues and will certainly do so in 2021 to support the resumption of traffic as an indispensable measure even in a scenario of gradual but progressive reduction of the effects of the contagion.

The exceptional nature of the situation and the extraordinary intervention measures that became necessary did not compromise the excellent results that the Group has achieved in recent years in terms of service quality. Also in 2020 and for the third consecutive year, Aeroporti di Roma obtained the "Best Airport Award" from the Airports Council International Europe as the best airport in Europe among the "hubs" with more than 40 million passengers. Thus Fiumicino confirms its position as one of the best airports in the world for quality of services. Its leadership is demonstrated by the numerous international awards received.

The commitment to environmental issues and, more generally to sustainability, is increasingly at the core of the Group's strategies. In 2020 ADR became part of the United Nations Global Compact, the largest international platform on Sustainability, committed to creating a responsible business model focused on protecting the environment, training people and the commitment to local ment. ADR's significant commitment to environmental issues is also witnessed by the recognition received in July 2020 from the World Tourism Organization (UNWTO) which, for the first time ever, wanted to show its appreciation to the "Leonardo da Vinci" Rome Fiumicino airport, for activities related to sustainability.

In November ADR joined the ALIGHT project, in which, in addition to IATA, important European research firms and the Copenhagen airport cooperate. The project aims to identify and test viable solutions to ensure the decarbonization of the entire aeronautical sector (airports and airlines) by 2050.

With the "green" bond issue, placed in November, ADR was among the first airport companies in the world to use "sustainable" financial structures. The success of the operation meant that the financial markets recognized the commitment the Group has made to achieving ambitious objectives in terms of mitigating climate impacts.

Intense activity was also carried out, through the sector association, to obtain support measures for airports, which were certainly among the most heavily hit by the pandemic crisis. The 2021 Budget established a COVID damage fund of 500 million euros, of which 450 million euros intended to compensate for the damage suffered by airport operators directly attributable to the COVID-19 emergency recorded in the period February 23, 2020 - January 31, 2021, compared to the same period of the previous year.

The Managing Director

1. Key messages

COVID-19 has forced a rapid review of strategic priorities. ADR reacted promptly by putting the safety of people and society first.

Full awareness of the importance of ADR's role in facilitating the definition and implementation of appropriate health care safety standards.

The commitment to a radical reduction of climate impacts is now a strategic value for the ADR Group's future.

2. About us

2.1. Business model and corporate structure

The Roman airport system is one of the main European airport systems and consists of two separate airports: the "Leonardo Da Vinci" airport in Rome-Fiumicino and the "G.B. Pastine" airport in Rome-Ciampino.

Both airports are managed by Aeroporti di Roma S.p.A. ("ADR" or the "Company") on the basis of a concession issued by ENAC (*Ente Nazionale per l'Aviazione Civile*, the Italian Civil Aviation Authority).

Right from the start of the pandemic crisis, Leonardo da Vinci was Italy's first airport (over 43 million passengers in 2019) with no comparable competitors throughout Italy in terms of international and intercontinental transits and destinations. Among Italy's intercontinental airports, Fiumicino airport is a leading national hub, thanks to its ability to meet the demand for high traffic figures and its extensive degree of connectivity with European and international destinations.

Rome Fiumicino's position, at the center of the Mediterranean area, strengthens the Italian leadership as a gateway and point of access to Italy, supported by the attractiveness of Rome as a tourist destination of worldwide importance. Fiumicino is well positioned, in terms of flight times and distances, for passengers wishing to continue their journey in Italy and the Mediterranean area, coming from North America, Asia and the Middle East. Fiumicino is the reference hub for Alitalia, the Italian national flag carrier, and is also the base of one of the main international alliances (SkyTeam Alliance).

The Rome-Fiumicino airport provides services to a wide range of market segments: both business and leisure passengers, operating both direct and transit flights, which in turn are short and medium-long haul. The airport's aeronautical activity is also guaranteed through flights served by almost all the most important airlines worldwide.

The Rome-Ciampino airport, on the other hand, has the typical characteristics of a "secondary airport", with a traffic, before the crisis, of more than 5 million passengers, essentially related to "low cost" and General Aviation flights. Its proximity to the center of Rome and its functional characteristics ensure high levels of operational efficiency thanks to rapid passenger boarding and disembarkation operations and travel to/from the city center. These characteristics make it a suitable airport to serve a wide range of traffic segments. Rome-Ciampino airport is in any case subject, by law, to a traffic limitation for reasons of environmental impact (noise). For this reason, the airport will retain in the future its destination oriented to serve traffic destined exclusively for this type of airports.

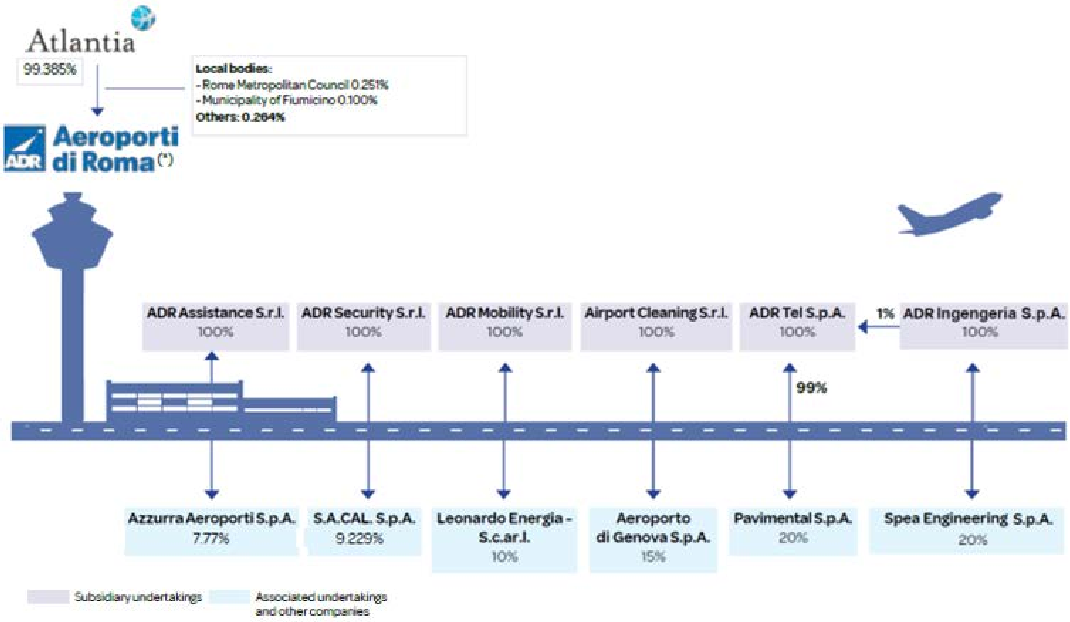
Both Fiumicino and Ciampino generate revenues deriving not only from aeronautical services, which are subject to tariff regulation, but also from a diversified range of activities and services. The most important of these include: revenues from royalties on commercial activities managed by third parties, revenues from the charging of fees for real estate activities, parking fees and revenues from advertising activities.

ADR manages the two airports based on the terms and conditions set forth in the concession agreement signed with the regulator (ENAC) in 2012 and expiring on June 30, 2046. The concession also establishes the procedures by which ADR and ENAC agree and update the Airport Development Plan for the two airports within a time horizon coinciding with the expiry of the concession itself. The same contract also provides for a mechanism that allows the contents of the Development Plan to be periodically updated on the basis of actual traffic trends. The concession agreement also obliges ADR to guarantee the ordinary and extraordinary maintenance of airport infrastructures and facilities. ADR fulfils this obligation directly or through qualified external companies.

ADR does not manage flight control and assistance activities, aeronautical handling activities and aircraft refueling.

The Group's structure

(as of December 31, 2020)



(*) ADR SpA also holds a 25% share in Consorzio E.T.L. - European Transport Law in liquidation), a 0.99% share in Consorzio Autostrade Italiane Energia (CAIE) and a one thousand euro share in the capital of Convention Bureau Roma e Lazio Scrl

2.1.1. Planning Agreement and the regulatory model

The exclusive management of the Rome airport system, consisting of Fiumicino and Ciampino airports, is based on the concession granted to the Company by Italian Law no. 755 of November 10, 1973, and by virtue of the Single Deed "Agreement for the management of the Rome airport system and Planning Agreement", approved by law on December 21, 2012. This Single Deed, together with three Additional Deeds that update and amend the original document,[1] governs relations between the

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[1] Additional Deed dated December 27, 2012 (incorporating the amendments to the text of the Prime Minister's Office Decree of December 21, 2012), on December 23, 2013 (remodeling the boarding fees for outgoing and transit passengers) and on December 9, 2014 (identifying further service quality measurement mechanisms).

concessionaire ADR and ENAC until the expiry of the concession (recently extended until June 30, 2046 from the previous June 30, 2044[2]).

The regulatory framework provides a consistent set of transparent and stable rules that are valid for the entire duration of the concession and that support the financial sustainability of the Development Plan for the Roman airport system. The fundamental principles of the Single Deed - Planning Agreement are:

- clarity of concessionaire and ENAC rights and obligations in all circumstances, including situations that can give rise to termination of the Agreement;
- identification of airport efficiency and service quality objectives subject to economic regulation;
- updating of the criteria to determine tariffs based on the actual cost of services, estimated traffic, the investment plan and quality objectives, in line with international best practices;
- central role of the investment plan in both the short and long term;
- institutions for the protection of the economic and financial balance due to force majeure or facts unrelated to the responsibility of the concessionaire.

Regulatory model

- **Fee structure**: the fee structure adopted is based on criteria recognized at international level in correlation with the costs of infrastructure and services, promoting the efficiency objectives in accordance with Directive 2009/12/EC and Law no. 27/2012, which absorbed the same directive into the national regulations. The fee rules are valid until the end of the concession and are based on:
  - "price cap" method ("RAB-based"), which correlates the fees with the costs of the services subject to economic regulation. In addition, the initial RAB value is calculated as of January 1, 2013 at 1.8 billion euros, updated year on year with the rules for regulatory accounts;
  - "dual till" based on which all the revenues of the commercial activities are kept by the airport company;
  - provision of bonuses/penalties when the values recorded concerning environmental and quality indicators are above/below the objectives set with ENAC.
- **Fee review**: the Planning Agreement clearly defines, in terms of content, methods and schedules, the mechanisms and reasons that require updating of the economic-financial plan at 2046, of the ten-year regulatory periods, in turn subdivided into regulatory sub-periods, of the variables contained in the mechanism of annual fees.
- **Admitted remuneration**: for the current five-year period (second regulatory period: 2017-2021), the real pre-tax WACC (Weighted Average Cost of Capital) has been set at 8.52%. Relating to the return rate recognized on the capital, the Planning Agreement clearly defines parameters and criteria for the update at the end of each regulatory five-year and ten-year period. The real pre-tax WACC, for the new works of particular strategic and environmental value, may be increased up to 4%.
- **Variations in traffic**: the variations in traffic compared to the forecasts within a +/-5% range compared to the agreed plan will be to the benefit of/charged to ADR. In the presence of greater variations, 50% of the higher revenues will be allocated for future investments without any impact on the tariffs; if lower, 50% of the lower revenues will be included in the costs permitted for the tariff calcula-

[2] Article 202, paragraph 1bis of Italian Law Decree of May 13, 2020, published in the Official Gazette on May 19, 2020, provides that, in view of the drop in traffic at Italian airports consequently to the epidemiological emergency caused by COVID-19 and the measures adopted by the State and the regions to contain the contagion, in order to curb the consequent economic effects, the two-year extension of the duration of concessions for the management and development of airport activities, in progress at the date of entry into force of the law converting this decree, be applied by law.

tion of the next regulatory sub-period of five years. Particularly significant traffic variations may legitimize the request for changes to the planned infrastructural works.

- **Value recognized at the end of the concession**: ADR has the right to receive, at the natural expiration of the concession, a fee equal to the residual value at that date, inferred from regulatory accounts, of the investments made.

2.2. Summarized economic and financial situation

Main economic and financial information of the Group

	2020	2019
CONSOLIDATED ECONOMIC-FINANCIAL RESULTS (€/000)		
Revenues from airport management	260,716	941,479
Gross operating margin (EBITDA)	25,556	593,930
EBITDA %	9.8%	63.1%
Operating income (EBIT)	(123,634)	428,873
EBIT %	47.4%	45.6%
Net income (loss)	(143,684)	245,161
Group share of income (loss)	(143,684)	245,161
Investments	151,927	255,130
	12.31.2020	12.31.2019
Net invested capital	2,426,445	2,310,392
Shareholders' equity (including minority interests)	991,873	1,184,467
Group Shareholders' equity	991,873	1,184,467
Net debt	1,434,572	1,125,925
Net debt/Shareholders' equity	1.4	1.0
RATING	12.31.2020	12.31.2019
Standard & Poor's	BB+	BBB
Moody's	Baa3	Baa2
Fitch Rating	BBB-	BBB+

Operating highlights of the Group

	2020	2019
TRAFFIC VOLUMES		
Movements (no./000)	131	362
Total passengers (no./000)	11,452	49,412
Total cargo (tons)	90,232	204,900
GROUP HUMAN RESOURCES		
Average headcount (no. of individuals)	2,967	3,224
Headcount at year end (no. of individuals)	3,117	3,559
ENVIRONMENT		
Electricity consumption (kWh)	117,933,422	165,569,605
Water withdrawal (m^3)	1,874,314	2,221,823
Waste produced (tons)	5,354	13,907

3. Effects of the COVID-19 pandemic

3.1. Impact on traffic

The air transport sector is among those most affected by the ongoing health crisis. A recovery cannot be achieved without a clear framework of measures applied uniformly at European / international level.
The operational solutions already implemented by ADR, which passengers have found to be satisfactory, combined with an efficient application of tests integrated into airport processes, represent a best practice and an example of the way forward also in the near future.

In 2020 Fiumicino and Ciampino airports recorded a reduction of 76.8% in the number of passengers transported and a decrease of 63.8% in the number of movements, with 11.5 million passengers handled.

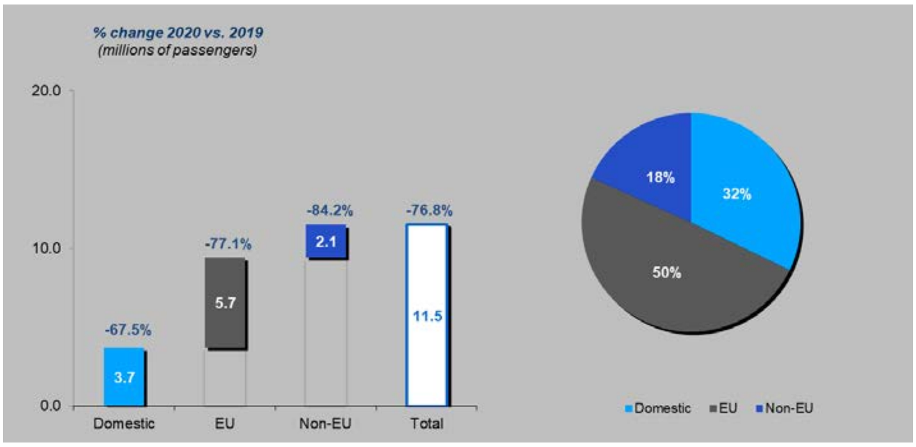
In particular, the International segment, representing around 70% of total traffic, saw a sharp drop in volumes, with the EU segment down 77.1% on the previous year, and the non-EU segment down 84.2%, primarily due to the absence of the long-haul network.

Finally, the Domestic segment recorded a decrease of 67.5%.

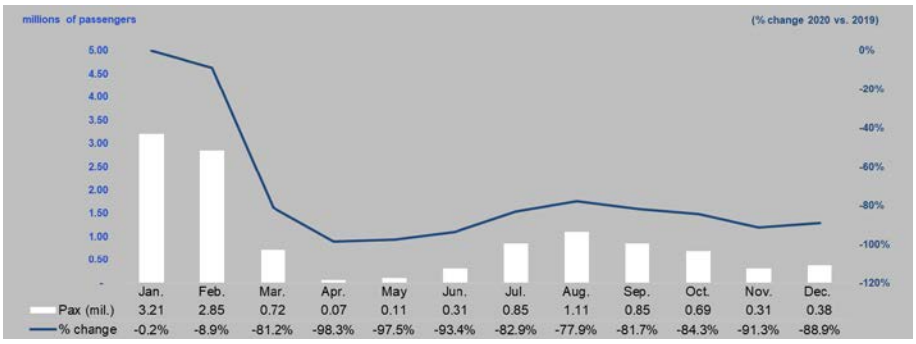
TABLE 1. Main traffic data of the Roman Airport System

	2020	2019	Δ%
Movements (no.)	**131,195**	**362,036**	**(63.8%)**
Fiumicino	103,496	309,783	(66.6%)
Ciampino	27,699	52,253	(47.0%)
Passengers (no.)	**11,452,116**	**49,412,069**	**(76.8%)**
Fiumicino	9,830,957	43,532,573	(77.4%)
Ciampino	1,621,159	5,879,496	(72.4%)
of which: boarded	5,693,310	24,615,046	(76.9%)
Fiumicino	4,868,193	21,664,400	(77.5%)
Ciampino	825,117	2,950,646	(72.0%)
Cargo (t.)	**90,232**	**204,900**	**(56.0%)**
Fiumicino	70,908	186,492	(62.0%)
Ciampino	19,324	18,408	5.0%

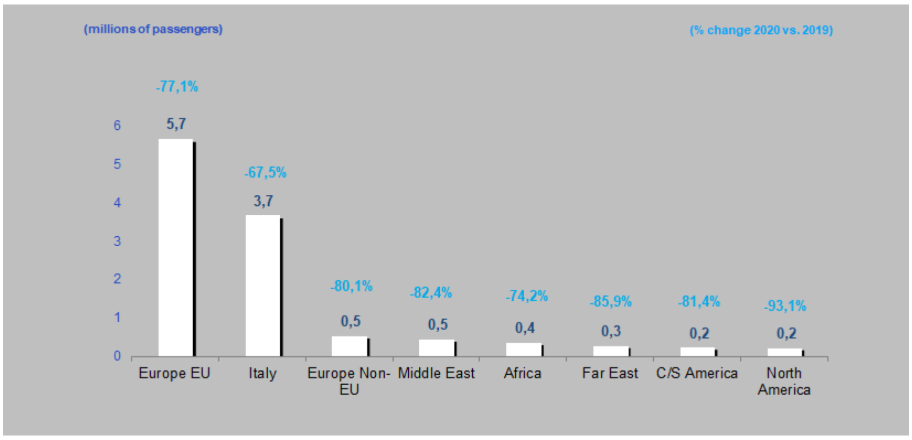
GRAPH 1. 2020 traffic composition for the Roman airport system (millions of passengers and 2020/2019 change)



GRAPH 2. Monthly trend in passenger traffic in the Roman airport system compared to 2019



GRAPH 3. Passenger traffic distribution of the Roman airport system by geographic area



Fiumicino

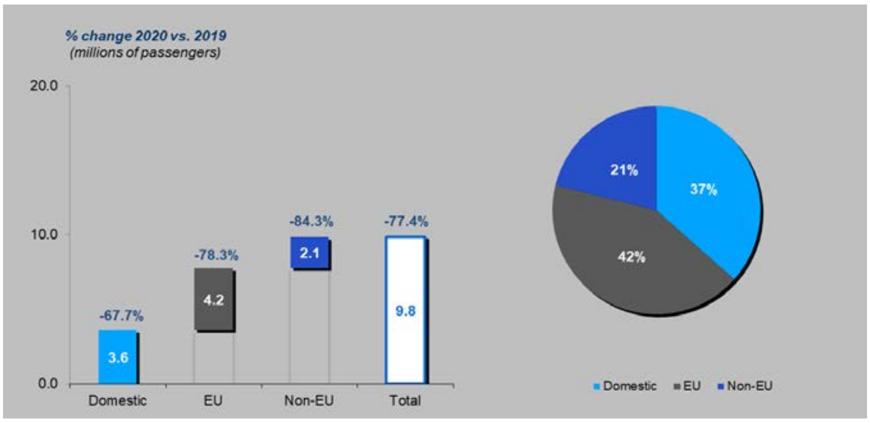
Fiumicino airport saw around 9.8 million passengers pass through during 2020, a decrease of 77.4% compared to 2019. Limitations to mobility have affected above all the result of the international market, which recorded a significant drop in traffic.

Compared with last year, non-EU traffic continued to fall sharply, recording 2.1 million passengers, down 84.3%, including 1.2 million long-haul passengers (down 86%) concentrated in the first 2 months of the year (0.9 million passengers between January and February 2020).

EU Europe is the market with the largest reduction in traffic in absolute terms, ending the year with 4.2 million passengers and down -78.3% compared to 2019.

In April the Domestic market became the main one by passenger volumes, recording a total for the year of 3.6 million passengers, a decrease of 67.7% compared to 2019, carried mainly by Alitalia.

GRAPH 4. 2020 traffic composition for Fiumicino airport (millions of passengers)



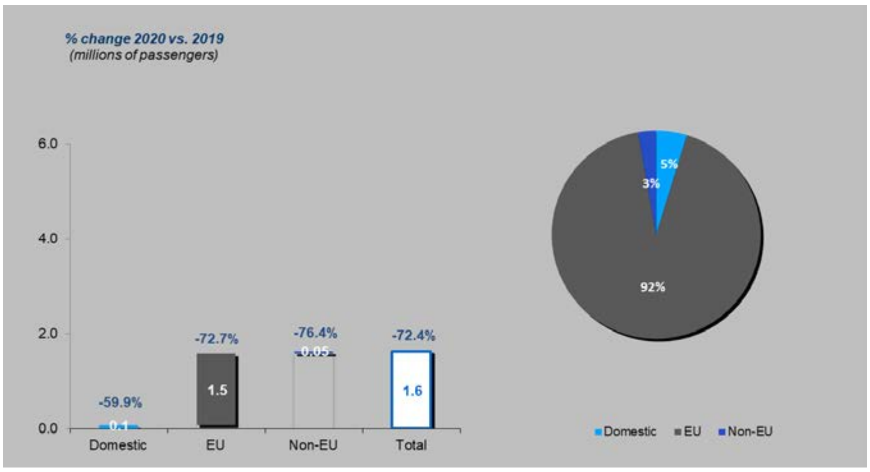
Ciampino

Ciampino airport handled around 1.6 million passengers, with a decrease in passenger volumes of -72.4%.

EU Europe, with 1.5 million passengers, is the largest market by traffic reduction, reporting a decrease compared to 2019 of -72.7%. Domestic and Extra-EU closed with 77 thousand passengers (-60% compared to last year) and 45 thousand passengers (-76% compared to last year), respectively.

Finally, please note that the airport was closed to commercial traffic from March 16 to June 16.

GRAPH 5. 2020 traffic composition for Ciampino airport



3.2. Health measures adopted

The pandemic crisis has forced airport operators to search for innovative solutions, which have implied a complete reorganization of passenger flows and infrastructural layouts. The ADR Group, in close collaboration with the health authorities, has been and still is a center for cutting-edge solutions in the sector.

The ADR Group, from the very early stages of the pandemic, in addition to activating the protocols and safety measures established by the health authorities very quickly, also voluntarily launched further initiatives to ensure additional safety conditions for both passengers and employees at airports.

The measures adopted concerned both the prevention and the control of the contagion and were accompanied by intense sanitation activities for all airport spaces.

The functional areas most directly involved in the prevention and control actions were:

- the infrastructure development area for the creation of architectural and functional solutions aimed at optimizing the management of flows and the provision of basic services inside the terminals;
- the "operations area" dedicated to the provision of airport services, in particular with regard to the optimization of processes and procedures adopted at critical hubs that characterize passenger flows;
- the Information Technology system area in order to ensure the use of technological solutions and process digitalization to streamline the processes for the supply of airport and port services and make them more agile.

The project called "Covid Innovation Lab" was thus launched, as part of which effective solutions were studied and implemented quickly through the search for the best technologies available to support operational processes.

The "quick win" initiatives, identified as the consequence of a scouting process on new technological tools, have been broken down into 5 main areas:

1) Temperature monitoring systems

In order to ensure high safety levels, ADR has adopted temperature monitoring systems in order to measure passengers' temperature at the airport's most crucial points. This initiative has made it possible to reduce the impact of such monitoring on service times per process, creating separate channels for operators and intervening with dynamic solutions. In particular, dual thermal cameras were installed at the access points of the Terminal and mobile thermal cameras (Smart Helmet) were introduced, helmet-mounted for dynamic and remote monitoring of passengers' body temperature by airport operators.

2) Prevention, protection and sanitation systems

In both airports, various prevention, protection and sanitation systems have been activated to combat the spread of the virus in the airport environment, applying technologies that preventively protect passengers, sanitize their baggage, the supports they come into contact with and the areas in which they move. In addition, sanitation systems for checked baggage have been activated on the section of the baggage reclaim belt that precedes the unloading of the baggage and for sanitization by means of an automatic device dispensing a sanitizing solution that is sprayed on the baggage before it arrives in the baggage reclaim hall, providing appropriate communication. The sanitization of escalators and treadmills, lifts, safety trays on the automatic lines of security checks has also been activated, as well as the installation of sanitizing gel dispensers in all boarding areas open to passengers, the application of anti-contamination "shoe sole disinfectant" mats. A *sanipoint* was also installed, i.e. a sanitizing shower designed to decontaminate and disinfect the clothing and objects of those who enter it, using a sanitizing solution that is sprayed for a few seconds, as well as protective Plexiglas walls to protect both the passengers and airport operators.

3) Infrastructure and Terminal

In 2020, a series of interventions in the Terminal area were completed, which substantially contributed to an increase in customer satisfaction, but above all made it possible to effectively manage the new operating conditions deriving from COVID-19. The use of specific technologies has also allowed the automatic monitoring of densities and the simulation of passenger flow in order to define the maximum number of passengers that can be managed in conditions of social distancing in Terminal 3, which was the only one that has remained operational since the beginning of the pandemic to date.

In this particular context, various initiatives have been implemented to prevent the spread of COVID-19. Starting from August ADR has made an area of about 7,000 square meters available by converting a portion of the Long-term Car Park in a new Drive In facility of the Lazio Region to perform COVID-19 antigenic swabs. The structure was created in collaboration with the Ministry of Health, the Lazio Region, the Spallanzani Institute and the Italian Red Cross. The Drive in area is managed by the Health Authorities of the Lazio Region and manned by medical and paramedical staff of the Italian Red Cross.

In September, the experimentation of Covid-tested flights at Fiumicino began, i.e. on two flights to Milan Linate operated by Alitalia, only those passengers who had undergone preventive screening with negative COVID-19 result (rapid antigen test or PCR molecular test) were accepted on board, giving the possibility to those passengers who did not have a negative COVID-19 certificate from earlier than 72 hours before the flight, to take a rapid antigen test directly at the airport at the COVID-19 test area, at the arrivals of Terminal 3.

Starting in December, Fiumicino airport was the first airport in Europe to activate safe health corridors with "Covid-tested" flights between Rome and some destinations in the United States. According to this innovative procedure, passengers on Covid-tested flights arriving from the American airports of New York JFK and Atlanta are not subject to the obligation of fiduciary quarantine in Italy, having taken a molecular or antigen test no more than 48 hours before boarding, and a further repeated test on disembarkation at Fiumicino, carried out in the dedicated areas specially created inside the Terminal.

Two areas were created: one at the arrivals of Terminal 3 of about 1,000 square meters, which accommodates up to almost 500 passengers at the same time, in full compliance with the rules of safety distancing, where the doctors of the Ministry of Health can operate in reserved boxes in full respect of privacy. In this facility, COVID-19 antigen tests are administered to passengers departing for all Covid-tested flights; the second was built at Pier E for passengers arriving from the USA with the Covid-tested flights of the USA-FCO pilot project (New York and Atlanta).

4) Passenger services

Given the changed needs due to COVID-19, ADR has focused on creating services that improve the quality of the passenger experience at the airport, facilitating "self" processes while making all appropriate PPEs available. Vending machines for "sanitizing kits", masks and sanitizing products were then installed both near the main entrances to the Terminal and in the boarding areas. An area outside pier E was set up to allow emotional pet management for arrivals of Covid-tested flights from the USA.

5) Communication channels

ADR also focused on guaranteeing adequate information to passengers in relation to the COVID-19 prevention measures to be adopted at the airport. A uniquely identifiable blue color has been used both at Fiumicino and Ciampino for any type of information or signage related to COVID-19 and to signal social distancing in areas with the greatest influx of passengers (e.g. baggage reclaim hall, check-in desks, security checks and immigration area). The information was disseminated through horizontal, vertical and digital signage. Furthermore, through the voice announcement system and special megaphones used by airport operators, ADR constantly invites passengers to comply with the rules, and in particular to maintain social distancing as per institutional guidelines.

Furthermore, constantly updated information in a dedicated section, always accessible from the homepage, is available on the website www.adr.it, both on all the Government decisions on the subject and on all the prevention procedures adopted at Fiumicino and Ciampino airports. To ensure the widest and most widespread dissemination of information, all active social channels (Facebook, Instagram, Twitter) were used, as well as extensive national and international media coverage. Constant updates were also offered to Group employees through all available communication channels: intranet, mailing and the ADR Noi Group, a social channel reserved for ADR employees.

3.3. Service quality

Rome-Fiumicino airport has established itself as the best European airport for years and one of the best in the world in terms of service quality. Conquering a position of excellence is difficult, maintaining it over time is our challenge. Our projects and investments largely address this objective.
In the year of the pandemic, the actions implemented by ADR not only confirmed the excellent levels of passenger satisfaction, but also demonstrated the cutting edge of the protocols and measures adopted in the procedures to contain the spread of COVID-19.

Main features

Service quality levels at Fiumicino and Ciampino airports are measured via benchmarking programs promoted by industry associations and rating agencies (Airports Council International, Skytrax) and by a monitoring system that complies with the requirements of the Civil Aviation Authority (ENAC), which requires objective checks to verify the services actually provided and passenger surveys.

Checks on service levels are carried out on:

- airport processes and services (service terms for the main processes, i.e. first passenger descent, baggage reclaim, check-in, security control, passport control, assistance to passengers with reduced mobility, tax refund);
- airport cleaning (levels of cleanliness and malfunctions at terminals and toilets);
- commercial activities (service terms and compliance with duty free and food & beverage procedures).

The results of the surveys on the quality provided and perceived by passengers are summarized and published annually in the Service Charter, which implements ENAC regulations and proposes quality indicators for each type of passenger and improvement objectives for the current year.

The Service Charter is updated annually via a process that involves all of ADR's internal stakeholders and third parties involved in airport processes included in the Service Charter, culminating in the final approval by ENAC.

Tools to measure passenger satisfaction

ADR adopts the main internationally recognized customer experience survey tools to monitor the quality offered and the degree of passenger satisfaction in order to identify possible areas for improvement and translate them into concrete actions.
The monitoring system (UNI EN ISO 9001 certified since 2007) is based on statistically defined techniques in accordance with the ENAC GEN 06 circular and includes the following activities.

Surveys

Every year questionnaires are administered on ADR's behalf by third-party companies to passengers departing and arriving at Fiumicino and Ciampino airports to check their level of satisfaction and analyze their needs and expectations.

Listening channels

ADR uses several channels to receive feedback, such as its website, information desks inside the terminals, mail and social platforms. Comments received are forwarded to the areas in charge within and outside ADR to assess and implement any improvement actions.

Benchmarking and international rating

ADR participates in international benchmarking and rating programs ("Airport Service Quality" conducted by Airports Council International - ACI - and Skytrax) to know its position with respect to competing airports and identify the "best in class" airports on service indicators that have an impact on the passenger experience. In addition, it actively participates in feedback sharing programs, common best practices and quality issues with major European hubs.

NET Promoter Score (NPS)

In addition to the traditional methods of customer experience detection, in 2017 ADR activated the Net Promoter Score (NPS), an indicator that measures the propensity of passengers to recommend the travel experience they had at the airport and therefore the overall quality perceived by the customer. The NPS indicator is an important tool to listen to passengers: passengers, in addition to assessing their airport experience are given the chance to explain their opinion. These comments are then analyzed and transformed into ideas to improve the travel experience and are translated into real actions.

In terms of the results obtained on the quality delivered and perceived, due to the reduced volumes of traffic and the operational and infrastructural situation caused by COVID-19, the values of the indicators monitored in 2020 have no comparative relevance with past or expected performances.

Following the Italian Prime Ministerial Decree of March 9, 2020, which extended the provisions for the containment of COVID-19 at a national level, on the same date ADR temporarily suspended all of the surveys about perceived and delivered quality, including the surveys conducted for the purposes of the Service Charter, the Planning Agreement and the International Airport Service Quality (ASQ) benchmarking program conducted by ACI. Monitoring was subsequently resumed from July 8, 2020 to a reduced extent and only at Fiumicino airport. The resumption of monitoring is important as the values emerging from the surveys highlight the absence of operational criticalities despite the anti-COVID-19 measures, the operational constraints and the infrastructural fragmentation, despite the fact that given the extraordinary situation they are not comparable with the standards set or with the levels achieved in previous years.

Although partial monitoring of quality at Fiumicino airport has resumed only since July 8, 2020, the values of the indicators monitored are not relevant when compared with past or expected performance, due to reduced traffic volumes and the operational and infrastructural situation caused by COVID-19.

2020 initiatives

In line with what has been carried out in the past years and in line with the needs deriving from the health emergency, also in 2020 ADR is committed to identifying actions aiming to improve the passenger experience at both airports and maintain high levels of quality.

1) Accessibility in the city / airport and car park area

To improve the accessibility of Fiumicino airport, particular attention was paid to improving the orientation of passengers approaching the airport by installing films at the entrance doors, creating paths dedicated to passengers to use the taxi service and enhance the parking area by remaking signs, redefining the sectors and numbering of the spaces.

2) Terminal area processes

Some structural interventions and renovation of the areas were carried out at Fiumicino airport in 2020. In particular, the "I" and "J" Islands of the check-in area at Terminal 3 were restructured using new technology desks, signs and integrated monitors to be more easily identified by passengers. In the same area, dynamic signage systems were installed to guide passengers in check-in operations between the islands.

3) Airside processes

Some structural interventions aimed at the airside areas of Fiumicino airport contributed to improving operational efficiency. These include the "delivery at aircraft", a prototype of a slide installed on the loading bridges that allows objects such as strollers, blankets and wheelchairs to climb up the loading bridge, and the redesign of the BHS transport lines at Terminal 1.

4) Passenger services

Confirming the key role that the passenger plays for ADR, also in 2020 several initiatives were carried out at Fiumicino mainly focused on offering new types of services and installations aimed at involving passengers, also through social networks.

With a view to engaging with passengers in their experience at the airport, taking a picture and sharing it on social media, various installations have been created, in particular: anamorphic works depicting the Vitruvian Man, the Colosseum and the Last Judgment, Instagram stations where passengers can take selfies to post on social media. In addition, a competition called "Leonardo and the journey. Beyond the boundaries of man and space" was launched to mark the 500th anniversary of the death of Leonardo da Vinci to create contemporary works of art inspired by Leonardo's theme of travel. At the end of the competition, the works will remain on display at the airport, inside the boarding areas, to enhance the passenger experience.

Additional initiatives concern opening the "Pet Area", for passengers traveling with arriving and departing animals and therefore positioned in a central position between the 2 Terminals, on the secondary roads, as well as opening four play areas, for passengers traveling with their children and placed between boarding areas and baggage reclaim halls: Area E, Satellite, T1 and T3 baggage reclaim hall. Finally, the number of charging stations in the Satellite area has been doubled: for each of the columns present, an integrated structure was created which, by exploiting the adjacent seats, allows the wiring to be brought to the new support, doubling the existing charging points.

On the other hand, in Ciampino totems dedicated to passengers with reduced mobility were installed in the car parks allowing passengers to request assistance.

International awards, certifications and quality results 2020

For the fourth year in a row, ACI (Airports Council International) World – the international association that measures independently, through interviews with travelers, the quality perceived in more than 350 airports worldwide – has awarded Fiumicino airport the "Airport Service Quality Award" for 2020.

In 2020, the Airports Council International Europe judged Fiumicino Airport the best airport in Europe, giving it the "Best Airport Award", and it is **the first time** in history that the award has been awarded **exclusively to the same airport for three consecutive years in the European "Hubs" category**. This year, the award was granted in the hub category with over 40 million passengers and focuses on the measures and protocols adopted to contain the pandemic by introducing new technologies and processes aiming to permanently enhance the customer experience.

As a further confirmation of the levels reached in the fight against the spread of COVID-19, Fiumicino and Ciampino airports were the first in the world to obtain the "Biosafety Trust" certification issued by the certification body RINA Services, relating to the correct application of the system to prevent contagion due to infections from biological agents. A recognition that demonstrates how the protocols and measures adopted at "Leonardo da Vinci" and "GB Pastine" are cutting edge proce-

"Airport Service Quality Award" ACI 2020

In 2020 Fiumicino airport confirmed its leading position among European airports with over 40 million passengers for the fourth year in a row.

Best Airport Award 2020

For the third consecutive year Fiumicino airport was ranked first, this time in the category of hubs with over 40 million passengers, in terms of service quality, technological innovation and infrastructure efficiency.

Biosafety Trust Certification

Fiumicino and Ciampino are the first airports in the world to obtain the Biosafety Trust Certification issued by the certification body RINA SERVICES.

Airport Health Accreditation

Fiumicino and Ciampino are the first airports in the European Union to receive the Airport Health Accreditation of ACI (Airport Council International).

5 Skytrax stars for anti-COVID-19 measures

Fiumicino is the first airport in the world to receive the 5 Skytrax stars for safety measures and protocols.

Airport Health Measures Audit Program and SafeGuardTM certification

Fiumicino and Ciampino are the first airports in the world to obtain the SafeGuardTM certification, issued after the onsite audits carried out in December 2020 as part of the Airport Council International (ACI) Airport Health Measures Audit Program (AHMAP) in partnership with Bureau Veritas.

dures to contain the spread of viruses and represent an example of best practice to be considered as a benchmark to minimize the risks of spreading epidemics. This certification was obtained after a thorough examination by the certification body RINA. The body assessed the articulated Management System for the Prevention and Control of Infections, implemented by ADR in order to contain the spread of all the possible pathogens that could be carried at the airport, from the least dangerous viruses to the most harmful ones such as Ebola, Bacillus Anthracis and Sars-Cov2 (COVID-19). RINA inspectors firstly acquired all the documentation regarding the procedures and operating protocols at Fiumicino and Ciampino. Then they verified compliance with the international reference standards on which this innovative certification scheme is based (ISO 31000 - risk management and ISO 22301 - business continuity). Finally, the inspectors ascertained, through on-site inspections, the correct application of all procedures.

Another important international recognition obtained by the Roman airports in containing the spread of COVID-19 is the Airport Health Accreditation (AHA) issued by the Airports Council International (ACI). The ACI Airport Health Accreditation program provides airports with an assessment of how well their health measures align with ACI Aviation Business Restart and Recovery guidelines and recommendations from the ICAO Council Aviation Restart Task Force, along with industry best practices. The certification was obtained after a detailed assessment of the new health measures and procedures introduced following the COVID-19 pandemic by the management company of the two Roman airports. Among other things, cleaning and disinfecting airport spaces, maintaining physical distances, the protections provided to the staff and communicating with passengers were evaluated.

The ability to guarantee high levels of safety was also confirmed by Skytrax, the international organization ranking airlines and airports around the world, which awarded the maximum score of 5 stars for the measures and protocols adopted by "Leonardo da Vinci" airport, the first in the world to obtain this recognition. At the end of the investigation, in which all the measures adopted in the Fiumicino terminals were verified, including the examination of numerous airport surfaces (seats, lifts, escalators, etc.), it was confirmed that the anti-coronavirus measures were effectively adopted by ADR and "the airport continues to provide a positive impression of cleanliness, improving on the high standards already recorded in 2019".

Fiumicino and Ciampino airports also took part in the Airport Health Measures Audit Programme (AHMAP) developed by ACI in a partnership with Bureau Veritas, a world-renowned body providing certification and compliance assessment services for quality, environmental and safety systems. The AHMAP program consists of an onsite audit, done with the aim of validating and demonstrating the effective implementation in the field of measures to combat COVID-19. The audit process was carried out by Bureau Veritas inspectors, using a specific checklist developed by a group of health, safety, hygiene and air transport specialists to cover all aspects of health and safety measures and recommendations published by international organizations (ACI, ICAO, etc.). Following the onsite audits carried out in December 2020, the two Roman airports were deemed compliant at every stage of the airport processes, making them the first airports in the world to obtain the SafeGuard™ certification.

Finally, ADR was one of the first airport operators to adhere to the program developed by EASA (European Union Aviation Safety Agency) and ECDC (European Centre for Disease Prevention and Control) to develop specific guidelines whose purpose is to serve as a basic protocol for aeronautical health safety and provide a source of good practices on how airport operators, airlines and national aviation authorities can ensure the health and safety of passengers, as well as of operators in the sector, reducing the risk of virus transmission. In addition to compliance with the guidelines, the airports and airlines involved in the program are asked to record and monitor a series of KPIs relating to the different phases of the passenger's journey and to collect feedback on the measures established by EASA.

3.4. Rationalizing the use of infrastructure

The COVID-19 crisis has imposed a total reorganization of activities and services. ADR successfully tested the possibility of a flexible use of its infrastructures with clear benefits in terms of reducing operating costs.

To tackle the health emergency as efficiently as possible both in terms of safety and savings in management costs, ADR adopted a criterion to use airport infrastructures based on maximum operational flexibility of the Terminals.

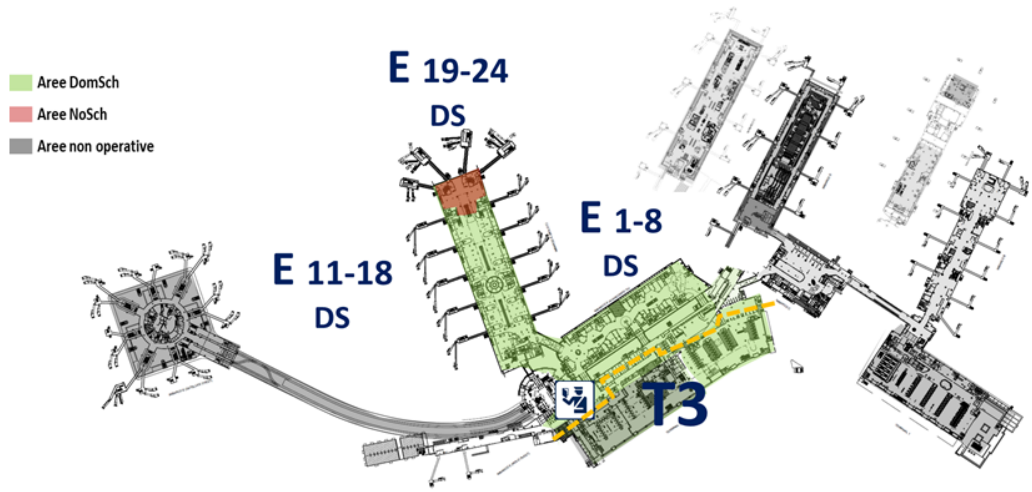
The significant and sudden reduction in traffic and the activation of new processes linked to the COVID-19 emergency led to the need to review the existing infrastructure structure in terms of using terminals and boarding gates.

Starting from March 17, 2020, passenger departure operations have been concentrated exclusively on Terminal 3 and Pier B first and on Boarding Area E from the summer season with a gradual closure of all other dedicated terminals.

On March 14, the Passenger terminal of Ciampino airport was closed and then reopened on June 16 in conditions of maximum health safety.

At the end of 2020, the operational configuration is shown in the following graph, with a significant reduction in the infrastructure used compared to full airport operations.

Infrastructural scenario: Hp. 4 "WEST - Extra Small Size"



OPERATING INFRASTRUCTURES:

Landside:
- T3 partialized departures
- T3 Arrivals

Airside:
- Schengen: E 1-18
- Extra Schengen: E 19-24

NB: Total max airside capacity calculated on the basis of the estimated capacity for departing passengers through the analysis of the simultaneous use of the boarding areas, updated with COVID-19 measures. Estimation, and consequent infrastructural scenario, subject to variation according to the distribution of the schedule throughout the day and to different modes of boarding and Load Factor (hp 70%).

3.5. Liquidity strengthening

Quickly ensuring financial security for the ADR Group was an absolute priority in 2020, second only to the health safety of passengers and employees. It was necessary to redefine the target levels for the financial liquidity needed to guarantee future financial commitments even in a situation of persistent and prolonged crisis.

In order to guarantee sufficient liquidity to support financial commitments even in a scenario of very negative prospective traffic, new short-medium term bank funding lines were activated in 2020, in addition to a "green" bond issue placed on the market at the end of November. The success achieved by this latest operation on the market has made ADR one of the first airports in the world to have responsibly and publicly undertaken a concrete commitment to financial sustainability and environmental impact mitigation projects.

Between the use of pre-existing bank lines and new funding lines, new financial resources were raised for 980 million euros (680 million euros from bank lines and 300 million euros from the aforementioned bond issue), given a repayment maturity of 100 million euros, which took place in November, and a further 400 million euros, which will expire at the end of February 2021. No further "bullet" debt repayments are expected during 2021.

As a result, the Group's current net debt stood at 1,434.6 million euros at December 31, 2020, an increase of 308.6 million euros compared to the end of 2019. In addition to available liquidity amounting to 1,097.2 million euros, this item also includes 1,406.3 million euros in bond issues and 886.2 million euros in bank loans, as well as the fair value of existing derivative instruments.

3.6. Sustainability and the environment

3.6.1. Environmental impacts

ADR has developed a 2021-2025 Sustainability Plan that summarizes the objectives and programs of each company function called upon to contribute to the purpose, and that ensures the coordination of programs and energies to make the airport an inclusive, sustainable place, oriented to the development of people and the territory. The new Sustainability Plan is based on three pillars, which constitute the drivers of the actions envisaged in the plan: 1) centrality of people (employees, passengers, business partners, etc.); 2) environmental sustainability of the activities; 3) economic and social development of the territories.

The three drivers of the plan are based on the structure of ADR's reference values and Governance, while the communication system ensures transparent communication with the various stakeholders and "verifiable" commitments and programs. The plan was drawn up with the intention of making a significant contribution to achieving the sustainability objectives defined at international level. For each of the drivers, a series of areas of intervention have been defined, which detail the objectives to be achieved and the actions that will be carried out over the next 5 years. For each area of intervention within the plan, transparent and objective KPIs have been defined to ensure the measurability and controllability of the level of implementation of the planned actions.

In this context, ADR became part of the United Nations Global Compact, the largest international platform on sustainability. Such an important result testifies to the group's commitment to environmental issues and the desire to increasingly integrate sustainability into its core business. Because of ADR's significant commitment to environmental issues, for the first time ever, the World Tourism Organization (UNWTO) awarded an airport, "Leonardo da Vinci" of Rome Fiumicino, with an official prize related to sustainability.

At the end of November 2020 ADR placed its first issue of a "green bond" dedicated to institutional investors. The operation proved very successful, having collected requests equal to more than 12 times the offer. This was the second European issue of this type and one of the first in the world, confirming ADR's determination to place sustainability among its strategic priorities, together with innovation and excellence in quality and safety. The green projects, financed through this operation, fall within the categories of interventions in line with the sustainable development goals of the UN Global Compact which the Group joined this year.

In December ADR successfully entered the international project called ALIGHT in which, in addition to Copenhagen airport, important research firms and operators in the sector participate. The purpose of the collaboration is to define the requirements and conditions that can lead to the decarbonization of the entire air transport chain by 2050, with significant impacts that can already be reached by the 2030 deadline.

Main features

The Planning Agreement (airport concession) signed with ENAC includes a series of environmental indicators that are periodically monitored and help identify a trend of improvement in environmental parameters, even though in 2020, the calculation of these parameters was suspended due to the effects of the pandemic. In short:

- reduced energy consumption at the terminals;
- energy production through photovoltaic systems;
- replacement of the car-pooling fleet with low-emission vehicles (mainly electric or hybrid);
- further optimization of the separate waste collection of non-hazardous waste in the passenger transit areas;
- reduced drinking water consumption per passenger;
- verification of environmental activities of the primary suppliers.

For Fiumicino airport, ADR also ensures the continuous monitoring of the main environmental parameters through a detailed Environmental Monitoring Plan, defined in compliance with Via Decree no. 236 of August 8, 2013.

Environmental governance

The achievement and maintenance for over twenty years of the first environmental certification according to the international standard ISO 14001 testifies to ADR's consolidated attention to environmental protection.

ADR has set up a Sustainability Committee, chaired by a person outside the company and in which the managing director, the general manager and all the company directors take part to support the definition of the objectives and the main intervention programs.

Every year the ADR Group updates the Environmental Sustainability Plan drawn up according to the international guidelines defined by the United Nations General Assembly through the SDGs (Sustainable Development Goals).

At the time of issuing the first "green bond", ADR set up a "Green Finance Committee" made up of financial and technical professionals and sustainability specialists in line with the principles established by the ICMA (International Capital Market Association). In addition to updating the Green Financing Framework, the Committee has the task of analyzing, selecting and controlling the "green capex" eligible for the use of dedicated financial resources.

The strategy

The strategy for the mitigation of environmental impacts is characterized by four macro-areas of intervention defined in the 2020 Environmental Sustainability Plan:

- analysis of processes in order to minimize their environmental impact;
- development and strengthening of environmental monitoring and control systems;
- improving communication and training to accelerate cultural change.

In addition, ADR exercises control over the activities of airport operators, obliging them to draw up the Environmental Document, before starting to operate at the airport, in which the methods for managing the environmental aspects related to their activities must be described. This document is approved by ADR and constitutes a formal commitment to respecting the environmental protection rules. ADR verifies, through its competent structures, compliance with what has been declared.

The activities

Procurement and water discharges

Fiumicino airport is characterized by the presence of a dual water network for discharge management that allows the consumption of drinking water to be separated from that intended for industrial use. Through the biological purifier, industrial water undergoes a sequence of treatments and sanitization steps before being fed into the distribution networks to reuse the purified water.

The main activities carried out in 2020 concerned a further strengthening of the water consumption monitoring system through the development of the new system for measuring the quantity of drinking water (which makes it possible to identify any leaks in the network). Furthermore, ACEA activated a single meter for the airport's drinking water supply system, making it possible to separate the management of ADR's water network from that of ACEA. The trend in water consumption is continuously monitored jointly with the supplier in order to promptly identify any flow anomalies.

Energy and emissions

The continuous commitment of ADR to improve energy efficiency was confirmed once again in 2020 by renewing the certification of the Energy Management System according to the update of the ISO 50001:2018 standard for both airports, making ADR one of the first to obtain the certification according to the new 2018 standard.

In 2020, 110.3 GWh were consumed by Fiumicino airport. Unlike in other years, it was not possible to construct the kWh/(passengers x square meters) indicator due to the drastic reduction in airport operations and in the number of passengers as a result of the COVID-19 pandemic. Despite careful management of the plants with respect to the areas used, this indicator would not be comparable with that of previous years. However, it is worth mentioning that from 2007 to 2019, the latter dropped from 16.3 to 7.7, a 52% reduction.

This performance confirmed the decreasing trend seen in previous years and was due to significant actions taken to improve energy efficiency, implemented on an ongoing basis over the years:

- the launch of an advanced system for managing the sequences of the refrigeration plants;
- the optimization of the automation and regulation systems of air conditioning systems with FDD logics ("Fault Detection and Diagnosis");
- the installation of large, extremely performing refrigeration units;
- lighting regulation and the activities of replacing lighting units using LED technology on almost all terminal areas and external roads, including the lighthouse towers in aircraft hangars;
- the continuous control of the functioning of the electrical and air conditioning systems, and the implementation of hundreds of optimization interventions carried out every year.

In 2020 ADR participated in a research and innovation program of the European Commission, called Horizon 2020, which allocated funds for the "Smart Airports" project, winning the European tender to create the airport of the future. The results of the project will aim to inspire the airports of the entire European continent towards a reconversion of all processes in an eco-sustainable key. Fiumicino airport, together with Copenhagen airport, will study the processes and local logistics of the fuels of the future for aircraft, be it biofuels, e-fuels, hydrogen or electricity. Furthermore, the concept of the Smart Energy Airport of the future will be developed, maximizing the production of energy from renewable sources, energy storage and the use of electricity for vehicular mobility in airports.

In 2019 ADR was the first airport in the world to have joined the EP100, achieving the ambitious result of a 100% increase in energy productivity compared to 2006.

In 2020, based on the corporate procedure on Efficiency Monitoring, despite the partial closure of the terminal, approximately 310 reports were made that allowed the operational optimization of the systems with consequent energy savings.

Ciampino airport consumed 7.56 GWh in 2020; as for Fiumicino it was not possible to calculate the kWh/(passengers x square meters) indicator due to the reduction in passengers and operations at the airport. However, please note that in 2019 this indicator was 8.7, down 24% from the value of 11.4 recorded in 2009.

In order to combat climate change, at the beginning of 2020, ADR confirmed the 3+ level of ACA "Carbon Neutrality" accreditation for Ciampino airport. The certification was not renewed for Fiumicino airport since, due to the pandemic, ACI EUROPE extended its period of validity, in line with the temporary changes made to the Airport Carbon Accreditation program in order to address the challenges caused by COVID-19. At the end of 2020, ACI Europe introduced two other accreditation levels: 4 (Transformation) and 4+ (Transition). With a view to continuous improvement and the commitment undertaken by ADR in the fight against climate change, in 2021 we will apply for the 4+ level certification for both airports.
Design continued for the installation of a large 30 MW photovoltaic panel system in the air-side area of Fiumicino airport.

WASTE MANAGEMENT

In 2020 Fiumicino airport produced 4,793 tons of waste, including 974.8 tons relating to types of waste that by their nature cannot be sorted. Net of these types of waste, 98% of the waste produced was sent for recycling in 2020; this percentage is in line with 2019 and was achieved thanks to the systematic supervision of the daily management of activities, despite the operational difficulties caused by reconfiguring the processes due to the pandemic.

At Ciampino airport, 560 tons of waste were generated in 2020 (1,130 tons in 2019), including 0.4 tons of mixed packaging produced by handlers. 65% of the waste produced was sent for recycling; this is a precautionary percentage as it does not consider those fractions that, despite having the code relating to recycled waste, were collected in areas where ADR does not have complete control over the methods of disposal.

> 98% of waste produced at Fiumicino airport in 2020 was sorted.
> 65% of waste produced at Ciampino airport in 2020 was sorted

The Group's line of action was arranged along the following main guidelines:

- **reduction in waste produced**

  Starting from the almost complete recycling of the waste produced, ADR has decided to commit to a reduction in the waste produced at the airport. Compared to the total waste produced in 2019 at Fiumicino airport, equal to 293 kg of waste for every thousand passengers using the airport (the 2020 figure is not significant in relation to the reduction in traffic), the goal is to reach approximately 263 Kg by 2030. This result is expected to be achieved through:

  - collaboration with sub-concessionaires for the systematic reduction of packaging and plastic in particular;

- the activation of programs for the reduction of production, by ADR, of some fractions: for example, it is planned to reduce the quantity of sewage sludge by desiccation.

- **sorting development**

Thanks to the high levels of sorting achieved, ADR has activated targeted recycling programs for some fractions, in particular for food waste and the plastic of water bottles:

- self-composting plant for food waste produced by food & beverage sub-concessionaires, in operation at Fiumicino airport. The compost obtained is reused in the green areas of the airport as a soil improver; in addition, the procedure was initiated to request authorization to transfer the compost produced also to third parties;
- reuse of plastic, by creating work clothing made from yarn produced from plastic bottles collected in the terminals.

These initiatives are made possible by the widespread and consolidated system of collection of waste produced in the terminals carried out "door-to-door" and the application of accurate pricing, aimed at rewarding virtuous behavior and discouraging non-compliant delivery methods. In 2020, actions were implemented aiming to further improve the behavior of operators such as:

- targeted reporting with the aim of illustrating the performance achieved for each operator;
- development of the control system (product analysis of the undifferentiated fraction and controls on the operating methods applied by the company that manages the waste collection and disposal service for ADR) and ad hoc communication actions.

Again with a view to environmental protection and social commitment, cooperation with the non-profit organization Banco Building was launched in 2020, which will make it possible to reuse assets otherwise destined for landfills, combating the culture of waste in favor of that of solidarity and inclusiveness.

Acoustic impact

In both airports, noise pollution monitoring activities continued in 2020, in compliance with legal requirements, as did the communication with ARPA Lazio, which is responsible for controlling the monitoring systems.

Full compliance with the LVA indicator (Airport Noise Assessment Level) required by the relevant legislation was found at all measurement points around both airports. This result was significantly affected by the drastic decline in traffic resulting from the effects of the pandemic, even if full compliance with the acoustic values was already recorded for Fiumicino in 2019, while for Ciampino airport it was found that they were exceeded at only one measurement point.

Fiumicino

The collaboration with ENAV, which began in 2018, continued also in 2020, to assess the possible actions to be taken to limit the acoustic impact of airport operations on the areas surrounding the airport.

The use of runway 1, which is adjacent to the Fiumicino and Fregene areas, gradually decreased in 2017, 2018 and 2019, to the benefit of the runway 3, which is instead close to less densely populated areas; the effects of this practice proved less evident in 2020, due to the reduction in traffic.

Ciampino

The "Noise containment and abatement plan" presented by ADR and approved by the Ministry of the Environment and Protection of Land and Sea with Ministerial Decree no. 345/2018 is currently being implemented, for the part on soundproofing of school buildings.

A dispute is underway with the Ministry of the Environment and others on some aspects of the Noise containment plan that reduces the airport's capacity.

Table 1 – Fiumicino

	M.U.	2020	2019	2018
Water consumption				
Total water withdrawal per source of supply:	m^3	1,787,477	2,120,523	2,092,978
Drinking water	m^3	560,745	883,526	842,978
Industrial and firefighting water	m^3	1,226,732	1,237,000	1,250,000
Energy consumption				
Total consumption of energy by type:				
Electricity	kWh	110,329,105	155,298,605	169,248,356
Methane (1)	m^3	6,075,963.30	8,387,551.34	6,858,156
Diesel (2)	l	53,393	88,700	41,948
Consumption of green fuel for vehicle fleet (3)	l	185,514	62,350	67,283
Consumption of diesel for vehicle fleet (3)	l	47,108	369,317	390,167
Emissions				
Direct CO_2 emissions	t	1,572(5)	2,836(6)	2,656
Indirect CO_2 emissions (4)	t	41,918(5)	54,761(6)	56,072
Waste				
Production of waste (7)	t	4,793	12,775	11,545
Total waste sent for recycling	%	98%(8)	98%(8)	96%(8)

(1) Inclusive of the thermal energy purchased, expressed in m^3, and methane gas for boilers.

(2) Diesel oil has been used only for the generators and not for heating.

(3) Unlike in previous years, when also the values of subsidiary undertakings were reported, for 2019 the values refer exclusively to ADR S.p.A. vehicles that refuel at the plant located in the AIR-SIDE area inside point 1.

(4) Indirect emissions linked to energy consumption at Fiumicino excluding third party consumption.

(5) Data related to 2020 will be audited by the competent authority in 2022.

(6) Data related to 2019, for Fiumicino Airport, will be audited by the competent authority in 2022.

(7) Inclusive of waste produced by third parties and handled by ADR acting as intermediary.

(8) Figures net of the waste consisting of "septic tank sludge and mixtures of water and grease" as these cannot be sent for recovery and increased in 2019 as a result of new plants under ADR's responsibility.

Table 2 – Ciampino

	M.U.	2020	2019	2018
Water consumption				
Total water withdrawal per source of supply:	m^3	*112,394*	101,300	100,236
Drinking water	m^3	*112,394*	101,300	100,236
Industrial water	m^3	0	0	0
Energy consumption				
Total consumption of energy by type:				
Electricity	kWh	*7,604*,325	10,271,000	11,381,032
Methane	m^3	459,434	504,545	561,056
Diesel (1)	l	10,580	7,993	3,000
Consumption of green fuel for vehicle fleet	l	3,210	5,075	7,590
Consumption of diesel for vehicle fleet	l	23,218	59,238	52,945
Emissions				
Direct CO_2 emissions	t	936 (3)	1,163 (4)	1,102
Indirect CO_2 emissions (2)	t	2,204 (3)	2,642 (4)	2,779
Waste				
Production of waste by type(5)	t	561	1,132	1,702
Total waste sent for recycling	%	65% (6)	74% (6)	68% (6)

(1) Diesel oil has been used only for the generators and not for heating.

(2) Indirect emissions linked to energy consumption at Ciampino excluding third party consumption.

(3) Data related to 2020 will be audited by the competent authority in 2022.

(4) The CO_2 emissions in 2019 were verified and validated in 2020, maintaining the maximum level of the ACA certification (3+ - Neutrality).

(5) Inclusive of waste produced by third parties and handled by ADR acting as intermediary.

(6) Figure without "packaging produced by handlers". The percentage of waste sent for recovery consists only of unsorted municipal waste from the door-to-door collection service, which started in June 2018.

3.6.2. People and the supply chain

3.6.2.1. ADR Group staff

In a context so compromised by the pandemic, the enhancement of human capital has taken on even greater importance because the commitment and motivation necessary to face an extraordinary operational situation that required a new and challenging re-organization of work was greater.

The ADR Group manages a complex and constantly evolving situation in terms of operations, where competence, professionalism and effectiveness are required. The people working at the company are fundamental for the achievement of the quali-quantitative objectives that enable Business Continuity, security and quality of airport service.

The year 2020 was heavily impacted by the COVID-19 crisis that, starting in March, affected the air transport sector, giving even more importance to the resilience of people and their professionalism as enabling factors for reconverting services according to the market's changing needs and for achieving corporate objectives.

For all these reasons, the group considers the enhancement of human capital among its strategic drivers, which it pursues through the development of HR processes both to support business objectives and aimed at listening, supporting and engaging its employees.

Employees as of December 31, 2020 amounted to 3,117, down by 442 units (-12%) compared to the end of 2019.

The Group's FY 2020 average headcount was 2,967.5 full time equivalent (fte), down 257 fte (-8%) from FY 2019, mainly due to a reduction in passenger traffic due to the outbreak of the COVID-19 epidemic and resignations during the year.

The impact, in terms of reduction towards 2019, is more evident if the hours of activity (approx. -1,095.7 full time equivalents) are considered, which decreased due to the effect of the valuation of the hours of Work Suspension due to the use of social security benefits (CIGS/FIS) and the consequent cancellation of the use of overtime, as well as the extraordinary holiday entitlement plan.

The average permanent workforce totaled 2,869.5 full time equivalents, an increase of 121.8 full time equivalents (+4.4%) compared to 2019 due to the stabilizations of June 2019 as a result of the application of Italian Law Decree no. 87/2018 converted into Italian Law no. 96/2018 (so-called Dignity Decree).

2020 activities

Training

38,919 hours of training and education provided in total, of which:

1) 8,479 hours as part of the Customer Experience and Education
2) 6,478 hours on health and safety
3) 6,052 hours on compliance
4) *5,457* hours on airport safety

7,324 attendances

273 thousand euros spent

As part of the Customer Experience, in the first few months of the year the Lavorare in SquADRa project was carried out, dedicated to the supervisors of ADR Assistance.

With the COVID-19 emergency, the new protection and safety protocols subsequently led to a new planning of training interventions towards a multimedia use. In particular, the ADR Group has designed digital paths for around 500 resources aimed at building the capabilities needed to innovate the services offered to passengers towards the digital experience (Artificial Intelligence, Augmented and mixed reality, Customer Experience, Design Thinking, Cyber Security, Block Chain, Digital Communication).

A further investment concerned the use and improved knowledge of the English language for 500 operational colleagues, offering the possibility to benefit from customized individual training courses, in e-learning mode, for a total of 7,248 hours provided. Still in the area of Service Quality, continuity was given to the On Boarding project for new hires, in collaboration with the parent company Atlantia, dedicated to the development of organizational and transversal skills to accelerate the effective interpretation of the role by young new hires.

938 resources were trained in Occupational Health and Safety, for a total of 6,478 hours. Also in this case, training and education activities were affected by the impacts of the health emergency following the spread of COVID-19, concentrating, except for the first three months of the year, on the activation of courses on the sanitation of airport environments (for Airport Cleaning resources) and training courses for Behavior Observers, as required for by the new Biosafety Certification at Fiumicino and Ciampino.

In terms of Compliance, e-learning courses were organized on the topics of Anti-corruption, the 231/01 organizational model and GDPR, Behavioral Standards on emergency management, PRM and Cat 13, for a total of 3,067 participants and 6,052 hours.

Finally, 5,457 hours of specialized technical airport safety training were provided in 2020, primarily to staff in the Airport Management area, regarding specialized and general recurrent training courses to obtain/maintain qualifications, refresher courses regarding new regulations or internal reference procedures and training on the management of new health and safety risks.

Development

ADR constantly monitors the performance of its resources to assess their potential, motivations, aspirations and expectations and the way they evolve over time hand in hand with the organization and business challenges.

During 2020, the following were activated, with particular reference to the first quarter:

- **individual assessments** geared towards skill development and the arrangement of improvement plans;
- **Individual coaching** to support the growth of those resources who have been assigned new responsibilities;

Lastly, **proximity interviews** were intensified, aimed at listening, motivating and supporting employees, also by sharing the actions taken by the Group in reaction to the COVID-19 emergency.

Workers' health and safety

The ADR Group adopted a management system, certified according to the UNI ISO 45001:2018 international standard, applied to the companies ADR, ADR Assistance, ADR Security and Airport Cleaning.

The activities relating to Health and Safety carried out in 2020 focused on the definition and management of the risks associated with the spread of COVID-19 among employees. In particular:

> 100% of staff covered by the OHSAS 18001 certified health and safety management system.
>
> 91,458 euros were spent for training on Health and Safety.

- issue and continuous updating of the specific Risk Assessment Document relating to COVID-19 infection. The risk assessment was carried out specifically in relation to the biological risk of exposure to the virus by the personnel of the ADR Group;
- issue of the "Company Protocol for containing COVID-19 contagions", with the aim of defining and implementing measures to prevent and protect against the risk of contagion among workers, in order to allow the continuation of the activity in compliance with their safety.

In 2020, 62 accidents in the workplace were recorded and 31 accidents while traveling to and from work. The analysis of the accidents in the workplace and the near misses is systematically carried out in order to identify opportunities to improve the safety levels.

People care

ADR has finalized several corporate welfare tools dedicated to individuals and their families, in order to consolidate the support and proximity of the company to its employees in a period made very delicate by the pandemic.

The initiatives activated can be traced back to three macro-areas:

- **Listening**: focus groups and tools to encourage contributions in terms of improving company projects, as well as to provide psychological assistance in case of need;
- **Engagement**: actions that favor the active involvement of people, stimulating their sense of belonging;
- **Support**: projects that concretely support people in their basic needs (health, guarantee, safety), also facilitating the management of everyday life and improving the balance between private life and work.

Initiatives	Description	No. of recipients
LISTENING MACRO AREA		
Surveys and Focus groups	Before opening the "BabyGate" company nursery, surveys and focus groups were organized for parents, with the aim of assessing the satisfaction of the initiative, parents' interest in enrolling their children and the main needs to be met, in terms of time flexibility, especially for parents working shifts.	227 target parents were involved
Psychological support	A free agreement was signed with the Italian Society of Bioenergetic Analysis to offer a listening service and psychological support by external professionals. Employees and their families were able to hold 4 free interviews - also for issues connected with the COVID-19 emergency. Afterwards, they were able to take advantage of particularly advantageous rates.	17 people used the service.
ENGAGEMENT MACRO AREA		
Smart Working	The Smart Working implementation project for the personnel of the staff areas, which was originally expected to start by summer 2020, was accelerated in the face of the situation related to COVID-19, in order to minimize interpersonal contacts in the business environment. Given the above, the new Agile Work mode was launched on March 2, for an experimental period of 6 months, which was extended to take into account the persisting health emergency.	759 resources were involved.
Blood donation	A blood donation day was organized in February 2020 with the collaboration of the local Avis section and the ADR Emergency Department. In the days preceding the event, an informative and involving "light desk" was organized to encourage more aware "collective" sensitivity on a gesture of solidarity.	25 employees took part.
Solidarity permits	Introduction of solidarity permits as an arrangement regulated by a Trade Union Agreement, which provides for the voluntary transfer of holidays and permits to help colleagues who, for serious reasons, have used all of their contractual leave. In the event of a request, ad hoc communication campaigns are activated in order to collect the number of hours needed to cover the absences of colleagues in difficulty.	March 2020 saw the conclusion of the first donation campaign, in which 152 colleagues participated, for a total of 1,055 hours of paid leave donated.
Employee ownership scheme	As part of the Atlantia Group's initiatives, each ADR Group employee was granted 75 shares free of charge and on a voluntary basis (with an equivalent value of approximately 1,000 euros).	2,674 resources were involved.
Other engagement initiatives	In December, gift packages with food products and Christmas sweets were sent to the homes of all the staff of ADR and its subsidiary undertakings.	3,139 gift packages were distributed.
SUPPORT MACRO AREA		
Health prevention	The ADR Group has promoted a gesture of prevention and responsibility in the fight against COVID-19. In July 2020, a preventive campaign was launched with the administration of serological tests carried out voluntarily and free of charge at the emergency room of Fiumicino airport. In addition, a free vaccination campaign against seasonal flu was launched in December at affiliated health facilities paid for by ADR.	A total of 1,091 employees participated.

Accident and life policies	In May 2020, ADR activated the life insurance policy for all employees of the Group companies and for ADR's medical staff. This coverage is added to the accident policy already in place and also includes a Total Permanent Disability guarantee.	There were 3,248 beneficiaries.
Supplementary health care coverage	As regards the health care coverage activated, the Unisalute policy for non-executive employees belonging to Group companies with an air transport contract and the Fasidi policy for executives should be noted. As part of the coverage provided by the Unisalute policy, in 2020 the guarantee relating to the reimbursement of expenses for COVID-19 was also introduced.	There were 3,477 beneficiaries.
Nurseries	On December 7, 2020 the ADR "Baby Gate" company nursery was inaugurated for the children of employees aged 3 to 36 months. It is based in a building with high environmental sustainability, for which ADR has managed to obtain the LEED® Gold certification, according to a program that promotes a sustainability-oriented approach, enhancing the characteristics of the works carried out based on energy and water saving, reduced CO_2 emissions, improvement of the ecological quality of the interiors, materials and resources used, design and choice of the site.	12 children registered.
Summer camps for employees' children	ADR CAMP is an initiative launched in June to provide support to families and facilitate the management of children aged 4 to 16 when school is closed. Contributions have been made in the form of partial reimbursement for the attendance of two weeks of summer camp chosen by the families.	44 grants were awarded.
University scholarships	University scholarships are provided to cover university expenses for the most deserving students who have obtained a Bachelor's and/or Master's degree.	Five scholarships were awarded out of the 8 provided.
Tax consulting	The Company provides all ADR Group personnel with a free tax assistance service.	37 people chose to use the service.
Public transport facilities	ADR refunds the cost incurred for train cards and provides a shuttle service.	There were a total of 273 beneficiaries.
Carpooling	In the first part of the year, the company carpooling initiative was followed up, which makes it possible for colleagues to share the same car journey.	622 employees registered with the service.
Company canteen and meal vouchers	The catering service was guaranteed through agreements with structures present at the airport or alternatively through meal vouchers.	3,116 people used the service
Personal services and utilities	In July 2020, in order to provide support for the receipt of private correspondence for employees, an Amazon locker was installed and activated near the PR10 car park to receive packages purchased through the Amazon site.	On average, 60-65 parcels are delivered to the Locker per week.
Family support services and utilities	Trova Subito initiative: provides free access to the YoopiesAtWork online platform to search for candidates and professionals for childcare, homework and tutoring help, housekeepers and cleaners, pet sitting and access to a network of qualified professionals for the assistance of the elderly	111 employees registered with the service.

Industrial and trade union relations

During 2020, the dialogue between ADR and the Social partners mainly focused on:

- issues arising from the drastic reduction in the volume of airport activities due to the health emergency with the consequent need to activate social security benefits (CIGS/FIS, Air Transport Fund). The Company and the trade unions met on a monthly basis to monitor and evaluate the applicative aspects of the CIGS/FIS, signing specific agreements with the Social Partners that allowed the necessary containment of payroll costs. With this purpose, during the year, further agreements with the trade unions extended the use of social security benefits;
- the finalization, in December, of an agreement for the application of a redundancy incentive plan aimed at a structural reduction of the workforce;
- participation, within the Assaeroporti Association, in the negotiation for the renewal of the National Collective Bargaining Agreement for Air Transport - Specific Part regarding Airport Operators, then signed with the trade unions on January 17, 2020;
- finalizing the 2019 Result Bonus.

Attracting talents and Employer Branding

ADR committed to developing and enhancing relations between the company and local schools through partnerships and internships with students from different schools and universities (La Sapienza, Roma 3, Tor Vergata, Luiss, Università di Firenze, Università Europea, Link Campus, UNINETTUNO).

As a result of these partnerships, in the first two months of the year seven newly graduates were hired in the company, with qualifications mainly in the economic and engineering area, for training internships.

TABLE 1. Main human resource indicators

	M.U.	12.31.2020	12.31.2019	12.31.2018
ADR Group headcount by qualification (actual headcount)	No.	**3,117**	**3,559**	**3,453**
Managers	No.	54	48	48
Administrative staff	No.	276	270	249
White-collar	No.	1,720	2,016	2,004
Blue-collar	No.	1,067	1,225	1,152
ADR Group headcount by company (actual headcount)	No.	**3,117**	**3,559**	**3,453**
ADR	No.	1,374	1,456	1,401
ADR Tel	No.	51	51	55
ADR Assistance	No.	326	387	389
ADR Security	No.	807	1,007	990
ADR Mobility	No.	58	62	61
Airport Cleaning	No.	501	596	557
ADR Group headcount by contract type (actual headcount)	No.	**3,117**	**3,559**	**3,453**
Open-ended contract	No.	3,108	3,104	2,789
Fixed-term contract	No.	9	455	664
	M.U.	**2020**	**2019**	**2018**
ADR Group headcount by qualification (average headcount)	FTE	**2,967.5**	**3,224.5**	**3,137.6**
Managers	FTE	51.2	47.6	51.5
Administrative staff	FTE	279.4	265.6	241.1
White-collar	FTE	1,623.5	1,778.4	1,752.7
Blue-collar	FTE	1,013.4	1,132.9	1,092.3
ADR Group headcount by company (average headcount)	FTE	**2,967.5**	**3,224.5**	**3,137.6**
ADR	FTE	1,380.1	1,401.1	1,365.9
ADR Tel	FTE	51.6	54.4	57.4
ADR Assistance	FTE	289.9	377.3	350.6
ADR Security	FTE	707.8	799.3	780.2
ADR Mobility	FTE	56.7	61.8	62.5
Airport Cleaning	FTE	481.4	530.6	521.0
ADR Group headcount by contract type (average headcount)	FTE	**2,967.5**	**3,224.5**	**3,137.6**
Open-ended contract	FTE	2,869.5	2,747.7	2,581.1
Fixed-term contract	FTE	98.0	476.7	556.5
Passengers/FTE employees	FTE	**3,859**	**15,324**	**15,564**
ADR Group headcount by age bracket				
< 35	%	16%	26%	26%
36-45	%	36%	34%	33%
46-55	%	32%	28%	29%
> 55	%	16%	12%	12%
ADR Group headcount by educational qualification				
Degree	%	22%	23%	23%
Diploma	%	53%	53%	53%
Turnover rate				
negative turnover rate	%	2%	4%	2%
positive turnover rate	%	1%	16%	3%

TABLE 2. Industrial relations and trade union relations indicators

	M.U.	12.31.2020	12.31.2019	12.31.2018
Percentage of employees adhering to collective agreements	%	100%	100%	100%
Number of agreements signed with trade union organizations	No.	13	16	32
Diversity				
Women out of the total workforce	%	37%	40%	39%
Women in managerial positions	%	3.00%	0.50%	1.00%
Training				
Training expenses	euro/000	273	774	575
Average hours of training per employee per annum	h	13	28	26
Training by area:				
Health	%	17%	47%	35%
Airport security	%	26%	11%	16%
Managerial	%	7%	8%	7%
Role-specific - Specialist Technician	%	50%	34%	42%
Health and safety in the workplace				
Expenses for health in the workplace	euro/000	330	1070	956
Employee accidents	No.	93	270	304
Accident severity index for employees	%	4.30%	3.60%	4.80%
Fatalities	No.	0	0	0
Number of Workers' Safety Representatives (WSR)	No.	10	10	11

3.6.2.2. Supply chain

ADR pursues a procurement strategy oriented towards sustainability, efficiency, innovation and service quality by using tools and procedures that guide the sourcing process, encouraging virtuous behavior from current and potential suppliers. Starting from 2020, BioSafety certifications and actions to contain potential epidemiological risks are recognized as a distinctive factor among the criteria used for the composition of the Vendor List.

Main features

ADR belongs to the so-called "special sectors", i.e. those entities carrying out, among others, "...activities relating to the exploitation of a geographical area for the purpose of making airports available". For this reason, it is required to apply the Italian Legislative Decree no. 50/2016 (Code of Public Tenders) and, therefore, to call EU public tenders for the awarding of works, supply and service contracts, when pertaining to the role of concessionaire and for amounts that are above the respective EU thresholds.

ADR internal regulations

a) direct award for a unit amount of up to 300,000 euros
b) invitation to tender between companies registered in the Register and with appropriate SOA qualification, for amounts between 300,000 euros and 5,350,000 euros
c) direct awards limited to amounts up to 100,000 euros for the supply of goods and services.

As provided for by the Code, ADR has also adopted internal regulations for the awarding of contracts "below the threshold", arranging for it to be used also for awarding "private" contracts, i.e. when operating in areas that are not directly related to the airport.

The purchasing process

The e-procurement platform

In order to manage purchases, procurement of goods, services and works, as well as the process of registration and qualification of suppliers, ADR has adopted an e-procurement platform that allows suppliers to manage their own qualification process in order to become part of the Vendor Register, ensuring them actual advantages, including:

- transparency and equal award opportunities in the procedures for the selection of contractors;
- reduced time required for the preparation and submission of tenders;
- authenticity, competitiveness and integrity in data exchange.

1,908 qualified suppliers registered

889 suppliers "used" in 2020

On the Portal, suppliers have a chance to fill in a questionnaire on general, economic and sustainability data (human rights, labor, environment, anti-corruption) and to digitally sign the Registration Contract whereby they declare to be aware that ADR has adopted its own Model pursuant to Italian Legislative Decree no. 231/2001 and a Code of Ethics (both available on the website www.adr.it)

During the qualification process, compliance with the requirements, the quality of the references held and the respect of the ADR Group's sustainability values is carefully assessed.

Those companies that obtain the qualification are included in the list of Qualified Suppliers for a period of three years, during which they must maintain compliance with the set requirements.

The vendor rating system

In order to have an increasingly responsible supply chain, seize opportunities and mitigate any economic, environmental, ethical and social risks, ADR has adopted a Vendor Rating system, as a tool to assess both the medium/long-term sustainability of suppliers requesting registration in the Vendor Register ("Qualification Vendor Rating") and the level of performance expressed by suppliers in relation to each individual contract awarded to them ("Performance Vendor Rating").

> 356 suppliers assessed on the basis of ethical, social and environmental criteria.
>
> 44% of orders awarded to suppliers from the Lazio region.

The Qualification Vendor Rating assesses the potential reliability of the supplier, based on information extracted from the Qualification Questionnaire and economic and financial databases managed by leading operators in the sector relating to two distinct macro areas: Corporate Social Responsibility (CSR) and economic-financial soundness.

The Performance Vendor Rating assesses the commercial (timeliness of responses, competitiveness) and technical (quality, reliability, punctuality) aspects of the suppliers awarded an order.

Both systems, together with other criteria based on supplier rotation and scouting, are used to invite suppliers to informal tenders (vendor list).

The activities

Widen the set of information on suppliers. This project was launched in 2019 and is expected to become fully operational in 2021. Its aim is to increase the set of information on the Group's suppliers by integrating, in a single database, the assessments resulting from the audits and checks carried out by the various company departments which, due to their activities, examine the performance of the supplier or sub-supplier in the field. Such integration of information provides an overview of the supplier's legal compliance and monitoring of environmental, social and ethical issues.

> In 2020 the types of procurement on the total orders were as follows:
>
> - Works (58%)
> - Services (31%)
> - Supplies (12%)

A cross-functional ADR team has been created in order to:

- share the results of the assessments performed;
- share and optimize the Activity Plan of the different specific areas concerning suppliers;
- use the various supplier assessments in the preparation of Vendor Lists, in the phase of identifying the suppliers to be invited to tender.

Premiums linked to environmental sustainability. This activity concerns the definition of environmental sustainability criteria to be included in the tenders awarded on the basis of the most economically advantageous bid as assessment elements in relation to premiums, which will be progressively extended to a larger number of product categories. In addition, reward criteria have been implemented in the management of the Vendor List for BioSafety certification and for the containment of potential epidemiological risks. The application of such criteria is aimed at increasing the effectiveness of a selective tool aimed at qualifying supplies, works and services in environmental terms along the entire life cycle. During 2020, out of the total number of tenders awarded to the most economically advantageous bids, around 60% were awarded made according to this approach.

	M.U.	2020	2019	2018
Number of orders by geographic origin				
Local	%	51%	48%	44%
Other Italy	%	44%	48%	52%
Abroad	%	5%	4%	4%
Value of orders by geographic origin				
Local	%	54%	46%	60%
Other Italy	%	44%	49%	38%
Abroad	%	2%	5%	2%

* * *

Note that ADR enforced the exemption from the preparation of the non-financial statement in compliance with art. 6, paragraph 1 of Italian Legislative Decree no. 254 of December 30, 2016, since ADR, together with the companies of the Group, is included in the consolidated non-financial statement disclosed by the parent company Atlantia S.p.A..

3.7. Economic and financial situation

3.7.1. Consolidated economic performance

TABLE 1. Reclassified consolidated income statement

(THOUSANDS OF EUROS)	2020	2019	Change	% change
Revenues from airport management of which:	260,716	941,479	(680,763)	(72.3%)
aeronautical revenues	*170,836*	*673,428*	*(502,592)*	*(74.6%)*
non-aeronautical revenues	*89,880*	*268,051*	*(178,171)*	*(66.5%)*
Revenues from construction services	98,882	174,386	(75,504)	(43.3%)
Other operating income	12,436	13,234	(798)	(6.0%)
Total revenues	**372,034**	**1,129,099**	**(757,065)**	**(67.1%)**
External operating costs	(126,927)	(163,383)	36,456	(22.3%)
Costs for construction services	(92,201)	(164,797)	72,596	(44.1%)
Concession fees	(8,299)	(36,728)	28,429	(77.4%)
Payroll costs	(120,007)	(168,901)	48,894	(28.9%)
(Allocation to) Re-absorption of allowances for risks and charges	956	(1,360)	2,316	(170.3%)
Total net operating costs	**(346,478)**	**(535,169)**	**188,691**	**(35.3%)**
Gross operating margin (EBITDA)	**25,556**	**593,930**	**(568,374)**	**(95.7%)**
Amortization and depreciation, write-downs and reversals	(107,836)	(107,068)	(768)	0.7%
Provisions for renovation and other adjusting provisions	(41,354)	(57,989)	16,635	(28.7%)
Operating income (EBIT)	**(123,634)**	**428,873**	**(552,507)**	**(128.8%)**
Financial income (expense)	(58,317)	(52,084)	(6,233)	12.0%
Share of profit (loss) of associates accounted for using the equity method	342	(8,640)	8,982	(104.0%)
Income (loss) before taxes from continuing operations	**(181,609)**	**368,149**	**(549,758)**	**(149.3%)**
Taxes	37,925	(122,988)	160,913	(130.8%)
Net income (loss) from continuing operations	**(143,684)**	**245,161**	**(388,845)**	**(158.6%)**
Net income (loss) from discontinued operations	0	0	0	0.0%
Net income (loss) for the year	**(143,684)**	**245,161**	**(388,845)**	**(158.6%)**
Share of income (loss) for the year pertaining to third party shareholders	0	0	0	0.0%
Group share of income (loss) for the year	**(143,684)**	**245,161**	**(388,845)**	**(158.6%)**

Revenues

- Revenues from airport management, equal to 260.7 million euros, dropped by 72.3% overall compared to the reference year, recording a negative trend in all of the components. Aeronautical *activities* directly connected to traffic trends recorded a 74.6% drop. Also the non-aeronautical segment, with revenues down by 66.5%, was affected by the drop in traffic and terminal closures; in detail, revenues from commercial sub-concessions fell by 80.0%, whilst those from real estate sub-concessions fell by 39.5%; revenues from car parks fell by 67.3% and those from advertising fell by 72.9%.
- Revenues from construction services amounted to 98.9 million euros, down 75.5 million euros from 2019 due to the temporary suspension of non-essential work as a result of the pandemic crisis
- Other operating income amounted to 12.4 million euros, down 0.8 million euros compared to 2019, consequently to lower expense recoveries.

Net operating costs

- External operating costs were equal to 126.9 million euros, falling by 36.5 million euros overall compared to 2019 (-22.3%). This performance was affected by the cost containment measures implemented from March onwards. The partial use of infrastructures has led to a reduction in costs for electricity, maintenance and cleaning. Expenses relating to commercial initiatives also decreased.
- Costs for construction services, equal to 92.2 million euros, fell, consistently with the trend of the corresponding revenues, by 72.6 million euros compared to 2019.
- The liability for concession fees, directly correlated to traffic trends, amounts to 8.3 million euros, a decrease of 28.4 million euros compared to 2019.
- Payroll costs, totaling 120.0 million euros, also fell by 28.9% (down 48.9 million euros) as a result of the various internal cost-cutting measures implemented by the Group. In particular, the available regulatory instruments (social security benefits - CIGS) were used and all variable bonuses were zeroed. These effects were partially offset by provisions for risks and charges of 5.7 million euros, classified under payroll costs, in relation to the redundancy plan provided for in the trade union agreement of December 1, 2020.
- (Allocation to) Re-absorption of allowances for risks and charges amounted to +1 million euros due to the effect of re-absorption of pre-existing provisions; in the comparative year this item recorded a negative balance of -1.4 million euros.

Gross operating margin (EBITDA)

The gross operating margin (EBITDA), equal to 25.6 million euros, dropped by 568.4 million euros compared to 2019 (-95.7%).

Amortization and depreciation

Amortization of intangible assets and depreciation of tangible assets stood at 107.8 million euros and mainly represented amortization of the airport concession owned by the Parent Company Aeroporti di Roma S.p.A. (hereinafter "ADR", the "Parent Company" or the "Company"). The increase of 0.8 million euros compared to 2019 is attributable to the entry into operation of new plants and infrastructures, partially offset by the positive effects (-3.4 million euros) deriving from the two-year extension of the duration of the airport concession, as provided for by Italian Law no. 77 of July 17, 2020, which resulted in the extension of the useful life of the concession fees, recorded under Intangible assets, until June 30, 2046.

Provisions for renovation and other adjusting provisions

This item, totaling 41.4 million euros (58.0 million euros in the comparison period), is broken down as follows:

- allocation to the provisions for renovation of airport infrastructure, amounting to 38.8 million euros, down 14.5 million euros compared to 2019, as a result of the updated estimate of the expenses for restoration and replacement work scheduled in the updated business plan. This decrease was partially offset by the effect of updating the interest rate used as a reference for discounting expected future cash flows, which had a greater impact on the provision for 2020 compared with the previous year of 2.1 million euros;
- provisions for doubtful accounts, amounting to 2.5 million euros. The decrease compared to the previous year (2.1 million euros) is due to the re-absorption of the provision deriving from the positive outcome for ADR, in 2020, of a significant insolvency procedure underway for years, the value of which partially offset the general worsening of the credit risk reflected in the provisions for the year.

Operating income

Operating income (EBIT) came to -123.6 million euros, decreasing by 552.5 million euros (-128.8%) compared to 2019.

Financial income (expense)

Net financial expense, amounting to 58.3 million euros, increased by 6.2 million euros compared to 2019 due to the increase in average debt; the comparison year also included dividends distributed by the investee company Azzurra Aeroporti S.p.A. for 3.5 million euros, which were not reconfirmed in 2020.

Share of profit (loss) of associates accounted for using the equity method

This item, equal to +0.3 million euros, includes the revaluation of the equity investment in the associate Spea Engineering S.p.A. for +1.2 million euros (-8.8 million euros in 2019) and the write-down of the equity investment in the associate Pavimental S.p.A. for -0.9 million euros (+0.2 million euros in 2019). The revaluation of Spea Engineering S.p.A. derives from the combined effect of the alignment of the value of the equity investment to the pro-quota share of shareholders' equity at the end of the previous year (+4.3 million euros) and the pro-quota value (-3.0 million euros) of the loss incurred in 2020 by the company.

Group share of income (loss) for the year

Net of the positive tax burden estimated for current and deferred taxation, positive for 37.9 million euros, in relation to the tax benefit corresponding to the tax losses achieved, in 2020 the ADR Group recorded a loss of 143.7 million euros, compared to the net income of 245.2 million euros of 2019.

TABLE 2. Consolidated Statement of Comprehensive Income

(THOUSANDS OF EUROS)	2020	2019
NET INCOME (LOSS) FOR THE YEAR	**(143,684)**	**245,161**
Share of cash flow hedge derivative financial instruments	(31,989)	(51,112)
Tax effect	6,825	13,118
Share pertaining to the "other components of comprehensive income" of equity investments accounted for using the equity method	(81)	30
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect	**(25,245)**	**(37,964)**
Income (loss) from actuarial valuation of employee benefits	(174)	(713)
Tax effect	(57)	172
Profits (losses) from fair value measurement of the equity investments	(27,591)	0
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect	**(27,822)**	**(541)**
Reclassifications of the other components of the comprehensive income statement for the year	**1,539**	**1,541**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT	**(51,528)**	**(36,964)**
COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	**(195,212)**	**208,197**
of which:		
Group income (loss)	(195,212)	208,197

3.7.2. Consolidated financial performance

TABLE 3. Reclassified consolidated statement of financial position

	(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	Change
	Intangible fixed assets	2,480,972	2,477,927	3,045
	Tangible fixed assets	51,964	53,955	(1,991)
	Non-current financial assets	37,285	64,347	(27,062)
	Deferred tax assets	91,227	50,627	40,600
	Other non-current assets	458	401	57
A	**FIXED ASSETS**	**2,661,906**	**2,647,257**	**14,649**
	Trade assets	262,559	309,613	(47,054)
	Other current assets	34,826	15,637	19,189
	Current tax assets	3,981	7,851	(3,870)
	Trade liabilities	(170,274)	(216,352)	46,078
	Other current liabilities	(126,603)	(184,708)	58,105
	Current tax liabilities	(26)	(32,020)	31,994
B	**WORKING CAPITAL**	**4,463**	**(99,979)**	**104,442**
	Provisions for employee benefits	(1,115)	(3,038)	1,923
	Provisions for renovation of airport infrastructure	(47,740)	(55,563)	7,823
	Other allowances for risks and charges	(8,793)	(3,392)	(5,401)
C	**CURRENT SHARE OF PROVISIONS**	**(57,648)**	**(61,993)**	**4,345**
D = B + C	**WORKING CAPITAL NET OF THE CURRENT SHARE OF PROVISIONS**	**(53,185)**	**(161,972)**	**108,787**
	Non-current liabilities	(182,276)	(174,893)	(7,383)
E	**NON-CURRENT LIABILITIES**	**(182,276)**	**(174,893)**	**(7,383)**
F = A + D + E	**NET INVESTED CAPITAL**	**2,426,445**	**2,310,392**	**116,053**
	Group Shareholders' equity	991,873	1,184,467	(192,594)
	Minority interests in Shareholders' equity	0	0	0
G	**SHAREHOLDERS' EQUITY**	**991,873**	**1,184,467**	**(192,594)**
	Non-current financial liabilities	2,043,202	1,464,648	578,554
	Other non-current financial assets	(1,188)	(1,705)	517
H	**NON-CURRENT NET DEBT**	**2,042,014**	**1,462,943**	**579,071**
	Current financial liabilities	491,137	165,382	325,755
	Current financial assets	(1,098,579)	(502,400)	(596,179)
I	**CURRENT NET DEBT**	**(607,442)**	**(337,018)**	**(270,424)**
L = H + I	**NET DEBT**	**1,434,572**	**1,125,925**	**308,647**
G + L	**HEDGING OF INVESTED CAPITAL**	**2,426,445**	**2,310,392**	**116,053**

Fixed assets

Fixed assets as of December 31, 2020 equaled 2,661.9 million euros, rising by 14.6 million euros compared to the end of 2019, mainly due to the following changes:

- an increase in Intangible fixed assets (+3.0 million euros), in relation to the investments for the year (108.0 million euros), partly offset by amortization (92.5 million euros) and the recovery of advances paid to suppliers (-12.7 million euros);
- a decrease in Tangible fixed assets (-2.0 million euros), as a consequence of the depreciation for the year (15.3 million euros), partly offset by investments (11.8 million euros) and the advances paid to suppliers (1.7 million euros);
- a decrease in Non-current financial assets by 27.1 million euros mainly attributable to the valuation at fair value of the equity investment in Azzurra Aeroporti S.p.A., which caused a value adjustment of -

26.9 million euros essentially due to the impact of COVID-19 on the future cash flows of the company and, though residually, the equity investments in Aeroporto di Genova S.p.A. and S.A.CAL. S.p.A (-0.2 and -0.5 million euros, respectively). The change for the year also includes the effects of measurement, using the equity method, of the equity investments in the associates Pavimental S.p.A. (-0.9 million euros) and Spea Engineering S.p.A. (+1.4 million euros);

- an increase in deferred tax assets of 40.6 million euros, primarily due to deferred tax assets recognized in relation to the IRES 2020 tax loss no transferable to the tax consolidation program as it cannot be offset against the profits generated by the Atlantia Group during the year. The change also reflects the negative change in the fair value of derivatives, partially offset by the performance of provisions for renovation of airport infrastructure.

Working capital

The Working capital was positive at 4.5 million euros and showed an increase of 104.4 million euros compared to December 31, 2019 due to the trends described below.

- Trade assets were equal to 262.6 million euros and recorded a drop of 47.1 million euros compared to the end of 2019. This decrease is proportionally lower than the significant reduction in business volumes due to the simultaneous lengthening of collection times as a result of the financial tensions accentuated in the sector by the pandemic crisis.
- Other current assets rose by 19.2 million euros, primarily due to the higher VAT credit (up +15.7 million euros) and the recognition of the receivable from INPS for amounts advanced by the ADR Group with reference to the CIGS (up +2.2 million euros).
- Current tax assets decreased by 3.9 million euros essentially due to collection of a receivable of 7.5 million euros relating to the application for reimbursement of the higher IRES paid by ADR, ADR Tel and ADR Assistance in the tax years 2007-2011 due to the failure to deduct IRAP relating to payroll costs, partially offset by the recognition of a receivable for consolidated taxation, corresponding to the IRES tax benefit of 24% on the tax loss recorded in the year and transferable to the tax consolidation program.
- Trade liabilities decreased by 46.1 million euros as a consequence mainly of the decreased volume of investments and costs for the year.
- Other current liabilities decreased by 58.1 million euros overall, mainly as the combined effect of:
  - decrease in the payables for surtax on passenger fees of 31.2 million euros due to the impact of the performance during the year of this type of collections from carriers. For this type of charge, ADR is an intermediary in the collection of surcharges, which it pays back to the end beneficiaries in the month after the month of collection;
  - a decrease in the payables for concession fees of 9.7 million Euros in relation to the payment of the second installment of 2019 made in January 2020, net of the portion accrued in the year;
  - a reduction of 12.7 million euros in payables due to personnel and a decrease of 4.8 million euros in payables due to social security agencies, consequently to the cost-cutting measures described above;
- Current tax liabilities decreased by 32.0 million euros after the payment of the 2019 tax balance.

Current share of provisions and non-current liabilities

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	Change
Provisions for employee benefits	16,860	17,931	(1,071)
Provisions for renovation of airport infrastructure	197,033	189,002	8,031
Other allowances for risks and charges	26,031	22,474	3,557
TOTAL	**239,924**	**229,407**	**10,517**
of which:			
- current share	57,648	61,993	(4,345)
- non-current share[3]	182,276	167,414	14,862

The renovation provision, which includes the current value of the estimate of the charges to be incurred for the contractual obligation to restore and replace assets under concession, increased by 8.0 million euros compared to the balance at the end of 2019 due to provisions for the year, net of operating uses, which absorb the values resulting from updating the scheduled replacement/renewal actions included in the updated business plan.

Other allowances for risks and charges increased by a total of 3.6 million euros due to provisions of 6.1 million euros relating primarily to the charges to be incurred (5.7 million euros) for the redundancy plan pursuant to the trade union agreement of December 1, 2020, the related provisions for which were classified under payroll costs; this effect was partly offset by uses of 1.2 million euros and reversals of 1.3 million euros.

Net invested capital

The consolidated net invested capital, equal to 2,426.4 million euros as of December 31, 2020, showed an increase of 116.1 million euros compared to the end of the previous year.

Shareholders' equity

The Group shareholders' equity, equal to 991.9 million euros, decreased by 192.6 million euros compared to December 31, 2019, due essentially to the overall net income of the year, which includes the negative change in the fair value of derivatives and of the equity investments in Azzurra Aeroporti S.p.A., Aeroporto di Genova S.p.A and S.A.CAL. S.p.A.

Net debt

Net debt as of December 31, 2020 amounts to 1,434.6 million euros, up 308.6 million euros compared to the end of 2019.

[3] Non-current liabilities also include the item Other liabilities equal to 0 euros as of 12.31.2020 and 7,479 thousand euros as of 12.31.2019.

TABLE 4. Consolidated net debt

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	Change
Non-current financial liabilities	2,043,202	1,464,648	578,554
Bonds	1,006,473	1,115,670	(109,197)
Medium/long-term loans	873,671	207,198	666,473
Financial instruments - derivatives	161,238	140,076	21,162
Other non-current financial liabilities	1,820	1,704	116
Other non-current financial assets	(1,188)	(1,705)	517
NON-CURRENT NET DEBT	**2,042,014**	**1,462,943**	**579,071**
Current financial liabilities	491,137	165,382	325,755
Current share of medium/long-term financial liabilities	431,431	129,848	301,583
Derivative financial instruments	59,706	35,534	24,172
Current financial assets	(1,098,579)	(502,400)	(596,179)
Cash and cash equivalents	(1,097,229)	(500,885)	(596,344)
Other current financial assets	(1,350)	(1,515)	165
CURRENT NET DEBT	**(607,442)**	**(337,018)**	**(270,424)**
NET DEBT	**1,434,572**	**1,125,925**	**308,647**

The non-current net debt amounts to 2,042.0 million euros, up by 579.1 million euros as a result of the changes described below.

- Bonds (1,006.5 million euros) refer for 234.4 million euros to Tranche A4 in pound sterling of the bonds originally issued by Romulus Finance, for 474.4 million euros to the bond loan issued by ADR in June 2017 and for 297.7 million euros to the bond loan issued by ADR in December 2020. The decrease of 109.2 million euros is essentially attributable to the short-term reclassification, for a total of 399.0 million euros, of the EMTN ("Euro Medium Term Note Program") bond loan issued by ADR in December 2013 and the adjustment of the Tranche A4 to the exchange rate at the end of year (-13.6 million euros). These effects were partially offset by the issue of the bond loan in December 2020 for 300.0 million euros;
- Medium/long-term loans, totaling 873.7 million euros, increased by 666.5 million euros. This increase is attributable to the disbursement of the following loans:
  - third tranche of the loan granted by CDP, with a par value of 80.0 million euros;
  - tranches A and B, with a total par value of 200.0 million euros, of the loan granted by BNL;
  - third tranche of the loan granted by the EIB, with a par value of 200.0 million euros,
  - loan, guaranteed by SACE, granted by a pool of banks with a par value of 200.0 million euros.

  These increases are partially offset by the reclassification of the short-term portions of the EIB (9.2 million euros) and CDP (3.3 million euros) loans falling due in 2021.

- Derivative financial instruments, amounting to 161.2 million euros, comprised Cross Currency Swap to hedge the Tranche A4 in pounds sterling, showing a negative fair value of 106.7 million euros, in line with December 31, 2019 (+0.9 million euros), due to the change in the exchange rate component (+13.6 million euros), essentially offset by the positive performance of the interest rate component (-12.7 million euros). The residual amount of 54.5 million euros refers to the negative fair value of three forward-starting Interest Rate Swap agreements (with a notional value of 300.0 million euros, with deferred application: February 20, 2022), up 20.3 million euros compared to December 31, 2019.

Current net debt

The financial position highlights, for the current part, net funds of 607.4 million euros, increasing by 270.4 million euros compared to December 31, 2019, mainly due to higher cash and cash equivalents (+596.3 million euros), partly offset by the short-term reclassification, for 399.0 million euros, of the EMTN bond loan expiring in February 2021, the increase in liabilities for derivative financial instruments (+24.2 million euros) relative to four forward-starting Interest Rate Swap agreements (with a notional value of 400.0 million euros, with deferred application, initially scheduled for February 20, 2020 and renegotiated to June 30, 2021) and repayment of the loan granted by BNL for 100 million euros.

TABLE 5. Consolidated Statement of cash flows

(THOUSANDS OF EUROS)	2020	2019
Net income (loss) for the year	**(143,684)**	**245,161**
Adjusted by:		
Amortization and depreciation	107,836	107,068
Allocation to provisions for renovation of airport infrastructure	38,848	53,342
Financial expense from discounting provisions	1,275	2,103
Change in other provisions	2,315	(3,836)
Share of profit (loss) of associates accounted for using the equity method	(342)	8,640
Net change in deferred tax (assets) liabilities	(34,317)	6,467
Other non-monetary costs (revenues)	11,367	8,597
Changes in working capital and other changes	(111,921)	70,858
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**(128,623)**	**498,400**
Investments in tangible assets (*)	(13,511)	(21,919)
Investments in intangible assets (**)	(108,144)	(210,674)
Works for renovation of airport infrastructure	(32,095)	(47,616)
Equity investments and minority shareholdings in consolidated companies	(1)	0
Gains from disinvestments and other changes in tangible and intangible assets and equity investments	12,765	15,558
Net change in other non-current assets	(57)	7
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**(141,043)**	**(264,644)**
Dividends paid	0	(130,672)
Issue of bonds	297,732	0
Raising of medium/long-term loans	678,818	70,000
Repayment of medium/long-term loans	(112,500)	0
Net change in other current and non-current financial liabilities	1,795	(234)
Net change in current and non-current financial assets	165	(165)
NET CASH FLOW FROM FUNDING ACTIVITIES (C)	**866,010**	**(61,071)**
NET CASH FLOW FOR THE YEAR (A+B+C)	**596,344**	**172,685**
Cash and cash equivalents at the start of the year	500,885	328,200
Cash and cash equivalents at the end of the year	1,097,229	500,885

(*) including advances to suppliers for 1,698 thousand euros in 2020.

(**) including advances to suppliers for 124 thousand euros in 2020 and 25,079 thousand euros in 2019.

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	2020	2019
Net income taxes paid (reimbursed)	24,522	106,085
Interest income collected	1,284	177
Interest payable and commissions paid	47,767	45,296

The net cash flow from operating activities of the ADR Group generated in 2020 was negative for 128.6 million euros, down by 627.0 million euros compared to the comparative year, due essentially to the decrease in net income for the year, the net change in deferred tax assets and the unfavorable trend in working capital.

The net cash flow from investment activities, amounting to -141.0 million euros, was 123.6 million euros lower than in 2019, when it stood at -264.6 million euros.

Net cash flow from funding activities amounted to 866.0 million euros, primarily due to the granting of new loans with a total par value of 680 million euros and the issue of the bond with a par value of 300 million euros, net of the repayment of portions of maturing loans totaling 112.5 million euros.

As a result of the trends described above, the net cash flow for the year, (+596.3 million euros), increased the cash and cash equivalents at the end of the year to 1,097.2 million euros compared to the opening balance of 500.9 million euros.

3.7.3. ADR Group investments

The investments made during 2020 totaled 151.9 million euros (255.1 million euros in the comparison year) and were broken down as follows:

- in the first quarter of the year, capacity enhancement interventions continued to be mainly carried out according to the Fiumicino "Expansion of East Airport System" project, which implies the construction of the new Boarding Area A, the Front Building of Terminal 1, the extension of Terminal 1 on the west front towards the areas previously occupied by Terminal 2, of the new Node of the Boarding Area D for passport control in transit;
- in the following nine months, conditioned by the measures adopted by the Government to limit the spread of the virus at national level, only the interventions deemed essential for the purposes of compliance with regulatory and safety obligations and operational continuity, as well as the activities at an advanced stage and practically close to completion, were continued; in addition, steps were taken to ensure the safety of the works already partially completed as part of the Fiumicino "Expansion of East Airport System" project against deterioration from atmospheric agents.

TABLE 1. ADR Group capital investment in 2020, 2019 and 2018

(millions of euros)	2020	2019	2018
Airport concession investments	98.9	174.4	109.7
Other investments in tangible and intangible assets	20.9	33.1	14.4
Total investments	**119.8**	**207.5**	**124.1**
Renovation interventions[4]	**32.1**	**47.6**	**58.0**
TOTAL	**151.9**	**255.1**	**182.1**

The investments made concerned in detail:

- 86.9 million euros targeted to the expansion of capacity; in particular, 51.7 million euros for the realization of the East Airport System, 25.0 million euros for the realization of new Terminals and Piers and 10.2 million euros for interventions on runways and aprons;
- 32.9 million euros for the development of computing and technological equipment and systems to support the airports of Fiumicino and Ciampino and other minor interventions;
- 32.1 million euros for recovery interventions, extraordinary maintenance and renovation of the existing infrastructure.

(millions of euros)	2020	
East Airport System		**51.7**
Works on runways and aprons		**10.2**
of which the main ones are:		
Joint Control Room (APOC)	*3.1*	
VDGS system and optical guides	*2.7*	
Completion of doubling the Bravo	*2.1*	
Interventions on terminals and piers		**25.0**
of which the main ones are:		
Terminal 3 - restructuring	*15.7*	
Development of systems, ICT systems and other minor systems		**32.9**
of which the main ones are:		
Property developments (Business District I, Epua 3, III Hotel)	*1.5*	
Information systems	*11.5*	
Total investments		**119.8**
of which:		
finished	*26.9*	
in progress	*92.9*	
Renovation interventions		**32.1**
TOTAL		**151.9**

[4] These amounts are for the use of the provisions for renovation of airport infrastructure.

3.7.4. Economic and financial performance ADR S.p.A.

The economic and financial figures of the Parent Company ADR were substantially affected by the same factors which impacted the performance of the ADR Group. For further information, see paragraphs 3.7.1 and 3.7.2.

TABLE 1. Reclassified income statement

(THOUSANDS OF EUROS)	2020	2019	CHANGE	% CHANGE
Revenues from airport management of which:	260,908	925,057	(664,149)	(71.8%)
aeronautical revenues	*170,786*	*673,392*	*(502,606)*	*(74.6%)*
non-aeronautical revenues	*90,122*	*251,665*	*(161,543)*	*(64.2%)*
Revenues from construction services	98,060	173,509	(75,449)	(43.5%)
Other operating income	9,427	10,706	(1,279)	(11.9%)
Total revenues	**368,395**	**1,109,272**	**(740,877)**	**(66.8%)**
External operating costs	(173,510)	(243,804)	70,294	(28.8%)
Costs for construction services	(91,474)	(164,002)	72,528	(44.2%)
Concession fees	(8,299)	(36,728)	28,429	(77.4%)
Payroll costs	(70,495)	(94,229)	23,734	(25.2%)
(Allocation to) Re-absorption of allowances for risks and charges	1,173	(1,226)	2,399	(195.7%)
Total net operating costs	**(342,605)**	**(539,989)**	**197,384**	**(36.6%)**
Gross operating margin (EBITDA)	**25,790**	**569,283**	**(543,493)**	**(95.5%)**
Amortization and depreciation, write-downs and reversals	(106,315)	(105,607)	(708)	0.7%
Provisions for renovation and other adjusting provisions	(41,146)	(57,910)	16,764	(28.9%)
Operating income (EBIT)	**(121,671)**	**405,766**	**(527,437)**	**(130.0%)**
Financial income (expense)	(59,446)	(46,454)	(12,992)	28.0%
Income (loss) before taxes from continuing operations	**(181,117)**	**359,312**	**(540,429)**	**(150.4%)**
Taxes	37,764	(116,119)	153,883	(132.5%)
Net income (loss) from continuing operations	**(143,353)**	**243,193**	**(386,546)**	**(158.9%)**
Net income (loss) from discontinued operations	0	0	0	0
Net income (loss) for the year	**(143,353)**	**243,193**	**(386,546)**	**(158.9%)**

Revenues of ADR S.p.A. dropped by 66.8% overall compared to the reference year, recording a negative trend in all of the components.

In particular, aeronautical activities fell by 74.6%, as did the non-aeronautical segment, with revenues down 64.2%, due to the drop in traffic and the closure of terminals.

Net operating costs decreased by 36.6% compared to the comparable year as a result of cost containment actions implemented since March.

The gross operating margin (EBITDA), equal to 25.8 million euros, fell by 543.5 million euros compared to 2019 (-95.5%).

Operating income (EBIT) came to -121.7 million euros, decreasing by 527.4 million euros (-130.0%) compared to 2019.

Net financial expense, amounting to 59.4 million euros, increased compared to 2019 by 13.0 million euros due to the rise in average debt; the year under comparison also included dividends distributed by the investee company Azzurra Aeroporti S.p.A. and the subsidiaries ADR Mobility S.r.l., ADR Security S.r.l., ADR Tel S.p.A and Airport Cleaning S.r.l. for a total of 17.8 million euros. These effects were partly offset by lower write-downs of investments valued at cost (up 7.6 million euros).

Net of the positive tax burden estimated for current and deferred taxation, equal to 37.8 million euros, in relation to the tax benefit corresponding to the tax losses achieved, in 2020 ADR recorded a loss of 143.4 million euros, compared to the net income of 243.2 million euros of 2019.

TABLE 2. Statement of comprehensive income

(THOUSANDS OF EUROS)	2020	2019
NET INCOME (LOSS) FOR THE YEAR	**(143,353)**	**243,193**
Share of cash flow hedge derivative financial instruments	(31,989)	(51,112)
Tax effect	6,825	13,118
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect	**(25,164)**	**(37,994)**
Income (loss) from actuarial valuation of employee benefits	(126)	(396)
Tax effect	(68)	95
Profits (losses) from fair value measurement of the equity investments	(27,591)	0
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect	**(27,785)**	**(301)**
Reclassifications of the other components of the comprehensive income statement for the year	**1,539**	**1,541**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT	**(51,410)**	**(36,754)**
COMPREHENSIVE INCOME (LOSS) FOR THE YEAR	**(194,763)**	**206,439**

TABLE 3. Reclassified statement of financial position

	(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
	Intangible fixed assets	2,480,781	2,478,961	1,820
	Tangible fixed assets	49,912	51,386	(1,474)
	Non-current financial assets	45,613	74,310	(28,697)
	Deferred tax assets	89,644	50,212	39,432
	Other non-current assets	456	399	57
A	**FIXED ASSETS**	**2,666,406**	**2,655,268**	**11,138**
	Trade assets	263,553	310,476	(46,923)
	Other current assets	29,805	14,466	15,339
	Current tax assets	4,475	7,118	(2,643)
	Trade liabilities	(181,188)	(222,900)	41,712
	Other current liabilities	(119,635)	(171,728)	52,093
	Current tax liabilities	0	(31,587)	31,587
B	**WORKING CAPITAL**	**(2,990)**	**(94,155)**	**91,165**
	Provisions for employee benefits	(889)	(2,324)	1,435
	Provisions for renovation of airport infrastructure	(47,340)	(54,848)	7,508
	Other allowances for risks and charges	(7,424)	(3,036)	(4,388)
C	**CURRENT SHARE OF PROVISIONS**	**(55,653)**	**(60,208)**	**4,555**
D = B + C	**WORKING CAPITAL NET OF THE CURRENT SHARE OF PROVISIONS**	**(58,643)**	**(154,363)**	**95,720**
	Non-current liabilities	(172,403)	(165,466)	(6,937)
E	**NON-CURRENT LIABILITIES**	**(172,403)**	**(165,466)**	**(6,937)**
F = A + D + E	**NET INVESTED CAPITAL**	**2,435,360**	**2,335,439**	**99,921**
	Share capital	62,225	62,225	0
	Reserves and retained earnings (losses)	1,061,783	868,926	192,857
	Net income (loss) for the year	(143,353)	243,193	(386,546)
G	**SHAREHOLDERS' EQUITY**	**980,655**	**1,174,344**	**(193,689)**
	Non-current financial liabilities	2,043,201	1,464,607	578,594
	Other non-current financial assets	(1,188)	(1,705)	517
H	**NON-CURRENT NET DEBT**	**2,042,013**	**1,462,902**	**579,111**
	Current financial liabilities	500,223	188,771	311,452
	Current financial assets	(1,087,531)	(490,578)	(596,953)
I	**CURRENT NET DEBT**	**(587,308)**	**(301,807)**	**(285,501)**
L = H + I	**NET DEBT**	**1,454,705**	**1,161,095**	**293,610**
G + L	**HEDGING OF INVESTED CAPITAL**	**2,435,360**	**2,335,439**	**99,921**

Fixed assets as of December 31, 2020 equaled 2,666.4 million euros, rising by 11.1 million euros compared to the end of 2019, mainly due to the effect of the increase in deferred tax assets of 39.4 million euros, attributable primarily to deferred tax assets allocated against the IRES 2020 tax loss not transferable to the tax consolidation program, partially offset by the reduction in non-current financial assets of 28.7 million euros attributable primarily to the write-down of the investment in Azzurra Aeroporti S.p.A., measured at fair value.

Working capital was negative for 3.0 million euros and increased by 91.2 million euros compared to December 31, 2019, mainly due to the reduction in Trade liabilities related to the lower volume of investments and costs compared to the previous year, other Current liabilities (due to lower payables for surtax on passenger boarding fees, reduction in the concession fee payable and lower payables due to personnel) and the zeroing of Current tax liabilities due to the payment of the 2019 tax balance. The change also reflects the reduction in Trade assets, as a consequence of the falling business volumes, partially offset by the increase in Other current assets for the recognition of the receivable from INPS for the amounts advanced by ADR with reference to the CIGS and for the higher VAT credit.

The net invested capital, equal to 2,435.4 million euros as of December 31, 2020, showed an increase of 99.9 million euros compared to the end of the previous year.

TABLE 4. Net debt

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	Change
Non-current financial liabilities	2,043,201	1,464,607	578,594
Bonds	1,006,473	1,115,670	(109,197)
Medium/long-term loans	873,671	207,198	666,473
Financial instruments - derivatives	161,238	140,076	21,162
Other non-current financial liabilities	1,819	1,663	156
Other non-current financial assets	(1,188)	(1,705)	517
NON-CURRENT NET DEBT	**2,042,013**	**1,462,902**	**579,111**
Current financial liabilities	500,223	188,771	311,452
Current share of medium/long-term financial liabilities	431,391	129,725	301,666
Financial instruments - derivatives	59,706	35,534	24,172
Other current financial liabilities	9,126	23,512	(14,386)
Current financial assets	(1,087,531)	(490,578)	(596,953)
Cash and cash equivalents	(1,086,181)	(489,063)	(597,118)
Other current financial assets	(1,350)	(1,515)	165
CURRENT NET DEBT	**(587,308)**	**(301,807)**	**(285,501)**
NET DEBT	**1,454,705**	**1,161,095**	**293,610**

Net debt as of December 31, 2020 amounts to 1,454.7 million euros, increasing by 293.6 million euros compared to the end of 2019. This is due primarily to the increase in medium/long-term loans (up 666.5 million euros) and bonds (in relation to the new December 2020 issue totaling 300.0 million euros), partially offset by the increase in cash and cash equivalents (up 597.1 million euros) and the repayment of the loan granted by BNL for 100 million euros.

TABLE 5. Statement of cash flows

(THOUSANDS OF EUROS)	2020	2019
Net income (loss) for the year	**(143,353)**	**243,193**
Adjusted by:		
Amortization and depreciation	106,315	105,607
Allocation to provisions for renovation of airport infrastructure	38,809	53,285
Financial expense from discounting provisions	1,239	2,023
Changes in other provisions	1,661	(3,132)
Write-down (revaluation) of non-current financial assets and equity investments	1,107	8,715
Net change in deferred tax (assets) liabilities	(33,159)	5,972
Other non-monetary costs (revenues)	10,088	8,595
Changes in working capital and other changes	(98,644)	71,540
NET CASH FLOW FROM OPERATING ACTIVITIES (A)	**(115,937)**	**495,798**
Investments in tangible assets (*)	(13,256)	(20,690)
Investments in intangible assets (**)	(106,170)	(208,926)
Works for renovation of airport infrastructure	(31,975)	(47,219)
Equity investments	(1)	0
Gains from disinvestments and other changes in tangible and intangible assets and equity investments	12,765	15,555
Net change in other non-current assets	(57)	9
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)	**(138,694)**	**(261,271)**
Dividends paid	0	(130,672)
Issue of bonds	297,732	0
Raising of medium/long-term loans	678,818	70,000
Repayment of medium/long-term loans	(112,500)	0
Net change in other current and non-current financial liabilities	1,921	(96)
Net change in current and non-current financial assets	165	(165)
NET CASH FLOW FROM FUNDING ACTIVITIES (C)	**866,136**	**(60,933)**
NET CASH FLOW FOR THE YEAR (A+B+C)	**611,505**	**173,594**
Cash and cash equivalents at the start of the year	465,551	291,957
Cash and cash equivalents at the end of the year	1,077,056	465,551

(*) including advances to suppliers for 1,698 thousand euros in 2020.
(**) including advances to suppliers for 124 thousand euros in 2020 and 25,079 thousand euros in 2019.

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	2020	2019
Net income taxes paid (reimbursed)	24,344	98,639
Interest income collected	1,284	177
Interest payable and commissions paid	47,771	45,301
Dividends received	0	17,783

3.7.5. *Alternative performance indicators*

In order to illustrate the economic result of the Group as well as its economic and financial position, reclassified statements were prepared which are different from those required under EU IFRS accounting standards adopted by the Group and contained in the Consolidated financial statements. These reclassified statements contain alternative performance indicators to those directly resulting from the Consolidated financial statements that management deem useful for monitoring the Group's performance and representing the economic and financial results from the business.

These alternative performance indicators ("API") are:

- Net operating costs;
- Gross operating margin (EBITDA);
- Fixed assets;
- Working capital;
- Net invested capital;
- Net debt.

Reference is made to the next paragraph for a reconciliation of the above mentioned indicators with the Consolidated financial statements.

Moreover, in order to better assess the Group's operating performance at economic and financial level, the following additional alternative performance indicators are presented:

API	SOURCE/CALCULATION METHOD
EBITDA %	ratio between EBITDA and Revenues from airport management
EBIT %	ratio between Operating income (EBIT) and Revenues from airport management
Investments	are determined as follows:
	+ investments in Tangible assets (see Note 6.1 of the Explanatory Notes)
	+ investments in Intangible assets net of advances paid to suppliers in the year (see Note 6.2 of the Explanatory Notes)
	+ revenues for construction services (see Note 7.1 of the Explanatory Notes)
	+ operating uses of the Provisions for renovation of airport infrastructure (see Note 6.13 of the Explanatory Notes)
Net debt/Shareholders' equity	ratio between Net debt and Shareholders' equity
Net debt/EBITDA (last 12 months)	ratio between Net debt and EBITDA

The reclassified statements and the above-mentioned indicators must be considered as replacing the conventional ones required by IFRS.

Reconciliation between the reclassified consolidated income statement and the consolidated financial statements

The income statement was reclassified on a "value-added" basis, which shows the contribution of the financial and core areas of operation.

For the items that cannot be directly inferred from the consolidated financial statements, the calculation method and the reference to the sections of this Financial report containing the necessary information for calculation purposes are provided.

RECLASSIFIED CONSOLIDATED INCOME STATEMENT	SOURCE/CALCULATION METHOD
Revenues from airport management of which:	as inferred from the consolidated financial statements
aeronautical revenues	see Note 7.1 of the Explanatory Notes
non-aeronautical revenues	see Note 7.1 of the Explanatory Notes
Revenues from construction services	as inferred from the consolidated financial statements
Other operating income	as inferred from the consolidated financial statements
Total revenues	
External operating costs	calculated as follows
	+ Consumption of raw materials and consumables (as inferred from the consolidated financial statements)
	+ Service costs (as inferred from the consolidated financial statements)
	- Costs for construction services (see Note 7.3 of the Explanatory Notes)
	- Costs for renovation of airport infrastructures (see Note 7.3 of the Explanatory Notes)
	+ Expenses for leased assets (as inferred from the consolidated financial statements)
	+ Other costs (as inferred from the consolidated financial statements)
	- Allocations to provisions for doubtful accounts (see Note 7.5 of the Explanatory Notes)
Costs for construction services	see Note 7.3 of the Explanatory Notes
Concession fees	as inferred from the consolidated financial statements
Payroll costs	as inferred from the consolidated financial statements
(Allocation to) Re-absorption of allowances for risks and charges	as inferred from the consolidated financial statements
Total net operating costs	
Gross operating margin (EBITDA)	
Amortization and depreciation	as inferred from the consolidated financial statements
Provisions for renovation and other adjusting provisions	calculated as follows
	+ Allocations to provisions for doubtful accounts (see note 7.5 of the Explanatory Notes)
	+ Allocation to (use of) the provisions for renovation of airport infrastructure (as inferred from the consolidated financial statements)
	- operating uses of the provisions for renovation of airport infrastructure (see Note 6.13 of the Explanatory Notes)
Operating income (EBIT)	
Financial income (expense)	as inferred from the consolidated financial statements
Share of profit (loss) of associates accounted for using the equity method	as inferred from the consolidated financial statements
Income (loss) before taxes from continuing operations	as inferred from the consolidated financial statements
Taxes	as inferred from the consolidated financial statements
Net income (loss) from continuing operations	as inferred from the consolidated financial statements
Net income (loss) from discontinued operations	as inferred from the consolidated financial statements
Net income (loss) for the year	as inferred from the consolidated financial statements
Share of income (loss) for the year pertaining to third party shareholders	as inferred from the consolidated financial statements
Group share of income (loss) for the year	as inferred from the consolidated financial statements

Reconciliation between the Reclassified consolidated statement of financial position and the consolidated financial statements

The consolidated statement of financial position was reclassified in accordance with "management criteria", which, on one hand, shows the division of invested capital between fixed capital and working capital, net of provisions, and on the other, the related sources of funding, represented by self-financing (shareholders' equity) and borrowing (current and non-current net debt). For the items that cannot be directly inferred from the consolidated financial statements, the calculation method is provided.

	RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION	SOURCE/CALCULATION METHOD
	Intangible fixed assets	corresponding to the item "Intangible assets" in the consolidated financial statements
	Tangible fixed assets	corresponding to the item "Tangible assets" in the consolidated financial statements
	Non-current financial assets	corresponding to the item "Equity investments" in the consolidated financial statements
	Deferred tax assets	as inferred from the consolidated financial statements
	Other non-current assets	as inferred from the consolidated financial statements
A	**FIXED ASSETS**	
	Trade assets	as inferred from the consolidated financial statements
	Other current assets	as inferred from the consolidated financial statements
	Current tax assets	as inferred from the consolidated financial statements
	Trade liabilities	as inferred from the consolidated financial statements
	Other current liabilities	as inferred from the consolidated financial statements
	Current tax liabilities	as inferred from the consolidated financial statements
B	**WORKING CAPITAL**	
	Provisions for employee benefits	as inferred from the consolidated financial statements
	Provisions for renovation of airport infrastructure	as inferred from the consolidated financial statements
	Other allowances for risks and charges	as inferred from the consolidated financial statements
C	**CURRENT SHARE OF PROVISIONS**	corresponding to the item "Allowances for current provisions" in the consolidated financial statements
D = B + C	**WORKING CAPITAL NET OF THE CURRENT SHARE OF PROVISIONS**	
	Non-current liabilities	+ Allowances for non-current provisions as inferred from the consolidated financial statements
		+ Other non-current liabilities as inferred from the consolidated financial statements
E	**NON-CURRENT LIABILITIES**	
F = A + D + E	**NET INVESTED CAPITAL**	
	Group Shareholders' equity	as inferred from the consolidated financial statements
	Minority interests in Shareholders' equity	as inferred from the consolidated financial statements
G	**SHAREHOLDERS' EQUITY**	
	Non-current financial liabilities	as inferred from the consolidated financial statements
	Other non-current financial assets	as inferred from the consolidated financial statements
H	**NON-CURRENT NET DEBT**	
	Current financial liabilities	as inferred from the consolidated financial statements
	Current financial assets	+ Other current financial assets as inferred from the consolidated financial statements
		+ Cash and cash equivalents as inferred from the consolidated financial statements
I	**CURRENT NET DEBT**	
L = H + I	**NET DEBT**	
G + L	**HEDGING OF INVESTED CAPITAL**	

4. Governance

4.1. Governance System

Model and Governance Structure

ADR's governance system is based on the traditional organizational model consisting of the Shareholders' Meeting, the Board of Directors, the Board of Statutory Auditors (in which three permanent members are appointed by the Minister of Economy and Finance - acting as Chairman - the Minister of Infrastructure and Transport and the Minister of Economic Development), the Independent Auditors and the Supervisory Board (pursuant to Italian Legislative Decree no. 231/2001).

BOARD OF DIRECTORS

In office until the Meeting to approve the 2021 Annual Financial Report

Antonio Catricalà	Chairman
Marco Troncone	Managing Director
Carla Angela	Director
Tommaso Barracco	Director
Christian Benetton	Director
Elisabetta De Bernardi di Valserra	Director
Anna Beatrice Ferrino	Director
Francesco Panfilo	Director
Nicola Rossi	Director
Guglielmo Bove *(until September 2020)*	Secretary

BOARD OF STATUTORY AUDITORS

In office until the Meeting to approve the 2021 Annual Financial Report

Giuseppe Cosimo Tolone	Chairman
Alessandro Bonura	Statutory Auditor
Pasquale De Falco	Statutory Auditor
Maurizio De Filippo	Statutory Auditor
Pier Vittorio Vietti	Statutory Auditor
Francesco Follina	Alternate Auditor
Carlo Regoliosi	Alternate Auditor

GENERAL MANAGER

Gian Luca Littarru

INDEPENDENT AUDITORS

2013-2021 accounting periods

EY S.p.A.

Article 16 of the Articles of Association requires a member of the Board of Directors to be appointed jointly by the Local Authorities that are members of the Company.

On January 14, 2020, two internal board committees were established - the Investment Committee and the Control and Risk Committee - with advisory functions, to support the Board of Directors in its decisions.

The members of the Investment Committee are Mr. Francesco Panfilo (acting as Chairman), Ms. Elisabetta De Bernardi di Valserra and Mr. Barracco.

The members of the Control and Risk Committee are Prof. Nicola Rossi (acting as Chairman), Prof. Carla Angela and Dr. Anna Ferrino.

Relations with the parent company Atlantia S.p.A.

Aeroporti di Roma S.p.A. is a company subject to management and coordination by Atlantia S.p.A., which owns 99.385% of the share capital. The remaining share is divided between local authorities (former Italian Prime Ministerial Decree of February 25, 1999) and other minor shareholders (with a total investment of 0.264%).

The notice regarding management and coordination required by Article 2497-*bis* of the Italian Civil Code is available in a specific section of the Separate financial statements (Annex 1).

ADR also complies with the Atlantia Group's "Code of conduct for the prevention of discrimination and the protection of the dignity of women and men" and has adopted the new Code of Ethics and the new Anti-Corruption Policy in force within the Atlantia Group.

On July 31, 2020 ADR also resolved to adopt the guidelines on the "Internal control system on financial reporting" issued by the Parent Company Atlantia, while on September 18, 2020 it took note of the "Enterprise Risk Management Policy" adopted by the Parent Company.

In turn, ADR "manages and coordinates" its subsidiaries ADR Tel, ADR Ingegneria, ADR Assistance, ADR Security, ADR Mobility and Airport Cleaning.

Inter-company relations and transactions with related parties

All transactions with parent companies, subsidiary undertakings and other related parties were carried out on an arm's length basis.

With reference to inter-company relations and transactions with related parties, please see Note 10 of the Consolidated financial statements and Note 9 of the Separate financial statements.

4.2. Risk factors

4.2.1. Operational and strategic risks

Main features

The correct management of the risks inherent in performing the company's businesses is a fundamental element for the ADR Group to maximize opportunities and reduce the potential losses associated with unexpected events, preserve the creation of economic value in the long-term and protect the tangible assets and intangible interests of the stakeholders.

The ADR Group has adopted a preventive approach to risk management, by means of a structured Risk Management process, to direct choices and activities of the management, with the belief that a suitable process of identification, measurement, management and monitoring of the main risks contributes to guaranteeing that the company is run smoothly, correctly and in line with the strategic objectives.

In 2020, in order to further strengthen the monitoring of the risk management issue:

- a new methodology and a new Enterprise Risk Management process were defined, in line with the plan objectives and investments;
- a dedicated Risk Management function was set up, reporting directly to the Managing Director, with the aim of enabling synergies between the various players in the internal control and risk management system;
- a Control and Risk Committee was set up with the task of supporting and ordering the assessments and decisions of the Board of Directors regarding the internal control and risk management system.

The strategic approach to the risk management system can be summarized mainly as the activities performed by:

- Board of Directors, which defines the nature and level of risk compatible with the strategic objectives (the Risk Appetite), and the related response strategies (Risk Response);
- top management of ADR, which pursues the corporate objectives in compliance with the guidelines defined by the Board of Directors and made operational by the Risk Officer who, together with the Heads of the corporate structures (Process Owners), carries out specific analyses, evaluation and risk monitoring in line with the risk appetite expressed by top management.

In particular, the Enterprise Risk Management process is structured as follows:

- preparation/updating of the Risk Appetite Framework, i.e. the organization's propensity to risk and the related response strategy for each applicable risk category;
- preparation/update of the Risk Catalogue and related measurement (so-called risk assessment). This phase, which involves ADR Risk Officer and Risk Owners, provides for the identification and assessment of risks, as well as the identification of any corrective action taken or to be taken to align the level of residual risk with the risk appetite defined in the respective Risk Appetite;
- approval by the Board of Directors of the results of the Risk Assessment and the related mitigation actions.

Below is a summary of the main risks to which the ADR Group is exposed.

RISK AREA	RISK FACTOR	DESCRIPTION	STRATEGIC
strategic	**Change in the demand for air transport**	Risks related to the evolution of the air transport market, which may also derive from the economic situation and/or from health emergencies (e.g. pandemics)	Particularly significant effects on long-term performance, thereby resulting in changes to ADR Group's development policies
	Dependence on key carriers	Risks related to excessive dependence on key carriers, also in consideration of the effects of the pandemic (e.g. default of carriers)	Negative short and long-term effects on the economic performance of the ADR Group
	Reputation	Risks deriving from a negative perception of the organization's image by relevant internal or external stakeholders	Reputational damage to relations with stakeholders and attention from national / international media and press
external	**Evolution of the regulatory framework**	Risks deriving from unfavorable changes in the reference regulatory framework at national and/or international level	Property and economic damage potentially due, for example to the revision of the tariff system and/or to higher costs for adaptation to changes in the reference context
	Extreme weather events	Risks arising from extreme weather events and natural disasters	Plane crashes, damage to persons, property, equipment and infrastructure of ADR and third parties
compliance	**Rules, regulations and ethical principles**	Risks related to the violation of rules and regulations (e.g. planning agreement), ethical principles (e.g. fraud, corruption, discrimination) by employees, suppliers, partners	Criminal and administrative sanctions, initiation of the procedure for forfeiture of the concession, reputational damage, etc.
	Health, Safety and Environment	Risks related to personnel health and safety and environmental protection	Accidents to people, economic, criminal and administrative sanctions as well as impacts on corporate reputation
operational	**Air transport security**	Risks for the safety of people and means in airport operations (ground/airside)	Plane crashes, damage to persons, property, equipment and infrastructure of ADR and third parties
	Cybercrime	Risks of loss, theft, modification, disclosure of or unauthorized access to company data	System unavailability with consequent blockage of airport operations, theft of sensitive or confidential data, fraud
	Business Continuity	Risks related to the unavailability of people, infrastructures and/or systems (e.g. malfunction of a plant or critical IT system)	Effects on the provision of services and on business activities, compromising the achievement of company objectives

4.2.2. Financial risks

RISK	DEFINITION	POSSIBLE CAUSES	POSSIBLE CONSEQUENCES	MITIGATION ACTIVITY
Liquidity risks	Risk associated with the difficulty of finding the financial resources needed to meet debt repayment commitments and the implementation of the investment plan	The reduction in the loans granted by banking counterparties and other investors, due to both market reasons and contingent situations for companies issuing financial debt. Inability to take out new loans due to a significant deterioration in creditworthiness.	Difficulties in finding financial resources on the market can significantly affect: a) the ability to invest in both the maintenance and development of airport infrastructure b) the ability to repay maturing financial debts.	The tools for managing this type of risk can be summarized as follows: a) updating short and long term analyses of prospective financial requirements b) monitoring of capital market conditions c) refinancing of borrowings well in advance of their due dates d) diversification of the Company's sources of financing. in addition to the holding within the company, in times of financial tension, of higher levels of available liquidity than in ordinary situations.
Interest rate risk	Risks related to the increase in the cost conditions of financial sources of debt.	Monetary policy decisions taken by central banks or the deterioration of the creditworthiness of counterparties and/or the Company.	The increase in market reference rates or credit spreads applied to the Company may result in a significant increase in the cost of debt.	The instruments for the management of this risk are: a) planning prospective financial requirements b) using "derivative" instruments (interest rate swaps) c) starting fixed rate loans.
Exchange rate risks	Risks linked to the unfavorable trend in the value of currencies other than the euro.	The appreciation of foreign currencies against the euro is a consequence of currency market trends and is totally exogenous with respect to the airport business.	The need to comply with financial obligations in currencies other than the euro, the currency collected by the Company for the provision of its services, may create an increase in the value of such obligations with respect to the value originally contracted.	Hedging of cash flows in foreign currency through derivative contracts (currency swaps) to protect specific risks.
Risks related to outstanding loan agreements	The loan contracts in force require financial constraints and "do and do not do" clauses that are typical of such contracts to be respected.	Failure to comply with such constraints and clauses could be linked to the objective impossibility for the company to fulfill them.	Failure to comply with such constraints and clauses could result in the lending institutions declaring "default" with the activation of **coercive actions** that may go as far as requesting early repayment of the loans concerned.	Monitoring of commitments and related maturities, as well as periodic evaluation of the performance of the relevant financial indicators, in order to prevent, through any corrective actions, the possible impact of factors affecting compliance with the commitments undertaken. If necessary, activation of requests for waivers of contractual clauses.

4.3 Other information

4.3.1 Updates and changes to the reference regulatory framework

SEGMENT	AIRPORT	REFERENCE PROVISION	IMPACT ON ADR BUSINESS	NOTES
Infrastructural development	Fiumicino	Environmental Impact Assessment (EIA) Procedure on the Master Plan for 2030 (Italian Legislative Decree no. 152/2006): Decree of the Ministry of the Environment in agreement with the Ministry for Cultural Heritage and Activities no. 179/2020	Procedure for the approval of the Master Plan for 2030 at Fiumicino "L. da Vinci" Airport	With Decree 179/2020 the EIA procedure on the Fiumicino Master Plan for 2030 was negatively concluded. The Decree was challenged by ADR at the Lazio Regional Administrative Court.
Infrastructural development	Fiumicino	Decree of January 16, 2020 adopting the Management Plan and Implementing Regulations of the Roman Coastline State Reserve.	Long-term infrastructure development at Fiumicino "L. da Vinci" Airport.	The Plan confirms the building restrictions imposed on certain areas of the Reserve affected by development at Fiumicino airport (so-called Type 1 areas). The Plan was challenged by ADR at the Lazio Regional Administrative Court.
Infrastructural development		Italian Law no. 120 of September 11, 2020, "Conversion into law, with amendments, of Legislative Decree no. 76 of July 16, 2020, containing urgent measures for simplification and digital innovation"	Long-term infrastructure development at Fiumicino "L. da Vinci" Airport.	Amendment of article 6, paragraph 3-ter of Italian Legislative Decree 152/2006 with the possibility of using, also for airport development plans, the EIA integrated with the Strategic Environmental Assessment. ADR, together with ENAC, is assessing the applicability of the new regulations to the EAST expansion project of Fiumicino airport.
Tariff proposal 2021	Fiumicino and Ciampino	Directive 2009/12/EC - "Procedures of consultation between the operator and the airport users for exceptional and ordinary planning agreements" issued by ENAC on October 31, 2014, supplemented by paragraph 5.2.1 of the Airport Fee Regulation Model for airports with traffic exceeding 5 million passengers per year issued by the Transport Regulatory Authority (ART) on July 6, 2017	Update of prices in relation to the year 2020 (March 1, 2021-February 28, 2022).	On August 5, 2020 ADR launched consultations with users at Fiumicino and Ciampino airports regarding the proposed tariff update. The public hearing of the Users took place on October 13, 2020 electronically and the work for consultations was concluded on November 24, 2020. The fees for the year 2021 were forwarded to the competent bodies on December 30, 2020.
ART consultation on tariff adjustment models	Fiumicino and Ciampino	Resolution no. 136/2020 of July 16, 2020 with which the ART approved the Airport Fee Regulation Models attached to resolution no. 92/2017, confirming, among other things, that it holds an alleged power to define the aforementioned fees also with reference to operators - such as ADR - acting on the basis of a Planning Agreement under derogation.	ART taking over from ENAC in the procedures for the review of airport fees subject to economic regulation and amendment of the Planning Agreement in force with ENAC	The Resolution was challenged by ADR at the Lazio Regional Administrative Court, with reasons added to the previous appeal with which it had challenged the Resolution to initiate the procedure for revising the models by ART.
Single Deed-Planning Agreement	Fiumicino and Ciampino	Article 202 of Italian Law Decree no. 34/20 (Re-launch Law Decree), as amended by conversion law no. 77/2020, with the new paragraph 1-bis, provided that "In view of the drop in *traffic at Italian airports consequently to the epidemiological emergency caused by COVID-19 and the measures adopted by the State and the regions to contain the contagion, in order to curb the consequent economic effects, the duration of concessions for the management and development of airport activities, in progress at the date of entry into force of the law converting this decree, is extended by two*	Dilution of the economic effects of the COVID-19 pandemic crisis	The ADR concession is extended *ope legis* until June 30, 2046.

		years"		
COVID-19 health emergency	Fiumicino	Order of the President of the Lazio Region no. Z00058 of September 11, 2020, containing provisions on the experimentation of preventive tests for passengers departing on the Rome Fiumicino - Milan Linate route	increase in passengers on the Rome Fiumicino - Milan Linate route	The Order provides for the start of experimentation - up to two operating flights per day - of flights defined as "Covid-Tested" on the Rome Fiumicino - Milan Linate route, on which only passengers who tested negative for COVID-19 can be transported, following mandatory rapid antigenic testing run before boarding or following presentation of a certificate stating the negative result of a molecular test (RT PCR) or antigenic test carried out in the 72 hours prior to boarding.
COVID-19 health emergency	Fiumicino	Order of the Ministry of Health of November 23, 2020 ("Urgent measures for the experimentation of Covid-tested flights").	increase at Fiumicino airport in traffic from Frankfurt, Munich, Atlanta, New York	The Order - on an experimental basis - allows passengers entering the national territory with the flights listed therein not to comply with the health surveillance and fiduciary isolation obligations (where applicable). To be able to board the so-called "Covid-tested" flights, passengers must present the negative result of a rapid antigen test taken before boarding or following presentation of a certificate stating the negative result of a molecular test (RT PCR) or antigen test, carried out by means of a swab no later than 48 hours prior to boarding.
COVID-19 health emergency	Fiumicino and Ciampino	Italian Law no. 178 of December 30, 2020 on "State budget for the financial year 2021 and multi-year budget for the three-year period 2021-2023" (Budget Law 2021) - Article 1, Paragraphs 715-720	Establishment at MIT of a Fund of 500 million euros, of which 450 million euros for the airport management companies and the remaining 50 million euros for handlers, as compensation for the damages suffered as a result of COVID-19.	In the event that the total contribution due to the companies is higher than the resources allocated, the law provides that the amount of the contribution recognized to each company is proportional to that due to it with respect to the total, and in any case not exceeding 20% of the total resources allocated (i.e. 90 million euros). Lastly, the law authorizes MIT, pending the completion of the authorization process for this State Aid scheme by the European Commission, to pay airport operators who request it an amount not exceeding 315 million euros, as an advance payment. The terms and procedures for submitting applications to access the grant, as well as the criteria for determining and disbursing the grant will be defined - in compliance with the criteria outlined in the regulation itself "in order to avoid over-compensation" - by MIT decree in agreement with the MEF.
BREXIT	Fiumicino and Ciampino	"EU-UK Trade Cooperation Agreement" of December 24, 2020.	Maintaining connections to and from Great Britain	In order to mitigate the effects of a Hard Brexit in various sectors, including civil aviation, the EU and the UK have reached this agreement which is provisionally enforceable from January 1, 2021 until February 28, 2021, by which date the Parties must complete respective institutional steps to ratify the same for the purposes of its definitive entry into force

Noise pollution	Ciampino	Italian Ministerial Decree no. 345/2018 Approval of the plan for containing and combatting noise.	Limiting the number of arriving and departing flights; noise monitoring.	The start of limiting to no. 65 movements/day envisaged by the Noise containment and abatement plan was temporarily "suspended" following the sentence of the Lazio Regional Administrative Court of February 24, 2020.
Administrative liability of Fiumicino and Ciampino	Fiumicino and Ciampino	New relevant offenses pursuant to Italian Legislative Decree 231/2001 introduced by Italian Law Decree 124/19, converted into Law 157/2019 (so-called Tax Law Decree) and by Italian Legislative Decree 75/2020 "Implementation of Directive (EU) 2017/1371, relating to the fight against fraud affecting the financial interests of the Union by means of criminal law"	The ADR Group companies have updated their respective Organization, management and control models pursuant to Italian Legislative Decree 231/2001 in relation to the regulatory changes that have taken place.	Some offenses in tax matters referred to in Italian Legislative Decree no. 74/2000 and other types of offenses identified in the context of implementing Directive (EU) 2017/1371 (so-called PIF Directive) were included among the so-called "predicate" offenses of the administrative liability of entities pursuant to Italian Legislative Decree no. 231/2001
Public Tenders	Fiumicino and Ciampino	Italian Law Decree no. 34 of May 19, 2020, converted into law, with amendments, by Italian Law no. 77 of July 17, 2020	Amendments to some provisions regarding public tenders	The decree provided for (i) until December 31, 2020, the exemption for contracting stations and economic operators from paying contributions in favor of ANAC for all tenders launched from the date of entry into force of the Decree; (ii) for tenders to be started and for tenders in progress at the date of entry into force of the Decree, the possibility is foreseen - until June 30, 2021 (term then extended to December 31, 2021 by the so-called Milleproroghe Decree), to increase up to 30% the amount of the advance of the price to be paid to contractors pursuant to the procurement code
Public Tenders	Fiumicino and Ciampino	Italian Law Decree no. 76 of Thursday, July 16, 2020, converted into law, with amendments, by Italian Law no. 120 of Friday, September 11, 2020	Provisions regarding public tenders	The decree introduced several amendments to provisions regarding public tenders

5 Subsequent events

Traffic trend as of February 28, 2021

Traffic performance at the Roman Airport System is shown for an extended period (until February 28, 2021) in order to provide a further update on the most recent consequences of the COVID-19 outbreak on air traffic at Fiumicino and Ciampino airports. The persistence of a high number of infections and deaths is, in fact, preventing a relaxation of the restrictive measures and is delaying the resumption of air traffic in Europe and in the world.

At airport system level (Fiumicino + Ciampino) since the beginning of the year passenger traffic fell by 88.5% and aircraft movements by 75.8% compared with 2020.

TABLE 1. Main traffic data of the Roman Airport System[5]

	JAN. 1 – FEB. 28, 2021	JAN. 1 – FEB. 28, 2020	Δ%
Movements (no.)	**11,675**	**48,318**	**(75.8%)**
Fiumicino	9,042	40,596	(77.7%)
Ciampino	2,633	7,722	(65.9%)
Passengers (no.)	**696,701**	**6,060,259**	**(88.5%)**
Fiumicino	659,227	5,159,344	(87.2%)
Ciampino	37,474	900,915	(95.8%)
Cargo (tons)	**14,948**	**25,298**	**(40.9%)**
Fiumicino	12,394	22,492	(44.9%)
Ciampino	2,554	2,806	(9.0%)

Following the trend of individual airports:

Fiumicino

Between January 1 and February 28, 2021, the main Italian airport recorded a traffic volume of approximately 659 thousand passengers, down by 87.2% compared to the same period of 2020 and in line with the strongly negative trend observed in the final months of last year. Aircraft movements registered a slightly smaller decrease of 77.7%.

In this period, an average of 11,000 passengers per day passed through, compared to over 87,000 in the same period of 2020.

Domestic traffic, which accounts for over 50% of Fiumicino's total passenger traffic, recorded a minor drop of 76.4% during the period under consideration. On the other hand, international traffic, due to the mobility restrictions adopted throughout most of the world, fell by 91.3%, above the airport's average.

Ciampino

In the period from January 1 to February 28, 2021 Rome-Ciampino airport also recorded a sharp drop in traffic, down 95.8%. Commercial traffic at the airport was affected by further cancellations by

[5] Provisional data

carriers in the period following the Christmas holidays. Indeed, the reduction in commercial movements amounted to 87.9%, compared with a drop of 65.9% in total movements during the period under consideration.

Other significant events

- Following the discussions already initiated with ENAC, on January 22, 2021 ADR sent the Authority the new version of the airport development plan (the New PSA) fully compliant with the provisions of art. 1, paragraph 4, of the current Agreement, which identifies the creation of an infrastructure system aimed at "guaranteeing the development of a Roman airport system adequate for the traffic volumes estimated at the various time thresholds (100 million passengers per year 2044)" as the objective to be achieved through the conventional instruments identified by art. 17, paragraph 34-bis, of Law Decree no. 78 of 2009 converted by Law no. 102 of 2009. This Plan represents the solution identified by the Company following the unfeasibility of the Master Plan for 2030 (the so-called Fiumicino Nord Master Plan) on whose environmental compatibility the MATTM expressed a negative opinion with Italian Ministerial Decree no. 79/20.
- The trial on Covid-tested flights from the United States, approved as the only airport in Italy for flights from the United States by order of the Ministry of Health in agreement with the Ministry of Transport and the Ministry of Foreign Affairs on November 23, 2020, launched at Fiumicino from December 8, shows that only 5 passengers out of an overall total of 3,824 tested positive for Covid, with a positivity rate of just 0.13% (data as of January 28, 2021). ADR has been granted an extension of the experimental phase to March 5 and is working to involve more airlines, airports and institutions to promote effective, sustainable and consistent protocols across Europe.
- On February 11, 2021, the new Vaccination Center of the Lazio Region became operational, created in an Italian airport for the first time, thanks to the collaboration with ADR and the Italian Red Cross. The structure of about 1,500 square meters is fully covered and heated and will be able to administer up to three thousand doses of vaccine per day when operating 24 hours a day. It has been set up at the long-term parking lot of Fiumicino airport, where the drive-in area for COVID-19 tests has been active since last September.
- On January 21, 2021, following the fulfilment of the conditions precedent provided for in the purchase and sale agreement signed at the end of December 2020, ADR acquired the equity investment, equal to 100% of the share capital, held by Pavimental SpA in ADR Infrastrutture SpA, the company to which Pavimental had previously transferred the business unit dedicated to airport activities, with effect from January 1, 2021. The purchase price paid was 12.2 million euros. This transaction is motivated by ADR's interest in performing in house the work on the airport development plan, in order to guarantee direct control over the timing and quality of execution.
- On January 22, 2021, the Company accepted the binding offer submitted by Autostrade per l'Italia S.p.A. for ADR's acquisition of its holding in Pavimental S.p.A. (20%). Completion of the purchase and sale transaction is expected by March.
- As part of the reorganization project launched by the Atlantia Group and aimed at bringing the engineering support activities carried out until now by Spea Engineering S.p.A. within the scope of the groups belonging to the relevant principals, on February 26, 2021 the ADR Group company, ADR Ingegneria S.p.A., signed the preliminary contract for the lease of the business unit of Spea Engineering S.p.A. dedicated to airport engineering and works supervision. The contract has a duration of two years, renewable by tacit agreement for a further two, with the right of withdrawal "ad nutum" of both parties with 6 months' notice. The rent is 133 thousand euros, fixed and unchangeable for the entire duration of the contract.

6 Business Outlook

The vaccination plans developed and being implemented in numerous countries today generate an initial cautious optimism, but a considerable resumption of activities in our sector remains very uncertain and in any case in the long term.

Therefore, it is very likely that 2021 will remain, as it was for 2020, a year heavily impacted by the pandemic crisis with predictably negative repercussions on profitability for the year. Having stated this, the need remains clear to continue, also for the entire 2021 financial year, to take initiatives to contain operating costs and safeguard liquidity levels also thanks, if the conditions are right, to the contribution of additional sources of funding. In a context in which the significant investment committed for the good maintenance of existing infrastructures remains fully confirmed by the Company, together with the main development projects, albeit appropriately rescheduled.

There will also be a continued focus on responding to the epidemic crisis in terms of protection and prevention from infection, as well as a continuous search for innovative solutions, implemented in coordination with the relevant national authorities and promoted at the international level, aimed at fostering safe travel procedures from a health point of view and simple to implement for travelers.

Although pre-crisis levels of activity cannot be resumed in the short term, maintaining excellent levels of service quality, as well as attention to environmental and sustainability objectives and a growing commitment to innovation, remain among the Group's priority ambitions, with the certainty that it is on these areas that the foundations will be laid for accelerating the recovery of future traffic development. Therefore, the Group will continue along the path already undertaken in 2020 to continuously improve its processes, operations and organization in order to adopt an agile operating model that is capable of promptly intercepting the changes arising from the post-Covid scenario.

7 Proposals to the Ordinary Shareholders' Meeting

Dear Shareholders,

the Financial statements for the year ended December 31, 2020, report a loss of 143,353,202.93 euros. Therefore, we hereby propose to:

1. approve the 2020 Financial statements, which disclose a loss of 143,353,202.93 euros, having acknowledged the documents that accompany them;

2. cover the loss by using the retained earnings for the same amount.

The Board of Directors

CONSOLIDATED FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

Consolidated Financial Statements as of December 31, 2020

CONSOLIDATED FINANCIAL STATEMENTS OF THE AEROPORTI DI ROMA GROUP

Consolidated Statement of Financial Position

ASSETS (THOUSANDS OF EUROS)	NOTES	12.31.2020	*of which related parties*	12.31.2019	*of which related parties*
NON-CURRENT ASSETS					
Tangible assets	6.1	51,964		53,955	
Concession fees		2,435,782		2,422,626	
Other intangible assets		45,190		55,301	
Intangible assets	6.2	2,480,972		2,477,927	
Equity investments	6.3	37,285		64,347	
Other non-current financial assets	6.4	1,188		1,705	
Deferred tax assets	6.5	91,227		50,627	
Other non-current assets	6.6	458		401	
TOTAL NON-CURRENT ASSETS		**2,663,094**		**2,648,962**	
CURRENT ASSETS					
Inventories		5,635		4,197	
Trade receivables		256,924	*3,154*	305,416	*3,181*
Trade assets	6.7	262,559	*3,154*	309,613	*3,181*
Other current financial assets	6.4	1,350	*1,350*	1,515	*1,350*
Current tax assets	6.8	3,981	*3,618*	7,851	*7,470*
Other current assets	6.9	34,826	*487*	15,637	*514*
Cash and cash equivalents	6.10	1,097,229		500,885	
TOTAL CURRENT ASSETS		**1,399,945**	***8,609***	**835,501**	***12,515***
TOTAL ASSETS		**4,063,039**	***8,609***	**3,484,463**	***12,515***

SHAREHOLDERS' EQUITY AND LIABILITIES (THOUSANDS OF EUROS)	NOTES	12.31.2020	*of which related parties*	12.31.2019	*of which related parties*
SHAREHOLDERS' EQUITY					
GROUP SHAREHOLDERS' EQUITY					
Share capital		62,225		62,225	
Reserves and retained earnings		1,073,332		877,081	
Net income (loss) for the year		(143,684)		245,161	
		991,873		1,184,467	
MINORITY INTERESTS IN SHAREHOLDERS' EQUITY		0		0	
TOTAL SHAREHOLDERS' EQUITY	6.11	**991,873**		**1,184,467**	
LIABILITIES					
NON-CURRENT LIABILITIES					
Provisions for employee benefits	6.12	15,745		14,893	
Provisions for renovation of airport infrastructure	6.13	149,293		133,439	
Other allowances for risks and charges	6.14	17,238		19,082	
Allowances for non-current provisions		182,276		167,414	
Bonds		1,006,473		1,115,670	252,704
Medium/long-term loans		873,671		207,198	
Financial instruments - derivatives		161,238		140,076	
Other financial liabilities		1,820		1,704	
Non-current financial liabilities	6.15	2,043,202		1,464,648	252,704
Other non-current liabilities	6.16	0		7,479	790
TOTAL NON-CURRENT LIABILITIES		**2,225,478**		**1,639,541**	***253,494***
CURRENT LIABILITIES					
Provisions for employee benefits	6.12	1,115		3,038	
Provisions for renovation of airport infrastructure	6.13	47,740		55,563	
Other allowances for risks and charges	6.14	8,793		3,392	
Allowances for current provisions		57,648		61,993	
Trade payables	6.17	170,274	48,013	216,352	84,709
Trade liabilities		170,274	48,013	216,352	84,709
Current share of medium/long-term financial liabilities		431,431		129,848	453
Financial instruments - derivatives		59,706		35,534	
Current financial liabilities	6.15	491,137		165,382	453
Current tax liabilities	6.8	26		32,020	19,070
Other current liabilities	6.18	126,603	845	184,708	3,652
TOTAL CURRENT LIABILITIES		**845,688**	***48,858***	**660,455**	***107,884***
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**4,063,039**	**48,858**	**3,484,463**	**361,378**

Consolidated Income Statement

(THOUSANDS OF EUROS)	NOTES	2020	*of which related parties*	2019	*of which related parties*
REVENUES					
Revenues from airport management		260,716	*4,181*	941,479	*14,389*
Revenues from construction services		98,882		174,386	
Other operating income		12,436	*1,067*	13,234	*1,188*
TOTAL REVENUES	7.1	**372,034**	**5,248**	**1,129,099**	**15,577**
COSTS					
Consumption of raw materials and consumables	7.2	(11,391)	*0*	(21,085)	*(10,219)*
Service costs	7.3	(229,883)	*(72,691)*	(343,948)	*(147,046)*
Payroll costs	7.4	(120,007)	*(443)*	(168,901)	*(2,519)*
Concession fees		(8,299)		(36,728)	
Expenses for leased assets		(895)		(1,400)	
(Allocation to) use of the provisions for renovation of airport infrastructure	6.13	(6,753)		(5,726)	
(Allocation to) re-absorption of allowances for risks and charges	6.14	956		(1,360)	
Other costs		(11,560)	*(17)*	(14,010)	*(14)*
Other operating costs	7.5	(26,551)	*(17)*	(59,224)	*(14)*
Depreciation of tangible assets	6.1	(15,349)		(15,561)	
Amortization of intangible concession fees	6.2	(85,733)		(85,377)	
Amortization of other intangible assets	6.2	(6,754)		(6,130)	
Amortization and depreciation		(107,836)		(107,068)	
TOTAL COSTS		**(495,668)**	***(73,151)***	**(700,226)**	***(159,798)***
OPERATING INCOME		**(123,634)**		**428,873**	
Financial income		1,551		16,605	*3,520*
Financial expense		(73,421)	*(1,082)*	(56,333)	*(13,429)*
Foreign exchange gains (losses)		13,553		(12,356)	
FINANCIAL INCOME (EXPENSE)	7.6	**(58,317)**	***(1,082)***	**(52,084)**	***(9,909)***
Share of profit (loss) of associates accounted for using the equity method	7.7	342		(8,640)	
INCOME (LOSS) BEFORE TAXES		**(181,609)**		**368,149**	
Income taxes	7.8	37,925		(122,988)	
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**(143,684)**		**245,161**	
Net income (loss) from discontinued operations		0		0	
NET INCOME (LOSS) FOR THE YEAR		**(143,684)**		**245,161**	
of which:					
Group income (loss)		**(143,684)**		**245,161**	
Minority interests		0		0	

Consolidated Statement of Comprehensive Income

(THOUSANDS OF EUROS)	NOTES	2020	2019
NET INCOME (LOSS) FOR THE YEAR		**(143,684)**	**245,161**
Share of cash flow hedge derivative financial instruments	6.15	(31,989)	(51,112)
Tax effect		6,825	13,118
Share pertaining to the "other components of comprehensive income" of equity investments accounted for using the equity method		(81)	30
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect		**(25,245)**	**(37,964)**
Income (loss) from actuarial valuation of employee benefits	6.12	(174)	(713)
Tax effect		(57)	172
Profits (losses) from fair value measurement of equity investments	6.3	(27,591)	0
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect		**(27,822)**	**(541)**
Reclassifications of the other components of the comprehensive income statement for the year	6.15	**1,539**	**1,541**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT		**(51,528)**	**(36,964)**
COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**(195,212)**	**208,197**
of which:			
Group income (loss)		(195,212)	208,197
Minority interests		0	0

Statement of changes in consolidated equity

(THOUSANDS OF EUROS)	SHARE CAPITAL	LEGAL RESERVE	SHARE PREMIUM RESERVE	CASH FLOW HEDGE RESERVE	RESERVE FOR THE VALUATION OF EQUITY INVESTMENTS ACCORDING TO THE EQUITY METHOD	PROFIT/(LOSS) RESERVE FOR THE FAIR VALUE MEASUREMENT OF EQUITY INVESTMENTS	OTHER RESERVES AND RETAINED EARNINGS	NET INCOME (LOSS) FOR THE YEAR (net of advance on dividends)	TOTAL	MINORITY INTERESTS IN SHAREHOLDERS' EQUITY	TOTAL SHAREHOLDERS' EQUITY
BALANCE AS OF DECEMBER 31, 2018	**62,225**	**12,462**	**667,389**	**(51,654)**	**32**	**0**	**284,053**	**132,369**	**1,106,876**	**0**	**1,106,876**
Net income for the year								245,161	245,161		245,161
Other components of comprehensive income:				(36,453)	30		(541)		(36,964)		(36,964)
Effective portion of cash flow hedge derivative financial instruments, net of tax effect				(36,453)					(36,453)		(36,453)
Income (loss) from actuarial valuation of employee benefits, net of the tax effect							(541)		(541)		(541)
Share pertaining to the "Other components of comprehensive income" of equity investments accounted for using the equity method					30				30		30
Comprehensive income for the year				(36,453)	30		(541)	245,161	208,197		208,197
Dividend distribution (balance)								(130,672)	(130,672)		(130,672)
Allocation of residual profit of the previous year							1,697	(1,697)			0
Other changes					(51)		117		66		66
BALANCE AS OF DECEMBER 31, 2019	**62,225**	**12,462**	**667,389**	**(88,107)**	**11**	**0**	**285,326**	**245,161**	**1,184,467**	**0**	**1,184,467**
Net income (loss) for the year								**(143,684)**	**(143,684)**	0	**(143,684)**
Other components of comprehensive income:				(23,625)	(81)	(27,591)	(231)		**(51,528)**	0	**(51,528)**
Profits (losses) from fair value measurement of the cash flow hedge derivative instruments, net of the tax effect				(23,625)					(23,625)	0	(23,625)
Income (loss) from actuarial valuation of employee benefits, net of the tax effect							(231)		(231)	0	(231)
Share pertaining to the "Other components of comprehensive income" of equity investments accounted for using the equity method					(81)				(81)	0	(81)
Profits (losses) from fair value measurement of equity investments						(27,591)			(27,591)		(27,591)
Comprehensive income (loss) for the year				(23,625)	(81)	(27,591)	(231)	**(143,684)**	(195,212)	0	(195,212)
Allocation of profit of the previous year							245,161	(245,161)		0	0
Other changes					267		2,351		2,618	0	2,618
BALANCE AS OF DECEMBER 31, 2020	**62,225**	**12,462**	**667,389**	**(111,732)**	**197**	**(27,591)**	**532,607**	**(143,684)**	**991,873**	**0**	**991,873**

Consolidated statement of Cash Flows

(THOUSANDS OF EUROS)	NOTES	2020	2019
Net income (loss) for the year		**(143,684)**	**245,161**
Adjusted by:			
Amortization and depreciation	6.1/6.2	107,836	107,068
Allocation to provisions for renovation of airport infrastructure	6.13	38,848	53,342
Financial expense from discounting provisions	7.6	1,275	2,103
Change in other provisions		2,315	(3,836)
Share of profit (loss) of associates accounted for using the equity method	7.7	(342)	8,640
Net change in deferred tax (assets) liabilities		(34,317)	6,467
Other non-monetary costs (revenues)		11,367	8,597
Changes in working capital and other changes		(111,921)	70,858
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**(128,623)**	**498,400**
Investments in tangible assets (*)	6.1	(13,511)	(21,919)
Investments in intangible assets (**)	6.2	(108,144)	(210,674)
Works for renovation of airport infrastructure	6.13	(32,095)	(47,616)
Equity investments and minority shareholdings in consolidated companies		(1)	0
Gains from disinvestments and other changes in tangible and intangible assets and equity investments		12,765	15,558
Net change in other non-current assets		(57)	7
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)		**(141,043)**	**(264,644)**
Dividends paid		0	(130,672)
Issue of bonds		297,732	0
Raising of medium/long-term loans		678,818	70,000
Repayment of medium/long-term loans		(112,500)	0
Net change in other current and non-current financial liabilities		1,795	(234)
Net change in current and non-current financial assets		165	(165)
NET CASH FLOW FROM FUNDING ACTIVITIES (C)		**866,010**	**(61,071)**
NET CASH FLOW FOR THE YEAR (A+B+C)		**596,344**	**172,685**
Cash and cash equivalents at the start of the year	6.10	500,885	328,200
Cash and cash equivalents at the end of the year	6.10	1,097,229	500,885

(*) including advances to suppliers for 1,698 thousand euros in 2020;
(**) including advances to suppliers for 124 thousand euros in 2020 and 25,079 thousand euros in 2019.

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	2020	2019
Net income taxes paid (reimbursed)	24,522	106,085
Interest income collected	1,284	177
Interest payable and commissions paid	47,767	45,296

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS OF THE AEROPORTI DI ROMA GROUP

1. General information

Aeroporti di Roma S.p.A. (hereafter the "Company" or "ADR" or "the Parent Company") manages the Roman airport system on an exclusive basis under the concession signed between the Italian Civil Aviation Authority ("ENAC") and ADR. On December 21, 2012, the Prime Minister approved the new Planning Agreement signed between ADR and ENAC on October 25, 2012, based on which ADR is entrusted with managing the airport system directly and indirectly through the subsidiary undertakings, to which specific activities are assigned. The concession expires on June 30, 2046.

The registered office of the Parent Company is in Fiumicino, Via Pier Paolo Racchetti 1, while the secondary office is in Ciampino, Via Appia Nuova 1651. The duration of the Company is currently set until December 31, 2050, unless extended.

On the date of presenting the Consolidated financial statements, Atlantia S.p.A. ("Atlantia") is the shareholder that directly holds the majority of the shares of ADR (61,842,015, equal to 99.385% of the capital) and exercises the management and coordination towards the Company.

These Consolidated financial statements of ADR and its subsidiary undertakings (the "ADR Group") were approved by the Board of Directors of the Company during the meeting of March 4, 2021 and are subject to audit by EY S.p.A..

The Consolidated financial statements were prepared in the assumption of going-concern.

2. Form and content of the Consolidated financial statements

The Consolidated financial statements for the year ended December 31, 2020 were prepared pursuant to art. 2 of Italian Legislative Decree no. 38/2005, in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and endorsed by the European Commission, in force on the balance sheet date.

Consideration was also given to the measures issued by Consob (Commissione Nazionale per le Società e la Borsa) in implementing paragraph 3 of Article 9 of Italian Legislative Decree no. 38/2005 on the preparation of the accounting statements.

The consolidated financial statements comprise statement of financial position, income statement, statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flows and these notes, applying the provisions of IAS 1 "Presentation of Financial Statements" and the general criterion of the historical cost, with the exception of the financial statement items that according to IFRS are recognized at their fair value, as stated in the valuation criteria of the individual items.

The statement of financial position is presented on the basis of the statement that provides for a distinction between current and non-current assets and liabilities, while these are classified on the basis of their nature in the income statement. The statement of cash flows was prepared by applying the indirect method. IFRS were applied consistently with the indications of the "Framework for the Preparation and Presentation of Financial Statements" and no issues emerged that required derogations pursuant to IAS 1.

All the values are expressed in thousands of euros, unless otherwise stated. Euro is the functional currency of the Parent Company and the subsidiary undertakings and the currency of presentation of the financial statements.

For each item in the consolidated financial statements, the corresponding value of the previous year is reported for comparison purposes.

3. Consolidation area and principles

The Consolidated financial statements include the financial statements of ADR and its subsidiary undertakings for the year ending December 31, 2020, directly or indirectly controlled by ADR, both by virtue of the shares held to obtain the majority of votes in the Meeting (also when considering the potential voting rights deriving from options that can be exercised immediately) and due to other facts or circumstances that (also when excluding the related shares) assign the power over the relevant activities of the company, the exposure or the right to variable returns on the investment of the company and the ability to use the power over the company to influence the returns on the investment.

The subsidiary undertakings are included in the consolidation area as of the date when control is acquired by the Group and are excluded from the area as of the date when control is lost by the Group. Annex 1 "List of equity investments" lists the companies included in the consolidation area. The consolidation area has not changed compared to December 31, 2019.

The result of the comprehensive income statement relating to a subsidiary undertaking is attributed to the minorities, even if this implies a negative balance for minority interests. The variations in the interest of the parent company in a subsidiary undertaking that do not imply the loss of control are recorded as capital transactions. If the parent company loses the control of a subsidiary undertaking, it:

- cancels the assets (including goodwill) and the liabilities of the subsidiary undertaking;
- cancels the book values of all the minority shareholdings in the former subsidiary undertaking;
- cancels the accumulated exchange rate differences recorded in the shareholders' equity;
- records the fair value of the payment received;
- records the fair value of all the shareholdings in the former subsidiary undertaking;
- records the profit or loss in the income statement;
- reclassifies the pertaining share of the parent company of the components previously recorded in the comprehensive income statement in the income statement or in the retained earnings, as the case may be.

For consolidation purposes, the accounting situations of the subsidiary undertakings were used, approved by the relevant Boards of Directors and the Sole Directors, adjusted on the basis of the IFRS standards adopted by the Group.

The main consolidation principles are described below:

- all assets and liabilities, charges and income of companies consolidated using the line-by-line method are fully included in the Consolidated financial statements;
- the book value of the equity investments is set off against the corresponding share of shareholders' equity in the investee companies, attributing to the single asset and liability items their current value at the date of acquisition of control;

- where necessary, adjustments have been made to the financial statements of subsidiary undertakings to bring their accounting criteria in line with those adopted by the Group;
- minority interests in the shareholders' equity of subsidiary undertakings are indicated separately from the Group shareholders' equity;
- intercompany profits and losses still to be realized, as well as significant sums relating to payables and receivables and costs and revenues relating to consolidated companies have been eliminated;
- adjustments made to eliminate items of a purely tax nature, as well as other consolidation adjustments, take account, where applicable, of the related deferred taxation;
- dividends received by subsidiary undertakings during the year and recorded in the Parent Company's income statement as income from equity investments are eliminated against retained earnings.

Business combinations

Business combinations are recorded by using the acquisition method. The cost of an acquisition is valued as the sum of the transferred consideration, measured at fair value on the acquisition date, and the amount of the minority interest in the acquired company. For each business combination, the Group defines whether to measure the minority interest in the acquired company at fair value or in proportion to the share of the minority interest in the net assets that can be identified in the acquired company. The acquisition costs are written off in the year and classified under administrative expenses.

When the Group acquires a business, it classifies or designates the financial assets acquired or the liabilities assumed in accordance with the contractual terms, the economic conditions and the other relevant conditions in place on the acquisition date. This includes the check to establish whether an embedded derivative must be separated from the host contract.

If the business combination is created in several phases, the shareholding previously held is measured at the fair value on the acquisition date and any resulting profit or loss is recorded in the income statement.

Any potential consideration due is recorded by the purchaser at fair value on the acquisition date. The change in fair value of the potential consideration classified as asset or liability, as a financial instrument contemplated by IFRS 9, must be recorded in the income statement or in the statement of the other components of the comprehensive income statement. In the cases where the contingent consideration is not within the scope of IFRS 9, it is measured at fair value with the fair value changes recognized in the income statement. If the contingent consideration is classified in the shareholders' equity, its value is not recalculated and its subsequent settlement is recorded in the shareholders' equity.

The transactions for the acquisition or sale of companies and/or branches under common control are treated, in accordance with IAS 1 and IAS 8, on the basis of their economic substance, making reference to both the (i) methods to determine the amount of the sale and the (ii) check of the added value generated for all the parties concerned, resulting in significant changes that can be measured in the cash flows before and after the transaction of the transferred assets. In this context:

- if both requirements being checked are met, these transactions for the purchase of companies and/or company branches are recorded according to IFRS 3, following the same criteria illustrated previously for similar transactions with third parties. In these cases, the transferor company posts in the income statement the possible difference between these carrying amounts of the assets and liabilities and the related amount;
- in the other cases, the transferred assets and liabilities are posted by the transferee with the same values these were recorded in the financial statements of the transferor company before the

transactions, with the recognition in the shareholders' equity of any difference compared to the acquisition cost. Consistently with this, the transferor company records in the shareholders' equity the difference between the book value of the assets and liabilities sold and the amount agreed.

4. Accounting standards applied

Described below are the most important accounting standards and valuation criteria applied in preparing the Consolidated financial statements for the year ended December 31, 2020. These standards and criteria comply with those used to prepare the consolidated financial statements for the previous year.

It should be noted that with effect from January 1, 2020, the amendment to IFRS 9, IAS 39 and IFRS 7 on "Interest Rate Benchmark Reform" came into force, which amends some of the requirements for the application of hedge accounting, providing for temporary exemptions to them, in order to mitigate the impact deriving from the uncertainty of the reform of the Interbank Offered Rates (IBOR), pending its completion, on the evaluation of the effectiveness of hedges through derivative financial instruments. In particular, the amendment requires (phase 1 of the implementation project envisaged by the IASB) the supply of information on the hedging ratios potentially affected by the reform of IBOR rates, requesting a temporary suspension of certain specific hedging requirements envisaged by IFRS 9; this information is illustrated in note 6.15, to which reference should be made.

Tangible assets

The tangible assets are recorded at historical cost, inclusive of any directly attributable accessory charges. The cost of tangible assets whose use is limited over time is systematically depreciated on a straight-line basis in each year based on the estimated economic-technical life. If significant parts of these tangible assets have different useful lives, these components are recorded separately. Depreciation is recorded from the time the fixed asset is available for use, or is potentially capable of providing the economic benefits associated therewith. The annual depreciation rates applied are:

- land: 0%;
- buildings: 4%;
- plant and machinery: from 10% to 25%;
- equipment: from 10% to 25%;
- other assets: from 10% to 25%.

Tangible assets held under a lease are recorded as tangible assets, initially as a contra-entry to the related payable, at a value equal to the relative fair value or, if lower, to the current value of the minimum payments due contractually. The fee paid is broken down into its components of financial expense, recorded in the income statement, and repayment of capital, recorded as a reduction of the financial debt.

In the presence of specific indicators regarding the risk of failed recovery of the book value of tangible assets, these undergo an impairment test, as described in the specific paragraph.

Tangible assets are no longer shown in the financial statements after their transfer or if no future economic benefit exists expected from their use; any deriving profit or loss (calculated as the difference between the transfer value, net of sale costs, and the carrying amount) is recorded in the income statement of the year of sale.

Any ordinary maintenance costs are charged to the income statement.

Intangible assets

Intangible assets are assets without physical substance, controlled by the company and able to produce future economic benefits and goodwill acquired in business combinations.

An asset is classified as intangible when there is the possibility of distinguishing it from the goodwill. This condition is normally met when: (i) the intangible asset arises from contractual or legal rights, or (ii) the asset is separable, i.e. can be sold, transferred, rented or exchanged autonomously or as an integral part of other assets. The company controls an asset if it has the power to obtain future economic benefits generated by the underlying assets and to restrict the access of others.

A peculiar element of those companies that, like ADR, operate under a concession agreement lies in the recognition of the so-called "Concession fees", which, on the basis of the applicable accounting standards, and IFRIC 12 in particular, represent the value attributed to the right to use the assets (infrastructure, plants, etc.) held under a concession agreement and with respect to which the company cannot exercise any right of ownership. Therefore, for this intangible asset, the recording value is the cost and may include: a) the fair value of the consideration for the construction and/or improvement services provided to the concessionaire (measured as illustrated in the standard regarding "construction contracts and services being executed"), net of the parts represented as financial assets, corresponding to the portions in the form of contribution; b) the rights acquired by third parties, in case costs are incurred to obtain concessions from the Grantor or third parties.

Intangible assets are stated at cost as determined by the methods indicated for tangible assets, only when the latter can be reliably valued and when these assets can be identified, are controlled by the company and can generate future economic benefits.

Intangible assets with a definite useful life are amortized starting from the time when they are available for use, based on their residual possibility of use with respect to the residual useful life. On the other hand, concession fees are amortized throughout the entire concession, with a criterion that reflects the methods with which the economic benefits will be received by the company, with the use of constant rates determined with reference to the expiry of the concession on June 30, 2046. The amortization starts from the time when the fees in question start to generate the relevant economic benefits. The other intangible assets are amortized in three years.

The profit or loss deriving from the sale of an intangible asset is the difference between the sale value, net of sale costs, and the carrying amount, and is recorded in the income statement of the year of sale.

Investments in associated undertakings and other companies

An associated undertaking is a company the Group exercises significant influence on. Significant influence means the power to take part in the determination of the financial and management policies of the investee company without having control over it. The equity investments in associated undertakings are accounted for using the equity method. Under the equity method, an equity investment in an associate or joint venture is initially recognized at cost. The book value of the equity investment is increased or decreased to recognize in the income statement the portion of profits or losses of the year accrued for the Group being recorded in the income statement, except for the effects related to other changes in the shareholders' equity of the investment, reflected directly in the comprehensive income statement of the Group. The risk deriving from possible losses that exceed the carrying amount of the equity investment is recorded in a specific liability fund proportionally to the investor's commitment to fulfilling the legal or implicit obligations towards the investee company or in any case covering its losses. When they have no significant effects on the statement of financial position and on the results of operations, the equity investments in associated undertakings are recorded at cost, adjusted to reflect any loss in value. When the reasons for the write-down cease, the equity investments are revalued within the limits of the write-downs made. Dividends received from an investee company reduce the book value of the equity investment.

Equity investments in other companies, which can be classified in the category of equity financial assets as defined in IFRS 9, are initially recorded at cost, as determined on the settlement date as they represent the fair value, inclusive of the directly attributable transaction costs.

Following initial recognition, these equity investments are measured at fair value, recognizing the effects in the income statement, with the exception of those that are not held for trading purposes and where, as permitted by IFRS 9, the option was exercised, upon acquisition, to designate them at fair value with recognition of the subsequent changes under the other components of the comprehensive income statement, and therefore in a specific shareholders' equity reserve. Minority interests can be measured at cost in limited cases where the cost represents an adequate estimate of the fair value.

Dividends are recognized when the right of the Shareholders to receive their payment arises.

Construction contracts and services being executed

The construction contracts being executed are assessed on the basis of the contractual payments accrued with reasonable certainty in connection with the work progress using the percentage of completion criterion determined with the methodology of physical measurement of the works executed in order to attribute the revenues and the economic result of the contract to the years of accrual proportionally to the work progress report. The positive or negative difference between the value of the contracts performed and the value of the advances received is posted as an asset or liability in the statement of financial position, respectively, in consideration also of possible write-downs made for risks related to the failed recognition of the works executed for the principals.

The revenues from the contract, in addition to the contractual consideration, include the variations, the price reviews and any claims to the extent these are likely to represent actual revenues that can be determined reliably. In case a loss is expected from the execution of the contract activities, this is immediately recorded in full in the accounts, regardless of the progress made in the contract.

The construction services in favor of the grantor pertaining to the concession agreement held by ADR are specifically recorded in the income statement based on the progress of the works. Revenues for construction and/or improvement services in particular, which represent the consideration due for the activity performed, are measured at their fair value, calculated on the basis of the total costs incurred, which mainly comprise the costs of external services and the costs of benefits for the employees devoted to these activities. These revenues from construction services are set off against a financial asset or the "airport management concession" entered among concession fees as intangible assets as shown in this paragraph.

Inventories

Inventories are valued at the lower of acquisition or production cost and the net realizable value that can be obtained from their sale during normal operations. The acquisition cost is determined by applying the weighted average cost method.

Financial instruments

The financial instruments include cash and cash equivalents, derivative financial instruments and financial assets and liabilities (as defined by IFRS 9 which includes, inter alia, trade payables and receivables).

Cash and cash equivalents

Cash and cash equivalents are recorded at par value and include the values that meet the requirements of high liquidity, availability on demand or in a very short term, good outcome and negligible risks of change in their value.

Derivative financial instruments

All derivative financial instruments are recorded in the financial statements at their fair value, determined on the year-end date. Derivatives are classified as hedging instruments, in accordance with IFRS 9, when the relationship between the derivative and the hedged position is formally recorded and the effectiveness of the hedge, checked initially and periodically, is high.

For the instruments that hedge against the risk of changes in the cash flows of the assets and the liabilities (also with reference to prospective and highly probable assets and liabilities) being hedged (cash flow hedges), the changes in fair value are recorded in the comprehensive income statement and any ineffective part of the hedge is recorded in the income statement. The accumulated changes in fair value allocated to the cash flow hedge reserve are reclassified from the comprehensive income statement to the income statement for the year when the hedging relationship comes to an end.

Financial assets

The classification of the financial assets and relevant valuation consider both the model for the management of the financial assets and the contractual characteristics of the cash flows that can be obtained from the assets. The financial asset is valued with the amortized cost method if both conditions below are met:

- the management model for the financial asset implies the holding of the same with the aim of collecting the related financial flows; and
- the financial asset contractually generates, on pre-set dates, the financial flows only representing the return of said financial asset (principal and interest).

A financial asset that meets the requirements for classification and valuation at amortized cost may, at the time of the initial recognition, be designated as financial asset at fair value with recognition of the effects in the income statement, if this measurement allows the asymmetrical valuation or recording ("accounting mismatch") to be eliminated or reduced significantly, which would otherwise result in the valuation of assets or liabilities or the recognition of the related profits or losses according to a different base.

The receivables measured at amortized cost are initially recognized at the fair value of the underlying asset, net of any directly attributable transaction proceeds; the amortized cost is measured by using the effective interest rate method, net of any impairment related to the sum considered non-performing. The Group records a write-down for expected losses (expected credit loss "ECL") for all the financial assets represented by debt instruments not held at fair value recognized on the income statement. The estimate of the amounts considered to be non-performing is made on the basis of the future expected cash flows. These flows consider the expected recovery terms, the likely salvage value, any guarantees as well as the costs that are estimated to be incurred to recover the receivables. The original value of the receivables is reinstated in the next years as the reasons for its adjustment cease to apply. In this case the value reinstatement is recorded in the income statement and cannot exceed the value of the amortized costs that the receivable would have had in the absence of previous adjustments.

Trade receivables, whose expiration falls within normal commercial terms or those where there are no significant financial components, are not discounted.

Financial liabilities

The financial payables are initially recorded at fair value, net of any directly attributable transaction costs. After initial recording, the financial payables are valued with the amortized cost criterion by using the effective interest rate method.

Trade payables, whose expiration falls within the normal commercial terms, or those where there are no significant financial components, are not discounted.

If there is a change to one or more elements of a financial liability in place (including through replacement with another instrument) a qualitative and quantitative analysis will be made to check whether that change is substantial compared to the contractual terms already in place. In the absence of substantial changes, the difference between the current value of cash flows as modified (calculated using the effective interest rate of the existing instrument at the date of the change) and the book value of the instrument is recorded in the income statement, with consequent adjustment to the value of the financial liability and recalculation of the effective interest rate of the instrument; if there are substantial changes, the instrument in place will be derecognized with simultaneous recognition of the fair value of the new instrument, allocating the difference to the income statement.

Derecognition of financial instruments

Financial instruments are no longer shown in the financial statements when, due to their sale or redemption, the Group is no longer involved in their management and does not hold the risks or benefits related to these sold/redeemed instruments.

Fair value measurements

Fair value is the price that would be obtained from the sale of an asset or that would be paid for the transfer of a liability in a regular market transaction (i.e. in case of involuntary liquidation or a sale at a loss) on the measurement date (exit price).

The fair value of an asset or liability is determined by adopting the valuations that market operators would use to determine the price of the asset or liability. The fair value measurement also supposes that the asset or liability is exchanged in the main market or, in its absence, in the most advantageous market the company has access to.

The calculation of the fair value of a financial asset requires the inclusion of a fair value adjustment factor referred to the counterparty risk called CVA - Credit Valuation Adjustment. This credit risk must be quantified in the same way in which a market operator would determine it to define the purchase price of a financial asset. The termination of the fair value of a financial liability, as explicitly provided for by IFRS 13, also requires the quantification of a fair value adjustment factor referred to the own credit risk, i.e. DVA (Debit Valuation Adjustment).

In determining the fair value, a hierarchy of criteria is defined which is based on the origin, type and quality of the information used for the calculation. Such classification is aimed at establishing a hierarchy in terms of reliability of the fair value, with precedence given to the use of parameters that can be observed in the market and reflect the assumptions that the market participants would use to value the assets/liabilities. The fair value hierarchy includes the following levels: (i) level 1: Inputs represented by listed prices (unchanged) in active markets for identical assets or liabilities with access on the measurement date; (ii) level 2: inputs other than the listed prices included in level 1, which can be observed, directly or indirectly, for the assets or liabilities to be measured; (iii) level 3: inputs that cannot be observed for assets or liabilities.

In the absence of market prices available, the fair value is determined by using the measurement techniques that suit the specific case and maximize the use of important observable inputs, minimizing the use of non-observable inputs.

Employee benefits

The liabilities relating to short term benefits granted to employees, disbursed during the employment relationship, are recorded for the amount accrued at year end.

The liabilities related to benefits granted to employees and paid during or after the termination of the employment relationship through defined contribution plans, mainly consisting of the Employee Severance Indemnities of the Group companies accrued until December 31, 2006 (or, where applicable, until the next date of adhesion to the complementary compensation fund), are recorded in the year when the right arises, net of any advances paid; these are calculated on the basis of actuarial assumptions and measured on an accrual basis in line with the services needed to obtain the benefits; the liabilities are valued by independent actuaries.

The actuarial gains and losses relating to defined benefit plans are recorded in the statement of comprehensive income and are not subject to subsequent attribution to the income statement; the cost for interest is recorded in income statement under financial income (expense).

Provisions for renovation of airport infrastructure

One of the main obligations that the concession agreement imposes on the concessionaire is that of guaranteeing that, for the entire duration of the concession, the requirements of operation and safety of the assets under concession continue to be met (see paragraph Intangible assets - concession fees). To this end the concessionaire, in addition to routine maintenance activities, must systematically plan the necessary extraordinary and replacement maintenance interventions so that it fulfills this important concession obligation. The list of restoration/replacement measures is an integral part of the company's Investment Plan, which is drawn up by the relevant technical structures and included in the Group's business plan.

The Provisions for renovation of airport infrastructure thus represent the current value of the estimate of the charges to be incurred for the contractual obligation imposed on the company by the concession agreement, for the execution of the necessary maintenance interventions of an extraordinary nature and to restore and replace the assets under concession. Since these charges cannot be posted as an increase in the value of the assets at the time when they are incurred from time to time, in the absence of the necessary accounting requirement (intangible assets) of the assets these are destined for, they are allocated to provisions according to IAS 37, based on the degree of use of the infrastructure, as they represent the charge that the company is likely to be called to incur to guarantee, over time, the correct fulfillment of the obligation to meet the requirements of operation and safety of the assets under concession.

As these are cyclical interventions, the value of the provisions in the accounts reflects the estimate of the charges that shall be incurred in the timeframe of the first cycle of interventions planned, subsequently to the year-end, calculated by taking into account the necessary discounting factors, analytically for each individual intervention.

The classification of the interventions among those that constitute the value of the provisions and those for building/improvement purposes in favor of the concessionaire, is based on a corporate assessment made by its technicians based on the essential contents of the projects included in the Investment plan approved.

Other allowances for risks and charges

The Other allowances for risks and charges include the provisions arising from current obligations of a legal or implicit nature, deriving from past events, and the fulfillment of which will probably require the employment of resources, of which the amount cannot be reliably estimated.

Provisions are allocated based on a best estimate of the costs required for fulfilling the obligation at the year-end date or to transfer it to third parties.

If discounting produces a significant effect, provisions are determined by discounting the financial flows expected in the future at a discount rate that reflects the current market assessment of the time value of money, and the specific risks related to the liability. When discounting, the increase in the provision due to time passing is recorded as financial expense.

Assets held for sale and liabilities associated to assets held for sale

Assets held for sale and liabilities associated to assets held for sale, whose book value will be recovered mainly through the sale rather than through their continuous use, are presented separately from the other assets and liabilities in the Statement of financial position. Immediately before being classified as held for sale, they are posted on the basis of the specific reference IFRS applicable to each asset and liability and subsequently recorded at the lower between the book value and the presumed fair value, net of the relevant costs of sale. Any loss is immediately recorded in the income statement.

Regarding exposure in the income statement, disposed operations or operations being disposed are classifiable as "discontinued operations" when they meet the requirements below:

- they represent an important independent operational branch or geographical area of operation;
- they are part of a single coordinated plan to discontinue an important branch or geographical area;
- they are subsidiary undertakings acquired exclusively in order to be sold at a later stage.

The economic effects of these transactions, net of the related tax effects, are recorded under a single item in the income statement, with reference to the date in the year of comparison.

Impairment of assets (impairment test)

At year-end, the book value of tangible, intangible and financial assets and of equity investments is tested to find any indication of impairment of these assets.

If these indications exist, the recoverable amount of these assets is estimated to determine the amount of any write-down to be recorded. The Group has no goodwill or intangible assets with an indefinite useful life to be subject to impairment test every year.

If the recoverable value of an asset cannot be estimated individually, the estimate of the recoverable value is included within the framework of the unit generating financial flows the asset belongs to.

This test estimates the recoverable value of the asset (represented by the greater of the likely market value, net of sale costs, and the value in use) and compares it with the relevant net book value. If the latter is higher, the asset is written down until reaching the recoverable value. In determining the value in use, the financial flows expected in the future after taxation are discounted by using a discount rate, after taxation, which reflects the current market estimate referred to the cost of capital in connection with the time and specific risks of the asset.

Losses of value are recorded in the income statement and classified differently depending on the nature of written down asset. These losses in value are reinstated, within the limits of the write-down made, if the reasons that generated them ceased to apply, except for goodwill.

When preparing the financial statements as of December 31, 2020 reference was also made to the ESMA Recommendation of May 20, 2020, in which, in particular, it is stated that the effects of the COVID-19 pandemic are presumed to indicate the presence of one or more indicators of impairment.

Revenues from Contracts with Customers

The recognition of revenues from contracts with customers is based on the following five steps: (i) identification of the contract with the customer; (ii) identification of the performance obligation, represented by the contractual promises to transfer goods and/or services to a customer; (iii) determination of the price of the transaction; (iv) allocation of the transaction price to the performance obligation identified on the basis of the standalone sales price of the individual goods or service; (v) recognition of the revenue when the performance obligation has been fulfilled, or upon transfer to the customer of the goods or service promised; the transfer is considered to be complete when the customer obtains the control of the goods or services that may occur over time or at a specific point in time.

The revenues recognized amount to the fair value of the payment that the enterprise believes it has the right to in exchange for the goods and/or services promised to the customer, not including the amounts collected on behalf of third parties. When calculating the transaction price, the amount of the consideration is adjusted to take account of the financial effect of time, if the timing of the payments agreed between the parties attributes a significant financial benefit to one of them. The consideration is not adjusted to take account of the financial effect of time if, at the start of the contract, it is expected that the payment delay will be a year or less.

If the consideration is variable, the Group will estimate the amount of the consideration that it will have the right to in exchange for the transfer of goods and/or services promised to the customer; the amount of the consideration may vary in accordance with discounts, refunds, bonuses or concessions on the price, performance bonuses, penalties or whether the price itself depends on the occurrence or not of certain future events.

Leasing revenues

Lease contracts, that essentially leave all the risks and benefits of ownership of the goods to the Group, are classified as operating leases. For the Group, leasing revenues refer to the fees and royalties owed and are recognized over the period of accrual on the basis of the contractual agreements signed. These revenues include those from the sub-concessions to third parties of trading areas and offices in the airport infrastructures managed by the Group, and since they essentially relate to leases in parts of the infrastructure, they are governed by IFRS 16. In relation to the contractual agreements in place, this revenue is partly determined on the basis of the revenues obtained from the sub-concessions; therefore, the amount varies over time.

Costs

Costs are valued at the fair value of the amount paid or to be paid, and are recognized in the income statement on an accrual basis and in correlation with any related revenues. Any expense related to transactions of share capital increase is recorded as reduction in the shareholders' equity.

Share-Based Payments

The cost of the services provided by the employees, associates and/or directors of the Group, remunerated through remuneration plans based on shares and settled with the conferment of securities, is calculated on the basis of the fair value of the fees assigned, valued by independent actuaries on the date the plan is transferred. This fair value is entered in the income statement, counterbalanced by the shareholders' equity reserve, in the period of accrual set by the plan.

The cost or revenue in the income statement represents the change in the accumulated cost recorded at the beginning and end of the year. No cost is recorded for the fees which do not reach a definitive accrual, except for those fees with conferment subject to market conditions or a condition of non accrual; these are treated as if they had accrued, regardless of the fact that the market conditions or the other non-accrual conditions they are subject to are respected or not, notwithstanding that all the other performance and/or service conditions must be met.

If the conditions of the plan are changed, the minimum cost to be recorded is the one which would have been obtained in the absence of the change to the same plan. In addition, a cost is recorded for each change which means an increase in the total fair value of the payment plan, or that is in any case favorable for the employees; this cost is valued with reference to the amendment date.

The cost of the services provided by directors and employees that are remunerated through payments based on shares and settled in cash, is measured at the fair value of the liabilities assumed, counterbalanced under liabilities. For as long as the liability is not redeemed, the fair value of the liability is calculated with reference to the year-end, recording the relevant changes in the income statement.

Income taxes

The tax on the income of the year is calculated based on the tax expenses to be paid, in compliance with current legislation. Current taxes relating to items recognized directly in shareholders' equity are also recognized in the shareholders' equity and not in the income statement.

Deferred tax assets and liabilities resulting from temporary differences between the financial statements value of assets and liabilities, calculated by applying the criteria described in this section, and their tax value, deriving from the application of current legislation, are recorded: a) the former, only if sufficient taxable income is likely to allow the recovery; b) the latter, if any, in any case. Deferred tax assets and liabilities are measured based on the tax rates that are expected to be applied in the year when these assets will be created or these liabilities will be settled, considering the rates in force and those already issued, or substantially in force, on the date of the financial statements.

Deferred tax assets and liabilities are recorded in the income statement, with the exception of those relating to items that are directly recorded in shareholders' equity. In that case, also prepaid and/or deferred taxes are charged to shareholders' equity. Deferred tax assets and liabilities are offset where there is a legal right that allows current tax assets to be offset against current tax liabilities, and the deferred taxes refer to the same taxable entity and to the same tax authority.

It should be noted that, for the three-year period 2020-2022, the tax consolidation agreement in place with the parent company Atlantia, to which ADR and some subsidiary undertakings adhere, was tacitly renewed.

Estimates and valuations

According to IFRS, the preparation of the financial statements requires estimates and valuations to be made, which affect the determination of the book value of assets and liabilities as well as the information provided in the Notes, also with reference to the assets and liabilities potentially existing at the end of the year. These estimates and hypotheses are used in particular for the valuation of receivables, the provisions for renovation of airport infrastructures, other allowances for risks and charges, employee benefits, the fair value of financial assets and liabilities, the recoverability of deferred tax assets and of the concession fees.

Therefore, the actual results recorded may differ from these estimates; furthermore, the estimates and valuations are reviewed and updated periodically and the effects deriving from any variation are immediately reflected in the financial statements.

Conversion of the items in foreign currencies

Any transaction in a currency other than the euro is recorded at the exchange rate of the date of the transaction. The related monetary assets and liabilities denominated in currencies other than the euro are subsequently adjusted at the exchange rate in force on the date of closing the year of reference and any exchange differences are recorded in the income statement.

Non-monetary assets and liabilities denominated in currency and recorded at historical cost are converted by using the exchange rate in force on the date the transaction is first recorded.

Information by industry segment

The Group is engaged in one sector only, i.e. the development and management of airport infrastructures. Thus the Group's operations are subject to reporting and analysis by management as an individual unit. Consequently, with reference to the provisions of IFRS 8, no (financial and/or economic) segment information is provided for the business sectors, as this is not applicable.

Accounting standards and newly issued interpretations, revisions and amendments to existing standards not yet in force or not yet endorsed by the European Union

As requested by IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors", stated below are the new accounting standards and interpretations, in addition to the amendments to the already applicable standards and interpretations not yet in force on the balance sheet date, which may be applied in the future to the consolidated financial statements of the Group:

DOCUMENT TITLE	DATE OF THE IASB DOCUMENT COMING INTO FORCE	DATE OF ENDORSEMENT BY THE EU
Amendments to accounting standards and interpretations		
Amendments to IAS 1 – Presentation of Financial Statements, and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors	January 1, 2020	November 2019
Amendments to IFRS 9, IAS 39 and IFRS 7 - Interest Rate Benchmark Reform	January 1, 2020	January 2020
Amendments to IFRS 3 - Business Combinations	January 1, 2020	April 2020
Amendments to IFRS 16 - Lease COVID-19 "Related Rent Concessions"	June 1, 2020	October 2020
Amendments to IFRS 9, IAS 39, IFRS 7 regarding "Interest Rate Benchmark Reform (phase 2)"	January 1, 2021	January 2021
Amendments to IFRS 3 - Business Combinations; IAS 16 Property, plant and equipment; IAS 37 Provisions, contingent liabilities and contingent assets; Annual Improvements 2018-2020	January 1, 2022	Not endorsed
Amendments to IAS 1 - Presentation of Financial Statements - Classification of liabilities as current or non-current liabilities	January 1, 2023	Not endorsed

Amendments to IAS 1 – Presentation of Financial Statements, and IAS 8 – Accounting Policies, Changes in Accounting Estimates and Errors

On October 31, 2018 the IASB ha published the document "Definition of Material (Amendments to IAS 1 and IAS 8)", which aims to make the definition of "material" more specific and introduced the concept of "obscured information" beside the concepts of "omitted" or "misstating" information which were already in the two standards subsequently changed. The amendment clarifies that information is "obscured" if it is described in a way that could produce an effect that would resemble the effect produced if said information had been omitted or misstated for readers of the financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7 regarding "Interest Rate Benchmark Reform"

On September 26, 2019 the IASB published the document "Interest Rate Benchmark Reform (Amendment to IFRS 9, IAS 39 and IFRS 7)" which amends some of the requirements for the application of hedge accounting, providing for temporary exemptions to them, in order to mitigate the impact deriving from the uncertainty of the reform of the Interbank Offered Rates (IBOR) still in progress, on future cash flows, pending its completion. The amendment became necessary following the "Reforming Major Interest Rate Benchmarks" report with which the European Financial Stability Board issued recommendations aimed at strengthening the existing reference indices and other potential reference rates based on interbank markets and at developing almost risk-free alternative reference rates. The amendment also requires companies to provide information in the financial statements regarding their hedges that are directly affected by the uncertainties generated by the reform and to which the aforementioned exceptions apply and in particular the fact that companies can continue to comply with the provisions set forth by IFRS, assuming that the benchmarks for determining existing interest rates have not been changed following the reform of interbank rates

Amendments to IFRS 3 - Business Combinations

On October 22, 2018 the IASB published the document "Definition of a Business (Amendments to IFRS 3)", which clarifies that output is not strictly necessary to identify a business if it has, in any case, an integrated set of activities/processes and assets. However, in order to meet the definition of business, an integrated set of activities / processes and assets must include, as a minimum, input and a substantial process that both significantly contribute to the capacity to create output. To that end, the IASB replaced the term "capacity to create output" with "capacity to contribute to the creation of output" to clarify that a business can also exist without the presence of all the inputs and processes needed to create an output.

The amendment also introduced a "concentration test" to use as an optional basis for the entity, to determine whether a set of activities, processes and assets acquired is a business.

Amendments to IFRS 16 - Lease COVID-19 "Related Rent Concessions"

On May 28, 2020 the IASB published the document "Amendment to IFRS 16 Leases Covid 19-Related Rent Concessions", effective for the Group starting from January 1, 2021 (early application permitted). The amendments introduced now admit a practical expedient to the chapter "Lease amendments", which allows the lessee not to consider any concessions deriving from the effects of COVID-19 on the payment of fees as an amendment of the original contract. Therefore, the aforementioned amendments must be recorded as if the contract had not been amended, recognizing in the income statement the impacts deriving from the changes in the lease installments due to which the lessee has applied the practical expedient. This expedient applies to incentives related to COVID-19 that reduce the payments due by June 30, 2021 only if a series of conditions are met, and does not concern lessors. Finally, the lessee which adopts the practical expedient is required to provide specific information in the financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7 regarding "Interest Rate Benchmark Reform (phase 2)"

On August 27, 2020 the IASB published the document "Interest Rate Benchmark Reform - phase 2- (Amendments to IFRS 9, IAS 39 and IFRS 7)" to take into account the consequences of the effective replacement of benchmarks for determining interest rates with alternative reference rates. These amendments include a specific accounting treatment to spread over time the changes in the value of financial instruments or leases due to replacing the benchmark for determining interest rates, thus avoiding immediate repercussions on the result for the year and unnecessary termination of hedges following the replacement of the benchmark for determining interest rates.

Amendments to IFRS 3 - Business Combinations; IAS 16 Property, plant and equipment; IAS 37 Provisions, contingent liabilities and contingent assets; Annual Improvements 2018-2020

On May 14, 2020 the IASB published the document "Amendments to (i) IFRS 3 Business Combinations; (ii) IAS 16 Property, Plant and Equipment; (iii) IAS 37 Provisions, Contingent Liabilities and Contingent Assets (iv) Annual Improvements to IFRS Standards 2018-2020", whose provisions are effective for the Group starting from January 1, 2022, except for any subsequent deferrals. In particular: (i) with the "Amendments to IFRS 3 Business Combinations", the IASB updated the reference to the Conceptual Framework in the revised version, without this leading to changes in the provisions of the standard; (ii) through the "Amendments to IAS 16 Property, Plant and Equipment" the IASB introduced some clarifications, in particular regarding the way in which it is not allowed to deduct the amount received from the sale of goods produced before the asset was ready for use from the cost of the asset. These sales revenues, and the related costs, must therefore be recognized in the income statement; (iii) with "Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets" the IASB clarified which cost items must be considered to assess whether or not a contract constitutes an onerous contract; (iv) finally, through "Annual Improvements to IFRS Standards 2018-2020", changes were made: (1) to IFRS 1 First-time Adoption of IFRS, simplifying it for subsidiary undertakings that adopt the IFRS standards for the first time after their parent company has already adopted them, in terms of measuring the cumulative translation differences; (2) to IFRS 9 Financial Instruments, clarifying that when carrying out the "10%" test, in assessing whether the changes made to a financial liability are significant (and therefore involve derecognition), only those fees paid or received between the entity and the lender must be included.

Amendments to IAS 1 - Presentation of Financial Statements - Classification of liabilities as current or non-current liabilities

On January 23, 2020, the IASB published the document "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current", the provisions of which are effective from financial years starting on January 1, 2023 or in subsequent date, except for any subsequent deferrals. The amendments aim to promote a consistent application of the requirements by helping companies to determine whether payables and other liabilities with an uncertain settlement date should be classified as current (due or potentially to be paid within one year) or non-current. In addition, they include clarifications regarding the classification requirements for payables that an entity could settle by converting them into equity instruments.

The ADR Group is assessing the possible impact, which cannot currently be estimated reasonably, resulting from future application of all the newly issued standards, as well as for all the reviews and amendments to the existing standards.

5. Concession Agreement

Concessionary Relationship

ADR's corporate purpose is the construction and management of airports or a part thereof, and the exercise of any activity related or complementary to air traffic of any type or specialty. This goal is achieved on the basis of a concession for the single management of the Roman airport system entrusted to the Company with Italian Law no. 755 of November 10, 1973.

The concessionaire ADR ensures the management and development of the Roman airport system ("Leonardo da Vinci" at Fiumicino and "G.B. Pastine" at Ciampino) in accordance with international, European and national regulations as well as the ENAC Regulations that govern the operation of airports open to civil traffic.

The original Concession Management Agreement no. 2820/74 was in force until December 21, 2012. After that date, a new Single Deed - Planning Agreement was approved with a specific Council of Ministers Presidential Decree. The single document regulates both the relations regarding the airport management concession and the criteria to determine and periodically update the fees applicable to the so-called "regulated services".

The principle remains in place according to which the management must be guided by financial and organizational criteria pursuant to Italian Law no. 755 of November 10, 1973 and subsequent amendments.

Duration of the Concession

The term of the concession expiring on June 30, 2044 - in compliance with art. 14 of Italian Law no. 359 of August 8, 1992, and art. 1-quater of Italian Law no. 351 of August 3, 1995, as set forth in the reports by the Ministry of Transport and Navigation on September 12, 1994 and January 23, 1998 - was extended *ope legis* to June 30, 2046 by virtue of article 202, paragraph 1-bis of Italian Law Decree no. 34 of May 19, 2020 (converted with amendments by Italian Law no. 77 of July 17, 2020), which provided for the two-year extension of the "duration of the concessions for the management and development of the airport activities in progress" in consideration of the negative economic effects deriving from the significant decrease in traffic linked to the emergency situation caused by the COVID-19 pandemic and related measures to contain the contagion adopted by the State and the Regions.

The causes for revocation, default or termination of the concessionary relationship are specified in the new Single Deed - Planning Agreement under arts. 18, 19 and 20 as well as art. 20-bis for the effects set for the natural expiry as of June 30, 2046.

Subject Matter of the Concession

Italian Law no. 755/1973 (art. 1) sets forth the subject of the concession, consisting in the single management of the Roman airport system, to be carried out under the supervision of the Ministry of Transport (now ENAC - Italian Civil Aviation Authority - pursuant to Italian Legislative Decree no. 250/1997) according to the provisions of the Navigation Code and regulations currently in force.

ADR also provides security screening services for passengers and carry-on and checked baggage, always based on the concession regime.

Income

Pursuant to art. 6, paragraph 1, of Italian Law no. 755/1973, "all revenues of the State, which derive from the management of the two airports, belong to the company holding the concession".

Art. 10 of the Single Deed - Planning Agreement lists in detail the concessionaire's income, providing also the "fair fee" to be paid to it by anyone carrying out non-aeronautical activities for a profit, including occasionally, within the airports under concession, which is not remunerated otherwise.

This article also specifies the income deriving from or connected to commercial activities that are not included in the tariff discipline of the Planning Agreement.

It regulates the so-called "regulated consideration", i.e. the airport services originally identified in the "Reordering framework regarding the tariff system for airport services rendered on an exclusive basis" proposed by the Minister of Transport and Navigation in conjunction with the Minister of Finance and approved with CIPE resolution no. 86 of August 4, 2000 and replaced by Resolution no. 51/08. These fees include the airport fees and all the fees for the services rendered on an exclusive basis.

Concession fees

Italian Law Decree no. 251/1995, converted into Italian Law no. 351/1995, introduced the obligation to pay a concession fee.

The reference parameter for calculating the fee ("WLU" - Work Load Unit) was adopted following the Decree of the State Property Office of June 30, 2003, then extended in subsequent years. The WLU corresponds to one passenger or 100 kg of cargo or post and is calculated using the data reported in the statistical yearbook of the Ministry of Infrastructure and Transport - ENAC (Italian Civil Aviation Authority). This fee quantification method was confirmed until 2021, with subsequent Decrees of the State Property Office.

According to art. 2, paragraph 4 of the Single Deed - Planning Agreement, if, as a result of regulatory provisions and/or administrative measures, the amount of the concession fee was to be changed compared to the one in force at the time of stipulation, or if taxation were introduced with an equivalent effect to be borne by the Concessionaire, the latter shall be entitled to a specific increase to cover the greater disbursement.

ADR also pays ENAC a fee for the concession of the baggage and passenger security checking services pursuant to Italian Ministerial Decree no. 85/1999. The amount is set to 0.07 euros per outgoing passenger (Italian Ministerial Decree of July 13, 2005). The obligation to make this payment is reported also under art. 2, paragraph 5 of the Planning Agreement.

The asset regime

Art. 12 of the Single Deed - Planning Agreement governs the Concessionaire's right to use the assets. This is to be interpreted together with the provisions in arts. 703 and 41 of the Navigation Code.

Additional rules contained in the Planning Agreement contribute to defining the legal treatment of the assets (e.g., art. 20-bis) which, though conditioned by the relevance of the principle of correlation to the use for performing regulated activities or alternatively commercially (unregulated) activities, does not significantly differ from the pre-existing regime. In particular:

- the assets received under concession at the time of establishing the concessionaire or subsequently created by it by virtue of laws of the State with public funds, are possessed by the concessionaire under the right of use regime as these are government property; these assets are summarized in the table below:

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019
Assets received under the concession at Fiumicino	119,812	119,812
Assets received under the concession at Ciampino	29,293	29,293
Assets completed on behalf of the State (*)	742,197	742,197
TOTAL	**891,302**	**891,302**

(*) value of construction services for works financed, realized and reported to ENAC.

- the assets acquired/created by the Concessionaire with funding from its accounts and used to perform activities subject to fee regulation are held under the ownership regime until the end of the concession. This leads to the obligation to hand them over to the Grantor upon the natural expiry of the concession; this action will be in any case conditioned by the repayment of their value to be established according to the convention rules;
- the same treatment applies to the goods acquired/created by the Concessionaire with funding from its accounts, but used to perform (unregulated) commercial activities, provided these are related to real estate whose need has been expressly declared by ENAC, due to their characteristics to perform airport functions, thus authorizing their creation;
- for commercial movable properties, instead, the Concessionaire has full ownership; the Grantor is granted a right to purchase (art. 20-bis 4.d) upon the natural expiry of the concession, which can be exercised by paying the former concessionaire their residual book value.

Based on the Single Deed - Planning Agreement, at the natural expiration of the concession, ADR will receive a fee equal to the residual value of the investments made. The residual value will be taken from the regulatory accounts.

To date, the ADR Group does not have assets in service whose residual value from the regulatory accounts exceeds zero.

6. Information on the items of the consolidated statement of financial position

6.1 Tangible assets

(THOUSANDS OF EUROS)	12.31.2019							12.31.2020		
	COST	ACC. DEPR.	NET VALUE	INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	COST	ACC. DEPR.	NET VALUE
Land and buildings	15,722	(74)	15,648	184	(153)	150	0	16,056	(227)	15,829
Plant and machinery	94,595	(72,047)	22,548	393	(9,852)	102	(14)	89,759	(76,582)	13,177
Industrial and commercial equipment	14,359	(12,251)	2,108	553	(883)	0	0	14,912	(13,134)	1,778
Other assets	37,878	(28,811)	9,067	1,794	(3,007)	675	(3)	39,943	(31,417)	8,526
Work in progress and advances	1,603	0	1,603	9,128	0	(934)	0	9,797	0	9,797
Right of use on Property, plant and equipment and other assets	4,238	(1,257)	2,981	1,459	(1,454)	(129)	0	5,118	(2,261)	2,857
TOTAL TANGIBLE ASSETS	**168,395**	**(114,440)**	**53,955**	**13,511**	**(15,349)**	**(136)**	**(17)**	**175,585**	**(123,621)**	**51,964**

(THOUSANDS OF EUROS)	12.31.2018			CHANGE					12.31.2019		
	COST	ACC. DEPR.	NET VALUE	INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	EFFECT OF IFRS16	COST	ACC. DEPR.	NET VALUE
Land and buildings	0	0	0	15,722	(74)	0	0	0	15,722	(74)	15,648
Plant and machinery	96,929	(65,387)	31,542	1,061	(10,073)	22	(4)	0	94,595	(72,047)	22,548
Industrial and commercial equipment	14,279	(11,846)	2,433	466	(791)	0	0	0	14,359	(12,251)	2,108
Other assets	35,158	(25,617)	9,541	2,106	(3,366)	793	(6)	0	37,878	(28,811)	9,067
Work in progress and advances	811	0	811	1,587	0	(795)	0	0	1,603	0	1,603
Right of use on Property, plant and equipment and other assets	0	0	0	978	(1,257)	0	0	3,260	4,238	(1,257)	2,981
TOTAL TANGIBLE ASSETS	**147,177**	**(102,850)**	**44,327**	**21,919**	**(15,561)**	**20**	**(10)**	**3,260**	**168,395**	**(114,440)**	**53,955**

Tangible assets, equaling 51,964 thousand euros (53,955 thousand euros as of December 31, 2019), are down in the year by 1,991 thousand euros, mainly due to depreciation (15,349 thousand euros), partly offset by the investments of the year (13,511 thousand euros).

Investments of 13,511 thousand euros mainly refer to:

- within the category "Industrial and commercial equipment" (553 thousand euros) mainly to purchases of thermal cameras and similar equipment;
- within the category "Other assets "(1,794 thousand euros), to electronic machinery (886 thousand euros) and security electronic complexes (396 thousand euros);
- as part of Work in progress and advances (9,128 thousand euros), mainly to the installation of monitors, LED walls and network equipment in the new Boarding area A for 1,622 thousand euros,

the Joint Control Room (APOC) for 1,308 thousand euros, upgrading works on the data processing infrastructure for 769 thousand euros, work on network equipment for 700 thousand euros, electronic equipment for islands I and J in the check-in area at T3 for 418 thousand euros, as well as advances to suppliers for 1,698 thousand euros;

- as regards the Right of use on Property, plant and equipment and other assets (1,459 thousand euros), Right of use on plant and equipment (814 thousand euros) and on buildings (645 thousand euros).

During the year no significant changes took place in the estimated useful life of the assets.

6.2 Intangible assets

	12.31.2019				CHANGE			12.31.2020			
(THOUSANDS OF EUROS)	COST	W.D.	ACC. AMORT.	NET VALUE	INVESTMENTS	AMORTIZATION	OTHER CHANGES	COST	W.D.	ACC. AMORT.	NET VALUE
Concession fees											
Airport management concession - rights acquired	2,167,966	0	(960,517)	1,207,449	0	(47,380)	0	2,167,966	0	(1,007,897)	1,160,069
Airport management concession - investments in infrastructure	1,462,377	0	(247,200)	1,215,177	98,882	(38,353)	7	1,561,259	0	(285,546)	1,275,713
TOTAL CONCESSION FEES	3,630,343	0	(1,207,717)	2,422,626	98,882	(85,733)	7	3,729,225	0	(1,293,443)	2,435,782
Other intangible assets	85,139	(41)	(65,069)	20,029	9,138	(6,754)	69	94,346	(41)	(71,823)	22,482
Advances to suppliers	35,272	0	0	35,272	124	0	(12,688)	22,708	0	0	22,708
TOTAL OTHER INTANGIBLE ASSETS	120,411	(41)	(65,069)	55,301	9,262	(6,754)	(12,619)	117,054	(41)	(71,823)	45,190
TOTAL INTANGIBLE ASSETS	**3,750,754**	**(41)**	**(1,272,786)**	**2,477,927**	**108,144**	**(92,487)**	**(12,612)**	**3,846,279**	**(41)**	**(1,365,266)**	**2,480,972**

	12.31.2018				CHANGE			12.31.2019			
(THOUSANDS OF EUROS)	COST	W.D.	ACC. AMORT.	NET VALUE	INVESTMENTS	AMORTIZATION	OTHER CHANGES	COST	W.D.	ACC. AMORT.	NET VALUE
Concession fees											
Airport management concession - rights acquired	2,167,966	0	(911,233)	1,256,733	0	(49,284)	0	2,167,966	0	(960,517)	1,207,449
Airport management concession - investments in infrastructure	1,287,991	0	(211,107)	1,076,884	174,386	(36,093)	0	1,462,377	0	(247,200)	1,215,177
TOTAL CONCESSION FEES	3,455,957	0	(1,122,340)	2,333,617	174,386	(85,377)	0	3,630,343	0	(1,207,717)	2,422,626
Other intangible assets	73,907	(41)	(58,939)	14,927	11,210	(6,130)	22	85,139	(41)	(65,069)	20,029
Advances to suppliers	25,784	0	0	25,784	25,078	0	(15,590)	35,272	0	0	35,272
TOTAL OTHER INTANGIBLE ASSETS	99,691	(41)	(58,939)	40,711	36,288	(6,130)	(15,568)	120,411	(41)	(65,069)	55,301
TOTAL INTANGIBLE ASSETS	**3,555,648**	**(41)**	**(1,181,279)**	**2,374,328**	**210,674**	**(91,507)**	**(15,568)**	**3,750,754**	**(41)**	**(1,272,786)**	**2,477,927**

Intangible assets, equal to 2,480,972 thousand euros (2,477,927 thousand euros as of December 31, 2019) rose by 3,045 thousand euros mainly due to investments for the year of 108,144 thousand euros, partly offset by the amortization for the year, equal to 92,487 thousand euros, and the recovery of advances paid to suppliers for 12,688 thousand euros.

In relation to the extension of the duration of the airport concession by two years, i.e. until June 30, 2046, the useful life of the concession fees was reviewed with reference to their net book value as of June 30, 2020; the positive impact on amortization for 2020, deriving from the extension of the amortization period, amounts to 3,442 thousand euros.

Concession fees include the concession relating to managing the Rome's airport system; for further information on the concession relationship reference should be made to Note 5. In detail:

- Airport management concession - rights acquired: represents the value of the airport management concession, and reflects the difference between the price paid for ADR's shares by Leonardo S.p.A. (incorporated in Leonardo S.p.A. effective January 1, 2001) compared to the pro-rata value of shareholders' equity of ADR Group;
- Airport management concession - investments in infrastructure: includes the activities to create new infrastructure and/or improve and enhance the existing airport infrastructure carried out by the ADR Group.

The investments in the Airport management concession - investments in infrastructure equal 98,882 thousand euros and relate to construction services provided in the year on infrastructure in concession. In applying IFRIC 12, in the income statement the costs connected to these investments are recorded by nature, as well as the fair value of the related construction services carried out.

Worth noting are:

- work relating to the East Airport System for 51.7 million euros, aimed at the realization of a new Boarding Area A and of the Front building of Terminal 1;
- restructuring of Terminal 3 for 15.7 million euros;
- terminal maintenance and optimization of the terminals for 6.9 million euros;
- works on runways and aprons for 6.3 million euros;
- maintenance works on buildings managed by sub-concessionaires for 4.0 million euros.

With reference to the recoverability of the carrying amount of intangible assets, and in particular Concession fees, the COVID-19 pandemic was considered an event representative of an impairment indicator as it led to a drastic reduction in the ADR Group's volume of activity. For further information, reference should be made to Note 11.5 Information on the effects of the COVID-19 epidemic.

Therefore, in accordance with the requirements of IAS 36, an impairment test was carried out, approved by the Board of Directors of ADR on March 4, 2021, in relation to the carrying amount as of December 31, 2020 of the Group's net invested capital, which was identified as a single Cash Generating Unit ("CGU"). The Group's two main business areas, aeronautical and non-aeronautical, actually form one single Cash Generating Unit for both their strict interconnection and the fact that one single value was assigned to the airport concession.

The impairment test was carried out on the basis of the Group's cash flow projections that incorporate projections of traffic, investments, revenues and costs for the duration of the concession. These cash flows were redefined by taking into account the expectations shared by the main external reference sources about the duration of the effects of the Pandemic on the aeronautical sector in terms of the effectiveness of the vaccine administration in 2021, until the return of the pre-covid traffic volumes in 2024. The method to calculate the recoverable value is the so-called "Unlevered Discounted Cash Flow" and the discounting rate applied to the discount of the cash flows equals 5.78%.

The impairment test showed that the recoverable value of the ADR Group's net invested capital was significantly higher than the carrying amount.

The sensitivity analyses of the recoverable value, determined by increasing the above discount rate by 1%, as well as reducing the average annual air traffic growth rate by 1%, confirmed the full recoverability of the net invested capital.

Other intangible assets, equal to 22,482 thousand euros (20,029 thousand euros as of December 31, 2019), include the rights to use the property rights, concessions, licenses, trademarks and similar rights. The investments for 2020, equal to 9,138 thousand euros, mainly refer to the acquisition of licenses and the evolutionary maintenance of the accounting system.

6.3 Equity investments

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
ASSOCIATED UNDERTAKINGS			
Pavimental S.p.A.	2,933	3,793	(860)
Spea Engineering S.p.A.	8,089	6,701	1,388
Consorzio E.T.L. in liquidation	0	0	0
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	0	0	0
	11,022	10,494	528
OTHER COMPANIES			
Azzurra Aeroporti S.p.A.	25,087	52,000	(26,913)
Aeroporto di Genova S.p.A.	697	894	(197)
S.A.CAL. S.p.A.	476	957	(481)
Consorzio CAIE	1	1	0
Leonardo Energia - Società Consortile a r.l.	1	1	0
Convention Bureau Roma e Lazio S.c.r.l.	1	0	1
	26,263	53,853	(27,590)
TOTAL	**37,285**	**64,347**	**(27,062)**

Equity investments amount to 37,285 thousand euros, down by 27,062 thousand euros compared to December 31, 2019 due to:

- decrease in the value of the investment in Pavimental S.p.A. ("Pavimental") (20% of capital) of 860 thousand euros, following the valuation according to the equity method, of which -928 thousand euros booked to the income statement (for ADR's share of the investee company's loss for the year), -77 thousand euros to the other components of the comprehensive income statement, and +145 thousand euros to shareholders' equity. The company operates in the building and maintenance sector and in the modernization of road, motorway and airport paving;
- an increase in the value of the equity investment in Spea Engineering S.p.A. ("Spea Engineering") (20%) amounting to 1,388 thousand euros, due to the combined effect of the allocation of the pro-rata value (-3,060 thousand euros) of the loss suffered in 2020 by the company, according to the equity method, and the partial reversal of the write-down made in the 2019 financial statements (+4,330 thousand euros). It should be noted, in fact, that in 2019, in the absence of the closing accounting data of the investee company, a write-down of 8,847 thousand euros had been made. The valuation according to the equity method also led to an effect of -4 thousand euros to the other

components of the comprehensive income statement, and +122 thousand euros to shareholders' equity;

- reduction in the value of the equity investment in Azzurra Aeroporti S.p.A ("Azzurra") (7.77%), amounting to -26,913 thousand euros due to the fair value measurement, based on the expected cash flows as resulting from the latest update of the company's plan, which reflects the impact of COVID-19;
- reduction in the value of the equity investments in Aeroporto di Genova S.p.A. and in S.A.CAL. S.p.A (-197 thousand euros and -481 thousand euros, respectively) due to the fair value measurement of the two companies based on more accurate information available at the date of preparing the financial statements;
- acquisition, on March 19, 2020, of an equity stake in the consortium company Convention Bureau Roma e Lazio Scrl.

ADR has established a pledge on its entire equity investment in Azzurra, amounting to 7.77% of the share capital, in favor of some of the company's financial creditors (bondholders and banks that have taken out hedging derivative transactions). In addition to this collateral, in the context of the same loan transaction to Azzurra, ADR has provided Atlantia with a counter-guarantee, limited to a maximum value of 1.3 million euros, for the obligations assumed by Atlantia itself with regard to a bank that has granted, in the interest of Azzurra, in favor of the latter's financial creditors, a guarantee to service the debt of the transaction in question.

The measurement of the fair value of the main unlisted minority investments, which fall under level 3 of the fair value hierarchy, was determined using an approach that takes account of expected future cash flows (so-called discounted cash flows) as the measurement technique.

6.4 Other current and non-current financial assets

(THOUSANDS OF EUROS)			12.31.2020			12.31.2019
	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE
OTHER FINANCIAL ASSETS						
Other financial assets	2,538	1,350	1,188	3,220	1,515	1,705
TOTAL OTHER FINANCIAL ASSETS	**2,538**	**1,350**	**1,188**	**3,220**	**1,515**	**1,705**

Other financial assets

Other non-current financial assets, equal to 1,188 thousand euros (1,705 thousand euros as of December 31, 2019) and refer to the ancillary charges incurred to subscribe the revolving facility remained unused also in 2020. For details, refer to Note 6.15.

Other current financial assets, equal to 1,350 thousand euros (1,515 thousand euros as of December 31, 2019) and are entirely related to the receivable from the associated undertaking Spea Engineering S.p.A. for the dividends resolved in 2018 and not yet paid (also 1,350 thousand euros as of December 31, 2019).

6.5 Deferred tax assets

Deferred tax assets, equal to 91,227 thousand euros (50,627 thousand euros as of December 31, 2019), are shown net of deferred tax liabilities that can be offset. The nature of the temporary differences is illustrated in the table below:

	12.31.2019	CHANGE				12.31.2020
(THOUSANDS OF EUROS)		PROVISIONS	RELEASES	DEFERRED TAX ASSETS/LIABILITIES ON INCOME AND CHARGES RECORDED IN SHAREHOLDERS' EQUITY	RATE CHANGE EFFECT	
DEFERRED TAX ASSETS						
Allocation to (use of) the provisions for renovation of airport infrastructure	46,735	2,074	(14,810)	0	(616)	33,383
Allocations to allowance for obsolete and slow-moving goods	88	15	(40)	0	(6)	57
Allocations to provisions for doubtful accounts	8,080	339	(2)	0	0	8,417
Amortized cost and derivative instruments	29,064	0	(51)	7,191	(857)	35,347
Allowances for risks and charges	4,869	1,456	(688)	0	0	5,637
Tax losses and ACE	0	47,486	0	0	0	47,486
Other	1,825	457	(868)	(57)	(4)	1,353
TOTAL DEFERRED TAX ASSETS	90,661	51,827	(16,459)	7,134	(1,483)	131,680
DEFERRED TAX LIABILITIES THAT CAN BE OFFSET						
Application of IFRIC 12	40,018	1,928	(1,686)	0	177	40,437
Other	16	0	0	0	0	16
TOTAL DEFERRED TAX LIABILITIES	40,034	1,928	(1,686)	0	177	40,453
TOTAL NET DEFERRED TAX ASSETS	**50,627**	**49,899**	**(14,773)**	**7,134**	**(1,660)**	**91,227**

The increase of 40,600 thousand euros recorded in 2020 is primarily attributable to deferred tax assets recognized in relation to the 2020 IRES tax loss that cannot be transferred to the tax consolidation program as it cannot be offset against the profits generated by the Atlantia Group during the year. The companies taking part in the tax consolidation program recorded a receivable from Atlantia for the portion of tax losses that are included in the Group's taxable income, whilst deferred tax assets were set aside for the excess portion. These losses, which may be carried forward indefinitely, are recoverable on the basis of tax planning and the results expected in future years. The increase mentioned above also reflects the negative change in the fair value of derivatives, partially offset by the performance of provisions for renovation of airport infrastructure.

6.6 Other non-current assets

Other non-current assets, equal to 458 thousand euros (401 thousand euros as of December 31, 2019), refer to guarantee deposits.

6.7 Trade assets

Trade assets, equal to 262,559 thousand euros (309,613 thousand euros as of December 31, 2019), include:

- inventories of 5,635 thousand euros (4,197 thousand euros as of December 31, 2019) comprising consumable materials, clothing, spare parts, cleaning material, fuel, telephone material and telecommunication systems, etc.;
- trade receivables of 256,924 thousand euros (305,416 thousand euros as of December 31, 2019).

In detail, trade receivables are broken down as follows:

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Due from clients	290,911	338,082	(47,171)
Due from parent company	301	363	(62)
Receivables for construction services	8,051	8,051	0
Other trade receivables	2,235	1,338	897
TOTAL TRADE RECEIVABLES, INC. PROVISIONS FOR DOUBTFUL ACCOUNTS	301,498	347,834	(46,336)
Provisions for doubtful accounts	(36,994)	(34,838)	(2,156)
Provisions for overdue interest	(7,580)	(7,580)	0
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	(44,574)	(42,418)	(2,156)
TOTAL TRADE RECEIVABLES	**256,924**	**305,416**	**(48,492)**

Due from clients (gross of provisions for doubtful accounts) total 290,911 thousand euros and are down 47,171 thousand euros, proportionally less than the significant reduction in business volumes due to the simultaneous lengthening of collection times, as a result of the financial tensions heightened in the sector by the pandemic crisis.

Reference should also be made to Note 9.3 Management of financial risks, which deals with the measures taken by the Group in light of the COVID-19 crisis, which led to a situation of deep, albeit temporary, financial crisis involving the entire airport industry.

Due from clients includes all receivables from Alitalia SAI under special administration accrued prior to the airline's admission to the extraordinary administration procedure and will be settled according to the methods and times set by the procedure; however, among these, the receivables for airport fees have a degree of privilege at the time of allocation, which lessens their risk of uncollectability. In any case, any losses on receivables for services subject to settlement and resulting as an outcome of the procedure underway, being considered an event outside the concessionaire's responsibility, would lead to an alteration in the economic-financial balance in relation to which, on the basis of the Planning Agreement, as in other cases of force majeure or changes in the regulatory framework, specific recovery mechanisms are applied.

The ADR Group also has receivables from Alitalia SAI under special administration, overdue since the last months of 2020. The pre-emption requirements that characterize these receivables, given their pre-deductibility, together with the existing prospects for the continuation of the procedure underway, support the assessment of the recoverability of the receivable recorded in the financial statements.

It is worth remembering that the ADR Group's receivables from the companies belonging to the Alitalia LAI group under special administration since 2008, equal 10,919 thousand euros. For the amounts due from Alitalia LAI S.p.A. under special administration, note that in 2011 the surety of 6.3 million euros was enforced, issued by Alitalia/CAI to secure the amounts due to ADR from Alitalia LAI S.p.A. under special administration (as well as due to the lessors owners of the aircrafts, jointly and severally obliged) in order to allow the aircraft owned by lessors to reach Alitalia/CAI free from claims of seizure for protection purposes made by ADR. The amount enforced and collected was posted under other current liabilities.

Other trade receivables, equal to 2,235 thousand euros (1,338 thousand euros as of December 31, 2019), refer to prepaid expenses of a commercial nature and advances to suppliers.

The table below shows the seniority of the trade receivables past due.

(THOUSANDS OF EUROS)	RECEIVABLES NET OF THE PROVISIONS FOR DOUBTFUL ACCOUNTS	RECEIVABLES NOT YET DUE	OVERDUE RECEIVABLES		
			FROM 0 TO 90 DAYS	BETWEEN 90 AND 365 DAYS	> 1 YEAR
12.31.2020	**256,924**	14,447	32,354	12,674	197,449
12.31.2019	**305,416**	61,407	38,747	29,457	175,805

The overdue receivables for more than a year mostly related to receivables from Alitalia SAI under special administration.

The table below shows the movements of the provisions for doubtful accounts:

(THOUSANDS OF EUROS)	12.31.2019	INCREASES	DECREASES	12.31.2020
Provisions for doubtful accounts	34,838	2,506	(350)	36,994
Provisions for overdue interest	7,580	0	0	7,580
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	**42,418**	**2,506**	**(350)**	**44,574**

The book value of trade receivables is close to the relevant fair value.

6.8 Current tax assets and liabilities

The table below shows in detail the current tax assets and liabilities at the start and end of the year.

	ASSETS			LIABILITIES		
(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE	12.31.2020	12.31.2019	CHANGE
Due from/to parent companies for tax consolidation	3,618	7,470	(3,852)	0	19,070	(19,070)
IRES	118	184	(66)	0	11,007	(11,007)
IRAP	245	197	48	26	1,943	(1,917)
TOTAL	**3,981**	**7,851**	**(3,870)**	**26**	**32,020**	**(31,994)**

Current tax assets amount to 3,981 thousand euros (7,851 thousand euros as of December 31, 2019) and include the receivable from the parent company Atlantia (in its capacity as consolidating company for tax purposes), amounting to 3,618 thousand euros. This receivable for consolidated taxation essentially includes the benefit of the IRES tax loss of 24% recorded during the year, which may be transferred to the tax consolidation regime as it may be offset against the profits earned by other consolidated companies (3,167 thousand euros).

The reduction compared to the previous year is instead due to the collection of 7,470 thousand euros for the receivable for the rebate application regarding the higher IRES paid in the taxation periods 2007-2011 due to the non deduction of IRAP on staff costs; for further information on the tax consolidation please see Note 7.8 Income taxes.

Current tax liabilities equal 26 thousand euros (32,020 thousand euros as of December 31, 2019). The 31,994 thousand euros decrease compared to December 31, 2019 is attributable to the payment of the balance for 2019.

6.9 Other current assets

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Due from associated undertakings	482	482	0
Due from tax authorities	26,777	11,220	15,557
Due from others	7,567	3,935	3,632
TOTAL OTHER CURRENT ASSETS	**34,826**	**15,637**	**19,189**

Due from tax authorities, equal to 26,777 thousand euros (11,220 thousand euros as of December 31, 2019), mainly includes:

- VAT credit for 21,058 thousand euros (5,398 thousand euros as of December 31, 2019): the increase in the credit is linked to the reduction in operations and therefore in turnover;
- other amounts due from tax authorities equal to 4,611 thousand euros, for taxes (and the relevant collection charges and interest) regarding the period 1/1/1993-3/23/1995, recognized as limited by the Supreme Court, within the dispute with the Customs Office, and with repayment required.

Due from others rose by 3,632 thousand euros, primarily due to the recognition of the receivables from INPS for amounts advanced to ADR Group staff in relation to the Special Income Support Fund (2,226 thousand euros).

The table below shows the seniority of the Other current assets.

			OVERDUE RECEIVABLES		
(THOUSANDS OF EUROS)	RECEIVABLES NET OF THE PROVISIONS FOR DOUBTFUL ACCOUNTS	RECEIVABLES NOT YET DUE	FROM 0 TO 90 DAYS	BETWEEN 90 AND 365 DAYS	> 1 YEAR
12.31.2020	**34,826**	34,211	0	0	615
12.31.2019	**15,637**	15,022	0	0	615

6.10 Cash and cash equivalents

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Bank and post office deposits	1,096,974	500,509	596,465
Cash and notes in hand	255	376	(121)
TOTAL CASH AND CASH EQUIVALENTS	**1,097,229**	**500,885**	**596,344**

Cash and cash equivalents, equal to 1,097,229 thousand euros, rose by 596,344 thousand euros compared to December 31, 2019, mainly as an effect of the financial transactions of the year. In fact, both bank (BNL, EIB and CDP for a total of 480 million euros as well as a loan guaranteed by SACE, granted by a pool of banks for 200 million euros) and bond lines (new EMTN issue for a par value of 300 million euros) were used. This effect was partly offset by the repayment of portions of BNL, EIB and CDP loans totaling 112.5 million euros, as well as a negative cash flow from operating and investing activities during the year.

6.11 Shareholders' equity

The shareholders' equity of ADR Group as of December 31, 2020 amounts to 991,873 thousand euros (1,184,467 thousand euros as of December 31, 2019), while the minority interests in shareholders' equity amount to zero (zero also as of December 31, 2019).

The shareholders' equity is analyzed as follows:

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Share capital	62,225	62,225	0
Legal reserve	12,462	12,462	0
Share premium reserve	667,389	667,389	0
Cash flow hedge reserve	(111,732)	(88,107)	(23,625)
Reserve for the valuation of equity investments according to the equity method	197	11	186
Profits (losses) from fair value measurement of equity investments	(27,591)	0	(27,591)
Other reserves and retained earnings	532,607	285,326	247,281
Net income (loss) for the year	(143,684)	245,161	(388,845)
TOTAL GROUP SHAREHOLDERS' EQUITY	**991,873**	**1,184,467**	**(192,594)**
MINORITY INTERESTS IN SHAREHOLDERS' EQUITY	**0**	**0**	**0**
TOTAL SHAREHOLDERS' EQUITY	**991,873**	**1,184,467**	**(192,594)**

The changes during the year are highlighted in the table entered among the accounting statements and mainly refer to:

- Group loss for the year for 143,684 thousand euros;
- the negative result of the comprehensive income statement for -51,828 thousand euros deriving mainly from the negative change in fair value of the cash flow hedge derivatives (-23,625 thousand euros net of the tax effect) and the fair value of the equity investment in Azzurra Aeroporti S.p.A. (-26,913 thousand euros), S.A.CAL. S.p.A. (-481 thousand euros), Aeroporto di Genova S.p.A. (-197 thousand euros).

As of December 31, 2020 ADR's share capital, wholly subscribed and paid up, amounts to 62,224,743 euros, represented by 62,224,743 shares with a par value of 1 euro each.

ADR's legal reserve represents the part of profits which, according to the contents of art. 2430 of the Italian Civil Code, may not be distributed as dividends. The reserve reached the maximum amount required by law.

The cash flow hedge reserve includes the measurement at fair value of the cash flow hedge derivatives; for more details, reference is made to Note 6.15.

Furthermore, pursuant to IFRS 2, the value accrued in the year of the fair value of share-based remuneration plans settled with the conferment of securities to ADR employees and directors, is booked to the income statement, offset by the increase in the specific shareholders' equity reserve, classified in the item "other reserves and retained earnings". For 2020, the amount charged to the income statement, totaling +2,352 thousand euros, relates to the fair value of the shares allocated free of charge to ADR Group employees under the "Ogni tua azione conta" shareholder plan of the Parent Company, Atlantia.

In relation to information on the remuneration plans based on shares, reference is made to Note 11.1.

Reconciliation of net income for the year and ADR's shareholders' equity with the consolidated figures

	SHAREHOLDERS' EQUITY		NET INCOME FOR THE YEAR	
(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	2020	2019
ADR S.P.A. FINANCIAL STATEMENTS VALUES	**980,655**	**1,174,344**	**(143,353)**	**243,193**
Recognition in the Consolidated financial statements of the shareholders' equity and the income for the year of the consolidated equity investments, net of the share pertaining to third party Shareholders	38,681	40,101	(1,206)	1,073
Cancellation of the carrying amount of the consolidated equity investments	(8,334)	(9,969)	0	0
Other adjustments[1]	(19,129)	(20,009)	875	895
VALUE OF CONSOLIDATED FINANCIAL STATEMENTS (GROUP PORTION)	991,873	1,184,467	(143,684)	245,161
VALUE OF CONSOLIDATED FINANCIAL STATEMENTS (THIRD PARTY PORTION)	0	0	0	0
VALUES OF CONSOLIDATED FINANCIAL STATEMENTS	**991,873**	**1,184,467**	**(143,684)**	**245,161**

[1] These refer mainly to the adjustments deriving from the different merger date compared to the first consolidation.

6.12 Provisions for employee benefits (current and non-current share)

Provisions for employee benefits are 16,860 thousand euros (17,931 thousand euros as of December 31, 2019) of which 15,745 thousand euros non-current, and consist of an employee severance indemnity provision, governed by art. 2120 of the Italian Civil Code, which includes the estimate of the obligation, determined based on actuarial techniques, to be paid to ADR employees when terminating the employment relationship. The change in the employee severance indemnity provision is shown in the following table.

(THOUSANDS OF EUROS)		2020
INITIAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		**17,931**
Current cost	42	
Interest payable	(3)	
Total costs recorded in the income statement		39
Payments/Uses		(1,285)
Actuarial gains/losses from changes in the demographic assumptions	(56)	
Actuarial gains/losses from changes in the financial assumptions	236	
Effect of past experience	(5)	
Total actuarial gains/losses recognized in the comprehensive income statement		175
FINAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		**16,860**
of which:		
non-current share		15,745
current share		1,115

Summarized below are the main assumptions made for the actuarial estimate process regarding the employee severance indemnity provision as of December 31, 2020:

FINANCIAL ASSUMPTIONS	2020	2019
Discount rate	(0.02)%	0.37%
Inflation rate	0.8%	1.2%
Annual rate of increase in employee severance indemnities	1.7%	2.0%
Annual rate of pay increase	2.6%	3.1%
Annual turnover rate	1.2%	0.8%
Annual rate of disbursement of advances	1.2%	1.0%

The discounting rate used to determine the current value of the obligation was determined in accordance with paragraph 78 of IAS 19, with reference to the average return curve deriving from the index IBOXX Eurozone Corporates AA 7-10 with duration based on the average permanence of the collective measurement subject.

DEMOGRAPHIC ASSUMPTIONS	2020/2019
Mortality	2018 ISTAT mortality tables broken down by gender, reduced to 85%
Disability	INPS tables broken down by age and gender, reduced to 70%
Retirement	Reaching the minimum foreseen by the regulations in force

The effects of the obligation for the employee severance indemnities deriving from a reasonably possible change in the main actuarial assumptions at year end are indicated below:

(THOUSANDS OF EUROS)	1.0% INCREASE	1.0% DECREASE	0.25% INCREASE	0.25% DECREASE
Annual turnover rate	16,776	16,944		
Inflation rate			17,016	16,706
Discount rate			16,590	17,137

The weighted average duration of the obligations for the defined benefit plans for the employees at year end is 8 years and the service costs predicted for 2021 equal 42 thousand euros.

The disbursements predicted for the next five years are as follows:

(THOUSANDS OF EUROS)	
1st year	504
2nd year	1,544
3rd year	2,504
4th year	766
5th year	1,044

The amount of the contributions expected to be allocated to the defined benefit plans in the subsequent year is equal to zero.

6.13 Provisions for renovation of airport infrastructure (non-current and current share)

Provisions for renovation of airport infrastructure, equal to 197,033 thousand euros (189,002 thousand euros as of December 31, 2019), of which 47,740 thousand euros for the current share (55,563 thousand euros as of December 31, 2019), include the current value of the updated estimate of charges to be incurred for extraordinary maintenance, repairs and replacements of goods and plants for the contractual obligation of the concession manager to ensure the due functionality and safety of the airport infrastructure.

Reported below is the analysis of the changes during the year.

(THOUSANDS OF EUROS)	12.31.2019	PROVISIONS	DISCOUNTING EFFECT	OPERATING USES	12.31.2020
Provisions for renovation of airport infrastructure	**189,002**	38,848	1,278	(32,095)	**197,033**
of which:					
current share	55,563				47,740
non-current share	133,439				149,293

6.14 Other allowances for risks and charges (current and non-current share)

Other allowances for risks and charges amount to 26,031 thousand euros (22,474 thousand euros as of December 31, 2019), of which 8,793 thousand euros for the current share (3,392 as of December 31, 2019). Reported below is the analysis of the breakdown of the item and the changes during the six months.

(THOUSANDS OF EUROS)	12.31.2019	PROVISIONS	DECREASES FOR THE REVERSAL OF FUNDS IN EXCESS	OPERATING USES	12.31.2020
Tax provisions	6,614	72	0	0	6,686
Provisions for current and potential disputes	15,151	250	(1,278)	(1,222)	12,901
Provisions for internal insurance	696	0	0	0	696
To cover investee companies' losses	13	0	0	0	13
Provisions for restructuring[2]	0	5,735	0	0	5,735
TOTAL OTHER ALLOWANCES FOR RISKS AND CHARGES	**22,474**	**6,057**	**(1,278)**	**(1,222)**	**26,031**
of which:					
current share	3,392				8,793
non-current share	19,082				17,238

Tax provisions, equal to 6,686 thousand euros, reflect the risk of negative outcomes of the pending disputes with UTF (now the Customs Office) concerning import taxes and additional provincial taxes on electricity disbursed in the period 2002-2012 - as well as the issues regarding ICI/IMU (property taxes).

The provisions for current and potential disputes of 12,901 thousand euros (15,151 thousand euros as of December 31, 2019) include the estimated charges that are deemed likely to be incurred in connection with the disputes in progress at year end. These provisions decreased as a result of absorption (-1,278 thousand euros) and use during the year (-1,222 thousand euros), only partially offset by the provisions for the year (+250 thousand euros).

This provision includes a prudent valuation, made on the basis of the best current information of the claims for compensation of third parties referring to the fire in T3 on May 7, 2015. On this point, so far around 170 claims have been lodged (carriers, handlers, sub-concessionaires and passengers), only partly supported by a clear quantification, for damages that to date total approximately 19 million euros.

For further information on the current disputes, reference should be made to Note 9.5 Litigation.

Provisions for restructuring, amounting to 5,735 thousand euros, increased during the year by the same amount due to the estimated charges to be incurred for the early retirement scheme pursuant to the trade union agreement of December 1, 2020, the related provisions for which were classified under payroll costs. The amount of the provisions is determined with reference to those employees who in January, i.e. the deadline for acceptance, formally adhered to the incentive scheme.

[2] The related provision is classified as part of payroll costs.

6.15 Financial liabilities (current and non-current share)

(THOUSANDS OF EUROS)	BOOK VALUE 12.31.2020	CURRENT SHARE 12.31.2020	NON-CURRENT SHARE 12.31.2020	BETWEEN 1 AND 5 YEARS 12.31.2020	OVER 5 YEARS 12.31.2020	BOOK VALUE 12.31.2019	CURRENT SHARE 12.31.2019	NON-CURRENT SHARE 12.31.2019
MEDIUM/LONG-TERM FINANCIAL LIABILITIES								
Bonds	1,406,336	399,863	1,006,473	234,419	772,054	1,115,670	0	1,115,670
Medium/long-term loans	886,171	12,500	873,671	535,326	338,345	319,654	112,456	207,198
Accrued expenses medium/long-term financial liabilities	18,022	18,022	0	0	0	16,105	16,105	0
Other financial liabilities	2,866	1,046	1,820	1,493	327	2,991	1,287	1,704
TOTAL MEDIUM/LONG-TERM FINANCIAL LIABILITIES	2,313,395	431,431	1,881,964	771,238	1,110,726	1,454,420	129,848	1,324,572
FINANCIAL INSTRUMENTS - DERIVATIVES	220,944	59,706	161,238	161,238	0	175,610	35,534	140,076
TOTAL FINANCIAL LIABILITIES	**2,534,339**	**491,137**	**2,043,202**	**932,476**	**1,110,726**	**1,630,030**	**165,382**	**1,464,648**

Bonds

(THOUSANDS OF EUROS)	BOOK VALUE 12.31.2019	NEW LOANS RAISED	REPAYMENTS	EXCHANGE RATE DIFFERENCES	AMORTIZED COST EFFECT	BOOK VALUE 12.31.2020
Bonds	**1,115,670**	300,000	0	(13,557)	4,223	**1,406,336**
current share	0					399,863
non-current share	1,115,670					1,006,473

As of December 31, 2020, Bonds are equal to 1,406,336 thousand euros (1,115,670 thousand euros as of December 31, 2019). The increase, of 290,666 thousand euros, is attributable to the new issue of December 2020 (300,000 thousand euros), to the effects on the debt measurement of application of the amortized cost method (+4,223 thousand euros), partly offset by the adjustment of the A4 bond to the exchange rate at the end of the year (-13,557 thousand euros).

Reported below is the main information regarding the bond issues in place as of December 31, 2020.

(THOUSANDS OF EUROS)

NAME	ISSUER	OUTSTANDING PAR VALUE	CURRENCY	BOOK VALUE	INTEREST RATE	COUPON	REPAYMENT	TOTAL DURATION	EXPIRY
Class A4 (*)	ADR (**)	215,000	GBP	234,419	5.441%	every six months	bullet	20 years	02.2023
€600,000,000 3.250% EMTN 02.2021	ADR	400,001	EUR	399,863	3.25%	yearly	bullet	7 years and 2 months	02.2021
€500,000,000 1.625% EMTN 06.2027	ADR	500,000	EUR	474,305	1.625%	yearly	bullet	10 years	06.2027
€300,000,000 1.625% EMTN 02.2029	ADR	300,000	EUR	297,749	1.625%	yearly	bullet	8 years and 2 months	02.2029
TOTAL BONDS				**1,406,336**					

(*) the book value recorded in the financial statements (234.4 million euros) is affected by the adoption of the amortized cost method and the adjustment to the exchange rate at the end of the year.

(**) bonds originally issued by Romulus Finance Srl, subsequently "replaced" by ADR following the Issuer Substitution operation in 2016.

As of December 31, 2020, the A4 bonds are no longer held by Atlantia.

For further information on A4 bonds, see Note 8.

In addition to the above-mentioned A4 bonds, the last of the bonds issued in 2003 by the Romulus Finance "vehicle" to fund the securitization of the previous bank loan taken on after the privatization of the company, the issues related to the bond issue program known as EMTN (Euro Medium Term Notes) launched by the company in 2013 are still outstanding. Under this Program, the following bonds were issued, all *senior unsecured*: the notes issued on December 10, 2013 for a total par value of 600 million euros, of which 400 million euros are left today following the 2017 repurchase transactions; the subsequent issue finalized on June 8, 2017, for a par value of 500 million euros; the most recent issue, completed on December 2, 2020, for a par value of 300 million euros and characterized by the *"green" label*. The securities representing the bond issues were placed with institutional investors and listed in the regulated market managed by the Irish stock exchange.

As of December 31, 2020, the rating assigned by the Fitch, Moody's and S&P agencies to the bond issues and the issuer rating of ADR was of BBB-, Baa3 and BB+ respectively. The outlooks assigned by the agencies are rating watch evolving, negative and credit watch developing, respectively.

On January 3, 2020, Moody's cut the rating to Baa3 (from Baa2), placing the rating "under review for downgrade". On January 8, Fitch lowered the rating to BBB- (from BBB+) with "negative" Rating Watch. On January 15, Standard & Poor's lowered the rating to BB+ (da BBB), also choosing the "negative" Credit Watch. All of these three actions are the result of the simultaneous downgrading of the Atlantia group's rating in relation to the risks associated with the issue of Italian Law Decree no. 162/2019 (the so-called "Milleproroghe" decree), which was subsequently converted into a law and containing, in art. 35, Provisions regarding motorway concessions. In the agencies' opinion, this rule leads to considerable uncertainty and potential negative impacts on the financial situation in the event of actual revocation of the concession of Autostrade per l'Italia SpA. This negative development is thus linked exclusively to factors that are external to ADR, for which the rating agencies in any case recognize a condition of partial isolation (+1 notch Moody's; +2 notches S&P) from the Parent Company's rating.

On March 2, 2020, Moody's once again intervened on Atlantia's rating following the conversion of the "milleproroghe" decree into law. The agency published an addition cut to Atlantia's rating from Ba1 to Ba2. However, the same agency granted ADR a further positive notch of isolation from the Parent Company's rating (i.e. + 2 notches compared with Atlantia), thus leaving ADR's rating at Baa3 unchanged. The outlook of all the Group companies, including ADR, was thus changed from "under review for downgrade" to "negative".

Following the overall analysis of the European air transport sector and the impact of the COVID-19 pandemic, on April 1, 2020, S&P reduced ADR's stand alone credit profile ("SACP") from "a+" to "a-". This action, whilst reducing the SACP by 2 notches, once again highlights ADR's "stand alone" creditworthiness, which, compared with the issuer's, deriving from consideration of the Atlantia Group's creditworthiness, shows a difference of 4 notches.

On July 17, 2020 Fitch Ratings decided to change ADR's rating watch, like that of Atlantia, from negative to evolving, following the preliminary agreement between the Atlantia Group and the Italian Government to settle the dispute over the revocation of Autostrade per l'Italia's concession. The evolving state reflects the high uncertainty about the evolution of the situation in both negative and positive terms. The agency also states that if a Memorandum of Understanding is signed, according to the terms communicated by the Presidency of the Council of Ministers, it could take a positive action on the rating.

On August 12 also S&P decided to change ADR's rating watch, like that of Atlantia, from negative to developing, following the preliminary agreement between the Atlantia Group and the Italian Government to settle the dispute over the revocation of Autostrade per l'Italia's concession. The developing status reflects the possibility, on the one hand, of increasing the rating in the event of a settlement agreement on the motorway concession, and on the other, of further reducing the rating in the event of revocation of the same concession.

The fair value of the bond issues is reported in the table below.

	12.31.2020		12.31.2019	
(THOUSANDS OF EUROS)	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	1,406,336	1,476,815	1,115,670	1,206,841
TOTAL BONDS	**1,406,336**	**1,476,815**	**1,115,670**	**1,206,841**

The fair value of the bond issues was determined on the basis of the market values available as of December 31, 2020; in particular, the future cash flows were discounted by using the standard discounting curves used in market practice (6-month Euribor and 6-month Libor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date. Compared to December 31, 2019, and on a like-for-like basis (i.e. not considering the issue of the new bond), there was a drop in the fair value of both the pound sterling bond, partly due to the exchange rate component of liabilities, and the two euro bonds. Considering the issue of the new green bond, an overall increase in the fair value of the bonds of 270 million euros compared to December 31, 2019 is thus recorded.

Medium/long-term loans

	12.31.2019				12.31.2020
(THOUSANDS OF EUROS)	BOOK VALUE	NEW LOANS RAISED	REPAYMENTS	AMORTIZED COST EFFECT	BOOK VALUE
Medium/long-term loans	**319,654**	680,000	(112,500)	(983)	**886,171**
current share	112,456				12,500
non-current share	207,198				873,671

Medium/long-term loans total 886,171 thousand euros (319,654 at the end of the previous year), including 12,500 thousand euros for the current share; these loans rose consequently to:

- the use of the last tranche of the CDP loan, equal to 80 million euros;
- the total use of tranches A and B of the loan granted by BNL in May 2020 for a total of 200 million euros;
- a loan, guaranteed by SACE, granted by a pool of four banks for 200 million euros;
- use of the loan granted by the EIB in 2018 for a total of 200 million euros.

Moreover, the short-term portions of the BNL 2016, EIB and CDP loans, totaling 112.5 million euros, were repaid during the year.

Reported below is the main information regarding the medium/long-term loans in place as of December 31, 2020.

(THOUSANDS OF EUROS)

LENDER	NAME	AMOUNT GRANTED	AMOUNT USED (PAR VALUE)	BOOK VALUE	CURRENCY	RATE	INTEREST PAYMENT FREQUENCY	REPAYMENT	TOTAL DURATION	EXPIRY
Syndicate of banks	Revolving Credit Facility ("RCF")	250,000	0	0	EUR	variable rate indexed to the Euribor + margin	quarterly	revolving	5 years (*)	07.2023
Banca Nazionale del Lavoro ("BNL")	BNL Loan 2020	200,000	200,000	199,546	EUR	variable rate indexed to the Euribor3M + 1.55%	quarterly	at maturity	4 years	5.2024
European Investment Bank ("EIB")	EIB Loan	150,000	140,833	140,697	EUR	I tranche (110,000) 1.341% II tranche (40,000) 0.761%	yearly	amortizing from 2020 amortizing from 2022	14 years 15 years	09.2031 11.2034
Cassa Depositi e Prestiti ("CDP")	CDP Loan	150,000	146,667	146,552	EUR	I tranche (40,000) 1.629% II tranche (30,000) 1.070% III tranche (80,000) 1.263%	yearly	amortizing from 2020 amortizing from 2022 amortizing from 2023	14 years 15 years 15 years	09.2031 11.2034 03.2035
European Investment Bank ("EIB")	2018 EIB Loan	200,000	200,000	199,750	EUR	0.819%	yearly	amortizing from 2023	15 years	09.2035
Syndicate of banks	SACE loan	200,000	200,000	199,626	EUR	variable rate indexed to the Euribor3M + margin	quarterly	amortizing from 2022	3 years	06.2023
Total medium/long-term loans		**1,150,000**	**887,500**	**886,171**						

(*) the contract originally provided the option of extending the initial deadline of July 2021 by an additional 2 years; this option was exercised by ADR, postponing the original deadline to July 2023.

The Revolving Credit Facility ("RCF"), like the ADR debt deriving from the bond issues carried out as part of the EMTN Program, is of the senior unsecured type and is aimed at ensuring suitable liquidity support for the Company's development plans. This line, which will expire in July 2023, was granted by a pool of banks as follows: Barclays, BNP Paribas Group, Crédit Agricole Group, Mediobanca, Natixis, Société Générale, NatWest and UniCredit. The cost of this credit line varies depending on the rating assigned to ADR by at least two out of three agencies.

The bank credit line for a total of 200 million euros granted in the second quarter of 2020 by BNL (BNP Paribas Group) has a contractual structure taken from the previous one (granted in 2016 for a total of 100 million euros and fully repaid), floating rate and maturity in 2024. The first tranche of 100 million euros was disbursed in May 2020, while the remaining 100 million euros were paid in November 2020, at the time of repaying the 2016 BNL line.

Regarding loans granted by the European Investment Bank ("EIB"), in December 2016 two contracts had been signed with regard to the line for 300 million euros resolved by the same bank in favor of ADR in 2014: the first contract totaled 150 million euros was agreed directly with the EIB, and the latter, for the residual 150 million euros, brokered by Cassa Depositi e Prestiti ("CDP"). The EIB and CDP loans were subscribed as financial support of the "Aeroporti di Roma – Fiumicino Sud" project. As of December 31, 2020, these credit lines are entirely used. As shown in the table above, the two lines, maturing in 2031 and 2034, are characterized by an amortizing type of repayment and are fixed rate. The remaining portion of 80 million euros, under the 2016 contract, was disbursed on March 30, 2020. This request had been fixed already in the last quarter of 2019 following a corresponding extension of the availability period.

The financial contracts that govern these lines are characterized by terms and conditions that are more oriented to a "project" type loan structure (see Note 8 below), as they are aimed at financing some investment projects that constitute the Airport Development Plan.

In September 2020, an additional line granted by the EIB in 2018 was also drawn for 200 million euros. This additional loan was granted following the update of the Fiumicino Sud infrastructure project, which envisaged an increase in the value of the projects originally financed. The characteristics of the relevant loan agreement signed on March 23, 2018 are essentially in line with the previous contract.

In August 2020, a loan agreement was signed with a pool of Italian banks (Intesa Sanpaolo, Mediobanca, UBI Banca and Unicredit) for a total of 200 million euros, at a floating rate and with a final maturity date in June 2023. This credit line is characterized by an amortizing repayment profile starting from June 2022. The lending banks were supported by SACE, an Italian insurance-financial company specializing in business support and part of the CDP Group, which guaranteed a share of 70% of the loan. This guarantee was issued pursuant to Law Decree 23/2020 (so-called "Liquidity") through which the Italian Government has entrusted SACE, directed by the MEF, with the mandate to guarantee counter-guaranteed loans by the State to support all economic activities affected by COVID-19.

The fair value of the medium/long-term loans is reported in the table below.

(THOUSANDS OF EUROS)		12.31.2020		12.31.2019
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	486,998	468,174	319,654	316,366
Floating rate	399,173	401,402	0	0
TOTAL MEDIUM/LONG-TERM LOANS	**886,171**	**869,576**	**319,654**	**316,366**

The fair value of the medium/long-term loans was determined based on market values available at December 31, 2020; in particular, the future cash flows were discounted according to the standard discount curves used by the market (6-month Euribor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date.

The overall increase in the fair value of the medium-long term loans therefore amounted to 553.2 million euros compared to December 31, 2019, mainly due to the new requests of the loans made in 2020.

Other financial liabilities

	12.31.2019					12.31.2020
(THOUSANDS OF EUROS)	BOOK VALUE	NEW LOANS RAISED	DISPOSALS	INCREASES FOR FINAL DISCOUNTING	REPAYMENTS	BOOK VALUE
Payables for leases	**2,991**	1,459	(129)	20	(1,475)	**2,866**
current share	1,287					1,046
non-current share	1,704					1,820

The item "payables for leases", which includes the present value of liabilities deriving from lease contracts, fell by 125 thousand euros essentially as a result of the payments of the lease installments (-1,475 thousand euros), almost entirely offset by new loans during the year totaling 1,459 thousand euros.

Derivatives with negative fair value

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Exchange rate hedging derivatives	85,872	72,316	13,556
Interest rate hedging derivatives	134,808	103,054	31,754
Interest accrual	264	240	24
TOTAL DERIVATIVES WITH NEGATIVE FAIR VALUE	**220,944**	**175,610**	**45,334**
non-current share	161,238	140,076	21,162
current share	59,706	35,534	24,172

Exchange and interest rate hedging derivatives

The ADR Group uses hedging derivatives for exchange and interest rate risks to mitigate any future increases in outgoing cash flows attributable to unfavorable changes in exchange and interest rates.

As of December 31, 2020 the ADR Group had two cross currency swaps allowing the cash flows in euro regarding the payment of interest and the redemption of the A4 bond in pound sterling to be stabilized.

The amount of the cash flow hedge reserve recorded in the income statement in 2020, relating to the negative fair value of forward starting derivatives subscribed in 2015 and subject to unwind in June 2017, equaled 2,025 thousand euros.

As of December 31, 2020, ADR also had other forward starting interest rate swap contracts in place:

- four contracts signed in October 2016 and September 2017, with a total notional capital of 400 million euros, with activation – following the negotiated restructuring with the counterparties in the first half of 2020 - in June 2021, with the purpose of hedging the interest rate risk on loans aimed at refinancing the bond loan to be paid back in February 2021;
- three contracts signed in August 2018 for a total notional capital of 300 million euros. These contracts, with activation in February 2022, have the purpose of hedging the interest rate risk on loans aimed at refinancing the bond loan to be paid back in February 2023.

Below is a table summarizing the outstanding derivative contracts with negative fair value of the ADR Group as of December 31, 2020.

COUNTERPARTY	COMPANY	INSTR.	TYPE	RISK COVERED	SUBSCR. DATE	EXP.	NOTIONAL VALUE HEDGED	RATE APPLIED	UNDERLYING	FAIR VALUE OF THE DERIVATIVE AS OF 12.31.2020	FAIR VALUE OF THE DERIVATIVE AS OF 12.31.2019	CHANGE IN FAIR VALUE TO INCOME STATEMENT	CHANGE IN FAIR VALUE TO OCI (*)
Mediobanca, UniCredit	ADR	CCS (**)	CF	I	02.2013	02.2023	325,019	It receives a fixed rate of 5.441% and pays 3-month Euribor + 90bps until 12.2009, then pays a fixed rate of 6.4%		(20,847)	(33,546)	235	12,464
				C						(85,872)	(72,316)	(13,556)	0
									Class A4	(106,719)	(105,862)	(13,321)	12,464
Société Générale	ADR	IRS FWD (***)	CF	I	09.2017	06.2031	100,000	It pays a fixed rate of 1.606% and receives 6-month Euribor	debt to be undertaken	(18,690)	(12,474)	0	(6,216)
UniCredit, NatWest, Société Générale	ADR	IRS FWD (****)	CF	I	08.2018	02.2032	300,000	They pay an average rate of 1.618% and receive the 6-month Euribor	debt to be undertaken	(54,519)	(34,214)	0	(20,305)
Unicredit, BNPP	ADR	IRS FWD (***)	CF	I	10.2016	06.2031	300,000	They pay an average fixed rate of 1.105% and receive the 6-month Euribor	debt to be undertaken	(40,752)	(22,820)	0	(17,932)
						TOTAL				**(220,680)**	**(175,370)**	**(13,321)**	**(31,989)**
						of which:							
						Exchange rate hedging derivatives				(85,872)	(72,316)		
						Interest rate hedging derivatives				(134,808)	(103,054)		

(*) the change in fair value is posted in the OCI net of the tax effect

(**) The changes in fair value compared to the inception date used to measure the lack of effectiveness of the year amount to -106,144 thousand euros as of December 31, 2020 and -103,752 thousand euros as of December 31, 2019.

(***) forward-starting IRS: activation date June, 2021. The changes in fair value compared to the inception date used to measure the lack of effectiveness of the year equal the fair value listed in the table.

(****) forward-starting IRS: activation date February 2022. The changes in fair value compared to the inception date used to measure the lack of effectiveness of the year equal the fair value listed in the table.

CF: Cash Flow Value Hedge - C: exchange rate - I: interest

In relation to the valuation techniques and the inputs used to determine the fair value of the derivatives, reference is made to Note 9.4 Information on fair value measurement.

The impact of the hedging instruments on the underlying assets hedged within the scope of the Statement of financial position is shown as follows:

(THOUSANDS OF EUROS)	12.31.2020 CHANGES IN FAIR VALUE USED TO MEASURE THE LACK OF EFFECTIVENESS	12.31.2020 CASH FLOW HEDGE RESERVE (INCLUDING THE COST OF HEDGING)	12.31.2020 OF WHICH COST OF HEDGING RESERVE	12.31.2019 CHANGES IN FAIR VALUE USED TO MEASURE THE LACK OF EFFECTIVENESS	12.31.2019 CASH FLOW HEDGE RESERVE (INCLUDING THE COST OF HEDGING)	12.31.2019 OF WHICH COST OF HEDGING RESERVE
Debt highly probable	(113,961)	113,961	0	(69,508)	69,508	0
Bond in foreign currency	(106,144)	21,073	575	(103,752)	33,537	2,110
TOTAL	**(220,105)**	**135,034**	**575**	**(173,260)**	**103,045**	**2,110**

The effect of the cash flow hedge reserve on the statement of comprehensive income is as follows:

(THOUSANDS OF EUROS)	TOTAL GAINS / (LOSSES) FROM HEDGING RECOGNIZED IN THE INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT	INEFFECTIVENESS RECOGNIZED IN THE INCOME STATEMENT	ITEM IN THE INCOME STATEMENT	CHANGE IN THE CASH FLOW HEDGE RESERVE RECOGNIZED IN THE COMPREHENSIVE INCOME STATEMENT	OF WHICH: COST OF HEDGING RECOGNIZED IN THE COMPREHENSIVE INCOME STATEMENT	AMOUNT RECLASSIFIED FROM THE COMPREHENSIVE INCOME STATEMENT TO THE INCOME STATEMENT	ITEM IN THE INCOME STATEMENT
12.31.2020							
Debt highly probable	(113,961)	0	Financial income (expense)	113,961	0	0	Financial income (expense)
Debt hedged by pre-hedging	0	0	Financial income (expense)	11,983	0	(2,025)	Financial income (expense)
Bond in foreign currency	(106,144)	236	Financial income (expense)	21,073	575	(8,109)	Financial income (expense)
TOTAL	**(220,105)**	**236**		**147,017**	**575**	**(10,134)**	
12.31.2019							
Debt highly probable	(69,508)	190	Financial income (expense)	69,508	0	0	Financial income (expense)
Debt hedged by pre-hedging	0	0	Financial income (expense)	14,008	0	(2,027)	Financial income (expense)
Bond in foreign currency	(103,752)	201	Financial income (expense)	33,537	2,110	(7,661)	Financial income (expense)
TOTAL	**(173,260)**	**391**		**117,053**	**2,110**	**(9,688)**	

6.16 Other non-current liabilities

Other non-current liabilities are equal to zero (7,479 thousand euros as of December 31, 2019). The fall compared to the previous year is essentially attributable to the change in the estimate of the liabilities relating to the share incentive plans, which resulted in a total cancellation of the debt previously recorded. In relation to information on the remuneration plans based on shares, reference is made to Note 11.1.

6.17 Trade payables

Trade payables are equal to 170,274 thousand euros (216,352 thousand euros as of December 31, 2019).

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Due to suppliers	157,016	201,568	(44,552)
Due to parent companies	2,061	1,596	465
Deferred income	1,381	1,694	(313)
Advances received	9,816	11,494	(1,678)
TOTAL TRADE PAYABLES	**170,274**	**216,352**	**(46,078)**

Due to suppliers, equal to 157,016 thousand euros, are down 44,552 thousand euros mainly reflecting the lower volume of investments made in 2020 compared to the end of the previous year, and the decrease in external costs.

Advances received, equal to 9,816 thousand euros, decreased by 1,678 thousand euros, reflecting the lower advances received from customers.

6.18 Other current liabilities

Other current liabilities are equal to 126,603 thousand euros (184,708 thousand euros as of December 31, 2019).

The item is analyzed in the table below.

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Payables for taxes other than income taxes	89,679	120,505	(30,826)
Payables due to personnel	4,546	17,238	(12,692)
Payables due to social security agencies	5,590	10,406	(4,816)
Payables for security deposits	13,478	14,475	(997)
Other payables	13,310	22,084	(8,774)
TOTAL OTHER CURRENT LIABILITIES	**126,603**	**184,708**	**(58,105)**

Payables for taxes other than income taxes are equal to 89,679 thousand euros (120,505 thousand euros as of December 31, 2019) and mainly include:

- payable for the passenger surcharges for 62,028 thousand euros (93,228 thousand euros as of December 31, 2019). This amount was paid the following month after collection of municipal surcharge from carriers, while the outstanding amounts due are recorded in a contra-entry under receivables from clients. The surcharge on the passenger boarding fee charged to the carriers equals 7.5 euros per passenger, of which 5.0 euros allocated to INPS and one euro (commission surcharge) for the commission management of the Municipality of Rome. The decrease in the payable for the surcharge, down by 31,200 thousand euros compared to the end of 2019, reflects the decrease in the volume of activity recorded in the year;
- payable of 24,074 thousand euros to the Lazio Regional Authority for IRESA (23,113 thousand euros as of December 31, 2019). This tax is charged by the Lazio Regional Authority to carriers, who are obliged to pay it to the airport management companies which, in line with the surcharges commented on above, must periodically pay them back to the Regional board.

Payables due to personnel and payables due to social security agencies decreased by 12,692 thousand euros and 4,816 thousand euros, respectively, due to cost containment measures.

Other payables, equal to 13,310 thousand euros, (22,084 thousand euros as of December 31, 2019), include the payable to ENAC for the variable concession fee of 8,208 thousand euros, down by 9,745 thousand euros compared to 2019, in relation to the payment of the second installment of 2019, net of the portion accrued in the year. The deadline for the payment of the 2020 airport concession fee and the 2019 adjustment was initially postponed to January 31, 2021; subsequently, this deadline was further extended until April 30, 2021 (ENAC provisions no. 20 of 05/11/2020 and no. 4 of 01/25/2021).

7. Information on the items of the consolidated income statement

7.1 Revenues

Revenues for 2020 equal 372,034 thousand euros (1,129,099 thousand euros in 2019) and are broken down as follows, in application of the IFRS 15 standard:

			2020			2019
(THOUSANDS OF EUROS)	REVENUES FROM CONTRACTS IFRS 15	OTHER REVENUES	TOTAL	REVENUES FROM CONTRACTS IFRS 15	OTHER REVENU ES	TOTAL
AERONAUTICAL						
Airport fees	131,900	0	131,900	514,252	0	514,252
Centralized infrastructures	6,402	0	6,402	17,288	0	17,288
Security services	24,527	0	24,527	110,835	0	110,835
Other	8,007	0	8,007	31,053	0	31,053
	170,836	*0*	*170,836*	*673,428*	*0*	*673,428*
NON-AERONAUTICAL						
Sub-concessions and utilities:						
Properties and utilities	6,968	33,458	40,426	10,635	56,150	66,785
Shops	0	29,561	29,561	0	147,459	147,459
Car parks	9,093	0	9,093	27,768	0	27,768
Advertising	4,039	0	4,039	14,895	0	14,895
Other	6,234	527	6,761	10,594	550	11,144
	26,334	*63,546*	*89,880*	*63,892*	*204,159*	*268,051*
REVENUES FROM AIRPORT MANAGEMENT	*197,170*	*63,546*	*260,716*	*737,320*	*204,159*	*941,479*
REVENUES FROM CONSTRUCTION SERVICES	*98,882*	*0*	*98,882*	174,386	0	174,386
OTHER OPERATING INCOME	*352*	*12,084*	*12,436*	1,679	11,555	13,234
TOTAL REVENUES	**296,404**	**75,630**	**372,034**	**913,385**	**215,714**	**1,129,099**
Timing of goods/services transfer:						
Over the time	*126,493*			*245,116*		
At point in time	*169,911*			*668,269*		

Revenues for the year were heavily impacted by the crisis that, starting in March, affected the air transport sector as a result of the health emergency caused by the spread of the COVID-19 virus.

Revenues from airport management, equal to 260,716 thousand euros, dropped by 72.3% overall compared to the reference year, recording a negative trend in all of the components. Aeronautical activities directly connected to traffic trends (passenger traffic -76.8%) recorded a 74.6% drop. Also the non-aeronautical segment, with revenues down by 66.5%, was affected by the drop in traffic and terminal closures; in detail, revenues from commercial sub-concessions fell by 80%, whilst those from real estate sub-concessions fell by 39.5%; revenues from car parks fell by 67.3% and those from advertising fell by 72.9%.

Revenues from construction services equal to 98,882 thousand euros (174,386 thousand euros in 2019) refer to revenues from construction services for self-funded works. Consistent with the accounting model adopted, based on the application of accounting standard IFRIC 12, these revenues, which represent the consideration due for the activity performed, are measured at fair value, determined on the basis of the total costs incurred (mainly external costs). These revenues recorded a drop of 75,504 thousand euros compared to 2019, due to the temporary suspension of non-essential work as a result of the pandemic crisis.

Other operating income equal to 12,436 thousand euros (13,234 thousand euros in 2019) is broken down as follows:

(THOUSANDS OF EUROS)	2020	2019
Grants and subsidies	83	76
Gains on disposals	10	42
Re-absorption of provisions:		
Provisions for overdue interest	0	1
Expense recoveries	3,784	5,205
Damages and compensation from third parties	892	265
Other income	7,667	7,645
TOTAL OTHER OPERATING INCOME	**12,436**	**13,234**

The decrease, totaling 798 thousand euros, is essentially due to a reduction in expense recoveries of 1,421 thousand euros, partially offset by an increase in compensation received totaling 627 thousand euros.

7.2 Consumption of raw materials and consumables

The item Consumption of raw materials and consumables is equal to 11,391 thousand euros (21,085 thousand euros in 2019). The details are reported in the table below.

(THOUSANDS OF EUROS)	2020	2019
Fuel and lubricants	690	1,303
Electricity, gas and water	4,033	14,163
Consumables, spare parts and various materials	6,668	5,619
TOTAL CONSUMPTION OF RAW MATERIALS AND CONSUMABLES	**11,391**	**21,085**

The decrease of 9,694 thousand euros compared to the reference year is due to the drop of 10,130 thousand euros in electricity, gas and water, consequently due to the classification under service costs of the costs incurred in the first half of 2019 to purchase electricity from Leonardo Energia (this approach is consequent to the new regulatory structure in force since July 1, 2019, which configured Leonardo Energia as the internal production unit of the SSPC – Simplified System for Production and Consumption – with the exclusive aim of meeting ADR requirements).

7.3 Service costs

Service costs equal 229,883 thousand euros (343,948 thousand euros in 2019). The details are reported in the table below.

(THOUSANDS OF EUROS)	2020	2019
Costs for maintenance	38,537	46,730
Costs for renovation of airport infrastructure	32,096	47,616
External service costs	21,958	19,478
Costs for construction services	92,201	164,798
Cleaning and disinfestations	5,353	7,770
Professional services	8,834	9,397
Firefighting services	6,127	7,637
Other costs	24,699	39,017
Remuneration of Directors and Statutory Auditors	78	1,505
TOTAL SERVICE COSTS	**229,883**	**343,948**

The decrease in service costs, amounting to 114,065 thousand euros, is essentially attributable to the decrease of costs for construction services (-72,597 thousand euros) and the costs for renovation of airport infrastructure, as well as the minor costs for maintenance, cleaning and commercial support (classified under Other costs), as a result of the containment measures implemented from March onwards in order to combat the impacts resulting from the reduction in operations following the sharp drop in air traffic. In addition, there was a reduction in Remuneration of Directors due to the change in the estimate of the liabilities relating to the share incentive plans. The trend was partially offset by the increase of the costs for external services related to the classification of the costs for the electricity service mentioned in Note 7.2.

7.4 Payroll costs

Payroll costs equal 120,007 thousand euros (168,901 thousand euros in the reference year). The details are reported in the table below.

(THOUSANDS OF EUROS)	2020	2019
Salaries and wages	81,962	122,083
Social security charges	24,323	35,187
Post-employment benefits	6,967	7,069
Other costs	6,755	4,562
TOTAL PAYROLL COSTS	**120,007**	**168,901**

The reduction in Payroll costs of 48,894 thousand euros compared to 2019 is attributable to the various internal cost containment actions implemented by the Group. In particular, the social security benefits (CIGS/FIS) were used and all variable bonuses were zeroed.

These effects were partially offset by provisions for risks and charges of 5,735 thousand euros, classified in the item Other costs under payroll costs, in relation to the early retirement scheme pursuant to the trade union agreement of December 1, 2020.

In particular, to cope with the massive drop in traffic due to the spread of COVID-19, the ADR Group launched a plan to use social security benefits (CIGS/Salary Integration Fund) for the period March 23, 2020 - January 22, 2021 which involved all employees entitled to benefits (3,235). INPS approved the program by between June 18 and 24 for all the Group's companies.

The table below shows the average headcount of the ADR Group (broken down by treatment):

AVERAGE HEADCOUNT	2020	2019	CHANGE
Managers	51.2	47.6	3.6
Administrative staff	279.4	265.6	13.8
White-collar	1,623.5	1,778.4	(154.9)
Blue-collar	1,013.4	1,132.9	(119.5)
TOTAL AVERAGE HEADCOUNT	**2,967.5**	**3,224.5**	**(257)**

The table below shows the average headcount of the ADR Group (broken down by Company):

AVERAGE HEADCOUNT	2020	2019	CHANGE
ADR S.p.A.	1,380.1	1,401.1	(21)
ADR Tel S.p.A.	51.6	54.4	(2.8)
ADR Assistance S.r.l.	289.9	377.3	(87.4)
ADR Security S.r.l.	707.8	799.3	(91.5)
ADR Mobility S.r.l.	56.7	61.8	(5.1)
Airport Cleaning S.r.l.	481.4	530.6	(49.2)
TOTAL AVERAGE HEADCOUNT	**2,967.5**	**3,224.5**	**(257)**

7.5 Other operating costs

The Other operating costs equal 26,551 thousand euros (59,224 thousand euros in the comparison year). The details are reported in the table below.

(THOUSANDS OF EUROS)	2020	2019
Concession fees	8,299	36,728
Expenses for leased assets	895	1,400
Allocation to (use of) the provisions for renovation of airport infrastructure	6,753	5,726
Allocation to (re-absorption of) allowances for risks and charges	(956)	1,360
Other costs:		
Allocations to provisions for doubtful accounts	2,505	4,647
Indirect taxes and levies	6,523	6,694
Other expenses	2,532	2,669
TOTAL OTHER OPERATING COSTS	**26,551**	**59,224**

Concession fees, equal to 8,299 thousand euros, down by 28,429 thousand euros compared to the reference year directly related to the traffic trends.

The item Allocation to (use of) the provisions for renovation of airport infrastructure includes the allocation to the provisions for renovation of airport infrastructure, recorded net of the uses against the costs incurred in the year, classified in the corresponding item of the income statement by nature.

Allocation to allowances for risks and charges is positive for 956 thousand euros (-1,360 thousand euros in 2019) due to the effect of re-absorption of pre-existing provisions. For more details, see Note 6.14.

Allocations to provisions for doubtful accounts were equal to 2,505 thousand euros. The decrease compared to the comparison year (2,142 thousand euros) is due to the re-absorption of the provision deriving from the positive outcome for ADR, in 2020, of a significant insolvency procedure underway for years, the value of which partially offset the general worsening of the credit risk reflected in the provisions for the year.

7.6 Financial income (expense)

The item financial income (expense) equals -58,317 thousand euros (-52,084 thousand euros in 2019). The tables below provide details on the financial income and expense.

Financial income

(THOUSANDS OF EUROS)	2020	2019
Interest income		
Interest on bank deposits and loans	211	320
Income on derivatives		
Valuation of derivatives	236	12,744
Other income		
Interest on overdue current receivables	29	9
Interest from tax credits	1,044	1
Interest from clients and others	31	11
Dividends from equity investments	0	3,520
TOTAL FINANCIAL INCOME	**1,551**	**16,605**

Financial income, equal to 1,551 thousand euros (16,605 thousand euros in the comparison year), decreased as a consequence of the change occurring in the year in the fair value of the cross currency swap contracts for the Euro/Sterling exchange rate component hedging the A4 bonds issued in Pound sterling.

In addition, the item dividends from equity investments, which in 2019 included dividends from Azzurra Aeroporti S.p.A. in the amount of 3,520 thousand euros, was equal to zero in 2020.

Financial expense

(THOUSANDS OF EUROS)	2020	2019
FINANCIAL EXPENSE FROM DISCOUNTING PROVISIONS FOR RENOVATION OF AIRPORT INFRASTRUCTURE	1,278	2,048
Interest on outstanding bonds	34,595	34,513
Interest on medium/long-term loans	6,623	3,166
Effects of applying the amortized cost method	7,208	6,807
Other financial interest expenses	1	12
TOTAL FINANCIAL INTEREST EXPENSE	48,427	44,498
Valuation of derivatives	13,557	14
IRS differentials	10,144	9,689
TOTAL EXPENSES ON DERIVATIVES	23,701	9,703
Financial expense from discounting employee benefits	(3)	56
Other expenses	18	28
TOTAL OTHER EXPENSES	15	84
TOTAL FINANCIAL EXPENSE	**73,421**	**56,333**

The Financial expense from discounting provisions for renovation of airport infrastructure, equal to 1,278 thousand euros, includes the financial component for the discounting of the provision and dropped by 770 thousand euros consequently to the update of the rate used.

Interest on medium/long-term loans, amounting to 6,623 thousand euros, increased by 3,457 thousand euros compared to 2019 due to the amounts drawn on the EIB and CDP loans, the disbursement of Tranche A and B of the new 2020 BNL Loan and the disbursement of the SACE guaranteed loan.

The Expense from valuation of derivatives, equal to 13,557 thousand euros (14 thousand euros in the comparison year) reflects the change occurring in the year in the fair value of the cross currency swap contracts for the Euro/Sterling exchange rate component hedging the A4 bonds issued in pound sterling (shown in Note 6.15).
This change is offset by a component of the same amount recorded under foreign exchange gains, which refers to the decrease in the par value of the bonds in pound sterling.

Foreign exchange gains (losses)

(THOUSANDS OF EUROS)	2020	2019
Foreign exchange gains	13,587	1
Foreign exchange losses	(34)	(12,357)
TOTAL FOREIGN EXCHANGE GAINS (LOSSES)	**13,553**	**(12,356)**

For comments, refer to the paragraph on Financial expense.

7.7 Share of profit (loss) of associates accounted for using the equity method

The Share of profit (loss) of associates accounted for using the equity method, equal to 342 thousand euros (-8,640 thousand euros in the comparison year), includes the effect of:

- revaluation of the value of the equity investment in the associated undertaking Spea Engineering S.p.A. amounting to 1,270 thousand euros (-8,847 thousand euros for the comparative year); this revaluation derives from the combined effect of the alignment of the value of the equity investment with the pro-rata share of shareholders' equity at the end of the previous year (+4,330 thousand euros), a figure that was not available when the ADR Group's 2019 financial statements were drawn up, and the pro-rata value (-3,060 thousand euros) of the loss incurred in 2020 by the company;
- write-down of the equity investment in the associated undertaking Pavimental S.p.A. for 928 thousand euros, compared to a revaluation of 207 thousand euros recorded in 2019.

7.8 Income taxes

Income taxes equal 37,925 thousand euros (-122,988 thousand euros in the previous year). The item is analyzed in the table below.

(THOUSANDS OF EUROS)	2020	2019
CURRENT TAXES		
IRES	(3,095)	91,381
IRAP	279	24,556
	(2,816)	**115,937**
DIFFERENCES ON CURRENT TAXES OF PREVIOUS YEARS		
Income taxes of previous years	(791)	584
	(791)	**584**
DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax assets	(34,737)	6,927
Deferred tax liabilities	419	(460)
	(34,318)	**6,467**
TOTAL INCOME TAXES	**(37,925)**	**122,988**

With reference to IRES, please note the automatic renewal, for the three-year period 2020-2022, of the option for the group taxation with the parent company Atlantia, according to art. 117 of TUIR for ADR S.p.A., together with the Group companies, ADR Tel S.p.A., ADR Assistance S.r.l., ADR Mobility S.r.l. and ADR Security S.r.l.

The estimate of the 2020 IRES tax burden is given by consolidated taxation income, corresponding to the IRES tax benefit of 24% on the tax loss recognized in the year, which can be transferred to the group tax consolidation as it can be used to offset the profits generated in the Atlantia group. Against the residual amount of tax deductions that can be recovered in subsequent years, deferred tax assets were recorded.

Deferred tax assets and liabilities were determined on the basis of the tax rates that are expected to be applied when these differences will be reversed.

For more details on the calculation of deferred tax assets, reference should be made to Note 6.5.

The incidence of the taxes for the year on the pre-tax income (loss) before taxes equals 1.7% (24.8% in 2019).

The analysis of the difference between the theoretical and the actual tax rate for IRES is reported below:

(THOUSANDS OF EUROS)	2020 TAXABLE AMOUNT	2020 TAX	2019 TAXABLE AMOUNT	2019 TAX
INCOME (LOSS) BEFORE TAXES FROM CONTINUING OPERATIONS	(181,609)		368,149	
THEORETICAL RATE		24%		27.5%
THEORETICAL IRES		(43,586)		101,241
Permanent differences	15,166	3,640	10,949	3,011
Temporary differences	(36,660)	(8,798)	(44,209)	(12,157)
Temporary differences on tax loss	190,206	45,649		
Difference in the IRES 24% rate subsidiary undertakings (non concessionaires)	0	0	(2,596)	(714)
ACTUAL IRES		(3,095)		91,381
EFFECTIVE RATE		**1.7%**		**24.8%**

8. Guarantees and covenants on medium/long-term financial liabilities

The "Issuer Substitution" transaction performed in 2016 actually canceled the comprehensive security package established in 2003 to support the Romulus debt structure, for which only Class A4 remains to date, ceased. The only residual, though more limited, guarantee that remains in favor of this issue, is a "deed of assignment" under British law on any receivables of ADR related to cross currency swaps contracts in place with the counterparties Unicredit and Mediobanca. In any case, this guarantee is limited to a maximum value of 96.5 million euros. ADR has pledged the entire equity investment in Azzurra, equal to 7.77% of the share capital, in favor of certain financial creditors of Azzurra (bondholders and banks that have signed hedging derivative transactions). In addition to this collateral, in the context of the same loan transaction for Azzurra, ADR has provided Atlantia with a counter-guarantee, limited to a maximum value of 1.3 million euros, for the obligations assumed by Atlantia itself with regard to a bank that has granted, in the interest of Azzurra, a guarantee in favor of the latter's financial creditors to service the debt of the transaction in question.

ADR's loan agreements include financial covenants among the contractual clauses, which are calculated on a historic basis with the contracts applied to the companies with investment grade rating. Worth mentioning is that the EIB and CDP contracts require the respect of a leverage ratio threshold not exceeding 4.75x, which drops to 4.25x in case of downgrade of the company's rating level to BBB-/Baa3 or lower. The new financial contracts signed in 2020 with BNL and a pool of banks backed by the SACE guarantee also include financial covenants in line with previous contracts.

The financial ratios must be checked twice a year, in accordance with the agreements, by applying the calculation formulas to the Group's reference data (which must exclude any equity investments in companies funded through non-recourse financial debt) in the Consolidated Annual Financial Report as of December 31 and the Consolidated Interim Financial Report as of June 30.

With reference to bank loan agreements, it should be noted that, in April 2020, the Company activated waiver requests in order to avoid the breach of contract risk linked to defaulting on the financial covenant levels (covenant holiday) for the calculation date of December 31, 2020 and June 30, 2021. These waiver requests have become necessary due to the impacts that the COVID-19 pandemic may have on ADR's projected financial results. As of December 31, 2020, all waiver requests were approved by both the commercial banks and the EIB and CDP. As regards the new contracts signed in May 2020 with BNL and in August 2020 with a pool of Italian banks backed by a SACE guarantee, the related financial contracts are in line with the requirements of the other financial counterparties through waivers.

The closing data as of December 31, 2020 shows, on the basis of the simulations carried out and as required and anticipated to the financial counterparties within the waiver requests, the breach of the financial ratios included in the contracts. The covenant holidays granted by the financial counterparties will make it possible to defuse the expected early redemption that would apply in these cases pursuant to the contractual clauses.

Moreover, the loan agreements call for acceleration, termination and withdrawal conditions typical for loans of this type.

The documentation of the EMTN Program does not envisage limitations on ADR, nor the observance of financial covenants or obligations to perform/not perform (except for a negative pledging commitment, typical of the contractual documentation of a non-banking issuer) in line with market practice for "investment grade" issuers.

9. Other guarantees, commitments and risks

9.1 Guarantees

As of December 31, 2020, the ADR Group has outstanding guarantees, issued as part of the loan agreements mentioned in Note 8. Sureties were not issued to clients and third parties (0 million euros as of December 31, 2019).

9.2 Commitments

The commitments on purchases of the ADR Group amount to 142.1 million euros regarding investment activities.

On December 29, 2020, ADR signed the contract for the purchase by Pavimental S.p.A. of the equity investment, equal to 100% of the share capital, held by it in ADR Infrastrutture SpA, the company to which Pavimental transferred the business unit dedicated to airport activities, with effect from January 1, 2021. The agreed purchase price is 12.2 million euros. The parties' obligation to execute the contract is subject to a set of conditions precedent. For an update on this acquisition, please refer to Note 12 Subsequent events.

9.3 Management of financial risks

Credit risk

As of December 31, 2020, ADR Group's maximum exposure to credit risk is equal to the book value of the financial assets shown in the financial statements, as well as the par value of the guarantees provided for third parties' debt or commitments.

The greatest exposure to credit risk is from the receivables arising from its transactions with customers. The risk of customers' default is managed by making provisions in a specific provision for doubtful accounts, whose balance is reviewed from time to time. The ADR Group's policy in this respect involves making provisions for each position, depending on the age of the receivable, the creditworthiness of the individual customer, as well as the status in the receivable management and collection process.

The Group's commercial and credit protection policies set out the procedure illustrated below for checking the awarding level in receivables:

- cash payment is required in transactions with consumers (multilevel and long-term parking lots, first aid, etc.), with occasional counterparties (e.g. club memberships, luggage porters, taxi access management, etc.);
- cash payment or prepayment is required from occasional carriers without a satisfactory credit profile or collateral;
- credit terms are extended to loyal customers considered reliable (carriers with medium-term operational plans and sub-concessionaires). However, these customers' creditworthiness is monitored and, where necessary, adequate collateral is required.

The COVID-19 crisis led to a situation of deep, albeit temporary, financial crisis involving the entire airport industry. The ADR Group is taking extraordinary measures (lengthening payment times, eliminating early billing, recovery plans) aiming to help overcome the current situation, trying to minimize the triggering of irreversible crisis situations for its customers.

Liquidity risk

Liquidity risk is the risk that the available financial resources may be insufficient to cover the maturing obligations. In consideration of ADR Group's ability to generate cash flows, the diversification of the sources of financing and the availability of lines of credit, the company believes to have access to sufficient sources of finance to meet the planned financial requirements.

As of December 31, 2020 the ADR Group had a liquidity reserve estimated at 1,347.2 million euros, comprising:

- 1,097.2 million euros related to cash and cash equivalents;
- 250.0 million euros of unused credit facilities (for more details, see Note 6.15).

For information on the effects of the COVID-19 epidemic, reference should be made to Note 11.5.

The tables below represent the payments that are contractually due in relation to the financial assets and liabilities, including interest payments.

					12.31.2020
(THOUSANDS OF EUROS)	TOTAL CONTRACTUAL FLOWS	WITHIN THE YEAR	FROM 1 TO 2 YEARS	FROM 2 TO 5 YEARS	MORE THAN 5 YEARS
Bonds	(1,576,082)	(433,179)	(26,838)	(280,315)	(835,750)
Medium/long-term loans	(937,425)	(20,747)	(145,903)	(414,838)	(355,937)
Derivatives with positive fair value	0	0	0	0	0
Derivatives with negative fair value	(214,621)	(8,353)	(15,566)	(125,269)	(65,433)
TOTAL	**(2,728,128)**	**(462,279)**	**(188,307)**	**(820,422)**	**(1,257,120)**

					12.31.2019
(THOUSANDS OF EUROS)	TOTAL CONTRACTUAL FLOWS	WITHIN THE YEAR	FROM 1 TO 2 YEARS	FROM 2 TO 5 YEARS	MORE THAN 5 YEARS
Bonds	(1,286,287)	(34,875)	(433,917)	(293,120)	(524,375)
Medium/long-term loans	(339,621)	(115,421)	(15,075)	(60,171)	(148,954)
Derivatives with positive fair value	0	0	0	0	0
Derivatives with negative fair value	(166,054)	(8,048)	(12,900)	(104,750)	(40,356)
TOTAL	**(1,791,962)**	**(158,344)**	**(461,892)**	**(458,041)**	**(713,685)**

Interest rate and exchange rate risk

The ADR Group uses interest rate derivatives, with the objective to mitigate, at acceptable terms and conditions, the potential effects of changes in interest rates and exchange rates on its operating performance.

With resolutions of May 14, 2015 and July 11, 2018, the Parent Company's Board of Directors authorized, consistently with the policies adopted by its shareholder, the possibility of signing, by assessing the best market opportunities, forward-starting interest rate swap transactions. With this type of instrument, which allows forward interest rates to be fixed for the dates envisaged for undertaking new debt, ADR can significantly reduce and almost eliminate the risk of rising interest rates before new financial arrangements are signed.

As of December 31, 2020, the ADR Group has:

- cross-currency swap derivatives, originally signed in 2003 and transferred to new counterparties in 2010, to cover the A4 bonds in pound sterling; Class A4, equal to a par value of 215 million pound sterling and included in the series of bond issues originally issued by Romulus Finance, was actually hedged, for the entire duration (until expiration in 2023) by two euro/sterling cross-currency swaps. The characteristics of this derivative instrument are described in Note 6.15;
- four forward-starting interest rate swap contracts signed on October 18, 2016 and September 18, 2017 (and subsequently restructured in February and June 2020), for a total notional value of 400 million euros, effective starting from June 2021 for a duration of 10 years. The characteristics of these derivative instruments are described in Note 6.4 and Note 6.15;
- three other forward-starting interest rate swaps signed on August 7, 2018 for a total notional value of 300 million euros, effective starting from February 2022 for a duration of 10 years. The characteristics of these derivative instruments are described in Note 6.4 and Note 6.15.

The Group does not have any other transactions in foreign currency in place.

Sensitivity analysis

RATE RISK EXPOSURE AND SENSITIVITY ANALYSIS	FAIR VALUE MEASUREMENT		INTEREST RATE RISK				EXCHANGE RATE RISK			
			SHOCK UP +10 BPS IR		SHOCK DOWN -10 BPS IR		SHOCK UP +10% FX		SHOCK DOWN -10% FX	
	12.31.2020	12.31.2019	12.31.2020	12.31.2019	12.31.2020	12.31.2019	12.31.2020	12.31.2019	12.31.2020	12.31.2019
Non derivative financial liabilities (cash flow sensitivity)	(2,346,390)	(1,523,208)	0	0	0	0	0	(25,270)	0	25,270
Derivative instruments with positive fair value treated in hedge accounting	0	0	0	0	0	0	0	0	0	0
Derivative instruments with negative fair value treated in hedge accounting	(220,681)	(175,370)	8,009	7,631	(8,106)	(7,726)	23,915	25,270	(23,915)	(25,270)
Derivative instruments not treated in hedge accounting	0	0	0	0	0	0	0	0	0	0
TOTAL	**(2,567,071)**	**(1,698,578)**	**8,009**	**7,631**	**(8,106)**	**(7,726)**	**23,915**	**0**	**(23,915)**	**0**

The main sources of exposure of the ADR Group to the interest rate and exchange rate risk are related to the bonds and the existing derivative instruments. In particular, the potential impacts on the income statement and the statement of financial position for the year 2020 (2019 for the comparison) related to the rate risks are:

- The potential change of the financial expense and differentials regarding the derivative instruments in place;
- the potential change of the fair value of the derivative instruments in place.

The ADR Group has estimated the potential consolidated impacts produced by a shock of the interest rates and exchange rates, by using internal assessment models based on generally accepted logics. Hypothesized in particular were:

- for the derivative loans, a parallel change of +10 basis points (+0.1%) and -10 basis points (-0.1%) of the term rate curve;
- for the bonds issued in foreign currency and the relative derivative financial instruments, a change in the GBP/EUR exchange rate of +/-10%.

The effects highlighted in the table in particular report the change, compared to the base scenario, in the hypotheses of Shock up and Shock down in the different market data.

In addition to the information shown in the table above, with reference to the sensitivity analysis carried out on the Cross Currency Swap, a 10% change upwards or downwards in the exchange rate that would impact the foreign currency flows exchanged at the payment dates would lead to a reduction of the amounts to classify in the cash flow hedge reserve of 2.5 million euros in the case of shock down and an increase of 3.1 million euros in the case of shock up.

9.4 Information on fair value measurements

Below is the fair value measurement at year end and the classification according to the fair value hierarchy of the assets and liabilities valued at fair value on a recurring basis (there are no assets or liabilities valued at fair value on a non-recurring basis):

				12.31.2020
(THOUSANDS OF EUROS)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Derivatives with positive fair value	0	0	0	0
Derivatives with negative fair value	0	220,680	0	220,680
TOTAL HEDGING DERIVATIVES	**0**	**220,680**	**0**	**220,680**

The only financial instruments of the Group valued at fair value are the derivative instruments described in Note 6.15. These derivative instruments are included in "level 2" of the "fair value hierarchy" defined by IFRS 7, with the fair value measured based on valuation techniques that use parameters that can be observed in the market, other than the price of the financial instrument.

During 2020 no transfer took place between the various fair value hierarchy levels.

With reference to the financial liabilities, for which Note 6.15 indicates the fair value, this fair value is also included in level 2 of the "fair value hierarchy" defined by IFRS 7.

9.5 Litigation

As regards litigation as a whole, the ADR Group carried out a valuation of the risk of negative outcomes leading to the creation, prudentially, of a specific provision under "Allowances for risks and charges" to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. No specific allocations were made for disputes for which a negative outcome was merely possible, given the different legal interpretations. Furthermore, there are a limited number of civil proceedings underway for which no provisions were made, as the impact of any negative outcome for the ADR Group, while negligible, could not be measured.

In the Group's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

Tax litigation

The most significant disputes involving the Parent Company ADR are shown below, given that there are no significant disputes involving other Group companies, which might lead to potential liabilities not recorded in the financial statements.

Litigation with the Customs Office - Electricity

- In 2006, the Tax Office of Rome (UTF - now the Customs Office) issued demands for payment of a total of 13 million euros (including interest, expenses and sanctions), regarding failure to pay the tax on electricity consumption and the related surcharge for the period 2002-2006 in addition to notifications of administrative irregularities. The disputes relate to the alleged sale to third parties of electricity acquired by ADR, as well as the refusal to recognize the subsidy applied to entities qualifying for inclusion in the "industrial operators" category. After the judgment on the merits in favor of the company, the Supreme Court filed nineteen rulings with which the grounds for appeal proposed by the State Attorney's Office were admitted, rejecting those proposed by the Company on cross-appeal. On October 8, 2019, the Supreme Court filed four sentences in favor of the Company concerning four acts Documents imposing administrative sanctions issued by the Customs Office. On February 28, 2020, the Supreme Court filed the ruling concerning additional three impositions of administrative sanctions which dismissed the case on the merits, which is the subject of the proceedings and ordered that the case be referred to the Regional Tax Commission to examine the tax effects of the case for the purposes of resolving the related sanctions. On May 22, 2020, ADR filed the appeal for resumption of the dispute with the Regional Tax Commission.
- Similar to the audits undertaken for the years 2002-2006 by the Rome Tax Office, the Customs Office began two subsequent audits of ADR on its taxation of consumption, excise tax and surcharge on electricity in the periods 2007-2010 and 2011-2012. The Revenue Agency also provided the tax assessment notices of the VAT due on the excise duties at issue for the same years.
- In relation to the payment orders issued by the Customs Office for the tax periods 2007-2010 and the Revenue Agency for VAT 2007, the Company lodged a complaint with the Supreme Court against the unfavorable sentences of the Provincial Tax Commission, while defining the dispute of the 2011 and 2012 tax periods.

  For the new tax assessment notices notified by the Revenue Agency for the VAT due on the consumption taxation for the years 2008-2012, the Company filed the relevant appeals, which were not accepted by the Provincial Tax Commission. Considering its arguments still open, ADR lodged an appeal against the rulings of first instance with the Provincial Tax Commission, which for two years confirmed the first instance ruling, whilst for two others upheld the Company's appeals. Appeals have been lodged with the Supreme Court for all second instance proceedings.

ICI/IMU

- In 2011, the Municipality of Fiumicino notified ADR tax assessments for the failure to pay the local property tax only for 2007-2009 regarding buildings of Alitalia Technical Area. The Company contested the mentioned deeds and appealed before the Provincial Tax Commission. For the year 2007, the Commission accepted the appeal filed by the company and the final judgment was issued, while the appeals for the other two years were rejected. ADR therefore appealed with regard to the years 2008 and 2009, both rejected by the Regional Tax Commission. The Company has appealed to the Supreme Court.

Tax indemnity

In 2002, when IRI obtained the consent to sell 44.74% of ADR to the Macquarie Group, the entities Gemina, Impregilo S.p.A. and Falck S.p.A. replaced IRI and directly assumed the indemnity commitment towards ADR (with a 50%, 13.1% and 36.9% share, respectively) as issued by IRI during the privatization of ADR, aimed at covering 51.166% of the losses that the Company may incur for tax claims relating to periods prior to the privatization that took place in July of 2000. The dispute between ADR and the Customs Office refers to the period of 1993/1998 and is covered by the mentioned guarantee. As Impregilo S.p.A. and Falck S.p.A. repudiate the validity of the guarantee, ADR has brought a case against these companies to obtain the payment of the sums due, following the definitive sentence convicting ADR. In October 2012, the Court of Rome accepted ADR's application, against which Impregilo S.p.A. and Falck S.p.A. have appealed. On January 9, 2020 the Court of Appeal of Rome filed the sentence with which the appeal of Falck S.p.A. and Impregilo S.p.A. (now WeBuild S.p.A.) was rejected, confirming the first instance ruling in ADR's favor. Falck S.p.A. and WeBuild S.p.A., which considers its arguments still open, appealed to the Supreme Court.

Administrative, civil and labor litigation

The most significant disputes involving the Parent Company ADR are shown below, given that there are no significant disputes involving other Group companies, which might lead to potential liabilities not recorded in the financial statements.

Airport fees and regulated tariffs

- In 2014, EasyJet Switzerland SA summoned ADR to return 1 million euros, plus interest, equaling the excess amount paid, as claimed by the applicant, from 2009 to 2013 for the landing and take-off fees and passenger boarding fees (non-EU fees rather than EU fees for flights from/to the Swiss Confederation). At the hearing of October 2, 2019, the Parties specified the conclusions, as set out in the documents, and the judge did not make a decision on the case. With a ruling dated April 20, 2020, the Board rejected easyJet's applications in full.
- In 2013, an appeal to the Lazio Regional Administrative Court was filed by the Municipality of Viterbo, with which the Planning Agreement was contested together with the Prime Ministerial Decree of December 21, 2012 and all the other preceding, related, and consequent deeds with a claim for damages, which to date is pending with no set hearing. Giving additional grounds on February 2016, the Municipality also filed an appeal against Italian Presidential Decree no. 201/2015, which had issued a "Regulation identifying the airports of national interest in accordance with article 698 of the Navigation Code".
- In 2014, Easyjet Airline Company Ltd notified ADR of an appeal to the Lazio Regional Administrative Court for the cancellation, with prior suspension, of the restructuring of the passenger boarding fees from March 1, 2014, in connection with the determination of the new transit fees, introduced with ENAC directive of December 27, 2013. The plaintiffs deem this restructuring - resulting from the application of a 65% discount on the above-mentioned fees to the passengers in transit at the airport and the contextual increase of the same fee for outbound passengers - to be a violation of the Italian and community regulations. In 2014, the Lazio Regional Administrative Court rejected Easyjet's application for interim relief since the appeal was not secured by the "*fumus boni iuris*". An announcement of the date of the relevant hearing is awaited.

Airport fuel supply fees

- ENI S.p.A. has brought a claim before the Rome Civil Court against its own client airlines in order to ascertain their obligation to pay the oil company the amounts it owes to airport operators, and to order them to pay the amount accrued since October 2005. In the same claim, ENI S.p.A. has also brought a secondary claim against airport operators, including ADR, in order to ascertain that the concession fees paid by ENI to airport operators should not be calculated on the basis of the amount of fuel supplied to airlines. Moreover, as specifically regards ADR, ENI requests that the company be ordered to return the amount paid since October 2005, totaling 0.2 million euros and that it be determined that ENI does not owe the amount of 1.1 million euros requested by ADR until May 2006 and as yet unpaid. In 2017, the Court of Rome declared the lack of jurisdiction of the ordinary Judge and Alitalia LAI under special administration appealed to the Court of Appeal of Rome. In 2018, the Court, upholding the appeal, declared the jurisdiction of the ordinary Judge and referred the case to the Court of Rome, where the judgment was resumed. Following the dissolution of the reserve set aside based on the outcome of the hearing of May 9, 2019, the Judge arranged a technical accounting expert to examine the case. The next hearing is set for May 5, 2021 for consulting examination.

- Alitalia LAI under special administration has begun separate legal proceedings at the Civil Court of Milan and Rome against some oil companies to force them to return the amounts paid from time to time as royalties on fuel in the period 2000-2009, due to the alleged mismatch between these amounts and the management costs for the specific service. In these proceedings, the oil company executives invoked ADR and other airport operators as third parties, in consideration of the fact that the royalties on fuel were requested by these companies. Within the proceedings, economic and accounting appraisals were ordered. Some of the rulings are still pending, including at the appeal stage. In particular, on February 27, 2020, three sentences were published with which the Court of Milan, in the proceedings brought by Alitalia LAI against Total Aviazione Italia and Air Total International SA, KAI (formerly Shell Italia Aviazione) and KRI (formerly Shell Italia) and Tamoil, respectively, accepted, albeit partially, the request made by Alitalia against the oil companies and, accepting the related indemnity claims made against the airport operators, ordered the latter to repay the oil companies specific amounts (in particular, with regard to ADR: 1.7 million euros to Total Aviazione Italia and Air Total International, 0.8 million euros to KAI and KRI and 0.4 million euros to Tamoil. ADR and the other operators challenged the rulings before the Milan Court of Appeal. The first hearings are all set for March 10, 2021. At that time, the claims for a suspension of the executive effectiveness of the contested judgments will also be discussed. On March 10, 2020 the sentence was published with which the Court of Rome, in the case brought by Alitalia LAI against Air BP Italia, rejected the carrier's claim against the oil company and, consequently, the airport operators, including ADR, which are being sued as third parties. Alitalia LAI has appealed. The hearing is set for October 11, 2021. On August 7, 2020 the sentence was also published with which the Court of Rome, in a case brought by Alitalia LAI against Kuwait Petroleum Italia, rejected the carrier's claim against the oil company and, consequently, the airport operators, including ADR, which are being sued.
- Within the framework of the appeal filed by Wind Jet against the sentence issued by the Court of Milan, regarding the claimed return, by some oil companies, of the jet fuel fees paid in the period 2004-2009 - which, in turn, invoked SEA and ADR - the Court of Appeal, with sentence of February 7, 2020, rejected the appeal proposed by the carrier.

Decree for the approval of the Airport noise reduction and abatement plan of the airport of Ciampino

- With appeal of March 7, 2019 at the Lazio Regional Administrative Court ADR challenged Italian Ministerial Decree no. 345/2018 with which the Ministry of the Environment and Land and Sea Conservation (hereinafter the "Ministry of the Environment") approved, with conditions, the ADR Intervention Plan for Noise Reduction and Abatement ("PICAR"); suspension of the challenged Ministerial Decree was not requested. The appeal was discussed on November 18, 2020: the publication of the sentence is pending. In detail, Ministerial Decree 345 contains ten requirements; to date, ADR believes that seven have been fulfilled, one has been suspended, one has not been fulfilled and one is in the process of being fulfilled. On October 30, 2020, the Lazio Region (responsible, with the help of ARPA Lazio, for verifying compliance pursuant to art. 4 of the Ministerial Decree) sent a letter to the MATTM, with a copy to ADR, in which it expressed its opinion on the fulfilment of the requirements; ADR replied to this letter on November 11, 2020, arguing further clarifications in support of its actions in compliance with the Requirements attached to Ministerial Decree 345/18.

- Ryanair also challenged Italian Ministerial Decree no. 345/2018, asking for its suspension, with an appeal to the Lazio Regional Administrative Court of February 18, 2019, subsequently submitting additional reasons. ADR has taken formal legal action. The Lazio Regional Administrative Court, with Order of May 8, 2019, accepted the precautionary measures requested by Ryanair and therefore suspended PICAR with respect to the reduction of daily movements at the airport at gate no. 65. The merit hearing was discussed - together with the appeal of ADR and Wizzair - on November 18, 2020; the publication of the sentence is pending.
- ADR was notified of two further appeals against Italian Ministerial Decree no. 345/2018, filed by the carrier Wizzair operating in Ciampino: one for damages and an extraordinary one to the President of the Republic, then moved to the Lazio Regional Administrative Court on July 9, 2019 on ADR's request. At the hearing for the suspension, Wizzair's lawyer waived the suspension and asked for the discussion of the appeal to be combined with those of Ryanair on the same subject. The appeal was discussed on November 18, 2020: the publication of the sentence is pending.
- Ryanair also challenged ENAC Order no. 2/2019, with which the entity repealed its own previous orders which permitted allowances for overruns of the airport night closing times due to force majeure. The Regional Administrative Court, acting both as a single judge and as a collegiate body, accepted the carrier's request for suspension and therefore granted the carrier the 23:00 hours overrun for the above-mentioned reasons of force majeure. The Regional Administrative Court, with an order dated February 24, 2020, also accepted Ryanair's appeal on the merits, annulling the ENAC Order in the part that does not provide for possible overruns of the ban on night flights at Ciampino airport due to force majeure.

Realization of the Exit in the East area - Fiumicino Sud Completion Project - Expropriations

The Fiumicino Sud Completion Project includes the creation of the new interconnecting junction between "Autostrada A91 Roma – Fiumicino" and the "East Area – Cargo City" of Fiumicino airport. It is necessary to expropriate some areas in the ownership of private companies for the realization of the works and ADR has been delegated by ENAC to act as Expropriating Authority. On April 16, 2019 Nuova Agrisud Immobiliare S.r.l., the company involved in the expropriation, challenged a series of provisions and communications issued by ADR during the expropriation procedure. Nuova Agrisud, in order to challenge the acts of the expropriation procedure, put forward grounds added to an earlier appeal to the 2017 Regional Administrative Court that has never been notified to ADR, which formally joined the proceedings on May 30, 2019.

Redrawing the borders of the Roman Coastline State Reserve

With Italian Ministerial Decree of October 24, 2013 the Minister of the Environment approved the "New borders of the Roman Coastline Natural State Reserve" replacing the one that had previously been identified with Italian Ministerial Decree of March 29, 1996. In particular, the new border expands the "type 1" areas, preventing construction of most of the works provided for under the Master Plan for 2030.

ENAC, with an appeal to the President of the Republic, challenged the Italian Ministerial Decree of October 24, 2013, while ADR filed an independent appeal with the Lazio Regional Administrative Court. In order to support the Entity in the ruling, ADR decided to intervene to support it, filing its motion in July 2018. On January 22, 2019 ADR received a communication in which the Council of State ordered a stay in the appeal to the President of the Republic made by ENAC, pending the decision of the ordinary ruling submitted by ADR and currently pending before the Lazio Regional Administrative Court. Given that ADR's appeal would have been closed on October 2, 2019 due to the time-limit of five years, on September 5, 2019 a request was made to schedule a hearing pursuant to art. 82 of Italian Legislative Decree no. 104/2010 (Administrative Procedure Code). Furthermore, with "additional reasons", ADR subsequently challenged the "New Management Plan of the Roman Coastline State Reserve" and the related "Implementing Regulation" adopted in January 2020. As part of this judgment, ENAC intervened to support ADR. The appeal was discussed on January 20, 2021; the publication of the sentence is pending.

Ryanair - Access to Records

With an application to access the records dated June 2018 Ryanair asked ADR if it could review all the commercial contracts between Alitalia and ADR still in force at the date of the access application, as well as all the charge documents that ADR issued Alitalia between January 1, 2015 and June 15, 2018 for the collection of the fees, the additional airport fees and IRESA (regional airport noise tax). ADR opposed its refusal and Ryanair, in September 2018, filed an appeal with the Lazio Regional Administrative Court and subsequently with the Council of State which, on October 2, 2019, ordered ADR to produce the documentation subject to access. On February 28, 2020, ADR produced the documents with some "omissions", motivating the reasons with a special "report on the reasons for the redaction".

On April 23, 2020, Ryanair challenged the report for access to the documents of February 28, 2020 and the related "report on the reasons for the redaction". With Judgment no. 4568 of July 2020, the Council of State accepted the appeal for compliance lodged by Ryanair, giving ADR 30 days to comply. ADR and Ryanair have agreed on the date of August 25, 2020 for the new access. During the access, ADR offered Ryanair to view the contracts that had already been opened when accessing the documents, keeping only the fees and other relevant data, as well as new contracts, redacted. The reasons for the ostensive procedures were fully reported in the "appeal for clarification of compliance" served by ADR in August 2020, whose hearing was held on January 21, 2021. In November 2020 Ryanair filed an autonomous appeal for compliance, to contest ADR's actions during the access of August 25, 2020, for allegedly undue redactions; the hearing of this appeal was also discussed on January 21, 2021. On February 10, 2021, with two judgments relating to each appeal, the Council of State: (i) made the clarifications requested by ADR in the August 2020 appeal and (ii) rejected the appeal for compliance proposed by Ryanair in November 2020. The Board, after having acknowledged that "*the data still redacted*" - in Ryanair's last access on August 25, 2020 - refers to the contractual payments, the values offered during the tender phase by Alitalia and the flight and timetable number mentioned in the individual invoices, states that "*there is an actual and specific need to protect confidentiality in relation to the data mentioned by the applicant company*", thus fully agreeing with ADR's opinion.

Interministerial Decree 179/2020 of the Ministry of the Environment and Land and Sea Conservation and of the Ministry for Cultural Heritage and Activities: negative opinion on the Environmental Compatibility Master Plan for 2030 of Fiumicino airport

On September 3, 2020, the Interministerial Decree no. 179/20 was published on the website of the Ministry of the Environment, in which the procedure for the Environmental Impact Assessment (EIA) of the Master Plan for 2030 relating to the development north of Fiumicino airport was negatively concluded. ADR challenged the afore mentioned Decree (and all the deeds conditioned, connected and consequential to it) before the Lazio Regional Administrative Court with an appeal notified on October 7, 2020.

ENAC also challenged the aforementioned decree before the Regional Administrative Court by means of "additional reasons" to its previous appeal with which it had challenged the opinion on the

Master Plan for 2030 expressed by the EIA Technical Commission. The hearing for both appeals was held on January 20, 2021 and the judge deferred any judgment.

Airport charges - Planning Agreement Annual Monitoring

On April 11, 2019 ADR filed an extraordinary appeal to the President of the Republic challenging and requesting the annulment of measure of December 24, 2018, with which ENAC General Manager updated the charges for the regulated services provided by the airport operator for the year 2019, in execution of the annual activity of monitoring of the charges parameters k, v and ε pursuant to art. 37-bis paragraph 4 of the Planning Agreement between ENAC and ADR. On June 10, 2019, ENAC opposed the extraordinary appeal and ADR moved the appeal to the President of the Republic before the Lazio Regional Administrative Court. The date of the relevant hearing is awaited.

Resolution of the Transport Regulatory Authority (ART) concerning the public consultation for the review of the "airport fee regulation" models

In November 2019 ADR challenged Authority's resolution no. 118/2019 of August 1, 2019 before the Lazio Regional Administrative Court without suspensive relief, objecting to the Authority's radical lack of power to introduce changes to the tariff regulation system set forth in the Planning Agreement signed between ENAC and ADR pursuant to art. 17, paragraph 34-bis, of Italian Law Decree no. 78/2009. Indeed, by express regulatory provision, the tariff system provided for in the planning agreements "under derogation" is a "multiannual" tariff system, with updating procedures that are "valid for the entire duration of the concessionary relationship". With additional reasons, on October 15, 2020, ADR challenged resolution no. 136/2020 of July 16, 2020 with which the ART concluded the procedure and approved the airport fee regulation models attached to the same resolution, confirming, among other things, that it holds an alleged power to define the aforementioned fees also with reference to operators - such as ADR - acting on the basis of a Planning Agreement under derogation. ADR then requested access to the documents, in order to have knowledge and a copy of the ministerial opinions stated in the last resolution challenged; the application was accepted by ART on November 10, 2020. On November 13, 2020, IBAR also challenged Resolution ART no. 136/2020 with an extraordinary appeal to the Head of State; the appeal was then transferred to the Piedmont Regional Administrative Court and ADR is preparing its appearance before the court.

2019 extraordinary maintenance plan - Fiumicino Airport

With appeal of December 9, 2019, ADR challenged, without requesting suspension, the deed by which ENAC approved, with exceptions, requirements and clarifications, the Extraordinary Maintenance Plan for Fiumicino airport. In particular, ENAC was challenged for the omission of some of the interventions included by ADR in the Plan. The date of the relevant hearing is awaited.

Bankruptcy proceedings involving clients

- A series of judgments passed by the Bankruptcy Court in Rome have declared the following companies bankrupt: Alitalia S.p.A. under special administration, Volare S.p.A. under special administration, Alitalia Express S.p.A. under special administration, Alitalia Servizi S.p.A. under special administration, and Alitalia Airport S.p.A. under special administration. Between the end of 2011 and 2013, insolvency claims were initially filed, followed by distribution plans. Subsequently, in 2014, 10.3 million euros were collected as "insolvency claim" secured by a lien. On March 19, 2014, 0.1 million euros were collected in accordance with the distribution plan for Alitalia Express under special administration.

- In 2009, Volare Airlines S.p.A. under special administration and Air Europe S.p.A. under special administration entered into separate civil proceedings in order to obtain cancellation of payments made to ADR during the year prior to the carriers' entry into bankruptcy respectively for 6.7 million euros and 1.8 million euros. With judgment of June 2011, the Court ordered ADR to pay the requested amounts; the legal actions filed by ADR were rejected by the Court of Appeal of Milan respectively in 2012 and 2014. In order to avoid enforcement proceedings, ADR proceeded to the payment of what requested and has submitted an appeal to the Supreme Court in both cases. For the judgment on Volare Airlines S.p.A. under special administration, the Supreme Court rejected the appeal filed by ADR with order of 2018. In relation to the judgment on Air Europe S.p.A. under special administration, following the council chamber held on November 4, 2020, upon the conclusion of which the issue of the sentence was expected, with an interlocutory order notified on February 9, 2021, the Court deemed it appropriate to allow the parties to discuss in a public hearing about the interference of some provisions, in force at the time when the payments subject to the bankruptcy revocation action on which the challenged sentence was pronounced were made, with the bankruptcy legislation. An announcement of the date of this hearing is awaited.
- On May 4, 2020, Alitalia SAI under special administration summoned ADR before the Civil Court of Civitavecchia, requesting the revocation of the payments made to the company in the six months prior to the date of the Decree of May 2, 2017. The statement of claim for the payments - made to ADR between November 2016 and January 2017 - for which the revocation is requested, with consequent declaration of ineffectiveness and relative return to Alitalia under special administration, is quantified at a total of approximately 34 million euros, plus legal interest and monetary revaluation. The first hearing for the Parties is set for April 8, 2021. Similar injunctions were served by Alitalia SAI under special administration on ADR Mobility and ADR Tel (statement of claim of 1.3 million euros and 0.1 million euros, respectively).

Sub-concession of retail outlets

- ADR has entered into civil proceedings against Moccia Conglomerati S.r.l. in order to ascertain the resolution of the sub-concession agreement regarding an area to be allocated to a system for the production and marketing of asphalt concrete, as a result of serious breach by the counterparty, which would not have been able to obtain the issue of the necessary permits for the performance of operations. Therefore, ADR requested the immediate release of the area and to obtain compensation for damages. Within the framework of the ruling, Moccia filed a counterclaim towards ADR for 38.4 million euros, 33.6 million euros of which for loss of earnings. At the hearing held on January 7, 2021 for the clarification of the conclusions, judgment was deferred.

Tenders

- ATI Alpine Bau, which was awarded the contract for works relating to the upgrading of Runway 3 at Fiumicino airport, appealed the 2006 sentence handed down by Rome's Civil Court. This sentence ordered ADR to pay 1.2 million euros, plus legal interest accrued from the time of the claim. The appeal reiterates the claims for damages made in first instance (66 million euros, including legal interest accrued from the time of the claim). With judgment filed in 2014, the Court of Appeal of Rome substantially rejected the appeal on the proposals of the ATI Alpine Bau and declared the contract stipulated in 1997 terminated, due to the fault of the ATI contractor. In 2015, Fallimento Alpine filed an appeal to the Supreme Court, rejected by order communicated on June 16, 2020. In October 2020, ADR proposed a judgment to vary the sentence of the Civil Court of Rome in 2006 in order to attempt recovery, albeit against a party bankrupted by then, of the amount paid to the counterparty at the time. In January 2021, both Fallimento Alpine and Itinera SpA (incorporating company of Abc Costruzioni, one of the original principal companies of the ATI) separately filed an appeal to the Supreme Court for revocation of the aforementioned order.

- In November 2018 Cimolai S.p.A. (in ATI with Sertech S.p.A., RPA S.r.l. and Tecnica Y Projectos S.A.) brought proceedings against ADR in relation to certain reservations (from no. 30 to no. 41) registered as part of the contract to build Pier C. The total *statement* of claim amounts to 64.4 million euros plus interest and monetary revaluation. Following the withdrawal of the reservation made at the hearing of June 8, 2020, the Investigating Judge decided to carry out an expert appraisal "in order to verify the timeliness, correctness and grounds for the reservations entered and the claims for damages proposed". The filing of the expert witness is scheduled for May 31, 2021; the hearing for the related examination is set for June 24, 2021.

ANAC resolution on the Pier C tender

With reference to the surveillance procedure pursuant to Italian Legislative Decree no. 50/2016, initiated by ANAC in October 2016, with regard to the tender for Pier C (currently Pier E and front of the building), on September 4, 2019, the Authority issued resolution no. 759, which confirmed almost all of the objections raised since the start of the proceedings and ordered the forwarding to the Court of Auditors as well as to ENAC and the MIT, requesting also ADR to "assess the possible initiatives to be taken while informing the Authority of any consequent measures intended to be adopted".

Consequently, on October 18, 2019 ADR notified an appeal to the Lazio Regional Administrative Court, without suspensive relief, requesting the cancellation of the above-mentioned ANAC Resolution. An announcement of the date of the relevant hearing is awaited. In addition, ADR informed the Certifying Bodies (SOA) of Cimolai and the subcontractors about the assessments carried out by the ANAC on the qualification of certain categories of works, related to the contract in question, for the purposes of their subsequent assessments and determinations.

Labor disputes

A group of former ADR employees, transferred to Ligabue Gate Gourmet Roma S.p.A., at the time of the sale of the West end catering business unit, filed a case against ADR and the Lazio Regional Authority, claiming compensation for not having been hired by other companies at the same economic conditions applied by the company mentioned above, based on a ministerial award signed by ADR together with other companies and local bodies, including the Lazio Regional Authority, when Ligabue went bankrupt. ADR won the case in first and second instance. A group of nine plaintiffs ultimately appealed to the Supreme Court, with a claim for damages for 6.7 million euros. A date for the hearing does not appear to have been set yet.

Terminal 3 fire

Regarding the fire that, on the night between May 6 and 7, 2015, affected a large area of Terminal 3 (hereafter also "T3"), a proceeding is pending before the Public Prosecutor at the Court of Civitavecchia; the proceeding regards the offences under articles 113 and 449 of the Italian Criminal Code (participation in arson) and personal injury, in relation to which, on November 25, 2015, the measure under art. 415-bis of the Criminal Procedure Code was issued, notifying the conclusion of the preliminary investigation against: (i) five employees from the contractor for the ordinary maintenance of the air-conditioning systems and two ADR employees, all investigated also with regard to the offence under art. 590 of the Criminal Code (personal injury through negligence), (ii) the then Managing Director of ADR in the capacity as "employer" of the Company, (iii) the Head of the Fire Corps Contingent and (iv) the Director of the Lazio Airport System (ENAC).

In 2017, the preliminary hearing was held, which continued for several days, at the end of which, on February 15, 2018, the judge sent the defendants to trial for the crimes of participation in arson and personal injury.

The hearing before the Court of Civitavecchia started on October 15, 2018. On that occasion and at the subsequent hearing held on January 21, 2019, procedural checks were carried out, there was substantial recognition of the parties to the proceedings and the admission of the preliminary motions made by each party was ordered (call to hear the witnesses and the relevant technical consultants). The examination of witnesses started at the hearing of March 25, 2019, beginning with the names indicated by the Public Prosecutor. The hearing of the witnesses continued at the hearings held during 2019 (June 24 and November 4) and 2020 (February 7, September 14 and November 23) and will continue over several dates. The next hearing is set for March 29, 2021.

Claims for damages

- In 2011 ADR received a claim for damages for 24 million dollars for direct damages from AXA Assicurazioni, who insures Ryanair, for the damage suffered by aircraft B737-800 E-IDYG as a consequence of the emergency landing due to a bird strike taking place on November 10, 2008 at Ciampino airport. After periodic communications of mere prescriptive discontinuance, in November 2020 ADR received a letter sent from AXA to Generali requesting 22.8 million dollars in compensation from its insurer for damage to the aircraft. Among the elements supporting the claim there is the outcome of the report produced in 2018 by the ANSV (National Agency for Flight Safety) regarding the dynamics of the accident. Even after an in depth analysis of the above mentioned documentation, it appears that the airport operator was not responsible for the incident, which was totally attributable to the incorrect "go around" maneuver performed by the pilot of the aircraft involved. ADR therefore rejects, also through its own insurer entrusted with management, any type of liability for the incident.
- About 170 claims have been received from third parties (mainly sub-concessionaires, handlers and passengers) with reference to the fire, only a portion of which, however, is concerned by a clear quantification of the damages (about 19 million euros). Given these claims for compensation, a prudent valuation - based on the best current information - of the liabilities the Company is likely to assume was included in the provisions.

Reserves on works posted by the contractors

As of December 31, 2020 reserves posted by the contractors amount to about 65 million euros (81 million euros as of December 31, 2019) towards ADR. Based on past evidence, only a small percentage of the reserves posted is actually due to the contractors. If recognized, the reserves will be recorded as an increase in the cost of concession fees.

If these refer to claims or maintenance, they are posted under the allowances for risks and charges for the portion deemed probable.

10. Transactions with related parties

The transactions performed by the ADR Group with related parties were carried out in the interest of the Group and are part of ordinary operations. Such transactions are regulated on a basis that is equivalent to those prevailing in transactions between independent parties.

During the year no significant transactions or transactions that significantly affected the Group's financial position or results took place.

Trade transactions and other transactions

(THOUSANDS OF EUROS)	12.31.2020		2020		12.31.2019		2019	
	ASSETS	LIABILITIES	REVENUES	COSTS	ASSETS	LIABILITIES	REVENUES	COSTS
PARENT COMPANIES								
Atlantia S.p.A.	3,988	2,049	400	(1,494)	7,912	20,667	238	(1,371)
TOTAL RELATIONS WITH PARENT COMPANIES	3,988	2,049	400	(1,494)	7,912	20,667	238	(1,371)
ASSOCIATED UNDERTAKINGS								
Pavimental S.p.A.	361	28,383	216	(49,690)	625	52,900	101	(111,402)
Spea Engineering S.p.A.	225	11,379	556	(6,273)	81	24,231	724	(20,625)
Ligabue Gate Gourmet S.p.A. (insolvent)	482	968	0	0	482	968	0	0
TOTAL RELATIONS WITH ASSOCIATED UNDERTAKINGS	1,068	40,730	772	(55,963)	1,188	78,099	825	(132,027)
RELATED PARTIES								
Leonardo Energia S.c.ar.l.	10	2,403	158	(13,284)	12	2,888	158	(19,225)
Fiumicino Energia S.r.l.	20	0	178	0	35	0	176	0
Infoblu S.p.A.	0	0	0	(9)	0	29	0	(29)
Telepass S.p.A.	84	33	20	(79)	188	64	312	(212)
Autogrill Italia S.p.A.	1,549	1,098	3,221	(361)	914	640	12,575	(900)
Autostrade per l'Italia S.p.A.	476	1,320	215	(903)	691	973	355	(1,467)
Autostrade Tech S.p.A.	0	144	0	(248)	0	399	0	(496)
Consorzio Autostrade Italiane Energia	0	0	0	(17)	0	20	0	(28)
Edizione S.r.l.	0	0	0	(24)	0	25	0	(25)
Retail Italia Network S.r.l.	17	38	143	0	45	0	612	0
Telepass Pay S.p.A.	2	0	60	0	30	0	173	0
Essediesse S.p.A.	36	0	73	0	149	0	145	0
Società Autostrada Tirrenica per azioni	1	0	0	0	1	0	0	0
K-Master S.r.l.	0	198	0	0	0	0	8	0
Maccarese S.p.A. Società Agricola	0	0	0	0	0	0	0	(26)
Aeroporto Guglielmo Marconi di Bologna S.p.A.	8	0	8	0				
Key Management Personnel	0	845	0	(769)	0	4,417	0	(3,992)
TOTAL RELATIONS WITH RELATED PARTIES	2,203	6,079	4,076	(15,694)	2,065	9,455	14,514	(26,400)
TOTAL	**7,259**	**48,858**	**5,248**	**(73,151)**	**11,165**	**108,221**	**15,577**	**(159,798)**

Relations with Atlantia refer mainly to the tax consolidation of some companies of the ADR Group and to charging back the cost for the seconded personnel.

The main relations with other related parties break down as follows:

- Pavimental: a subsidiary undertaking of Atlantia that carries out maintenance and modernization work of the airport paving, as well as the realization of infrastructural works for the ADR Group;
- Spea Engineering: a subsidiary undertaking of Atlantia, carrying out airport engineering services (work design and management) for the ADR Group;
- Fiumicino Energia S.r.l.: a subsidiary undertaking of Atlantia that manages the gas-fired co-generation plant at Fiumicino airport for the production of electricity. Via a business unit lease contract, operation of the co-generation plant was entrusted to Leonardo Energia - Società consortile a r.l., which is owned by ADR and Fiumicino Energia S.r.l., with respective shareholdings of 10% and 90%. Based on the agreements existing between ADR and Fiumicino Energia in 2023 the co-generation plant will be transferred free of charge to the Parent Company. The limited liability consortium, which also operates the thermal energy plant at Fiumicino, under a sub-concession from ADR, provides electric and thermal energy to ADR;
- Telepass S.p.A. (a subsidiary undertaking of Atlantia): costs related to the Telepass system used in the car parks managed by ADR Mobility;
- Autogrill Italia S.p.A. (indirect subsidiary undertaking of Edizione S.r.l. which, indirectly, holds a majority interest in Atlantia): revenues from retail sub-concessions, royalties, utilities, car parks and sundry services;
- Autostrade per l'Italia S.p.A. (a subsidiary undertaking of Atlantia): the relations with the company mainly refer to seconded personnel.

The remuneration due to the parties in charge of planning, managing and controlling the company and thus the executive directors and not and the managers with strategic responsibilities (so-called key management personnel) in office at December 31, 2020 amount to 984 thousand euros (of which 769 thousand euros classified in the table above under item Key Management Personnel and the residual amount of 215 thousand euros under service costs towards other related parties) and include the amount pertaining to fees, remuneration employee payments, non-monetary benefits, bonuses and other incentives for roles in ADR (the remuneration for directors who covered the position for the six months, or even a part of the year, is indicated).

Financial relations

(THOUSANDS OF EUROS)	12.31.2020		2020		12.31.2019		2019	
	ASSETS	LIABILITIES	INCOME	EXPENSE	ASSETS	LIABILITIES	INCOME	EXPENSE
PARENT COMPANIES								
Atlantia S.p.A.	0	0	0	(1,082)	0	253,157	0	(13,429)
TOTAL RELATIONS WITH PARENT COMPANIES	0	0	0	(1,082)	0	253,157	0	(13,429)
Spea Engineering S.p.A.	1,350	0	0	0	1,350	0	0	0
Azzurra Aeroporti S.p.A.	0	0	0	0	0	0	3,520	0
TOTAL RELATIONS WITH RELATED PARTIES	1,350	0	0	0	1,350	0	3,520	0
TOTAL	**1,350**	**0**	**0**	**(1,082)**	**1,350**	**253,157**	**3,520**	**(13,429)**

The financial liabilities with Atlantia have decreased as a result of the sale, on January 28, 2020, of the A4 bonds of which the parent company held 99.87%.

The financial assets from Spea Engineering S.p.A. comprise the receivable for the dividends resolved by the company in the year 2018 and not paid.

11. Other information

11.1 Information on share-based remuneration plans

With the aim of creating an incentive and loyalty system dedicated to directors and employees of the Atlantia Group covering positions entailing a higher level of responsibility in Atlantia or Group companies and to promote and spread the culture of creating value in all the strategic and operating decisions, as well as encourage the enhancement of the Group's value, in addition to the managerial efficiency of management, Atlantia Group has incentive plans in place that imply the commitment of assigning rights on Atlantia shares, subject to achieving pre-set corporate goals.

As part of the integration project between Atlantia and Gemina, the Shareholders' Meeting of Atlantia on April 30, 2013 approved the extension of the incentive plans to include personnel or directors of ADR, in order to make the long-term incentive systems of the entire Atlantia Group resulting from the merger more coherent.

The table below shows the chief elements of the incentive plans as of December 31, 2020, highlighting the rights attributed to directors and employees of the ADR Group. In addition, the unitary fair values of the assigned rights are shown, determined by a specifically appointed expert, using the Monte Carlo model.

	no. of rights assigned	no. of rights revoked	no. of rights for transfers	no. of rights opted for	no. of rights as of 12.31.2020	vesting expiry	deadline. year/allocation	exercise price (euro)	unit fair value on the assign. date	rev. unit fair value as of 12.31.2020	expected expiry on the assign. date (years)	risk-free interest rate at the assignment date	exp. volatility (=historical) on the assign. date	dividends expected on the assign. date
2014 phantom stock option plans of Atlantia extended to ADR	758,751	(256,467)	(62,742)	(261,411)	178,131	05.08.2018	05.08.2021	n.a.	2.59	0.06	3-6	1.01%	25.8%	5.32%
2014 phantom stock option plans of Atlantia extended to ADR	611,682	(45,137)	(21,202)	(132,392)	412,951	06.10.2019	06.10.2022	n.a.	1.89	1.14	3-6	0.61%	25.3%	4.94%
2017 phantom stock option plans I cycle	428,074	(448,212)	20,138	0	0	07.01.2020	07.01.2023	n.a.	2.37	0	3.13-6.13	1.31%	25.6%	4.40%
2017 phantom stock option plans II cycle	364,701	(46,620)	12,735	0	330,816	06.15.2021	07.01.2024	n.a.	2.91	1.58	5.9	2.35%	21.9%	4.12%
2017 phantom stock option plans III cycle	470,806	(136,792)	51,638	0	385,652	06.15.2022	07.01.2025	n.a.	2.98	1.52	6.06	1.72%	24.3%	4.10%
2017 phantom stock grant plans I cycle	42,619	(44,624)	2,005	0	0	07.01.2020	07.01.2023	n.a.	23.18	0	3.13-6.13	1.31%	25.6%	4.40%
2017 phantom stock grant plans II cycle	40,330	(5,156)	1,408	0	36,582	06.15.2021	07.01.2024	n.a.	24.5	15.28	5.9	2.35%	21.9%	4.12%
2017 phantom stock grant plans III cycle	48,221	(14,012)	5,289	0	39,498	06.15.2022	07.01.2025	n.a.	22.57	14.60	6.06	1.72%	24.3%	4.10%

It should also be noted that on May 29, 2020 Atlantia's Shareholders' Meeting approved a plan, called "Ogni tua azione conta", providing for the free allocation of 75 company shares to each Atlantia Group employee. The Plan included an adherence window that began on October 5, 2020 and ended on November 2, 2020, with 2,671 employees for the ADR Group adhering to the Plan, who were granted a total of 200,325 shares in Atlantia.

In accordance with the provisions of IFRS 2, due to the incentive plans in place, in 2020 the following items were recognized in the income statement:

- an adjustment of the costs relating to previous years of 4,681 thousand euros, essentially in relation to the change in the estimate of the rights allocated to the "phantom 2017" share plans, with zeroing of the related payables;
- a cost of 2,352 thousand euros relating to the "Ogni tua azione conta" shareholder plan, with a balancing entry in a specific shareholders' equity reserve, classified under "Other reserves and retained earnings".

11.2 Remuneration of independent auditors

In accordance with art. 149-duodecies of the Issuers' Regulations, which apply to ADR as it is a company controlled by a listed company (Atlantia), a breakdown of the fees paid to the ADR Group's principal independent auditors is shown in the table below (in thousands of euros):

TYPE OF SERVICE	SERVICE PROVIDER	RECIPIENT	REMUNERATION 2020
Auditing	EY S.p.A.	ADR S.p.A.	239
Certification services	EY S.p.A.	ADR S.p.A.	45
Other Services (*)	EY S.p.A.	ADR S.p.A.	179
Auditing	EY S.p.A.	ADR Tel S.p.A.	24
Auditing	EY S.p.A.	ADR Assistance S.r.l.	17
Auditing	EY S.p.A.	ADR Security S.r.l.	23
Auditing	EY S.p.A.	ADR Mobility S.r.l.	20
Auditing	EY S.p.A.	Airport Cleaning S.r.l.	17
Other services	EY S.p.A.	ADR Tel S.p.A.	1
Other services	EY S.p.A.	ADR Assistance S.r.l.	1
Other services	EY S.p.A.	ADR Security S.r.l.	1
Other services	EY S.p.A.	ADR Mobility S.r.l.	2
Other services	EY S.p.A.	Airport Cleaning S.r.l.	1
TOTAL			**570**

(*) comfort letter for the annual update of the Bond Issue Program, Comfort Letter as part of an issue of Notes within the EMTN Program, limited audit of the 2019/2020 Sustainability Report and audit of tax returns for tax receivables and subscription of Income Tax Return and 770 forms.

11.3 Disclosure of public grants pursuant to Italian Law no. 124/2017

With reference to the transparency obligations required under article 1, paragraphs from 125 to 129 of Italian Law no. 124/2017, no public grants were collected by the ADR Group in 2020.

11.4 Non-recurring, atypical or unusual events and transactions

During the year 2020, no non-recurring, atypical or unusual transactions were performed with third parties or related parties.

For information on the impacts of the COVID-19 outbreak please refer to Note 11.5 below; no significant additional non-recurrent events occurred in the year under review.

11.5 Information on the effects of the COVID-19 epidemic

The ADR Group's performance for 2020 was conditioned by the effects of an unprecedented crisis that, starting in March, involved the air transport sector in Italy and most of the rest of the world as a result of the health emergency caused by the spread of the COVID-19 virus.

Repercussions on business volumes at the Roman airport system were considerable, with passenger traffic down 76.8% compared with 2019 and movements down 63.8%.

The sharply negative trend in traffic was reflected in both aeronautical and non-aeronautical revenues, which recorded an overall reduction of 72.3%. For more details, see Note 7.1 Revenues.

In order to counter the impact on its economic results and liquidity, the ADR Group took immediate action, implementing a series of measures aimed at containing costs. In concurrence with the increase in traffic restrictions, the infrastructure operations of the airports have been progressively reduced; negotiations have also been started with suppliers for the consequent remodeling of external services. With regard to personnel management, Group companies have made use of social security benefits (the Special Income Support Fund/Salary Integration Fund (CIGS/FIS)) for all employees, in addition to other measures, such as holiday entitlement programs, zeroing of variable bonuses. In addition, a retirement incentive plan was launched for the categories closest to retirement. For more details, reference is made to the following notes: Note 7.3 Service costs, Note 7.4 Payroll costs, Note 7.5 Other operating costs.

The ADR Group's comprehensive income statement was also impacted by the write-down of the investment in Azzurra Aeroporti, valued at fair value, due to the impact of COVID-19 on the company's expected cash flows. For more details, see Note 6.3 Equity investments.

With reference to the recoverability of the carrying amount of intangible assets, and in particular Concession fees, the COVID-19 pandemic was considered an impairment indicator; therefore, in accordance with IAS 36, an impairment test was carried out, which revealed a recoverable value of the ADR Group's net invested capital higher than the *carrying amount*. For further information, reference should be made to Note 6.2 Intangible assets.

With regard to the infrastructure investment program, it should be noted that the measures adopted by the government to limit the spread of the virus at national level, in addition to the initiatives activated by the ADR Group to protect adequate levels of liquidity, led to the temporary suspension of non-essential works, consequently to the pandemic crisis.

Again in order to guarantee liquidity, in the year ADR activated new short-medium term bank credit lines, in addition to a "green" bond issue placed on the market at the end of November. Between the use of pre-existing bank lines and new funding lines, new financial resources were raised for 980 million euros (680 million euros from bank lines and 300 million euros from the aforementioned bond issue), given a repayment maturity of 100 million euros, which took place in November, and a further 400 million euros, which will expire at the end of February 2021, also in relation to the Group's extra management requirements. In addition, ADR has made waiver requests aimed at eliminating the risk of breach of contract linked to non-compliance with financial covenant levels. All of the waiver requests were approved by the lending banks. For further details, please refer to Note 6.15 Financial liabilities and Note 8 Guarantees and covenants on medium/long-term financial liabilities.

The 2021 Budget established a COVID-19 damage fund of 500 million euros, of which 450 million euros intended to compensate for the damage suffered by airport operators directly attributable to the COVID-19 emergency recorded in the period February 23, 2020 - January 31, 2021, compared to the same period of the previous year. A contribution of up to 100% of the damage suffered is envisaged, calculated as a loss of revenues and an increase in costs attributable to the epidemic, net of cost reductions for access to social security benefits and other forms of support, for the period indicated above. In the event that the total amount of contributions attributable to all the beneficiary companies is greater than the resources allocated (450 million euros), the amount of the share assigned to each company will be determined in proportion to the contribution attributable to the same company with respect to the total attributable contributions and, in any case, within the maximum limit of twenty percent of the resources indicated for airports (maximum of 90 million euros). According to this mechanism, the significance of the requests that will presumably be made by companies in the sector and the weight of ADR with respect to these, it is conceivable that the Company's share will be no more than 90 million euros.

At the date of preparation of the financial statements, the issue of interministerial decrees for the implementation of the measure is pending; the disbursement of the grant is also subject to the assessment by the European Commission of compatibility with the rules on state aid.

The actions undertaken, together with the capital strength of the Parent Company and its subsidiary undertakings, appear sufficient to ensure compliance with the contractual commitments that the Parent Company and its subsidiary undertakings will be called upon to fulfill in the following 12 months.

12. Subsequent events

- Following the discussions already initiated with ENAC, on January 22, 2021 ADR sent the Authority the new version of the airport development plan (the New PSA) fully compliant with the provisions of art. 1, paragraph 4, of the current Agreement, which identifies the creation of an infrastructure system aimed at "guaranteeing the development of a Roman airport system adequate for the traffic volumes estimated at the various time thresholds (100 million passengers per year 2044)" as the objective to be achieved through the conventional instruments identified by art. 17, paragraph 34-bis, of Law Decree no. 78 of 2009 converted by Law no. 102 of 2009. This Plan represents the solution identified by the Company following the unfeasibility of the Master Plan for 2030 (the so-called Fiumicino Nord Master Plan) on whose environmental compatibility the MATTM expressed a negative opinion with Italian Ministerial Decree no. 79/20.
- The trial on Covid-tested flights from the United States, approved as the only airport in Italy for flights from the United States by order of the Ministry of Health in agreement with the Ministry of Transport and the Ministry of Foreign Affairs on November 23, 2020, launched at Fiumicino from December 8, shows that only 5 passengers out of an overall total of 3,824 tested positive for Covid, with a positivity rate of just 0.13% (data as of January 28, 2021). ADR has been granted an extension of the experimental phase to March 5 and is working to involve more airlines, airports and institutions to promote effective, sustainable and consistent protocols across Europe.
- On February 11, 2021, the new Vaccination Center of the Lazio Region became operational, created in an Italian airport for the first time, thanks to the collaboration with ADR and the Italian Red Cross. The structure of about 1,500 square meters is fully covered and heated and will be able to administer up to three thousand doses of vaccine per day when operating 24 hours a day. It has been set up at the long-term parking lot of Fiumicino airport, where the drive-in area for COVID-19 tests has been active since last September.
- On January 21, 2021, following the fulfilment of the conditions precedent provided for in the purchase and sale agreement signed at the end of December 2020, ADR acquired the equity investment, equal to 100% of the share capital, held by Pavimental SpA in ADR Infrastrutture SpA, the company to which Pavimental had previously transferred the business unit dedicated to airport activities, with effect from January 1, 2021. The purchase price paid was 12.2 million euros. This transaction is motivated by ADR's interest in performing in house the work on the airport development plan, in order to guarantee direct control over the timing and quality of execution.
- On January 22, 2021, the Company accepted the binding offer submitted by Autostrade per l'Italia S.p.A. for ADR's acquisition of its holding in Pavimental S.p.A. (20%). Completion of the purchase and sale transaction is expected by March.

- As part of the reorganization project launched by the Atlantia Group and aimed at bringing the engineering support activities carried out until now by Spea Engineering S.p.A. within the scope of the groups belonging to the relevant principals, on February 26, 2021 the ADR Group company, ADR Ingegneria S.p.A., signed the preliminary contract for the lease of the business unit of Spea Engineering S.p.A. dedicated to airport engineering and works supervision. The contract has a duration of two years, renewable by tacit agreement for a further two, with the right of withdrawal "ad nutum" of both parties with 6 months' notice. The rent is 133 thousand euros, fixed and unchangeable for the entire duration of the contract.

For more details, reference should be made to the Management Report on Operations.

The Board of Directors

ANNEXES

Annex 1 - List of equity investments

NAME	REGISTERED OFFICE	ASSETS	CURRENCY	SHARE CAPITAL (EURO) ([1])	SHAREHOLDERS	% HELD	% ADR GROUP INTEREST	CONSOLIDATION METHOD OR VALUATION CRITERION
PARENT COMPANY								
Aeroporti di Roma S.p.A.	Fiumicino (Rome)	Airport management	Euros	62,224,743				
SUBSIDIARY UNDERTAKINGS								
ADR Tel S.p.A.	Fiumicino (Rome)	Telephony	Euros	600,000	Aeroporti di Roma S.p.A.	99	100	Line-by-line
					ADR Ingegneria S.p.A.	1		
ADR Assistance S.r.l.	Fiumicino (Rome)	Assistance to passengers with reduced mobility (PRM)	Euros	4,000,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Ingegneria S.p.A.	Fiumicino (Rome)	Coordination of activities for major airport works	Euros	100,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Mobility S.r.l.	Fiumicino (Rome)	Management of parking and car parks	Euros	1,500,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Security S.r.l.	Fiumicino (Rome)	Security and control services	Euros	400,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
Airport Cleaning S.r.l.	Fiumicino (Rome)	Cleaning services	Euros	1,500,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ASSOCIATED UNDERTAKINGS								
Pavimental S.p.A.	Rome	Construction	Euros	10,116,452	Aeroporti di Roma S.p.A.	20		Measured using the equity method
Spea Engineering S.p.A.	Rome	Engineering and design services	Euros	6,966,000	Aeroporti di Roma S.p.A.	20		Measured using the equity method
Consorzio E.T.L. - European Transport Law (in liquidation)	Rome	Office for European transport rules	Euros	(12,420)	Aeroporti di Roma S.p.A.	25		Valued at cost
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	Tessera (Venice)	Airport catering	Euros	103,200	Aeroporti di Roma S.p.A.	20		Valued at cost
OTHER EQUITY INVESTMENTS								
Aeroporto di Genova S.p.A.	Genova Sestri	Airport management	Euros	7,746,900	Aeroporti di Roma S.p.A.	15		Measured at fair value
S.A.CAL. S.p.A.	Lamezia Terme (Catanzaro)	Airport management	Euros	13,920,225	Aeroporti di Roma S.p.A.	9.229		Measured at fair value
Azzurra Aeroporti S.p.A.	Rome	Real estate, financial investments, etc.	Euros	3,221,234	Aeroporti di Roma S.p.A.	7.77		Measured at fair value
Leonardo Energia - Società Consortile a r.l.	Fiumicino (Rome)	Electricity production	Euros	10,000	Aeroporti di Roma S.p.A.	10		Measured at fair value
Consorzio Autostrade Italiane Energia	Rome	Supply on the electricity market	Euros	114,853	Aeroporti di Roma S.p.A.	0.99		Measured at fair value
Convention Bureau Roma & Lazio S.c.r.l.	Rome	Connected activity MICE tourism[2] and business tourism	Euros	132,000	Aeroporti di Roma S.p.A.	1 share (1,000 euros)		Measured at fair value

[1] The amount stated for Consorzio E.T.L. – European Transport Law (in liquidation) refers to the net liquidation capital

[2] MICE (Meetings, Incentives, Conferences, Exhibitions)

REPORT
OF THE INDEPENDENT AUDITORS

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Aeroporti di Roma S.p.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Aeroporti di Roma Group (the Group), which comprise the statement of financial position as at 31 December 2020, and the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 31 December 2020, 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 Aeroporti di Roma 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:

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Consob al progressivo n. 2 delibera n.10831 del 16/7/1997

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Key Audit Matter	Audit Response
Valuation of the Provision for renovation of airport infrastructure The provision for renovation of airport infrastructure as of December 31, 2020 amounts to 197 Euro millions 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. The amount of the provision recognized in the consolidated financial statements represents the Directors' best estimate of the nature, timing and amount of the maintenance costs, including the relevant financial component applied to account for the timing of such maintenance services. Considering the judgment required by Management in order to evaluate the nature, timing and the amount of such maintenance services, we believe that the valuation of the provision for renovation of airport infrastructure represents a key audit matter. The disclosures related to the accounting principles adopted for the provision for renovation of airport infrastructure are included in Note 4 "Accounting standards applied - Provisions for renovation of airport infrastructure" and in Note 6.13 "Provisions for renovation of airport infrastructure" of the Consolidated Financial Statements.	The audit procedures performed in response to this Key Audit Matter included, among others: • analysis of the concession agreement that gives rise to the obligation; • assessment of the process and key internal controls implemented by the Group surrounding the valuation process of the provision for renovation of airport infrastructure; • test of details on a sample of provision utilizations accounted for during the fiscal year; • analytical procedures on changes in the provision compared to the preceding fiscal year; • analysis of the consistency of the assumptions used in estimating the provision for renovation of airport infrastructure against the Investment Plan 2021-2046; • testing the reasonableness of the discount rate used also with the support of our specialists in financial instruments; • testing the mathematical accuracy of the provision calculation. Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements related to the Key Audit Matter.
Impairment test due to Covid-19 pandemic impacts on the business of the Group The performance of the Aeroporti di Roma Group during 2020 has been heavily influenced by the restrictions on air traffic for the purpose of containing the Covid-19 pandemic, which led to a decrease in passenger volume of 76.8% transiting through the Roman airport system compared to 2019 and consequently, contributed to a reduction in revenues of 72.3% compared to 2019. The reduction in traffic and the contraction in revenues of the Group, as impacted by the restrictions imposed by the Covid-19 pandemic,	The audit procedures performed in response to this Key Audit Matter included, among others: • analysis of the consistency of the underlying assumptions of the business plan prepared by the Group; • analysis of the consistency of the assumptions in the context of macroeconomic environment; • discussions with management regarding the manner of construction of the impairment test model; • testing the consistency of the discount rate

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represent an indicator of impairment, in accordance with IAS 36. Considering the significance of the impacts deriving from the matter described above we believe that this represents a key audit matter. The disclosures related to the Impairment test are included in Note "6.2 Intangible assets". The disclosures related to the Covid-19 impacts on the year 2020 are included in Note "11.5 Information on the effects of the COVID-19 epidemic".	applied (*WACC*); • 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. Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements related 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 Aeroporti di Roma 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

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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 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 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 Aeroporti di Roma S.p.A., in the general meeting held on 9 April 2013, engaged us to perform the audits of the consolidated financial statements for each of the years ending 31 December 2013 to 31 December 2021.

We declare that we have not provided prohibited non-audit services, referred to in 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

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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 pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Aeroporti di Roma S.p.A. are responsible for the preparation of the Management Report on Operations and of the specific section on Corporate Governance and Ownership Structure of Group Aeroporti di Roma as at 31 December 2020, 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 Management Report on Operations and of the specific information included in the section on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the consolidated financial statements of Aeroporti di Roma Group as at 31 December 2020 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above-mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of Aeroporti di Roma Group as at 31 December 2020 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 27 January 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 30 December 2016

As described on the Management Report on Operations the Directors of Aeroporti di Roma S.p.A. they availed themselves of the exemption to prepare the non-financial information pursuant to article 6, paragraph 1, of Italian Legislative Decree n. 254.

Rome, 23 March 2021

EY S.p.A.
Signed by: Roberto Tabarrini, auditor

This report has been translated into the English language solely for the convenience of international readers.

SEPARATE FINANCIAL STATEMENTS AS OF DECEMBER 31, 2020

Separate Financial Statements as of December 31, 2020

FINANCIAL STATEMENTS OF AEROPORTI DI ROMA S.P.A.

Statement of financial position

ASSETS (EURO)	NOTES	12.31.2020	*of which related parties*	12.31.2019	*of which related parties*
NON-CURRENT ASSETS					
Tangible assets	5.1	49,912,202		51,386,242	
Concession fees		2,437,526,013		2,425,305,693	
Other intangible assets		43,254,988		53,654,501	
Intangible assets	5.2	2,480,781,001		2,478,960,194	
Equity investments	5.3	45,613,304		74,310,493	
Other non-current financial assets	5.4	1,188,101		1,705,494	
Deferred tax assets	5.5	89,643,989		50,211,100	
Other non-current assets	5.6	456,371		399,007	
TOTAL NON-CURRENT ASSETS		**2,667,594,968**		**2,656,972,530**	
CURRENT ASSETS					
Inventories		4,996,295		3,741,281	
Trade receivables		258,556,777	*8,914,582*	306,735,345	*7,719,583*
Trade assets	5.7	263,553,072	*8,914,582*	310,476,626	*7,719,583*
Other current financial assets	5.4	1,350,000	*1,350,000*	1,514,932	*1,350,000*
Current tax assets	5.8	4,474,580	*4,377,616*	7,117,504	*7,081,338*
Other current assets	5.9	29,804,978	*483,266*	14,465,618	*481,866*
Cash and cash equivalents	5.10	1,086,181,038		489,062,858	
TOTAL CURRENT ASSETS		**1,385,363,668**	***15,125,464***	**822,637,538**	***16,632,787***
TOTAL ASSETS		**4,052,958,636**	***15,125,464***	**3,479,610,068**	***16,632,787***

SHAREHOLDERS' EQUITY AND LIABILITIES (EURO)	NOTES	12.31.2020	*of which related parties*	12.31.2019	*of which related parties*
SHAREHOLDERS' EQUITY					
Share capital		62,224,743		62,224,743	
Reserves and retained earnings		1,061,783,877		868,925,513	
Net income (loss) for the year		(143,353,203)		243,192,938	
TOTAL SHAREHOLDERS' EQUITY	5.11	**980,655,417**		**1,174,343,194**	
LIABILITIES					
NON-CURRENT LIABILITIES					
Provisions for employee benefits	5.12	10,787,190		10,110,572	
Provisions for renovation of airport infrastructure	5.13	144,377,348		128,793,597	
Other allowances for risks and charges	5.14	17,238,138		19,082,137	
Allowances for non-current provisions		172,402,676		157,986,306	
Bonds		1,006,472,788		1,115,669,967	*252,703,657*
Medium/long-term loans		873,670,885		207,198,156	
Financial instruments - derivatives		161,238,458		140,076,265	
Other financial liabilities		1,818,861		1,663,021	*211,876*
Non-current financial liabilities	5.15	2,043,200,992		1,464,607,409	*252,915,533*
Other non-current liabilities	5.16	0		7,479,305	*790,140*
TOTAL NON-CURRENT LIABILITIES		2,215,603,668		1,630,073,020	*253,705,673*
CURRENT LIABILITIES					
Provisions for employee benefits	5.12	889,192		2,323,618	
Provisions for renovation of airport infrastructure	5.13	47,339,549		54,847,676	
Other allowances for risks and charges	5.14	7,424,359		3,036,000	
Allowances for current provisions		55,653,100		60,207,294	
Trade payables	5.17	181,187,750	*72,455,850*	222,899,924	*107,699,235*
Trade liabilities		181,187,750	*72,455,850*	222,899,924	*107,699,235*
Current share of medium/long-term financial liabilities		431,391,443	*211,877*	129,724,586	*957,511*
Financial instruments - derivatives		59,706,476		35,534,152	
Other current financial liabilities		9,125,305	*9,125,323*	23,512,335	*23,512,335*
Current financial liabilities	5.15	500,223,224	*9,337,200*	188,771,073	*24,469,846*
Current tax liabilities	5.8	0		31,587,017	*18,679,285*
Other current liabilities	5.18	119,635,477	*845,065*	171,728,546	*3,651,556*
TOTAL CURRENT LIABILITIES		856,699,551	82,638,115	675,193,854	154,499,922
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**4,052,958,636**	***82,638,115***	**3,479,610,068**	***408,205,595***

Income statement

(EURO)	NOTES	2020	*of which related parties*	2019	*of which related parties*
REVENUES	6.1				
Revenues from airport management		260,908,134	*21,020,057*	925,057,175	*42,116,378*
Revenues from construction services		98,060,165		173,509,098	
Other operating income		9,426,947	*4,521,755*	10,706,297	*4,690,322*
TOTAL REVENUES		**368,395,246**	**25,541,812**	**1,109,272,570**	**46,806,700**
COSTS					
Consumption of raw materials and consumables	6.2	(8,105,741)	*(3,270)*	(19,847,501)	*(10,219,186)*
Service costs	6.3	(279,449,410)	*(158,769,239)*	(425,053,802)	*(265,681,847)*
Payroll costs	6.4	(70,495,294)	*(442,635)*	(94,229,222)	*(2,518,513)*
Concession fees		(8,298,954)		(36,728,362)	
Expenses for leased assets		(684,646)		(1,094,529)	
(Allocation to) use of the provisions for renovation of airport infrastructure		(6,834,209)		(6,065,827)	
(Allocation to) re-absorption of allowances for risks and charges		1,173,154		(1,226,142)	
Other costs		(11,056,023)		(13,654,564)	
Other operating costs	6.5	(25,700,678)	*(180,003)*	(58,769,424)	*(180,020)*
Depreciation of tangible assets	5.1	(14,577,637)		(14,765,840)	
Amortization of intangible concession fees	5.2	(85,847,371)		(85,526,521)	
Amortization of other intangible assets	5.2	(5,890,424)		(5,313,546)	
Amortization and depreciation		(106,315,432)		(105,605,907)	
TOTAL COSTS		(490,066,555)	(159,395,147)	(703,505,856)	(278,599,566)
OPERATING INCOME		**(121,671,309)**		**405,766,714**	
Financial income	6.6	1,496,360		30,870,897	*17,786,513*
Financial expense	6.6	(74,495,651)	*(1,090,934)*	(64,970,033)	*(13,444,877)*
Foreign exchange gains (losses)	6.6	13,553,106		(12,355,352)	
FINANCIAL INCOME (EXPENSE)		(59,446,185)	*(1,090,934)*	(46,454,488)	*4,341,636*
INCOME (LOSS) BEFORE TAXES		**(181,117,494)**		**359,312,226**	
Income taxes	6.7	37,764,291		(116,119,288)	
NET INCOME (LOSS) FROM CONTINUING OPERATIONS		**(143,353,203)**		**243,192,938**	
Net income (loss) from discontinued operations					
NET INCOME (LOSS) FOR THE YEAR		**(143,353,203)**		**243,192,938**	

Statement of Comprehensive Income

(THOUSANDS OF EUROS)	NOTES	2020	2019
NET INCOME (LOSS) FOR THE YEAR		**(143,353)**	**243,193**
Share of cash flow hedge derivative financial instruments	5.15	(31,989)	(51,112)
Tax effect		6,825	13,118
Other components of the comprehensive income statement that can be reclassified in the income statement, net of the tax effect		**(25,164)**	**(37,994)**
Income (loss) from actuarial valuation of employee benefits	5.12	(126)	(396)
Tax effect		(68)	95
Profits (losses) from fair value measurement of the equity investments	5.3	(27,591)	0
Other components of the comprehensive income statement that will not be subsequently reclassified in the income statement, net of the tax effect		**(27,785)**	**(301)**
Reclassifications of the other components of the comprehensive income statement for the year	5.15	**1,539**	**1,541**
TOTAL OTHER COMPONENTS OF THE COMPREHENSIVE INCOME STATEMENT, NET OF THE TAX EFFECT		**(51,410)**	**(36,754)**
TOTAL COMPREHENSIVE INCOME (LOSS) FOR THE YEAR		**(194,763)**	**206,439**

Statement of changes in Equity

(THOUSANDS OF EUROS)	SHARE CAPITAL	LEGAL RESERVE	SHARE PREMIUM RESERVE	CASH FLOW HEDGE RESERVE	PROFIT/(LOSS) RESERVE FOR THE FAIR VALUE MEASUREMENT OF EQUITY INVESTMENTS	OTHER RESERVES AND RETAINED EARNINGS	NET INCOME (LOSS) FOR THE YEAR (net of advance on dividends)	TOTAL SHAREHOLDERS ' EQUITY
BALANCE AS OF December 31, 2018	**62,225**	**12,462**	**667,389**	**(51,654)**	**0**	**276,744**	**131,293**	**1,098,459**
Net income for the year							243,193	243,193
Other components of comprehensive income:				(36,453)		(301)		(36,754)
Effective portion of cash flow hedge derivative financial instruments, net of tax effect				(36,453)				(36,453)
Income (loss) from actuarial valuation of employee benefits, net of the tax effect						(301)		(301)
Comprehensive income for the year				(36,453)		(301)	243,193	206,439
Dividend distribution (balance)							(130,672)	(130,672)
Allocation of residual profit of the previous year						621	(621)	0
Other changes						118	0	243,193
BALANCE AS OF December 31, 2019	**62,225**	**12,462**	**667,389**	**(88,107)**	**0**	**277,182**	**243,193**	**1,174,344**
Net income (loss) for the year							(143,353)	(143,353)
Other components of comprehensive income:				(23,625)	(27,591)	(194)		(51,410)
Effective portion of cash flow hedge derivative financial instruments, net of tax effect				(23,625)				(23,625)
Income (loss) from actuarial valuation of employee benefits, net of the tax effect						(194)		(194)
Profits (losses) from fair value measurement of the equity investments					(27,591)			(27,591)
Comprehensive income (loss) for the year				(23,625)	(27,591)	(194)	(143,353)	(194,763)
Allocation of residual profit of the previous year						243,193	(243,193)	0
Other changes						1,074	0	1,074
BALANCE AS OF DECEMBER 31, 2020	**62,225**	**12,462**	**667,389**	**(111,732)**	**(27,591)**	**521,255**	**(143,353)**	**980,655**

Statement of cash flows

(THOUSANDS OF EUROS)	NOTES	2020	2019
Net income (loss) for the year		**(143,353)**	**243,193**
Adjusted by:			
Amortization and depreciation	5.1/5.2	106,315	105,607
Allocation to provisions for renovation of airport infrastructure	5.13	38,809	53,285
Financial expense from discounting provisions	6.6	1,239	2,023
Changes in other provisions		1,661	(3,132)
Write-down (revaluation) of non-current financial assets and equity investments		1,107	8,715
Net change in deferred tax (assets) liabilities		(33,159)	5,972
Other non-monetary costs (revenues)		10,088	8,595
Changes in working capital and other changes		(98,644)	71,540
NET CASH FLOW FROM OPERATING ACTIVITIES (A)		**(115,937)**	**495,798**
Investments in tangible assets (*)	5.1	(13,256)	(20,690)
Investments in intangible assets (**)	5.2	(106,170)	(208,926)
Works for renovation of airport infrastructure	5.13	(31,975)	(47,219)
Equity investments		(1)	0
Gains from disinvestments and other changes in tangible and intangible assets and equity investments		12,765	15,555
Net change in other non-current assets		(57)	9
NET CASH FLOW FROM INVESTMENT ACTIVITIES (B)		**(138,694)**	**(261,271)**
Dividends paid		0	(130,672)
Issue of bonds		297,732	0
Raising of medium/long-term loans	5.15	678,818	70,000
Repayment of medium/long-term loans		(112,500)	0
Net change in other current and non-current financial liabilities		1,921	(96)
Net change in current and non-current financial assets		165	(165)
NET CASH FLOW FROM FUNDING ACTIVITIES (C)		**866,136**	**(60,933)**
NET CASH FLOW FOR THE YEAR (A+B+C)		**611,505**	**173,594**
Cash and cash equivalents at the start of the year	5.10	465,551	291,957
Net cash and cash equivalents at the end of the year	5.10	1,077,056	465,551

(*) including advances to suppliers for 1,698 thousand euros in 2020;
(**) including advances to suppliers for 124 thousand euros in 2020 and 25,079 thousand euros in 2019.

Reconciliation of cash and cash equivalents

(THOUSANDS OF EUROS)	2020	2019
Net cash and cash equivalents at the start of the year	**465,551**	**291,957**
Cash and cash equivalents	489,063	318,072
Current accounts with subsidiary undertakings	(23,512)	(26,115)
Net cash and cash equivalents at the end of the year	**1,077,056**	**465,551**
Cash and cash equivalents	1,086,181	489,063
Current accounts with subsidiary undertakings	(9,125)	(23,512)

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	2020	2019
Net income taxes paid (reimbursed)	24,344	98,639
Interest income collected	1,284	177
Interest payable and commissions paid	47,771	45,301
Dividends received	0	17,783

NOTES TO THE SEPARATE FINANCIAL STATEMENTS OF AEROPORTI DI ROMA S.P.A.

1. General information

Aeroporti di Roma S.p.A. (hereafter the "Company" or "ADR") manages the Roman airport system on an exclusive basis under the concession signed between the Italian Civil Aviation Authority ("ENAC") and ADR. On December 21, 2012, the Prime Minister approved the new Planning Agreement signed between ADR and ENAC on October 25, 2012, based on which ADR is entrusted with managing the airport system directly and indirectly through the subsidiary undertakings, to which specific activities are assigned. The airport concession expires on June 30, 2046.

The registered office of the Company is in Fiumicino, Via Pier Paolo Racchetti 1, while the secondary office is in Ciampino, Via Appia Nuova 1651. The duration of the Company is currently set until December 31, 2050, unless extended.

On the date of these Separate Financial Statements, Atlantia S.p.A. ("Atlantia") is the shareholder that holds the majority of the shares of ADR (61,842,015, equal to 99.385% of the capital) and exercises the management and coordination towards the Company.

These Financial Statements were approved by the Board of Directors of the Company during the meeting of March 4, 2021 and subject to audit by EY S.p.A.

The Separate Financial Statements were prepared in the assumption of going-concern.

2. Form and content of the Separate Financial statements

The Separate Financial Statements for the year ended December 31, 2020 were prepared pursuant to articles 2 and 4 of Italian Legislative Decree no. 38/2005, in compliance with the International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board ("IASB") and endorsed by the European Commission, in force on the balance sheet date.

Consideration was also given to the measures issued by Consob (Commissione Nazionale per le Società e la Borsa) in implementing paragraph 3 of Article 9 of Italian Legislative Decree no. 38/2005 on the preparation of the accounting statements.

The Financial statements comprise the accounting statements (statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows) and these Notes, applying the provisions of IAS 1 "Presentation of Financial Statements" and the general criterion of the historical cost, with the exception of the financial statement items that according to IFRS are recognized at their fair value, as stated in the valuation criteria of the individual items.

The statement of financial position is presented on the basis of the statement that provides for a distinction between current and non-current assets and liabilities, while these are classified on the basis of their nature in the income statement. The statement of cash flows was prepared by applying the indirect method. IFRS were applied consistently with the indications of the "Framework for the Preparation and Presentation of Financial Statements" and no issues emerged that required derogations pursuant to IAS 1.

All the values are expressed in thousands of euros, unless otherwise stated. The euro is both the ADR's functional currency and the currency of presentation of the financial statements.

For each item in the accounting statements, the corresponding value of the previous year is reported for comparison purposes.

3. Accounting standards applied

The accounting standards and valuation criteria applied in preparing the Separate Financial Statements for the year ended December 31, 2020 are the same as those adopted for the preparation of the Consolidated Financial Statements, to which reference is made, except for the recognition and measurement of Equity investments.

Equity investments in subsidiary undertakings, associated undertakings and joint ventures are valued at purchase cost, inclusive of directly attributable accessory charges, rectified in the presence of any losses in value identified as described in the section regarding "Impairment of assets (impairment test)" of the Consolidated Financial Statements, which are recorded in the income statement. The same are restored if the reasons for the write-downs made cease to apply.

The term subsidiary undertakings means all companies over which ADR has the power to determine, either directly or indirectly, the financial and operating policies in order to obtain benefits from their activities.

Investments in associated undertakings are those in which ADR is capable of exercising a significant influence, but not control or joint control, by contributing to the financial and operating decision-making policies of the investee company.

Equity investments in other companies, which can be classified in the category of equity financial assets as defined in IFRS 9, are initially recorded at cost, as determined on the settlement date as they represent the fair value, inclusive of the directly attributable transaction costs.

Following initial recognition, these equity investments are measured at fair value, recognizing the effects in the income statement, with the exception of those that are not held for trading purposes and where, as permitted by IFRS 9, the option was exercised, upon acquisition, to designate them at fair value with recognition of the subsequent changes under the other components of the comprehensive income statement, and therefore in a specific shareholders' equity reserve. Minority interests can be measured at cost in limited cases where the cost represents an adequate estimate of the fair value.

The transactions for the acquisition or sale of companies and/or branches between companies under common control are treated, in accordance with IAS 1 and IAS 8, on the basis of their economic substance, making reference to both the (i) methods to determine the amount of the sale and the (ii) check of the added value generated for all the parties concerned, resulting in significant changes that can be measured in the cash flows before and after the transaction of the transferred assets. In this context:

- if both requirements being checked are met, these transactions for the purchase of companies and/or company branches are recorded according to IFRS 3, following the same criteria illustrated previously for similar transactions with third parties. In these cases, the transferor company posts in the income statement the possible difference between these carrying amounts of the assets and liabilities and the related amount;
- in the other cases, the transferred assets and liabilities are posted by the transferee with the same values these were recorded in the financial statements of the transferor company before the transactions, with the recognition in the shareholders' equity of any difference compared to the

acquisition cost. Consistently with this, the transferor company records in the shareholders' equity the difference between the book value of the assets and liabilities sold and the amount agreed.

4. Concession Agreement

Concessionary Relationship

ADR's corporate purpose is the construction and management of airports or a part thereof, and the exercise of any activity related or complementary to air traffic of any type or specialty. This goal is achieved on the basis of a concession for the single management of the Roman airport system entrusted to the Company with Italian Law no. 755 of November 10, 1973.

The concessionaire ADR ensures the management and development of the Roman airport system ("Leonardo da Vinci" at Fiumicino and "G.B. Pastine" at Ciampino) in accordance with international, European and national regulations as well as the ENAC Regulations that govern the operation of airports open to civil traffic.

The original Concession Management Agreement no. 2820/74 was in force until December 21, 2012. After that date, a new Single Deed - Planning Agreement was approved with a specific Council of Ministers Presidential Decree. The single document regulates both the relations regarding the airport management concession and the criteria to determine and periodically update the fees applicable to the so-called "regulated services".

The principle remains in place according to which the management must be guided by financial and organizational criteria pursuant to Italian Law no. 755 of November 10, 1973 and subsequent amendments.

For more details on the Concession Agreement reference is made to the Consolidated Financial Statements.

5. Information on the items of the statement of financial position

5.1 Tangible assets

	12.31.2019							12.31.2020		
(THOUSANDS OF EUROS)	COST	ACC. DEPR.	NET VALUE	INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	COST	ACC. DEPR.	NET VALUE
Land and buildings	15,722	(74)	15,648	184	(154)	150	0	16,056	(228)	15,828
Plant and machinery	86,647	(65,601)	21,046	393	(9,459)	102	(14)	82,066	(69,998)	12,068
Industrial and commercial equipment	13,977	(12,041)	1,936	506	(843)	0	0	14,483	(12,884)	1,599
Other assets	36,098	(27,716)	8,382	1,586	(2,792)	629	(3)	37,909	(30,107)	7,802
Work in progress and advances	1,557	0	1,557	9,128	0	(887)	0	9,798	0	9,798
Right of use on Property, plant and equipment and other assets	3,911	(1,094)	2,817	1,459	(1,330)	(129)	0	4,791	(1,974)	2,817
TOTAL TANGIBLE ASSETS	**157,912**	**(106,526)**	**51,386**	**13,256**	**(14,578)**	**(135)**	**(17)**	**165,103**	**(115,191)**	**49,912**

	12.31.2018			CHANGE					12.31.2019		
(THOUSANDS OF EUROS)	COST	ACC. DEPR.	NET VALUE	INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	EFFECT OF IFRS16	COST	ACC. DEPR.	NET VALUE
Land and buildings	0	0	0	15,722	(74)	0	0	0	15,722	(74)	15,648
Plant and machinery	89,510	(58,989)	30,521	223	(9,717)	23	(4)	0	86,647	(65,601)	21,046
Industrial and commercial equipment	14,029	(11,735)	2,294	334	(692)	0	0	0	13,977	(12,041)	1,936
Other assets	33,766	(24,699)	9,067	1,919	(3,189)	591	(6)	0	36,098	(27,716)	8,382
Work in progress and advances	610	0	610	1,541	0	(594)	0	0	1,557	0	1,557
Right of use on Property, plant and equipment and other assets	0	0	0	951	(1,094)	0	0	2,960	3,911	(1,094)	2,817
TOTAL TANGIBLE ASSETS	**137,915**	**(95,423)**	**42,492**	**20,690**	**(14,766)**	**20**	**(10)**	**2,960**	**157,912**	**(106,526)**	**51,386**

Tangible assets, equaling 49,912 thousand euros (51,386 thousand euros as of December 31, 2019), are down in the year by 1,474 thousand euros, mainly due to depreciation (14,578 thousand euros), partly offset by the investments in the year (13,256 thousand euros).

Investments of 13,256 thousand euros mainly refer to:

- within the category "Industrial and commercial equipment" (506 thousand euros) mainly to purchases of thermal cameras and similar equipment;
- within the category "Other assets "(1,586 thousand euros), mainly to electronic machinery (886 thousand euros), furniture/furnishings (396 thousand euros) and works of art (298 thousand euros);
- as part of Work in progress and advances (9,128 thousand euros), mainly to the installation of monitors, LED walls and network equipment in the new Boarding area A for 1,622 thousand euros,

the Joint Control Room (APOC) for 1,308 thousand euros, upgrading works on the data processing infrastructure for 769 thousand euros, work on network equipment for 700 thousand euros, electronic equipment for islands I and J in the check-in area at T3 for 418 thousand euros, as well as advances to suppliers for 1,698 thousand euros;

- as regards the Right of use on Property, plant and equipment and other assets (1,459 thousand euros), Right of use on plant and equipment (814 thousand euros) and on buildings (645 thousand euros).

During the year no significant changes took place in the estimated useful life of the assets.

5.2 Intangible assets

	12.31.2019			CHANGE			12.31.2020		
(THOUSANDS OF EUROS)	COST	ACC. AMORT.	NET VALUE	INVESTMENTS	AMORTIZATION	OTHER CHANGES	COST	ACC. AMORT.	NET VALUE
Concession fees									
Airport management concession - rights acquired	2,179,164	(951,819)	1,227,345	0	(48,169)	0	2,179,164	(999,988)	1,179,176
Airport management concession - investments in infrastructure	1,439,007	(241,046)	1,197,961	98,060	(37,678)	7	1,537,067	(278,717)	1,258,350
TOTAL CONCESSION FEES	**3,618,171**	**(1,192,865)**	**2,425,306**	**98,060**	**(85,847)**	**7**	**3,716,231**	**(1,278,705)**	**2,437,526**
Other intangible assets	77,791	(59,409)	18,382	7,986	(5,890)	69	85,846	(65,299)	20,547
Advances to suppliers	35,272	0	35,272	124	0	(12,688)	22,708	0	22,708
TOTAL OTHER INTANGIBLE ASSETS	**113,063**	**(59,409)**	**53,654**	**8,110**	**(5,890)**	**(12,619)**	**108,554**	**(65,299)**	**43,255**
TOTAL INTANGIBLE ASSETS	**3,731,234**	**(1,252,274)**	**2,478,960**	**106,170**	**(91,737)**	**(12,612)**	**3,824,785**	**(1,344,004)**	**2,480,781**

	12.31.2018			CHANGE			12.31.2019		
(THOUSANDS OF EUROS)	COST	ACC. AMORT.	NET VALUE	INVESTMENTS	AMORTIZATION	OTHER CHANGES	COST	ACC. AMORT.	NET VALUE
Concession fees									
Airport management concession - rights acquired	2,179,164	(901,724)	1,277,440	0	(50,095)	0	2,179,164	(951,819)	1,227,345
Airport management concession - investments in infrastructure	1,265,497	(205,614)	1,059,883	173,510	(35,432)	0	1,439,007	(241,046)	1,197,961
TOTAL CONCESSION FEES	**3,444,661**	**(1,107,338)**	**2,337,323**	**173,510**	**(85,527)**	**0**	**3,618,171**	**(1,192,865)**	**2,425,306**
Other intangible assets	67,429	(54,095)	13,334	10,338	(5,314)	24	77,791	(59,409)	18,382
Advances to suppliers	25,784	0	25,784	25,078	0	(15,590)	35,272	0	35,272
TOTAL OTHER INTANGIBLE ASSETS	**93,213**	**(54,095)**	**39,118**	**35,416**	**(5,314)**	**(15,566)**	**113,063**	**(59,409)**	**53,654**
TOTAL INTANGIBLE ASSETS	**3,537,874**	**(1,161,433)**	**2,376,441**	**208,926**	**(90,841)**	**(15,566)**	**3,731,234**	**(1,252,274)**	**2,478,960**

Intangible assets, equal to 2,480,781 thousand euros (2,478,960 thousand euros as of December 31, 2019) rose by 1,821 thousand euros mainly due to the investments in the year, equal to 106,170 thousand euros, essentially offset by the amortization equal to 91,737 thousand euros and the recovery of advances paid to suppliers for 12,688 thousand euros.

In relation to the extension of the duration of the airport concession by two years, i.e. until June 30, 2046, the useful life of the concession fees was reviewed with reference to their net book value as of June 30, 2020; the positive impact on amortization for 2020, deriving from the extension of the amortization period, amounts to 3,444 thousand euros.

Concession fees include the concession relating to managing the Rome's airport system; for further information on the concession relationship reference should be made to Note 4. In detail:

- Airport management concession - rights acquired: represents the value of the airport management concession, acquired at a charge; this value was accounted for at the time of the merger of ADR into Leonardo S.p.A. (now ADR) and expresses the higher price paid by Leonardo S.p.A. for ADR shares compared to the pro-rata value of shareholders' equity of the Company;
- Airport management concession - investments in infrastructure: includes the activities to create new infrastructure and/or improve and enhance the existing airport infrastructure carried out by ADR.

The investments in the Airport management concession - investments in infrastructure equal 98,060 thousand euros and relate to construction services provided in the year on infrastructure in concession. In applying IFRIC 12, in the income statement the costs connected to these investments are recorded by nature, as well as the fair value of the related construction services carried out.

Worth noting are:

- work relating to the East Airport System for 51.7 million euros, aimed at the realization of a new Boarding Area A and of the Front building of Terminal 1;
- restructuring of Terminal 3 for 15.7 million euros;
- terminal maintenance and optimization of the terminals for 6.9 million euros;
- works on runways and aprons for 6.3 million euros;
- maintenance works on buildings managed by sub-concessionaires for 4.0 million euros.

With reference to the recoverability of the carrying amount of intangible assets, and in particular Concession fees, the COVID-19 pandemic was considered an event representative of an impairment indicator as it led to a drastic reduction in the Company's volume of activity. For further information, reference should be made to Note 10.5 Information on the effects of the COVID-19 epidemic.

Therefore, in accordance with the requirements of IAS 36, an impairment test was carried out, approved by the Board of Directors of ADR on March 4, 2021, in relation to the carrying amount as of December 31, 2020 of the Company's net invested capital, which was identified as a single Cash Generating Unit ("CGU"). The Company's two main business areas, aeronautical and non-aeronautical, actually form one single Cash Generating Unit for both their strict interconnection and the fact that one single value was assigned to the airport concession.

The impairment test was carried out on the basis of the Company's cash flow projections that incorporate projections of traffic, investments, revenues and costs for the duration of the concession. These cash flows were redefined by taking into account the expectations shared by the main external reference sources about the duration of the effects of the Pandemic on the aeronautical sector in terms of the effectiveness of the vaccine administration in 2021, until the return of the pre-covid traffic volumes in 2024. The method to calculate the recoverable value is the so-called "Unlevered Discounted Cash Flow" and the discounting rate applied to the discount of the cash flows equals 5.78%.

The impairment test showed that the recoverable value of ADR's net invested capital was significantly higher than the carrying amount.

The sensitivity analyses of the recoverable value, determined by increasing the above discount rate by 1%, as well as reducing the average annual air traffic growth rate by 1%, confirmed the full recoverability of the net invested capital.

Other intangible assets, equal to 20,547 thousand euros (18,382 thousand euros as of December 31, 2019), include the rights to use the property rights, concessions, licenses, trademarks and similar rights. The investments for the year, equal to 7,986 thousand euros, mainly refer to the acquisition of licenses and the evolutionary maintenance of the accounting system.

5.3 Equity investments

The item Equity investments has a balance of 45,613 thousand euros (74,310 thousand euros at the end of the previous year).

	12.31.2019			CHANGE			12.31.2020		
(THOUSANDS OF EUROS)	GROSS VALUE	CUMULATIVE WRITE-DOWN	NET VALUE	INCR.	DECR.	WRITE-DOWN /REV.	GROSS VALUE	CUMULATIVE WRITE-DOWN	NET VALUE
SUBSIDIARY UNDERTAKINGS									
ADR Assistance S.r.l.	4,000	0	4,000	0	0	0	4,000	0	4,000
ADR Tel S.p.A.	594	0	594	0	0	0	594	0	594
ADR Mobility S.r.l.	1,756	0	1,756	0	0	0	1,756	0	1,756
ADR Security S.r.l.	500	0	500	0	0	0	500	0	500
Airport Cleaning S.r.l.	2,000	0	2,000	0	0	0	2,000	0	2,000
ADR Ingegneria S.p.A. (former ADR Sviluppo S.r.l.)	100	0	100	0	0	0	100	0	100
	8,950	**0**	**8,950**	**0**	**0**	**0**	**8,950**	**0**	**8,950**
ASSOCIATED UNDERTAKINGS									
Consorzio E.T.L. in liquidation	10	(10)	0	0	0	0	10	(10)	0
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	3,883	(3,883)	0	0	0	0	3,883	(3,883)	0
Pavimental S.p.A.	9,768	(4,961)	4,807	0	0	(1,107)	9,768	(6,068)	3,700
Spea Engineering S.p.A.	14,324	(7,624)	6,700	0	0	0	14,324	(7,624)	6,700
	27,985	**(16,478)**	**11,507**	**0**	**0**	**(1,107)**	**27,985**	**(17,585)**	**10,400**
OTHER COMPANIES									
Azzurra Aeroporti S.p.A.	52,000	0	52,000	0	0	(26,913)	52,000	(26,913)	25,087
Aeroporto di Genova S.p.A.	1,394	(500)	894	0	0	(197)	1,394	(697)	697
S.A.CAL. S.p.A.	1,307	(350)	957	0	0	(481)	1,307	(831)	476
Consorzio Autostrade Italiane Energia	1	0	1	0	0	0	1	0	1
Leonardo Energia - Società Consortile a r.l.	1	0	1	0	0	0	1	0	1
Convention Bureau Roma e Lazio Scrl	0	0	0	1	0	0	1	0	1
	54,703	**(850)**	**53,853**	**1**	**0**	**(27,591)**	**54,704**	**(28,441)**	**26,263**
TOTAL EQUITY INVESTMENTS	**91,638**	**(17,328)**	**74,310**	**1**	**0**	**(28,698)**	**91,639**	**(46,026)**	**45,613**

The amount of the Equity investments dropped by 28,697 thousand euros compared to December 31, 2019 due to the effect of:

- write-down of the equity investment in Pavimental S.p.A. (20% of which is owned by Pavimental S.p.A.) of 1,107 thousand euros in connection with the alignment of the carrying AMOUNT to the presumed realizable value, corresponding to the sale price of the equity investment as per the binding offer received from Autostrade per l'Italia S.p.A. For further information, reference should be made to the Subsequent events. The company operates in the building and maintenance sector and in the modernization of road, motorway and airport paving;
- write-down of the equity investment in Azzurra Aeroporti S.p.A (7.77% of which is owned), amounting to 26,913 thousand euros due to the fair value measurement, based on the expected cash flows as resulting from the latest update of the company's plan, which reflects the impact of COVID-19;
- reduction in the value of the equity investments in Aeroporto di Genova S.p.A. and in S.A.CAL. S.p.A (-197 thousand euros and -481 thousand euros, respectively) due to the fair value measurement of the two companies based on more accurate information available at the date of preparing the financial statements;
- acquisition, on March 19, 2020, of an equity stake in the consortium company Convention Bureau Roma e Lazio Scrl.

On June 10, 2020 the Shareholders' Meeting of ADR Sviluppo Srl resolved to transform the company from a limited liability company into a joint-stock company, to change its name to ADR Ingegneria and to modify its corporate purpose.

Below are the details of the Equity investments held as of December 31, 2020 with indication of the share held and the relevant book value:

NAME	REGISTERED OFFICE	CURRENCY	NUMBER OF SHARES/ STAKES	CAPITAL (EUROS) (*)	NUMBER OF SHARES/STAKES HELD	% HELD	SHAREHOLDERS' EQUITY AS OF 12.31.2020 (THOUSANDS OF EUROS) (**)	NET INCOME (LOSS) FOR THE YEAR 2020 (THOUSANDS OF EUROS) (**)	BOOK VALUE (THOUSANDS OF EUROS)
SUBSIDIARY UNDERTAKINGS									
ADR Assistance S.r.l.	Fiumicino (Rome)	euros	1	4,000,000	1	100%	5,216	(2,047)	4,000
ADR Tel S.p.A.	Fiumicino (Rome)	euros	600,000	600,000	600,000	99%	10,725	2,520	594
ADR Mobility S.r.l.	Fiumicino (Rome)	euros	1	1,500,000	1	100%	15,713	(2,316)	1,756
ADR Security S.r.l.	Fiumicino (Rome)	euros	1	400,000	1	100%	1,664	(652)	500
Airport Cleaning S.r.l.	Fiumicino (Rome)	euros	1	1,500,000	1	100%	4,120	112	2,000
ADR Ingegneria S.p.A. (former ADR Sviluppo S.r.l.)	Fiumicino (Rome)	euros	1	100,000	1	100%	193	(47)	100
TOTAL SUBSIDIARY UNDERTAKINGS									**8,950**
ASSOCIATED UNDERTAKINGS									
Consorzio E.T.L. in liquidation	Rome	euros	1	(12,420)	1	25%	20	27	0
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	Tessera (Venice)	euros	20,000	103,200	4,000	20%	0	0	0
Pavimental S.p.A.	Rome	euros	77,818,865	10,116,452	15,563,773	20%	10,065	(4,928)	3,700
Spea Engineering S.p.A.	Milan	euros	1,350,000	6,966,000	270,000	20%	40,629	(15,727)	6,700
TOTAL ASSOCIATED UNDERTAKINGS									**10,400**
OTHER COMPANIES									
Azzurra Aeroporti S.p.A.	Rome	euros	3,783,734	3,221,234	250,000	7.77%	369,784	(240,427)	25,087
Aeroporto di Genova S.p.A.	Genova Sestri	euros	15,000	7,746,900	2,250	15%	8,045	383	697
S.A.CAL. S.p.A.	Lamezia Terme (Catanzaro)	euros	26,925	13,920,225	2,485	9.229%	12,501	1,028	476
Consorzio Autostrade Italiane Energia	Rome	euros	1	114,853	1	0.99%			1
Leonardo Energia - Società Consortile a r.l.	Fiumicino (Rome)	euros	1	10,000	1	10%	268	0	1
Convention Bureau Roma e Lazio Scrl	Rome	euros	132	132,000		1 share (1,000 euros)			1
TOTAL OTHER COMPANIES									**26,263**
TOTAL EQUITY INVESTMENTS									**45,613**

(*) The amounted stated for Consorzio E.T.L. – European Transport Law (in liquidation) refers to the net liquidation capital.

(**) The data relating to the shareholders' equity and the profit for the year of Aeroporto di Genova S.p.A. and S.A.CAL. S.p.A. refers to the year 2019 (last year approved).

ADR has established a pledge on its entire equity investment in Azzurra, amounting to 7.77% of the share capital, in favor of some of the company's financial creditors (bondholders and banks that have taken out hedging derivative transactions). In addition to this collateral, in the context of the same loan transaction to Azzurra, ADR has provided Atlantia with a counter-guarantee, limited to a maximum value of 1.3 million euros, for the obligations assumed by Atlantia itself with regard to a bank that has granted, in the interest of Azzurra, in favor of the latter's financial creditors, a guarantee to service the debt of the transaction in question.

The measurement of the fair value of the main unlisted minority investments, which fall under level 3 of the fair value hierarchy, was determined using an approach that takes account of expected future cash flows (so-called discounted cash flows) as the measurement technique.

5.4 Other current and non-current financial assets

(THOUSANDS OF EUROS)			12.31.2020			12.31.2019
	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE	BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE
OTHER FINANCIAL ASSETS						
Other financial assets	2,538	1,350	1,188	3,220	1,515	1,705
TOTAL OTHER FINANCIAL ASSETS	**2,538**	**1,350**	**1,188**	**3,220**	**1,515**	**1,705**

Other financial assets

Other non-current financial assets, equal to 1,188 thousand euros (1,705 thousand euros as of December 31, 2019) and essentially refer to the ancillary charges incurred to subscribe the revolving facility remained unused also in 2020. For details, refer to Note 5.15.

Other current financial assets, equal to 1,350 thousand euros (1,515 thousand euros as of December 31, 2019) and are entirely related to the receivable from the associated undertaking Spea Engineering S.p.A. for the dividends resolved in 2018 and not yet paid (also 1,350 thousand euros as of December 31, 2019).

5.5 Deferred tax assets

Deferred tax assets, equal to 89,644 thousand euros (50,211 thousand euros as of December 31, 2019), are shown net of deferred tax liabilities that can be offset. The nature of the temporary differences is illustrated in the table below:

(THOUSANDS OF EUROS)	12.31.2019	CHANGE PROVISIONS	RELEASES	DEFERRED TAX ASSETS/LIABILITIES ON INCOME AND CHARGES RECORDED IN THE SHAREHOLDERS' EQUITY	RATE CHANGE EFFECT	12.31.2020
DEFERRED TAX ASSETS						
Allocation to (use of) the provisions for renovation of airport infrastructure	45,181	2,051	(14,774)	0	(616)	31,842
Allocations to allowance for obsolete and slow-moving goods	88	15	(40)	0	(6)	57
Allocations to provisions for doubtful accounts	8,030	322	0	0	0	8,352
Amortized cost and derivative instruments	29,064	0	(52)	7,188	(855)	35,345
Allowances for risks and charges	4,357	1,162	(653)	0	0	4,866
Tax losses and ACE	0	46,093	0	0	0	46,093
Other	1,767	439	(749)	(68)	(4)	1,385
TOTAL DEFERRED TAX ASSETS	**88,487**	**50,082**	**(16,268)**	**7,120**	**(1,481)**	**127,940**
DEFERRED TAX LIABILITIES THAT CAN BE OFFSET						
Amortized cost and derivative instruments	16	0	0	0	0	16
Application of IFRIC 12	38,260	1,947	(2,104)	0	177	38,280
TOTAL DEFERRED TAX LIABILITIES	**38,276**	**1,947**	**(2,104)**	**0**	177	**38,296**
TOTAL NET DEFERRED TAX ASSETS	**50,211**	**48,135**	**(14,164)**	**7,120**	**(1,658)**	**89,644**

The increase of 39,433 thousand euros recorded in 2020 is primarily attributable to deferred tax assets recognized in relation to the 2020 IRES tax loss that cannot be transferred to the tax consolidation program as it cannot be offset against the profits generated by the Atlantia Group during the year. The companies taking part in the tax consolidation program recorded a receivable from Atlantia for the portion of tax losses that are included in the Group's taxable income, whilst deferred tax assets were set aside for the excess portion. These losses, which may be carried forward indefinitely, are recoverable on the basis of tax planning and the results expected in future years.

The increase mentioned above also reflects the negative change in the fair value of derivatives and the performance of provisions for renovation of airport infrastructure.

5.6 Other non-current assets

Other non-current assets, equal to 456 thousand euros (399 thousand euros as of December 31, 2019), refer to guarantee deposits.

5.7 Trade assets

Trade assets, equal to 263,553 thousand euros (310,477 thousand euros as of December 31, 2019), include:

- inventories, equal to 4,996 thousand euros (3,741 thousand euros as of December 31, 2019) comprising consumable materials, clothing, spare parts, cleaning material, fuel, etc.;

- trade receivables (equal to 258,557 thousand euros, 306,736 thousand euros as of December 31, 2019) are broken down in the table below:

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Due from clients	286,923	335,006	(48,083)
Due from subsidiary undertakings	5,873	4,759	1,114
Due from parent company	301	363	(62)
Receivables for construction services	8,051	8,051	0
Other trade receivables	1,590	737	853
TOTAL TRADE RECEIVABLES, GROSS OF THE PROVISIONS FOR DOUBTFUL ACCOUNTS	302,738	348,916	(46,178)
Provisions for doubtful accounts	(36,602)	(34,601)	(2,001)
Provisions for overdue interest	(7,579)	(7,579)	0
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	(44,181)	(42,180)	(2,001)
TOTAL TRADE RECEIVABLES	**258,557**	**306,736**	**(48,179)**

Due from clients (gross of provisions for doubtful accounts) total 286,923 thousand euros and are down 48,083 thousand euros, proportionally less than the significant reduction in business volumes due to the simultaneous lengthening of collection times, as a result of the financial tensions heightened in the sector by the pandemic crisis.

Reference should also be made to Note 8.3 Management of financial risks, which deals with the measures taken by the Company in light of the COVID-19 crisis, which led to a situation of deep, albeit temporary, financial crisis involving the entire airport industry.

Due from clients includes all receivables from Alitalia SAI under special administration accrued prior to the airline's admission to the extraordinary administration procedure and will be settled according to the methods and times set by the procedure; however, among these, the receivables for airport fees have a degree of privilege at the time of allocation, which lessens their risk of uncollectability.

In any case, any losses on receivables for services subject to settlement and resulting as an outcome of the procedure underway, being considered an event outside the concessionaire's responsibility, would lead to an alteration in the economic-financial balance in relation to which, on the basis of the Planning Agreement, as in other cases of force majeure or changes in the regulatory framework, specific recovery mechanisms are applied.

ADR also has receivables from Alitalia SAI under special administration, overdue since the last months of 2020. The pre-emption requirements that characterize these receivables, given their pre-deductibility, together with the existing prospects for the continuation of the procedure underway, support the assessment of the recoverability of the receivable recorded in the financial statements.

It is worth remembering that ADR's receivables from the companies belonging to the Alitalia LAI group under special administration since 2008, equal 10,878 thousand euros. For the amounts due from Alitalia LAI S.p.A. under special administration, worth remembering is that in 2011 the surety of 6.3 million euros was enforced, issued by Alitalia/CAI to secure the amounts due to ADR from

Alitalia LAI S.p.A. under special administration (as well as due to the lessors owners of the aircrafts, severally obliged) in order to allow the aircraft owned by lessors to reach Alitalia/CAI free from claims of seizure for protection purposes made by ADR. The amount enforced and collected was posted under other current liabilities.

The receivables due from subsidiary undertakings, equal to 5,873 thousand euros, increased by 1,114 thousand euros compared to 2019. For more details about these receivables, reference is made to Note 9 Transactions with related parties.

Other trade receivables, equal to 1,590 thousand euros (737 thousand euros as of December 31, 2019) mainly refer to prepaid expenses of a commercial nature.

The table below shows the seniority of the trade receivables past due.

(THOUSANDS OF EUROS)	RECEIVABLES NET OF THE PROVISIONS FOR DOUBTFUL ACCOUNTS	RECEIVABLES NOT YET DUE	OVERDUE RECEIVABLES FROM 0 TO 90 DAYS	OVERDUE RECEIVABLES BETWEEN 90 AND 365 DAYS	OVERDUE RECEIVABLES > 1 YEAR
12.31.2020	**258,557**	17,938	31,423	11,965	197,231
12.31.2019	**306,736**	63,250	38,583	29,338	175,565

The overdue receivables for more than a year mostly related to receivables from Alitalia SAI under special administration.

The table below shows the movements of the provisions for doubtful accounts:

(THOUSANDS OF EUROS)	12.31.2019	INCREASES	DECREASES	12.31.2020
Provisions for doubtful accounts	34,601	2,336	(335)	36,602
Provisions for overdue interest	7,579	0	0	7,579
TOTAL PROVISIONS FOR DOUBTFUL ACCOUNTS	**42,180**	**2,336**	**(335)**	**44,181**

The book value of trade receivables is close to the relevant fair value.

5.8 Current tax assets and liabilities

The table below shows the assets and liabilities for current taxes assets and liabilities at the start and end of the year:

	ASSETS			LIABILITIES		
(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE	12.31.2020	12.31.2019	CHANGE
Due from/to parent companies for tax consolidation	4,433	7,081	(2,648)	0	18,680	(18,680)
IRES	42	37	5	0	11,007	(11,007)
IRAP	0	0	0	0	1,900	(1,900)
TOTAL	**4,475**	**7,118**	**(2,643)**	**0**	**31,587**	**(31,587)**

Current tax assets amount to 4,475 thousand euros (7,118 thousand euros at December 31, 2019) and include the receivable from the parent company Atlantia (in its capacity as consolidating company for tax purposes) amounting to 4,433 thousand euros and corresponding essentially to the benefit of the IRES tax loss of 24% recorded during the year, which may be transferred to the tax consolidation regime as it may be offset against the profits earned by other consolidated companies (4,020 thousand euros).

The reduction compared to the previous year is instead due to the collection of 7,081 thousand euros for the receivable for the rebate application regarding the higher IRES paid in the taxation periods 2007-2011 due to the non deduction of IRAP on staff costs; for further information on the tax consolidation please see Note 6.7 Income taxes.

Current tax liabilities decreased by 31,587 thousand euros after the payment of the 2019 tax balance.

5.9 Other current assets

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Due from associated undertakings	482	482	0
Due from tax authorities	23,804	10,319	13,485
Due from others	5,519	3,665	1,854
TOTAL OTHER CURRENT ASSETS	**29,805**	**14,466**	**15,339**

Due from tax authorities, equal to 23,804 thousand euros (10,319 thousand euros as of December 31, 2019), mainly includes:

- VAT credit of 18,092 thousand euros, up by 13,485 thousand euros compared to December 31, 2019 due essentially to the reduction in operations and therefore in turnover;
- other amounts due from tax authorities equal to 4,611 thousand euros, for taxes (and the relevant collection charges and interest) regarding the period 1/1/1993-3/23/1995, recognized as limited by the Supreme Court, within the dispute with the Customs Office, and with repayment required.

Due from others rose by 1,854 thousand euros, primarily due to the recognition of the receivables from INPS for amounts advanced to ADR staff in relation to the Special Income Support Fund (511 thousand euros) and the receivable linked to firefighting services.

The table below shows the seniority of the Other current assets.

(THOUSANDS OF EUROS)	RECEIVABLES NET OF THE PROVISIONS FOR DOUBTFUL ACCOUNTS	RECEIVABLES NOT YET DUE	OVERDUE RECEIVABLES		
			FROM 0 TO 90 DAYS	BETWEEN 90 AND 365 DAYS	> 1 YEAR
12.31.2020	**29,805**	29,190	0	0	615
12.31.2019	**14,466**	13,851	0	0	615

5.10 Cash and cash equivalents

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Bank and post office deposits	1,086,159	489,039	597,120
Cash and notes in hand	22	24	(2)
TOTAL CASH AND CASH EQUIVALENTS	**1,086,181**	**489,063**	**597,118**

Cash and cash equivalents, amounting to 1,086,181 thousand euros, increased by 597,118 thousand euros compared to December 31, 2019 due to financial transactions during the year. In fact, both bank (BNL, EIB and CDP for a total of 480 million euros as well as a loan guaranteed by SACE, granted by a pool of banks for 200 million euros) and bond lines (new EMTN issue for a par value of 300 million euros) were used. This effect was partly offset by the repayment of portions of BNL, EIB and CDP loans totaling 112.5 million euros, as well as a negative cash flow from operating and investing activities during the year.

5.11 Shareholders' equity

The shareholders' equity of ADR as of December 31, 2020 amounts to 980,655 thousand euros (1,174,344 thousand euros as of December 31, 2019), broken down as follows:

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Share capital	62,225	62,225	0
Legal reserve	12,462	12,462	0
Share premium reserve	667,389	667,389	0
Cash flow hedge reserve	(111,733)	(88,107)	(23,626)
Profits (losses) from fair value measurement of equity investments	(27,591)	0	(27,591)
Other reserves and retained earnings	521,256	277,182	244,074
Net income (loss) for the year	(143,353)	243,193	(386,546)
TOTAL SHAREHOLDERS' EQUITY	**980,655**	**1,174,344**	**(193,689)**

The changes taking place in the year are highlighted in the table entered among the accounting statements and mainly refer to:

- the loss for the year equal to 143,353 thousand euros;
- the negative result of the comprehensive income statement for -51,410 thousand euros deriving mainly from the negative change in fair value of the cash flow hedge derivatives (-23,625 thousand euros net of the tax effect) and the fair value of the equity investment in Azzurra Aeroporti S.p.A. (-26,913 thousand euros), S.A.CAL. S.p.A. (-481 thousand euros) and Aeroporto di Genova S.p.A. (-197 thousand euros).

As of December 31, 2020 ADR's share capital, wholly subscribed and paid up, amounts to 62,224,743 euros, represented by 62,224,743 shares with a par value of 1 euro each.

ADR's legal reserve represents the part of profits which, according to the contents of art. 2430 of the Italian Civil Code, may not be distributed as dividends. The reserve reached the maximum amount required by law.

The cash flow hedge reserve includes the measurement at fair value of the cash flow hedge derivatives; for more details, reference is made to Note 5.15.

Other reserves and retained earnings, equal to 521,256 thousand euros include: i) the losses deriving from the actuarial write-down of the provisions for employee benefits, net of the tax effect, for -3,481 thousand euros, ii) the transition reserve net of the relevant tax effect, for -155,163 thousand euros, iii) retained earnings for 655,077 thousand euros; vi) the reserve relating to the effects of the transactions for the sale of equity investments and divisions under common control, equal to 17,981 thousand euros.

Furthermore, pursuant to IFRS 2, the value accrued in the year of the fair value of share-based remuneration plans settled with the conferment of securities to ADR employees and directors, is booked to the income statement, offset by the increase in the specific shareholders' equity reserve, classified in the item "other reserves and retained earnings". For 2020, the amount charged to the income statement, amounting to +1,074 thousand euros, relates to the fair value of the shares allocated free of charge to ADR employees under the "Ogni tua azione conta" shareholder plan of the Parent Company, Atlantia.

In relation to information on the remuneration plans based on shares, reference is made to Note 10.1.

Below is the statement analyzing the capital and the Shareholders' equity reserves with indication of the related possibility of use, in compliance with the provisions of art. 2427 of the Italian Civil Code and IAS 1 paragraph 76.

(THOUSANDS OF EUROS)	AMOUNT	POSSIBILITY OF USE	AVAILABLE PORTION	SUMMARY OF THE USES MADE IN THE THREE PREVIOUS YEARS: TO COVER LOSSES	SUMMARY OF THE USES MADE IN THE THREE PREVIOUS YEARS: FOR OTHER REASONS
SHARE CAPITAL	**62,225**	B	0		
RESERVES					
Legal reserve (1)	12,462	A, B	17		
Share premium reserve (2)	667,389	A, B, C	667,389		
Financial instruments - derivatives cash flow hedge reserve, net of the tax effects	(111,733)	B	0		
Profits (losses) from fair value measurement of equity investments	(27,591)	B	0		
Other reserves and retained earnings	521,256	A, B, C	521,256		
TOTAL RESERVES	**1,061,783**		**1,188,662**		
TOTAL CAPITAL AND RESERVES	**1,124,008**		**1,188,662**		
Non-distributable amount			0		
Distributable amount (3)			1,188,662		

(1) of which available the share exceeding one fifth of the capital.

(2) distributable for the entire amount, given that the legal reserve has reached the limit as defined by art. 2430 of the Italian Civil Code.

(3) it should be noted that the Cash flow hedge reserve, net of tax effects, has a negative balance of 111,733 thousand euros, the Profits (losses) from fair value measurement of equity investments have a negative balance of 27,591 thousand euros and the Income (loss) for the year is negative for 143,353 thousand euros

Key: A: for capital increase; B: to cover losses C: for distribution to shareholders.

5.12 Provisions for employee benefits (current and non-current share)

Provisions for employee benefits are 11,676 thousand euros (12,435 thousand euros as of December 31, 2019), of which 10,787 thousand euros non-current (10,111 thousand euros as of December 31, 2019), and consist of an employee severance indemnity provision, governed by art. 2120 of the Italian Civil Code, which includes the estimate of the bond, determined based on actuarial techniques, relating to the amount to be paid to ADR employees when terminating the employment relationship. The change in the employee severance indemnity provision is shown in the following table.

(THOUSANDS OF EUROS)		2020
INITIAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		**12,435**
Current cost	0	
Interest payable	(2)	
Total costs recorded in the income statement		(2)
Payments / Uses		(884)
Actuarial gains/losses from changes in the demographic assumptions	(31)	
Actuarial gains/losses from changes in the financial assumptions	151	
Effect of past experience	6	
Total actuarial gains/losses recognized in the comprehensive income statement		126
Other changes		1
FINAL VALUE OF THE EMPLOYEE SEVERANCE INDEMNITY PROVISION		**11,676**
of which:		
non-current share		10,787
current share		889

Summarized below are the main assumptions made for the actuarial estimate process regarding the employee severance indemnity provision as of December 31, 2020:

FINANCIAL ASSUMPTIONS	12.31.2020	12.31.2019
Discount rate	(0.02%)	0.37%
Inflation rate	0.8%	1.2%
Annual rate of increase in employee severance indemnities	1.7%	2.0%
Annual rate of pay increase	2.6%	3.1%
Annual turnover rate	1.5%	1.1%
Annual rate of disbursement of advances	1.3%	1.0%

The discounting rate used to determine the current value of the obligation was determined in accordance with paragraph 78 of IAS 19, with reference to the average return curve deriving from the index IBOXX Eurozone Corporates AA 7-10 with duration based on the average permanence of the collective measurement subject.

DEMOGRAPHIC ASSUMPTIONS	2020/2019
Mortality	2018 ISTAT mortality tables broken down by gender, reduced to 85%
Disability	INPS tables broken down by age and gender, reduced to 70%
Retirement	Reaching the minimum foreseen by the regulations in force

The effects of the obligation for the employee severance indemnities deriving from a reasonably possible change in the main actuarial assumptions at year end are indicated below:

(THOUSANDS OF EUROS)	1.0% INCREASE	1.0% DECREASE	0.25% INCREASE	0.25% DECREASE
Annual turnover rate	11,626	11,728		
Inflation rate			11,772	11,580
Discount rate			11,508	11,847

The weighted average duration of the obligations for the defined benefit plans for the employees at year end is 7 years and the service costs predicted for 2021 are equal to zero.

The disbursements predicted for the next five years are as follows:

(THOUSANDS OF EUROS)	
1st year	394
2nd year	1,215
3rd year	2,076
4th year	578
5th year	846

The amount of the contributions expected to be allocated to the defined benefit plans in the subsequent year is equal to zero.

5.13 Provisions for renovation of airport infrastructure (non-current and current share)

Provisions for renovation of airport infrastructure, equal to 191,717 thousand euros (183,641 thousand euros as of December 31, 2019), of which 47,340 thousand euros for the current share (54,848 thousand euros as of December 31, 2019), include the current value of the updated estimate of charges to be incurred for extraordinary maintenance, repairs and replacements of goods and plants for the contractual obligation of the concession manager to ensure the due functionality and safety of the airport infrastructure.

Reported below is the analysis of the changes during the year.

(THOUSANDS OF EUROS)	12.31.2019	PROVISIONS	DISCOUNTING EFFECT	OPERATING USES	12.31.2020
Provisions for renovation of airport infrastructure	**183,641**	38,809	1,241	(31,974)	**191,717**
of which:					
current share	54,848				47,340
non-current share	128,793				144,377

5.14 Other allowances for risks and charges (current and non-current share)

The Other allowances for risks and charges are equal to 24,662 thousand euros (22,118 thousand euros as of December 31, 2019), of which 7,424 thousand euros for the current share (3,036 thousand euros as of December 31, 2019). Reported below is the analysis of the breakdown of the item and the changes during the year.

(THOUSANDS OF EUROS)	12.31.2019	PROVISIONS	DECREASES FOR THE REVERSAL OF FUNDS IN EXCESS	OPERATING USES	12.31.2020
Tax provisions	6,614	0	0	0	6,614
Provisions for current and potential disputes	14,801	72	(1,278)	(1,082)	12,513
Provisions for internal insurance	690	33	0	0	723
Provisions for restructuring[1]	0	4,799	0	0	4,799
To cover investee companies' losses	13	0	0	0	13
TOTAL OTHER ALLOWANCES FOR RISKS AND CHARGES	**22,118**	**4,904**	**(1,278)**	**(1,082)**	**24,662**
of which:					
current share	3,036				7,424
non-current share	19,082				17,238

Tax provisions, equal to 6,614 thousand euros, reflect the risk of negative outcomes of the pending disputes with UTF (now the Customs Office) concerning import taxes and additional provincial taxes on electricity disbursed in the period 2002-2012 - as well as the issues regarding ICI/IMU (property taxes).

The provisions for current and potential disputes of 12,513 thousand euros (14,801 thousand euros as of December 31, 2019) include the estimated charges that are deemed likely to be incurred in connection with the disputes in progress at year end. These provisions decreased as a result of absorptions (-1,278 thousand euros) and use during the year (-1,082 thousand euros), only partially offset by the provisions for the year (+72 thousand euros).

This provision includes a prudent valuation, made on the basis of the best current information of the claims for compensation of third parties referring to the fire in T3 on May 7, 2015. On this point, so far around 170 claims have been lodged (carriers, handlers, sub-concessionaires and passengers), only partly supported by a clear quantification, for damages that to date total approximately 19 million euros.

For further information on the current disputes, reference should be made to Note 8.5 Litigation.

Provisions for restructuring, amounting to 4,799 thousand euros, increased during the year by the same amount due to the estimated charges to be incurred for the early retirement scheme pursuant to the trade union agreement of December 1, 2020, the related provisions for which were classified under payroll costs. The amount of the provisions is determined with reference to those employees who in January, i.e. the deadline for acceptance, formally adhered to the incentive scheme.

[1] The related provision is classified as part of payroll costs.

5.15 Financial liabilities (current and non-current share)

(THOUSANDS OF EUROS)	12.31.2020 BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	12.31.2019 BOOK VALUE	CURRENT SHARE	NON-CURRENT SHARE
MEDIUM/LONG-TERM FINANCIAL LIABILITIES								
Bonds	1,406,336	399,863	1,006,473	234,419	772,054	1,115,670	0	1,115,670
Medium/long-term loans	886,171	12,500	873,671	535,326	338,345	319,654	112,456	207,198
Accrued expenses medium/long-term financial liabilities	18,022	18,022	0	0	0	16,106	16,106	0
Other financial liabilities	2,825	1,006	1,819	1,492	327	2,826	1,163	1,663
TOTAL MEDIUM/LONG-TERM FINANCIAL LIABILITIES	2,313,354	431,391	1,881,963	771,237	1,110,726	1,454,256	129,725	1,324,531
FINANCIAL INSTRUMENTS - DERIVATIVES	220,944	59,706	161,238	161,238	0	175,610	35,534	140,076
OTHER CURRENT FINANCIAL LIABILITIES	9,126	9,126	0	0	0	23,512	23,512	0
TOTAL FINANCIAL LIABILITIES	**2,543,424**	**500,223**	**2,043,201**	**932,475**	**1,110,726**	**1,653,378**	**188,771**	**1,464,607**

Bonds

(THOUSANDS OF EUROS)	12.31.2019 BOOK VALUE	CHANGES NEW LOANS RAISED	REPAYMENTS	EXCHANGE RATE DIFFERENCES	AMORTIZED COST EFFECT	12.31.2020 BOOK VALUE
Bonds	**1,115,670**	300,000	0	(13,557)	4,223	**1,406,336**
current share	0					399,863
non-current share	1,115,670					1,006,473

As of December 31, 2020, Bonds are equal to 1,406,336 thousand euros (1,115,670 thousand euros as of December 31, 2019). The increase, of 290,666 thousand euros, is attributable to the new issue of December 2020 (300,000 thousand euros), to the effects on the debt measurement of application of the amortized cost method (+4,223 thousand euros), partly offset by the adjustment of the A4 bond to the exchange rate at the end of the year (-13,557 thousand euros).

Reported below is the main information regarding the bond issues in place as of December 31, 2020.

(THOUSANDS OF EUROS)

NAME	ISSUER	OUTSTANDING PAR VALUE	CURRENCY	BOOK VALUE	INTEREST RATE	COUPON	REPAYMENT	TOTAL DURATION	EXPIRY
Class A4 (*)	ADR (**)	215,000	GBP	234,419	5.441%	every six months	bullet	20 years	02.2023
€600,000,000 3.250% EMTN 02.2021	ADR	400,001	EUR	399,863	3.25%	yearly	bullet	7 years and 2 months	02.2021
€500,000,000 1.625% EMTN 06.2027	ADR	500,000	EUR	474,305	1.625%	yearly	bullet	10 years	06.2027
€300,000,000 1.625% EMTN 02.2029	ADR	300,000	EUR	297,749	1.625%	yearly	bullet	8 years and 2 months	02.2029
TOTAL BONDS				**1,406,336**					

(*) the book value recorded in the financial statements (234.4 million euros) is affected by the adoption of the amortized cost method and the adjustment to the exchange rate at the end of the year.

(**) bonds originally issued by Romulus Finance Srl, subsequently "replaced" by ADR following the Issuer Substitution operation in 2016.

As of December 31, 2020, the A4 bonds are no longer held by Atlantia.
For further information, see Note 7.

In addition to the above-mentioned A4 bonds, the last of the bonds issued in 2003 by the Romulus Finance "vehicle" to fund the securitization of the previous bank loan taken on after the privatization of the company, the issues related to the bond issue program known as EMTN (Euro Medium Term Notes) launched by the company in 2013 are still outstanding. Under this Program, the following bonds were issued, all senior unsecured: the notes issued on December 10, 2013 for a total par value of 600 million euros, of which 400 million euros are left today following the 2017 repurchase transactions; the subsequent issue finalized on June 8, 2017, for a par value of 500 million euros; the most recent issue, completed on December 2, 2020, for a par value of 300 million euros and characterized by the "green" label. The securities representing the bond issues were placed with institutional investors and listed in the regulated market managed by the Irish stock exchange.

As of December 31, 2020, the rating assigned by the Fitch, Moody's and S&P agencies to the bond issues and the issuer rating of ADR was of BBB-, Baa3 and BB+ respectively. The outlooks assigned by the agencies are rating watch evolving, negative and credit watch developing, respectively.

On January 3, 2020, Moody's cut the rating to Baa3 (from Baa2), placing the rating "under review for downgrade". On January 8, Fitch lowered the rating to BBB- (from BBB+) with "negative" Rating Watch. On January 15, Standard & Poor's lowered the rating to BB+ (da BBB), also choosing the "negative" Credit Watch. All of these three actions are the result of the simultaneous downgrading of the Atlantia group's rating in relation to the risks associated with the issue of Italian Law Decree no. 162/2019 (the so-called "Milleproroghe" decree), which was subsequently converted into a law and containing, in art. 35, Provisions regarding motorway concessions. In the agencies' opinion, this rule leads to considerable uncertainty and potential negative impacts on the financial situation in the event of actual revocation of the concession of Autostrade per l'Italia SpA. This negative development is thus linked exclusively to factors that are external to ADR, for which the rating agencies in any case recognize a condition of partial isolation (+1 notch Moody's; +2 notches S&P) from the Parent Company's rating.

On March 2, 2020, Moody's once again intervened on Atlantia's rating following the conversion of the "milleproroghe" decree into law. The agency published an addition cut to Atlantia's rating from

Ba1 to Ba2. However, the same agency granted ADR a further positive notch of isolation from the Parent Company's rating (i.e. + 2 notches compared with Atlantia), thus leaving ADR's rating at Baa3 unchanged. The outlook of all the Group companies, including ADR, was thus changed from "under review for downgrade" to "negative".

Following the overall analysis of the European air transport sector and the impact of the COVID-19 pandemic, on April 1, 2020, S&P reduced ADR's stand alone credit profile ("SACP") from "a+" to "a-". This action, whilst reducing the SACP by 2 notches, once again highlights ADR's "stand alone" creditworthiness, which, compared with the issuer's, deriving from consideration of the Atlantia Group's creditworthiness, shows a difference of 4 notches.

On July 17, 2020 Fitch Ratings decided to change ADR's rating watch, like that of Atlantia, from negative to evolving, following the preliminary agreement between the Atlantia Group and the Italian Government to settle the dispute over the revocation of Autostrade per l'Italia's concession. The evolving state reflects the high uncertainty about the evolution of the situation in both negative and positive terms. The agency also states that if a Memorandum of Understanding is signed, according to the terms communicated by the Presidency of the Council of Ministers, it could take a positive action on the rating.

On August 12 also S&P decided to change ADR's rating watch, like that of Atlantia, from negative to developing, following the preliminary agreement between the Atlantia Group and the Italian Government to settle the dispute over the revocation of Autostrade per l'Italia's concession. The developing status reflects the possibility, on the one hand, of increasing the rating in the event of a settlement agreement on the motorway concession, and on the other, of further reducing the rating in the event of revocation of the same concession.

The fair value of the bond issues is reported in the table below.

	12.31.2020		12.31.2019	
(THOUSANDS OF EUROS)	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	1,406,336	1,476,815	1,115,670	1,206,841
TOTAL BONDS	**1,406,336**	**1,476,815**	**1,115,670**	**1,206,841**

The fair value of the bond issues was determined on the basis of the market values available as of December 31, 2020; in particular, the future cash flows were discounted by using the standard discounting curves used in market practice (6-month Euribor and 6-month Libor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date. Compared to December 31, 2019, and on a like-for-like basis (i.e. not considering the issue of the new bond), there was a drop in the fair value of both the pound sterling bond, partly due to the exchange rate component of liabilities, and the two euro bonds. Considering the issue of the new green bond, an overall increase in the fair value of the bonds of 270 million euros compared to December 31, 2019 is thus recorded.

Medium/long-term loans

	12.31.2019				12.31.2020
(THOUSANDS OF EUROS)	BOOK VALUE	NEW LOANS RAISED	REPAYMENTS	AMORTIZED COST EFFECT	BOOK VALUE
Medium/long-term loans	**319,654**	680,000	(112,500)	(983)	**886,171**
current share	112,456				12,500
non-current share	207,198				873,671

Medium/long-term loans total 886,171 thousand euros (319,654 at the end of the previous year), including 12,500 thousand euros for the current share; these loans rose consequently to:

- the use of the last tranche of the CDP loan, equal to 80 million euros;
- the total use of tranches A and B of the loan granted by BNL in May 2020 for a total of 200 million euros;
- a loan, guaranteed by SACE, granted by a pool of four banks for 200 million euros;
- use of the loan granted by the EIB in 2018 for a total of 200 million euros.

Moreover, the short-term portions of the BNL 2016, EIB and CDP loans, totaling 112.5 million euros, were repaid during the year.

Reported below is the main information regarding the medium/long-term loans in place as of December 31, 2020.

(THOUSANDS OF EUROS)

LENDER	NAME	AMOUNT GRANTED	AMOUNT USED (PAR VALUE)	BOOK VALUE	CURRENCY	RATE	INTEREST PAYMENT FREQUENCY	REPAYMENT	TOTAL DURATION	EXPIRY
Syndicate of banks	Revolving Credit Facility ("RCF")	250,000	0	0	EUR	variable rate indexed to the Euribor + margin	quarterly	revolving	5 years (*)	07.2023
Banca Nazionale del Lavoro ("BNL")	BNL Loan 2020	200,000	200,000	199,546	EUR	variable rate indexed to the Euribor3M + 1.55%	quarterly	at maturity	4 years	5.2024
European Investment Bank ("EIB")	EIB Loan	150,000	140,833	140,697	EUR	I tranche (110,000) 1.341% II tranche (40,000) 0.761%	yearly	amortizing from 2020 amortizing from 2022	14 years 15 years	09.2031 11.2034
Cassa Depositi e Prestiti ("CDP")	CDP Loan	150,000	146,667	146,552	EUR	I tranche (40,000) 1.629% II tranche (30,000) 1.070% III tranche (80,000) 1.263%	yearly	amortizing from 2020 amortizing from 2022 amortizing from 2023	14 years 15 years 15 years	09.2031 11.2034 03.2035
European Investment Bank ("EIB")	2018 EIB Loan	200,000	200,000	199,750	EUR	0.819%	yearly	amortizing from 2023	15 years	09.2035
Syndicate of banks	SACE loan	200,000	200,000	199,626	EUR	variable rate indexed to the Euribor3M + margin	quarterly	amortizing from 2022	3 years	06.2023
Total medium/long-term loans		**1,150,000**	**887,500**	**886,171**						

(*) the contract originally provided the option of extending the initial deadline of July 2021 by an additional 2 years; this option was exercised by ADR, postponing the original deadline to July 2023.

The Revolving Credit Facility ("RCF"), like the ADR debt deriving from the bond issues carried out as part of the EMTN Program, is of the senior unsecured type and is aimed at ensuring suitable liquidity support for the Company's development plans. This line, which will expire in July 2023, was granted by a pool of banks as follows: Barclays, BNP Paribas Group, Crédit Agricole Group, Mediobanca, Natixis, Société Générale, NatWest and UniCredit. The cost of this credit line varies depending on the rating assigned to ADR by at least two out of three agencies.

The bank credit line for a total of 200 million euros granted in the second quarter of 2020 by BNL (BNP Paribas Group) has a contractual structure taken from the previous one (granted in 2016 for a total of 100 million euros and fully repaid), floating rate and maturity in 2024. The first tranche of 100 million euros was disbursed in May 2020, while the remaining 100 million euros were paid in November 2020, at the time of repaying the 2016 BNL line.

Regarding loans granted by the European Investment Bank ("EIB"), in December 2016 two contracts had been signed with regard to the line for 300 million euros resolved by the same bank in favor of ADR in 2014: the first contract totaled 150 million euros was agreed directly with the EIB, and the latter, for the residual 150 million euros, brokered by Cassa Depositi e Prestiti ("CDP"). The EIB and CDP loans were subscribed as financial support of the "Aeroporti di Roma – Fiumicino Sud" project. As of December 31, 2020, these credit lines are entirely used. As shown in the table above, the two lines, maturing in 2031 and 2034, are characterized by an amortizing type of repayment and are fixed rate. The remaining portion of 80 million euros, under the 2016 contract, was disbursed on March 30, 2020. This request had been fixed already in the last quarter of 2019 following a corresponding extension of the availability period.

The financial contracts that govern these lines are characterized by terms and conditions that are more oriented to a "project" type loan structure (see Note 8 below), as they are aimed at financing some investment projects that constitute the Airport Development Plan.

In September 2020, an additional line granted by the EIB in 2018 was also drawn for 200 million euros. This additional loan was granted following the update of the Fiumicino Sud infrastructure project, which envisaged an increase in the value of the projects originally financed. The characteristics of the relevant loan agreement signed on March 23, 2018 are essentially in line with the previous contract.

In August 2020, a loan agreement was signed with a pool of Italian banks (Intesa Sanpaolo, Mediobanca, UBI Banca and Unicredit) for a total of 200 million euros, at a floating rate and with a final maturity date in June 2023. This credit line is characterized by an amortizing repayment profile starting from June 2022. The lending banks were supported by SACE, an Italian insurance-financial company specializing in business support and part of the CDP Group, which guaranteed a share of 70% of the loan. This guarantee was issued pursuant to Law Decree 23/2020 (so-called "Liquidity") through which the Italian Government has entrusted SACE, directed by the MEF, with the mandate to guarantee counter-guaranteed loans by the State to support all economic activities affected by COVID-19.

The fair value of the medium/long-term loans is reported in the table below.

(THOUSANDS OF EUROS)		12.31.2020		12.31.2019
	BOOK VALUE	FAIR VALUE	BOOK VALUE	FAIR VALUE
Fixed rate	486,998	468,174	319,654	316,366
Floating rate	399,173	401,402	0	0
TOTAL MEDIUM/LONG-TERM LOANS	**886,171**	**869,576**	**319,654**	**316,366**

The fair value of the medium/long-term loans was determined based on market values available at December 31, 2020; in particular, the future cash flows were discounted according to the standard discount curves used by the market (6-month Euribor). A spread was also considered on the curves to express the counterparty risk, in line with ADR's situation on the measurement date.

The overall increase in the fair value of the medium-long term loans therefore amounted to 553.2 million euros compared to December 31, 2019, mainly due to the new requests of the loans made in 2020.

Other financial liabilities

	12.31.2019					12.31.2020
(THOUSANDS OF EUROS)	BOOK VALUE	NEW LOANS RAISED	DISPOSALS	INCREASES FOR FINAL DISCOUNTING	REPAYMENTS	BOOK VALUE
Payables for leases	**2,826**	1,459	(129)	20	(1,351)	**2,825**
current share	1,163					1,006
non-current share	1,663					1,819

The item Payables for leases, which includes the current value of payables deriving from lease contracts, is in line with the previous year, primarily due to the payments of the lease installments totaling 1,351 thousand euros and disposals amounting to 129 thousand euros, offset by new loans during the year totaling 1,459 thousand euros.

Derivatives with negative fair value

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Exchange rate hedging derivatives	85,872	72,316	13,556
Interest rate hedging derivatives	134,808	103,054	31,754
Interest accrual	264	240	24
TOTAL DERIVATIVES WITH NEGATIVE FAIR VALUE	**220,944**	**175,610**	**45,334**
non-current share	161,238	140,076	21,162
current share	59,706	35,534	24,172

Exchange and interest rate hedging derivatives

ADR uses hedging derivatives for exchange and interest rate risks to mitigate any future increases in outgoing cash flows attributable to unfavorable changes in exchange and interest rates.

As of December 31, 2020, ADR had two cross currency swaps allowing the cash flows in euro regarding the payment of interest and the redemption of the A4 bond in pound sterling to be stabilized.

The amount of the cash flow hedge reserve recorded in the income statement in 2020, relating to the negative fair value of forward starting derivatives subscribed in 2015 and subject to unwind in June 2017, equaled 2,025 thousand euros.

As of December 31, 2020, ADR also had other forward starting interest rate swap contracts in place:

- four contracts signed in October 2016 and September 2017, with a total notional capital of 400 million euros, with activation – following the negotiated restructuring with the counterparties in the first half of 2020 - in June 2021, with the purpose of hedging the interest rate risk on loans aimed at refinancing the bond loan to be paid back in February 2021;
- three contracts signed in August 2018 for a total notional capital of 300 million euros. These contracts, with activation in February 2022, have the purpose of hedging the interest rate risk on loans aimed at refinancing the bond loan to be paid back in February 2023.

Below is a table summarizing the outstanding derivative contracts with negative fair value of ADR as of December 31, 2020.

										FAIR VALUE OF THE DERIVATIVE		CHANGE IN FAIR VALUE	
COUNTERPARTY	COMPANY	INSTR.	TYPE	RISK COVERED	SUBSCR. DATE	EXP.	NOTIONAL VALUE HEDGED	RATE APPLIED	UNDERLYING	AS OF 12.31.2020	AS OF 12.31.2019	TO INCOME STATEMENT	TO OCI (*)
Mediobanca, UniCredit	ADR	CCS (**)	CF	I	02.2013	02.2023	325,019	It receives a fixed rate of 5.441% and pays 3-month Euribor + 90bps until 12.2009, then pays a fixed rate of 6.4%		(20,847)	(33,546)	235	12,464
				C						(85,872)	(72,316)	(13,556)	0
									Class A4	(106,719)	(105,862)	(13,321)	12,464
Société Générale	ADR	IRS FWD (***)	CF	I	09.2017	06.2031	100,000	It pays a fixed rate of 1.606% and receives 6-month Euribor	debt to be undertaken	(18,690)	(12,474)	0	(6,216)
UniCredit, NatWest, Société Générale	ADR	IRS FWD (****)	CF	I	08.2018	02.2032	300,000	They pay an average fixed rate of 1.618% and receive the 6-month Euribor	debt to be undertaken	(54,519)	(34,214)	0	(20,305)
Unicredit, BNPP	ADR	IRS FWD (***)	CF	I	10.2016	06.2031	300,000	They pay an average fixed rate of 1.105% and receive the 6-month Euribor	debt to be undertaken	(40,752)	(22,820)	0	(17,932)
							TOTAL			**(220,680)**	**(175,370)**	**(13,321)**	**(31,989)**
							of which:						
							Exchange rate hedging derivatives			(85,872)	(72,316)		
							Interest rate hedging derivatives			(134,808)	(103,054)		

(*) the change in fair value is posted in the OCI net of the tax effect

(**) The changes in fair value compared to the inception date used to measure the lack of effectiveness of the year amount to -106,144 thousand euros as of December 31, 2020 and -103,752 thousand euros as of December 31, 2019.

(***) forward-starting IRS: activation date June, 2021. The changes in fair value compared to the inception date used to measure the lack of effectiveness of the year equal the fair value listed in the table.

(****) forward-starting IRS: activation date February 2022. The changes in fair value compared to the inception date used to measure the lack of effectiveness of the year equal the fair value listed in the table.

CF: Cash Flow Value Hedge - C: exchange rate - I: interest

In relation to the valuation techniques and the inputs used to determine the fair value of the derivatives, reference is made to Note 8.4 Information on fair value measurement.

The impact of the hedging instruments on the underlying assets hedged within the scope of the Statement of financial position is shown as follows:

		12.31.2020			12.31.2019	
(THOUSANDS OF EUROS)	CHANGES IN FAIR VALUE USED TO MEASURE THE LACK OF EFFECTIVENESS	CASH FLOW HEDGE RESERVE (INCLUDING THE COST OF HEDGING)	OF WHICH COST OF HEDGING RESERVE	CHANGES IN FAIR VALUE USED TO MEASURE THE LACK OF EFFECTIVENESS	CASH FLOW HEDGE RESERVE (INCLUDING THE COST OF HEDGING)	OF WHICH COST OF HEDGING RESERVE
Debt highly probable	(113,961)	113,961	0	(69,508)	69,508	0
Bond in foreign currency	(106,144)	21,073	575	(103,752)	33,537	2,110
TOTAL	**(220,105)**	**135,034**	**575**	**(173,260)**	**103,045**	**2,110**

The effect of the cash flow hedge reserve on the statement of comprehensive income is as follows:

(THOUSANDS OF EUROS)	TOTAL GAINS / (LOSSES) FROM HEDGING RECOGNIZED IN THE INCOME STATEMENT AND COMPREHENSIVE INCOME STATEMENT	INEFFECTIVENESS RECOGNIZED IN THE INCOME STATEMENT	ITEM IN THE INCOME STATEMENT	CHANGE IN THE CASH FLOW HEDGE RESERVE RECOGNIZED IN THE COMPREHENSIVE INCOME STATEMENT	OF WHICH: COST OF HEDGING RECOGNIZED IN THE COMPREHENSIVE INCOME STATEMENT	AMOUNT RECLASSIFIED FROM THE COMPREHENSIVE INCOME STATEMENT TO THE INCOME STATEMENT	ITEM IN THE INCOME STATEMENT
12.31.2020							
Debt highly probable	(113,961)	0	Financial income (expense)	113,961	0	0	Financial income (expense)
Debt hedged by pre-hedging	0	0	Financial income (expense)	11,983	0	(2,025)	Financial income (expense)
Bond in foreign currency	(106,144)	236	Financial income (expense)	21,073	575	(8,109)	Financial income (expense)
TOTAL	**(220,105)**	**236**		**147,017**	**575**	**(10,134)**	
12.31.2019							
Debt highly probable	(69,508)	190	Financial income (expense)	69,508	0	0	Financial income (expense)
Debt hedged by pre-hedging	0	0	Financial income (expense)	14,008	0	(2,027)	Financial income (expense)
Bond in foreign currency	(103,752)	201	Financial income (expense)	33,537	2,110	(7,661)	Financial income (expense)
TOTAL	**(173,260)**	**391**		**117,053**	**2,110**	**(9,688)**	

Other current financial liabilities

The Other current liabilities are equal to 9,126 thousand euros (23,512 thousand euros at December 31, 2019) and refer to the payables to the subsidiary undertakings for the use of the centralized cash management system.

5.16 Other non-current liabilities

Other non-current liabilities are equal to zero (7,479 thousand euros as of December 31, 2019). The fall compared to the previous year is essentially attributable to the change in the estimate of the liabilities relating to the share incentive plans, which resulted in a total cancellation of the debt recorded in 2019. In relation to information on the remuneration plans based on shares, reference is made to Note 10.1.

5.17 Trade payables

Trade payables are equal to 181,188 thousand euros (222,900 thousand euros as of December 31, 2019).

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Due to suppliers	143,337	184,470	(41,133)
Due to subsidiary undertakings	24,715	23,907	808
Due to parent companies	2,061	1,596	465
Deferred income	1,336	1,467	(131)
Advances received	9,739	11,460	(1,721)
TOTAL TRADE PAYABLES	**181,188**	**222,900**	**(41,712)**

Due to suppliers (excluding subsidiary undertakings and parent companies), equal to 143,337 thousand euros, are down 41,133 thousand euros, mainly reflecting the lower volume of investments made in 2020 compared to the end of the previous year, and the decrease in external costs.

Advances received, equal to 9,739 thousand euros, fell by 1,721 thousand euros compared to December 31, 2019, due to lower advances from customers.

5.18 Other current liabilities

Other current liabilities are equal to 119,635 thousand euros (171,729 thousand euros as of December 31, 2019). The item is analyzed in the table below.

(THOUSANDS OF EUROS)	12.31.2020	12.31.2019	CHANGE
Payables for taxes other than income taxes	88,880	119,212	(30,332)
Payables due to personnel	2,863	10,650	(7,787)
Payables due to social security agencies	3,243	6,111	(2,868)
Payables for security deposits	13,244	14,223	(979)
Other payables	11,405	21,533	(10,128)
TOTAL OTHER CURRENT LIABILITIES	**119,635**	**171,729**	**(52,094)**

Payables for taxes other than income taxes are equal to 88,880 thousand euros (119,212 thousand euros as of December 31, 2019) and mainly include:

- payable for the passenger surcharges for 62,028 thousand euros (93,228 thousand euros as of December 31, 2019). This amount was paid the following month after collection of municipal surcharge from carriers, while the outstanding amounts due are recorded in a contra-entry under receivables from clients. The surcharge on the passenger boarding fee charged to the carriers equals 7.5 euros per passenger, of which 5.0 euros allocated to INPS and one euro (commission surcharge) for the commission management of the Municipality of Rome. The decrease in the payable for the surcharge, down by 31,200 thousand euros compared to the end of 2019, reflects the decrease in the volume of activity recorded in the year;

- payable of 24,074 thousand euros to the Lazio Regional Authority for IRESA (23,113 thousand euros as of December 31, 2019). This tax is charged by the Lazio Regional Authority to carriers, who are obliged to pay it to the airport management companies which, in line with the surcharges commented on above, must periodically pay them back to the Regional board.

Payables due to personnel, amounting to 2,863 thousand euros, decreased by 7,787 thousand euros due to various internal cost containment measures implemented by the Company to deal with the effects of the COVID-19 pandemic, such as the use of the available regulatory instruments (social security benefits - CIGS).

Payables due to social security agencies amounting to 3,243 thousand euros, include social security charges pertaining to December, which are paid by January of the following year, and the portion of contributions relating to amounts accrued by employees during the year that will become due in subsequent years. The decrease of 2,868 thousand euros compared to the previous year is mainly attributable to the use of social security benefits.

Other payables, equal to 11,405 thousand euros, (21,533 thousand euros as of December 31, 2019), include the payable to ENAC for the concession fee of 8,208 thousand euros, down by 9,745 thousand euros compared to 2019, in relation to the payment of the second installment of 2019, net of the portion accrued in the year. The deadline for the payment of the 2020 airport concession fee and the 2019 adjustment was initially postponed to January 31, 2021; subsequently, this deadline was further extended until April 30, 2021 (ENAC provisions no. 20 of 05/11/2020 and no. 4 of 01/25/2021).

6. Information on the items of the income statement

6.1 Revenues

Revenues for 2020 equal 368,395 thousand euros (1,109,272 thousand euros in 2019) and are broken down as follows, in application of the IFRS 15 standard:

(THOUSANDS OF EUROS)			2020			2019
	REVENUES FROM CONTRACTS IFRS 15	OTHER REVENUES	TOTAL	REVENUES FROM CONTRACTS IFRS 15	OTHER REVENUES	TOTAL
AERONAUTICAL						
Airport fees	131,900	0	131,900	514,252	0	514,252
Centralized infrastructures	6,402	0	6,402	17,288	0	17,288
Security services	24,527	0	24,527	110,835	0	110,835
Other	7,957	0	7,957	31,017	0	31,017
	170,786	*0*	*170,786*	*673,392*	*0*	*673,392*
NON-AERONAUTICAL						
Sub-concessions and utilities:						
Properties and utilities	5,031	30,195	35,226	8,428	46,177	54,605
Shops	0	29,555	29,555	0	147,446	147,446
Car parks	0	8,407	8,407	0	16,373	16,373
Advertising	3,959	0	3,959	14,564	0	14,564
Car parks	339	0	339	1,745	0	1,745
Other	12,122	514	12,636	16,361	571	16,932
	21,451	68,671	*90,122*	41,098	210,567	*251,665*
REVENUES FROM AIRPORT MANAGEMENT	192,237	68,671	260,908	714,490	210,567	925,057
REVENUES FROM CONSTRUCTION SERVICES	98,060	0	*98,060*	173,509	0	*173,509*
OTHER OPERATING INCOME	352	9,075	*9,427*	1,677	9,029	*10,706*
TOTAL REVENUES	**290,649**	**77,746**	**368,395**	**889,676**	**219,596**	**1,109,272**
Timing of goods/services transfer:						
Over the time	*118,898*			*219,453*		
At point in time	*171,751*			*670,223*		

Revenues for the year were heavily impacted by the crisis that, starting in March, affected the air transport sector as a result of the health emergency caused by the spread of the COVID-19 virus.

Revenues from airport management, equal to 260,908 thousand euros, dropped by 71.8% overall compared to the reference year, recording a negative trend in all of the components. Aeronautical activities directly connected to traffic trends recorded a 74.6% drop. Also the non-aeronautical segment, with revenues down by 64.2%, was affected by the drop in traffic and terminal closures; in detail, revenues from commercial sub-concessions fell by 80.0%, whilst those from real estate sub-concessions fell by 35.5%; revenues from car parks fell by 48.7% and those from advertising fell by 72.8%.

Revenues from construction services equal to 98,060 thousand euros (173,509 thousand euros in 2019) refer to revenues from construction services for self-funded works. Consistent with the accounting model adopted, based on the application of accounting standard IFRIC 12, these revenues, which represent the consideration due for the activity performed, are measured at fair value, determined on the basis of the total costs incurred (mainly external costs). These revenues recorded a drop of 75,449 thousand euros compared to 2019, due to the temporary suspension of non-essential work as a result of the pandemic crisis.

Other operating income equal to 9,427 thousand euros (10,706 thousand euros in the comparative period) is broken down as follows:

(THOUSANDS OF EUROS)	2020	2019
Grants and subsidies	83	76
Gains on disposals	8	12
Expense recoveries	5,468	6,850
Damages and compensation from third parties	866	212
Other income	3,002	3,556
TOTAL OTHER OPERATING INCOME	**9,427**	**10,706**

The decrease, totaling 1,279 thousand euros, is essentially due to a reduction in expense recoveries of 1,382 thousand euros, partially offset by an increase in compensation received totaling 654 thousand euros.

6.2 Consumption of raw materials and consumables

The item Consumption of raw materials and consumables is equal to 8,106 thousand euros (19,848 thousand euros in 2019). The details are reported in the table below.

(THOUSANDS OF EUROS)	2020	2019
Fuel and lubricants	595	1,041
Electricity, gas and water	4,033	14,163
Consumables, spare parts and various materials	3,478	4,644
TOTAL CONSUMPTION OF RAW MATERIALS AND CONSUMABLES	**8,106**	**19,848**

The decrease of 11,742 thousand euros compared to the previous year is mainly due to the drop of 10,130 thousand euros in electricity, gas and water, consequently due to the classification under service costs of the costs incurred in the first half of 2019 to purchase electricity from Leonardo Energia (this approach is consequent to the new regulatory structure in force since July 1, 2019, which configured Leonardo Energia as the internal production unit of the SSPC – Simplified System for Production and Consumption – with the exclusive aim of meeting ADR requirements).

6.3 Service costs

Service costs equal 279,449 thousand euros (425,054 thousand euros in 2019). The details are reported in the table below.

(THOUSANDS OF EUROS)	2020	2019
Costs for maintenance	36,148	43,103
Costs for renovation of airport infrastructure	31,975	47,219
External service costs	67,555	93,523
Costs for construction services	91,474	164,002
Cleaning and disinfestations	16,951	27,252
Professional services	8,488	9,121
Firefighting services	6,127	7,637
Other costs	20,808	31,814
Remuneration of Directors and Statutory Auditors	(77)	1,383
TOTAL SERVICE COSTS	**279,449**	**425,054**

The decrease in service costs, amounting to 145,605 thousand euros, is essentially attributable to the decrease of costs for construction services (-72,528 thousand euros) and the costs for renovation of airport infrastructure, as well as the minor costs for maintenance, cleaning and commercial support (classified under Other costs), as a result of the containment measures implemented from March onwards in order to combat the impacts resulting from the reduction in operations following the sharp drop in air traffic. In addition, there was a reduction in Remuneration of Directors due to the change in the estimate of the liabilities relating to the share incentive plans. The trend was partially offset by the classification of the costs for the electricity service mentioned in Note 6.2.

6.4 Payroll costs

Payroll costs equal 70,495 thousand euros (94,229 thousand euros in the reference year). The details are reported in the table below.

(THOUSANDS OF EUROS)	2020	2019
Salaries and wages	48,596	67,479
Social security charges	13,977	18,846
Post-employment benefits	1,703	6,503
Other costs	6,219	1,401
TOTAL PAYROLL COSTS	**70,495**	**94,229**

The reduction in Payroll costs of 23,734 thousand euros compared to 2019 is attributable to the various internal cost containment actions implemented by ADR. In particular, social security benefits (CIGS/FIS) were used and all variable bonuses were zeroed.

These effects were partially offset by provisions for risks and charges of 4,799 thousand euros, classified in the item Other costs under payroll costs, in relation to the early retirement scheme pursuant to the trade union agreement of December 1, 2020.

The table below shows the average headcount of ADR (broken down by treatment):

AVERAGE HEADCOUNT	2020	2019	CHANGE
Managers	47.2	43.6	3.6
Administrative staff	248.8	235.2	13.6
White-collar	759.4	799.8	(40.4)
Blue-collar	324.7	322.4	2.3
TOTAL AVERAGE HEADCOUNT	**1,380.1**	**1,401.0**	**(20.9)**

6.5 Other operating costs

The other operating costs equal 25,701 thousand euros (58,769 thousand euros in 2019). The details are reported in the table below.

(THOUSANDS OF EUROS)	2020	2019
Concession fees	8,299	36,728
Expenses for leased assets	685	1,095
Allocation to (use of) the provisions for renovation of airport infrastructure	6,834	6,066
(Allocation to) (re-absorption of) allowances for risks and charges	(1,173)	1,226
Other costs:		
Allocations to provisions for doubtful accounts	2,336	4,625
Indirect taxes and levies	6,492	6,670
Other expenses	2,228	2,359
TOTAL OTHER OPERATING COSTS	**25,701**	**58,769**

Concession fees, equal to 8,299 thousand euros, down by 28,429 thousand euros compared to the reference year directly related to the traffic trends.

The item Allocation to (use of) provisions for renovation of airport infrastructure includes the allocation to the provisions for renovation of airport infrastructure, recorded net of the uses against the costs incurred in the year, classified in the corresponding item of the income statement by nature.

Allocation to allowances for risks and charges is positive for 1,173 thousand euros (-1,226 thousand euros in the comparative year) due to the effect of re-absorption of pre-existing provisions. For more details, see Note 5.14.

Allocations to provisions for doubtful accounts were equal to 2,336 thousand euros. The decrease compared to the comparison year (2,289 thousand euros) is due to the re-absorption of the provision deriving from the positive outcome for ADR, in 2020, of a significant insolvency procedure underway for years, the value of which partially offset the general worsening of the credit risk reflected in the provisions for the year.

6.6 Financial income (expense)

The item financial income (expense) equals -59,446 thousand euros (-46,454 thousand euros in 2019). The details are reported in the tables below.

Financial income

(THOUSANDS OF EUROS)	2020	2019
Interest income		
Interest on bank deposits and loans	211	320
Interest from subsidiary undertakings	0	3
Income on derivatives		
Valuation of derivatives	236	12,744
Other income		
Interest on overdue current receivables	29	9
Interest from tax credits	1,000	1
Interest from clients and others	20	11
Dividends from equity investments	0	17,783
TOTAL FINANCIAL INCOME	**1,496**	**30,871**

The income from valuation of derivatives, equal to 236 thousand euros (12,744 thousand euros in the comparative year), decreased as a consequence of the change occurring in the year in the fair value of the cross currency swap contracts for the Euro/Sterling exchange rate component hedging the A4 bonds issued in Pound sterling.

Moreover, the item dividends from equity investments, which in 2019, included dividends from ADR Mobility S.r.l., ADR Security S.r.l., ADR Tel S.p.A., Airport Cleaning S.r.l. and Azzurra Aeroporti S.p.A. totaling 17,783 thousand euros, was equal to zero in 2020.

Financial expense

(THOUSANDS OF EUROS)	2020	2019
FINANCIAL EXPENSE FROM DISCOUNTING PROVISIONS FOR RENOVATION OF AIRPORT INFRASTRUCTURE	1,241	1,984
FINANCIAL INTEREST EXPENSE		
Interest on outstanding bonds	34,595	34,513
Interest on medium/long-term loans	6,622	3,166
Interest paid to subsidiary undertakings	4	5
Effects of applying the amortized cost method	7,208	6,807
Other financial interest expenses	0	17
	48,429	44,508
EXPENSES ON DERIVATIVES		
IRS differentials	10,144	9,688
Charges from valuation	13,557	14
	23,701	9,702
OTHER EXPENSES		
Financial expense from discounting employee benefits	(2)	38
Devaluation of equity investments valued at cost	1,107	8,715
Other	20	23
	1,125	8,776
TOTAL FINANCIAL EXPENSE	**74,496**	**64,970**

The Financial expense from discounting provisions for renovation of airport infrastructure, equal to 1,241 thousand euros, includes the financial component for the discounting of the provision and dropped by 743 thousand euros consequently to the update of the rate used.

Interest on medium/long-term loans, amounting to 6,622 thousand euros, increased by 3,456 thousand euros compared to 2019 due to the amounts drawn on the EIB and CDP loans, the disbursement of Tranche A and B of the loan granted by BNL and the disbursement of the SACE guaranteed loan.

The Expense from valuation of derivatives, equal to 13,557 thousand euros (14 thousand euros in the comparative year), increased by 13,543 thousand euros as a consequence of the change occurring in the year in the fair value of the cross currency swap contracts for the Euro/Sterling exchange rate component hedging the A4 bonds issued in Pound sterling (illustrated in Note 5.15).

This change is offset by a component of the same amount recorded under foreign exchange gains, which refers to the decrease in the par value of the bonds in pound sterling.

The item Devaluation of investments valued at cost, equal to 1,107 thousand euros, includes the devaluation of the equity investment in Pavimental S.p.A. (1,091 thousand euros in 2019; the previous year the item included also the devaluation of the equity investment in Spea Engineering S.p.A. for 7,624 thousand euros). For more details, see Note 5.3.

Foreign exchange gains (losses)

(THOUSANDS OF EUROS)	2020	2019
Foreign exchange gains	13,587	2
Foreign exchange losses	(34)	(12,357)
TOTAL FOREIGN EXCHANGE GAINS (LOSSES)	**13,553**	**(12,355)**

For comments, refer to the paragraph on Financial expense.

6.7 Income taxes

Income taxes equal 37,764 thousand euros (-116,119 thousand euros in the comparative year). The item is analyzed in the table below.

(THOUSANDS OF EUROS)	2020	2019
CURRENT TAXES		
IRES	(4,020)	86,486
IRAP	0	22,941
	(4,020)	**109,427**
DIFFERENCES ON CURRENT TAXES OF PREVIOUS YEARS		
Income taxes of previous years	(583)	720
	(583)	**720**
DEFERRED TAX ASSETS AND LIABILITIES		
Deferred tax assets	(33,181)	6,798
Deferred tax liabilities	20	(826)
	(33,161)	**5,972**
TOTAL INCOME TAXES	**(37,764)**	**116,119**

With reference to IRES, please note the automatic renewal, for the three-year period 2020-2022, of the option for the group taxation with the parent company Atlantia, according to art. 117 of TUIR for ADR S.p.A., together with the Group companies, ADR Tel S.p.A., ADR Assistance S.r.l., ADR Mobility S.r.l. and ADR Security S.r.l.

The estimate of the 2020 IRES tax burden is given by consolidated taxation income, corresponding to the IRES tax benefit of 24% on the tax loss recognized in the year, which can be transferred to the group tax consolidation as it can be used to offset the profits generated in the Atlantia group. Against the residual amount of tax deductions that can be recovered in subsequent years, deferred tax assets were recorded.

Deferred tax assets and liabilities were determined on the basis of the tax rates that are expected to be applied when these differences will be reversed.

For more details on the calculation of deferred tax assets, reference should be made to Note 5.5.

The incidence of the taxes for the year on the pre-tax income (loss) before taxes equals 2.2% (24.1% in 2019). The analysis of the difference between the theoretical and the actual tax rate for IRES is reported below:

(THOUSANDS OF EUROS)	2020 TAXABLE AMOUNT	2020 TAX	2019 TAXABLE AMOUNT	2019 TAX
INCOME (LOSS) FROM CONTINUING OPERATIONS BEFORE TAXES	**(181,117)**		**359,312**	
THEORETICAL RATE		24%		27.5%
THEORETICAL IRES		**(43,468)**		**98,811**
Permanent differences	15,735	3,776	(2,375)	(653)
Temporary differences	(35,976)	(8,634)	(42,443)	(11,672)
Temporary differences on tax loss	184,607	44,306		
ACTUAL IRES		**(4,020)**		**86,486**
EFFECTIVE RATE		**2.2%**		**24.1%**

7. Guarantees and covenants on medium/long-term financial liabilities

The "Issuer Substitution" transaction performed in 2016 actually canceled the comprehensive security package established in 2003 to support the Romulus debt structure, for which only Class A4 remains to date, ceased. The only residual, though more limited, guarantee that remains in favor of this issue, is a "deed of assignment" under British law on any receivables of ADR related to cross currency swaps contracts in place with the counterparties Unicredit and Mediobanca. In any case, this guarantee is limited to a maximum value of 96.5 million euros. ADR has pledged the entire equity investment in Azzurra, equal to 7.77% of the share capital, in favor of certain financial creditors of Azzurra (bondholders and banks that have signed hedging derivative transactions). In addition to this collateral, in the context of the same loan transaction for Azzurra, ADR has provided Atlantia with a counter-guarantee, limited to a maximum value of 1.3 million euros, for the obligations assumed by Atlantia itself with regard to a bank that has granted, in the interest of Azzurra, a guarantee in favor of the latter's financial creditors to service the debt of the transaction in question.

ADR's loan agreements include financial covenants among the contractual clauses, which are calculated on a historic basis with the contracts applied to the companies with investment grade rating. Worth mentioning is that the EIB and CDP contracts require the respect of a leverage ratio threshold not exceeding 4.75x, which drops to 4.25x in case of downgrade of the company's rating level to BBB-/Baa3 or lower. The new financial contracts signed in 2020 with BNL and a pool of banks backed by the SACE guarantee also include financial covenants in line with previous contracts.

The financial ratios must be checked twice a year, in accordance with the agreements, by applying the calculation formulas to the Group's reference data (which must exclude any equity investments in companies funded through non-recourse financial debt) in the Consolidated Annual Financial Report as of December 31 and the Consolidated Interim Financial Report as of June 30.

With reference to bank loan agreements, it should be noted that, in April 2020, the Company activated waiver requests in order to avoid the breach of contract risk linked to defaulting on the financial covenant levels (covenant holiday) for the calculation date of December 31, 2020 and June 30, 2021. These waiver requests have become necessary due to the impacts that the COVID-19 pandemic may have on ADR's projected financial results. As of December 31, 2020, all waiver requests were approved by both the commercial banks and the EIB and CDP. As regards the new contracts signed in May 2020 with BNL and in August 2020 with a pool of Italian banks backed by a SACE guarantee, the related financial contracts are in line with the requirements of the other financial counterparties through waivers.

The closing data as of December 31, 2020 shows, on the basis of the simulations carried out and as required and anticipated to the financial counterparties within the waiver requests, the breach of the financial ratios included in the contracts. The covenant holidays granted by the financial counterparties will make it possible to defuse the expected early redemption that would apply in these cases pursuant to the contractual clauses.

Moreover, the loan agreements call for acceleration, termination and withdrawal conditions typical for loans of this type.

The documentation of the EMTN Program does not envisage limitations on ADR, nor the observance of financial covenants or obligations to perform/not perform (except for a negative pledging commitment, typical of the contractual documentation of a non-banking issuer) in line with market practice for "investment grade" issuers.

8. Other guarantees, commitments and risks

8.1 Guarantees

As of December 31, 2020, ADR has outstanding guarantees, issued as part of the loan agreements mentioned in Note 7. Sureties were not issued to clients and third parties (0 million euros as of December 31, 2019).

8.2 Commitments

The commitments on purchases of ADR amount to 147.4 million euros regarding investment activities.

On December 29, 2020, ADR signed the contract for the purchase by Pavimental S.p.A. of the equity investment, equal to 100% of the share capital, held by it in ADR Infrastrutture SpA, the company to which Pavimental transferred the business unit dedicated to airport activities, with effect from January 1, 2021. The agreed purchase price is 12.2 million euros. The parties' obligation to execute the contract is subject to a set of conditions precedent. For an update on this acquisition, please refer to Note 11 Subsequent events.

8.3 Management of financial risks

Credit risk

As of December 31, 2020, ADR's maximum exposure to credit risk is equal to the book value of the financial assets shown in the financial statements, as well as the par value of the guarantees provided for third parties' debt or commitments.

The greatest exposure to credit risk is from the receivables arising from its transactions with customers. The risk of customers' default is managed by making provisions in a specific provision for doubtful accounts, whose balance is reviewed from time to time. ADR's policy in this respect involves the making of provisions for each commercial position, depending on the age of the receivable, the creditworthiness of the individual customer, the progress in the receivable management and collection process.

ADR's commercial and credit protection policies set out the procedure illustrated below for checking the awarding level in receivables:

- cash payment is required in transactions with consumers (multilevel and long-term parking lots, first aid, etc.), with occasional counterparties (e.g. club memberships, luggage porters, taxi access management, etc.);
- cash payment or prepayment is required from occasional carriers without a satisfactory credit profile or collateral;
- credit terms are extended to loyal customers considered reliable (carriers with medium-term operational plans and sub-concessionaires). However, these customers' creditworthiness is monitored and, where necessary, adequate collateral is required.

The COVID-19 crisis led to a situation of deep, albeit temporary, financial crisis involving the entire airport industry. ADR is taking extraordinary measures (lengthening payment times, eliminating early billing, recovery plans) aiming to help overcome the current situation, trying to minimize the triggering of irreversible crisis situations for its customers.

Liquidity risk

Liquidity risk is the risk that the available financial resources may be insufficient to cover the maturing obligations. In consideration of ADR's ability to generate cash flows, the diversification of the sources of financing and the availability of lines of credit, the Company believes to have access to sufficient sources of finance to meet the planned financial requirements.

As of December 31, 2020, ADR had a liquidity reserve estimated at 1,336.2 million euros, comprising:

- 1,086.2 million euros related to cash and cash equivalents;
- 250.0 million euros of unused credit facilities (for more details, see Note 5.15).

For information on the effects of the COVID-19 epidemic, reference should be made to Note 10.5.

The tables below represent the payments that are contractually due in relation to the financial assets and liabilities, including interest payments.

					12.31.2020
(THOUSANDS OF EUROS)	TOTAL CONTRACTUAL FLOWS	WITHIN THE YEAR	FROM 1 TO 2 YEARS	FROM 2 TO 5 YEARS	MORE THAN 5 YEARS
Bonds	(1,576,082)	(433,179)	(26,838)	(280,315)	(835,750)
Medium/long-term loans	(937,425)	(20,747)	(145,903)	(414,838)	(355,937)
Derivatives with positive fair value	0	0	0	0	0
Derivatives with negative fair value	(214,621)	(8,353)	(15,566)	(125,269)	(65,433)
TOTAL	**(2,728,128)**	**(462,279)**	**(188,307)**	**(820,422)**	**(1,257,120)**

					12.31.2019
(THOUSANDS OF EUROS)	TOTAL CONTRACTUAL FLOWS	WITHIN THE YEAR	FROM 1 TO 2 YEARS	FROM 2 TO 5 YEARS	MORE THAN 5 YEARS
Bonds	(1,286,287)	(34,875)	(433,917)	(293,120)	(524,375)
Medium/long-term loans	(339,621)	(115,421)	(15,075)	(60,171)	(148,954)
Derivatives with positive fair value	0	0	0	0	0
Derivatives with negative fair value	(166,054)	(8,048)	(12,900)	(104,750)	(40,356)
TOTAL	**(1,791,962)**	**(158,344)**	**(461,892)**	**(458,041)**	**(713,685)**

Interest rate and exchange rate risk

ADR uses interest rate derivatives, with the objective to mitigate, at acceptable terms and conditions, the potential effects of changes in interest rates and exchange rates on its operating performance.

With resolutions of May 14, 2015 and July 11, 2018, ADR's Board of Directors authorized, consistently with the policies adopted by its shareholder, the possibility of signing, by assessing the best market opportunities, forward-starting interest rate swap transactions. With this type of instrument, which allows forward interest rates to be fixed for the dates envisaged for undertaking new debt, ADR can significantly reduce and almost eliminate the risk of rising interest rates before new financial arrangements are signed.

As of December 31, 2020 ADR has:

- cross-currency swap derivatives, originally signed in 2003 and transferred to new counterparties in 2010, to cover the A4 bonds in pound sterling; Class A4, equal to a par value of 215 million pound sterling and included in the series of bond issues originally issued by Romulus Finance, was actually hedged, for the entire duration (until expiration in 2023) by two euro/sterling cross-currency swaps. The characteristics of this derivative instrument are described in Note 5.15;
- four forward-starting interest rate swap contracts signed on October 18, 2016 and September 18, 2017 (and subsequently restructured in February and June 2020), for a total notional value of 400 million euros, effective starting from June 2021 for a duration of 10 years. The characteristics of these derivative instruments are described in Note 5.4 and Note 5.15;
- three other forward-starting interest rate swaps signed on August 7, 2018 for a total notional value of 300 million euros, effective starting from February 2022 for a duration of 10 years. The characteristics of these derivative instruments are described in Note 6.4 and Note 5.15.

ADR does not have any other transaction in foreign currency in place.

Sensitivity analysis

RATE RISK EXPOSURE AND SENSITIVITY ANALYSIS	FAIR VALUE MEASUREMENT		INTEREST RATE RISK				EXCHANGE RATE RISK			
			SHOCK UP +10 BPS IR		SHOCK DOWN -10 BPS IR		SHOCK UP +10% FX		SHOCK DOWN -10% FX	
	12.31.2020	12.31.2019	12.31.2020	12.31.2019	12.31.2020	12.31.2019	12.31.2020	12.31.2019	12.31.2020	12.31.2019
Non derivative financial liabilities (cash flow sensitivity)	(2,346,390)	(1,523,208)	0	0	0	0	0	(25,270)	0	25,270
Derivative instruments with positive fair value treated in hedge accounting	0	0	0	0	0	0	0	0	0	0
Derivative instruments with negative fair value treated in hedge accounting	(220,681)	(175,370)	8,009	7,631	(8,106)	(7,726)	23,915	25,270	(23,915)	(25,270)
Derivative instruments not treated in hedge accounting	0	0	0	0	0	0	0	0	0	0
TOTAL	**(2,567,071)**	**(1,698,578)**	**8,009**	**7,631**	**(8,106)**	**(7,726)**	**23,915**	**0**	**(23,915)**	**0**

The main sources of exposure of ADR to the interest rate and exchange rate risk are related to the bonds and the existing derivative instruments. In particular, the potential impacts on the income statement and the statement of financial position for the year 2020 (2019 for the comparison) related to the rate risks are:

- the potential change of the financial expense and differentials regarding the derivative instruments in place;
- the potential change of the fair value of the derivative instruments in place.

ADR has estimated the potential consolidated impacts produced by a shock of the interest rates and exchange rates, by using internal assessment models based on generally accepted logics. Hypothesized in particular were:

- for the derivative loans, a parallel change of +10 basis points (+0.1%) and -10 basis points (-0.1%) of the term rate curve;
- for the bonds issued in foreign currency and the relative derivative financial instruments, a change in the GBP/EUR exchange rate of +/-10%.

The effects highlighted in the table in particular report the change, compared to the base scenario, in the hypotheses of Shock up and Shock down in the different market data.

In addition to the information shown in the table above, with reference to the sensitivity analysis carried out on the Cross Currency Swap, a 10% change upwards or downwards in the exchange rate that would impact the foreign currency flows exchanged at the payment dates would lead to a reduction of the amounts to classify in the cash flow hedge reserve of 2.5 million euros in the case of shock down and an increase of 3.1 million euros in the case of shock up.

8.4 Information on fair value measurements

Below is the fair value measurement at year end and the classification according to the fair value hierarchy of the assets and liabilities valued at fair value on a recurring basis (there are no assets or liabilities valued at fair value on a non-recurring basis):

				12.31.2020
(THOUSANDS OF EUROS)	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Derivatives with positive fair value	0	0	0	0
Derivatives with negative fair value	0	220,680	0	220,680
TOTAL HEDGING DERIVATIVES	**0**	**220,680**	**0**	**220,680**

The only financial instruments of ADR valued at fair value are the derivative instruments described in Note 5.4. and Note 5.15. These derivative instruments are included in "level 2" of the "fair value hierarchy" defined by IFRS 7, with the fair value measured based on valuation techniques that use parameters that can be observed in the market, other than the price of the financial instrument.

During 2020 no transfer took place between the various fair value hierarchy levels.

With reference to the financial liabilities, where the indication of the fair value is given for those in Note 5.15, this fair value is also included in level 2 of the "fair value hierarchy" defined by IFRS 7.

8.5 Litigation

As regards litigation as a whole, ADR carried out a valuation of the risk of negative outcomes leading to the creation, prudentially, of a specific allowance under "Allowances for risks and charges" to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. No specific allocations were made for disputes for which a negative outcome was merely possible, given the different legal interpretations. Furthermore, there are a limited number of civil proceedings underway, for which no provisions were made, as the impact of any negative outcome, while negligible, could not be measured.

For a description of the significant disputes involving ADR, reference is made to the consolidated financial statements.

In ADR's judgment, current litigation and other potential disputes should not give rise to liabilities greater than the amount that has already been provided for.

9. Transactions with related parties

The transactions of ADR with related parties are performed in the interest of the Company and are part of the ordinary management. Such transactions are regulated on a basis that is equivalent to those prevailing in transactions between independent parties. During the year no significant transactions or transactions that significantly affected the Company's financial position or results took place.

Trade transactions and other transactions

	12.31.2020		2020		12.31.2019		2019	
(THOUSANDS OF EUROS)	ASSETS	LIABILITIES	REVENUES / INCOME	COSTS / EXPENSE	ASSETS	LIABILITIES	REVENUES / INCOME	COSTS / EXPENSE
PARENT COMPANIES								
Atlantia	4,746	2,049	400	(1,494)	7,523	20,275	237	(1,371)
TOTAL RELATIONS WITH PARENT COMPANIES	**4,746**	**2,049**	**400**	**(1,494)**	**7,523**	**20,275**	**237**	**(1,371)**
SUBSIDIARY UNDERTAKINGS								
ADR Assistance S.r.l.	452	1,137	1,358	(8,977)	356	3,571	1,768	(22,643)
ADR Tel S.p.A.	312	13,146	1,139	(28,259)	110	7,339	1,207	(22,754)
ADR Mobility S.r.l.	3,390	472	12,968	(2,140)	2,635	484	23,013	(1,949)
ADR Security S.r.l.	724	7,352	2,641	(31,687)	613	8,151	2,730	(46,795)
Airport Cleaning S.r.l.	973	2,761	2,427	(15,924)	1,044	4,413	2,940	(26,080)
TOTAL RELATIONS WITH SUBSIDIARY UNDERTAKINGS	**5,851**	**24,868**	**20,533**	**(86,987)**	**4,758**	**23,958**	**31,658**	**(120,221)**
ASSOCIATED UNDERTAKINGS								
Ligabue Gate Gourmet Roma S.p.A. (insolvent)	482	968	0	0	482	968	0	0
Pavimental S.p.A.	361	28,166	190	(49,504)	619	52,454	74	(111,066)
Spea Engineering S.p.A.	214	11,352	504	(6,274)	61	24,198	636	(20,625)
TOTAL RELATIONS WITH ASSOCIATED UNDERTAKINGS	**1,057**	**40,486**	**694**	**(55,778)**	**1,162**	**77,620**	**710**	**(131,691)**
RELATED PARTIES								
Edizione S.r.l.	0	0	0	(24)	0	25	0	(25)
Leonardo Energia S.c.ar.l.	9	2,403	153	(13,283)	11	2,888	153	(19,225)
Fiumicino Energia S.r.l.	20	0	177	0	35	0	176	0
Infoblu S.p.A.	0	0	0	(9)	0	29	0	(29)
Autostrade per l'Italia S.p.A.	474	1,225	188	(658)	679	772	342	(1,072)
Autogrill Italia S.p.A.	1,506	1,086	3,122	(300)	875	593	12,425	(713)
Autostrade Tech S.p.A.	0	103	0	(76)	0	223	0	(207)
Consorzio Autostrade Italiane Energia	0	0	0	(17)	0	20	0	(28)
Retail Italia Network S.r.l.	17	38	143	0	45	0	609	0
Telepass S.p.A.	51	0	2	0	69	0	225	0
Essediesse S.p.A.	36	0	73	0	99	0	99	0
K-Master	0	198	0	0	0	0	8	0
Telepass PAY	0	0	49	0	27	0	165	0
Maccarese S.p.A. Società Agricola	0	0	0	0	0	0	0	(26)
Aeroporto Guglielmo Marconi di Bologna S.p.A.	8	0	8	0	0	0	0	0
Key management personnel	0	845	0	(769)	0	4,417	0	(3,992)
TOTAL RELATIONS WITH RELATED PARTIES	**2,121**	**5,898**	**3,915**	**(15,136)**	**1,840**	**8,967**	**14,202**	**(25,317)**
TOTAL	**13,775**	**73,301**	**25,542**	**(159,395)**	**15,283**	**130,820**	**46,807**	**(278,600)**

Relations with Atlantia refer mainly to the Group tax consolidation of ADR and to charging back the cost for the seconded personnel.

Transactions carried out by ADR with subsidiary undertakings during 2020 refer primarily to the supply of goods and the provision of trade services.

The revenues of ADR Assistance, generated essentially from relations with ADR, refer to the provision of assistance services to passengers with reduced mobility; ADR charged the company royalties, utilities, administrative services, etc.

ADR Tel posted revenues from telephony and IT services provided to ADR and carried out upgrading works on the telephone network; ADR's charges to the company refer to royalties and rentals on the lease of telecommunications assets and premises, and for utilities and staff services.

ADR's revenues from ADR Mobility mainly relate to the royalties on the areas and buildings used as car parks as well as utilities, administrative and general services, etc.

ADR Security's revenues from ADR concern airport security services and on demand services at Fiumicino and Ciampino airports; ADR charged the company royalties, utilities, administrative and general services, etc.

Airport Cleaning posted revenues from cleaning services provided to ADR; ADR charged the company royalties, utilities, administrative and general services, etc.

The main relations with associated undertakings and other related parties break down as follows:

- Pavimental S.p.A.: a company owned by Atlantia, it carries out maintenance and modernization work of the airport paving for ADR;
- Spea Engineering S.p.A.: a company owned by Atlantia, carries out airport engineering services (work design and management) for ADR;
- Fiumicino Energia S.r.l.: a subsidiary undertaking of Atlantia that manages the gas-fired co-generation plant at Fiumicino airport for the production of electricity. Via a business unit lease contract, operation of the co-generation plant was entrusted to Leonardo Energia - Società consortile a r.l., which is owned by ADR and Fiumicino Energia S.r.l., with respective shareholdings of 10% and 90%. Based on the agreements existing between ADR and Fiumicino Energia in 2023 the co-generation plant will be transferred free of charge to ADR. The limited liability consortium, which also operates the thermal energy plant at Fiumicino, under a sub-concession from ADR, provides electric and thermal energy to ADR;
- Autostrade per l'Italia (a subsidiary undertaking of Atlantia): the relations with the company mainly refer to seconded personnel;
- Autogrill Italia S.p.A. (company to which, effective January 1, 2018, Autogrill S.p.A. transferred all of its assets relative to Italian points of sale; the company is an indirect subsidiary undertaking of Edizione S.r.l. which, indirectly, holds a majority interest in Atlantia): ADR recorded revenues from retail sub-concessions, royalties, utilities, car parks and sundry services; the company provided ADR with the cafeteria replacement service.

The remuneration due to the parties in charge of planning, managing and controlling the company and thus the executive directors and not and the managers with strategic responsibilities (so-called key management personnel) in office at December 31 amount to 984 thousand euros (of which 769 thousand euros classified in the table above under item Key Management Personnel and the residual amount of 215 thousand euros under service costs towards other related parties) and include the amount pertaining to fees, remuneration employee payments, non-monetary benefits, bonuses and other incentives for roles in ADR (the remuneration for directors who covered the position for the year, or even a part of the year, is indicated).

Financial relations

	12.31.2020		2020		12.31.2019		2019	
(THOUSANDS OF EUROS)	ASSETS	LIABILITIES	INCOME	EXPENSE	ASSETS	LIABILITIES	INCOME	EXPENSE
PARENT COMPANIES								
Atlantia	0	0	0	(1,082)	0	253,157	0	(13,429)
TOTAL RELATIONS WITH PARENT COMPANIES	0	0	0	(1,082)	0	253,157	0	(13,429)
SUBSIDIARY UNDERTAKINGS								
ADR Assistance S.r.l.	0	2,423	0	0	0	1,473	0	0
ADR Tel S.p.A.	0	2,356	0	(6)	0	5,871	3,463	(13)
ADR Security S.r.l.	0	1,220	0	(1)	0	5,743	1,704	(1)
ADR Mobility S.r.l.	0	1,375	0	(1)	0	7,801	7,700	(1)
Airport Cleaning S.r.l.	0	1,963	0	(1)	0	3,341	1,400	(1)
TOTAL RELATIONS WITH SUBSIDIARY UNDERTAKINGS	0	9,337	0	(9)	0	24,229	14,267	(16)
RELATED COMPANIES								
Spea Engineering S.p.A.	1,350	0	0	0	1,350	0	0	0
Azzurra Aeroporti S.p.A.	0	0	0	0	0	0	3,520	0
TOTAL RELATIONS WITH RELATED PARTIES	1,350	0	0	0	1,350	0	3,520	0
TOTAL	**1,350**	**9,337**	**0**	**(1,091)**	**1,350**	**277,386**	**17,787**	**(13,445)**

Financial relations with the subsidiary undertakings ADR Tel, ADR Assistance, ADR Security and ADR Mobility and Airport Cleaning regard mainly the use of the centralized treasury system, which is conducted on an arm's length basis. The system has been put into place in order to optimize the management of financial resources and facilitate the settlement of inter-company trading relations.

The financial liabilities with Atlantia have decreased as a result of the sale, on January 28, 2020, of the A4 bonds of which the parent company held 99.87%.

The financial assets from Spea Engineering S.p.A. comprise the receivable for the dividends resolved by the company in the year 2018 and not paid.

10. Other information

10.1 Information on share-based remuneration plans

With the aim of creating an incentive and loyalty system dedicated to directors and employees of the Atlantia Group covering positions entailing a higher level of responsibility in Atlantia or Group companies and to promote and spread the culture of creating value in all the strategic and operating decisions, as well as encourage the enhancement of the Group's value, in addition to the managerial efficiency of management, Atlantia Group has incentive plans in place that imply the commitment of assigning rights on Atlantia shares, subject to achieving pre-set corporate goals.

As part of the integration project between Atlantia and Gemina, the Shareholders' Meeting of Atlantia on April 30, 2013 approved the extension of the incentive plans to include personnel or directors of ADR, in order to make the long-term incentive systems of the entire Atlantia Group resulting from the merger more coherent.

The table below shows the chief elements of the incentive plans as of December 31, 2020, highlighting the rights attributed to directors and employees of ADR. In addition, the unitary fair values of the assigned rights are shown, determined by a specifically appointed expert, using the Monte Carlo model.

	no. of rights assigned	no. of rights revoked	no. of rights for transfers	no. of rights opted for	no. of rights as of 12.31.2020	vesting expiry	deadline. year/allocation	exercise price (euro)	unit fair value on the assign. date	rev. unit fair value as of 12.31.2020	expected expiry on the assign. date (years)	risk-free interest rate at the assignment date	exp. volatility (=historical) on the assign. date	dividends expected on the assign. date
2014 phantom stock option plans of Atlantia extended to ADR	758,751	(256,467)	(62,742)	(261,411)	178,131	05.08.2018	05.08.2021	n.a.	2.59	0.06	3-6	1.01%	25.8%	5.32%
2014 phantom stock option plans of Atlantia extended to ADR	611,682	(45,137)	(21,202)	(132,392)	412,951	06.10.2019	06.10.2022	n.a.	1.89	1.14	3-6	0.61%	25.3%	4.94%
2017 phantom stock option plans I cycle	428,074	(448,212)	20,138	0	0	07.01.2020	07.01.2023	n.a.	2.37	0	3.13-6.13	1.31%	25.6%	4.40%
2017 phantom stock option plans II cycle	364,701	(46,620)	12,735	0	330,816	06.15.2021	07.01.2024	n.a.	2.91	1.58	5.9	2.35%	21.9%	4.12%
2017 phantom stock option plans III cycle	470,806	(136,792)	51,638	0	385,652	06.15.2022	07.01.2025	n.a.	2.98	1.52	6.06	1.72%	24.3%	4.10%
2017 phantom stock grant plans I cycle	42,619	(44,624)	2,005	0	0	07.01.2020	07.01.2023	n.a.	23.18	0	3.13-6.13	1.31%	25.6%	4.40%
2017 phantom stock grant plans II cycle	40,330	(5,156)	1,408	0	36,582	06.15.2021	07.01.2024	n.a.	24.5	15.28	5.9	2.35%	21.9%	4.12%
2017 phantom stock grant plans III cycle	48,221	(14,012)	5,289	0	39,498	06.15.2022	07.01.2025	n.a.	22.57	14.60	6.06	1.72%	24.3%	4.10%

It should also be noted that on May 29, 2020 Atlantia's Shareholders' Meeting approved a plan, called "Ogni tua azione conta", providing for the free allocation of 75 company shares to each Atlantia Group employee. The Plan included an adherence window that began on October 5, 2020 and ended on November 2, 2020, with 1,221 employees for the company ADR adhering to the Plan, who were granted a total of 91,575 shares in Atlantia.

In accordance with the provisions of IFRS 2, due to the incentive plans in place, in 2020 the following items were recognized in the income statement:

- an adjustment of the costs relating to previous years of 4,579 thousand euros, essentially in relation to the change in the estimate of the rights allocated to the "phantom 2017" share plans, with zeroing of the related payables;
- a cost of 1,075 thousand euros relating to the "Ogni tua azione conta" shareholder plan, with a balancing entry in a specific shareholders' equity reserve, classified under "Other reserves and retained earnings".

10.2 Remuneration of independent auditors

In accordance with art. 149-duodecies of the Issuers' Regulations, which apply to ADR as it is a company controlled by a listed company (Atlantia S.p.A.), a breakdown of the fees paid to the ADR Group's principal independent auditors is shown in the table below (in thousands of euros):

TYPE OF SERVICE	SERVICE PROVIDER	RECIPIENT	REMUNERATION 2020
Auditing	EY S.p.A.	ADR	239
Certification services	EY S.p.A.	ADR	45
Other Services (*)	EY S.p.A.	ADR	180
TOTAL			**464**

(*) comfort letter for the annual update of the Bond Issue Program, audit of tax returns for tax receivables and subscription of Income Tax Return and 770 forms.

10.3 Disclosure of public grants pursuant to Italian Law no. 124/2017

With reference to the transparency obligations required under article 1, paragraphs from 125 to 129 of Italian Law no. 124/2017, no public grants were collected by the Company in 2020.

10.4 Events and non-recurring, atypical and/or unusual transactions

During the year 2020, no non-recurring, atypical or unusual transactions were performed with third parties or related parties.

For information on the impacts of the COVID-19 outbreak please refer to Note 10.5 below; no significant additional non-recurrent events occurred in the year under review.

10.5 Information on the effects of the COVID-19 epidemic

ADR's performance for 2020 was conditioned by the effects of an unprecedented crisis that, starting in March, involved the air transport sector in Italy and most of the rest of the world as a result of the health emergency caused by the spread of the COVID-19 virus.

Repercussions on business volumes at the Roman airport system were considerable, with passenger traffic down 76.8% compared with 2019 and movements down 63.8%.

The sharply negative trend in traffic was reflected in both aeronautical and non-aeronautical revenues, which recorded an overall reduction of 71.8%. For more details, see Note 6.1 Revenues.

In order to counter the impact on its economic results and liquidity, ADR took immediate action, implementing a series of measures aimed at containing costs. In concurrence with the increase in traffic restrictions, the infrastructure operations of the airports have been progressively reduced; negotiations have also been started with suppliers for the consequent remodeling of external services. With regard to personnel management, ADR made use of social security benefits (the Special Income Support Fund (CIGS)) for all employees, in addition to other measures, such as holiday entitlement programs, zeroing of variable bonuses. In addition, a retirement incentive plan was launched for the categories closest to retirement. For more details, reference is made to the following notes: Note 6.3 Service costs, Note 6.4 Payroll costs, Note 6.5 Other operating costs.

ADR's comprehensive income statement was also impacted by the write-down of the investment in Azzurra Aeroporti, valued at fair value, due to the impact of COVID-19 on the company's expected cash flows. For more details, see Note 5.3 Equity investments.

With reference to the recoverability of the carrying amount of intangible assets, and in particular Concession fees, the COVID-19 pandemic was considered an impairment indicator; therefore, in accordance with IAS 36, an impairment test was carried out, which revealed a recoverable value of ADR's net invested capital higher than the *carrying amount*. For further information, reference should be made to Note 5.2 Intangible assets.

With regard to the infrastructure investment program, it should be noted that the measures adopted by the government to limit the spread of the virus at national level, in addition to the initiatives activated by ADR to protect adequate levels of liquidity, led to the temporary suspension of non-essential works, consequently to the pandemic crisis.

Again in order to guarantee liquidity, in the year ADR activated new short-medium term bank credit lines, in addition to a "green" bond issue placed on the market at the end of November. Between the use of pre-existing bank lines and new funding lines, new financial resources were raised for 980 million euros (680 million euros from bank lines and 300 million euros from the aforementioned bond issue), given a repayment maturity of 100 million euros, which took place in November, and a further 400 million euros, which will expire at the end of February 2021, also in relation to the Company's extra management requirements. In addition, ADR has made waiver requests aimed at eliminating the risk of breach of contract linked to non-compliance with financial covenant levels. All of the waiver requests were approved by the lending banks. For further details, please refer to Note 5.15 Financial liabilities and Note 7 Guarantees and covenants on medium/long-term financial liabilities.

The 2021 Budget established a COVID-19 damage fund of 500 million euros, of which 450 million euros intended to compensate for the damage suffered by airport operators directly attributable to the COVID-19 emergency recorded in the period February 23, 2020 - January 31, 2021, compared to the same period of the previous year. A contribution of up to 100% of the damage suffered is envisaged, calculated as a loss of revenues and an increase in costs attributable to the epidemic, net of cost reductions for access to social security benefits and other forms of support, for the period indicated above. In the event that the total amount of contributions attributable to all the beneficiary companies is greater than the resources allocated (450 million euros), the amount of the share assigned to each company will be determined in proportion to the contribution attributable to the same company with respect to the total attributable contributions and, in any case, within the maximum limit of twenty percent of the resources indicated for airports (maximum of 90 million euros). According to this mechanism, the significance of the requests that will presumably be made by companies in the sector and the weight of ADR with respect to these, it is conceivable that the Company's share will be no more than 90 million euros.

At the date of preparation of the financial statements, the issue of interministerial decrees for the implementation of the measure is pending; the disbursement of the grant is also subject to the assessment by the European Commission of compatibility with the rules on state aid.

The actions undertaken, together with the Company's capital strength, appear sufficient to ensure compliance with the contractual commitments that the Company will be called upon to fulfill in the following 12 months.

11. Subsequent events

For a description of the Subsequent events after the end of the year reference is made to the Consolidated financial statements.

The Board of Directors

REPORT
OF THE INDEPENDENT AUDITORS

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated 27 January 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Aeroporti di Roma S.p.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aeroporti di Roma S.p.A. (the Company), which comprise the statement of financial position as at 31 December 2020, and the statement of income, the statement of comprehensive income, statement of changes in equity and statement of cash flows 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 31 December 2020, 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.

Other Matters

As required by the law, the explanatory notes include the condensed financial information of the entity that exercises management and coordination over the Company. Such financial information has not been audited by us.

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.

Building a better working world

We identified the following key audit matters:

<table>
<tr><th>Key Audit Matter</th><th>Audit Response</th></tr>
<tr><td>Valuation of the Provision for renovation of airport infrastructure

The provision for renovation of airport infrastructure as of December 31, 2020 amounts to 191.7 Euro millions 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.
The amount of the provision recognized in the financial statements represents the Directors' best estimate of the nature, timing and amount of the maintenance costs, including the relevant financial component applied to account for the timing of such maintenance services.
Considering the judgment required by Management in order to evaluate the nature, timing and the amount of such maintenance services, we believe that the valuation of the provision for renovation of airport infrastructure represents a key audit matter.

The disclosures related to the accounting principles adopted for the provision for renovation of airport infrastructure are included in Note 3 "Accounting standards applied" of the Financial Statement, that expressly refers to Note 4 "Accounting standards applied" of the Consolidated Financial Statement and in Note 5.13 "Provisions for renovation of airport infrastructure" of the Financial Statements.</td><td>The audit procedures performed in response to this Key Audit Matter included, among others:

• analysis of the concession agreement that gives rise to the obligation;
• assessment of the process and key internal controls implemented by the Company surrounding the valuation process of the provision for renovation of airport infrastructure;
• test of details on a sample of provision utilizations accounted for during the fiscal year;
• analytical procedures on changes in the provision compared to the preceding fiscal year;
• analysis of the consistency of the assumptions used in estimating the provision for renovation of airport infrastructure against the Investment Plan 2021-2046;
• testing the reasonableness of the discount rate used also with the support of our specialists in financial instruments;
• testing the mathematical accuracy of the provision calculation.

Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements related to the Key Audit Matter.</td></tr>
<tr><td>Impairment test due to Covid-19 pandemic impacts on the business of the Company

The performance of Aeroporti di Roma during 2020 has been heavily influenced by the restrictions on air traffic for the purpose of containing the Covid-19 pandemic, which led to a decrease in passenger volume of 76.8% transiting through the Roman airport system compared to 2019 and consequently, contributed to a reduction in revenues of 71.8% compared to 2019.
The reduction in traffic and the contraction in revenues of the Company, as impacted by the</td><td>The audit procedures performed in response to this Key Audit Matter included, among others:

• analysis of the consistency of the underlying assumptions of the business plan prepared by the Company;
• analysis of the consistency of the assumptions in the context of macroeconomic environment;
• discussions with management regarding the manner of construction of the impairment test model;
• testing the consistency of the discount rate applied (WACC);</td></tr>
</table>

restrictions imposed by the Covid-19 pandemic, represent an indicator of impairment in accordance with IAS 36. Considering the significance of the impacts deriving from the matter described above we believe that this represents a key audit matter. The disclosures related to the Impairment test are included in Note "5.2 Intangible assets". The disclosures related to the Covid-19 impacts on the year 2020 are included in Note "10.5 Information on the effects of the COVID-19 epidemic".	• 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. Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements related 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 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;

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- 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 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 Aeroporti di Roma S.p.A., in the general meeting held on 9 April 2013, engaged us to perform the audits of the financial statements for each of the years ending 31 December 2013 to 31 December 2021.

We declare that we have not provided prohibited non-audit services, referred to in 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 pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated 27 January 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998

The Directors of Aeroporti di Roma S.p.A. are responsible for the preparation of the Management Report on Operations and of the specific section on Corporate Governance and Ownership Structure of Aeroporti di Roma S.p.A. as at 31 December 2020, 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 Management Report on Operations and of the specific information included in the section on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated 24 February 1998, with the financial statements of Aeroporti di Roma S.p.A. as at 31 December 2020 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above-mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of Aeroporti di Roma S.p.A. as at 31 December 2020 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 27 January 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 30 December 2016

As described on the Management Report on Operations the Directors of Aeroporti di Roma S.p.A. they availed themselves of the exemption to prepare the non-financial information pursuant to article 6, paragraph 1, of Italian Legislative Decree n. 254.

Rome, 23 March 2021

EY S.p.A.
Signed by: Roberto Tabarrini, auditor

This report has been translated into the English language solely for the convenience of international readers.

REPORT
OF THE BOARD OF STATUTORY AUDITORS

Report of the Board of Statutory Auditors to the Ordinary Shareholders' Meeting of Aeroporti di Roma S.p.A., pursuant to art. 2429 of the Italian Civil Code

To the Shareholders of Aeroporti di Roma S.p.A.

During the year ended December 31, 2020 our activity was inspired by the legal provisions and the Rules of Conduct of the Board of Statutory Auditors issued by the Italian National Board of Chartered Accountants and Accounting Experts.

Consolidated Financial Statements and Separate Financial Statements

We examined the draft consolidated financial statements and the draft separate financial statements for the year ended December 31, 2020, which were approved by the Board of Directors on March 4, 2021 and made available to us according to art. 2429 of the Italian Civil Code, with regard to which we report the following points.

Aeroporti di Roma S.p.A is a company subject to management and coordination by Atlantia S.p.A., which owns 99.385% of the share capital.

In turn, ADR "manages and coordinates" its subsidiary undertakings, ADR Tel S.p.A., ADR Ingegneria S.p.A., ADR Assistance S.r.l., ADR Security S.r.l., ADR Mobility S.r.l. and Airport Cleaning S.r.l.

The Financial Statements for the year ended December 31, 2020 consisting of the Balance Sheet, Income Statement, Statement of Comprehensive Income, Statement of Changes in Shareholders' Equity, Statement of Cash Flows, Explanatory Notes and the Management Report on Operations, show a loss for the year of 143,353,202.93 euros and summarize the following figures:

STATEMENT OF FINANCIAL POSITION	**(Euro)**
ASSETS	**12.31.2020**
Non-current assets	2,667,594,968
Current assets	1,385,363,668
TOTAL ASSETS	**4,052,958,636**
SHAREHOLDERS' EQUITY AND LIABILITIES	
SHAREHOLDERS' EQUITY	980,655,417
of which share capital	*62,224,743*
Non-current liabilities	2,215,603,668
Current liabilities	856,699,551
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**4,052,958,636**

INCOME STATEMENT	(Euro) 2020
REVENUES	368,395,246
COSTS	(490,066,555)
OPERATING INCOME	**(121,671,309)**
FINANCIAL INCOME (EXPENSE)	(59,446,185)
INCOME (LOSS) BEFORE TAXES	**(181,117,494)**
Income taxes	37,764,291
NET INCOME FOR THE YEAR	**(143,353,203)**

The Board of Statutory Auditors has checked compliance with the legal provisions relating to the preparation of the financial statements and has no observations to report in this regard, having - through information provided by the Directors, the Heads of Corporate Departments and the Independent Auditors - found that:

- the accounting statements and the valuation criteria adopted comply with the legal provisions and are adequate in relation to the activity performed by the Company;
- in drawing up the Draft Financial Statements, the Directors have complied with the principles set out in articles 2423 and 2423-bis of the Italian Civil Code, without applying the derogation set forth in the fourth paragraph of the aforementioned art. 2423;
- pursuant to art. 2426, first paragraph, no. 5 and no. 6 of the Italian Civil Code, the Board of Statutory Auditors specifies that no multi-year costs (start-up, expansion, research and development, advertising) for which the Board of Statutory Auditors must express its consent are recorded under assets in the balance sheet;
- the Draft Financial Statements, as prepared, correspond and are consistent with the facts and information the Board of Statutory Auditors is aware of as a result of participation in the meetings of corporate bodies and the supervisory activities carried out during the year;
- the accounting standards and valuation criteria are set out in the Explanatory Notes.

As explained in greater detail in the management report on operations, the Directors have prepared the Financial Statements on a going concern basis.

In this regard, we report that the notes to the financial statements and the management report on operations illustrate in detail the risk linked to the evolution of the economic situation.

2020 activity was heavily affected by the pandemic.

However, the illustrative report states that the implementation of the vaccination plans developed is starting to lead to cautious optimism, although the timeframe for a significant resumption of activities is still very uncertain and in any case long.

Therefore, it is very likely that 2021 will remain, as it was for 2020, a year heavily impacted by the pandemic crisis with predictably negative repercussions on profitability for the year. Moreover, in this context it is still necessary to continue, also throughout the year 2021, with the implementation of initiatives that contain operating costs and safeguard liquidity levels, also thanks to the contribution of additional sources of financing, should the necessary conditions be met.

As of December 31, 2020, the rating assigned by the Fitch, Moody's and S&P agencies to the bond issues and the issuer rating of ADR was of BBB-, Baa3 and BB+, respectively. The outlooks assigned by the agencies are rating watch evolving, negative and credit watch developing, respectively.

On January 3, 2020, Moody's cut the rating to Baa3 (from Baa2), placing the rating "under review for downgrade". On January 8, Fitch lowered the rating to BBB- (from BBB+) with “negative” rating watch. On January 15, Standard & Poor’s lowered the rating to BB+ (da BBB), also choosing the “negative” credit watch. All three actions follow simultaneous downgrades to the Atlantia group's rating.

Following the overall analysis of the European air transport sector and the impact of the COVID-19 pandemic, on April 1, 2020, S&P reduced ADR's stand alone credit profile ("SACP") from "a+" to "a-". This action, whilst reducing the SACP by 2 notches, once again highlights ADR's "stand alone" creditworthiness, which, compared with the issuer’s, deriving from considering the Atlantia Group's creditworthiness, shows a difference of 4 notches.

On July 17, 2020, Fitch Ratings decided to change ADR's watch rating, like that of Atlantia, from negative to evolving, following the preliminary agreement between the Atlantia Group and the Italian Government to settle the dispute over the revocation of Autostrade per l'Italia's concession.

On August 12, also S&P decided to change ADR's watch rating, like that of Atlantia, from negative to developing, following the preliminary agreement between the Atlantia Group and the Italian Government to settle the dispute over the revocation of Autostrade per l'Italia's concession. The developing status reflects the possibility, on the one hand, of increasing the rating in the event of a settlement agreement on the motorway concession, and on the other, of further reducing the rating in the event of revocation of the same concession.

The Explanatory Notes analytically state the accounting standards applied and there are no differences with respect to the previous year.

The Board also examined the Draft Consolidated Financial Statements for the year ended December 31, 2020, prepared pursuant to art. 2 of Italian Legislative Decree no. 38/2005, in compliance with the IFRS issued by the IASB and endorsed by the European Commission, in force on the balance sheet date.

The Explanatory Notes analytically state the accounting standards and the consolidation area and there are no differences with respect to the previous year.

The consolidation area includes the following companies: ADR Tel S.p.A., ADR Assistance S.r.l., ADR Mobility S.r.l., ADR Security S.r.l., Airport Cleaning S.r.l., ADR Ingegneria S.p.A. The consolidation procedure adopted follows the integral method. Equity investments in associated undertakings Pavimental S.p.A. and Spea Engineering S.p.A. are measured using the equity method.

In this respect, we report that on March 23, 2021 EY S.p.A., the auditor in charge of statutory auditing, issued the reports pursuant to art. 14 of Italian Legislative Decree 39/2010 and art. 10 of Regulation (EU) no. 537/2014, and the additional report pursuant to art. 11 of Regulation (EU) no. 537/2014. These state that the consolidated financial statements and the separate financial statements give a true and fair view of the financial position of the Company as of December 31, 2020, of the results of operation and of the cash flows of Aeroporti di Roma S.p.A. for the year ended on this date, in compliance with the International Financial Reporting Standards adopted by the European Union and with the measures issued to implement art. 9 of Italian Legislative Decree no. 38 of February 28, 2005. With reference to these reports, the Board of Statutory Auditors states that EY highlighted the elements underlying the audit opinion, the key aspects of the audit and the procedures implemented as audit response; it also declared that no services were provided other that the audit, which are forbidden pursuant to art. 5, par. 1 of Regulation (EU) no. 537/2014, and that the independence requirement was satisfied in conducting the audit.

As we are not responsible for the statutory audit of the financial statements, we verified their general layout, their overall compliance with the laws relating to form and content and have no particular observations to make in this regard.

We verified the compliance with the legal provisions regarding the preparation of the management report on operations and acknowledged that the Independent Auditors carried out the procedures specified in the audit standard (ISA Italia) no. 720 B and expressed an opinion on the consistency of the management report on operations and the specific section on corporate governance, under par. 2, letter b) of art. 123-bis of Italian Legislative Decree no. 58 of February 24, 1998, with the consolidated financial statements and the separate financial statements of Aeroporti di Roma for the year ended December 31, 2020, and their conformity with the legal provisions. The Independent Auditors also declared they have nothing to report with reference to the statement under art. 14, par. 2, letter e) of Italian Legislative Decree no. 39 of January 27, 2010, issued on the basis of the knowledge and understanding of the company and the relevant context, as acquired during the auditing activity. It also stated that, as described in the management report on operations, the directors of the Aeroporti di Roma Group benefitted from the exemption from drawing up the non-financial statement pursuant to art. 6, par. 1 of Italian Legislative Decree no. 254 of December 30, 2016.

It is then highlighted that:

- effective from January 1, 2020, the amendment to IFRS 9, IAS 39 and IFRS 7 concerning “Interest Rate Benchmark Reform” came into force. This amends some of the requirements to apply hedge accounting, providing for temporary derogations from them, in order to mitigate the impact resulting from the uncertainty of the reform of the Interbank Offered Rates (IBOR), pending its completion, on the assessment of the effectiveness of hedges through derivative financial instruments. In particular, the amendment requires (phase 1 of the IASB's implementation project) information to be provided on hedging relationships potentially affected by the IBOR reform, providing for a temporary suspension of certain specific hedging requirements under IFRS 9;
- during the year, the ADR Group carried out an accurate assessment of the risk of losing disputes underway.

Concessionary Relationship

ADR’s corporate purpose is the construction and management of airports or a part thereof, and the exercise of any activity related or complementary to air traffic of any type or specialty. This goal is achieved on the basis of a concession for the single management of the Roman airport system entrusted to the Company with Italian Law no. 755 of November 10, 1973.

The concessionaire ADR ensures the management and development of the Roman airport system (“Leonardo da Vinci” at Fiumicino and “G.B. Pastine” at Ciampino) in accordance with international, European and national regulations as well as the ENAC Regulations that govern the operation of airports open to civil traffic.

The original Concession Management Agreement no. 2820/74 was in force until December 21, 2012. After that date, a new Single Deed - Planning Agreement was approved with a specific Italian Council of Ministers Presidential Decree. The single document regulates both the relations regarding the airport management concession and the criteria to determine and periodically update the fees applicable to the so-called “regulated services”.

The expiry of the concession set for June 30, 2044 - pursuant to art. 14 of Italian Law no. 359 of August 8, 1992, and art. 1-quater of Italian Law no. 351 of August 3, 1995, and reaffirmed with notes from the Italian Ministry of Transport and Navigation on September 12, 1994 and January 23, 1998 - was extended ope legis to June 30, 2046 by virtue of article 202, paragraph 1-bis of Italian Legislative Decree no. 34 of May 19, 2020 (converted with amendments by Italian Law no. 77 of July 17, 2020), which provided for the two-year extension of the "duration of the concessions for the management and development of the airport activities in progress" in consideration of the negative economic effects deriving from the significant decrease in traffic linked to the emergency situation caused by the COVID-19 pandemic and related measures to contain the contagion adopted by the State and the Regions.

Italian Law no. 755/1973 (art. 1) sets forth the subject of the concession, consisting in the single management of the Roman airport system, to be carried out under the supervision of the Italian Ministry of Transport (now ENAC - Italian Civil Aviation Authority - pursuant to Italian Legislative Decree no. 250/1997) according to the provisions of the Navigation Code and regulations currently in force.

ADR also provides security screening services for passengers and carry-on and checked baggage, always based on the concession regime.

Italian Law Decree no. 251/1995, converted into Italian Law no. 351/1995, introduced the obligation to pay a concession fee.

With regard to credit risk, it should be noted that, as of December 31, 2020, the ADR Group's maximum exposure to credit risk is equal to the carrying value of the financial assets shown in the financial statements, as well as the par value of the guarantees provided for third parties' debt or commitments.

Due from clients includes all receivables from Alitalia SAI under special administration accrued prior to the airline's admission to the extraordinary administration procedure and that will be settled according to the methods and times set by the procedure. The ADR Group also has receivables from Alitalia SAI under special administration, overdue since the last months of 2020.

The greatest exposure to credit risk is from the receivables arising from its transactions with customers. The risk of customers' default is managed by making allocations to a specific provision for doubtful accounts, whose balance is reviewed from time to time. According to the impairment process adopted by the ADR Group, trade positions are subject to individual impairment according to the age of the receivable, the creditworthiness of the individual debtor and the progress of the management and recovery of the receivable.

Liquidity risk is meant as the risk that the available financial resources may be insufficient to cover the maturing obligations. In consideration of ADR Group's ability to generate cash flows, the diversification of the sources of financing and the availability of lines of credit, the company believes to have access to sufficient sources of finance to meet the planned financial requirements.

As of December 31, 2020 the ADR Group had a liquidity reserve estimated at 1347.2 million euros, comprising:

- 1097.2 million euros related to cash and cash equivalents;
- 250.0 million euros of unused credit facilities.

Transactions with related parties

The transactions performed by the ADR Group with related parties were carried out in the interest of the Group and are part of ordinary operations. Such transactions are regulated on a basis that is equivalent to those prevailing in transactions between independent parties.

With reference to the transparency obligations required under article 1, paragraphs from 125 to 129 of Italian Law no. 124/2017, no public grants were collected by the ADR Group in 2020.

2020 performance

The ADR Group's performance for 2020 was conditioned by the effects of an unprecedented crisis that, starting in March, involved the air transport sector in Italy and most of the rest of the world as a result of the health emergency caused by the spread of the Covid-19 virus.

The repercussions on the activity volumes of the Roman airport system were particularly significant, with passenger traffic down 76.8% compared to 2019 and movements down 63.8%.

The strongly negative traffic trend was reflected in both aeronautical and non-aeronautical revenues, which fell by 72.3%.

In order to counter the impact on its economic results and liquidity, the ADR Group took immediate action, implementing a series of measures aimed at containing costs. In concurrence with the increase in traffic restrictions, the infrastructure operations of the airports have been progressively reduced; negotiations have also been started with suppliers for the consequent remodeling of external services. With regard to personnel management, Group companies have made use of social security benefits (the Special Income Support Fund/Salary Integration Fund (CIGS/FIS)) for all employees, in addition to other measures, such as holiday entitlement programs, zeroing of variable bonuses. In addition, a retirement incentive plan was launched for the categories closest to retirement.

The ADR Group's comprehensive income statement was also impacted by the write-down of the investment in Azzurra Aeroporti, measured at fair value in the income statements, due to the impact of Covid-19 on the company's expected cash flows.

With reference to the recoverability of the carrying value of intangible assets, and in particular Concession fees, the Covid-19 pandemic was considered an impairment indicator; therefore, in accordance with IAS 36, an impairment test was carried out, which revealed a recoverable value of the ADR Group's net invested capital.

Subsequent events include:

- Following the discussions already initiated with ENAC, on January 22, 2021 ADR sent the Authority the new version of the airport development plan (the New PSA) fully compliant with the provisions of art. 1, paragraph 4, of the current Agreement, which identifies the creation of an infrastructure system aimed at "guaranteeing a development of a Roman airport system adequate for the traffic volumes estimated at the various time thresholds (100 million passengers per year 2044)" as the objective to be achieved through the conventional instruments identified by art. 17, paragraph 34bis, of Italian Law Decree no. 78 of 2009 converted by Italian Law no. 102 of 2009. This Plan represents the solution identified by the Company following the unfeasibility of the Master Plan to 2030 (the so-called Fiumicino Nord Master Plan) on the environmental compatibility of which the MATTM expressed a negative opinion with Italian Ministerial Decree no. 79/20.
- The trial on Covid Tested flights from the United States, approved as the only airport in Italy for flights from the United States by order of the Italian Ministry of Health in agreement with the Italian Ministry of Transport and the Italian Ministry of Foreign Affairs of November 23, 2020, launched at Fiumicino from December 8, shows that only 5 passengers out of a total of 3,824 tested positive for Covid, with a positivity rate of just 0.13% (data as of January 28, 2021). ADR has been granted an extension of the experimental phase until March 5 and is working to involve more airlines, airports and institutions to promote effective, sustainable and consistent protocols across Europe.
- On February 11, 2021, the new Vaccination Center of the Lazio Region became operational, created in an Italian airport for the first time, thanks to the collaboration with ADR and the Italian Red Cross. The structure of about 1,500 square meters is fully covered and heated and will be able to administer up to three thousand doses of vaccine per day when operating 24 hours a day. It has been set up at the long-term parking lot of Fiumicino airport, where the drive-in area for COVID-19 tests has been active since last September
- On January 21, 2021, following the fulfilment of the conditions precedent provided for in the purchase and sale agreement signed at the end of December 2020, ADR acquired the equity investment, equal to 100% of the share capital, held by Pavimental S.p.A. in ADR Infrastrutture S.p.A., the company to which Pavimental had previously transferred the business unit dedicated to airport activities, with effect from January 1, 2021. The purchase price paid was 12.2 million euros;

This transaction is motivated by ADR's interest in performing in house the work on the airport development plan, in order to guarantee direct control over the timing and quality of execution.

- On January 22, 2021, the Company accepted the binding offer submitted by Autostrade per l'Italia S.p.A. for ADR's acquisition of its holding in Pavimental S.p.A. (20%). Completion of the purchase and sale transaction is expected by March.
- As part of the reorganization project launched by the Atlantia Group and aimed at bringing the engineering support activities carried out until now by Spea Engineering S.p.A. within the scope of the groups belonging to the relevant principals, on February 26, 2021 the ADR Group company, ADR Ingegneria S.p.A., signed the preliminary contract for the lease of the business unit of Spea Engineering S.p.A. dedicated to airport engineering and works supervision. The contract has a duration of two years, renewable by tacit agreement for a further two, with the right of withdrawal "ad nutum" of both parties with 6 months' notice. The rent is 133 thousand euros, fixed and unchangeable for the entire duration of the contract.

Supervisory Activity

We verified compliance with the law, the Articles of Association and the principles of good governance.

During 2020 the Board met 12 times, we took part in 1 Shareholders' Meetings and 16 meetings of the Board of Directors, in relation to which, based on the information available, we did not find any violation of the law and the Articles of Association, nor transactions that were manifestly imprudent, risky or such to compromise the value of the Company's assets. The Board of Statutory Auditors is aware that any conflict of interest was declared pursuant to the law.

We acquired information from the Directors and the Governing Bodies as regards the general operating performance and the business outlook as well as on the most significant transactions in terms of size or characteristics, carried out by the Company and, based on the information acquired, we have no special remark to make.

We met with the auditor in charge of independent auditing, and no relevant information or data emerged that must be highlighted in this report.

We met with the Internal Audit structure, and no relevant information or data emerged that must be highlighted in this report.

We met with the Supervisory Body, and no issues emerged as regards the correct implementation of the Organizational and Management Model that must be highlighted in this report.

We met the Board of Statutory Auditors of the Parent Company and exchanged information with the control bodies of the subsidiary undertakings of ADR: these exchanges did not reveal any facts or circumstances that deserve your attention.

We gathered information on and supervised, within our competence, the adequacy and operation of the organizational structure of the Company, also through the acquisition of information from the heads of the departments, and have no remark to report on this point.

We gathered information on and supervised, within our competence, the adequacy and operation of the administration-accounting system as well as its reliability to fairly represent the operations; this was done by obtaining information from the heads of the departments and the auditor in charge of the statutory auditing, and examining the corporate documentation, and have no special remark to make on this point.

No reports were made pursuant to art. 2408 of the Italian Civil Code.

On March 4, 2020, the Board of Statutory Auditors expressed a favorable opinion on the proposal for the 2020 MBO assignment, with specific reference to the remuneration on which the Board of

Statutory Auditors is required to express its opinion pursuant to art. 2389, paragraph 3, of the Italian Civil Code.

On June 18, 2020, a favorable opinion was expressed, pursuant to art. 2389, paragraph 1 of the Italian Civil Code, of the Italian Civil Code, regarding the proposal to determine the remuneration of the Managing Director of ADR.

During the supervisory activity, as described above, no significant events emerged that are such to require mention in this report.

Conclusions

Dear Shareholders,

also considering the outcome of the activity performed by the auditor in charge of statutory auditing contained in the audit report of the Financial Statements, the Board proposes to the Meeting to approve the 2020 Financial Statements as drawn up by the Directors. The Board acknowledges the proposal to cover the loss for the year, amounting to 143,353,202.93 euros, by using the same amount of retained earnings.

For the Board of Statutory Auditors

Mr Giuseppe Cosimo Tolone – Chairman

Mr Alessandro Bonura

Mr Pasquale De Falco

Mr Maurizio De Filippo

Mr Pier Vittorio Vietti

Rome, March 23, 2021

ANNEXES

Annex 1 - Key data from the financial statements of Atlantia S.p.A. for the year ended December 31, 2019

From August 2, 2007, ADR qualifies as a company "managed and coordinated" by Gemina. As a result of the merger by incorporation of Gemina into Atlantia, with effect from December 1, 2013, ADR is subject to "management and co-ordination" by Atlantia.

Key data from the Financial statements of Atlantia as of December 31, 2019, the latest available financial statements, are shown in the table below:

Financial statements of Atlantia S.p.A. for the year ended December 31, 2019

BALANCE SHEET (THOUSANDS OF EUROS)

ASSETS	12.31.2019
Non-current assets	16,287,520
Current assets	732,276
TOTAL ASSETS	**17,019,796**
SHAREHOLDERS' EQUITY AND LIABILITIES	
Shareholders' equity	10,808,916
of which share capital	825,784
Non-current liabilities	5,989,636
Current liabilities	221,244
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**17,019,796**

INCOME STATEMENT (THOUSANDS OF EUROS)

	2019
Operating income	2,566
Operating costs	(92,987)
Operating income	**(90,421)**
Income (loss) for the year	**426,614**

Annex 2 - Financial and operational highlights of subsidiary and associated undertakings

Pursuant to art. 2429, paragraphs 3 and 4 of the Italian Civil Code, reported below are the main financial and operational data for the year 2020 approved by the Board of Directors of ADR's subsidiary and associated undertakings. These companies prepare their financial statements according to the Italian accounting standards.

ADR Assistance S.r.l.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2020	12.31.2019
Intangible fixed assets	9	12
Tangible fixed assets	1,244	1,743
A. - Fixed assets	**1,253**	**1,755**
Trade receivables	1,141	3,576
Other activities	2,143	715
Trade payables	(697)	(815)
Allowances for risks and charges	(391)	(89)
Other liabilities	(1,735)	(2,983)
B. - Working capital	**461**	**404**
C. - Invested capital, minus short-term liabilities (A+B)	**1,714**	**2,159**
D. - Employee severance indemnities	**22**	**25**
E. - Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**1,692**	**2,134**
financed by:		
Share capital	4,000	4,000
Reserves and retained earnings	3,263	1,422
Net income (loss) for the year	(2,047)	1,841
F. - Shareholders' equity	**5,216**	**7,263**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing (net cash and cash equivalents)	**(3,524)**	**(5,129)**
Short-term borrowing	0	0
Cash and current receivables	(3,524)	(5,129)
(G+H)	**(3,524)**	**(5,129)**
I. - Total as in "E" (F+G+H)	**1,692**	**2,134**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2020	2019
A.- Revenues	**8,947**	**22,022**
B.- Revenues from ordinary activities	**8,947**	**22,022**
Cost of materials and external services	(2,182)	(3,779)
C.- Added value	**6,765**	**18,243**
Payroll costs	(8,991)	(15,432)
D.- Gross operating income	**(2,226)**	**2,811**
Amortization and depreciation	(509)	(642)
Allowances for risks and charges	(121)	(17)
Other income (expense), net	28	649
E.- Operating income	**(2,828)**	**2,801**
Financial income and expense	45	1
F.- Income (loss) before taxes	**(2,783)**	**2,802**
Income taxes for the year	736	(961)
G. - Net income (loss) for the year	**(2,047)**	**1,841**

ADR Tel S.p.A.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2020	12.31.2019
Intangible fixed assets	1,926	1,974
Tangible fixed assets	878	922
A. - Fixed assets	**2,804**	**2,896**
Inventories	639	456
Trade receivables	14,142	8,271
Other activities	1,025	1,017
Trade payables	(10,549)	(11,530)
Allowances for risks and charges	(310)	0
Other liabilities	(2,573)	(1,224)
B. - Working capital	**2,374**	**(3,010)**
C. - Invested capital, minus short-term liabilities (A+B)	**5,178**	**(114)**
D. - Employee severance indemnities	**881**	**1,059**
E. - Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**4,297**	**(1,173)**
financed by:		
Share capital	600	600
Reserves and retained earnings	7,605	4,795
Net income (loss) for the year	2,520	2,810
F. - Shareholders' equity	**10,725**	**8,205**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing (net cash and cash equivalents)	**(6,428)**	**(9,378)**
Short-term borrowing	0	0
Cash and current receivables	(6,428)	(9,378)
(G+H)	**(6,428)**	**(9,378)**
I. - Total as in "E" (F+G+H)	**4,297**	**(1,173)**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2020	2019
A.- Revenues	**32,130**	**32,804**
Capitalized costs and expenses	30	62
B.- Revenues from ordinary activities	**32,160**	**32,866**
Cost of materials and external services	(23,779)	(23,601)
C.- Added value	**8,381**	**9,265**
Payroll costs	(3,704)	(4,630)
D.- Gross operating income	**4,677**	**4,634**
Amortization and depreciation	(964)	(955)
Other adjusting provisions	(90)	(22)
Other income (expense), net	(29)	269
E.- Operating income	**3,594**	**3,927**
Financial income and expense	10	1
F.- Income (loss) before taxes	**3,604**	**3,928**
Income taxes for the year	(1,084)	(1,117)
G. - Net income (loss) for the year	**2,520**	**2,810**

ADR Security S.r.l.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2020	12.31.2019
Intangible fixed assets	0	0
Tangible fixed assets	0	0
A. - Fixed assets	**0**	**0**
Trade receivables	7,528	8,450
Other activities	782	501
Trade payables	(2,232)	(3,237)
Allowances for risks and charges	(448)	(19)
Other liabilities	(2,570)	(6,654)
B. - Working capital	**3,060**	**(959)**
C. - Invested capital, minus short-term liabilities (A+B)	**3,060**	**(959)**
D. - Employee severance indemnities	**3,150**	**3,255**
E. - Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**(90)**	**(4,214)**
financed by:		
Share capital	400	400
Reserves and retained earnings	1,916	1,227
Net income (loss) for the year	(652)	689
F. - Shareholders' equity	**1,664**	**2,316**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing	**(1,754)**	**(6,530)**
Short-term borrowing	0	0
Cash and current receivables	(1,754)	(6,530)
(G+H)	**(1,754)**	**(6,530)**
I. - Total as in "E" (F+G+H)	**(90)**	**(4,214)**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2020	2019
A.- Revenues	**31,720**	**46,977**
B.- Revenues from ordinary activities	**31,720**	**46,977**
Cost of materials and external services	(8,412)	(10,113)
C.- Added value	**23,308**	**36,864**
Payroll costs	(24,565)	(36,093)
D.- Gross operating income	**(1,257)**	**771**
Amortization and depreciation	0	0
Other adjusting provisions	(8)	0
Allowances for risks and charges	(35)	(19)
Other income (expense), net	382	582
E.- Operating income	**(918)**	**1,334**
Financial income and expense	1	(2)
F.- Income (loss) before taxes	**(917)**	**1,332**
Income taxes for the year	265	(643)
G. - Net income (loss) for the year	**(652)**	**689**

ADR Mobility S.r.l.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2020	12.31.2019
Intangible fixed assets	5,003	5,324
Tangible fixed assets	4,661	5,156
Non-current financial assets	2	2
A. - Fixed assets	**9,666**	**10,482**
Trade receivables	3,421	2,758
Other activities	2,856	727
Trade payables	(4,492)	(4,145)
Allowances for risks and charges	(23)	(4)
Other liabilities	(440)	(1,386)
B. - Working capital	**1,322**	**(2,050)**
C. - Invested capital, minus short-term liabilities (A+B)	**10,987**	**8,432**
D. - Employee severance indemnities	**485**	**487**
E. - Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**10,502**	**7,945**
financed by:		
Share capital	1,500	1,500
Reserves and retained earnings	16,529	8,771
Net income (loss) for the year	(2,316)	7,758
F. - Shareholders' equity	**15,713**	**18,029**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing	**(5,211)**	**(10,084)**
.Short-term borrowing	0	0
.Cash and current receivables	(5,211)	(10,084)
(G+H)	**(5,211)**	**(10,084)**
I. - Total as in "E" (F+G+H)	**10,502**	**7,945**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2020	2019
A.- Revenues	**16,155**	**43,219**
B.- Revenues from ordinary activities	**16,155**	**43,219**
Cost of materials and external services	(13,906)	(25,739)
C.- Added value	**2,249**	**17,480**
Payroll costs	(1,905)	(3,296)
D.- Gross operating income	**344**	**14,184**
Amortization and depreciation	(2,275)	(2,247)
Other adjusting provisions	(72)	0
Allowances for risks and charges	0	0
Other income (expense), net	(1,113)	(1,095)
E.- Operating income	**(3,116)**	**10,842**
Financial income and expense	1	1
F.- Income (loss) before taxes	**(3,115)**	**10,843**
Income taxes for the year	799	(3,085)
G. - Net income (loss) for the year	**(2,316)**	**7,758**

Airport Cleaning S.r.l.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2020	12.31.2019
Intangible fixed assets	0	0
Tangible fixed assets	119	121
A. - Fixed assets	**119**	**121**
Trade receivables	2,750	4,418
Other activities	1,403	349
Trade payables	(2,313)	(2,891)
Allowances for risks and charges	(196)	(243)
Other liabilities	(689)	(1,750)
B. - Working capital	**955**	**(117)**
C. - Invested capital, minus short-term liabilities (A+B)	**1,074**	**4**
D. - Employee severance indemnities	**2**	**11**
E. - Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**1,072**	**(7)**
financed by:		
Share capital	1,500	1,500
Reserves and retained earnings	2,508	1,554
Net income (loss) for the year	112	954
F. - Shareholders' equity	**4,120**	**4,008**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing	**(3,048)**	**(4,015)**
Short-term borrowing	0	0
Cash and current receivables	(3,048)	(4,015)
(G+H)	**(3,048)**	**(4,015)**
I. - Total as in "E" (F+G+H)	**1,072**	**(7)**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2020	2019
A.- Revenues	**15,923**	**26,075**
B.- Revenues from ordinary activities	**15,923**	**26,075**
Cost of materials and external services	(6,549)	(9,133)
C.- Added value	**9,374**	**16,942**
Payroll costs	(9,063)	(15,303)
D.- Gross operating income	**311**	**1,639**
Amortization and depreciation	(29)	(35)
Allowances for risks and charges	(60)	(105)
Other income (expense), net	17	32
E.- Operating income	**239**	**1,531**
Financial income and expense	1	1
F.- Income (loss) before taxes	**240**	**1,532**
Income taxes for the year	(128)	(578)
G. - Net income (loss) for the year	**112**	**954**

ADR Ingegneria S.p.A. (former ADR Sviluppo S.r.l. Unipersonale)

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2020	12.31.2019
Intangible fixed assets	4	4
Non-current financial assets	6	6
A. - Fixed assets	**10**	**10**
Trade receivables	0	0
Other activities	3	1
Trade payables	(37)	0
B. - Working capital	**(34)**	**1**
C. - Invested capital, minus short-term liabilities (A+B)	**(24)**	**11**
D. - Employee severance indemnities	**0**	**0**
E. - Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**(24)**	**11**
financed by:		
Share capital	100	100
Reserves and retained earnings	140	106
Net income (loss) for the year	(47)	34
F. - Shareholders' equity	**193**	**240**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing	**(217)**	**(229)**
Short-term borrowing	0	0
Cash and current receivables	(217)	(229)
(G+H)	**(217)**	**(229)**
I. - Total as in "E" (F+G+H)	**(24)**	**11**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2020	2019
A.- Revenues	**0**	**0**
B.- Revenues from ordinary activities	**0**	**0**
Cost of materials and external services	(47)	(1)
C.- Added value	**(47)**	**(1)**
Payroll costs	0	0
D.- Gross operating income	**(47)**	**(1)**
Amortization and depreciation	0	0
Other adjusting provisions	0	0
Allowances for risks and charges	0	0
Other income (expense), net	0	0
E.- Operating income	**(47)**	**(1)**
Financial income and expense	0	35
F.- Income (loss) before taxes	**(47)**	**34**
Income taxes for the year	0	0
G. - Net income (loss) for the year	**(47)**	**34**

Consorzio E.T.L. in liquidation

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2020	12.31.2019
Intangible fixed assets	0	0
Tangible fixed assets	0	0
Non-current financial assets	0	0
A. - Fixed assets	**0**	**0**
Trade receivables	0	0
Other activities	36	36
Trade payables	0	(47)
Other liabilities	(17)	0
B. - Working capital	**19**	**(11)**
C. - Invested capital, minus short-term liabilities (A+B)	**19**	**(11)**
D. - Employee severance indemnities	**0**	**0**
E. - Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**19**	**(11)**
financed by:		
Capital	(7)	(5)
Reserves and retained earnings	0	0
Net income (loss) for the year	27	(6)
F. - Net liquidation capital	**20**	**(11)**
G. - Medium/long-term borrowing	**0**	**0**
H. - Short-term net borrowing	**(1)**	**0**
Short-term borrowing	0	0
Cash and current receivables	(1)	0
(G+H)	(1)	0
I. - Total as in "E" (F+G+H)	**19**	**(11)**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2020	2019
A.- Revenues	**0**	**0**
B.- Revenues from ordinary activities	**0**	**0**
Cost of materials and external services	(5)	(5)
C.- Added value	**(5)**	**(5)**
Payroll costs	0	0
D.- Gross operating income	**(5)**	**(5)**
Amortization and depreciation	0	0
Other adjusting provisions	0	0
Allowances for risks and charges	0	0
Other income (expense), net	32	(1)
E.- Operating income	**27**	**(6)**
Financial income and expense	0	0
F.- Income (loss) before taxes	**27**	**(6)**
Income taxes for the year	0	0
G. - Net income (loss) for the year	**27**	**(6)**

Pavimental S.p.A.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2020	12.31.2019
Intangible fixed assets	76	109
Tangible fixed assets	33,879	65,169
Non-current financial assets	5,388	5,388
A. - Fixed assets	**39,343**	**70,666**
Inventories	270,878	170,531
Trade receivables	49,318	59,759
Other activities	38,179	31,824
Trade payables	(183,415)	(165,250)
Allowances for risks and charges	(6,820)	(8,051)
Other liabilities	(18,310)	(17,035)
B. - Working capital	**149,830**	**71,778**
C. - Invested capital, minus short-term liabilities (A+B)	**189,173**	**142,444**
D. - Employee severance indemnities	**2,944**	**3,351**
E. - Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**186,229**	**139,093**
financed by:		
Share capital	10,116	10,116
Reserves and retained earnings	4,877	4,834
Net income (loss) for the year	(4,928)	31
F. - Shareholders' equity	**10,065**	**14,981**
G. - Medium/long-term borrowing	**23,625**	**29,993**
H. - Short-term net borrowing	**152,539**	**94,119**
Short-term borrowing	161,287	122,875
Cash and current receivables	(8,748)	(28,756)
(G+H)	**176,164**	**124,112**
I. - Total as in "E" (F+G+H)	**186,229**	**139,093**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2020	2019
A.- Revenues	**437,670**	**335,708**
B.- Revenues from ordinary activities	**494,791**	**405,700**
Cost of materials and external services	(384,081)	(302,257)
Other costs	(1,353)	(627)
C.- Added value	**109,357**	**102,816**
Payroll costs	(95,968)	(70,464)
D.- Gross operating income	**13,389**	**32,352**
Amortization and depreciation	(16,590)	(30,120)
Other adjusting provisions	0	(837)
Allowances for risks and charges	(833)	(110)
E.- Operating income	**(4,034)**	**1,285**
Financial income and expense	(1,621)	(1,499)
Foreign exchange gains (losses)	(156)	(73)
Value adjustments of financial assets	(72)	(46)
F.- Income (loss) before taxes	**(5,883)**	**(333)**
Income taxes for the year	955	364
G. - Net income (loss) for the year	**(4,928)**	**31**

Spea Engineering S.p.A.

RECLASSIFIED BALANCE SHEET (THOUSANDS OF EUROS)	12.31.2020	12.31.2019
Intangible fixed assets	177	795
Tangible fixed assets	2,945	3,954
Non-current financial assets	82	273
A. - Fixed assets	**3,204**	**5,022**
Inventories	75,843	111,123
Trade receivables	21,602	30,536
Other activities	20,807	18,033
Trade payables	(51,635)	(55,892)
Allowances for risks and charges	(22,855)	(25,776)
Other liabilities	(13,328)	(21,482)
B. - Working capital	**30,434**	**56,542**
C. - Invested capital, minus short-term liabilities (A+B)	**33,638**	**61,564**
D. - Employee severance indemnities	**1,281**	**5,227**
E. - Invested capital, minus (C-D) short-term liabilities and employee severance indemnities	**32,357**	**56,337**
financed by:		
Share capital	6,966	6,966
Reserves and retained earnings	40,366	62,220
Merger surplus	9,024	9,024
Net income (loss) for the year	(15,727)	(21,854)
F. - Shareholders' equity	**40,629**	**56,356**
G. - Medium/long-term borrowing	**(22)**	**(227)**
H. - Short-term net borrowing	**(8,250)**	**208**
Short-term borrowing	1	3,258
Cash and current receivables	(8,251)	(3,050)
(G+H)	**(8,272)**	**(19)**
I. - Total as in "E" (F+G+H)	**32,357**	**56,337**

RECLASSIFIED INCOME STATEMENT (THOUSANDS OF EUROS)	2020	2019
A.- Revenues	**51,053**	**66,365**
B.- Revenues from ordinary activities	**51,053**	**66,365**
Cost of materials and external services	(27,372)	(36,913)
C.- Added value	**23,681**	**29,452**
Payroll costs	(39,630)	(49,553)
D.- Gross operating income	**(15,949)**	**(20,101)**
Amortization and depreciation	(1,968)	(3,122)
Other adjusting provisions	(1,332)	(717)
Allowances for risks and charges	(724)	(3,634)
E.- Operating income	**(19,973)**	**(27,574)**
Financial income and expense	(304)	(219)
F.- Income (loss) before taxes	**(20,277)**	**(27,793)**
Income taxes for the year	4,550	5,939
G. - Net income (loss) for the year	**(15,727)**	**(21,854)**

RESOLUTIONS OF THE SHAREHOLDERS' MEETING

RESOLUTIONS OF THE ORDINARY SHAREHOLDERS' MEETING OF APRIL 27, 2021

Aeroporti di Roma

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