

# **MILIONE S.P.A.**

Consolidated Financial Statements of  
**MILIONE S.p.A.**  
at December 31, 2021

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**MILIONE S.p.A.**

Share capital: Euro 188,737.00 fully paid-in

Registered office: viale G. Galilei No. 30/1 - 30173 Venice

Venice REA No.: 418330

Venice Companies Registration Office, Tax and VAT No.: 03411340262

According to the Shareholder Register, on December 31, 2021, the share capital of Milione S.p.A. was broken down as follows:

	%
	<b>HELD</b>
INFRA HUB S.R.L.	43.9942
LEONE INFRASTRUCTURE S.R.L.	43.9942
SVILUPPO 87 S.R.L.	12.0079
CENTRO VACANZE PRA' DELLE TORRI S.R.L.	0.0037

**Board of Directors**

The Board of Directors appointed by the Shareholders' Meeting of October 8, 2020 and in office on December 31, 2021 were:

<b>Name</b>	<b>Office</b>
Enrico Marchi	Chairperson
Hamish Macphail Massie Mackenzie	Vice Chairperson
Athanasios Zoulovits	Vice Chairperson
Fabio Battaglia	Director
Grégoire Parrical De Chammard	Director
Zeynep Lucchini Gilera	Director
Walter Manara	Director
Giovanni Marchi	Director
Monica Scarpa	Director

**Board of Statutory Auditors**

The Board of Statutory Auditors appointed by the Shareholders' Meeting of October 8, 2020 and in office on December 31, 2021 were:

<b>Name</b>	<b>Office</b>
Nicola Broggi	Chairperson
Paolo Caprotti	Statutory Auditor
Roberto Lonzar	Statutory Auditor
Fabrizio Acerbis	Alternate Auditor
Michele Crisci	Alternate Auditor
Anna Masè	Alternate Auditor

**Independent Audit Firm**

Deloitte & Touche S.p.A. (appointed by the Shareholders' meeting held on April 17, 2020)

## Directors' Report

## Consolidated Financial Highlights

<i>(Euro millions)</i>	2021	2020 RESTATED	% CHANGE
Revenues	86.4	70.7	22.2%
EBITDA	14.6	3.7	295.3%
EBIT	(62.9)	(70.2)	-10.4%
Group Net Profit/(loss)	(75.7)	(80.6)	-6.1%
Fixed Capital Employed	1,593.4	1,633.2	-2.4%
Net operating working capital	(48.5)	(66.7)	-27.3%
<b>Net capital employed</b>	<b>1,545.3</b>	<b>1,566.4</b>	<b>-1.3%</b>
- Own funds	502.9	573.2	-12.3%
- Minority shareholders	2.5	7.2	-65.8%
<b>SHAREHOLDERS' EQUITY</b>	<b>505.4</b>	<b>580.4</b>	<b>-12.9%</b>
<b>NET FINANCIAL POSITION</b>	<b>1039.9</b>	<b>972.7</b>	<b>6.9%</b>
EBIT/Revenue (ROS)	-72.7%	-99.2%	
Venice-Treviso Airport System Passenger Nos.	4,659,150	3,263,367	42.8%

In October, the subsidiary Save S.p.A. published a tender notice in the Official Gazette for the selection of an economic operator to purchase the entire share capital of the company Triveneto Sicurezza S.r.l.. On January 27, 2022, the SAVE Group concluded the tender and on February 16, 2022, the sales agreement was signed, subject to specific conditions.

Following the decision to sell the subsidiary, the contribution to the consolidated values of Triveneto Sicurezza S.r.l. are presented as Discontinued Operations, as per IFRS 5.

Specifically:

- the balance sheet amounts on December 31, 2021 are presented under “Assets held-for-sale” and “Liabilities related to assets held-for-sale”;
- the income statement amounts of Triveneto Sicurezza S.r.l, for the two years compared, are presented under the “Profit/(loss) from Discontinued Operations/Held-for-sale”, restating the comparative data.
- the Continuing Operations items are presented disregarding the elimination of the inter-company transactions with Triveneto Sicurezza S.r.l..

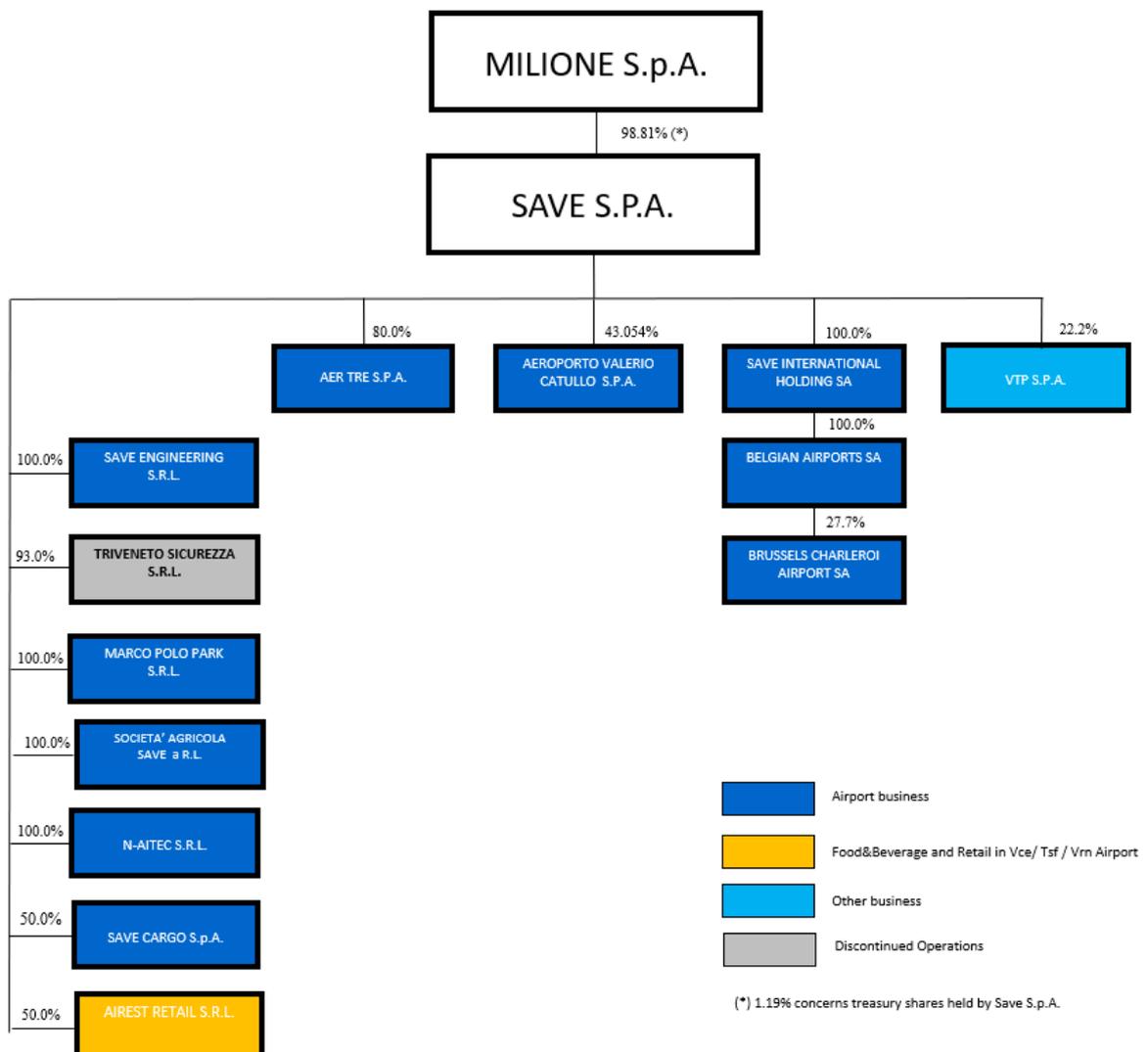
A number of alternative performance measures not governed by IFRS are utilized in this document, as described in the dedicated paragraph of the Directors' Report. Given that these measures are not identified as an accounting measure within IFRS, the criterion for their determination may not be uniform with other groups or companies.

Regarding the alternative performance measures, we note that, as per that indicated above, Operating Revenues and EBITDA do not include the contribution of Triveneto Sicurezza S.r.l..

## The Group

Milione S.p.A. (hereafter also the “Company” or “Milione” or “Parent Company”), previously Agora Investimenti S.p.A., holds a majority investment in SAVE S.p.A. – hereafter also “SAVE” –, an investment holding company which mainly operates through its subsidiaries in the airport management sector. The subsidiary directly manages Venice Marco Polo Airport and controls the management company of Treviso Antonio Canova airport. Save also has significant holdings in the companies that manage Valerio Catullo di Verona Villafranca airport, Gabriele D’Annunzio di Montichiari (BS) airport and Charleroi (Belgium) airport, in addition to those in companies operating in airport management related sectors.

We report below the Group structure, with the main operating companies and the Group holding percentage.



## Market performance

At the time of preparing this Directors' Report, the conflict between Russia and Ukraine is ongoing, which broke out in the last week of February 2022. This is the main uncertainty to be considered in analysing the market and potential short and medium-term developments. This not only as affecting our specific sector (airports), but also as its impacts, even if optimistically considering a ceasefire, shall be felt on global post-pandemic economic development and in terms of the political-economic relations with a country which shall always play a central role in the European and global order.

Looking to the key events for our sector in 2021, we can state that the year again featured the impacts of the COVID-19 pandemic. In fact, the delta variant was a key factor in the initial part of the year, with governments again forced to impose even stricter movement restrictions, while - from the summer thanks to the launch of a major vaccination campaign and the drop in infections - the second part of the year saw a gradual return to normal social interaction and movement. The uptick in infections brought by the omicron variant at the turn of the year did not mean heavy restrictions, with travel permitted by "green passes" and the impact of the pandemic appeared to be under control across Europe during the initial months of 2022.

More generally, the economy - particularly in the initial 9 months of 2021 - saw major signs of recovery, with the indicators returning close to 2019 levels. The Eurozone in particular saw a recovery in trade to pre-pandemic levels in the initial three quarters, while the increase in infections and persistent supply chain bottle necks (hindering manufacturing) led to a sharp slowdown in the fourth quarter. Rising inflation is an additional factor threatening 2022's forecast growth levels which - driven in particular by exemptional energy price rises - in the Eurozone hit record levels since the beginning of monetary union.

In this sense, the effects from the current war, which may not yet be easily estimated, but which shall certainly have a significant future economic impact, point towards 2022 as a year still featuring a significant degree of general economic uncertainty.

In this situation, the aviation and airport sector are obviously among those hit hardest: ACI Europe's<sup>1</sup> figures for 2021 indicate a still heavy impact from the restrictions put in place across many countries in view of the significant number of infections, particularly in the initial part of the year. H1 in fact saw a 77.7% drop in European airport traffic compared to 2019. The mass vaccine program and the EU Digital Covid Certificate brought a partial recovery from the summer onwards, allowing traffic to significantly recover in the second half of the year, although remaining 42.4% lower than 2019. The year overall therefore reported traffic growth of 37% on 2020, although still 59% down in 2019.

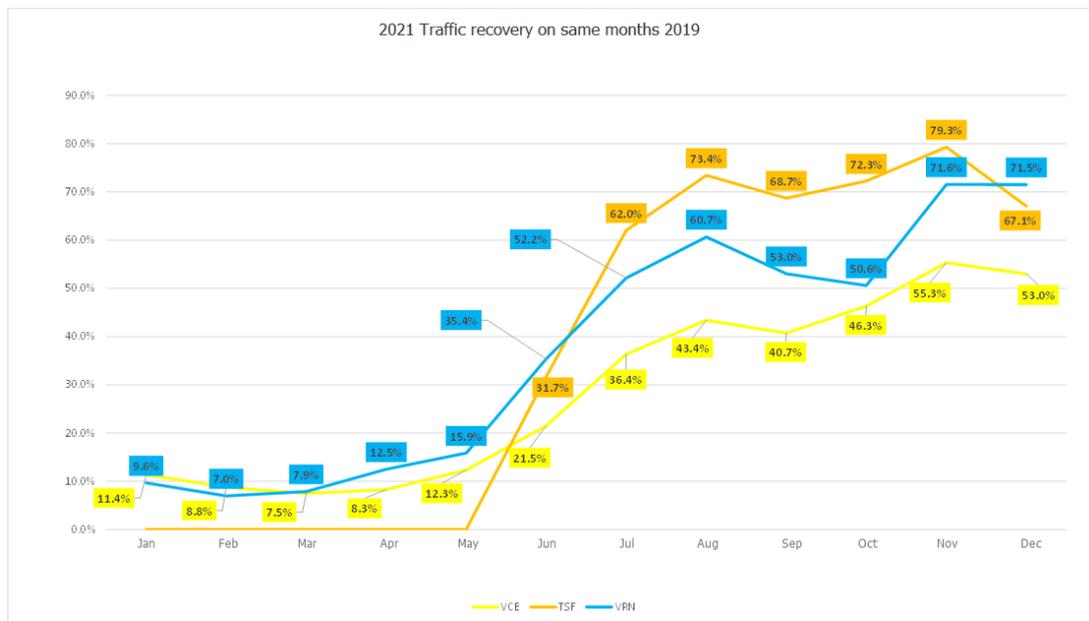
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<sup>1</sup> ACI Europe (Airports Council International) Press Release January 25, 2022

Analysing European monthly traffic development, the impact of the omicron variant partially held back the traffic recovery in December, which returned to 39.2% down on 2019 (compared to -35.2% in November).

The Italian market performance was substantially similar, with the airports with a greater domestic component (typically in Southern Italy and the islands) seeing a quicker recovery in traffic than those influenced more by the upturn in international movements which, as previously indicated, were still heavily restricted<sup>2</sup>. Italian airports overall handled approx. 81 million passengers, decreasing by 112 million (-58%) in 2021.

For the North-Eastern Airports system, the above performance meant that Treviso airport had to remain closed for the first five months of the year, whilst all three airports, which mainly handle passenger traffic, saw a strong upturn from the summer onwards, reflecting the specific characteristics of each airport. The ongoing recovery on the comparative months of 2019 at the various system terminals is highlighted in the following graph.



Excluding the uncertainties outlined above relating to the indirect impacts of the Russian-Ukrainian conflict, 2022 would present itself as a year of effective recovery in movements, allowing for a significant recovery in traffic in 2021, in line with the monthly recovery numbers at the end of the year. For our airport system, the stoppage of Russian and Ukrainian air traffic, already limited by the lack of recognition of the Sputnik vaccine in the EU, does not significantly lower our 2022 forecast. The hitting of historic high fuel prices may however have a significant impact on airline ticket prices, consequently reducing the propensity to travel. Further impacts may derive from an escalation of the current war, whose complexity is not yet foreseeable.

<sup>2</sup> Assaeroporti 2021 figures

## Group Structure

The Group structure has not altered significantly, although we highlight below a number of transactions undertaken to improve operating flexibility and to increase holdings in certain investee companies enabling greater involvement in the operational and strategic management of these airports.

In terms of the former aspect, in October Save S.p.A. published a tender notice for the selection of an economic operator in the Official Gazette, to whom the entire share capital of the subsidiary Triveneto Sicurezza S.r.l. is to be transferred, to which the control, surveillance and security service at Marco Polo airport in Venice and Antonio Canova airport in Treviso is entrusted. On January 27, 2022, the SAVE Group concluded the tender for the sale of the subsidiary to a domestic security operations leader, permitting the high-quality service provided to date by Triveneto Sicurezza to be continued and allowing for a recovery of operational and managerial flexibility possible only at Groups of a certain size and business/market diversification.

SAVE Spa in 2021 also subscribed to the share capital increase of the investee Aeroporto Valerio Catullo di Verona Villafranca Spa, bringing its holding to 43.05% and therefore becoming, partly as a result of the dissolution of the public company Aerogest srl, the relative majority shareholder of the company.

Moreover, again with a view to increasing the Group's presence in investee companies that manage airports, in June 2021 the minority stake held by a local company in the subsidiary, Belgian Airport SA, was acquired. This enabled the latter to sign, with the public shareholders of the investee company, Brussels South Charleroi Airport SA (BSCA), new shareholder agreements covering a change in the governance rules, increasing the operational and strategic presence of representatives of our Group, and participation in the share capital increase, approved by the Shareholders' Meeting on February 23, 2022, of which the first tranche, exclusively in favour of Belgian Airport, enabled the shareholding in BSCA to be increased to 48.32%.

## Milione Group Consolidated Operational Overview

The Group consolidated reclassified income statement is reported below (in thousands of Euro):

EURO/000	2021		2020 RESTATED		CHANGE	
<b>Operating revenue and other income</b>	<b>86,429</b>	<b>100.0%</b>	<b>70,721</b>	<b>100.0%</b>	<b>15,708</b>	<b>22.2%</b>
Raw materials and goods	833	1.0%	1,282	1.8%	(449)	-35.1%
Services	36,023	41.7%	34,040	48.1%	1,983	5.8%
Lease and rental costs	4,965	5.7%	3,933	5.6%	1,032	26.2%
Personnel costs	27,990	32.4%	25,544	36.1%	2,446	9.6%
Other operating charges	1,985	2.3%	2,220	3.1%	(235)	-10.6%
<b>Total operating costs</b>	<b>71,795</b>	<b>83.1%</b>	<b>67,019</b>	<b>94.8%</b>	<b>4,776</b>	<b>7.1%</b>
<b>EBITDA</b>	<b>14,634</b>	<b>16.9%</b>	<b>3,702</b>	<b>5.2%</b>	<b>10,932</b>	<b>295.3%</b>
Amortisation & write-down of intangible assets	60,556	70.1%	59,144	83.6%	1,412	2.4%
Depreciation & write-down of tangible assets	11,377	13.2%	11,505	16.3%	(128)	-1.1%
Replacement provision	3,370	3.9%	2,604	3.7%	766	29.4%
Losses and doubtful debt provision	2,204	2.6%	475	0.7%	1,729	364.0%
Provision for risks and charges	0	0.0%	162	0.2%	(162)	-100.0%
<b>Total amortisation, depreciation, provisions &amp; write-downs</b>	<b>77,507</b>	<b>89.7%</b>	<b>73,890</b>	<b>104.5%</b>	<b>3,617</b>	<b>4.9%</b>
<b>EBIT</b>	<b>(62,873)</b>	<b>-72.7%</b>	<b>(70,188)</b>	<b>-99.2%</b>	<b>7,315</b>	<b>-10.4%</b>
Financial income and (charges)	(22,774)	-26.4%	(23,340)	-33.0%	566	2.4%
Profit/losses from Associates & JV's carried at equity	(13,233)	-15.3%	(19,753)	-27.9%	6,520	33.0%
<b>Profit/(loss) before taxes</b>	<b>(98,880)</b>	<b>-114.4%</b>	<b>(113,281)</b>	<b>-160.2%</b>	<b>14,401</b>	<b>12.7%</b>
Income taxes	(23,303)	-27.0%	(31,658)	-44.8%	8,355	26.4%
<b>Profit/(loss) from Continuing Operations</b>	<b>(75,577)</b>	<b>-87.4%</b>	<b>(81,623)</b>	<b>-115.4%</b>	<b>6,046</b>	<b>7.4%</b>
Profit/(loss) from Discontinued Operations/Held-for-sale	(932)	-1.1%	(2,357)	-3.3%	1,425	15.2%
<b>Net Profit/(loss)</b>	<b>(76,509)</b>	<b>-88.5%</b>	<b>(83,980)</b>	<b>-118.7%</b>	<b>7,471</b>	<b>8.9%</b>
Minorities	818	0.9%	3,375	4.8%	(2,557)	75.8%
<b>Group Net Profit/(loss)</b>	<b>(75,691)</b>	<b>-87.6%</b>	<b>(80,605)</b>	<b>-114.0%</b>	<b>4,914</b>	<b>6.1%</b>

Following the proposed sale, the contribution to the consolidated values of Triveneto Sicurezza S.r.l. are presented as Discontinued Operations, as per IFRS 5. Specifically, we note that the income statement items of Triveneto Sicurezza S.r.l. for the two years compared, are presented under "Profit/(loss) from Discontinued Operations/Held-for-sale", while "Continuing Operations" are presented discarding the elimination of the inter-company transactions with Triveneto Sicurezza S.r.l.

The values relating to the Group's income statement operating activity are primarily derived from the consolidation of SAVE S.p.A. and the Group that it controls, which operates at the Venice and Treviso airports.

As evident from the considerations of the preceding paragraphs, the year was characterized by significantly lower volumes than normal, with the Venice-Treviso system's passenger traffic, despite the increase of 42.8% over 2020, coming in at 68.6% lower than that recorded in 2019.

Operating results were thus affected by a sub-optimal operational environment in which revenues were clearly impacted by traffic volumes, with their composition markedly different from a normal situation, while the costs of maintaining the infrastructure operational continued to have a significant fixed cost component. Therefore, comparison with the preceding year, as in the previous year, continues to be of little significance.

**Operating revenues and other income** amounted to Euro 86.5 million in 2021, a 22.2% increase on the previous year. This is broken down as follows:

EURO / 1000	2021				2020				CHANGE				CHANGE %
	TOTAL	VENICE	TREVISO	OTHERS	TOTAL	VENICE	TREVISO	OTHERS	TOTAL	VENICE	TREVISO	OTHERS	TOTAL
Aviation fees and tariffs	51,247	45,780	5,467	0	38,664	36,458	2,206	0	12,583	9,322	3,261	0	32.5%
Handling	1,751	888	863	0	812	507	305	0	939	381	558	0	115.6%
<b>Aviation Revenue</b>	<b>52,998</b>	<b>46,668</b>	<b>6,330</b>	<b>0</b>	<b>39,476</b>	<b>36,965</b>	<b>2,511</b>	<b>0</b>	<b>13,522</b>	<b>9,703</b>	<b>3,819</b>	<b>0</b>	<b>34.3%</b>
Ticketing	63	2	61	0	17	5	12	0	46	(3)	49	0	270.6%
Parking	7,649	6,681	968	0	5,958	5,644	314	0	1,691	1,037	654	0	28.4%
Advertising	868	817	51	0	1,358	1,260	98	0	(490)	(443)	(47)	0	-36.1%
Commercial	13,955	12,219	1,736	0	11,950	11,258	692	0	2,005	961	1,044	0	16.8%
<b>Non-Aviation Revenue</b>	<b>22,535</b>	<b>19,719</b>	<b>2,816</b>	<b>0</b>	<b>19,283</b>	<b>18,167</b>	<b>1,116</b>	<b>0</b>	<b>3,252</b>	<b>1,552</b>	<b>1,700</b>	<b>0</b>	<b>16.9%</b>
Other income	10,896	5,562	324	5,010	11,962	5,669	212	6,081	(1,066)	(107)	112	(1,071)	-8.9%
<b>Total Revenue</b>	<b>86,429</b>	<b>71,949</b>	<b>9,470</b>	<b>5,010</b>	<b>70,721</b>	<b>60,801</b>	<b>3,839</b>	<b>6,081</b>	<b>15,708</b>	<b>11,148</b>	<b>5,631</b>	<b>(1,071)</b>	<b>22.2%</b>

Faced with the persistent decline in business volumes, the management has continued to carefully orient policy to mitigate its effects. Particular attention was paid to reducing operating costs deemed non-essential, and activating, for the protection of employees, the Extraordinary Temporary Lay-off Scheme, until March 15, and the Supplementary Extraordinary Temporary Lay-off Scheme (the so-called “COVID Fund”) for the remainder of the year. Furthermore, contractual relationships with all main suppliers were renegotiated, and numerous operational actions were taken to reduce consumption. It is worth emphasising that the Group's cost structure is determined more by infrastructure management than traffic developments given that it does not manage handling activities, particularly at Venice airport. The actions made it possible to contain costs to approx. 39% less than in 2019, the year that continues to be taken as the last reference point of operational normality.

Therefore, thanks to higher traffic volumes and the containment of operating costs, **EBITDA** came in at Euro 14.6 million, compared to Euro 3.7 million in the previous year. This result includes the reclassification to discontinued operations of the result of the subsidiary Triveneto Sicurezza S.r.l.

**EBIT** was again a loss, at approx. Euro 62.8 million, compared to approx. Euro 70.2 million in 2020, with higher amortization, depreciation, and risk provisions of approx. Euro 3.6 million, of which approx. Euro 1.7 million were higher doubtful debt provisions relating to receivables from Alitalia's receivership.

The **financial management result** was also impacted by the situation affecting our Group's sector, with net financial charges of approx. Euro 36 million, improving on Euro 43 million in 2020, mainly due to better results by the associated companies and joint ventures measured at equity. These companies, which directly manage infrastructures (Aeroporto Valerio Catullo di Verona Villafranca, BSCA) or provide related services (Airest and VTP to name the main ones), continued to be significantly impacted by the pandemic, even reporting in certain cases lower numbers than 2020. The profit/(loss) for associated companies was therefore a net loss of Euro 13.2 million, compared to Euro 19.7 million in the previous year.

Net financial charges reduced slightly on the previous year (-Euro 0.6 million), due to the hedges put in place and lower base rates, which more than offset the Group's increased debt.

Current and deferred **taxes** for 2021 resulted in net income of Euro 23.3 million, considering the Euro 23.7 million in deferred tax income, net of deferred tax charges, as detailed in the impairment test paragraph which confirmed the confidence in recovering profitability over the next few years.

The Group's **net result** was a loss of Euro 75.7 million, an improvement on the loss of Euro 80.6 million in the previous year.

## Reclassified Balance Sheet of the Milione Group

EURO/000	12/31/2021	12/31/2020	CHANGE
Property, plant and equipment	57,576	66,773	(9,197)
Airport concession rights	604,942	626,831	(21,889)
Intangible assets	1,024,695	1,058,304	(33,609)
Financial assets	84,663	82,094	2,569
Deferred tax assets	57,953	43,712	14,241
<b>TOTAL FIXED ASSETS</b>	<b>1,829,829</b>	<b>1,877,714</b>	<b>(47,885)</b>
Post-employment benefits	(3,407)	(3,808)	401
Provision for liabilities and deferred taxes	(233,056)	(240,735)	7,679
<b>Fixed Capital Employed from assets held-for-sale</b>	<b>(80)</b>	<b>0</b>	<b>(80)</b>
<b>FIXED CAPITAL EMPLOYED</b>	<b>1,593,286</b>	<b>1,633,171</b>	<b>(39,885)</b>
Inventories	2,299	2,172	127
Trade receivables	35,337	21,088	14,249
Tax assets	2,204	6,566	(4,362)
Other receivables and other current assets	6,530	5,895	635
Trade payables and advances	(48,444)	(61,294)	12,850
Tax payables	(1,336)	(1,347)	11
Payables to social security institutions	(2,543)	(3,122)	579
Other payables	(42,542)	(36,686)	(5,856)
<b>Net working capital from assets held-for-sale</b>	<b>516</b>	<b>0</b>	<b>516</b>
<b>TOTAL NET WORKING CAPITAL</b>	<b>(47,979)</b>	<b>(66,728)</b>	<b>18,749</b>
<b>TOTAL CAPITAL EMPLOYED</b>	<b>1,545,307</b>	<b>1,566,443</b>	<b>(21,136)</b>
Group Net Equity	502,887	573,202	(70,315)
Minority Interest Net Equity	2,471	7,221	(4,750)
<b>SHAREHOLDERS' EQUITY</b>	<b>505,358</b>	<b>580,423</b>	<b>(75,065)</b>
Cash and current assets	(25,126)	(52,719)	27,593
Current bank payables	60,662	37,971	22,691
Non-current bank payables	999,287	992,787	6,500
Other lenders	5,276	8,131	(2,855)
Financial receivables from group & related companies	(591)	(150)	(441)
Financial payables to group & related companies	0	0	0
<b>Financial liab. related to assets held-for-sale</b>	<b>441</b>	<b>0</b>	<b>441</b>
<b>TOTAL NET FINANCIAL POSITION</b>	<b>1,039,948</b>	<b>986,020</b>	<b>53,928</b>
<b>TOT. FINANCING SOURCES</b>	<b>1,545,307</b>	<b>1,566,443</b>	<b>(21,136)</b>

Following the proposed sale, the contribution to the consolidated values of Triveneto Sicurezza S.r.l. are presented as Discontinued Operations, as per IFRS 5. In particular, the balance sheet amounts at December 31, 2021 are classified to "Assets held-for-sale" and "Liabilities related to assets held-for-sale" and the Continuing Operations accounts are stated without taking account of the elimination of inter-company transactions with Triveneto Sicurezza S.r.l.

The evolution of the Group's capital structure reflects the development of the Save Group's operations during the year. Following the sharp decline in activity, and to protect the Group's liquidity, the management team suspended the plan for investments in progress at the various managed airports in order to review their necessity in view of the altered environment and to consider their re-scheduling.

**Fixed Capital** in fact decreased by approx. Euro 39.9 million due to amortisation and depreciation of approx. Euro 71.9 million more than offsetting investment in the year of approx. Euro 7 million, compared to Euro 178.1 million in 2019 and Euro 46.6 million in 2020, and financial investments of approx. Euro 16.6 million for the subscription to the share capital increase of the investee Aeroporto Valerio Catullo di Verona Villafranca

spa. The contraction in investment is due to the measures to contain spending introduced in 2020 in response to the pandemic.

The negative **Net Working Capital** balance continued to decrease, from Euro 66.7 million (Euro 95 million on December 31, 2019) to Euro 48 million at the end of 2021, mainly due to the reduction in trade payables and the increase in trade receivables, in line with the increased traffic in Q4 compared to the previous year.

**Shareholders' equity** totalled Euro 505.4 million, compared to approx. Euro 580.4 million on December 31, 2020; this reduction is mainly due to the loss for the year, which totalled Euro 75.7 million gross of minority interest holdings.

## Net Financial Position

The Group **net debt** increased from Euro 986 million on December 31, 2020 to Euro 1,039.9 million at December 31, 2021.

(EURO THOUSANDS)	12/31/2021	12/31/2020
Cash and cash equivalents	24,587	52,719
Financial assets of group companies held-for-sale (Discontinued Operations)	441	
Other financial assets	690	150
<b>Financial assets</b>	<b>25,718</b>	<b>52,869</b>
Bank payables	60,662	37,971
Other financial liabilities – current portion	377	3,325
Financial liabilities of Discontinued Operations	441	0
<b>Current liabilities</b>	<b>61,480</b>	<b>41,296</b>
Bank payables – less current portion	999,287	992,787
Other lenders – less current portion	4,899	4,806
<b>Non-current liabilities</b>	<b>1,004,186</b>	<b>997,593</b>
Net financial position from Continuing Operations	(1,040,389)	
Net financial position from Discontinued Operations	441	
<b>Net Financial Position</b>	<b>(1,039,948)</b>	<b>(986,020)</b>
Total gross payables to banks	1,059,949	1,030,758

Funding requirements were mainly covered through utilising the cash available at December 31, 2020 and the greater use (for Euro 30 million) of the parent company level credit lines.

Management negotiated a comprehensive review of major existing credit lines in the year, with an agreement signed in the initial months of 2022.

In particular, the maturity of the Eurobond was extended to 2028 (from 2026), agreeing at the same time improved terms for certain covenants.

In addition, a new package of credit lines (Senior Facilities Agreement) was negotiated, resulting in an increase in available lines of Euro 45 million and a longer duration of two years (from 2025 to 2027) than the current credit lines, which will then be repaid. This new agreement was completed on February 16, 2022 with a bank syndicate comprising, in addition to those institutions involved in the initial line, two leading financial institutions (Cassa Depositi e Prestiti and Mediobanca).

With reference to all the credit lines existing on December 31, 2021, by bringing forward contractual deadlines, during the period management successfully renegotiated certain contractual clauses with all Group lenders, including those regarding financial covenants on the Group's consolidated figures, in view of the earnings and financial implications that the COVID-19 pandemic has brought on the results of Milione Group.

## Investments at Venice and Treviso airports

Investments totalled Euro 7.6 million, of which approx. Euro 0.7 million allocated to the assets under concession replacement provision.

The main investments in 2021 included Euro 2.7 million in hardware and software investments, Euro 2.8 million in works and other investments to maintain the operations of existing infrastructures at the Venice and Treviso airports, Euro 0.8 million for maintenance of the Venice terminal and other minor increases.

## Alternative performance indicators

In addition to the financial indicators established by IFRS, a number of alternative performance measures are presented to provide more complete disclosure on the operating performance and financial position. A description follows of the means to calculate these alternative measures, as not uniform and comparable with those applied by other operators.

“EBITDA” measures the result before amortisation, depreciation, provisions for risks and the replacement provision, write-downs, financial income and charges, taxes, and non-recurring operations.

“EBIT” measures the result excluding financial income and charges, income taxes and non-recurring operations.

The “Net financial position” includes liquidity, financial receivables and current securities, net of financial payables (current and non-current) and the fair value of the derivative financial instruments.

“Net working capital” includes inventory, trade receivables, tax and social security receivables and payables, other assets and liabilities and trade payables.

“Net capital employed” measures the sum of “Net working capital” as defined above and fixed assets, net of the Post-Employment benefit provision and risks provisions and added to Other non-current non-financial assets.

“ROS” is the ratio between EBIT, as defined above, and Revenues.

“ROI” is the ratio between EBIT, as defined above, and Net capital employed.

“Gearing” is the ratio between the Net Financial Position and Net equity.

“Total Workforce” is the number of employees enrolled to the employee register on the last day of the period.

“Movements” relates to the total number of arriving/departing aircraft.

“Passengers” concerns the total number of arriving/departing passengers.

## Guarantees granted

GUARANTEES GRANTED (EURO THOUSANDS)	AMOUNT
<b>SURETIES:</b>	<b>1,028</b>
- AS A GUARANTEE FOR LEASE CONTRACTS	411
- AS A GUARANTEE FOR PUBLIC GRANTS	461
- AS A GUARANTEE FOR LOANS	-
- OTHER	156
<b>MORTGAGES AND PRIVILEGES IN GUARANTEE OF LOANS</b>	<b>36,212</b>
<b>TOTAL GUARANTEES GRANTED</b>	<b>37,240</b>

The Company pledged SAVE SpA shares to its lenders.  
Current accounts held by Milione with a balance of approx. Euro 669 thousand as of December 31, 2021 have also been pledged to the above lenders.

The shares of Milione have in addition been provided as a lien in favour of these lending institutes.

## Human Resources

An analysis of the Group workforce follows.

WORKFORCE	12/31/2021		12/31/2020		CGE. 12/31 - 12/31	
	FUL TIME	PART TIME	FUL TIME	PART TIME	FUL TIME	PART TIME
Executives	17	0	21	0	(4)	0
Managers	48	0	57	1	(9)	(1)
White-collar	571	239	617	227	(46)	12
Blue-collar	138	50	139	40	(1)	10
Apprentices	0	0	0	0	0	0
<b>TOTAL</b>	<b>774</b>	<b>289</b>	<b>834</b>	<b>268</b>	<b>(60)</b>	<b>21</b>
<b>TOTAL WORKFORCE</b>	<b>1,063</b>		<b>1,102</b>		<b>(39)</b>	

Airport personnel in service as of December 31, 2021, including both full-time and part-time employees, in addition to fixed contract employees, totalled 1,063, a decrease of 39 compared to December 31, 2020.

The workforce full-time equivalent on December 31, 2021 was 986, compared to 1,036 in 2020. The average full-time equivalent in 2021 was 996.

These figures include the personnel of Triveneto Sicurezza S.r.l., a company in the process of being sold, which on December 31, 2021 had 366 staff, decreasing 32 on December 31, 2020.

## Airport Management Review

## **Airport Management**

Air traffic has been strongly affected by the pandemic since March 2020.

Between January and December 2021, passenger volumes at European airports were down -59% compared to 2019 (+36.9% on 2020 - ACI Europe data). Cargo movements were up 21.8% on 2020 (+7.7% on 2019).

The data available on domestic airports confirm an approx. 60% drop in traffic levels compared to the pre-pandemic period, recording just 80 million passengers.

### **North-Eastern Airport Hub**

More than 6 million passengers travelled through north-east Italy in 2021, an increase of 42% over 2020 and a 67% decrease compared to the traffic levels recorded before the pandemic in 2019.

This was achieved thanks to the restart in the third quarter of the year, following on from a first half year heavily impacted by the continuing pandemic.

Between July and December, the airports of Venice, Treviso and Verona handled more than 5 million passengers, 49% lower than the same period in 2019.

### **Venice Airport System**

The (Venice and Treviso) Airport System closed 2021 with a total traffic volume of 4,659,150 passengers and 53,051 movements, with a percentage change of +42.8% and +37.5% respectively in 2020.

Venice Airport handled 3,437,204 passengers (up 22.8% on 2020, with a 30% recovery compared to the volumes recorded in 2019) and recorded 39,165 movements.

Treviso Airport closed in March 2020 due to the coronavirus emergency, and operations were restored in early June of this year. More than 1.2 million passengers were handled in the last seven months of 2021, with a peak of more than 215,000 passengers in August, and a recovery of 64% compared to 2019 (almost 14,000 total movements were recorded).

The following table reports the key traffic data for 2021 (compared to 2020 and 2019):

## VENICE AIRPORT SYSTEM

Year to December

	JAN/DEC 2021	CGE. % '21/'20	CGE. % '21/'19
<b>SAVE</b>			
Movements	39,165	14.1%	-58.9%
Passengers	3,437,204	22.8%	-70.3%
Tonnage	2,542,843	9.8%	-63.8%
Cargo (Tonnage)	44,228	7.5%	-30.9%
<b>AERTRE</b>			
Movements	13,886	226.0%	-42.4%
Passengers	1,221,946	163.5%	-62.5%
Tonnage	644,097	180.6%	-52.5%
Cargo (Tonnage)	18		
<b>SYSTEM</b>			
Movements	53,051	37.5%	-55.5%
Passengers	4,659,150	42.8%	-68.6%
Tonnage	3,186,940	25.2%	-62.0%
Cargo (Tonnage)	44,246	7.6%	-30.8%

## Venice

During 2021, operations at the Venice airport were heavily impacted by the continuation of the global COVID-19 pandemic, which has had major repercussions on the region, particularly in terms of tourist traffic, but also in relation to business travel.

In relation to tourism in the Veneto Region, the four-month summer period from June to September held its own over 2019, with over 8 million arrivals (-23.7% on 2019) and more than 39 million visitors (-14.7%). Overall, the period from January to October 2021 showed significant increases compared to 2020, which was affected by months of lockdown (+41.2% in arrivals and +51.6% in visitors), although levels were still down compared to 2019 (with a -41.9% year-over-year trend in arrivals).

Venice closed 2021 with 3,437,204 passengers (up 23% on 2020), recovering 30% compared to 2019. The airport's performance was below the national average, handling an estimated 80 million passengers (recovery of 40% on 2019).

More than 80% of the traffic for 2021 was recorded in the second half of year, following the introduction of green passes and the easing of COVID restrictions. From May 2021 onward, recovery grew steadily in the double digits, reaching a peak of 55% compared to 2019 in November; this progress would have continued through the remainder of the winter season if it were not for the Omicron variant, which is temporarily hindering recovery rates.

Venice Airport's strong vocation for international and intercontinental traffic meant that its recovery was slower compared to other Italian airports; these airports benefited from a greater domestic component, which was the first to recover after the pandemic.

Venice's domestic market accounted for 13% of traffic in 2019 and 37% in 2021, with the increase more than double the national average. Despite the downsizing of easyJet and Alitalia/ITA, Ryanair and Wizz Air have benefited from Venice's potential, bringing in 650 thousand and 100 thousand domestic passengers respectively, while Volotea maintained its volumes.

Carriers operating in Venice sought to take advantage of the opportunities generated by changes in traffic flows during the pandemic by altering their capacity.

In 2019, the international market accounted for 87% of traffic (more than 10 million passengers), dropping to 63% in 2021 (about 2.1 million), a 78% decrease year-on-year.

The UK was the top market for Venice in 2019, with 1.8 million passengers. In 2021, this figure fell to 160 thousand passengers, less than one-tenth of the volumes recorded in 2019.

Spain recorded a decrease of about 900 thousand passengers compared to 2019 (-73%). Spain is Venice's third largest international market and suffered from the exit of Air Europa and the reduced operations of other carriers operating in the Spanish market.

The Russian market fell to 19 thousand passengers in 2021 (down from 185 thousand in 2019); this is primarily due to a near-total shutdown following the European Community's refusal to recognize Russia's Sputnik vaccine.

The recovery of traffic from the Netherlands and Germany was above the national average thanks to KLM and Lufthansa, which continued to run daily flights to their respective hubs.

Istanbul, Frankfurt, and Amsterdam were the main connection points for indirect traffic in 2021, which accounted for 19% of the total passenger volume. The main destination reached via the hub was Atlanta (direct flight since August), followed by Dhaka and Dakar.

Direct long-haul flights were most affected by COVID restrictions; in 2019, this segment contributed nearly 1 million passengers, or 8% of Venice's total traffic. In 2021 the operations of Delta Airlines and Emirates totalled just 70 thousand passengers, a decrease of 93%.

The total closure of major Asian countries and Australia reduced total numbers to around 78 thousand passengers in 2021, compared to one million in 2019.

The main destination in 2021 was again Catania, with almost 350 thousand passengers (direct flights operated by Ryanair, Wizz Air, and Volotea), followed by Paris CDG, and Palermo. Five of the top 10 destinations for the Venice airport were domestic.

The airport's main carrier by volume of passenger traffic in 2021 was Ryanair, with over 800 thousand passengers handled, which represents a 24% share of total traffic. Volotea was next (carrying over 450 thousand passengers), followed by Easyjet (approx. 400 thousand passengers), Air France and Lufthansa. The top 5 airlines served 60% of the total.

Thanks to the progress of the vaccination campaign and the introduction of the Green Pass scheme, most European carriers restarted point-to-point connections during the year, including: Aegean Airlines to Athens, TAP to Lisbon, SAS and Norwegian to Copenhagen and Air Baltic to Riga, which were added to the feeder flights to the main continental hubs operated by the network carriers. Tunisair, Air Arabia Maroc and Royal Air Maroc restarted flights to Tunis and Casablanca respectively. Binter Canarias, a new carrier in Venice, launched a connection to Las Palmas at the beginning of July.

Easyjet ramped up operations with the addition of a third aircraft, which was mainly used for tourist flights to the Mediterranean, while Volotea increased capacity by introducing 180-seater Airbus A320s (replacing the 150-seater A319s).

Venice's participation in the COVID-tested airport scheme facilitated the resumption of some long-haul connections. In July, Emirates resumed its Venice-Dubai connection, while Delta Air Lines restarted flights to the United States (JFK and Atlanta).

Travel restrictions also resulted in the suspension of flights from East Asia and limited connections to North America, the UK, and Russia during 2021.

The situation continues to develop and however allows us to look to the 2022 summer season with confidence.

The extensive network of point-to-point flights – which will be further expanded with the opening of the new Ryanair and Wizz Air hubs, in addition to the consolidated presence of Volotea and Easyjet – will offer excellent connectivity to long-haul passengers who wish to travel to a second destination after Venice.

All operations at Venice airport were previously and are currently managed in line with the regulations in force thanks to the measures adopted to ensure social distancing, the sanitising of spaces and the use of equipment to protect passengers and operators.

Co-marketing proposals with carriers, advertising activities, and actions in the region were also activated, including in synergy with local institutions, to stimulate traffic and the prompt restoration of air connections available to airport users. This was accompanied by the development of flight promotions on the Company's social media accounts.

The general trend in cargo traffic (including parcels and post) was impacted by the lack of wide-body aircraft in the first months of 2021. These aircraft are used for medium- to long-haul flights, which were suspended due to the pandemic. The resumption of operations by Emirates and Delta Air Lines has given new impetus to air cargo worldwide. In addition, courier traffic continued to operate at full capacity at the airport. An overall increase of 7.5% on the same period of 2020 is reported (+9.1% considering only air traffic), with a recovery of 69% in volumes transported in 2019.

## Treviso

The Treviso airport restarted commercial flights at the beginning of June with Ryanair opening its fifteenth base in Italy.

The airport had been closed since March 2020 following the drastic drop in traffic because of the pandemic, and residual operations were temporarily transferred to Venice's Marco Polo airport.

After being closed to commercial traffic for 14 months, the airport carried a total of 1,221,946 passengers between June and December, which represents a 38% recovery over 2019. During the actual operating period (June-December), recovery reached 64% compared to 2019 (higher than the national average), peaking at 79% in November.

The opening of the Ryanair hub, which flies to over 40 domestic and international destinations, and the activation of Wizz Air flights to Eastern Europe and Southern Italy helped stabilize traffic volumes.

Ryanair accounted for 81% of all traffic (almost 1 million passengers). The carrier has already announced a network of 48 destinations for summer 2022. The opening of a hub in June 2021 will allow the airline to continue its growth in new international markets.

Despite remaining the top market, domestic traffic fell from a 34% share of total traffic in 2019 to just 20% in 2021 following the strategic shift of domestic routes to Venice. The second largest market was Spain, followed by Romania.

The main destination was Lamezia Terme, with over 84 thousand passengers, followed by Brussels Charleroi, Cagliari, Tirana, and Berlin.

The wide range of destinations on offer is aimed at both outgoing (vacation or city-break destinations and north-south connections) and incoming traffic, in addition to numerous ethnic traffic destinations.

## **Garda Airport System**

### **Verona**

In analysing Verona airport's numbers for 2021, it is considered that, due to the Coronavirus emergency, on March 13, 2020 the airport closed to all civil traffic, maintaining only cargo, military, ambulance, and humanitarian flights. Its reopening was only sanctioned on June 15, 2020, although with significant limitations.

In 2021, Verona Airport reports 1,458,738 passengers (+40% vs 2020), a decline of 60% on 2019, in line with the national and European averages.

In the first three months of the year air activity was somewhat reduced due to restrictions dictated by the second wave of infections. The recovery rate on 2019 volumes has increased steadily since April 2021, peaking in November, which reported 72% of 2019 volumes.

Volotea reconfirmed its position as the airport's main carrier, with a market share of 32%, followed by Ryanair (27%) and Wizz Air (13%). Neos (8%), a leisure carrier, dropped to fourth position by passenger volume (second carrier in 2019).

The contribution of domestic traffic (70% of total 2021 traffic) almost doubled compared to 2019 (37%), supported by outgoing leisure traffic. Of particular note was the market entry of Ryanair and Wizz Air, which carried almost 45% of domestic passengers, in addition to the strong performance of Volotea (45% of the total), which recovered 60% of 2019's traffic with domestic destinations. Alitalia/ITA however saw a significant decline, losing 225 thousand passengers on 2019 (-88% on 2019).

In terms of international traffic, the airport was among the quickest to recovery 2019 volumes during the pandemic. Verona demonstrated its ability to attract Eastern European traffic, with several particularly strong markets, such as Albania and Moldova (respectively second and fourth leading markets for Verona airport in 2021), representing 10% of total traffic (nearly 150 thousand passengers). The UK and Russian markets (38 thousand and 15 thousand passengers respectively) were those hardest hit by the restrictions, with only a 7% recovery for both on 2019.

The recoveries for Germany and Spain, key markets for the airport, did not exceed 20% over 2019.

The main domestic routes were Catania (approx. 260 thousand passengers), Palermo and Cagliari. The highest volume international destinations were Tirana (90 thousand passengers), Chisinau and Amsterdam.

Beginning with the summer months, Verona airport saw growth in both flights and passenger traffic, due both to the vaccination campaign and the announcements concerning the introduction of Europe's green pass.

Volotea has also upgraded the Airbus A320 at its Verona base, increasing the capacity offered to users. The carrier has also already opened sales for the new Verona-Barcelona and Verona-Paris routes, which will be introduced from April 2022.

Ryanair has strengthened its presence, introducing 6 new destinations: Bari, Catania, Lamezia Terme, Naples, Corfù (for the summer) and Manchester, announcing already for the summer of 2022 operations with 15 destinations, including two new destinations, Porto, and Palma de Mallorca.

Wizz Air connects 7 destinations to Verona: Bari, Catania, Chisinau, Naples, Olbia, Palermo, and Tirana.

There was also no shortage of international developments in the 2021 summer season: KLM launched in Verona the summer connection with Amsterdam, Europe's leading hub for medium and long-haul destinations, to complement Transavia's existing flights. Air Dolomiti has also reintroduced flights to Berlin and Düsseldorf. Eurowings reinstated the summer route to Cologne, which had been suspended since 2019, and announced the introduction of the new connection to Hamburg, due to start in April 2022.

The winter season reconfirmed the carriers' interest in Verona. Thanks to the establishment of the tourist corridors, Neos reintroduced direct flights to Egypt (Sharm El Sheikh and Marsa Alam), also re-introducing flights to the Maldives and the Dominican Republic. Direct connections between Verona and Dubai, which during the 2021/22 winter season will host the Expo, began in December.

Carriers are now looking to the evolution of the pandemic and vaccination campaigns to draw up and confirm their network development plans for the 2022 summer season.

Verona ensures total safety both for departing and arriving passengers.

## Brescia

With almost 40 thousand tonnes handled in 2021, Brescia continued the strong performance of 2020 (+1%), a record year marked by the Coronavirus emergency. This figure represents a 29% increase on 2019.

Air cargo grew 83.4% on 2020 (+370% on 2019), with over 14 thousand tonnes handled. Mail, accounting for 63% of total cargo volumes, consolidated its positions, up 14% on 2019, although down 16.7% on 2020, with the quantities transiting the Brescia Montichiari hub settling.

The overall growth is in line with online commerce volumes and has been supported through the collaboration with Poste Italiane (which established its domestic hub at the airport) and with DHL, which in 2020 upgraded the airport's role within its network from a back-up centre for irregular operations to a gateway with regular daily flights.

Commercial aviation aircraft movements and tonnage also rose (+10.5% and +38.7% respectively on 2020), thanks to the consolidation of larger aircraft operations.

## **Charleroi Airport**

Passengers carried at Charleroi airport in 2021 numbered over 3.7 million. The main airline at the airport remains Ryanair, with a market share of 79.5% and carrying nearly 3 million passengers. Ryanair's operations to September 2021 comprised 75 destinations. In contrast, the carrier Wizzair, which operates 17 routes as of December 2021, carried almost 348 thousand passengers during 2021.

## Regulatory framework developments

### Regulatory Agreement and airport fees

SAVE applies the airport fees established on the basis of the Regulatory Agreement signed with ENAC on October 26, 2012 and approved with Ministerial Decree of December 28, 2012, in accordance with Article 17, paragraph 34-*bis* of Legislative Decree No. 78/2009, enacted into Law 102/2009, authorized ENAC to undertake, for airports of national importance and however with traffic of greater than 8 million passengers annually, long-term Regulatory Agreements with options for updating throughout their applicability. The new tariff system entered into force on March 11, 2013. The fees are updated annually in accordance with Article 15 of the Regulatory Agreement. For 2017, the new fees enter into force from February 1, 2017, with the latest tariff update entering into force on February 1, 2018.

In accordance with Article 10 of law No. 37 of May 3, 2019, entering into force on 05/26/2019, it is established that: [Article 73 of Legislative Decree No. 1 of January 24, 2012](#), converted with amendments by [law No. 27 of March 24, 2012](#), is replaced by the following:

*«Article 73 (National Oversight Authority). - 1. The transport regulation authority, set up in accordance with [Article 37 of Legislative Decree No. 201 of December 6, 2011](#), converted with amendments by [law No. 214 of December 22, 2011](#), acts as the National oversight authority as per this decree also with regards to the regulatory agreements established by [Article 17, paragraph 34-bis, of Legislative Decree No. 78 of July 1, 2009](#), converted with amendments by [law No. 102 of August 3, 2009](#). The above Authority undertakes the functions transferred with the human resources, tools and funding available in its financial statements, without new or additional charges for public funding».*

With this provision, it is provided that the Transport Authority carries out the functions of the national oversight authority also for the supplementary regulatory agreements governed by [Article 17, paragraph 34-bis, Legislative Decree No. 78 of July 1, 2009](#), converted with amendments by Law No. 102 of August 3, 2009. These functions were previously reserved to ENAC.

The Board of the ART, with [Motion No. 84/2018](#) of September 13, 2018, approved the commencement of the review of the existing airport fee regulation models. By Resolution No. 118/2019 of August 1, 2019, the Transport Regulation Authority announced a public consultation on the regulatory scheme containing “Airport fee regulation models”.

The regulation scheme and consultation methods are set out in Annexes A and B, respectively, to Resolution No. 118/2019, which also extended the term for conclusion of the procedure from the initial date of September 30, 2019 to December 20, 2019. The new regulatory framework consists of a single document containing just two models, in addition to measures of a general nature: Model A for airports with traffic of more than one million passengers a year and Model B for airports with traffic of one million or fewer passengers a year.

With Resolution No. 89 of May 7, 2020, the Transport Regulation Authority extended the deadline for the conclusion of the procedure commenced by Resolution No. 84/2018 until July 31, 2020.

Finally, with Resolution 136/2020 of July 16, 2020 the Authority approved the airport fee regulation models and the relative annexes, establishing that these models shall enter into force on July 1, 2021. SAVE proceeded to appeal the new models, deeming them harmful to its position in relation to the Regulatory Agreement in derogation. On May 20, 2021, the Transport Regulation Authority (ART) published Resolution No. 68/2021 establishing extraordinary provisions in connection with the entry into force of Resolution No. 136/2020 and additions to the sector regulation due to the COVID-19 pandemic.

This resolution postponed to January 1, 2023, the application of the airport regulation models of Resolution No. 136/2020 of July 16, 2020, from the original effective date of July 1, 2021.

### **Fire Service Fund contribution**

[Article 1, paragraph 478 of Law No. 208 of December 28, 2015](#) amended Article 39-bis of Legislative Decree No. 159/2007, establishing that *“The provisions with regard to [...] payments by airport managers concerning the fire protection services at airports, as per Article 1, paragraph 1328 of Law No. 296 of December 25, 2006, are considered not to impose tax obligations”*. The regulation is in opposition to the case law developed to date (Lazio Regional Administrative Court Judgement No. 4588/2013, Court of Rome No. 10137/51/14, Court of Ancona No. 849/2015 and Court of Florence No. 2975/2015) which verified the jurisdiction of the disputes taken with regard to the contribution to the Fund as per Article 1, paragraph 1328 of Law No. 296 of December 25, 2006 before the Tax Court. With judgment No. 167/2018 of July 20, 2018, the Constitutional Court declared the unconstitutionality of Article 1, paragraph 478 of Law No. 208 of December 28, 2015 implementing “Provisions for the drawing up of annual and multi-year budgets of the State” (2016 Stability Law). The aforementioned provision established that the fees charged to airport management companies for fire-fighting services at airports, as per Article 1, Paragraph 1328, of Law 296 of 2006, are not subject to taxation.

Finally, the unified sections, following the restart of the process suspended ahead of the Constitutional Court’s pronouncement, with judgment No. 3162/2019 published on February 1, 2019 declared the contribution to the Fire Fighting Fund as of a tax nature, consequently declaring the tax court to have exclusive jurisdiction.

Regarding SAVE, in judgment No. 264/2020 of February 5, 2020 the Ordinary Court of Venice quashed order for payment No. 676/2013, whereby the administrations had sought the payment of the contribution for the year 2010, finding in favour of the jurisdiction of the tax courts rather than the ordinary courts. In addition, by Judgment No. 667/2020, filed on April 15, 2020, the Court of Venice declared the nullity of Injunction No. 785/13, by which the administrations had requested the payment of the contribution for 2009. Finally, by Judgment No. 10561/2020 of November 16, 2020, the Rome Provincial Tax Commission annulled the ENAC Note with Ref. No. 0050644/DIRGEN/CEC of July 31, 2009 and the "distribution of the Fire Service Fund – Article - Paragraph 1 - Finance Law 2007" table attached to the aforementioned measure, with which tax was allocated to the obligated parties. In particular, according to the tax judges, following the establishment of the Fire Service Fund, intended to reduce State costs for fire-fighting services at airports, *“The subsequent provision introduced by Article 4, Paragraph 3-bis, of Decree-Law No. 185 of 2008, without changing the scope and the original purpose of the regulation, instead changed the use of the fund’s proceeds, which are being used to pay for expenses that are unrelated to the purpose set out in the provision, and namely for the general benefit of Fire Service employees”*. In so doing, continue the judges, *“It is clear that the purpose for which the original tax was levied has been breached and that obliging airport management companies to pay part of the public employee contribution for purposes other than those linked to the service provided at those airports appears to render the tax unlawful [...]”*.

### **Laws and provisions adopted in view of the COVID-19 health emergency**

In view of the COVID-19 emergency, a series of laws and provisions were introduced on the one hand to contain the spread of the virus and, on the other, to support the economic system through targeted actions for businesses. The main air transport sector provisions included the following.

#### Decree-Law No. 18 of March 17, 2020 - Measures to strengthen the National health service and economic support for families, workers and businesses related to the COVID-19 epidemiological emergency, converted with amendments by Law No. 27 of April 24, 2020

The legislative decree provides for the suspension of certain tax and social security contribution payments, as well as certain tax obligations, for "*persons who manage bus, railway, underground, maritime or airport stations*" (Article 61, letter m).

Article 79 of the Legislative Decree entitled "*Urgent air transport measures*" is an additional key provision which, on the one hand, formally recognizes the COVID-19 pandemic as a natural disaster and exceptional event for the air transport sector, putting in place compensatory measures for the damage suffered by enterprises holding passenger air transport licenses who fulfil public service obligations (paragraphs 1 and 2) and, on the other hand, in view of the particular situation caused by the COVID-19 emergency, for Alitalia - Società Aerea Italiana S.p.A. and Alitalia Cityliner S.p.A., authorises the setting up of a new public company, either wholly-owned by the Ministry for the Economy and Finance, or with a majority public ownership, expressly authorizing the extraordinary Commissioner to take all necessary or consequent actions. Finally, Article 94 provides for an increase of Euro 200 million for 2020 of the solidarity fund for the air transport sector, while in addition a recourse to the extraordinary wage subsidies to fund income support measures in view of the serious difficulties hitting the aviation sector.

#### **- Decree Law No. 23 of April 8, 2020 - Urgent measures regarding access to credit and tax compliance for businesses, special powers for strategic sectors, in addition to measures in the area of health and work and the extension of administrative and procedural deadlines, converted with amendments by Law No. 40 of June 5, 2020.**

The key measures for airport managers are those in support of the liquidity of businesses and those of a tax nature.

##### *- Measures to support business liquidity -*

The Decree-Law introduces measures to support the liquidity of small, medium, and large businesses, as follows.

- a. The support provided by the Guarantee Fund for SME's (Article 13), to which businesses with up to 499 employees can access, is further developed;
- b. A new SACE guarantee is stipulated to cover bank loans granted to large enterprises and small and medium-sized enterprises who have utilized all the support provided by the Guarantee Fund for SME's (Article 1).

##### *- Tax related provisions*

The Legislative Decree in addition provides for a further postponement, to that already specifically provided for airport managers by Legislative Decree No. 18 of March 17, 2020, of certain tax and contribution payments.

**- Law No. 77 of July 17, 2020, conversion into law, with amendments, of Legislative Decree No. 34 of May 19, 2020, concerning urgent measures in the field of health, support for employment and the economy, as well as social policies related to the Covid-19 epidemiological emergency.**

The law contains “vertical” type measures, i.e. specific instruments for certain production sectors - and “horizontal” measures i.e. mechanisms to benefit all businesses, independently of the market in which they operate.

The main “vertical” measures for the air transport sector are: *Fund to offset damage suffered by the air sector (Article 198)*: a fund has been set up, with Euro 130 million available for 2020, for the offsetting of damage suffered by national operators holding a valid COA and an air transport license issued by ENAC, other than those provided for in Article 79, paragraph 2 of the Italy Healthcare Legislative Decree (i.e. carriers fulfilling public service obligations).

A necessary condition to access the fund is the remuneration of own employees and third-party personnel utilized for the undertaking of business operations of not less than the sector National Collective Labour Agreement minimums.

*Setting up of a publicly owned newco for the future Alitalia (Article 202)*: Article 79 of the Italian Healthcare Legislative Decree is modified with regards to the nationalization of the carrier Alitalia.

*Obligation for carriers and sector enterprises operating in and employing personnel in Italy to apply to their employees remuneration levels at least meeting sector National Collective Labour Agreement minimums (Article 203)*: the obligation for airlines and enterprises who operate in and employ personnel in Italy and who are subject to concessions, authorizations or certifications under the EASA regulation or the domestic regulation, in addition to the supervision of ENAC, is introduced, requiring the application to own employees with service bases in Italy as per Regulation (EU) 965/2012 (containing technical requirements and administrative procedures for flight operations) of remuneration of not less than of that established by the National Collective Labour Agreement. This minimum remuneration should be applied also to third-party employees engaged in the operations of airlines and sector enterprises. Failure to comply with this obligation gives rise to penalties, with 80% allocated to the Solidarity Fund for the air transport sector and the airport system, with the remaining 20% used to fund ENAC’s operations.

*Allocation to the Air Transport Fund of a portion of the boarding fee municipal surtax (Article 204)*: from July 1, 2021, the Air Transport Fund is structurally supported through the new allocation of a portion of the boarding fee municipal surtax. From that date, the Euro 6.5 of municipal surtax (currently with Euro 1 allocated to the airport municipalities, Euro 0.5 to the Fire Brigade and Euro 5 to INPS) shall therefore be allocated as follows: Euro 1 will continue to be allocated to the airport municipalities, Euro 0.5 will continue to be allocated to the Fire Brigade, while Euro 3.5 shall be allocated to the INPS and Euro 1.5 to the Solidarity Fund for the air transport sector and airport system.

In addition to these 'vertical' measures, 'horizontal' measures include:

Exemption from payment of the 2019 IRAP balance and the first instalment of the 2020 IRAP advance, measures to support the recapitalization of joint-stock companies, and State Aid Framework Initiatives applicable to the budgets of Regions and/or other regional entities.

Of particular importance is the provision set out in paragraph 1-*bis* of Article 202 of Legislative Decree No. 34 of May 19, 2020, converted with amendments by Law No 77 of July 17, 2020, which states that, “*In consideration of the drop in traffic at Italian airports as a result of the COVID-19 emergency and the containment measures adopted by the State and the regions in order to contain the consequent economic impacts, the duration of the concessions for the management*

*and development of airport activities in progress at the date of entry into force of the conversion law of this Decree is extended by two years”.*

In a Note dated January 19, 2021 (Ref. No. 5495-9), ENAC informed all airport operators that, given the direct applicability of the aforementioned provision, the duration of existing airport concessions was to be considered lawfully extended for a further 24 months following their expiry.

- Prime Ministerial Decree of October 13, 2020 - Further provisions to implement Legislative Decree No. 19 of March 25, 2020, converted with amendments by Law No. 35 of May 25, 2020, containing “Urgent measures to deal with the COVID-19 emergency”, and Legislative Decree No. 33 of May 16, 2020, converted with amendments by Law No. 74 of July 14, 2020, containing “Further urgent measures to deal with the COVID-19 emergency”.

In particular, the technical annex entitled "individual modes of transport in the aviation sector" introduces specific containment measures for passengers concerning the correct use of air terminals and aircraft. The various measures include: separation, where possible, of entry and exit gates, to avoid the merging of passenger flows, the provision of one-way routes inside the airport and on routes to gates, exceptions to the one-metre social distancing rule, sanitation and hygiene measures in terminals and on aircraft, the installation of body temperature scanners for arriving and departing passengers. Methods to be agreed by operators and carriers at large airport hubs.

- Decree-Law No. 221 of December 24, 2021 - Extension of the state of emergency in Italy and additional measures to contain the spread of the COVID-19 pandemic.

Article 1 of the Decree provides that *"In view of the health risks associated with the ongoing spread of the COVID-19 virus, the state of emergency approved with the Council of Ministers decision of January 31, 2020 is further extended until March 31, 2022."*

Article 4 of the Decree provides for the obligation to wear FFP2 masks until the end of the COVID-19 state of emergency, including for access to and use of the transport services referred to in Article 9-*quater* of Decree-Law No. 52 of April 22, 2021, converted, with amendments, by Law No. 87 of June 17, 2021.

- Regulation (EC) 2020/696 of the European Parliament and Council of May 25, 2020, amending Regulation (EC) No. 1008/2008 introducing common rules for the provision of air services in the Community, containing, inter alia, measures concerning the handling sector.

The Regulation states that in the absence of safety problems, licenses are not suspended or revoked for those airlines which, as a result of the pandemic, have encountered a liquidity crisis which otherwise would have not occurred.

In addition, in consideration of the reflections of the crisis on ground handling services, an option is established to extend the authorizations granted to operators selected through tenders at airports subject to limitations, in accordance with Articles 6(2) and 9 of Directive 96/67/EC, which concludes in the period between May 28, 2020 and December 31, 2021 until December 31, 2022.

The Regulation also allows airport operators the direct choice, for a limited period, of the service provider called upon to operate provisionally to replace those who have ceased to provide services before the end of the period for which they were selected.

- Inter-ministerial decrees (Ministry for Infrastructure and Transport and Health) limiting airport service operations

Airport services were limited by Ministerial Decree No. 112 of March 12 (subsequently extended by Ministerial Decrees No. 124 of March 24, No. 145 of April 3, No. 153 of April 12, No. 183 of April 29, No. 194 of May 5, No. 207 of May 17, 2020, and No. 245 of June 14, 2020). Ministerial Decree No. 245 of June 14 remained in force until July 14.

- ENAC note on payment of the concession fee

With note GENDISP.DG.11052020-0000020-P signed by the Director General of ENAC, the payment deadlines of July 31, 2020 and January 31, 2021 of the two instalments of the 2020 concession fee were suspended, as they were based on traffic data prior to the COVID-19 outbreak. This note also provided for the extension of the deadline for the payment of the 2019 concession fee and the 2020 concession fee by the operators. It states that these favourable measures apply only where the operator has suspended the billing of aviation sub-concessions until January 31, 2021. By provision of the Director General, with ENAC No. 4 of January 25, 2021, the aforementioned provision of May 11, 2020 was amended to extend the payment deadline of January 31, 2021, previously set for the two instalments of the 2020 concession fee to be paid in one amount, and the balance of the 2019 concession fee, to April 30, 2021, as clarified by ENAC Regulation 13258-P of February 5, 2021. The airport concession fee due for 2020 is calculated based on the traffic data published by ENAC and constitutes the final balance of the fee owed for 2020. At the Airport Manager's request, both the airport concession fee due for 2020 and the adjustment for the year 2019 may be paid in three instalments, starting in May 2021, including legal interest accrued at the time of payment. A subsequent note (GENDISP.DG.30/07/2021-0000065-P) provided, "*1. The deadline for payment of the first instalment of the airport concession fee due for 2021 is deferred, at the request of the airport management companies concerned, from July 31, 2021 to September 30, 2021, with payment of the legal interest accrued up to the date of actual payment. 2. The extension of the deadline referred to in paragraph 1 shall only apply if airport managers suspend billing for aviation sub-concessions until September 30, 2021*".

- ENAC note on access restrictions for the providers of ground assistance services

Considering the financial crisis of ground assistance providers as a result of the sharp decline in traffic volumes, note GENDISP-DG-05072021-0000058 of the General Manager of ENAC has established "*access restrictions on providers of ground assistance services, for the categories specified under Article 4 of Legislative Decree No. 18/99, at Italian airports for a period of 12 months - extendible for an additional 12 months - beginning on the date of publication of this measure*".

Subsequent Measure No. 72 of August 16, 2021 amended the validity term for the aforementioned extraordinary restriction provision No. 58 "*to be understood as related to the duration of the state of emergency, currently set at December 31, 2021*".

Subsequent Measure No. 105-P of December 22, 2021 confirmed the end date of the extraordinary limitation measure as December 31, 2021; in addition, it provided that airport managers who have already asked ENAC to adopt measures to limit the number of ground-handling service providers in specific service categories and believe that the reasons underlying such requests still exist, must submit a new independent restriction request, accompanied by supporting documentation.

- Law No. 178 of December 30, 2020, “State forecast budget for the 2021 financial year and multi-annual budget for the three-year period 2021-2023” (the 2021 Budget Law) Paragraphs 715 to 720 of Article 1 of the Budget Law provide for the establishment, in the MIT’s budget forecast, of a fund of Euro 500 million in total for 2021 (Euro 450 million of which is earmarked for airport management companies and the remaining Euro 50 million for handlers) to offset damage suffered because of COVID-19.

Subsequently, decree-law No. 73 of May 25, 2021, entitled “*Urgent measures related to the COVID-19 emergency for businesses, work, young people, health and local services*” (GU General Series No. 123 of 25-05-2021), Article 73, paragraph 2, provides for a Euro 300 million increase in the compensation fund established by the 2021 Budget Law, of which 285 million is allocated to airport operators and the remaining 15 million for airport ground-handling service providers. It follows, therefore, that the fund provision to compensate the damages suffered by management companies amounts to a total of Euro 735 million. It should also be noted that the Ministry of Infrastructure and Sustainable Mobility has requested that ENAC, with note No. 4429 of June 16, 2021, provide certain information to the European Commission for the purpose of assessing the compatibility with the domestic market of the measure specified under paragraph 715.

With a decision dated July 26, 2021, the European Commission approved, as per Article 107(2)(b) of the TFEU, the Euro 800 million Italian aid scheme designed to compensate airports and ground handling operators for damages suffered due to COVID-19. The reference period for the purpose of quantifying the damage suffered as a direct result of COVID-19 is:

- March 1 to June 30, 2020 for beneficiaries who were eligible to restart operations as of June 3 or June 14, 2020;
- March 1 to July 14, 2020 for beneficiaries who could only restart operations after July 15, 2020.

Subsequent to scheme approval, on November 25, 2021 the Italian authorities issued a decree (“Implementation Decree”), which defined the use of compensation for damages suffered by airport operators and airport ground-handling service providers due to the COVID-19 pandemic. More specifically, the implementing decree defines the beneficiaries and requirements to be met to qualify as such, how to calculate compensation for the damages suffered, the content and submission methods for funding access applications, the preliminary investigations by the Italian authorities and the payment of funds, together with a series of provisions on non-cumulation, the ex-post checks that the Italian authorities will carry out on compensation applications, the relationship with the Commission, the financial provisions on the coverage of costs, and the effectiveness of the implementing decree itself. The latter was published in the Official Gazette on December 28, 2021. In January, Save S.p.A., Aertre S.p.A. and Aeroporto Valerio Catullo di Verona Villafranca S.p.A. applied for the grant for a total of Euro 55.7 million, which, in light of the considerations outlined in the notes to the Group’s consolidated financial statements and the companies’ separate financial statements, will be recognised as income accruing to FY 2022.

Thus, in relation to the legislative action on social security schemes, paragraph 714 lays

down the possibility of also granting supplementary benefits of the “Solidarity fund for the air transport sector and the airport system” in the case of lay-off scheme payments on an exceptional basis, which may be triggered by all companies (including air transport and airport management companies) under paragraph 300 of Article 1 of the 2021 Budget Law, for a maximum of 12 weeks, which must be in the period from January 1 to June 30, 2021.

-Decree-Law No. 41 of March 22, 2021, converted, with amendments, into Law No. 69 of May 21, 2021

Article 9, paragraph 3, of Decree Law No. 41 of March 22, 2021, converted, with amendments, into Law No. 69 of May 21, 2021, extended contributions to the solidarity fund for the air transport and airport system sector to exceptional salary withholdings established, in accordance with Article 8, paragraph 2, of said decree law, by effect of suspensions of or reductions to business during the period April 1, 2021 to December 31, 2021, while also increasing the fund’s resources by Euro 186.7 million. This legislation states: *“In order to mitigate the economic impact on the entire air-transport industry of the COVID-19 health emergency, the provisions of Article 5, paragraph 1, letter a), of decree of the Minister of Labour and Social Policy No. 95269 of April 7, 2016, published in the Official Journal No. 118 of May 21, 2016, for the enterprises specified under Article 20, paragraph 3, letter a), of Legislative Decree No. 148 of September 14, 2015, shall also apply in relation to the exceptional salary withholdings specified under Article 8 of this decree. To this end, specific funding is provided under this decree of the Ministry of Labour and Social Policy as a contribution to the related charges in the amount of Euro 186.7 million for 2021. To the charge of Euro 186.7 million for 2021 deriving from the second section of this paragraph, the provisions of Article 42 shall apply.”* As per message 2241 of June 10, 2021, of INPS: *“the Ministry of Labour and Social Policy, having received a request for clarification of this Institute concerning the proper use of the amount allocated in accordance with the aforementioned Article 9, paragraph 3, clarified that, with Prot. No. 4850 of June 3, 2021, these funds may be used to finance all types of services covered by the Fund.”*

- LAW No. 234 of December 30, 2021, “State forecast budget for the 2022 financial year and multi-annual budget for the three-year period 2022-2024” (the 2022 Budget Law)

Article 1, paragraph 131, provides that *“to ensure the continuity of income support to the employees of Alitalia - Società aerea italiana S.p.A. and Alitalia Cityliner S.p.A. – which are involved in enacting the programme for the extraordinary administration procedure referred to in Article 79, paragraph 4-bis, of Decree-Law No. 18 of March 17, 2020, converted, with amendments, by Law No. 27 of April 24, 2020 – the Exceptional Temporary Lay-Off Scheme defined in Article 10, paragraph 1, of Decree-Law No. 146 of October 21, 2021, converted, with amendments, by Law no. 215 of December 17, 2021, may be extended for a further twelve months. The above programme may continue after the commissioner's activities have concluded and up to December 31, 2023. The programmes referred to in this paragraph have a limit of Euro 63.5 million for 2022 and Euro 193.6 million for 2023.”*

Article 1, paragraph 132 provides for an increase in the "Solidarity fund for the air transport sector and the airport system" of Euro 32.7 million for 2022 and Euro 99.9 million for 2023 to guarantee the additional benefits provided for by the same provision. Article 1, paragraph 198 extends the application of the Extraordinary Temporary Lay-off Scheme (CIGS) to "air transport and airport management companies and companies deriving therefrom, as well as companies operating within the airport system" for 2022

-ENAC Regulation "Certification of airport ground-handling service providers" edition 6 of

July 22, 2021

On July 23, 2021 the new Regulation on the certification of ground-handling service providers was published on the ENAC website.

The new version of the Regulation updates the scope of application (some categories under Annex A of Legislative Decree No. 18/99 are excluded from the certification requirement) and certification class, introducing, in the latter regard, distinct certificates based on the type of aircraft to be served.

The terms of the certificate issuing process are also detailed, stipulating that *"Within 30 days of receipt of the Operations Manual referred to in the previous paragraph, the Airport Management Company must express its opinion on the compliance of the operating, environmental protection, and quality standard procedures contained in the Operations Manual with those in force at the airport. If the Airport Manager issues a reasoned unfavourable opinion, the applicant has 10 days to submit detailed and reasoned comments to ENAC, which will assess them for the purposes of adopting the final measure"* (Article 4, point 2) and that *"If the Airport Manager fails to issue a relevant opinion twice within one year, in addition to the penalty procedure referred to in the previous sentence, ENAC reserves the right to terminate the full management concession, in accordance with the provisions of the agreement"*.

Further amendments concern airports for which a measure is adopted to limit the number of ground-handling service providers. In this case, it is stipulated that *"the issue of certification to providers is only permitted for one of the two classes of certification referred to in Article 2, paragraph 2"* (Article 4, Paragraph 6).

Managers who provide ground-handling services through their subsidiaries are also prohibited from the *"duplication of roles or managerial divisions, except for safety-related responsibilities"* (Article 13).

Finally, the regulations on subcontracting (Article 10) and commercial agreements (Article 11) are further revised.

By urgent provision of the General Manager, with ENAC No. 87-P of November 15, 2021 it was decided that the terms of application for Edition No. 6 of the "airport ground-handling service provider certification" Regulation – established in paragraphs 1 and 2 of Article 24 of the Regulation – are to be applied from the date of publication of Circular APT 02C "airport ground handling-service provider certification" on ENAC's website [www.enac.gov.it](http://www.enac.gov.it), or from the date on which ENAC announces the application provisions of the Regulation.

On November 26, 2021 ENAC published a draft of Circular APT 02C - Airport Ground Handling Service Provider Certification for consultation with operators.

## Financial statements of the parent company Milione S.p.A.

The Reclassified Income Statement and the Reclassified Balance Sheet of the parent company Milione S.p.A. are presented below. Differing from the consolidated financial statements, drawn up as per IAS/IFRS, the parent company Milione S.p.A. drew up its statutory financial statements according to local GAAP.

### MILIONE S.P.A.

Registered office: 30173 Venice (VE) - Viale Galileo Galilei 30/1  
Share capital: Euro 188,737.00 fully paid-in - VE Economic & Administrative Index No. 418330  
VE Tax, VAT and Company Registration Office No. 03411340262

### FINANCIAL STATEMENTS AT DECEMBER 31, 2021

Prepared in condensed form as per Article 2435-bis of the Civil Code

#### BALANCE SHEET

(in Euro thousands)

#### Assets

ASSETS	AT 12/31/2021	AT 12/31/2020
<b>A) RECEIVABLES FROM SHAREHOLDERS FOR UNPAID CAPITAL</b>	<b>0</b>	<b>0</b>
<b>B) FIXED ASSETS</b>	<b>1,327,315,659</b>	<b>1,327,334,819</b>
I) Intangible assets	9,255	28,415
1) Formation and start up costs	9,255	28,415
2) Development costs	0	0
3) Industrial patents and intellectual property rights;	0	0
4) Concessions, licences, trademarks & similar rights;	0	0
5) Goodwill;	0	0
6) Assets in progress and advances;	0	0
7) Other	0	0
III) Financial fixed assets	1,327,306,404	1,327,306,404
<b>C) CURRENT ASSETS</b>	<b>344,168,458</b>	<b>327,552,957</b>
II) RECEIVABLES	342,963,353	326,199,536
2) Subsidiaries		
Amount due within one year	244,100,711	223,405,768
Amount due beyond one year	89,744,539	95,881,520
3) Associates		
Amount due within one year	0	0
Amount due beyond one year	0	0
4) Parent companies		
Amount due within one year	0	0
Amount due beyond one year	0	0
5) Companies subject to control of holding companies		
Amount due within one year	0	0
Amount due beyond one year	0	0
5-bis) Tax receivables		
Amount due within one year	34,640	3,311,087
Amount due beyond one year	0	0
5-ter) Deferred tax assets		
Amount due within one year	9,015,795	3,478,773
Amount due beyond one year	0	0
5-quater) Others		
Amount due within one year	67,668	122,388
Amount due beyond one year	0	0
<b>Amount due within one year</b>	<b>253,218,814</b>	<b>230,318,016</b>
<b>Amount due beyond one year</b>	<b>89,744,539</b>	<b>95,881,520</b>
III) CURRENT FINANCIAL ASSETS	539,780	0
5) Derivative financial instruments - assets	539,780	0
IV) CASH AND CASH EQUIVALENTS	665,325	1,353,421
1) Bank and postal deposits	528,770	35,666,533
3) Cash in hand and similar	309	309
<b>D) ACCRUED INCOME AND PREPAYMENTS</b>	<b>15,333</b>	<b>15,333</b>
<b>TOTAL ASSETS</b>	<b>1,671,499,450</b>	<b>1,654,903,109</b>

**BALANCE SHEET**

*(in Euro thousands)*

**Liabilities and shareholders' equity**

LIABILITIES	AT 12/31/2021	AT 12/31/2020
<b>A) SHAREHOLDERS' EQUITY</b>	<b>637,639,578</b>	<b>648,205,943</b>
I) SHARE CAPITAL	188,737	188,737
II) SHARE PREMIUM RESERVE	27,651,283	27,651,283
IV) LEGAL RESERVE	76,056	76,056
VI) OTHER RESERVES	648,717,303	648,717,303
Capital payments	283,614,002	283,614,002
Merger reserve	365,103,300	381,160,447
Extraordinary reserve	0	0
VII) CASH FLOW HEDGE RESERVE	1,602,733	(1,273,708)
VIII) RETAINED EARNINGS/(ACCUMULATED LOSSES)	(27,153,728)	(14,878,852)
IX) NET PROFIT (LOSS) FOR THE YEAR	(13,442,806)	(12,274,876)
<b>B) PROVISIONS FOR RISKS AND CHARGES</b>	<b>679,701</b>	<b>4,029,282</b>
1) Pensions and similar obligations	0	0
2) Provision for taxes	679,701	996,688
3) Derivative financial instruments	0	3,032,594
4) Others	0	0
<b>D) PAYABLES</b>	<b>1,033,180,171</b>	<b>1,002,667,884</b>
1) Bonds	397,501,878	397,151,271
Amount due within one year	0	0
Amount due beyond one year	397,501,878	397,151,271
3) Shareholder loan	0	0
Amount due within one year	0	0
Amount due beyond one year	0	0
4) Bank payables	634,921,109	605,122,988
Amount due within one year	36,983,445	34,673,263
Amount due beyond one year	597,937,664	570,449,725
7) Trade payables	294,030	242,354
Amount due within one year	294,030	242,354
Amount due beyond one year	0	0
9) Subsidiaries	130,737	42,443
Amount due within one year	130,737	42,443
Amount due beyond one year	0	0
11) Payables to parent companies	0	0
Amount due within one year	0	0
Amount due beyond one year	0	0
11) bis Companies subject to control of parent companies	0	0
Amount due within one year	0	0
Amount due beyond one year	0	0
12) Tax payables	319,729	79,592
Amount due within one year	319,729	79,592
Amount due beyond one year	0	0
13) Payables to social security institutions;	0	0
Amount due within one year	0	0
Amount due beyond one year	0	0
14) Other payables	12,688	29,236
Amount due within one year	12,688	29,236
Amount due beyond one year	0	0
<b>Total payables due within one year</b>	<b>37,740,629</b>	<b>35,066,888</b>
<b>Total payables due beyond one year</b>	<b>995,439,542</b>	<b>967,600,996</b>
<b>E) ACCRUED EXPENSES AND DEFERRED INCOME</b>	<b>0</b>	<b>0</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,671,499,450</b>	<b>1,654,903,109</b>

**INCOME STATEMENT***(in Euro thousands)***Costs and revenues**

<b>INCOME STATEMENT</b>	<b>2021</b>	<b>2020</b>
<b>A) VALUE OF PRODUCTION</b>	<b>12</b>	<b>12</b>
5) Other revenue and income	12	12
<b>B) (COSTS OF PRODUCTION)</b>	<b>(753,409)</b>	<b>(665,222)</b>
7) Services	(710,587)	(619,506)
10) Amortisation, depreciation and write-downs	(19,160)	(21,701)
14) Other operating costs	(23,662)	(24,015)
<b>DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION</b>	<b>(753,397)</b>	<b>(665,210)</b>
<b>C) FINANCIAL (INCOME) CHARGES</b>	<b>(17,450,493)</b>	<b>(18,602,050)</b>
15) Income from equity investments:	0	0
a) subsidiaries	0	0
16) Other financial income	4,712,679	4,407,442
a) from non-current accounts receivable to:		
- subsidiaries	0	0
- other companies	0	0
d) income other than the above:		
- interests and commissions from subsidiaries	4,712,583	4,407,424
- interest & commissions from other companies	96	18
17) Interest and other financial charges	(22,163,097)	(23,009,365)
- subsidiaries	0	0
- other companies	(22,163,097)	(23,009,365)
17-bis) Exchange gains and losses	(75)	(127)
<b>D) ADJUSTMENT TO FINANCIAL ASSETS AND LIABILITIES</b>	<b>0</b>	<b>0</b>
18) Revaluations	0	0
d) of derivative financial instruments	0	0
19) (Write-downs)	0	0
d) of derivative financial instruments	0	0
<b>PROFIT/(LOSS) BEFORE TAXES</b>	<b>(18,203,890)</b>	<b>(19,267,260)</b>
20) Income taxes, current and deferred	4,761,084	6,992,384
<b>NET PROFIT/(LOSS)</b>	<b>(13,442,806)</b>	<b>(12,274,876)</b>

**Management and co-ordination**

The company is not subject to management and co-ordination pursuant to Article 2497 and subsequent of the Italian Civil Code.

## Financial Risks

The management of financial risks is in line with Company objectives and focuses on the minimisation of interest rate risk and the optimisation of the cost of debt, the credit risk, and the liquidity risk. Management of these risks is based on the principle of prudence and in line with best market practices. For further information, reference should be made to the paragraph “Type and management of financial risk” of the Explanatory Notes.

## Other principal risks and uncertainties of the Group

### Risks associated with economic conditions

The economic and financial situation of the Group is affected by various factors related to the general economic environment (including the increase or the decrease of GDP, the level of consumer and business confidence, interest rates for consumer credit, the cost of raw materials and the unemployment rate) in the various countries in which the Group operates.

The present report contains several forward-looking statements. These statements are based on current Group expectations and projections made by Management concerning future events, including the general conditions of the economy described above, subject to an intrinsic degree of risk and uncertainty and, by their nature, outside the Group's control given the current market situation.

See the paragraph below, “Subsequent events and business outlook”, for remarks on the impacts from the continued COVID-19 pandemic, which is having a significant impact on the international economy, on the air transport sector and is also affecting the Group's financial performance and financial position, in addition to the impacts from the uncertainties arising from the war conflict between Russia and Ukraine from February 24, 2022.

### Risks deriving from a reduction in the number of passengers, or the quantity of cargo transported through airports managed by the Group

The volume of passenger traffic and cargo in transit at the Group managed airports represents a key factor in the results achieved by the Group. In particular, any reduction or interruption to flights by one or more airlines (particularly those operating at the airports managed by the Group), also as a result of the continued economic - financial difficulties of such airlines, the stoppage or alteration to connections with destinations with a particularly high level of passenger numbers, the discontinuation or alteration of airline alliances or the occurrence of events which may impact upon the general quality perception of users, of services provided at the airports managed by the Group (due, for example, to a reduction in service quality standards provided by the handling companies operating at the airports, or the interruption to the activities exercised), in addition to the occurrence of unforeseeable natural events, may result in a decrease in traffic, with a consequent impact on the activities and the results of the Group.

The Group however, in routine situations not affected by natural disasters, and based on past experience, considers that - although no certainty may be assured - the risk of a reduction or suspension of flights by one or more airlines operating out of the airports managed by the Group does not pose a significant threat, also in consideration of the redistribution of passengers among airlines present on the market and the capacity of the Group to attract new airlines to the airports it manages. However, such redistribution of traffic may require a certain period of time and may temporarily affect traffic volumes. However, the last two years of the COVID-19 pandemic have highlighted the impact on traffic volumes that may potentially emerge from external factors. In this regard, reference should be made to the “Subsequent events and business outlook” paragraph.

### **Risks related to Group results**

All general economic events, such as a significant contraction in one of the main markets, the volatility of the financial markets and the consequent deterioration of the capital markets, an increase in commodity prices, unfavourable movements in specific sector variables such as interest rates, susceptible to causing impacts in the sector in which the Group operates, may significantly impact the Group outlook, in addition to the results and financial position. The profitability of the activities of the Group is also subject to risks related to interest rate and inflation fluctuations, the solvency of the counterparties, as well as the general economic conditions of the countries in which these activities are undertaken.

### **Risks connected with the importance of certain key figures**

The success of the Group depends on several key figures who have contributed significantly to the Group’s development. The Group considers that it has in place an adequate operational and managerial structure to ensure continuity of general and operational management. However, in the case where such key figures discontinued their working relationship with the Group, there is no guarantee that a suitable replacement may be found in such a period so as to ensure the same contribution in the short-term, with consequent possible implications for the Group.

### **Risks concerning the regulatory framework**

The Group operates within a sector governed by an extensive domestic and international regulatory framework. Any change to the regulatory framework (and notably any changes in relations with the state, public bodies and sector authorities, the determination of airport fees and the amount of concession fees, the airport tariff system, the allocation of slots, environmental protection and noise pollution) may impact operations and Company and Group results.

For greater details on the principal amendments to the regulatory framework and sector developments, reference should be made to the dedicated paragraph of the Directors’ Report.

## **Information Technology Security**

The rapid evolution of information technology has resulted in the Group's greater exposure to an increased security risk over time. Management's awareness of exposure to this risk has resulted in the adoption of specific countermeasures.

The subsidiary Save S.p.A. possesses IT security certification ISO/IEC 27001:2013 and reassesses IT security risks on an annual basis, which are continuously monitored by a dedicated company unit. These activities and the overall IT security management system are subject to checks and validation at least once a year by the certification body responsible for carrying out the external audit required to maintain ISO/IEC 27001:2013 certification.

During the COVID-19 pandemic which initiated in 2020 and continued into 2021, attacks and attempts at cyber-fraud against companies and private individuals increased significantly around the world. These attacks initially took the form of COVID-related phishing schemes to deceive users, but later evolved to exploit new vulnerabilities relating to remote working and the greater reliance on software tools to conduct remote meetings and team work.

In response, SAVE has added additional checks on cloud tools to the security safeguards already in place, and has engaged in further activities to raise awareness among end users. New risk scenarios are managed with a formal approach according to the framework envisaged by the ISO/IEC 27001:2013 standard.

Following the outbreak of war in Ukraine, the leading European IT security agencies, and Italy's CSIRT more specifically, have stated that there is an increased risk of cyber-attacks on the ICT infrastructures of European organizations.

This is a consequence of the interconnected nature of the Internet, within which malicious actions can spread and grow ad infinitum.

The Group is monitoring the situation by following the guidance issued by security agencies.

In this regard, the alert level regarding potential cyber-attacks has risen, while also applying the recommended security measures.

## **Climate change**

The Group pays particular attention to topics relating to sustainability and the effects of climate change, in full knowledge that sustainability and environmental responsibility are key to its development and growth.

The airports of Venice and Treviso have already made several investments in environmental sustainability and to reduce their carbon footprints. Both airports already possess a 3+ Neutrality certification from the Airport Carbon Accreditation scheme. Catullo Airport in Verona is accredited to Level 2 Reduction.

SAVE at the ACI General Assembly presented a road map that will allow it to reach the "Net Zero Carbon Emissions" level in 2030, 20 years ahead of the resolution signed in 2019 at the 29th Annual Congress of ACI EUROPE held in Cyprus, which set 2050 as the target.

As for the physical risks deriving from climate change and the potential increase in frequency and magnitude of extreme weather events such as severe storms and exceptionally high tides, the Group is fully aware that events of this nature could lead to the temporary interruption of its airport activities, for example, due to the flooding of runways and/or in the area surrounding the airports. Physical risks also include the potential rise in sea levels in the Venice area.

The Group's infrastructures have been designed, built, and maintained in compliance with legal requirements, which include specific parameters to protect against such weather events. Appropriate procedures are also envisaged to manage emergencies and to minimise the associated operational risks.

## **Governance**

Milione's corporate governance system is based on the traditional model; the main corporate bodies are therefore:

- the Shareholders' Meeting
- the Board of Directors
- the Board of Statutory Auditors

As per the By-Laws, as long as the ownership comprises three shareholders each holding a stake in excess of 10% of the Company's share capital, the Board of Directors will comprise 9 (nine) members.

In accordance with law and the By-Laws, the Board of Statutory Auditors comprises three Statutory Auditors and three Alternate Auditors.

In accordance with law, the statutory audit is executed by an audit firm appointed by the Shareholders' Meeting in compliance with law and the By-Laws.

The Shareholders' Meeting of October 8, 2020, in accordance with law and the By-Laws, elected the Board of Directors in office for the 2020-2022 three-year period, until the Shareholders' Meeting for the approval of the 2022 Annual Accounts; the mandate of the Board of Statutory Auditors appointed by the Shareholders' Meeting of October 8, 2020 will conclude with the Shareholders' Meeting for the approval of the 2022 Annual Accounts.

## **Holding and acquisition of treasury shares of the Parent Company**

No treasury shares are held, nor were held during the year, even through subsidiaries, associates, trust companies or nominees.

## Inter-company and other related party transactions

Reference should be made to the specific paragraph of the Explanatory Notes for information concerning transactions undertaken during the year with subsidiaries, associated companies, and related parties.

## Subsequent events and business outlook

No significant events which could substantially alter the current balance sheet and financial situation, or which would require amendments or supplements to the consolidated financial statements took place after the reporting date.

Among the events subsequent to year-end, we highlight the Group's refinancing of the Banking syndicate facilities on December 31 for Euro 595 million. The new contract, agreed on February 16, 2022, brings the available funding to Euro 640 million, extending its duration from December 2025 to December 2027. In addition, the new agreement establishes the initial financial covenant tests for June 2023. Two prestigious banks (CDP and Mediobanca) join the existing set of Group lenders. This new credit line together with the alignment of the main conditions also of the Euro 300 million bond loan, which extends the maturity to December 2028, lays the foundation for a more comfortable management of the Group's funding needs for the coming years.

As already commented upon, two years from the outbreak of the pandemic the global economic environment is gradually improving, although at an uneven pace among economies, also reflecting the development of vaccination campaigns.

In the initial two months of 2022, 842 thousand passengers transited the airports at the Venice-Treviso system, nearly 7 times greater than the same period of the previous year and 48% of 2019's volumes, confirming that the recovery only slowed on the final months of 2021 due to the Omicron variant.

2022 will however still feature significant risks, particularly in political terms and specifically in view of the Russian-Ukraine conflict, whose development and impacts are currently unforeseeable.

In any case, from an operating viewpoint, the contingent air traffic situation, significantly hit by the pandemic and with travel limitations dictated by the recognition of the various vaccines, had already reduced the importance of traffic to/from the countries involved in the conflict for our system (which in any case was marginal), with a substantial recovery in the forecasts produced by management for 2022 not expected. In view of these indications and that outlined in the previous paragraph "Risks deriving from a reduction in the number of passengers, or the quantity of cargo transported through airports managed by the Group", it is considered that any further reduction in Group company operations on these markets would not significantly impact the forecasts for a recovery in airport traffic by Group Management and used for the Group consolidated financial statement valuations.

The Directors' assessments regarding the separate and consolidated financial statements that may be most subject to the uncertainty arising from the circumstances described above are those relating to the accounts that require a higher level of judgement and are described in the "Significant accounting estimates" paragraph in the explanatory notes to the separate and consolidated financial statements.

### **Allocation of the result for the year**

The Board of Directors proposes to Shareholders to carry forward the net result for the year.

**Dear Shareholders,**

we trust that you will be in agreement with the criteria for the preparation of the financial statements for the year ended December 31, 2021, and we invite you to approve them.

*Chairperson of the Board of Directors*  
**Mr . Enrico Marchi**

**CONSOLIDATED FINANCIAL STATEMENTS  
AT DECEMBER 31, 2021**

**FINANCIAL STATEMENTS**

Consolidated Balance Sheet  
Consolidated Income Statement  
Consolidated Comprehensive Income Statement  
Consolidated Cash Flow Statement  
Statement of changes in Consolidated Shareholders' Equity

## Consolidated Balance Sheet

<b>Assets</b> (Euro thousands)	<b>NOTE</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
Cash and cash equivalents	1	24,587	52,719
Other financial assets	2	1,131	150
<i>of which related parties</i>	2	591	150
Tax assets	3	2,203	6,566
Other receivables	4	6,493	5,895
Trade receivables	5	35,336	21,088
<i>of which related parties</i>	5	2,380	2,069
Inventories	6	2,299	2,172
<b>Total current assets</b>		<b>72,049</b>	<b>88,590</b>
<b>Assets held-for-sale</b>		<b>1,720</b>	<b>0</b>
Property, plant and equipment	7	57,576	66,773
Airport Concession rights	8	604,942	626,831
Concessions	8	708,539	741,623
Other intangible fixed assets with finite useful life	8	5,623	6,149
Goodwill - other intangible fixed assets with indef. useful life	8	310,533	310,533
Equity investments in associates and Joint Ventures	9	83,444	80,878
Other equity investments	9	1,155	1,152
Other assets	10	63	64
Deferred tax assets	11	57,953	43,712
<b>Total non-current assets</b>		<b>1,829,828</b>	<b>1,877,715</b>
<b>TOTAL ASSETS</b>		<b>1,903,597</b>	<b>1,966,305</b>

<b>Liabilities</b> (Euro thousands)	<b>NOTE</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
Trade payables	12	48,443	61,294
<i>of which related parties</i>	12	1,160	123
Other payables	13	42,359	36,399
<i>of which related parties</i>	13	762	1,091
Tax payables	14	1,336	1,347
Social security institutions	15	2,544	3,122
Bank payables	16	60,662	37,971
Other financial liabilities – current portion	17	377	3,325
<b>Total current liabilities</b>		<b>155,721</b>	<b>143,458</b>
<b>Liabilities related to assets held-for-sale</b>		<b>1,722</b>	<b>0</b>
Other payables	18	144	287
Bank payables – less current portion	19	999,287	992,787
Other lenders – less current portion	20	4,900	4,806
Deferred tax liabilities	21	208,997	218,687
Post-employment benefits and other employee provisions	22	3,408	3,808
Provisions for other risks and charges	23	24,059	22,048
<b>Total non-current liabilities</b>		<b>1,240,795</b>	<b>1,242,423</b>
<b>TOTAL LIABILITIES</b>		<b>1,398,238</b>	<b>1,385,881</b>

<b>Shareholders' Equity</b> (Euro thousands)	<b>NOTE</b>	<b>12/31/2021</b>	<b>12/31/2020</b>
Share capital		189	189
Share premium reserve		27,651	27,651
Legal reserve		76	76
Reserve for treasury shares in portfolio		0	0
Other reserves and retained earnings		550,663	625,892
Net Profit/(loss)		(75,691)	(80,605)
<b>Total Group shareholders' equity</b>	<b>24</b>	<b>502,888</b>	<b>573,203</b>
Shareholders' equity - minority interest		2,471	7,221
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>24</b>	<b>505,359</b>	<b>580,424</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>		<b>1,903,597</b>	<b>1,966,305</b>

## Consolidated Income Statement

(Euro thousands)	NOTE	2021	2020 RESTATED
Operating revenue	25	78,090	61,919
Other income	25	8,339	8,802
<b>Total operating revenue and other income</b>		<b>86,429</b>	<b>70,721</b>
<b>Costs of Production</b>			
Raw and ancillary materials, consumables and goods	26	1,027	1,466
Services	27	36,023	34,041
Rent, lease and similar costs	28	4,965	3,933
Personnel costs:			
wages & salaries & social security charges	29	25,829	23,009
post-employment benefits	29	1,751	1,858
other costs	29	411	677
Amortisation, depreciation and write-downs			
amortisation	30	60,556	59,143
depreciation	30	11,376	11,506
Write-downs of current assets	31	2,204	475
Change in inventories of raw & anc. mat., consumables & goods	32	(195)	(184)
Provisions for risks	33	0	162
Replacement provision	34	3,370	2,604
Other charges	35	1,985	2,219
<b>Total costs of production</b>		<b>149,302</b>	<b>140,909</b>
<b>EBIT</b>		<b>(62,873)</b>	<b>(70,188)</b>
Financial income and revaluation of financial assets	36	39	152
Interest, other financial charges and write-down of financial assets	36	(22,813)	(23,492)
Profit/losses from Associates & JV's carried at equity	36	(13,233)	(19,753)
		<b>(36,007)</b>	<b>(43,093)</b>
<b>Profit/(loss) before taxes</b>		<b>(98,880)</b>	<b>(113,281)</b>
Income taxes	37	(23,303)	(31,658)
<i>current</i>		398	(3,469)
<i>deferred</i>		(23,701)	(28,188)
<b>Profit/(loss) on Continuing Operations</b>		<b>(75,577)</b>	<b>(81,623)</b>
Profit/(loss) from Discontinued Operations/Held-for-sale	38	(932)	(2,357)
<b>Net Profit/(loss)</b>	39	<b>(76,509)</b>	<b>(83,980)</b>
Minority interest		(818)	(3,375)
<b>Group Net Profit/(loss)</b>		<b>(75,691)</b>	<b>(80,605)</b>

Following the proposed sale, the contribution of Triveneto Sicurezza S.r.l. are presented as Discontinued Operations, as per IFRS 5. Specifically, we note that the income statement items of Triveneto Sicurezza S.r.l, for the two years compared, are presented under “Profit/(loss) from Discontinued Operations/Held-for-sale”, while “Continuing Operations” are presented without taking into account the elimination of the inter-company transactions with Triveneto Sicurezza S.r.l.

## Consolidated Comprehensive Income Statement

(EURO THOUSANDS)	NOTE	2021	2020
<b>Net Profit/(loss)</b>		<b>(76,509)</b>	<b>(83,980)</b>
effect oci of equity investment valuation as per equity method	9	(172)	(35)
Hedging instruments	19	2,876	(1,288)
<b>Total Gains/(Losses) on other comprehensive income statement items net of taxes which may be reclassified to the income statement</b>		<b>2,704</b>	<b>(1,323)</b>
Actuarial gains/(losses) of employee defined plans, net of taxes	22	40	(70)
<b>Total Gains/(Losses) on other comprehensive income statement items net of taxes which may not be reclassified to the income statement</b>		<b>40</b>	<b>(70)</b>
<b>Total comprehensive income/(expense)</b>		<b>(73,765)</b>	<b>(85,373)</b>
Minority comprehensive income/(expense)		(819)	(3,376)
<b>Total comprehensive income/(expense) pertaining to the Group</b>		<b>(72,946)</b>	<b>(81,997)</b>

## Consolidated Cash Flow Statement

(EURO THOUSANDS)	2021	2020	Notes
<b>Operating activities</b>			
Profit/(loss) from continuing operations	(75,577)	(81,623)	
Profit on discontinued operations/held-for-sale	(932)	(2,357)	36
Net profit/(loss) for the year	(76,509)	(83,980)	37
Adjustments for:			
- Amortisation, depreciation and write-downs	71,968	70,691	29
- Provisions	6,081	3,300	32 - 33
- Financial income and charges	35,298	43,067	35
- Income taxes	(23,303)	(32,424)	36
- Elimination of result of discontinued assets/available-for-sale		(38)	
- Other changes in provisions	(1,517)	(714)	22
- Dividends received	0	0	
- Interest paid	(18,040)	(19,033)	35
- (Gains)/Losses on disposal of assets	28	42	
- Other changes in deferred taxes	(307)	(465)	20 - 36
<b>Sub-total (A)</b>	<b>(6,301)</b>	<b>(20,425)</b>	
Decrease (increase) in trade receivables	(16,376)	21,962	5
Decrease (increase) in other current assets	(620)	(562)	4 - 6
Decrease (increase) in other tax assets/liabilities	3,850	3,088	14 - 20
Increase (decrease) in trade payables	(660)	(9,504)	12
Increase (decrease) in social security payables	(249)	(1,334)	15
Increase (decrease) in other liabilities	5,074	(14,410)	13
<b>Sub-total (B)</b>	<b>(8,982)</b>	<b>(760)</b>	
<b>CASH FLOW FROM OPERATING ACTIVITIES (A + B) = (C)</b>	<b>(15,283)</b>	<b>(21,185)</b>	
<b>Investing activities</b>			
(Acquisition) of property, plant & equipment	(1,108)	(1,502)	7
Divestments of property, plant & equipment	91	115	7
(Acquisition) of intangible assets	(6,476)	(45,084)	8
Divestments of intangible assets	705	103	8
Change in Trade payables for investments	(13,094)	(21,611)	7 - 8 - 12
Decrease in financial fixed assets	(0)	(0)	9
(Increase) in financial fixed assets	(15,771)	(351)	9
(Acquisition) of minority interests in subsidiaries	(1,300)	0	
<b>CASH FLOW FROM INVESTING ACTIVITIES (D)</b>	<b>(36,953)</b>	<b>(68,330)</b>	
<b>Financing activities</b>			
New loans from other lenders	0		20
(Repayment) to other lenders	(331)	(284)	20
New loan issue	92,980	187,429	16 19
(Repayment) and other changes in loans	(68,005)	(46,959)	16 19
(Increase)/Decrease in financial assets	(540)	(150)	2
Dividends paid			24
Change in net debt arising from change in consolidation scope			
<b>CASH FLOW FROM FINANCING ACTIVITIES (E)</b>	<b>24,104</b>	<b>140,035</b>	
<b>CASH FLOW FROM DISCONTINUED OPERATIONS (F)</b>	<b>0</b>	<b>0</b>	
<b>NET CASH FLOW FOR THE YEAR (C+D+E+F)</b>	<b>(28,133)</b>	<b>50,520</b>	
<b>CASH AND CASH EQUIVALENTS AT BEGINNING OF THE YEAR</b>	<b>52,719</b>	<b>2,199</b>	
<b>CASH AND CASH EQUIVALENTS AT END OF THE YEAR</b>	<b>24,587</b>	<b>52,719</b>	

## Statement of changes in Shareholders' Equity

Refer to Note 24

	S H A R E C A P I T A L L E G A L R E S E R V E	S H A R E P R E M I U M R E S E R V E	O T H E R R E S E R V E S A N D R E T A I N E D E A R N I N G S	N E T P R O F I T ( L O S S )	G R O U P S H A R E H O L D E R S' E Q U I T Y	M I N O R I T Y I N T E R E S T N E T E Q U I T Y	T O T A L N E T E Q U I T Y	
(Euro thousands)								
<b>Balance at January 1, 2020</b>	<b>189</b>	<b>76</b>	<b>27,651</b>	<b>606,884</b>	<b>20,400</b>	<b>655,200</b>	<b>10,597</b>	<b>665,797</b>
Profit/(loss) previous year				20,400	(20,400)			
Result of separate income statement					(80,605)	(80,605)	(3,375)	(83,980)
Other comprehensive profits / losses				(1,392)		(1,392)	(1)	(1,393)
Other changes						0		0
<b>Result of comprehensive income statement</b>				<b>(1,392)</b>	<b>(80,605)</b>	<b>(81,997)</b>	<b>(3,376)</b>	<b>(85,373)</b>
<b>Balance at December 31, 2020</b>	<b>189</b>	<b>76</b>	<b>27,651</b>	<b>625,893</b>	<b>(80,605)</b>	<b>573,203</b>	<b>7,221</b>	<b>580,424</b>

	S H A R E C A P I T A L L E G A L R E S E R V E	S H A R E P R E M I U M R E S E R V E	O T H E R R E S E R V E S A N D R E T A I N E D E A R N I N G S	N E T P R O F I T ( L O S S )	G R O U P S H A R E H O L D E R S' E Q U I T Y	M I N O R I T Y I N T E R E S T N E T E Q U I T Y	T O T A L N E T E Q U I T Y	
(Euro thousands)								
<b>Balance at January 1, 2021</b>	<b>189</b>	<b>76</b>	<b>27,651</b>	<b>625,892</b>	<b>(80,605)</b>	<b>573,203</b>	<b>7,221</b>	<b>580,424</b>
Profit/(loss) previous year				(80,605)	80,605			
Result of separate income statement					(75,691)	(75,691)	(818)	(76,509)
Other comprehensive profits / losses				2,744		2,744	(1)	2,743
<b>Result of comprehensive income statement</b>				<b>2,744</b>	<b>(75,691)</b>	<b>(72,946)</b>	<b>(819)</b>	<b>(73,765)</b>
Other movements				2,632		2,632	(3,932)	(1,300)
<b>Balance at December 31, 2021</b>	<b>189</b>	<b>76</b>	<b>27,651</b>	<b>550,663</b>	<b>(75,691)</b>	<b>502,888</b>	<b>2,471</b>	<b>505,359</b>

Notes to the Consolidated Financial Statements  
at December 31, 2021

**MILIONE S.p.A.**

Share capital: Euro 188,737.00 fully paid-in

Registered office: viale G. Galilei No. 30/1 - 30173 Venice

Venice REA No.: 418330

Venice Companies Registration Office, Tax and VAT No.: 03411340262

## Group activities

Milione S.p.A. (hereinafter also the “Parent Company”, “Company” or “Milione”) holds a majority investment in SAVE S.p.A. (hereinafter also “SAVE”), which mainly operates in the airport management sector through its subsidiaries. Save directly manages Venice Marco Polo Airport and controls Treviso Antonio Canova Airport. The Company also has significant holdings in Verona Valerio Catullo Airport and in Charleroi Airport (Belgium). Save also holds airport sector and related services sector companies. The Parent Company’s registered offices are in Tessera (Venice), at Viale G. Galilei No. 30/1.

## Accounting Standards adopted for the preparation of the Consolidated Financial Statements

### Basis of preparation

The present consolidated financial statements for the Milione Group concern the year ended December 31, 2021.

The consolidated financial statements were prepared according to the historical cost criterion, as well as on the going concern assumption.

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

### Ongoing crisis

The developments, determined by the COVID-19 pandemic and the ongoing geopolitical crisis, described in the Directors’ Report, are having direct and indirect repercussions on economic activity, giving rise to an environment of general uncertainty and whose evolution and effects are unforeseeable. The effects of this economic and health crisis will continue to be monitored by the Company’s management and Board of Directors.

In response to the situation, as described in greater detail in the Directors’ Report, Management promptly implemented a series of measures to contain costs and reviewed the investment plan in light of the new situation. From a financial viewpoint, in order to protect the company as a going-concern, management successfully renegotiated, ahead of their contractual maturities, with all Group lenders a number of contractual clauses, including those regarding financial covenants on the Group’s consolidated figures, in the period between June 30, 2020 and June 30, 2022. Reference should be made to Note 19 “Bank payables – less current portion” for further information.

In addition, as better outlined in the “Subsequent events and business outlook” paragraph, to which reference should be made, the company concluded in February 2022, the refinancing of the facilities granted by the Banking syndicate on December 31 for Euro 595 million. In particular, the new contract, agreed on February 16, 2022, brings the available funding to Euro 640 million, extending its duration from December 2025 to December 2027. In addition, the initial financial covenant tests will be June 2023.

The Italian government, under Law No. 178/2020 (2021 Budget Law) set up a fund (hereafter the “Fund”) to offset, within a limit of Euro 500 million, the damage suffered by airport operators, for a maximum of Euro 450 million, and for airport ground-handling service providers, for a maximum of Euro 50 million. The Fund, with decree of May 25, 2021, was increased by Euro 300 million, establishing an additional Euro 285 million for airport operators and an additional Euro 15 million for airport ground-handling service providers.

The European Commission, with decision of July 26, 2021, approved, as per Article 107(2)(b) of the TFEU, this support scheme. The reference period for the purpose of quantifying the damage suffered as a direct result of COVID-19 is:

- March 1 to June 30, 2020 for beneficiaries who were eligible to restart operations as of June 3 or June 14, 2020;
- March 1 to July 14, 2020 for beneficiaries who could only restart operations after July 15, 2020.

Subsequent to approval of the scheme, on November 25, 2021 the Italian authorities issued a decree (“Implementation Decree”), which defined the use of compensation for damages suffered by airport operators and airport ground-handling service providers due to the COVID-19 pandemic. More specifically, the implementing decree defines the beneficiaries and requirements to be met to qualify as such, how to calculate compensation for the damages suffered, the content and submission methods for funding access applications, the preliminary investigations by the Italian authorities and the payment of funds, together with a series of provisions on non-cumulation, the ex-post checks that the Italian authorities will carry out on compensation applications, the relationship with the Commission, the financial provisions on the coverage of costs, and the effectiveness of the implementing decree itself. The latter was published in the Official Gazette on December 28, 2021.

In 2022, the subsidiaries SAVE Spa and Aertre Spa presented an application to access the Fund according to the conditions therein for a total of approx. Euro 48 million. As the requirements to obtain this contribution were made in 2022 and the preliminary activities to obtain the contribution are still in progress, in accordance with IAS 20, the financial statements on December 31, 2021 do not include any provision in this regard. Both companies in the second week of March 2022 received 50% of the amount as an advance.

In this context, the Board of Directors approved on March 23, 2022 an “impairment test” based on the operating-financial projections drawn up by management on the basis of the altered market conditions which continue to present a significant degree of uncertainty. Reference should be made to the note “Test on the recoverability of assets and groups of assets” for further indications on the assumptions underlying the forecasts, in addition to the methods to carry out the test which did not result in the need for any write-downs to Group assets.

The particular circumstances in which the Group operates due to the pandemic have also required the Directors to place a particular focus on assessing the company's going concern. In this regard, the Directors, on the basis of the forecast cash flows for 2022, consider that the Group, using the means at its disposal to reduce outlays relating to operating costs and investments and taking account of available credit lines and renegotiated in 2022, will have the financial resources required to meet its non-deferrable obligations.

The Directors have considered all of the matters described above and have determined that the going concern basis of accounting is appropriate for the preparation of these consolidated financial statements.

### **Statement of compliance with IAS/IFRS**

The consolidated financial information at December 31, 2021 was prepared in compliance with International Financial Reporting Standards (IFRS), adopted by the European Union and in force at the preparation date of the financial statements.

### **Content and form of the consolidated financial statements**

These financial statements were prepared by the Board of Directors on the basis of the consolidation and accounting records updated to December 31, 2021.

For comparative purposes, the financial statements are presented with the comparative balance sheet at December 31, 2020 and the 2020 income statement. This latter was restated in application of IFRS 5 in terms of the contribution of the subsidiary Triveneto Sicurezza which, as described in greater detail in the "Assets, liabilities and result of discontinued operations" is in the process of being sold at December 31, 2021.

The company opted to prepare separately the Separate Income Statement and the Comprehensive Income Statement, as permitted by IAS 1, considering this presentation preferable. In addition, considering this approach to better reflect company developments, the liquidity criterion was utilised for the balance sheet items, breaking down current and non-current assets and liabilities, the income statement with allocation of income and charges by type and the cash flow statement using the indirect method, with breakdown of operating, investing and financing activities.

## Consolidation scope

### Subsidiaries

The consolidated financial statements include, through the line-by-line method, the companies in which the Parent Company holds, directly or indirectly, control, as defined by IFRS 10, or the majority of share capital and voting rights.

All inter-company balances and transactions, including any unrealised gains and losses deriving from transactions between Group companies, are fully eliminated.

The subsidiary companies are fully consolidated from the date of acquisition, or from the date in which the Group acquires control, and ceases to be consolidated at the date on which the Group no longer has control.

The book value of the investments included in the consolidation scope is eliminated against the net equity of the investee companies according to the line-by-line method. Any difference between the acquisition cost and the book value of the net equity of the investees on the acquisition of the investment, is allocated to the specific assets, liabilities or contingent liabilities of the acquired companies, based on their fair value at the acquisition date and for the residual part, where fulfilling the requirements, to Goodwill. In this case, these amounts are not amortised but subject to an impairment test at least annually and where indicators of impairment exist.

Minority interests represent the part of profits or losses and of net assets not held by the Group and are shown in a separate income statement account and in the balance sheet under equity, separately from the Group net equity. The acquisition of minority interests in previous years are recognised utilising the “parent entity extension method”, on the basis of which the difference between the price paid and the book value of the share of net assets acquired is recorded as goodwill. Changes in ownership not resulting in a loss of control were treated as equity transactions and therefore recognised to net equity.

The companies included in the consolidation scope through the line-by-line method are listed below:

COMPANY	CURRENCY	SHARE CAPITAL	GROUP % HOLDING	
			12/31/2021	12/31/2020
<b>PARENT COMPANY:</b>				
<b>Milione S.p.A.</b>	<b>Euro</b>	188,737		
<i>its subsidiary:</i>				
SAVE S.p.A.	Euro	35,971,000	100	100
<i>its subsidiaries:</i>				
MARCO POLO PARK S.R.L.	Euro	516,460	100	100
Save International Holding SA	Euro	7,450,000	100	100
<i>its subsidiary:</i>				
Belgian Airports SA	Euro	5,600,000	100	65
Save Engineering S.r.l.	Euro	100,000	100	100
N-AITEC S.r.l.	Euro	50,000	100	100
Aer Tre S.p.A.	Euro	13,119,840	80	80
Società Agricola Save a r.l.	Euro	75,000	100	100
Triveneto Sicurezza S.r.l.	Euro	100,000	93	93
Archimede 3 S.r.l.	Euro	50,000	100	100

In H1 2021, Save International Holding SA acquired a minority interest in Belgian Airport SA and now holds 100% of the share capital.

In October, the subsidiary Save S.p.A. published a tender notice in the Official Gazette for the selection of an economic operator to purchase the entire share capital of the company **Triveneto Sicurezza S.r.l.** The Company provides security services pursuant to Article 133 of the Consolidated Public Safety Law (TULPS) and has specifically been entrusted with control, surveillance, and security services at Marco Polo Airport in Venice and Antonio Canova Airport in Treviso. On January 27, 2022, the SAVE Group concluded the tender for the sale of 100% of the subsidiary in favour of the Securitalia group. On February 16, 2022, the sales agreement was signed, subject to specific conditions. The sale provides for the protection of Triveneto Sicurezza employees, i.e., an obligation to safeguard the level of employment at Triveneto Sicurezza in place at the time the sale was signed for at least three years.

### **Associates and JV's**

Where control of an activity is assigned jointly to two or more operators a Joint Arrangement is deemed to be in place and as such is classified as a Joint Operation (JO) or as a Joint Venture (JV) on the basis of the contractually-established underlying rights and obligations. In particular, a JV is a Joint Arrangement in which the participants, although having control over the main strategic and financial decisions through voting mechanisms which provide for the unanimous approval of decisions, do not have significant legal rights over the individual assets and liabilities of the JV. In this case, joint control concerns the net assets of the JV. This form of control is represented in the financial statements through valuation at equity. Joint Operations are however Joint Arrangements in which the participants have rights upon assets and direct obligations for the liabilities. In this case, the individual assets and liabilities and the relative costs and revenues are recognised to the financial statements of the participant on the basis of the rights and obligations of each, independently of the interest held. The Group's Joint Arrangements have all been classified as Joint Ventures.

The companies over which significant influence is exercised, generally accompanied by a holding of between 20% and 50% (investments in associates) and Joint Ventures (as previously qualified) are valued at equity.

For the application of the equity method the value of the investment is aligned with the adjusted equity, where necessary, to reflect the application of international financial reporting standards and includes the recognition of the higher amount paid and subject of the purchase price allocation identified on acquisition, and the effects of the adjustments required by the standards relating to the preparation of the consolidated financial statements.

In the case in which the Group establishes losses in value in the investment greater than already recognised through the equity method, the existence of an impairment is assessed to be recognised to the income statement, as the difference between the recoverable amount of the investment and its carrying amount.

The associates and JV's are detailed below:

COMPANY	CURRENCY	SHARE CAPITAL	GROUP % HOLDING	
			12/31/2021	12/31/2020
<b>Associates and Joint Ventures</b>				
Airest Retail S.r.l.	Euro	1,000,000	50	50
GAP S.p.A.	Euro	510,000	49.87	49.87
Venezia Terminal passeggeri S.p.A.	Euro	3,920,020	22.18	22.18
Brussels South Charleroi Airport SA	Euro	7,735,740	27.65	17.97
Save Cargo S.p.A.	Euro	1,000,000	50.0	50.00
2A - Airport Advertising S.r.l.	Euro	10,000	50	50
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	Euro	52,317,408	43.05	41.84

The share capital increase of Aeroporto Valerio Catullo di Verona Villafranca S.p.A. of Euro 35 million and fully subscribed in July 2021 was completed. SAVE subscribed to the share capital increase for Euro 15.8 million.

## Consolidation Principles

### Change of accounting standards

The accounting standards adopted for the preparation of the consolidated financial statements conform with those for the preparation of the annual financial statements of the Group at December 31, 2020, with the exception of the adoption of the new standards and interpretations applicable from January 1, 2021, listed below.

### IFRS Standards, Amendments and Interpretations applied from January 1, 2021

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group from January 1, 2021:

- On March 31, 2021, the IASB published an amendment entitled "**Covid-19-Related Rent Concessions beyond June 30, 2021 (Amendments to IFRS 16)**" by which it extends by one year the period of application of the amendment issued in 2020, which provided lessees the option to account for Covid-19-related rent reductions without having to assess through contract analysis whether the definition of lease modification in IFRS 16 was met. Therefore, the lessees who applied this option in fiscal year 2020 accounted for the effects of rent reductions directly in the income statement on the effective date of the reduction. The 2021 amendment, which is only available to entities that have already adopted the 2020 amendment, applies from April 1, 2021, and early adoption is permitted. The adoptions of these amendments do not have any effects on the Group consolidated financial statements.
- On August 27, 2020, the IASB published, in light of the reform on interbank interest rates such as IBOR, the document "**Interest Rate Benchmark Reform-Phase 2**" which contains amendments to the following standards:
  - IFRS 9 Financial Instruments;
  - IAS 39 Financial Instruments: Recognition and Measurement;
  - IFRS 7 Financial Instruments: Disclosures;
  - IFRS 4 Insurance Contracts; and
  - IFRS 16 *Leases*.

All the amendments entered into force as of January 1, 2021. The adoption of this amendment does not have effects on the consolidated financial statements of the Group.

### IFRS and IFRIC Accounting Standards, Amendments and Interpretations approved by the EU, not yet mandatory and not adopted in advance by the Group at December 31, 2021

- On May 14, 2020, the IASB published the following amendments:
  - **Amendments to IFRS 3 Business Combinations:** the purpose of the amendments is to update the reference in IFRS 3 to the revised version of the Conceptual Framework, without changing the provisions of the standard.

- **Amendments to IAS 16 Property, Plant and Equipment:** the purpose of the amendments is not to allow the amount received from the sale of goods produced during the testing phase of the asset to be deducted from the cost of the asset. These sales revenues and related costs will therefore be recognised to the statement of profit or loss.
- **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets:** the amendment clarifies that in estimating the possible onerousness of a contract, all costs directly attributable to the contract must be considered. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as the cost of direct material used in processing), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the share of depreciation of machinery used to perform the contract).
- **Annual Improvements 2018-2020:** the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

All the amendments will enter into force from January 1, 2022. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- On May 18, 2017, the IASB published **IFRS 17 - Insurance Contracts** which replaces IFRS 4 - Insurance Contracts.

The new standard ensures that an entity provides pertinent information which accurately presents the rights and obligations under insurance contracts. The IASB developed the standard in order to eliminate inconsistencies and weaknesses in the existing accounting policies, providing a single principle-based framework to take account of all types of insurance contracts, including reinsurance contracts held by an insurer.

The standard is effective from January 1, 2023, although advance application is permitted, only for entities applying IFRS 9 – Financial Instruments and IFRS 15 - Revenue from Contracts with Customers. The Directors do not expect this standard to have an impact on the company’s financial statements.

### **IFRS Standards, Amendments and Interpretations not yet approved by the European Union**

At the reporting date, the relevant bodies of the European Union had not yet concluded the process necessary for the implementation of the amendments and standards described below.

- On 23 January 2020, the IASB published an amendment entitled “**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**”. The purpose of the document is to clarify how to classify payables and other short or long-term liabilities. These amendments shall enter into force on January 1, 2023 and early application is permitted. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.
- On February 12, 2021, the IASB published two amendments entitled “**Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2**” and “**Definition of Accounting Estimates—Amendments to IAS 8**”. The

changes are intended to improve disclosure on accounting policies to provide more useful information to investors and other primary users of financial statements and to help companies distinguish between changes in accounting estimates and changes in accounting policies. The amendments will be applicable from January 1, 2023, although advance application is permitted. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

- On May 7, 2021, the IASB published an amendment called “**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**”. The document clarifies how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. The amendments will be applicable from January 1, 2023, although advance application is permitted. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.
- On December 9, 2021, the IASB published an amendment called “**Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information**”. The amendment is a transition option related to comparative information on financial assets presented at the date of initial application of IFRS 17. The amendment is intended to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and thus improve the usefulness of comparative information for financial statement readers. The amendments will apply from January 1, 2023, together with the application of IFRS 17. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.

### **Seasonal activities**

Due to the cyclical nature of the sector in which the Group generally operates, higher revenues and operating results are expected in the second and third quarters rather than in the first and final quarters of the year. Higher revenues are concentrated in June-September, during the peak summer vacation period and the maximum usage levels of the directly managed infrastructure (airports). Although considering the specific nature of 2021 and the restrictions on mobility, this dynamic is also evident in the year under review.

### **Significant accounting estimates**

The preparation of the consolidated financial statements and the relative notes in application of the relevant accounting standards requires that directors make estimates and assumptions on the values of the assets and liabilities in the financial statements and on the disclosures relating to the assets and contingent liabilities at the reporting date. The estimates and assumptions adopted are based on experience and other elements deemed relevant and are periodically revised; the effects of all changes to such estimates and assumptions are reflected in the income statement of the year in which the estimate is revised. If results differ from estimates, adjustments that cannot be estimated or predicted at this time may become necessary.

The difficult conditions in which the Group has operated during the year has made it necessary to verify the recoverability of the assets. In this regard, it should be emphasised that the valuation of the Company's assets was carried out on a going concern basis and taking into account the projections contained in the new operating and financial outlook

as the basis of the impairment test, approved by the Board of Directors on March 23, 2022, which forecasts a gradual recovery of traffic volumes over the medium term.

The emergency environment as outlined above has resulted in a significant increase in the level of risk and uncertainty, which therefore creates a greater degree of uncertainty with regards to the estimates necessary to prepare the financial statements.

A description of the accounts most significantly affected by estimates and assumptions is provided below.

#### *Impairment on goodwill and other intangible assets*

An impairment test is carried out on goodwill on an annual basis; this test requires an estimate of the value in use from the cash generating units of the cash flows to which the goodwill is attributed, in turn based on the expected future cash flows of the unit and discounted in accordance with an adequate discount rate.

The group undertakes an impairment test on goodwill recognised in the financial statements in accordance with the methods described in the paragraph “Impairments of intangible assets and property, plant and equipment”. The cash flows of the cash generating units attributable to the individual goodwill recognised was taken from the Business Plan approved by the Board of Directors of the Company or its subsidiaries, as the case may be.

In relation to the other intangible assets with finite useful life, an impairment test was carried out annually on the residual value, resulting from the allocation of the higher value paid on acquisition.

For more in-depth information and analysis of the assessments undertaken on December 31 on the individual goodwill amounts and other intangible assets, reference should be made to the paragraph “Tests on the recoverability of assets and groups of assets”, illustrated in the accounting policies.

#### *Deferred tax assets*

Deferred tax assets refer to tax losses carried forward and the temporary differences between the amounts recorded in the financial statements and those recorded for tax purposes, attributable to the deferred deductibility of costs, principally relating to risk provisions.

These assets are recognised in the financial statements on the basis of a discretionary assessment by the Directors on the probability of their recovery, with particular regard to the estimate of the capacity of the Parent Company and of the subsidiaries, also based on involvement in the “tax consolidation”, to generate future assessable income in the coming years on the basis of the forecasts made considering the above-mentioned operating and financial environment, subject by definition to significant uncertainties, in particular within the current economic and sector environment.

The calculation was made based on the expected tax rates for the year in which the temporary differences are expected to reverse.

#### *Doubtful debt provision*

The doubtful debt provision is based on a specific analysis of receivables in dispute and also an analysis of overdue receivables. The provision includes, in addition, the measurement of the residual receivables according to the Expected Loss method, calculated over the entire duration of the receivable as per the new IFRS 9. The overall valuation of the realisable value of trade receivables requires estimates on the probability of recovery of the above-mentioned receivables, in addition to the write-down percentages applied to receivables not in dispute and, therefore, is subject to uncertainty.

#### *Assets under concession replacement provision*

A provision was established against buildings held under concession by a number of Group companies including the amounts necessary for the maintenance or replacement of assets constituting the infrastructure held which must be returned to the State in optimal operating condition at the end of the concession.

The Replacement Provision is updated annually based on a technical evaluation of the estimated future charges relating to the cyclical maintenance of the assets which will be returned free at the end of the concession and is utilised based on the maintenance undertaken during the year.

#### *Pension provision and other post-employment benefits*

The cost of defined benefit plans and post-employment benefits are determined utilising actuarial valuations. The actuarial valuations require the consideration of statistical hypothesis concerning discount rates, the expected return on plan assets, future salary increases, mortality rates and future pension increases. Due to the long-term nature of these plans, these estimates are subject to a significant degree of uncertainty.

#### *Current income taxes*

Current income taxes are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the consolidated financial statements. Current income taxes relating to items recorded directly in equity are charged directly to net equity and not to the income statement.

### **Test on the recoverability of assets and group of assets**

Impairment tests were undertaken to assess the existence of impairments on the amounts allocated to Goodwill or Concessions, recognised in the present and previous years.

The impairment test compares the carrying value of the asset or group of assets of the cash generating unit (CGU) with the recoverable value, arising from the higher between the fair value (net of selling costs) and the discounted net cash flows which are expected to be produced from the asset or group of assets of the CGU (value in use). Specifically, the recoverable amounts of the assets relating to the CGUs subject to the test were verified by comparing them with the present value of expected cash flows until the end of the respective concessions.

In this regard, it is indicated that the recoverable value is determined on the basis of estimates, which by their very nature feature uncertainties, to which is added the significant uncertainty connected with the current market and sector environment, in which the development of the COVID-19 emergency and the recovery times of traffic volumes remain uncertain. Therefore, any deterioration in the various factors used in developing the estimates could require a restatement of the recoverable amounts. The Group will continuously monitor these factors and the existence of impairment losses.

## **Value of concessions and goodwill allocated to the Venice CGU on the Purchase Price Allocation**

The Group considered it necessary to carry out impairment tests on the amount of Euro 849.2 million allocated to “Concession Rights” and of Euro 303.6 million allocated to “Goodwill” during the acquisition completed in 2017 and with reference to the capital employed by the “Venice CGU”, with regards to the activities carried out at Venice Tesserà Marco Polo airport.

In the second half of 2021, Milione SpA was involved in the refinancing of the Senior Facility Agreement and the Eurobond, which successfully concluded in the initial months of 2022. This transaction, among other matters, involved in September a commercial aviation expert consultant to support the Directors in assessing the development of Venice Airport’s traffic curve. On the basis of these estimates, an impairment testing plan was developed.

Following the amendment of Article 202, paragraph 1-*bis* of the “Relaunch Decree” converted into law on July 17, 2020, which extends by two years all existing airport concessions, the scenario covers a time period between 2022 and 2043, based on the following key factors: (i) the presence of a full management concession, (ii) growth of both aviation and non-aviation commercial revenues, based on the forecast recovery of 2019 traffic volumes by 2024; (iii) the review, in light of the current general economic and public health environment, of a number of growth drivers and related investments.

The Weighted Average Cost of Capital (WACC) utilised for the discounting of cash flows net of the tax effect was 4.7%. The recoverable value, i.e. the value in use, thus identified, is higher than the carrying value and the test did not therefore highlight the need to make write-downs of the assets recognised. The WACC value which renders the value in use of the CGU equal to the relative carrying amount is approx. 5.1%.

## **Concession value allocated to Treviso CGU on the Purchase Price Allocation and the value of goodwill from the acquisition of a further minority shareholding in Aer Tre S.p.A.**

The company verified for the 2021 financial statements the existence of any impairment loss on the Euro 16.2 million allocated to “Concession Rights”, and the amount of Euro 6.9 million allocated to “Goodwill” on the acquisition from third party shareholders, in 2007, of a 35% stake in the share capital of Aer Tre S.p.A., which manages Treviso airport. The cash flows of the Cash Generating Unit are based on the best currently available assumptions for the preparation of a possible medium/long-term scenario. Following the amendment of Article 202, paragraph 1-*bis* of the “Relaunch Decree” converted into law on July 17, 2020, which extends by two years all existing airport concessions, the scenario covers a time period between 2022 and 2055, based on the following key factors: (i) the presence of a full management concession, (ii) growth of commercial revenues, thanks to planned incisive investments; (iii) the review, in light of the current general economic and public health environment, of a number of growth drivers and related investments.

The period of the scenario was broken down into two phases: the first phase (2022-2030) refers to the explicit forecast cash flows scenario prepared by SAVE S.p.A. Management, while the second phase (2031-2055) refers to the cash flows from the application of a “g” growth rate of 1% on revenues of the year 2030, until the conclusion of the concession. The Weighted Average Cost of Capital (WACC) utilised for the discounting of cash flows net of taxes was 4.7%. The identified value in use, applying the variables identified for the test to the drivers of the economic-financial scenario, was therefore higher than the carrying value. The WACC value which renders the value in use of the CGU equal to the relative carrying amount is approx. 6.8%.

### **Value of Concession from the acquisition of a further minority shareholding in Aeroporto Valerio Catullo S.p.A.**

An impairment test was undertaken to establish the existence of any impairment loss on the Euro 15.7 million allocated to “Goodwill” on the undertaking of a stake in Aeroporto Valerio Catullo di Verona Villafranca S.p.A. (“Catullo”), a company which holds concessions for the management of the Verona Villafranca and Brescia airports, between 2014 and 2015.

The operation, carried out through an initial acquisition from the Municipality of Villafranca of 2% of the Share Capital of Catullo, with subsequent subscription to a share capital increase and finally the exercise of the pre-emption right on a further 5.3% relating to shareholders who opted to exercise the right to withdrawal, resulted in a SAVE holding at December 31, 2015 of 40.31% in Catullo. As a result of subsequent additional purchases and the share capital increase in 2021, the interest held on December 31, 2021 is 43.1% of the investee's capital.

The investee was included in the consolidated financial statements at equity and therefore the above-stated goodwill was included in the investment's value.

The cash flows of the Cash Generating Unit concerning Catullo, while reflecting the current uncertainty resulting from the global coronavirus health emergency, covers a timeframe between 2022 and 2055. The first period of the scenario covering the years 2022-2030 highlights as key elements: (i) fast recovery of pre-COVID traffic levels thanks to the particular nature of the airport's passenger profile, mainly “leisure” and “domestic” travellers, with thereafter the development of Verona airport within its catchment area and the recovery therefore of a level of traffic in line with the regions potential through the entry of new carriers in a position to ensure significant traffic growth, the development of point-to-point destinations (also through low-cost carriers), improved connectivity with hubs by network carriers; (ii) the improvement of operations at Brescia with increased courier traffic, the growth of the general cargo segment and the consolidation of postal traffic; (iii) the growth of commercial revenues, thanks to targeted investments on the basis of increased traffic. The second reference period of this scenario, extended by 2 years following the amendment to Article 202, paragraph 1-bis of the “Relaunch Decree”, converted into Law on July 17, 2020, which runs from 2031 to the conclusion of the Verona concession in 2050 and concerns cash flows from the application of a “g” growth rate of 1% on revenues and costs of the year 2030. The Weighted Average Cost of Capital (WACC) utilised for the discounting of cash flows net of taxes was 4.7%. The recoverable value, i.e. the value in use as identified above, applying the variables identified for the test to the drivers of the economic-financial scenario, was higher than the carrying

value of the investment. The WACC value which renders the value in use of the CGU equal to the relative carrying amount is approx. 7.7%.

### **Value of Concession relating to the minority investment in the Airst Group**

Under the shareholder agreements with the Lagardère Group within the sale of the Airst Group, on May 6, 2015, LSTR Food Services Italia S.r.l. exercised the call option on 50% of Lagardère Food Services S.r.l., the company resulting from the spin-off from Airst S.p.A. on May 1, 2015 and including all of the Airst Group operations, excluding the commercial activities at the airports in which the SAVE Group operates. Airst S.p.A., in fact, following the corporate operations in 2015 controls three companies in the Food & Beverage and Retail sectors, operating at Venice, Treviso and Verona airports. In order to simplify the Airst Group structure, in 2016 a merger was undertaken by a number of companies resulting in Airst Retail becoming the parent company which wholly-owns Collezioni Venezia S.r.l..

As a result of this reorganisation, the Group now holds 50% of Airst Retail S.p.A.. The investee was included in the consolidated financial statements at equity and therefore the above mentioned value at the time of concession is included in the value of the investment.

The cash flows of the Airst Cash Generating Unit reflect the current situation of uncertainty as a result of the global coronavirus health emergency on the economic-financial scenario used by the Management of Airst. The reference time period running from 2022 and to 2028 coincides with the duration of the sub-concession contract for the F&B and Retail spaces at Venice and Treviso airports

The Weighted Average Cost of Capital (WACC) utilised for the discounting of cash flows net of taxes was 4.7%. The analyses indicated that the value in use so calculated is higher than the carrying value of the investment. The WACC value which renders the value in use of the CGU equal to the relative carrying amount is approx. 12.2%.

## Accounting policies

The IAS/IFRS accounting principles applied are illustrated below.

### Intangible assets

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

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

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

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

The amortisation of finite intangible assets is recorded in the income statement under the category of costs relating to intangible assets.

The indefinite intangible assets undergo an impairment test for loss in value at individual level or at cash generating unit level.

The recoverability of the value recorded is verified adopting the criteria indicated below. These assets are not amortised. The useful life of an indefinite intangible asset is reviewed on an annual basis in order to assess whether the conditions exist for it to remain in this classification.

The useful life of the various intangible asset categories is illustrated below:

Category	Amortisation period
Patents and intellectual property rights software	3 years
Airport Concession rights	Duration of Airport concession
Patents and intellectual property rights	5 years
Licences, brands and similar rights	Duration of contract

“Patents and intellectual property rights” principally refers to costs for the implementation and tailoring of operational software.

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

## **Business combinations and goodwill**

### **Business combinations before January 1, 2010**

Business combinations are recorded in accordance with the purchase method. The cost of the business combination is measured as the aggregate of the present values, at the date of exchange, of assets sold, liabilities incurred or assumed, and equity instruments issued by the purchaser, in exchange for control of the company acquired, plus any costs directly attributable to the business combination. The acquisition cost is allocated to the assets, liabilities and contingent liabilities of the company acquired measured at fair value at the acquisition date, which satisfy the criteria as per IFRS 3. The difference recorded between the business combination cost and the amount acquired at net fair value of the assets, liabilities and contingent liabilities is recorded as goodwill. Goodwill acquired in a business combination is not amortised; an impairment test is undertaken annually to verify any loss in value, or more frequently if specific events or changed circumstances indicate the possibility of an impairment, in accordance with IAS 36 “Impairment of assets”. In the determination of the fair value of the assets and liabilities and the impairment tests, the evaluations of the Directors are supported by opinions from independent experts. The minority interests in the companies acquired are initially measured at the fair value of the assets, liabilities and contingent liabilities recognised.

### **Business combinations after January 1, 2010**

Following the introduction of IFRS 3 Revised, from January 1, 2010, date of first prospective application of the standard, business combinations are recognised utilising the acquisition method. The acquisition cost is calculated as the total of the fair value at the date of acquisition and the value of any minority equity holding in the acquisition. For every business combination, the buyer must measure any minority holding at fair value or in proportion to the amount held in the identifiable net assets of the acquisition. The acquisition costs are expensed and classified under administration expenses. When the group acquires a business, the financial assets acquired or liabilities assumed under the agreement are classified or designated in accordance with the contractual terms, the economic conditions and the other conditions at the acquisition date. This includes the verification to establish whether an embedded derivative must be separated from the host contract. If the business combination is realised in a series of phases, the purchaser recalculates the fair value of the holding previously held and measures under the equity method and records to the income statement any resulting profit or loss. Every potential payment is recorded by the purchaser at fair value at the acquisition date. The change in the fair value of the potential payment classified as an asset or liability will be recorded in accordance with IFRS 9, in the income statement or in the statement of comprehensive income. If the potential payment is classified under equity, the value must not be recalculated until its elimination is recorded against equity. Goodwill is initially valued at cost calculated as the difference between the sum of the amount paid and the amount recognised for the minority interest holdings compared to the net identifiable assets acquired and liabilities assumed by the Group. If the amount is lower than the fair value of the net assets of the subsidiary acquired, the difference is recorded in the income statement. After initial recognition, goodwill is measured at cost, less any accumulated loss in value. For the purpose of impairment testing, goodwill acquired in a business combination must, from the acquisition date, be allocated to each of the Group’s cash-

generating units which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the entity are assigned to those units. If the goodwill is allocated to a cash-generating unit and the entity sells part of the activities of this unit, the goodwill associated with the activity sold is included in the book value of the activity when determining the gain or loss deriving from the sale. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash-generating unit.

### **Property, plant & equipment**

Property, plant and equipment are initially recognised at purchase price or construction cost or, where deriving from business combinations, at fair value at the acquisition date; the value includes the price paid to acquire or construct the asset (net of discounts) and any directly attributable costs to the acquisition and necessary for the asset to enter into service. The assets held by third parties are measured at fair value on the basis of a specific valuation. The purchase price or construction cost is net of public grants which are recognised when the conditions for their concession are verified. Land, both constructible and relating to civil and industrial buildings, is accounted for separately and is not depreciated in that it has an indefinite useful life. Tangible assets are presented net of accumulated depreciation and any losses in value, calculated as described below. Depreciation is calculated, on a straight-line basis, based on the estimated useful life.

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

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

Where a tangible fixed asset comprises a number of significant components with differing useful lives, the depreciation is carried out separately for each component. Land is not depreciated and fixed assets held-for-sale are valued at the lower of the subscription value and the fair value net of selling costs.

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

Property, plant and equipment are depreciated on a straight-line basis based on the residual useful life of the asset, as follows:

CATEGORY	%
Buildings	3%
Runway vehicles and equipment	10% - 31.5%
Office machinery	12.5%
Other machinery/plant	15.0%
Communication plant	25.0%
Alarm systems	30.0%
Operating/loading/unloading machinery	10.0%
Equipment	35% - 15% - 12.5%
Motor vehicles	20% - 25%
Ordinary office machinery	12.0%
Furniture & fittings	15.0%
Telephones and EDP	20.0%

### Leased fixed assets

Assets acquired through finance lease contracts, which substantially transfer the majority of the risks and benefits related to the ownership of an asset to the Group, are capitalised at commencement of the lease at the fair value of the asset or, if lower, at the present value of the minimum lease payments on the recording of a liability to the leasing company. Lease instalments are allocated to principal and interest to obtain application of a constant interest rate on the balance of the debt (principal). Financial charges are expensed to the income statement. Capitalised lease assets are depreciated over their estimated useful life. See the first section of these notes for the accounting treatment of operating leases in accordance with the accounting standard IFRS 16.

### Impairments on intangible assets and property, plant and equipment

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

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

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

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

At each reporting date, the Group also evaluates, in relation to the assets other than goodwill, the existence of indicators of a recovery in the loss of value previously recorded

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

The value of goodwill may not be reversed following an increase in the recoverable value.

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

#### *Goodwill*

The Group undertakes an impairment test on goodwill annually or more frequently if events or changes in circumstances indicate that the carrying amount may have incurred a loss in value.

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

The decrease in the value of goodwill cannot be restated in future years.

The Group undertakes the annual impairment test on the value of the above-mentioned intangible assets close to the end of the year.

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

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

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

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

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

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

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

## **Financial assets**

With regards to the classification and measurement of financial assets, the Group applied IFRS 9 to the instruments recognised at January 1, 2018 and did not apply this standard to assets which had already been eliminated for accounting purposes at the initial application date.

All financial assets recognised which fall within the scope of IFRS 9 should subsequently be measured at amortised cost or at fair value on the basis of the business model of the entity managing the financial assets and the characteristics concerning the contractual cash flows of the financial asset.

Specifically:

- Debt instruments held within a business model whose objective is the holding of financial assets for the collection of the contractual cash flows, and whose cash flows are represented only by the payment of capital and interest on the amount of the capital to be repaid, are subsequently measured at amortised cost;

Debt instruments held within a business model whose objective is achieved both through the collection of the contractual cash flows and the sale of the financial assets, and whose cash flows only derive from the payment of capital and interest on the amount of capital to be repaid, are subsequently measured at fair value with changes recognised to other comprehensive income (FVTOCI);

- All other debt instruments and capital instruments are subsequently measured at fair value, with changes recognised to profit or loss (FVTPL).

Where an investment in a debt instrument measured as FVTOCI is eliminated, the cumulative profit (loss) recognised previously to other comprehensive income is reclassified from shareholders' equity to the profit (loss) for the year through a reclassification adjustment. On the other hand, when an investment in a capital instrument designated as measured at FVTOCI is eliminated, the cumulative profit (loss) recognised previously to other comprehensive income is subsequently transferred to retained earnings without transiting from the income statement.

Debt instruments subsequently valued at amortised cost or FVTOCI are subject to an impairment test.

### **Impairment of financial assets**

In relation to the loss in value of the financial assets, IFRS 9 requires the application of a model based on expected credit losses, instead of based on the losses on receivables already incurred required by IAS 39. The differing model based on expected losses on receivables requires the Group to consider these losses and their changes and at each balance sheet date to reflect changes in the credit risk since the initial recognition of the financial asset. In other words, it is no longer necessary that an event occurs to put in doubt the recoverability of the receivable before the recognition of a doubtful debt.

IFRS 9 requires the Group to recognise the doubtful debt provision for expected losses on receivables with regards to:

- 1) Investments in debt instruments valued subsequently at amortised cost or FVTOCI;
- 2) Financial lease receivables;
- 3) Commercial receivables and contract assets;
- 4) commitments to issue loans and guarantee contracts to which the reduction in value provisions of IFRS 9 apply.

In particular, IFRS 9 requires that the Group measures the provision to cover the losses of a financial asset at an amount equal to the expected losses over the lifetime of the receivable (lifetime expected credit losses, ECL), where the credit risk of this financial asset is significantly increased after initial recognition, or where the financial instrument is an acquired or arising deteriorated financial asset. Therefore, where the credit risk of a financial instrument has not increased significantly after initial recognition (except for an acquired or arising deteriorated financial asset), the Group should measure the coverage of losses provision for the financial instrument for an amount equal to the expected credit losses from a default event in the 12 subsequent months (12-months expected credit losses). IFRS 9 in addition, in such circumstances, requires the adoption of a simplified method to measure the provision for the coverage of losses for the trade receivables, the contract assets and the finance lease receivables, estimating the lifetime expected credit losses.

### **Treasury shares**

Treasury shares acquired are recorded at cost and as a reduction of shareholders' equity. The purchase, sale or cancellation of treasury shares does not give rise to any profit or loss in the income statement. The difference between the carrying value and the payment received is recorded in the share premium reserve. The voting rights related to treasury shares are cancelled, as are the rights to receive dividends. In the case of the exercise of options on shares in the period, such are settled with treasury shares.

## **Inventories**

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

Contract work-in-progress is measured on the basis of the payments agreed in relation to the advancement of the work, determined utilising the cost-to-cost method. The payments on account paid by clients are deducted from inventories up to the payments matured; the remaining part is recorded under liabilities. Any losses deriving from the completion of the contracts are recognised fully in the period in which such is ascertained.

## **Cash and cash equivalents**

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

## **Employee benefits**

The benefits guaranteed to employees paid on the conclusion of employment or other long-term benefits are recognised in the period the right matures.

The liability, net of any plan assets, is calculated on the basis of actuarial assumptions and is recorded by the accrual method consistent with the years of employment necessary to obtain such benefits. The liability is calculated by independent actuaries utilising the projected unit credit method. The amount not only reflects the payables matured at the consolidated balance sheet date (only for companies with less than 50 employees) but also the future salary increases and related statistical data.

## **Provisions for risks and charges**

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

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

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

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

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

### **Trade payables and other non-financial liabilities**

Payables, which mature within the normal commercial terms, are recognised at cost (their nominal value). The payables in foreign currencies are recorded at the transaction exchange rate and, subsequently, translated at the year-end rate. The profits and losses deriving from the conversion are recorded in the income statement.

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

### **Financial liabilities**

Financial liabilities are recognised in accordance with IFRS 9 and, with the exception of derivative financial instruments, are initially recognised at cost, corresponding to the fair value of the liability plus transaction costs that are directly attributable at the issue of the liability.

After initial recognition, the financial liabilities are measured at amortised cost using the original effective interest rate, which is the rate that renders equal, on the initial recognition, the present cash flow value and the initial recognition value (amortised cost method).

All gains and losses are recognised in the income statement when the liability is settled, in addition through the amortisation process.

### **Derecognition of financial assets and liabilities**

#### *Financial assets*

Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised from the financial statements when:

- the right to receive the financial flows of the asset terminate;
- the Group retains the contractual right to receive the cash flows from the asset, but assumes a contractual obligation to pay the cash flows fully and without delay to a third party;
- the Group has transferred its right to receive the cash flows from the asset and (a) has transferred substantially all of the risks and rewards of ownership of the financial asset or (b) has not transferred or retained substantially all of the risks and rewards of the asset, but has transferred control over same.

Where the Group has transferred all the contractual rights to receive the cash flows from an asset and has not transferred or withheld substantially all of the risks and rewards or has not lost control, the asset is recorded in the financial statements of the Group up to the amount of its residual holding in the asset. Residual involvement that takes the form of a guarantee on the transferred asset is valued at the asset's initial book value or the maximum consideration that the Group could be required to pay, whichever is less.

### *Financial liabilities*

A financial liability is derecognised from the financial statements when the underlying liability is settled or cancelled.

### **Derivative financial instruments and hedging operations**

In line with the strategy chosen, the Group does not carry out operations and derivatives for speculative purposes. However, in the case in which these operations were undertaken for hedging purposes not qualifying as hedges according to the rules of IFRS 9, such are recognised as trading operations.

Derivative financial instruments are classified as hedging instruments (therefore designated as Hedge Accounting) when the relation between the derivative and the hedged item is formally documented and the effectiveness of the hedge, periodically verified, is high. In accordance with IFRS 9, the verification of the efficacy of the hedge is based on the evaluation of the “economic relationship” between the hedged element and the hedging element, favouring therefore qualitative aspects over quantitative aspects. When the hedged derivatives cover the risk of change of the fair value of the instruments hedged (fair value hedge; e.g. hedge in the variability of the fair value of asset/liabilities at fixed rate), these are recorded at fair value through the income statement; therefore, the hedging instruments are adjusted to reflect the changes in fair value associated to the risk covered. When the derivatives hedge the risk of changes in the cash flows of the hedge instrument (cash flow hedge; e.g. coverage of changes in cash flow of asset/liabilities at variable interest rate due to changes in the interest rates), the changes in the fair value are initially recognised under equity and subsequently through the income statement in line with the economic effects produced from the operation hedged.

The changes in the fair value of the derivatives compared to their initial value, which do not satisfy the conditions for hedge accounting, are recorded through the income statement.

### **Revenues and other income components**

Revenues are recognised as per IFRS 15 and for an amount which reflects the payment which the entity considers to have the right to in exchange for the transfer of goods or services to the customer. These are recognised when the contractual obligations have been complied with and in particular when control has been transferred to the customer. In addition, in the measurement of revenue it is necessary to take into account the probability of obtaining and/or collecting the economic benefit related to the income.

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

Airport management services can be broken into two categories: aviation and non-aviation.

#### *Aviation revenues*

The former category primarily consists of managing, maintaining and developing airport infrastructure, which also includes security checks and surveillance, as well as services related to the landing and departure of aircraft for passengers, other users and airport operators. Consideration for such services takes the form of airport fees of the following types paid by airlines, airport operators and passengers (defined by a regulated tariff system). These principally comprise: passenger boarding fees, landing and departure fees, aircraft parking and storage fees. Other sources of revenues concern the fees for the checking of departing passengers, checked baggage safety control fees, PRM fees (reduced mobility passengers), fees for the exclusive use of assets and de-icing service fees. The General Aviation business includes the full range of services relating to business traffic. Commercial discounts, recorded as a direct deduction of revenues, are measured on the basis of contracts signed with airlines and tour operators.

#### *Non-aviation revenues*

The main non-aviation activities include however a wide range of services, some provided directly and others indirectly through sub-concession contracts for commercial services for passengers and operators. This includes parking management, retail and advertising. These revenues consist of the market fees for activities directly carried out by the Group and from activities carried out by third parties under license and of royalties based on a percentage of revenues generated by the licensee, usually with the provision of a guaranteed minimum.

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

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

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

### **Measurement of costs and expenses**

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

### **Income taxes**

#### *Current income taxes*

Current income taxes are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the consolidated financial statements. Current income taxes relating to items recorded directly in equity are charged directly to net equity and not to the income statement.

### *Deferred taxes*

Deferred taxes are calculated using the liability method on temporary differences between values used for fiscal purposes and the assets and liabilities reported in the present consolidated financial statements. Deferred tax liabilities derive from all temporary timing differences, except for the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the profit for the year calculated for the financial statements or on the profit or loss calculated for tax purposes.

The reversal of the temporary differences, related to investments in subsidiaries, associates and joint ventures, can be controlled and it is probable that such will not occur in the foreseeable future.

Deferred tax assets are recorded against all temporary deductible differences and fiscal losses carried forward, up to the amount it is probable there exists adequate future assessable profits against the utilisation of the temporary deductible differences and of the assets or liabilities carried forward, except in the case where the deferred tax asset related to the temporary deductible differences derives from the initial recording of an asset or a liability in a transaction that is not a business combination and that, at the time of the transaction, does not impact on the profit of the period calculated for the accounts or on the losses calculated for tax purposes. In the case of temporary differences related to investments in subsidiaries, associates and joint ventures, the deferred tax assets are only recognised to the probable extent that the temporary differences will reverse in the foreseeable future and there are sufficient assessable amounts to utilise such temporary differences.

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

IRES	24%
IRES	27.5% (airport companies for tax periods 2020 and 2021)
IRAP	4.20% (Airport Companies)
IRAP	3.90%

### **Translation of accounts in foreign currencies**

The present consolidated financial statements are presented in Euro, which is the Company's operational currency. Each Group company decides the operative currency to be used to value the accounts in the financial statements. Transactions in foreign currency are initially recorded at the exchange rate (referred to the operative currency) at the transaction date. Monetary assets and liabilities in foreign currency are translated to the operative currency at the exchange rate at the consolidated balance sheet date. All exchange differences are recognised in the income statement. Non-monetary items valued at historical cost in foreign currency are translated by using the exchange rates in effect on the date the transaction was first recorded. Non-monetary items recorded at fair market value in foreign currency are translated by using the exchange rate on the date the value was calculated.

## Regional overview

The Group focus on Airport operations resulted in the *de facto* concentration of the business in Italy, therefore no longer requiring disclosure upon the main geographic areas.

## Information concerning the Principal Clients

Approx. 7.3% of the total revenues for 2021 of the subsidiary SAVE S.p.A. derived from the airline Ryanair, while the subsidiary Aer Tre S.p.A. derives approx. 53.4% of its revenues from Ryanair and approx. 12.7% from Wizz Air.

## Net Financial Position

The breakdown of the Group's net financial position is as follows:

(EURO THOUSANDS)	12/31/2021	12/31/2020
Cash and cash equivalents	24,587	52,719
Financial assets of group companies held-for-sale (Discontinued Operations)	441	
Other financial assets	690	150
<b>Financial assets</b>	<b>25,718</b>	<b>52,869</b>
Bank payables	60,662	37,971
Other financial liabilities – current portion	377	3,325
Financial liabilities of Discontinued Operations	441	0
<b>Current liabilities</b>	<b>61,480</b>	<b>41,296</b>
Bank payables – less current portion	999,287	992,787
Other lenders – less current portion	4,899	4,806
<b>Non-current liabilities</b>	<b>1,004,186</b>	<b>997,593</b>
Net financial position from Continuing Operations	(1,040,389)	
Net financial position from Discontinued Operations	441	
<b>Net Financial Position</b>	<b>(1,039,948)</b>	<b>(986,020)</b>
Total gross payables to banks	1,059,949	1,030,758

## Assets, liabilities and result from Discontinued Operations

In October, the subsidiary Save S.p.A. published a tender notice in the Official Gazette for the selection of an economic operator to purchase the entire share capital of the company **Triveneto Sicurezza S.r.l.** The Company provides security services pursuant to Article 133 of the Consolidated Public Safety Law (TULPS) and has specifically been entrusted with control, surveillance, and security services at Marco Polo Airport in Venice and Antonio Canova Airport in Treviso. On January 27, 2022, the SAVE Group concluded the tender for the sale of 100% of the subsidiary. On February 16, 2022, the sales agreement was signed, subject to specific conditions. The sale provides for the protection of Triveneto Sicurezza employees, i.e., an obligation to safeguard the level of employment at Triveneto Sicurezza in place at the time the sale was signed for at least three years.

Following the sale, the contribution to the consolidated values of Triveneto Sicurezza S.r.l. are presented as Discontinued Operations, as per IFRS 5.

Specifically:

- the balance sheet amounts at December 31, 2021 are presented under “Assets held-for-sale” and “Liabilities related to assets held-for-sale”;
- the income statement amounts of Triveneto Sicurezza S.r.l, for the two years compared, are presented under “Profit/(loss) from Discontinued Operations/Held-for-sale”

The Continuing and Discontinued Operations are presented in the Income Statement and Balance Sheet accounts without considering inter-company eliminations. This choice was made in order to provide a more representative picture of the capital and financial position and of the results, as the principal commercial transactions with companies subject to disposal will continue also in the coming year, remaining therefore within the scope of continuing operations.

The Balance Sheet, Income Statement and cash flow statement attributable to discontinued operations are shown below.

## Balance Sheet

<b>Assets</b>	(Euro thousands)	<b>12 31 2021</b>	<b>12 31 2020</b>
Cash and cash equivalents		1	1
Tax assets		119	709
Other receivables		379	484
<i>of which related parties</i>		<i>330</i>	<i>163</i>
Trade receivables		1,098	1,397
<i>of which related parties</i>		<i>1,071</i>	<i>1,373</i>
Inventories		0	0
<b>Total current assets</b>		<b>1,597</b>	<b>2,591</b>
<b>Assets held-for-sale</b>		<b>0</b>	<b>0</b>
Property, plant and equipment		35	63
Other intangible fixed assets with finite useful life		1	5
Other assets		10	10
Deferred tax assets		77	792
<b>Total non-current assets</b>		<b>123</b>	<b>870</b>
<b>TOTAL ASSETS</b>		<b>1,720</b>	<b>3,461</b>

<b>Liabilities</b>	(Euro thousands)	<b>12 31 2021</b>	<b>12 31 2020</b>
Trade payables		243	200
<i>of which related parties</i>		<i>105</i>	<i>60</i>
Other payables		490	250
Tax payables		15	92
Social security institutions		330	494
Other financial liabilities – current portion		441	3,232
<i>of which related parties</i>		<i>441</i>	<i>3,232</i>
<b>Total current liabilities</b>		<b>1,519</b>	<b>4,268</b>
<b>Liabilities related to assets held-for-sale</b>		<b>0</b>	<b>0</b>
Post-employment benefits and other employee provisions		196	197
Provisions for other risks and charges		7	67
<b>Total non-current liabilities</b>		<b>203</b>	<b>264</b>
<b>TOTAL LIABILITIES</b>		<b>1,722</b>	<b>4,532</b>

<b>Shareholders' Equity</b>	<b>12 31 2021</b>	<b>12 31 2020</b>
Share capital	100	100
Legal reserve	20	20
Other reserves and retained earnings	810	1,204
Net Profit/(loss)	(932)	(2,395)
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>(2)</b>	<b>(1,071)</b>
<b>TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY</b>	<b>1,720</b>	<b>3,461</b>

## Income Statement

(Euro thousands)	2021	2020
Operating revenue	8,104	7,039
Other income	107	34
<b>Total operating revenue and other income</b>	<b>8,211</b>	<b>7,073</b>
<b>Costs of Production</b>		
Raw and ancillary materials, consumables and goods	68	30
Services	1,090	923
Rent, lease and similar costs	71	70
Personnel costs:		
wages and salaries and social security charges	7,493	8,511
post-employment benefits	467	511
other costs	180	69
Amortisation, depreciation and write-downs		
amortisation	4	7
depreciation	31	35
Provisions for risks	6	58
Replacement provision	0	0
Other charges	72	47
<b>Total costs of production</b>	<b>9,482</b>	<b>10,261</b>
<b>EBIT</b>	<b>(1,271)</b>	<b>(3,188)</b>
Financial income and revaluation of financial assets	0	36
Interest, other financial charges and write-down of financial assets	(39)	(9)
	<b>(39)</b>	<b>27</b>
<b>Profit/(loss) before taxes</b>	<b>(1,310)</b>	<b>(3,161)</b>
Income taxes	(378)	(766)
<i>current</i>	(330)	(8)
<i>deferred</i>	(48)	(758)
<b>Profit/(loss) on Continuing Operations</b>	<b>(932)</b>	<b>(2,395)</b>
Profit/(loss) from Discontinued Operations/Held-for-sale	0	0
<b>Net profit/(loss)</b>	<b>(932)</b>	<b>(2,395)</b>

## Cash flow attributable to discontinued operations

	2021	2020
Cash Flow From Operating Activities	794	(2,954)
Cash Flow From Investing Activities	(3)	(8)
Cash Flow From Financing Activities	(791)	2,963
Net Cash Flow For The Year	0	1
Of which changes in cash pooling and capital contribution	(791)	2,963
Cash flow for the period net of inter-company financial positions	791	(2,962)

## ANALYSIS OF THE MAIN BALANCE SHEET ACCOUNTS

(where not otherwise specified, the amounts are expressed in thousands of Euro)

### ASSETS

#### Current Assets

at

I 2.3 I.2021	€	72,049
I 2.3 I.2020	€	88,590
Cge.		(16,541)

The items of the above stated account are as follows:

#### 1. Cash and cash equivalents

at

I 2.3 I.2021	€	24,587
I 2.3 I.2020	€	52,719
Cge.		(28,132)

These concern the bank current accounts available and cash and cash equivalents at the reporting date.

Cash and cash equivalents are reported at their book value, which is considered a reasonable approximation of the fair value at the date of the present consolidated financial statements.

#### 2. Other financial assets

at

I 2.3 I.2021	€	1,131
I 2.3 I.2020	€	150
Cge.		981

Other financial assets relate to the positive effect deriving from the recording of the mark to market of the derivative instruments for a total of Euro 0.5 million, financial receivables from the associated company Save Cargo S.p.A. for Euro 150 thousand and from the subsidiary, held for sale, Triveneto Sicurezza S.r.l. for Euro 441 thousand.

The Group holds financial derivatives in order to cover its exposure to interest rate risk regarding specific liabilities.

In the case where these operations may not be accounted for as hedging operations, they are recorded as speculative operations. The accounting policies applied establish that derivative financial instruments are recorded in accordance with the “hedge accounting” method only when at the beginning of the hedge the formal designation and

documentation relating to the hedge exists and it is presumed that the hedge is highly effective initially and over the accounting periods. In the absence of these requirements, if hedge accounting cannot be applied, the profits or losses deriving from the fair value of the derivative financial instruments are immediately recognised in the income statement.

Following the final maturity of a number of contracts and the signing of new contracts, also with regards to the loan agreed with a syndicate of banks, at December 31, 2021 Milione S.p.A. had in place:

- two Cap Rate 0.700% contracts entered into in February 2019 with effect from September 30, 2020, with a total notional value of Euro 100.5 million from September 30, 2020 to June 30, 2022 and a total notional value of Euro 360.5 million from June 30, 2022 to December 31, 2022, and a premium of Euro 59 thousand to be paid quarterly from September 30, 2020 (first charge 31.12.2020) to September 30, 2022 (last charge 31.12.2022).
- two IRS contracts entered into in September 2019 with effect from September 30, 2020 and maturity on June 30, 2023, with a total notional value of Euro 260 million. As a result of these contracts, Milione S.p.A. pays a fixed rate of -0.197%, which is exchanged for a variable rate of Euribor at 3M
- two IRS contracts signed respectively on September 22 and 25, 2020, with efficacy from September 30, 2020 and maturity on September 30, 2025, for a total notional amount of Euro 170.2 million between September 30, 2020 and June 30, 2022 and a total notional amount of Euro 108.9 million from July 1, 2022 to September 30, 2025. As a result of these contracts, Milione S.p.A. pays a fixed rate respectively of -0.459% and -0.455%, which is exchanged for a variable rate of Euribor at 3M
- an IRS contract signed on December 2, 2020, with efficacy from December 31, 2020 and maturity on September 30, 2025, for a total notional amount of Euro 24.3 million between December 31, 2020 and June 30, 2022 and a total notional amount of Euro 15.6 million between July 1, 2022 and September 30, 2025. As a result of this contract, Milione S.p.A. pays a fixed rate of -0.447%, which is exchanged for a variable rate of Euribor at 3M

The fair value of the above-mentioned IRS instruments amounts to Euro 0.8 million, while that concerning the Cap Rate contracts is Euro -0.2 million.

### 3. Tax receivables

at

I.2.3 I.2021	€	2,203
I.2.3 I.2020	€	6,566
Cge.		(4,363)

This item includes approx. Euro 1.5 million in IRES tax credits that can be used to offset other taxes and contributions during the following year, Euro 0.3 million in IRAP tax credits remaining after the payment of advances. It also includes approx. Euro 0.2 million in tax credits for new investments in tangible and intangible capital goods provided for by Law No. 160 of December 26, 2019 (Budget Law 2020) and Law No. 178 of December

30, 2020 (Budget Law 2021). During the year, IRES tax credits of approx. Euro 1.9 million were used to offset other taxes and contributions.

#### 4. Other receivables

at

12.31.2021	€	6,493
12.31.2020	€	5,895
Cge.		598

The analysis is as follows:

(Euro thousands)	12.31.21	12.31.20	CHANGE
ENAC guarantee deposits	2,205	2,205	-
Social security institution receivables	216	1,434	(1,218)
Suppliers for advances	1,535	722	813
Other receivables	2,469	1,412	1,057
Other assets for suspended financial charges	68	122	(54)
<b>Total other receivables</b>	<b>6,493</b>	<b>5,895</b>	<b>598</b>

The item includes the security deposits paid to ENAC of Euro 2.2 million recognized as current in the previous year following the ruling by the Lazio Regional Administrative Court, which affirmed AerTre S.p.A.'s right "to obtain authorisation to release the amounts paid as security, corresponding to the difference between 100% of airport fees and the amounts spent". Subsequent to this measure, the Decree of the Ministry of Infrastructure and Transport was sent, authorising the "release of the relative amounts" of the guarantee deposits paid by AerTre S.p.A., for a total amount of Euro 2.2 million.

Suppliers for advances refers mainly to contractual advances for investments and the movement in this account in the period reflects the advancement of investment projects.

During the year, we participated in a property auction as per Law 80 No. 227/2018 relating to the sale of two lots located in the municipality of Venice, Favaro Veneto - Tessera locality, and we proceeded to pay a total of Euro 579 thousand, recognised to other receivables, as an advance. The auction was awarded in favour of the Company with an obligation to settle the amount by early January 2022. On January 10, 2022, the balance of the price was paid, thus finalising the purchase of the lots. Other receivables also include the provisions recognised during the year in respect of white certificates matured as at the reporting date.

Receivables from social security institutions for Euro 1.4 million in the previous year mainly referred to receivables from INPS for the Extraordinary Temporary Lay-off Scheme or to the wage supplement for December 2020 already advanced by the companies of the Group to their employees and subsequently requested to be reimbursed also through offsetting.

## 5. Trade receivables

at

12.31.2021	€	35,336
12.31.2020	€	21,088
Cge.		14,248

The breakdown of trade receivables is outlined below:

(Euro thousands)	12.31.21	12.31.20	CHANGE
Trade receivables – third parties	32,956	19,019	13,937
Trade receivables - related parties	2,380	2,069	311
<b>Total trade receivables</b>	<b>35,336</b>	<b>21,088</b>	<b>14,248</b>

This principally concerns receivables from airlines for aviation activities and receivables from sub-agents for commercial spaces.

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

(Euro thousands)	12.31.21	12.31.20	CHANGE
Trade receivables	36,956	20,831	16,125
Doubtful debt provision	(3,999)	(1,811)	(2,188)
<b>Total trade receivables</b>	<b>32,956</b>	<b>19,019</b>	<b>13,937</b>

The Group doubtful provision amounts to Euro 4 million; this considers both the analysis of individual positions, for a number of which a credit recoverability risks exists, and an analysis concerning the aging of the receivable. This is in line with the valuation methods applied over time and is considered compliant with IFRS 9 described above. The analysis took into account the economic environment in which all airport operators find themselves.

The movements in the doubtful debt provision during the year were as follows:

(Euro thousands)	
<b>Balance at 12/31/2020</b>	<b>(1,811)</b>
Utilisations and other movements	16
Provisions	(2,204)
<b>Balance at 12/31/2021</b>	<b>(3,999)</b>

An analysis of the aging of the Group's net trade receivables from third parties at December 31, 2021 is reported below (in thousands of Euro):

TRADE RECEIV. FROM THIRD PARTIES	TOTAL	NOTYETDUE	DUE < 30 DAYS	DUE 30-60 DAYS	DUE 60-90 DAYS	DUE 90-120 DAYS	DUE > 120 DAYS
<b>12/31/2021</b>							
Net receivables	<b>32,956</b>	12,402	7,081	4,730	2,073	1,312	5,358
<b>12/31/2020</b>							
Net receivables	<b>19,019</b>	4,576	2,076	2,132	1,638	2,046	6,550

Analysis of receivables according to the aging criterion above indicates that the net amount of receivables in the first three bands has increased significantly on the previous year, due to the greater Group business volumes.

The monitoring and reminder activities to limit credit risk continued with even greater focus in view of the current environment.

In relation to trade receivables, it is considered that, following the actions, also of a legal nature, undertaken for credit protection and receipt, based on the information currently available, supported by the legal experts handling the relative disputes and in view of the guarantees received, including sureties, the net value indicated above prudently reflects the expected realisable value.

Trade receivables are reported at their book value net of write-downs; it is considered that this value reasonably approximates the fair value of such receivables, as at Group level there are no medium/long-term receivables which require discounting.

Trade receivables from related parties entirely concern investee companies, as follows:

(Euro thousands)	<b>12.31.21</b>	<b>12.31.20</b>	<b>CHANGE</b>
Airest Retail S.p.A. Group	507	746	(239)
2A - Airport Advertising S.r.l.	577	347	230
Aeroporto Valerio Catullo S.p.A.	713	439	274
Save Cargo S.p.A.	474	536	(62)
Triveneto Sicurezza S.r.l.	105		105
Other minor	4	1	3
<b>Total</b>	<b>2,380</b>	<b>2,069</b>	<b>311</b>

## 6. Inventories

at

I2.3I.2021	€	2,299
I2.3I.2020	€	2,172
Cge.	€	127

The value of inventories substantially relates to Save S.p.A. and concerns material inventories for airport activities.

## Non-current assets

at

12.31.2021	€	1,829,828
12.31.2020	€	1,877,715
Cge.		(47,887)

The account is comprised as follows:

### 7. Property, plant & equipment

at

12.31.2021	€	57,576
12.31.2020	€	66,773
Cge.		(9,197)

The movement relates mainly to new investments of approx. Euro 1.1 million, net of depreciation. The account includes Euro 5.5 million relating to “Rights-of-use of buildings” in application of IFRS 16.

The composition of these tangible assets is outlined in Attachment “B”, which highlights the historic cost, accumulated depreciation, and net values, for each asset category.

### 8. Intangible Assets

at

12.31.2021	€	1,629,637
12.31.2020	€	1,685,136
Cge.		(55,499)

The intangible asset items are indicated separately.  
Specifically:

(Euro thousands)	12.31.21	12.31.20	CHANGE
Airport Concession rights	604,942	626,831	(21,889)
Concessions	708,539	741,623	(33,084)
Other intangible fixed assets with finite useful life	5,623	6,149	(526)
Goodwill – other intangible assets with indefinite life	310,533	310,533	-
<b>Total intangible assets</b>	<b>1,629,637</b>	<b>1,685,136</b>	<b>(55,499)</b>

The composition of these intangible assets is outlined in Attachment “A”, which highlights the historic cost, accumulated amortisation and net values, for each asset category.

A net decrease of Euro 55.7 million was reported in the year, with amortisation of approx. Euro 60.6 million. See the paragraph “Accounting policies – Intangible assets”, where the accounting treatment of investments in accordance with IFRIC 12 is described.

The breakdown of “Concessions” is as follows:

(Euro thousands)	<b>12.31.21</b>	<b>12.31.20</b>	<b>CHANGE</b>
Save S.p.A.	694,301	726,959	(32,658)
Aer Tre S.p.A.	14,238	14,664	(426)
<b>Total concessions</b>	<b>708,539</b>	<b>741,623</b>	<b>(33,084)</b>

Concessions reflect the greater amount paid by Milione S.p.A. on the acquisition of the controlling interest in SAVE in 2017 allocated to the Save S.p.A. and Aertre S.p.A. concessions. During the year, the amortization plan of such amounts was modified due to the two-year extension of the duration of the concessions by the previously cited regulatory provision.

The breakdown of the account Goodwill, with reference to the cash generating units identified from the acquisition operations, is outlined below:

(Euro thousands)	<b>12.31.21</b>	<b>12.31.20</b>	<b>CHANGE</b>
Save S.p.A.	303,556	303,556	-
Aer Tre S.p.A.	6,937	6,937	-
N-Aitec S.r.l.	40	40	-
<b>Total Goodwill</b>	<b>310,533</b>	<b>310,533</b>	<b>-</b>

The account comprises:

- for Euro 303,556 thousand the portion allocated to “Goodwill” of the amount paid in excess of equity on the acquisition of the controlling interest in SAVE in 2017.
- for Euro 6,937 thousand, the higher value paid compared to net equity, entirely allocated to “Goodwill” on acquisition from minority shareholders of 35% of the investment held by the Group in the company Aer Tre S.p.A. in 2007. The Group therefore increased its investment in the company to 80%;
- for Euro 40 thousand the higher amount paid in 2006, compared to the relative share of net equity, deriving from the acquisition from minority shareholders of 49% of N-aitec S.r.l.. Thus the Group has increased its stake in the company to 100%.

In order to establish the recoverability of the principal amounts, the Company carried out impairment tests, whose features are outlined in the paragraph “Recoverability of assets or group of assets”, to which reference should be made. The tests performed did not indicate a need for impairment.

## 9. Investments

at

I 2.3 I.2021	€	84,599
I 2.3 I.2020	€	82,030
Cge.		2,569

The “Investments in companies carried at equity” and “Other investments” are reported separately.

(Euro thousands)	I 2.3 I.21	I 2.3 I.20	CHANGE
Investments in companies carried at equity	83,444	80,878	2,566
Other investments	1,155	1,152	3
<b>Total investments</b>	<b>84,599</b>	<b>82,030</b>	<b>2,569</b>

“Investments in companies carried at equity” are outlined below.

(Euro thousands)	% HELD	I 2.3 I.21	I 2.3 I.20	CHANGE
Venezia Terminal Passeggeri S.p.A.	22.18	8,899	10,789	(1,890)
GAP S.p.A.	49.87	288	306	(18)
Brussels South Charleroi Airport SA	27.65	8,907	11,377	(2,470)
2A – Airport Advertising S.r.l.	50	21	12	9
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	43.054	33,961	23,719	10,242
Airest Retail S.p.A.	50	30,602	33,816	(3,214)
Save Cargo S.p.A.	50	766	859	(93)
<b>Total Investments carried at equity</b>		<b>83,444</b>	<b>80,878</b>	<b>2,566</b>

The above table highlights how the COVID-19 pandemic continued to significantly impact the results of the associates and joint ventures, with particular regards to Bruxelles South Charleroi Airpost SA, Airest Retail S.r.l., Venezia Terminal Passeggeri S.p.A. and Aeroporto Valerio Catullo di Verona Villafranca S.p.A.. With regards to the latter, we highlight the subscription in July by the subsidiary Save S.p.A. of Euro 15.8 million to the share capital increase of a total Euro 35 million.

The changes in these investments measured at equity reflect in fact the losses incurred by these companies in 2021 due to the market conditions.

However, with regards to the investments held in the companies Aeroporto Valerio Catullo di Verona Villafranca S.p.A. and Airst Retail S.p.A. an impairment test was carried out, whose characteristics are outlined in the “Tests on the recoverability of assets and group of assets” paragraph, and whose outcome did not require any write-downs.

## 10. Other assets

at

I 2.3 I.2021	€	63
I 2.3 I.2020	€	64
Cge.		(1)

## 11. Deferred tax assets

at

I 2.3 I.2021	€	57,953
I 2.3 I.2020	€	43,712
Cge.		14,241

Deferred tax assets totalled Euro 58 million, whose recoverability is considered probable in view of the operating-financial forecasts of the Group, used also for the impairment tests indicated previously. Deferred tax assets mainly concern:

- tax losses recorded during the year and in the previous year deemed recoverable in the medium term;
- temporary differences in relation to depreciation deductible in the future following the revaluation of fixed assets in application of Article 110 of Decree Law 104/2020 carried out by the subsidiary Marco Polo Park S.r.l.;
- deferred tax assets on the realignment of the higher tax values of the investments in application of Article 15, paragraphs 10 *bis* and 10 *ter* of Legislative Decree No. 185/2008;
- fiscally deductible provisions in subsequent periods such as the assets under concession replacement provision, the risks and charges provision and the doubtful debt provision;
- adjustments related to the application of international accounting standards (principally non-capitalised non-current charges);
- write-down of intangible assets and other amortisation deductible in subsequent periods;
- adjustments relating to the discounting of pension provisions in line with international accounting standards;
- other consolidation adjustments which generate deferred tax assets.

**DEFERRED TAX ASSETS**

(amounts in thousands)

Rate 24% - 27.5%	ASSESSABLE				TAX			
	12/31/2020	INCREASES	DECREASES	12/31/2021	12/31/2020	INCREASES	DECREASES	12/31/2021
Doubtful debt provision	1,501	2,138	8	3,631	433	513	2	944
Amortisation, depreciation and write-downs	17,333	1,821	218	18,936	4,157	444	52	4,549
Deferred charges	3,553	-28	801	2,724	964	-8	219	737
Tax losses	54,642	49,340	3,066	96,362	13,422	11,841	811	24,452
ACE	3,785	2,361	1,885	4,261	908	565	452	1,021
GOI	1,773	279	432	1,620	425	67	104	388
Losses from transparent companies	1,132	436	566	1,002	271	105	136	240
Revaluation of tangible fixed assets DL 104/2020	8,054	0	638	7,416	1,934	0	84	1,850
Assets under concession replacement provision	4,500	5,525	4,695	5,330	1,460	1,330	1,138	1,652
Risks provision and other future deductible costs	20,969	16,949	1,271	36,647	3,886	4,762	339	8,309
Goodwill amortisation	4,855	0	694	4,161	1,211	0	191	1,020
Concessions amortisation	44,012	0	6,288	37,724	10,783	0	1,729	9,054
Employee benefits IAS 19	402	0	170	232	98	0	41	57
Operating leases IFRS 16	428	366	0	794	104	88	0	192
Intercompany eliminations	10	0	1	9	4	0	0	4
<b>IREs Deferred tax assets</b>	<b>166,949</b>	<b>79,187</b>	<b>20,733</b>	<b>220,849</b>	<b>40,061</b>	<b>19,707</b>	<b>5,298</b>	<b>54,470</b>

(amounts in thousands)

Rate 3.9% - 4.2%	ASSESSABLE				TAX			
	12/31/2020	INCREASES	DECREASES	12/31/2021	12/31/2020	INCREASES	DECREASES	12/31/2021
Amortisation, depreciation and write-downs	16,201	1,675	146	17,730	680	70	6	744
Deferred charges	486	-28	35	423	18	-1	1	16
Revaluation of tangible fixed assets DL 104/2020	8,054	0	638	7,416	338	0	15	323
Assets under concession replacement provision	11,370	2,417	261	13,526	539	101	11	629
Risks provision and other future deductible costs	634	0	613	21	26	0	26	0
Goodwill amortisation	4,855	0	694	4,161	183	0	29	154
Concessions amortisation	44,013	0	6,288	37,725	1,849	0	264	1,585
Operating leases IFRS 16	428	366	0	794	17	14	0	32
<b>IRAP Deferred tax assets</b>	<b>86,041</b>	<b>4,430</b>	<b>8,675</b>	<b>81,796</b>	<b>3,651</b>	<b>184</b>	<b>352</b>	<b>3,483</b>
				81,796				
<b>TOTAL MOVEMENTS IN DEFERRED TAX ASSETS</b>					<b>43,712</b>	<b>19,891</b>	<b>5,650</b>	<b>57,953</b>

## LIABILITIES

### Current liabilities

at

12.31.2021	€	155,721
12.31.2020	€	143,458
Cge.		12,263

The account is comprised as follows:

### 12. Trade payables

at

12.31.2021	€	48,443
12.31.2020	€	61,294
Cge.		(12,851)

Trade payables principally concern Italian suppliers and are reported at their book value, which approximates their reasonable fair value, as at Group level the amount of medium/long-term payables is insignificant and therefore do not require discounting processes. As can be seen from the cash flow statement, the balance compared with last year is significantly reduced due to the cost-cutting measures implemented during the year and the reduction in investments described in detail in the Directors' Report.

The breakdown of trade payables is shown below:

(Euro thousands)	12.31.21	12.31.20	CHANGE
Trade payables – third parties	47,283	61,171	(13,888)
Trade payables - related parties	1,160	123	1,037
<b>Total trade payables</b>	<b>48,443</b>	<b>61,294</b>	<b>(12,851)</b>

The breakdown of trade payables to related parties is as follows:

(Euro thousands)	12.31.21	12.31.20	CHANGE
Airest Retail S.p.A. Group	100	11	89
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	14	31	(17)
Finanziaria Internazionale Holding S.p.A.	-	73	(73)
Triveneto Sicurezza S.r.l.	1,041		1,041
Other related parties	5	8	(3)
<b>Total</b>	<b>1,160</b>	<b>123</b>	<b>1,037</b>

### 13. Other payables

at

12.31.2021	€	42,359
12.31.2020	€	36,399
Cge.		5,960

The following table provides greater details on the account “Other Payables”

(Euro thousands)	12.31.21	12.31.20	CHANGE
Payables to related parties	762	1,091	(329)
Customer advances	109	164	(55)
Personnel for deferred compensation	2,338	1,042	1,296
Airport concession fee	2,010	2,077	(67)
Fire prevention services	26,173	24,544	1,629
Municipal surtax payables	7,340	4,052	3,288
Other payables	3,627	3,429	198
<b>Total</b>	<b>42,359</b>	<b>36,399</b>	<b>5,960</b>

Payables to personnel for deferred compensation increased significantly due to the lesser use of the Temporary Lay-Off Scheme.

Payables for municipal surtaxes reflect the increase in the Group's aviation revenues.

Payables for the fire protection service, amounting to Euro 26.2 million, relate to the contribution to the Fire service fund, currently subject to a dispute.

Payables to related parties are broken down as follows:

(Euro thousands)	12.31.21	12.31.20	CHANGE
Payables to the Airst Group	8	774	(766)
Save Cargo S.p.A.	145	185	(40)
2A - Airport Advertising S.r.l.	251	132	119
Triveneto Sicurezza S.r.l.	358	-	358
<b>Total other payables to related parties</b>	<b>762</b>	<b>1,091</b>	<b>(329)</b>

#### 14. Tax payables

at

I 2.3 I.2021	€	1,336
I 2.3 I.2020	€	1,347
Cge.		(11)

For a breakdown of the account reference should be made to the following table:

(Euro thousands)	I 2.3 I.21	I 2.3 I.20	CHANGE
Employee withholding taxes	844	1,050	(206)
Other tax payables	188	297	(110)
Direct income taxes	305	-	305
<b>Total</b>	<b>1,336</b>	<b>1,347</b>	<b>(11)</b>

#### 15. Payables to social security institutions

at

I 2.3 I.2021	€	2,544
I 2.3 I.2020	€	3,122
Cge.		(578)

#### 16. Bank payables

at

I 2.3 I.2021	€	60,662
I 2.3 I.2020	€	37,971
Cge.		22,691

The account is comprised as follows:

(Euro thousands)	I 2.3 I.21	I 2.3 I.20	CHANGE
Ordinary current accounts	1	1	-
Short-term advances	23,000	2,500	20,500
Current portion of bank loans	37,661	35,470	2,191
<b>Total</b>	<b>60,662</b>	<b>37,971</b>	<b>22,691</b>

The nominal portions of medium/long-term loans falling due within 12 months amount to Euro 60.7 million. A description of these loans is provided in Note 19 below. Bank payables – less current portion

The following table provides a breakdown of bank credit lines utilised and available at December 31, 2021.

<b>TYPE</b>	<b>GRANTED</b>	<b>USED</b>	<b>RESIDUAL</b>
CASH CREDIT FACILITIES	35,077	(23,000)	12,077
ENDORSEMENT CREDIT	6,575	(184)	6,391
CASH AND CREDIT COMMITMENT	0	0	0
LEASING	0	0	0
MORTGAGES / LOANS	1,147,186	(1,047,186)	100,000
<b>TOTAL</b>	<b>1,188,838</b>	<b>(1,070,370)</b>	<b>118,468</b>

### 17. Other financial liabilities – current portion

at

12.31.2021	€	377
12.31.2020	€	3,325
Cge.		(2,948)

The account in the previous year mainly included the payable deriving from the fair value measurement of derivative financial instruments of Euro 3 million. The present year valuation resulted in the recognition of a financial asset to which reference should be made.

The current portion of payables to other lenders for lease contracts in compliance with IFRS 16 was recognised for Euro 0.4 million.

## Non-current liabilities

at

I 2.3 I.2021	€	1,240,795
I 2.3 I.2020	€	1,242,423
Cge.		(1,628)

The account is comprised as follows:

### 18. Other payables

at

I 2.3 I.2021	€	144
I 2.3 I.2020	€	287
Cge.		(143)

The item includes amounts due to the tax authorities for substitute tax to be paid beyond the next financial year.

### 19. Bank payables – less current portion

at

I 2.3 I.2021	€	999,287
I 2.3 I.2020	€	992,787
Cge.		6,500

(Euro thousands)	I 2.3 I.21	I 2.3 I.20	CHANGE
Medium/long-term loans	601,785	595,636	6,149
Bond loan	397,502	397,151	351
<b>Total</b>	<b>999,287</b>	<b>992,787</b>	<b>6,500</b>

Non-current bank payables comprise mainly the medium/long-term portion of loans undertaken by the Group and outstanding at December 31, 2021.

The nominal value of loan instalments due within one year totals Euro 60.7 million and beyond one year amounts to Euro 999 million.

The following loans were outstanding as at December 31, 2021:

- The loan signed by Aer Tre S.p.A. in November 2017 with Mediocredito Italiano, now Banca Intesa SanPaolo S.p.A., for an initial amount of Euro 10 million. Repayment is through equal half-yearly instalments from September 30, 2018 and with final payment on September 30, 2024. The two instalments due during 2020 were subject to a moratorium, with the final maturity of loan now September 30, 2025. The interest, settled on time during the year, is calculated at a variable rate linked to the 6-month Euribor increased by a spread. On issue, an up-front fee recognised to the financial statements in line with the valuation of financial liabilities at amortised cost was paid. In guarantee of these loans, SAVE S.p.A. committed to repay in full the residual payable;

- The loan signed by Save S.p.A. with Banca Intesa SanPaolo S.p.A. and disbursed on September 23, 2020 with maturity on March 22, 2022 and payment of interest on maturity. The loan is in use of existing cash credit lines and has no access or repayment costs and is classified as current;
- The loan contracted by Milione S.p.A. in late 2018 from a syndicate of banks with a total amount of Euro 695 million, of which Euro 515 million initially disbursed, followed by an early repayment of Euro 100 million in September 2019. During 2021, additional draw downs were made for Euro 30 million on the Capex line and the Euro 30 million Revolving line was consistently renewed. Therefore, at December 31, 2021, the debt totals Euro 515 million and provides for a bullet repayment at maturity in 2025 for Euro 485 million and a bullet repayment on May 31, 2022 for Euro 30 million relating to the Revolving line. The additional sum of Euro 50 million remains available to be drawn down. The loan provides for the payment of interest based on Euribor plus a spread, for which the hedging derivative contracts described in detail in paragraph 16 were undertaken. Other financial liabilities; the loan was renegotiated in February 2022, as indicated in the subsequent events paragraph below.
- The loan contracted by Milione S.p.A from the European Investment Bank in late 2018 for a total of Euro 150 million, to be disbursed in one or more tranches in the first four years and then repaid according to a repayment schedule of up to 18 years from the disbursement date. On December 31, 2021, the loan was disbursed for a total of Euro 100 million, of which Euro 80 million with a grace period of two years and repayment in equal capital instalments from 2021, with maturity in 2037, and Euro 20 million with a grace period of two years and repayment in equal capital instalments from 2022, with maturity in 2037. The loan stipulates the half-yearly payment of interest based on Euribor plus a spread.

The table below presents the information required by IFRS 7 with regard to the maturities of the principal amounts of the outstanding financial payables, including bond loans, in addition to an estimate of the financial charges that will accrue in the coming years.

MATURITY	CAPITAL PORTION	UP-FRONT FEE	INTEREST PORTION (*)	TOTAL
12/31/2022	57,694	(4,371)	16,545	69,868
12/31/2023	7,694	(2,681)	17,946	22,959
12/31/2024	7,693	(1,478)	19,281	25,496
12/31/2025	522,694	(766)	19,341	541,269
12/31/2026	306,155	(429)	9,423	315,149
12/31/2027	6,156	(115)	1,987	8,028
12/31/2028	6,155	(116)	1,961	8,000
12/31/2029	6,155	(113)	1,938	7,980
12/31/2030	6,155	(114)	1,910	7,951
12/31/2031	106,156	(92)	1,440	107,504
12/31/2032	6,155	(9)	138	6,284
12/31/2033	6,155	(9)	112	6,258
12/31/2034	6,155	(6)	87	6,237

12/31/2035	6,156	(3)	62	6,215
12/31/2036	6,156	(2)	34	6,188
12/31/2037	3,703	0	9	3,712
12/31/2038	0	0	0	0
12/31/2039	0	0	0	0
<b>TOTAL</b>	<b>1,067,187</b>	<b>(10,305)</b>	<b>92,214</b>	<b>1,149,097</b>

Finally, the parent company Milione S.p.A. issued the following bond loans:

- A bond of Euro 300 million on the Extra MOT market in Milan, to be redeemed in bullet form at maturity in 2026. This bond has been subscribed by a single bank and provides for the payment of interest in arrears at a fixed rate on a half-yearly basis; the terms of the bond, including the maturity date which was deferred to 2028, were modified in February 2022 as indicated in the following subsequent events paragraph, after the balance sheet closing date.

- A bond of Euro 100 million on the Vienna Securities Exchange, to be redeemed in bullet form at maturity in 2031. The bonds were subscribed by two US insurers and bear interest at a fixed rate, payable in half-yearly instalments at arrears.

COMPANY	NOMINAL VALUE	FIN. STATS. VALUE	CURR.	RATE	COUPON	MATURITY
SENIOR SECURED BONDS	300,000	298,184	EURO	2.47%	HAIF-YEARLY	12/20/2026
SENIOR SECURED NOTES	100,000	98,967	EURO	1.72%	HAIF-YEARLY	09/27/2031

(IN EURO THOUSANDS)

These financial payables stipulate a number of covenants for the parent company based on the consolidated financial statements of the Milione Group, to be verified on a half-yearly basis. As a result of the COVID-19 pandemic, management obtained specific waivers on compliance with these covenants and other contractual terms. Therefore, on December 31, 2021 the above parameters were not subject to testing.

## 20. Other lenders – less current portion

at

12.31.2021	€	4,900
12.31.2020	€	4,806
Cge.		94

The account refers to the medium-/long-term share of amounts payable other lenders for lease contracts in accordance with IFRS 16.

## 21. Deferred tax liabilities

at

I 2.3 I.2021	€	208,997
I 2.3 I.2020	€	218,687
Cge.		(9,690)

Deferred tax liabilities amount to Euro 208.9 million.

The principal reasons for recognition of deferred tax liabilities include:

- the higher price paid on the acquisition of control of the Save Group allocated definitively to Concessions;
- adjustments to IFRIC 12 “Service concession arrangements”;
- amortisation & depreciation and other future deductible costs.

### DEFERRED TAX LIABILITIES

(amounts in thousands)

Rate 24% - 27.5%	ASSESSABLE				TAX			
	12/31/2020	UTILISATION	INCREASES	12/31/2021	12/31/2020	UTIL.	INCREASES	12/31/2021
Leasing IAS 17	0	287	0	-287	0	78	0	-78
Other amortisation & depreciation	230	1	1	230	70	0	0	70
Suspension of depreciation DL 104/2020	2,001	0	743	2,744	480	0	179	659
Assets under concession accumulated amortisation	27,331	561	69	26,839	6,670	135	17	6,552
Other provisions and other future deductible costs	123	6	1	118	32	1	0	31
Revenue from amortised cost	4,153	1,321	0	2,832	997	317	0	680
Gains on concessions & goodwill	739,878	34,601	0	705,277	178,170	8,306	0	169,864
Deferred charges	0	0	0	0	0	0	0	0
<b>IRES deferred tax liabilities</b>	<b>773,716</b>	<b>36,777</b>	<b>814</b>	<b>737,753</b>	<b>186,420</b>	<b>8,837</b>	<b>196</b>	<b>177,779</b>

(amounts in thousands)

Rate 3.9% - 4.20%	ASSESSABLE				TAX			
	12/31/2020	UTILISATION	INCREASES	12/31/2021	12/31/2020	UTIL.	INCREASES	12/31/2021
Leasing	0	287	0	-287	0	3	0	-3
Assets under concession accumulated amortisation	26,538	561	69	26,046	1,116	24	3	1,094
Other provisions	72	6	0	66	3	0	0	4
Gains on concessions & goodwill	739,878	34,601	0	739,878	31,149	1,025	0	30,124
<b>IRAP deferred tax liabilities</b>	<b>766,488</b>	<b>35,455</b>	<b>69</b>	<b>765,703</b>	<b>32,268</b>	<b>1,052</b>	<b>3</b>	<b>31,219</b>

**TOTAL DEFERRED TAX LIABILITIES**

218,687 9,889 199 208,997

## 22. Post-employment benefits and other employee provisions

at

I 2.3 I.2021	€	3,408
I 2.3 I.2020	€	3,808
Cge.		(400)

The change in the post-employment benefit liabilities on December 31, 2021 are outlined below:

<b>BALANCE AT 12/31/2020</b>	<b>3,808</b>
Utilisations and other changes	(513)
Advances granted in period and transfers	(0)
Payments to suppl. provision and INPS Treasury	(2,028)
Substitute tax	(23)
Provisions and revaluations	2,216
Change due to actuarial calculation	(52)
<b>BALANCE AT 12/31/2021</b>	<b>3,408</b>

The actuarial estimate of post-employment benefits is carried out on the basis of the "benefits accrued" using the Projected Interest Credit Method, as per IAS 19. Under this method the valuation is based on the average present value of the pension obligations matured based on the employment service up to the time of the valuation, without projecting the remuneration of the employee in accordance with the regulatory modifications introduced by the Pension Reform.

The method can be divided into the following components:

- projection for each employee in service at the measurement date, of the post-employment benefit already provisioned which will mature up to the payment date;
- determination for each employee of the probable post-employment benefit payments which will be made by the company in the case of the employee leaving due to dismissal, resignation, injury, death, or pension, as well as the advanced payments requested;
- discounting, at the measurement date, of each probable payment.

For the actuarial calculation of the post-employment benefit provision, the Group utilised the valuations of an independent expert, carried out on the basis of the following fundamental assumptions:

- mortality rate: table IPS55
- inability rate: table INPS - 2000
- employee turnover: 1.5%
- discount rate: 0.98%
- growth rate of salaries: 1.5%
- rate of advances: 1%
- inflation rate: airline inflation 1%

### 23. Other provisions for risks and charges

at

12.31.2021	€	24,059
12.31.2020	€	22,048
Cge.		2,011

The account comprises:

(Euro thousands)	12.31.21	12.31.20	CHANGE
Provisions for risks and charges	1,241	1,923	(682)
Assets under concession replacement provision	22,818	20,125	2,693
<b>Total other provisions for risks and charges</b>	<b>24,059</b>	<b>22,048</b>	<b>2,011</b>

The movements in the provision for risks and charges during the year were as follows:

(Euro thousands)

<b>Balance at 12/31/2020</b>	<b>1,923</b>
Utilisations and other changes	(682)
Provisions for risks and future charges	-
<b>Balance at 12/31/2021</b>	<b>1,241</b>

“Provisions for risks and charges” comprise provisions to cover the estimated risk undertaken by the Group companies, principally against disputes with suppliers and ex-employees. The provisions are considered sufficient to cover legal case and dispute risks, based on a reasonable estimate according to the available information and having consulted with legal experts. It should be noted that during the year the subsidiary Save S.p.A. received a revocation action from Alitalia's extraordinary administration regarding the receivables collected for approx. Euro 4.9 million. At the preparation date of this document, and specifically considering the information available and the elements of defence that may be put forward in relation to the action brought, the Directors have decided not to make any provision for risks concerning this matter in light of the fact that the counterparty's claim is considered groundless.

#### Assets under concession replacement provision

at

12.31.2021	€	22,818
12.31.2020	€	20,125
Cge.		2,693

The movements in the provision during the year were as follows:

(Euro thousands)

<b>Balance at 12/31/2020</b>	<b>20,125</b>
Utilisations and other changes	(677)
Provisions for risks and future charges	3,370
<b>Balance at 12/31/2021</b>	<b>22,818</b>

This concerns an estimate for the necessary maintenance and replacement on assets under concession, which require free transfer to the state in optimal working condition on the

conclusion of the Group airport concession. The entire provision concerns cyclical restoration and maintenance at the Venice and Treviso airports.

The Replacement Provision is updated annually based on a technical evaluation of the estimated future charges relating to the cyclical maintenance of the assets and is utilised based on the maintenance undertaken during the year. The utilisations during the year refer to maintenance work done drawing down the accruals recognised in previous years.

## Shareholders' Equity

### 24. Shareholders' Equity

at

I2.3I.2021	€	505,359
I2.3I.2020	€	580,424
Cge.		(75,065)

The Shareholders' Equity comprises the Group Shareholders' Equity of Euro 502.9 million and Minority interest shareholders' equity for Euro 2.5 million.

Shareholders' Equity consists of:

#### Share capital

at

I2.3I.2021	€	189
I2.3I.2020	€	189
Cge.		-

#### Share premium reserve

at

I2.3I.2021	€	27,651
I2.3I.2020	€	27,651
Cge.		-

#### Legal reserve

at

I2.3I.2021	€	76
I2.3I.2020	€	76
Cge.		-

#### Other reserves and retained earnings

at

I2.3I.2021	€	550,663
I2.3I.2020	€	625,892
Cge.		(75,229)

As mentioned above, in H1 2021, Save International Holding SA acquired a minority interest in Belgian Airport SA and now hold 100% of the share capital as at the date of this interim report.

The Euro 1.3 million paid for the transaction was less than the value of the net assets acquired with the shareholding. The Euro 2.6 million difference has been recognised as an increase to other reserves, given that the transaction was considered a transaction between shareholders in accordance with IFRS 3, given that it did not result in a change in control over Belgian Airport SA.

### Minority interest shareholders' equity

at

12.31.2021	€	2,471
12.31.2020	€	7,221
Cge.		(4,750)

The minority interest shareholders' equity concerns the share of shareholders' equity and the net result concerning the minority interests of the subsidiaries not fully held.

The decrease for the period is related to the Group's acquisition of a minority interest in Belgian Airport SA as described above.

## ANALYSIS OF THE PRINCIPAL INCOME STATEMENT ACCOUNTS

(where not otherwise specified, the amounts are expressed in thousands of Euro)

### OPERATING REVENUE AND OTHER INCOME

#### 25. Operating revenue and other income

2021	€	86,429
2020	€	70,721
Cge.		15,708

#### Other operating revenues

2021	€	78,090
2020	€	61,919
Cge.		16,171

#### Other income

2021	€	8,339
2020	€	8,802
Cge.		(463)

For a detailed analysis of Operating revenues and other income, reference should be made to the Directors' Report.

### COSTS OF PRODUCTION

2021	€	149,302
2020	€	140,909
Cge.		8,393

The costs of production are broken down in the following table:

#### 26. Raw materials and goods

2021	€	1,027
2020	€	1,466
Cge.		(439)

## 27. Services

2021	€	36,023
2020	€	34,041
Cge.		1,982

(Euro thousands)	2021	2020	CHANGE
Utilities	3,627	3,825	(198)
Maintenance	7,909	6,899	1,011
Professional services	2,836	2,649	187
Cleaning and waste removal	3,587	3,197	391
Development charges and traffic promo	748	1,299	(551)
Other general services	1,829	1,645	184
Corporate board fees	1,379	1,381	(1)
Other personnel charges	673	547	127
Recovery of expenses	949	1,907	(958)
Insurance	1,430	1,316	114
Operating services	361	342	19
Airport security	8,081	6,950	1,131
IT Systems	850	835	15
Other sales expenses	1,762	1,250	513
<b>Total</b>	<b>36,023</b>	<b>34,041</b>	<b>1,982</b>

The following table reports the contractual fees concerning the auditing of accounts and other services provided in relation to the 2021 financial statements of the Milione Group by the Independent Audit Firm and its network.

(IN EURO/1000)

TYPE OF SERVICE	SERVICE PROVIDER	COMPANY	
Audit	Deloitte & Touche S.p.A.	Parent Company	74
Audit	Deloitte & Touche S.p.A.	Subsidiaries	108
Audit	Deloitte Bedrijfsrevisoren/Reviseurs d' entreprise	Subsidiaries	7
Other services	Deloitte & Touche S.p.A.	Parent Company	40
Other services	Deloitte & Touche S.p.A.	Subsidiaries	44
<b>Total Remuneration</b>			<b>273</b>

## 28. Rents, leasing and similar costs

2021	€	4,965
2020	€	3,933
Cge.		1,032

They consist of:

(Euro thousands)	2021	2020	CHANGE
Airport concession fee	4,762	3,750	1,012
Rentals and other	204	183	21
<b>Total Lease and rental costs</b>	<b>4,965</b>	<b>3,933</b>	<b>1,033</b>

The airport concession fee for the year, relating to Venice and Treviso airports, increased due to the air traffic performance in the year.

## 29. Personnel costs

2021	€	27,991
2020	€	25,544
Cge.		2,447

## 30. Amortization, depreciation and write-downs

2021	€	71,932
2020	€	70,649
Cge.		1,283

This account is divided as follows:

(Euro thousands)	2021	2020	
Amortisation & write-down of intangible assets	60,556	59,143	1,413
Amortisation & write-down of tangible assets	11,376	11,506	(130)
<b>Total amortisation &amp; depreciation</b>	<b>71,932</b>	<b>70,649</b>	<b>1,031</b>

## 31. Write down of current assets

2021	€	2,204
2020	€	475
Cge.		1,729

The account "write-down of current assets" includes the doubtful debt provisions; in calculating the allocation, further account was taken of the provision compared to total overdue receivables.

The provisions cover the risk concerning specific positions for which payment difficulties may arise.

### 32. Changes in inventories of raw materials and goods

2021	€	(195)
2020	€	(184)
Cge.		(11)

Change in inventories principally concerns consumable material stores.

### 33. Provisions for risks

2021	€	-
2020	€	162
Cge.		(162)

Reference should be made to the note "Other risks and charges provisions" for further comment.

### 34. Assets under concession replacement provision

2021	€	3,370
2020	€	2,604
Cge.		766

The accrual in the year takes into consideration the most up-to-date estimates on the extraordinary maintenance and restoration/renewal actions at Venice and Treviso airports.

### 35. Other charges

2021	€	1,985
2020	€	2,219
Cge.		(234)

Other charges comprise:

(Euro thousands)	2021	2020	
Sector association contributions	225	388	(163)
Taxes	1,242	1,280	(38)
Charitable donations and gifts	39	108	(69)
Other costs	479	443	36
<b>Total other charges</b>	<b>1,985</b>	<b>2,219</b>	<b>(234)</b>

## FINANCIAL INCOME AND CHARGES

### 36. Financial income and charges

2021	€	(36,007)
2020	€	(43,093)
Cge.		7,086

"Financial income and charges" are broken down as follows:

(Euro thousands)	2021	2020	CHANGE
Financial income and revaluation of financial assets	39	152	(113)
Interest, other financial charges	(22,813)	(23,492)	679
Profit/losses from associates carried at equity	(13,233)	(19,753)	6,520
<b>Total financial income and expenses</b>	<b>(36,007)</b>	<b>(43,093)</b>	<b>7,086</b>

For a further breakdown of the nature of the accounts included in the previous categories, reference should be made to the following tables.

#### Interest, other financial charges, and write-down of financial assets

(Euro thousands)	2021	2020	CHANGE
Interest charges	(214)	(175)	(39)
Interest charges on loans	(17,722)	(18,166)	444
Other financial expenses	(4,877)	(5,151)	274
<b>Total</b>	<b>(22,813)</b>	<b>(23,492)</b>	<b>679</b>

Compared to the previous year, there was a reduction in both interest charges and other financial expenses. Despite the increase in debt, interest charges fell due to both the reduction in the Euribor and the increased hedging on the debt relating to the loan agreement with the banking syndicate.

Other financial expenses decreased due to the offsetting of higher amortised cost charges and lower charges for commitment fees and waivers.

#### Profit/losses from associates/JV's carried at equity

The change in profit and losses concerning associates and joint ventures carried at equity is provided in the following table:

(Euro thousands)	2021	2020	CHANGE
Valuation at equity of GAP S.p.A.	(18)	3	(21)
Valuation at equity of BSCA SA	(2,470)	(6,810)	4,340
Valuation at equity of Aeroporto Catullo di Verona Villafranca S.p.A.	(5,357)	(5,877)	520
Valuation of equity of 2A S.r.l.	(192)	(169)	(23)
Valuation at equity of Airst S.p.A.	(3,214)	(3,899)	685
Valuation at equity of VTP S.p.A.	(1,890)	(2,749)	859
Valuation at equity of Save Cargo S.p.A.	(92)	(252)	160
<b>Total</b>	<b>(13,233)</b>	<b>(19,753)</b>	<b>6,520</b>

The valuation at equity resulted in the recognition of charges in 2021 which reflect the losses incurred by the investees, which operate also in sectors heavily impacted by the COVID-19 pandemic. Reference should be made to the comments on investments at Note 9.

## INCOME TAXES

### 37. Income taxes

2021	€	(23,303)
2020	€	(31,658)
Cge.		8,355

Income taxes in the year comprised:

(Euro thousands)	2021	2020	CHANGE
Current income taxes	398	(3,469)	3,867
Deferred tax income & charges	(23,701)	(28,169)	4,468
<b>Total income taxes</b>	<b>(23,303)</b>	<b>(31,658)</b>	<b>8,355</b>

Income taxes indicate the recognition of both current and deferred net tax income of Euro 23.3 million.

Deferred tax assets have been calculated on the tax loss generated during the year, as considering it probable that the Company will generate net profits in future years, sufficient to recover the amount in full. The benefit was calculated according to an IRES rate of 24% as their use is expected to occur even after the period of application of the 3.5% increase in the ordinary rate established for the 2019-2021 three-year period as per Article 1, paragraph 716, of the 2020 Budget Law (Law No. 160/2019), in respect of “income on business conducted under airport management concessions”.

The analysis of tax adjustments, resulting in a change in the effective tax rate compared to the notional rate of 24%, is outlined in the following table. The result before taxes and income taxes were reclassified taking into account the loss from discontinued operations.

<i>(Euro thousands)</i>	2021	%	2020	%
<b>Profit/(loss) before taxes</b>	<b>(98,880)</b>		<b>(113,282)</b>	
Profit/(loss) on assets held for sale	(1,309)		(3,110)	
<b>Reclassified profit before taxes</b>	<b>(100,189)</b>		<b>(116,392)</b>	
<b>Notional taxes</b>	<b>(24,045)</b>	<b>24.00%</b>	<b>(27,934)</b>	<b>24.00%</b>
<b>Effective taxes</b>	<b>(23,680)</b>	<b>23.64%</b>	<b>(32,412)</b>	<b>27.85%</b>
<b>Net profit/(loss)</b>	<b>(76,509)</b>		<b>(83,980)</b>	
<b>Difference from theoretical tax rate of 24%</b>	<b>365</b>	<b>-0.36%</b>	<b>(4,478)</b>	<b>3.85%</b>
<i>Permanent differences:</i>				
i) effect of increased IRES rate on current taxes				
i) effect of increased IRES rate on deferred taxes	323	-0.32%	(15)	0.01%
iii) IRAP	(910)	0.91%	(853)	0.73%
iv) ACE transferable to CNM	(442)	0.44%	(916)	0.79%
v) exempt dividends				
vi) exempt gains				
vii) other non-deductible costs / exempt income	(990)	0.99%	(712)	0.61%
viii) income taxes of prior years	7	-0.01%	(3,317)	2.85%
ix) valuation of investments at equity	2,901	-2.90%	4,223	-3.63%
x) super ACE benefit	(94)	0.09%	-	0.00%
xi) GOP transferable to NCE / deductible interest expense	(376)	0.38%	729	-0.63%
xii) deferred tax assets on reval. as per Decree Law No. 104/2020	(54)	0.05%	(1,841)	1.58%
xiii) deferred tax liab. on reval. as per Decree Law No. 104/2020			(1,776)	1.53%
	<b>365</b>	<b>-0.36%</b>	<b>(4,478)</b>	<b>3.85%</b>

The 0.36% difference between the effective rate of 23.64% and the theoretical rate for IRES of 24% is mainly due to the non-deductibility of the write-down of investments measured at equity, offset by deferred tax assets allocated on the gross operating profit or interest charges transferable to the tax consolidation over the medium-term on the basis of the tax consolidation agreements signed between the parties for the 2020-2022 three-year period and the super and hyper-amortisation tax benefits.

### 38. Profit/(loss) from Discontinued Operations

The result from discontinued operations/held for sale concerns the effect from the recognition as per IFRS 5 of the result of the subsidiary Triveneto Sicurezza S.r.l..

2021	€	(932)
2020	€	(2,356)
Cge.		1,424

### 39. RESULT FOR THE YEAR

2021	€	(76,509)
2020	€	(83,980)
Cge.		7,469

The Group and minority interest results are broken down as follows:

(Euro thousands)	2021	2020	CHANGE
Net Profit for the year	(76,509)	(83,980)	7,471
Minority interest loss (profit)	(818)	(3,375)	2,557
<b>Group Net Profit</b>	<b>(75,691)</b>	<b>(80,605)</b>	<b>4,914</b>

### **39. Types of financial risks and management**

The Group strategy for the management of financial risks is based on the Company objectives and focuses on the minimisation of interest rate risk and the relative optimisation of the cost of debt, the credit risk and the liquidity risk.

The management of these risks is undertaken in compliance with the principles of prudence and market best practices, with all risk management operations managed centrally.

#### **Interest rate risk**

The pre-fixed Group objectives concern:

- hedging of the interest rate risk and financial liabilities;
- compliance with, in the hedging of risk, the general balance criteria between loans and usages for the Group (variable rate and fixed rate portion, short-term and medium/long-term portion).

The Group, in the pursuit of the above-stated objectives and in consideration of the current continually monitored market conditions, decided to implement hedges in the period, which on December 31, 2021 overall accounted for 45.4% of the total value of the loans.

The current hedging operations concern the loan of Milione S.p.A. for a value to date issued of Euro 545 million, of seven-year duration, with bullet repayment in 2025 for Euro 515 million and bullet repayment in May 2022 for Euro 30 million concerning the revolving line and supported by a set of secured guarantees.

The loan stipulates, among other conditions, compliance by the company with a series of financial covenants measured on the Group, to be verified on a half-yearly basis and which at December 31, 2021 were subject to waivers and therefore were not subject to testing.

Reference should be made to the subsequent events to December 31, 2021 paragraph with regards to the renegotiation of the parent company loans.

The following table provides a breakdown of the derivative instruments in place at Group level at December 31, 2021:

STATEMENT ON THE RECORDING OF HEDGING TRANSACTIONS  
(EURO THOUSANDS; THE POSITIVE VALUES ARE RECEIVABLES FOR THE COMPANY; WHILE THE NEGATIVE VALUES ARE PAYABLES)

TYPE OF INSTRUMENT	GROUP COMPANY	NATURE OF HEDGED RISK	COUNTERPARTY	CONTRACTIVE	START DATE	EXPIRY DATE	CONTRACTIVE DATE	CONTRACTUAL AMOUNT	AMOUNT OUTSTANDING AT 12/31/2020	AMOUNT OUTSTANDING AT 12/31/2021	FAIR VALUE (MARK TO MARKET) AT 12/31/2020	FAIR VALUE (MARK TO MARKET) AT 12/31/2021
CAP RATE (*)	MILIONE SPA	CHANGE IN INTEREST RATES	UNICREDIT SPA	02/27/2019	09/30/2020	12/31/2022	15,250	15,250	15,250	(236)	(116)	
CAP RATE (*)	MILIONE SPA	CHANGE IN INTEREST RATES	INBSA SANPAOLO SPA	02/27/2019	09/30/2020	12/31/2022	15,250	15,250	15,250	(236)	(116)	
IRS	MILIONE SPA	CHANGE IN INTEREST RATES	UNICREDIT SPA	09/25/2019	09/30/2020	06/30/2023	130,000	130,000	130,000	(1,124)	(431)	
IRS	MILIONE SPA	CHANGE IN INTEREST RATES	INBSA SANPAOLO SPA	09/25/2019	09/30/2020	06/30/2023	130,000	130,000	130,000	(1,129)	(433)	
IRS (**)	MILIONE SPA	CHANGE IN INTEREST RATES	UNICREDIT SPA	09/22/2020	09/30/2020	09/30/2025	85,094	85,094	85,094	(124)	725	
IRS (**)	MILIONE SPA	CHANGE IN INTEREST RATES	UNICREDIT SPA	09/25/2020	09/30/2020	09/30/2025	85,094	85,094	85,094	(137)	710	
IRS (***)	MILIONE SPA	CHANGE IN INTEREST RATES	SOCIETE GENERALE SA	12/02/2020	12/31/2020	09/30/2025	24,313	24,313	24,313	(48)	201	
<b>TOTAL</b>							<b>485,001</b>	<b>485,001</b>	<b>485,001</b>	<b>(3,034)</b>	<b>540</b>	

\* THE CONTRACTUAL NOTIONAL AMOUNTS IS 15.25 MILLION FROM 09.30.2020 TO 06.30.2022 AND 50.25 MILLION FROM 07.01.2022 TO 12.31.2022  
\*\* THE CONTRACTUAL NOTIONAL AMOUNTS IS 85.09 MILLION FROM 09.30.2020 TO 06.30.2022 AND 54.47 MILLION FROM 07.01.2022 TO 09.30.2025  
\*\*\* THE CONTRACTUAL NOTIONAL AMOUNTS IS 24.3 MILLION FROM 12.31.2020 TO 06.30.2022 AND 15.56 MILLION FROM 07.01.2022 TO 09.30.2025

An analysis of non-discounted cash flows is broken down by the timing of the derivative instruments is also presented.

On the basis of the same maturities, the table also presents a summary of cash flows for medium/long term, including the capital and interest portions.

	TOTAL ESTIMATED CASH FLOWS		WITHIN 1 YEAR		FROM 2 TO 5 YEARS		OVER 5 YEARS	
	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020	12/31/2021	12/31/2020
DERIVATIVE INSTRUMENTS WITH NEGATIVE MTM	(2,298)	(3,298)	(1,406)	(1,298)	(892)	(2,000)	0	0
MEDIUM/LONG-TERM LOANS	(1,159,401)	(1,148,336)	(74,239)	(51,740)	(910,227)	(605,753)	(174,935)	(490,843)
<b>TOTAL</b>	<b>(1,161,699)</b>	<b>(1,151,634)</b>	<b>(75,645)</b>	<b>(53,038)</b>	<b>(911,119)</b>	<b>(607,753)</b>	<b>(174,935)</b>	<b>(490,843)</b>

## Cash flow sensitivity analysis

The Group prepared a cash flow analysis concerning loans in place. The analysis begins with the market position on December 31, 2021 and on the basis of interest rate increases/decreases of 0.25% and of 0.50%.

The impact of these changes on future cash flows is Euro +/-4.9 million for a 0.25% interest rate increase/decrease, and Euro +9.8 million for an increase in the interest rate of 0.50% and Euro -9.1 million for a decrease in the interest rate also of 0.50%.

## Credit risk

This concerns the risk that either of the parties undertaking a contract, which provides for deferred settlement over a period, does not fulfil a payment obligation, resulting therefore in a financial loss for the other party.

This risk may therefore give rise to more strictly technical-commercial or administrative-legal repercussions (disputes on the nature/quantity of supply, on the interpretation of the contractual clauses, on the supporting invoices etc.), in addition to issues of a typically financial nature, i.e. the credit standing of the counterparty.

For the Group, exposure to credit risk is principally related to the commercial activities concerning the sale of aviation services and property activities.

In order to control this risk, the Group has implemented procedures and actions under which the customers may be evaluated according to the assigned level of attention.

The credit risk concerning other financial assets of the Group, which comprise cash and cash equivalents, presents a maximum value equal to the book value of these activities in the case of insolvency of the counterparty.

## Liquidity Risk

The liquidity risk management policy, i.e. the strategy put in place to avoid cash flow difficulties constituting a problem for the Group, continued to favour prudence. The impact on Group operations and the wider sector from the restrictions introduced to contain the COVID-19 outbreak required the adoption of measures to safeguard Group liquidity and its ability to operate as a going concern.

In particular, as outlined in greater detail in the Directors' Report, new loan tranches were drawn down, the support tools made available under the emergency legislation were utilised, such as the Extraordinary Temporary Lay-off Scheme, while costs and investment plans were kept low in line with the previous year. This has enabled the Group to offset the impact of the drastic decline in business volumes in the year and to maintain an adequate level of security in the management of financial resources.

Unutilised credit lines of the banking system at Group level amount to Euro 12.1 million, while the credit lines not yet utilised concerning the loan contract subscribed amount to Euro 100 million.

The financial payables of the Parent Company stipulate a number of covenants based on the consolidated financial statements of the Milione Group (to be verified on a half-yearly basis). Following the COVID-19 pandemic, management obtained specific waivers on these covenants and other contractual terms. Therefore, on December 31, 2021 these covenants were not tested.

For the breakdown of the medium/long-term loans in place, reference should be made to the notes to the consolidated financial statements and the paragraph "Bank payables less current portion" and to the subsequent events paragraph below.

## Fair value hierarchy levels

A list of derivative financial instruments on December 31, 2021, measured at fair value, is reported in the table of the "Interest rate risk" paragraph above.

In relation to the financial instruments recorded in the balance sheet at fair value, IFRS 7 requires that these values are classified based on the hierarchy levels which reflects the significance of the input utilised in the determination of fair value. The following levels are used:

- Level 1 - assets or liabilities subject to valuation listed on an active market;
- Level 2 - input based on prices listed at the previous point, which are directly observable (prices) or indirectly (derivatives from the prices) on the market;
- Level 3 - input which is not based on observable market data.

The derivative instruments measured at fair value on December 31, 2021 are classifiable to hierarchy Level 2 of the fair value measurement. During the year, no transfers occurred from Level 1 to Level 2 or Level 3 or vice-versa.

#### **40. Investments in subsidiaries, associates, and other companies**

The Parent Company controls the following companies, fully consolidated. The figures reported are based on the financial statements and accounting situations prepared in accordance with the accounting standards adopted by each company.

- **Save S.p.A.**

Holding: 100%; 98.81% net of treasury shares held by the company.

SAVE S.p.A. is an investment holding company which principally operates as an airport manager. It directly manages Venice Marco Polo Airport and controls Treviso Antonio Canova Airport. The Company also has significant holdings in Verona Valerio Catullo Airport and in Charleroi Airport (Belgium).

Save in addition holds investments mainly in companies operating in the airport management sector. The subsidiary's 2021 financial statements present a value of production of Euro 70.7 million and a pre-tax loss of Euro 44.8 million.

- **Marco Polo Park S.r.l.**

Holding: 100%

The company manages airport parking directly and under sub-concession from SAVE and Aer Tre.

A value of production of approx. Euro 7.8 million was reported in 2021, and a pre-tax loss of Euro 0.4 million.

- **Save International Holding SA**

Holding: 100%

The company was incorporated in 2009 as a vehicle company for the acquisition of Brussels South Charleroi Airport SA in December 2009.

The company holds the investment in Belgian Airport SA, through which the acquisition was made together with minority shareholders.

- **Belgian Airport SA**

Holding: 100%

The company was incorporated in the fourth quarter of 2009, also as a vehicle company for the acquisition of Brussels South Charleroi Airport SA in December 2009. In H1 2021, Save International Holding SA acquired a minority interest in Belgian Airport SA and now holds 100% of the share capital.

The company incorporates the investment in Brussels South Charleroi Airport SA, consolidated at equity.

- **Save Engineering S.r.l.**

Holding: 100%

The company is involved in the design and coordination of works concerning the airport development programmes carried out by the Parent Company SAVE as part of the Airport Masterplan.

In 2020, the value of production totalled Euro 2.4 million; the company reported a pre-tax profit of Euro 0.1 million.

• **Naitec S.r.l.**

Holding: 100%

The company is involved in the implementation of IT projects for airports in the operational and administrative management areas. The company also develops and commercialises software products in this field.

A value of production of Euro 3.2 million was reported in 2021, with a pre-tax profit of Euro 1.4 million.

• **Aeroporto di Treviso AER TRE S.p.A.**

Holding: 80%

The Company Aer Tre S.p.A. holds the concession for the management of Treviso airport. The value of production totalled Euro 11.5 million; a pre-tax loss of Euro 5.2 million was reported for 2021.

• **Società Agricola Save a r.l.**

Holding: 100%

The company is wholly-owned by Save S.p.A., following the spin-off of Agricola Cà Bolzan a r.l. in 2013 and is exclusively involved in the activities established by Article 2135 of the Civil Code. The value of production amounted to Euro 0.5 million, with a pre-tax profit of Euro 0.1 million.

• **Triveneto Sicurezza S.r.l.**

Holding: 93%

The Company carries out airport security control in accordance with Ministerial Decree No. 85 of January 29, 1999.

Following the sale, the contribution to the consolidated values of Triveneto Sicurezza S.r.l. are presented as Discontinued Operations, as per IFRS 5.

• **Archimede 3 S.r.l.**

Holding: 100%

The company was acquired in 2004. No significant costs or revenues were reported in the year.

**Associates and joint ventures**

The key financial highlights of the joint ventures and associated companies considered significant are reported. The figures reported below are based on the financial statements at year-end of the respective companies, prepared in accordance with the accounting standards adopted by each company.

Reference should be made to the supplementary table Attachment D for the key quantitative disclosure required by IFRS 12.

• **Airest Retail S.r.l.**

Holding: 50%

The company manages food & retail sales points within the airports where the Save Group operates at Venice, Treviso and Verona and wholly-owns the company Airest Collezioni Venezia S.r.l. which manages through sub-license some retail sales points at the Venice airport.

The value of the investment at the date of these consolidated financial statements amounts to Euro 30.6 million; this includes the effect of the valuation at equity reflected in the

income statement in a write-down of Euro 3.2 million. The investment is considered an associate as the shareholder agreements establish that control is exercised exclusively by the shareholder Lagardère.

• **Aeroporto Valerio Catullo di Verona Villafranca S.p.A.**

Holding: 43.054%

The value of the investment at the date of these consolidated financial statements amounts to Euro 34 million; this includes the effect of the valuation at equity reflected in the income statement in a write-down of Euro 5.4 million. The shareholder agreements provide for joint control of the company.

• **Brussels South Charleroi Airport S.A.**

Holding: 27.65% through Belgian Airport SA.

The company manages Charleroi airport. The company was consolidated at equity. The value of the investment of Euro 8.9 million includes an effect of the valuation at equity reflected in the income statement in a write-down of Euro 2.5 million.

• **V.T.P. S.p.A. (Venezia Terminal Passeggeri)**

Holding: 22.18%.

The company, founded by the Venice Port Authority, provides embarkation/disembarkation services for cruise ships, ferries, hydrofoils, recreational craft, and all other passenger vessels using Venice Port.

The company was consolidated at equity; the investment was recognised for a value of Euro 8.9 million and includes the effect of the valuation at equity reflected in the income statement in a write-down of Euro 1.9 million.

• **G.A.P. S.p.A.**

Holding: 49.87%

The company, held 49.87%, operates in the airport sector, principally carrying out land assistance activities at Pantelleria Airport.

• **Save Cargo S.p.A.**

Holding: 50%

The company provides cargo and postal assistance services at Venice's Marco Polo airport. In 2016, Save conferred the "Cargo" business unit to the subsidiary Save Cargo S.p.A.; in 2019, it sold 50% of the investment.

• **2A – Airport Advertising S.r.l.**

Holding: 50%

The company was incorporated in 2012 for the management of advertising spaces. The shareholder agreements provide for joint control of the company.

## Subsequent events and business outlook

No significant events which could substantially alter the current balance sheet and financial situation or which would require amendments or supplements to the consolidated financial statements took place after the reporting date.

Among the events subsequent to year-end, we highlight the Group's refinancing of the Banking syndicate facilities on December 31 for Euro 595 million. The new contract, agreed on February 16, 2022, brings the available funding to Euro 640 million, extending its duration from December 2025 to December 2027. In addition, the initial financial covenant tests will be in June 2023. Two prestigious banks (CDP and Mediobanca) join the existing set of Group lenders. This new credit line together with the alignment of the main conditions also of the Euro 300 million bond loan, which extends the maturity to December 2028, lays the foundation for a more comfortable management of the Group's funding needs for the coming years.

As already commented upon, two years from the outbreak of the pandemic the global economic environment is gradually improving, although at an uneven pace among economies, also reflecting the development of vaccination campaigns.

In the initial two months of 2022, 842 thousand passengers transited the airports at the Venice-Treviso system, nearly 7 times greater than the same period of the previous year and 48% of 2019's volumes, confirming that the recovery only slowed on the final months of 2021 due to the Omicron variant.

However, 2022 will still feature significant risks, particularly in political terms and specifically in view of the Russian-Ukraine conflict, whose development and impacts are currently unforeseeable.

In any case, from an operating view point, the contingent air traffic situation, significantly hit by the pandemic and with travel limitations dictated by the recognition of the various vaccines, had already reduced the importance of traffic to/from the countries involved in the conflict for our system (which in any case was marginal), with a substantial recovery in the forecasts produced by management for 2022 not expected. In view of these indications and that outlined in the paragraph "Risks deriving from a reduction in the number of passengers or the quantity of cargo transported through airports managed by the Group" in the Directors' Report, it is considered that any further reduction in Group company operations on these markets would not significantly impact the forecasts for a recovery in airport traffic by Group Management and used for the Group consolidated financial statement valuations.

The Directors' assessments regarding the financial statements that may be more subject to the uncertainty arising from the circumstances described above are those relating to the accounts that require a higher level of judgement and are described in the "Significant accounting estimates" paragraph of the explanatory notes.

## Disclosure as per Article 1, paragraph 125 of Law No. 124 of August 4, 2017

In relation to the provisions of Article 1, paragraph 125 of Law 124/2017, regarding the obligation to report in the notes to the financial statements contributions or aid in cash or in kind received during the year by way of grants, subsidies, advantages not of a general nature and without consideration, remuneration or compensation, from the entities referred to in paragraph 125 of the same article, the company certifies that it received the following public disbursements during the year:

<i>Amounts in Euro</i>	Ministry of Economy and Finance						TOTAL GRANTS 2021
	Grant paragraphs 1 through 9 of Article 1 of Decree Law No. 41 of March 22, 2021	Grant paragraphs 1 through 4 of Article 1 of Decree Law No. 73 of March 25, 2021	Grant paragraphs 5 through 15 of Article 1 of Decree Law No. 73 of March 25, 2021	Grant paragraphs 16 through 27 of Article 1 of Decree Law No. 73 of March 25, 2021	Sanitation tax credit - law decree May 25, 2021 No. 73	SUPER ACE 2021 - paragraph 7 of Article 1 of Legislative Decree No. 73 of May 25, 2021	
SAVE S.P.A.					43,248		43,248
AERTRE S.P.A.					12,756		12,756
TRIVENETO SICUREZZA S.R.L.					11,510	72,000	83,510
MARCO POLO PARK S.R.L.					581		581
SAVE ENGINEERING S.R.L.	42,676	42,676	14,777	71,607			171,737
NATITEC S.R.L.						32,909	32,909
SOCIETA AGRICOLA SAVE A R.L.							0
	42,676	42,676	14,777	71,607	68,095	104,909	344,741

## Related party transactions

The consolidated financial statements at December 31, 2021 include the financial statements of Milione S.p.A. and its subsidiaries, as indicated in the paragraph “Consolidation scope”. The transactions with associated companies and related parties were undertaken at the respective average market values for similar services and of a similar quality. In relation to transactions in the period with Group Companies, reference should be made to the comments of the Balance Sheet and Income Statement accounts of the Explanatory Notes and attachment C for payable/receivable and cost/revenue transactions.

## Supplementary Statements

## Supplementary Statements

## Annex A

## Statement of changes in intangible assets and relative amortisation

(In Euro/000)

	Historical cost						Accumulated depreciation						Net intangible assets	
	Value at 12/31/20	Acquisitions	Decreases	Grants	IFRS 5	Reclassifications/Other movements	Value at 12/31/21	Value at 12/31/21	Increases of the period	Utilisations	IFRS 5	Reclassifications/Other movements		Value at 12/31/21
Airport Concession rights	754,215	1,436	(54)	o		6,624	762,221	165,858	24,018	(31)	o		189,845	572,376
Assets in progress and advances	38,474	2,313	(711)	o		(7,511)	32,566							32,566
<b>Sub-total airport concession rights</b>	<b>792,689</b>	<b>3,749</b>	<b>(764)</b>	<b>o</b>	<b>o</b>	<b>(887)</b>	<b>794,787</b>	<b>165,858</b>	<b>24,018</b>	<b>(31)</b>	<b>o</b>	<b>o</b>	<b>189,845</b>	<b>604,942</b>
<b>Concessions (*)</b>	<b>865,401</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>865,401</b>	<b>123,779</b>	<b>33,084</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>156,863</b>	<b>708,539</b>
Other intangible fixed assets with finite useful life	25,895	1,903	(84)		(142)	1,861	29,433	22,210	2,748	(84)	(141)	o	24,732	4,700
Assets in progress and advances	2,463	321	o			(1,861)	923	o	o	o	o	o	o	923
<b>Subtotal other intangible fixed assets with finite useful life</b>	<b>28,358</b>	<b>2,224</b>	<b>(84)</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>30,356</b>	<b>22,210</b>	<b>2,748</b>	<b>(84)</b>	<b>o</b>	<b>o</b>	<b>24,732</b>	<b>5,623</b>
<b>Goodwill and other intangible assets with indefinite useful life (*)</b>	<b>310,533</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>310,533</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>o</b>	<b>310,533</b>
<b>Total intangible assets</b>	<b>1,996,982</b>	<b>5,972</b>	<b>(848)</b>	<b>o</b>	<b>o</b>	<b>(887)</b>	<b>2,001,077</b>	<b>311,847</b>	<b>59,849</b>	<b>(115)</b>	<b>o</b>	<b>o</b>	<b>371,440</b>	<b>1,629,637</b>

## Supplementary Statements

## Annex B

## Statement of changes in tangible assets and relative depreciation

(In Euro/000)

	Historical cost						Accumulated depreciation						Net tangible assets	
	Value at 01/01/21	Acquisitions	Decreases	Grants	IFRS 5	Reclassifications/Other movements	Value at 12/31/21	Value at 01/01/21	Increases of the period	Utilisations	IFRS 5	Reclassifications/Other movements		Value at 12/31/21
Land & buildings	52,041	511	(72)			(448)	52,032	4,786	1,076	(25)		(448)	5,389	46,643
Property, plant and equipment	80,856	240	(236)		(251)	56	80,665	58,158	5,324	(215)	(250)	o	63,016	17,649
Industrial & commercial equipment	9,264	53	(113)		(38)	107	9,272	6,819	695	(113)	(29)	o	7,372	1,900
Other assets	28,135	713	(72)		(288)	586	29,074	20,806	2,639	(48)	(263)	o	23,133	5,941
Impairment								15,313	1,675	o	o	o	16,988	(16,988)
Assets in progress and payments on account	2,359	95	o			(23)	2,431							2,431
<b>Total tangible assets</b>	<b>172,654</b>	<b>1,612</b>	<b>(493)</b>	<b>o</b>	<b>o</b>	<b>277</b>	<b>173,475</b>	<b>105,882</b>	<b>11,408</b>	<b>(402)</b>	<b>(448)</b>	<b>o</b>	<b>115,898</b>	<b>57,576</b>

## Attachment C1

### Balance sheet transactions with group companies incl. in the financial statements and associates

amounts stated in Euro thousands

AMOUNTS STATED IN EURO THOUSANDS	FINANCIAL ASSETS	TRADE RECEIVABLES	TRADE PAYABLES	OTHER PAYABLES
Save Cargo S.p.A.	150	-	5	8
Airest Retail S.r.l.		498	100	-
Airest Collezioni Venezia S.r.l.		9		
2A - Airport Advertising S.r.l.		577	1	145
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.		713	14	
Gabriele D'Annunzio Handling S.p.A.		2		
Brussels South Charleroi Airport (BSCA) SA		4		
Triveneto Sicurezza S.r.l.	441	105	1,041	358
<b>TOTAL</b>	<b>591</b>	<b>1,907</b>	<b>1,161</b>	<b>511</b>

AMOUNTS STATED IN EURO THOUSANDS	OPERATING REVENUE	OTHER INCOME	SERVICES	OTHER CHARGES	FINANCIAL INCOME
Save Cargo S.p.A.	216	47			
Airest Retail S.r.l.	3,661	319	643	7	-
2A - Airport Advertising S.r.l.	868	74		1	
Airest Collezioni Venezia S.r.l.	502	15			
Airest S.p.A.					
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	372	580	28	-	
Gabriele D'Annunzio Handling S.p.A.	5	2			
Brussels South Charleroi Airport (BSCA) SA	11	9			
Triveneto Sicurezza S.r.l.	152	487	8,081		39
<b>TOTAL</b>	<b>5,788</b>	<b>1,575</b>	<b>8,752</b>	<b>9</b>	<b>39</b>

Supplementary Statements

Annex D1

Key Financial Highlights of the subsidiaries with minority holdings

(in Euro/1000 as per IFRS before inter-company eliminations)	Aertre S.p.A.		Belgian Airport SA	
	12 31 2021	12 31 2020	12 31 2021	12 31 2020
Dividends paid to minority interests	0	0	0	0
current assets	9,937	5,326	658	670
non-current assets	38,873	38,308	11,249	11,249
current liabilities	28,778	18,112	12	9
liabilities held-for-sale				
non-current liabilities	11,949	10,684	0	0
Change	8,499	3,638	0	0
profit (loss) on continuing operations	(2,725)	(3,378)	(14)	(11)
profit (loss) on discontinued operations				

Supplementary Statements  
Attachment D2  
Key Financial Highlights of the Associates/Joint Ventures  
communicated to the Parent Company as per local GAAP

	Aeroporto Valerio Catullo di Verona Villafranca S.p.A.		Venezia Terminal Passeggeri S.p.A.		Brussels South Charleroi Airport SA		Airest Retail S.p.A.	
(in Euro/1000)	12 31 2021	12 31 2020	12 31 2020	12 31 2019	12 31 2021	12 31 2020	12 31 2021	12 31 2020
Dividends paid to joint ventures or associates			o	o				o
<b>Key Financial Highlights</b>								
current assets	60,065	33,399	17,284	24,425	45,735	38,320	14,762	11,757
non-current assets	108,539	99,269	17,633	21,117	47,470	46,110	46,098	53,093
current liabilities	(67,382)	(54,673)	(2,726)	(972)	(37,071)	(29,981)	(6,838)	(8,241)
non-current liabilities	(42,135)	(43,235)	(1,049)	(4,392)	(30,149)	(30,943)	(4,421)	(2,146)
shareholders' equity	(59,087)	(34,760)	(31,142)	(40,178)	(25,985)	(23,506)	(49,601)	(54,463)
<b>Revenues</b>	<b>21,602</b>	<b>16,890</b>	<b>1,269</b>	<b>34,433</b>	<b>79,631</b>	<b>58,165</b>	<b>27,434</b>	<b>20,563</b>
Raw materials and goods	(675)	(746)	(68)	(212)	(509)	(242)	(11,145)	(8,608)
Services	(16,080)	(15,180)	(2,576)	(14,656)	(47,798)	(43,149)	(4,054)	(3,663)
Rents, leasing and similar costs	(1,473)	(1,164)	(1,823)	(5,664)			(4,562)	(3,496)
Personnel costs	(6,220)	(6,141)	(2,024)	(3,762)	(31,128)	(27,896)	(6,276)	(5,345)
Other charges	(594)	(559)	(80)	(202)	(1,995)	(2,536)	(52)	(159)
<b>EBITDA</b>	<b>(3,440)</b>	<b>(6,899)</b>	<b>(5,302)</b>	<b>9,937</b>	<b>(1,799)</b>	<b>(15,658)</b>	<b>1,345</b>	<b>(708)</b>
Amortisation, depreciation and write-downs	(4,606)	(3,448)	(3,865)	(4,480)	(6,021)	(7,183)	(7,063)	(7,237)
Provisions	(1,350)	(1,131)	(20)	(14)	163	(56)		(18)
<b>EBIT</b>	<b>(9,396)</b>	<b>(11,478)</b>	<b>(9,187)</b>	<b>5,443</b>	<b>(7,657)</b>	<b>(22,897)</b>	<b>(5,718)</b>	<b>(7,963)</b>
Financial income	30	1	160	265	343	930		182
Financial charges	(789)	(634)	(1)	(1)	(626)	(378)	(45)	(22)
Impairments on financial assets and write downs	(926)	(576)						
<b>Profit/(loss) before taxes</b>	<b>(11,081)</b>	<b>(12,686)</b>	<b>(9,028)</b>	<b>5,707</b>	<b>(7,940)</b>	<b>(22,345)</b>	<b>(5,763)</b>	<b>(7,803)</b>
Income taxes	233	168	(8)	(1,515)	81	(61)	1,107	1,639
<b>profit (loss) on continuing operations;</b>	<b>(10,848)</b>	<b>(12,518)</b>	<b>(9,036)</b>	<b>4,193</b>	<b>(7,859)</b>	<b>(22,406)</b>	<b>(4,656)</b>	<b>(6,164)</b>
profit (loss) on discontinued operations / held-for-sale								
<b>Net Profit/(loss)</b>	<b>(10,848)</b>	<b>(12,518)</b>	<b>(9,036)</b>	<b>4,193</b>	<b>(7,859)</b>	<b>(22,406)</b>	<b>(4,656)</b>	<b>(6,164)</b>
Cash and cash equivalents	28,954	6,637	13,372	18,960	30,326	15,395	587	74
Financial receivables							4,118	
Current financial liabilities	(8,451)	(9,083)	(1)	(8)		(4,118)	(1,562)	(51)
Non-current financial liabilities	(17,807)	(19,485)			(22,540)	(11,039)	(1,885)	(7,124)
<b>Financial position</b>	<b>(26,258)</b>	<b>(21,931)</b>	<b>13,371</b>	<b>18,952</b>	<b>7,786</b>	<b>4,356</b> o	<b>1,258</b> o	<b>(7,101)</b>

## INDEPENDENT AUDITOR'S REPORT PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010

To the Shareholders of  
Milione S.p.A.

### REPORT ON THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

#### Opinion

We have audited the consolidated financial statements of Milione Group (the Group), which comprise the consolidated balance sheet as at December 31, 2021, and the consolidated income statement, consolidated comprehensive income statement, statement of changes in shareholders' equity and consolidated cash flow statement 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 consolidated financial position of the Group as at December 31, 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

#### 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 Milione S.p.A. in accordance with the ethical requirements applicable under Italian law to the audit of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Emphasis of matter

We draw the attention to the relevant information included in the paragraphs of the explanatory notes entitled "Ongoing crisis" and "Test on the recoverability of assets and group of assets" in which the Directors describe, among others, the main aspects of the impairment tests carried out on the recoverability of the Group's assets.

Our opinion is not qualified in respect of this matter.

## **Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements**

The Directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of Milione S.p.A. or the termination of the business or have no realistic alternatives to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, 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 the 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 exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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;
- obtain 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- conclude on the appropriateness of management's 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 consolidated financial statements or, if such disclosures are inadequate, to modify 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;
- evaluate 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;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate 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.

## **REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS**

### **Opinion pursuant to art. 14 paragraph 2 (e) of Legislative Decree 39/10**

The Directors of Milione S.p.A. are responsible for the preparation of the Directors' report of Milione Group as at December 31, 2021, including its consistency with the related consolidated financial statements and its compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the Directors' report with the consolidated financial statements of Milione Group as at December 31, 2021 and on its compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned Directors' report is consistent with the consolidated financial statements of Milione Group as at December 31, 2021 and is prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Group and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by  
**Barbara Moscardi**  
Partner

Treviso, Italy  
April 12, 2022

*This report has been translated into the English language solely for the convenience of international readers.*

# MILIONE S.P.A.

**Milione S.p.A.**

Viale G. Galilei, 30/1 - 30173 Tessera-Venezia (Ve)