

Autogrill Group

Interim Financial Report as of 31 March 2021

(Translation from the original version issued in Italian)

Purpose of Interim Financial Report as of 31 March 2021

It should be noted that the Group's interim report as of 31 March 2021 was approved by the Board of Directors exclusively in connection with the planned increase of the share capital on an pre-emptive right basis, which was delegated to the Board of Directors pursuant to Article 2443 of the Italian Civil Code by the Company's shareholders' meeting of 25 February 2021. Therefore, during the remaining part of the year and thereafter, the Company will follow the communication policy adopted since the financial year 2017. Subject to market conditions, to the publication of an informative document and to the issuance of the necessary authorisations by the competent authorities, it is currently expected that the capital increase may be completed by the end of the first half of 2021.

Comparability of figures; Alternative Performance Measures and definitions

Comparability of figures

As mentioned in the Notes to the Interim Financial Report as of 31 March 2021, estimation and measurement criteria are the same as those used in the 2020 Annual Report. Where applicable, they have been adjusted consistently with the new amendments and standards that took effect during the three-month period, as detailed in the pertinent section of the Notes.

The Condensed interim consolidated financial statements at 31 March 2021 underwent limited audit (ISRE 2410) by Deloitte & Touche S.p.A. Comparative figures at and for the quarter ended 31 March 2020 are unaudited.

As in previous years, more than half the Group's operations are located in countries which use a non-euro currency, primarily the United States of America, Canada, Switzerland, and most of the countries in the International division. Due to the local nature of the business, in each country revenue is generally expressed in the same currency as costs and investments. The Group also has a currency risk policy, financing a portion of its net assets in the principal non-euro currencies with debt in the same currency, or entering into currency hedges that achieve the same effect. However, this does not entirely neutralize the impact of exchange rate fluctuations when translating individual financial statement items. The comparability of data is therefore affected by exchange rate trends, which are neutralized through the comparisons "at constant exchange rates" as described in the section below.

Alternative Performance Measures and definitions

The Interim Directors' Report and the Condensed interim consolidated financial statement as of March 31, 2021 include the consolidated financial and economic measures used by management to monitor the Autogrill Group's performance. These measures are not defined or specified in the applicable regulations for financial reporting. As the specific makeup of these measures is not governed by the accounting standards, the criteria used by the Autogrill Group to determine them could be different from those used by other groups, so they may not be comparable.

The Alternative Performance Measures are constructed solely on the basis of the Group's historical financial figures and are determined in accordance with the ESMA Guidelines on Alternative Performance Measures of 5 October 2015 (ESMA 2015/1415) as per CONSOB Communication no. 92543 of 3 December 2015, considering the additional ESMA guidance of 17 April 2020 "ESMA Guidelines on Alternative Performance Measures (APMs)".

The following Alternative Performance Measures were used in this Interim Directors' Report:

- Revenue: in the Interim Directors' Report this refers to operating revenue, excluding fuel sales. Costs as a percentage of revenue are calculated on this basis. Fuel sales are classified net of the corresponding cost under "Other operating income".
- Change "at constant exchange rates": in comparisons with prior quarter figures, the phrase "at constant exchange rates" signifies the increase or decrease that would have occurred had the comparative figures of consolidated companies with functional currencies other than the euro been calculated at the same exchange rates employed in condensed interim consolidated financial statement as of March 31, 2021.
- Organic revenue growth: this is calculated by adjusting sales for the two quarters for the effect of acquisitions, disposals and exchange rates (by translating prior period sales at the current period exchange rate) and then comparing the two figures. Organic revenue growth is expressed at constant exchange rates.
- Like-for-like revenue growth: calculated by adjusting organic revenue growth for the impact of new store openings and the revenue generated in the comparison period by stores that are no longer in the portfolio, as well as calendar differences (e.g. leap years) which are shown separately. Like-for-like revenue growth is expressed at constant exchange rates.

In the Interim Directors' Report the following definitions are also used:

- Capital expenditure: the investments referred to in the Notes "Property, plant and equipment" and "Other intangible assets" to the consolidated financial statements;
- Net financial position (net financial indebtedness): the sum of net debt, determined in accordance with ESMA32-382-1138 Guidelines on Prospectus of last 4 March 2021, current and non-current "Lease receivables", "Other financial assets", excluding "Security deposits", "Interest-bearing sums with third parties" and the "Net liabilities classified as held for sale" connected to the planned sale of U.S. motorways business;
- Net financial position (net financial indebtedness) excluding lease receivables and liabilities: the net financial position less current and non-current receivables and liabilities arising from leases.

Unless otherwise specified, amounts in the Interim Financial Report are expressed in millions of euros (€m) or millions of US dollars (\$m). In the notes to the financial statements, unless otherwise specified, amounts are expressed in thousands (€k and \$k).

Where figures have been rounded to the nearest million, sums, changes, and ratios are calculated using figures extended to thousands for the sake of greater accuracy.

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1. Interim Directors' Report as of 31 March 2021

Revenues

The Group earned consolidated revenue of €370.6m in the first quarter of 2021, a decrease of 57.3% at constant exchange rates (-59.3% at current exchange rates) compared to €910.8m recorded in the same period of 2020.

€m	1Q 2021	1Q 2020	FX	Organic growth			Acquisitions	Disposals	Calendar
				Like-for-like	Openings	Closings ¹			
North America (*)	176.2	484.9	(39.4)	(268.0) -61.4%	7.7	(9.0)	-	-	-
International	26.6	146.8	(3.6)	(106.7) -80.1%	0.1	(8.4)	-	-	(1.6)
Europe	167.8	279.0	(0.7)	(89.3) -35.0%	1.8	(6.8)	-	(12.8)	(3.4)
<i>Italy</i>	121.8	158.8	-	(34.4) -22.1%	0.8	(1.9)	-	-	(1.5)
<i>Other European countries</i>	46.0	120.3	(0.7)	(54.9) -54.9%	1.0	(4.9)	-	(12.8)	(1.9)
Total Revenue	370.6	910.8	(43.7)	(464.0) -56.2%	9.6	(24.2)	-	(12.8)	(5.0)
^(*) North America -\$m	212.3	534.7	2.0	(322.9) -61.4%	9.3	(10.8)	-	-	-

In the first quarter of 2021, the additional revenue from revised concepts and new North American locations was more than offset by the streamlining of the Group's presence in all geographical regions, already started prior to the COVID-19 pandemic, and by the impact of closings due to the normal dynamics of contract renewals.

The decrease in revenue as a result of disposals amounted to €12.8m, reflecting the sale of the Group's Spanish operations in late December 2020 (formally completed on 14 January 2021).

In the first quarter 2021 there was a net negative exchange effect of €43.7m, due mainly to the devaluation of the US Dollar against the Euro.

The "calendar" effect had a net negative impact of €5.0m. This was partially balanced out by the fact that 2020 was a leap year.

REVENUE BY CHANNEL				
(€m)	1Q 2021	1Q 2020	Change	
			At current exchange rates	At constant exchange rates
Airports	172.6	603.2	-71.4%	-69.4%
Motorways	177.5	233.4	-24.0%	-22.6%
Other channels	20.5	74.1	-72.3%	-72.2%
Total Revenue	370.6	910.8	-59.3%	-57.3%

¹ "Closings" refer to the permanent closure of stores and not the temporary closures attributable to the COVID-19 pandemic.

(€m)	1Q 2021	1Q 2020	FX	Organic growth				Acquisitions	Disposal	Calendar
				Like-for-like		Openings	Closings ²			
Airports	172.6	603.2	(39.5)	(376.5)	-69.3%	6.1	(16.3)	-	(2.6)	(2.0)
Motorways ³	177.5	233.4	(4.2)	(42.0)	-19.4%	3.3	(5.7)	-	(5.1)	(2.2)
Other channels	20.5	74.1	(0.0)	(45.5)	-69.1%	0.1	(2.1)	-	(5.2)	(0.9)
Total Revenue	370.6	910.8	(43.7)	(464.0)	-56.2%	9.6	(24.2)	-	(12.8)	(5.0)

The like-for-like decrease, of 56.2% at Group level, was more pronounced for the airport channel (-69.3%) and other channels (-69.1%) than for motorways (-19.4%), which proved to be more resilient.

At 31 March 2021, 58% of total stores are open.

Revenue by geographical area

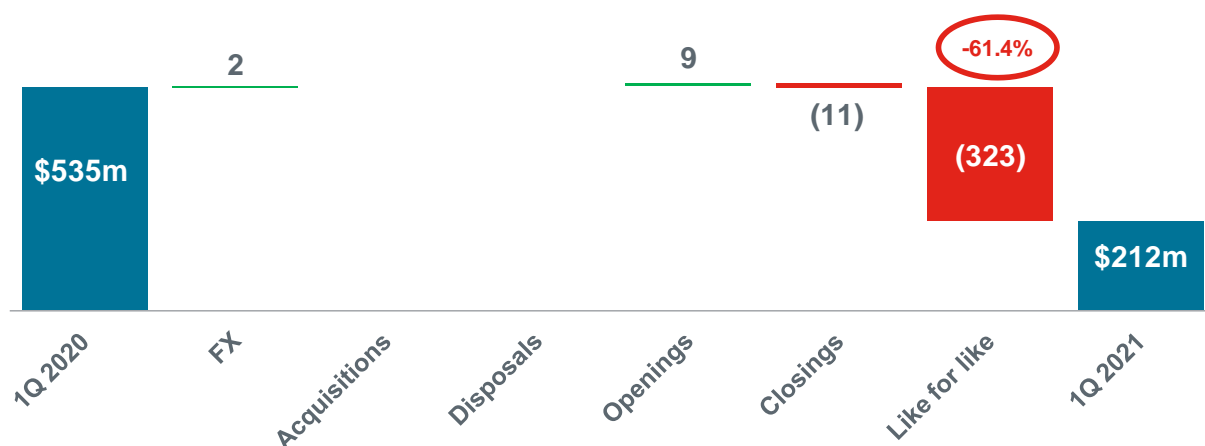
(€m)	1Q 2021	1Q 2020	Change	
			At current exchange rates	At constant exchange rates
North America ³	176.2	484.9	-63.7%	-60.5%
International	26.6	146.8	-81.8%	-81.4%
<i>Italy</i>	121.8	158.8	-23.3%	-23.3%
<i>Other European countries</i>	46.0	120.3	-61.7%	-61.5%
Total Europe	167.8	279.0	-39.9%	-39.7%
Total Revenue	370.6	910.8	-59.3%	-57.3%

² "Closings" refer to the permanent closure of stores and not the temporary closures attributable to the COVID-19 pandemic.

³ The disclosure related to the planned disposal of U.S. motorways business is included in the Paragraph 2.2.2 on the Notes.

North America⁴

Revenue



In the first quarter of 2021 North America generated revenue of \$212.3m, a decrease of 60.5% at constant exchange rates (-60.3% at current exchange rates of the Canadian vs. the US dollar⁵), compared with \$534.7m the previous year.

The like-for-like decrease was 61.4%. At 31 March 2021, 58% of total stores are open.

REVENUE BY GEOGRAPHY				
(\$m)	1Q 2021	1Q 2020	Change	
			At current exchange rates	At constant exchange rates
United States of America	208.9	499.5	-58.2%	-58.2%
Canada	3.3	35.2	-90.6%	-91.1%
Total Revenue	212.3	534.7	-60.3%	-60.5%

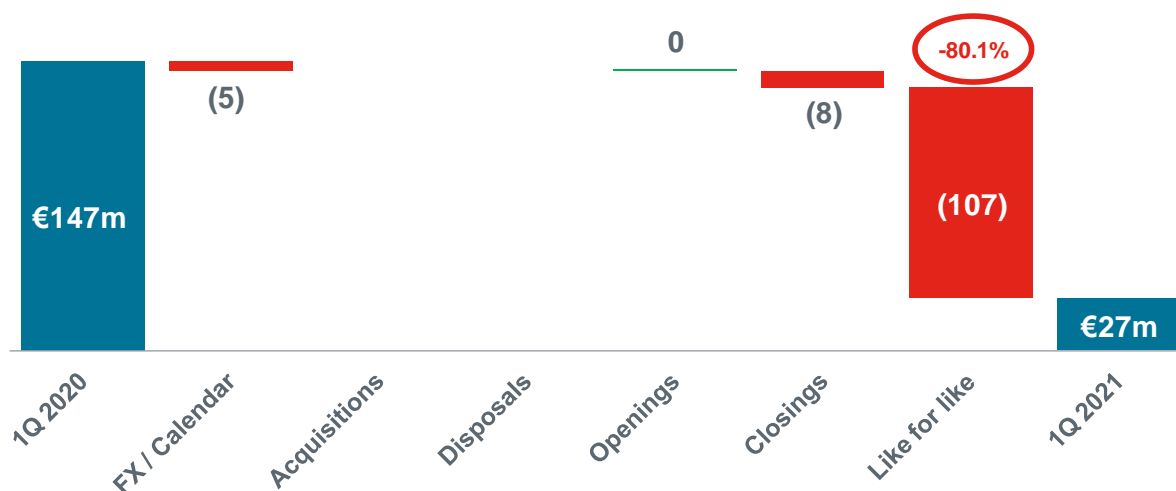
REVENUE BY CHANNEL				
(\$m)	1Q 2021	1Q 2020	Change	
			At current exchange rates	At constant exchange rates
Airports	174.8	480.9	-63.7%	-63.8%
Motorways	35.4	50.7	-30.2%	-30.2%
Other channels	2.1	3.1	-31.9%	-31.9%
Total Revenue	212.3	534.7	-60.3%	-60.5%

⁴ This division includes operations in the United States of America and Canada. The disclosure related to the planned disposal of U.S. motorways business is included in the Paragraph 2.2.2 on the Notes.

⁵ The change at current exchange rates includes the impact of the appreciation of the US dollar against the Canadian dollar.

International ⁶

Revenue



Revenue in the International Area in the first three months of 2021 amounted to €26.6m, compared with €146.8m in the same period of 2020, for a decrease of 81.4% at constant exchange rates (-81.8% at current exchange rates).

The like-for-like decrease was 80.1%. At 31 March 2021, 49% of total stores are open.

REVENUE BY GEOGRAPHY

(€m)	1Q 2021	1Q 2020	Change	
			At current exchange rates	At constant exchange rates
Northern Europe	12.7	92.9	-86.4%	-86.5%
Rest of the world	14.0	53.9	-74.0%	-71.8%
Total Revenue	26.6	146.8	-81.8%	-81.4%

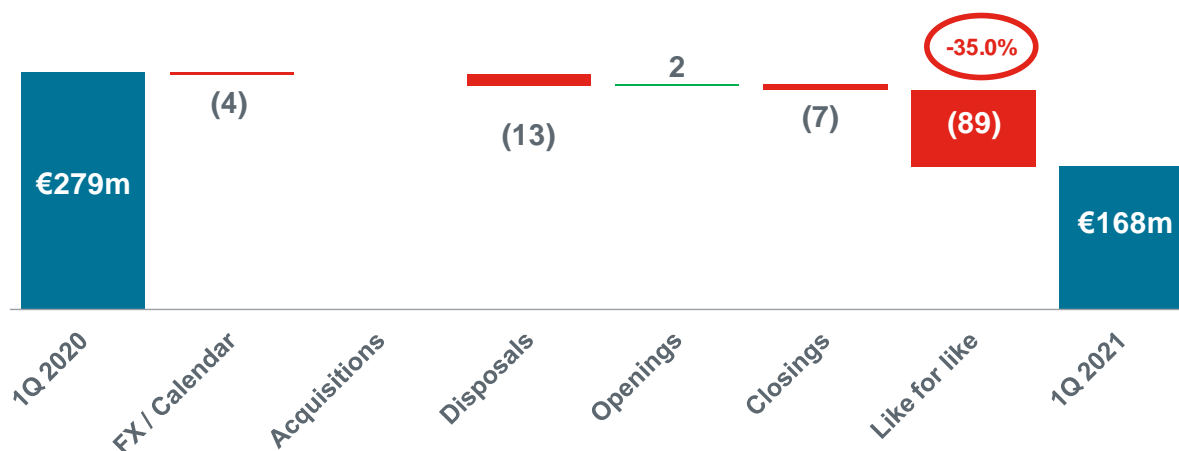
REVENUE BY CHANNEL

(€m)	1Q 2021	1Q 2020	Change	
			At current exchange rates	At constant exchange rates
Airports	22.8	123.3	-81.5%	-80.9%
Other channels	3.8	23.5	-83.7%	-83.6%
Total Revenue	26.6	146.8	-81.8%	-81.4%

⁶ This area covers locations in Northern Europe (Schiphol Airport in Amsterdam; railway stations and outlet malls in the Netherlands, the United Kingdom, Ireland, Sweden, Denmark, Finland and Norway) and other countries (United Arab Emirates, Qatar, Turkey, Russia, India, Indonesia, Malaysia, Maldives, Vietnam, Australia, New Zealand and China).

Europe

Revenue



Revenue in Europe in the first three months of 2021 amounted to €167.8m, compared with €279.0m in the same period of 2020, for a decrease of 39.7% at constant exchange rates (-39.9% at current exchange rates).

The like-for-like decrease was 35.0%, with the motorway channel providing to be more resilient than the airport and other channels. At 31 March 2021, 78% of total stores are open (88% in Italy and 62% in the rest of Europe).

REVENUE BY GEOGRAPHY				
(€m)	1Q 2021	1Q 2020	Change	
			At current exchange rates	At constant exchange rates
Italy	121.8	158.8	-23.3%	-23.3%
Other European countries	46.0	120.3	-61.7%	-61.5%
Total Revenue	167.8	279.0	-39.9%	-39.7%

REVENUE BY CHANNEL				
(€m)	1Q 2021	1Q 2020	Change	
			At current exchange rates	At constant exchange rates
Motorways	148.2	187.5	-21.0%	-20.8%
Airports	4.8	43.8	-89.2%	-89.1%
Other channels	14.9	47.8	-68.8%	-68.7%
Total Revenue	167.8	279.0	-39.9%	-39.7%

Cash flow

(€m)	1Q 2021	1Q 2020	Change
EBITDA	24.2	75.5	(51.3)
Change in net working capital	(28.1)	(156.7)	128.6
Principal repayment of lease liabilities	(30.5)	(85.1)	54.6
Renegotiation for COVID-19 on lease liabilities	(30.6)	-	(30.6)
Other non-cash items	(0.4)	0.7	(1.1)
Cash flow (absorbed by) from operating activities, managerial (*)	(65.4)	(165.6)	100.2
Tax paid	(1.1)	(25.5)	24.4
Net interest paid	(19.5)	(10.2)	(9.3)
Implicit interest in lease liabilities	(5.1)	(14.4)	9.3
Net cash flow (absorbed by) from operating activities, managerial (*)	(91.1)	(215.7)	124.6
Net operating investment	(28.5)	(74.2)	45.7
Net cash flow after operating investment (free cash flow)	(119.7)	(289.9)	170.2
Cash flow absorbed by the acquisition of Autogrill Middle East, LLC and HMSHost Catering Malaysia SDN. BHD.	-	(2.1)	2.1
Free operating cash flow pre dividend and pre treasury shares	(119.7)	(291.9)	172.2
Dividend payment ⁷	0.4	(5.6)	6.0
Treasury shares	-	(9.9)	9.9
Free operating cash flow	(119.3)	(307.4)	188.1

(*) Including "Principal repayment of lease liabilities" and "Renegotiation for COVID-19 on lease liabilities", shown under cash flow from financing activities in the consolidated statement of cash flows (2.1.5).

"Net cash flow (absorbed by) from operating activities, managerial" increased by €124.6m compared with the first quarter of 2020, due mainly to the more flexible cost structure achieved through management's efforts since the start of the pandemic and the lower absorption of working capital thanks to the optimization of liquidity management.

"Net cash flow after capital expenditure (free cash flow)" also increased, by €170.2m, with a slight improvement compared with "Net cash flow (absorbed by) from operating activities, managerial" because of a reduction in net capital expenditure payments.

The balance between the proceeds of disposals and outlays for acquisitions during the 2021 first quarter is equal to zero and was immaterial in the same period of previous period.

The combined effect of the above components means that in the first quarter 2021 the Group absorbed net cash of €119.7m before dividends and the purchase of treasury shares, while in same period of 2020 it absorbed net cash of €291.9m.

As a reminder, due to the short-term uncertainty caused by the COVID-19 pandemic, the general meeting of Shareholders of 21 May 2020 voted not to distribute a dividend and to carry forward the 2019 net profit. As resolved by the general meeting of Shareholders on 23 April 2021, the 2020 loss has been covered by using the available reserves.

⁷ Including minority partners' capital injections net of dividend paid to minorities.

The balance between capital increases from non-controlling shareholders and dividends paid to them by the consolidated companies generated cash of €0.4m in the first three months of 2021 (-€5.6m the comparative period).

As part of a buy-back program that ran from 12 March 2020 to 8 April 2020, the Group completed the purchase of 3,000,000 treasury shares at a weighted average price of €4.10 per share, for a total of €12.3m. The balance of this transaction at 31 March 2020 was €9.9m.

Net financial indebtedness

Net financial indebtedness at 31 March 2021 amounted to €3,118.8m (€2,973.6m the previous year), including €1,646.2m in net lease liabilities (€1,890.9m in the previous year) and €241.9m in net liabilities classified as held for sale. This item includes the effect of the planned disposal of motorway operations in the United States (as announced to the market on 31 March 2021 and disclosed in the paragraph 2.2.2 of the Notes).

As of the same date, the Group net financial indebtedness excluding lease receivables and liabilities stood at €1,229.0m, compared with €1,082.7m at 31 December 2020. The increase in Group net financial indebtedness excluding lease receivables and liabilities was caused by the absorption of cash and the negative exchange rate effect, as the US Dollar strengthened against the euro.

Adjusted for the effect of IFRS 16, net financial indebtedness is made up as follows:

(€m)	31.03.2021	31.12.2020	Change
Net financial indebtedness (a)	3,118.8	2,973.6	145.2
Lease receivables - current	15.2	15.0	0.2
Lease receivables - non current	57.9	61.8	(3.9)
Lease receivables (b)	73.1	76.8	(3.7)
Lease liabilities - current	(375.5)	(377.3)	1.8
Lease liabilities - non current	(1,343.8)	(1,590.4)	246.6
Lease liabilities (c)	(1,719.3)	(1,967.7)	248.4
Net lease liabilities classified as held for sale (d)	(243.7)	-	(243.7)
Net financial indebtedness excluding lease receivables and lease liabilities (a) + (b) + (c) + (d)	1,229.0	1,082.7	146.3

At 31 March 2021, 47% of net financial indebtedness excluding lease receivables and lease liabilities was denominated in US dollars (51% at 31 December 2020) and the rest in euros. Fixed-rate debt, including debt converted to fixed-rate by means of interest rate swaps, was 16% of the total net financial indebtedness excluding lease receivables and lease liabilities compared with 17% at the end of 2020.

The fair value of interest rate hedging derivatives at 31 March 2021 was a positive €4.9m (€6.4m at the close of 2020).

Debt to banks and bondholders consists primarily of committed non-current credit lines from banks and of long-term bonds (private placements). At 31 March 2021 loans have an average remaining life of about 2 years and 8 months, compared with 2 years and 11 months at 31 December 2020.

During the first three months of 2021, an indirect subsidiary in France obtained a government-guaranteed bank loan of €8.4m to meet liquidity needs for local operations, while in Germany, €4m was drawn down on a credit facility contracted in 2020.

On 10 March 2021, given the persistence of the COVID-19 pandemic, the Group negotiated a new round of covenant holidays with its lender banks and bondholders for the temporary suspension of

required parameters (leverage ratio and consolidated EBITDA/consolidated net finance charges). The covenant holiday has therefore been extended for another 12 months with respect to the period agreed in 2020. In particular:

- HMSHost Corporation: extension until September 2020 for contracts already granted a covenant holiday in June 2020, with an additional extension until 31 December 2022 assuming a positive outcome of the covenant test in September 2022;
- Autogrill S.p.A.: extension until 31 December 2022 for contracts already granted a covenant holiday in June 2020, and granting of a covenant holiday until 31 December 2022 for the loan guaranteed by SACE S.p.A., assuming a positive outcome of the covenant test by HMSHost Corporation in September 2022.

Regarding operations to strengthen the financial structure, in the first half of 2021, after the extraordinary shareholders' meeting of 25 February 2021 approved the mandate to increase the share capital providing market conditions permit and the necessary authorizations are given by the pertinent authorities, the Group expects to complete a capital increase of a maximum amount of €600 million including any share premium, by issuing ordinary shares on a pre-emptive right basis to the persons entitled to the option rights pursuant to Art. 2441(1) of the Italian Civil Code. Edizione S.r.l. – owner of Schematrentaquattro S.p.A., which in turn controls 50.1% of Autogrill S.p.A. – has expressed appreciation of the capital increase, specifying that it fully agrees with the strategic reasoning, and therefore plans to provide its subsidiary Schematrentaquattro S.p.A. with the necessary financial resources. Also, in accordance with the pre-underwriting agreement, the pool of banks involved in the capital increase have committed (under conditions consistent with market practice for similar operations) to underwriting the subscription and release of any newly issued ordinary shares that have not been subscribed following the auction of unexercised rights, up to the maximum amount of the capital increase.

In conclusion, at 31 March 2021 the Group had liquidity of about €500m, an expected free cash flow of between -€120m and -€70m in 2021, and no significant debts maturing before 2023, considering the covenant holidays agreed in March 2021. This ensures it sufficient flexibility to face the challenging road ahead. As better explained below, the planned disposal of the US motorway business is immaterial with respect to the free cash flow forecasts for 2021.

Capital expenditure

The following table shows capital expenditure by geographical area:

(€m)	1Q 2021	1Q 2020	Change	
			At current exchange rates	At constant exchange rates
North America	4.2	45.1	-90.7%	-89.9%
International	0.5	8.7	-94.5%	-94.3%
Europe	11.2	23.4	-52.2%	-52.1%
Corporate	0.0	0.1	-91.2%	-91.2%
Total capital expenditure	15.9	77.2	-79.5%	-78.3%

Capital expenditure in the first three months of 2021 amounted to €15.9m, down sharply on the previous period, in keeping with the prudent management of liquidity in the face of pandemic-related uncertainty.

Most capital expenditure in the quarter concerned:

- North America: points of sales at Calgary, Nashville, Salt Lake City, and San José airports, as well as rest stops on US motorways. These latter are due to be sold, as announced on 31 March 2021 (see paragraph 2.2.2 of the Notes for further information);

- Europe: various points of sales on Italian, French, and Swiss motorways and at railway stations in Belgium;
- International: various points of sales at Manchester, Delhi, and Helsinki airports.

Outlook ⁸

In the period 1 January 2021 - 25 April 2021, revenues drops by about 40% compared to the same period in 2020. This result reflects the different channels dynamics as well as the evolution of both the pandemic and the administration of vaccines in the various geographies in which the Group operates. Despite the still difficult global context, there is a general improvement compared to the beginning of the year.

The Autogrill Group has set the following priorities for 2021:

- renewed commitment to ensuring the health and safety of employees and customers;
- focus on margins and cash conversion;
- maintenance of a highly flexible income statement structure and efficient cost base by preserving the structural improvements implemented in 2020;
- protection and reinforcement of the core business.

When developing forecasts for 2021, the Autogrill Group focused on the dynamics of how revenue will impact margins (both upward and downward) and cash maintenance. These assumptions were based on the following actions planned:

- cost of labor: use of relief programs, reduction of permanent and temporary staff;
- rent: ongoing negotiations with all owners and landlords for the suspension/reduction of guaranteed minimums, with results expected to be significant despite uncertainties regarding traffic trends in the coming months. The 2021 forecasts assume that the negotiation of more favorable terms will decrease as traffic curves improve and the negative impacts of the COVID-19 pandemic start to wane. Therefore, the benefits of these efforts will be more concentrated in the first half of the year;
- other costs: suspension of all non-essential expenses;
- capital expenditure: ongoing review of the extent, size, and construction costs of existing investment plans;
- working capital: optimization of cash outflows by arranging longer payment times and discounts with suppliers.

These actions will also benefit from the steps taken by the Group in 2020 (structural reorganization in European countries, cost cutting at Group headquarters, increase in hourly productivity, reduced menus and product assortments, greater focus on high margin goods, etc.) and will be further reinforced as traffic recovers from the lows reached last year.

Below are the main earnings and cash flow variables forecast for 2021, shown in comparison with the final 2019 and 2020 figures and developed on the basis of general hypothetical assumptions about speed of GDP recovery, inclination to travel, and impact of remote working.

⁸ This section includes forecasts and estimates that reflect management's current thinking (forward-looking statements), especially as regards future performance, capital expenditure, cash flow, and changes in the financial structure. By nature, forward-looking statements have an element of risk and uncertainty because they depend on the occurrence of future events. Actual results may differ, even significantly, as a result of various factors such as travel trends in the countries and channels served; the outcome of concession contract renewals and bids for new concessions; how the competition develops; the trend in exchange rates against the euro, especially of the US dollar and British pound; the trend in interest rates on those currencies; future demand; the price of oil and food raw materials; general macroeconomic conditions; geopolitical factors and regulatory changes in the countries served; and other changes in business conditions. The Group's business volumes correlate with travel trends.

	31.12.2019	31.12.2020	Forecast 31.12.2021
Revenue (€/billion)	5.0	2.0	Between 2.3 and 2.7
Free cash flow⁹ (€/million)	57	(501)	Between ~ (120) and ~ (70)
Underlying profit (loss) for the year¹⁰ (€/million)	85	(486)	Between ~ (300) and ~ (200)

The contribution to revenue and free cash flow of the US motorway business is included through June 2021, assuming it will be sold at the end of that month. The sale of the US motorway business is immaterial with respect to the free cash flow forecast for 2021, which, as provided to the market on 11 March 2021, did not change with the announcement of the sale. Also in the calculation of underlying profit (loss) for the year, the impact of the sale of US motorway business is deemed to be not relevant.

Note also that the free cash flow forecast for 2021 excludes the net proceeds of the sale of the US motorway business.

The Autogrill Group assumes that the positive change in free cash flow between 2020 and the guidance for 2021 relates to the improvement in the Group's underlying profit (loss) for the year and in the contribution of net working capital from one year to the next; both of these impacts are tied to assumed revenue growth. The positive change in free cash flow between 2020 and the guidance for 2021 relates only marginally to lower capital expenditure, as that reduction already occurred in 2020.

Monthly cash expenditure is expected to vary depending on seasonal factors and the course of the pandemic. More specifically, the Autogrill Group believes that 2021 will be a year of transition, with the first half still significantly affected by the COVID-19 pandemic and the second half characterized by a gradual return to normal. Given the persistent uncertainties, in 2021 the Group will focus primarily on minimizing the absorption of operating cash. In this regard, its strong commitment to reaching the free cash flow target is reflected in the management incentive plan for 2021.

The average EUR/USD exchange rate for 2021 has been estimated at 1.21.¹¹

Forecasts for 2024

Over the next few years, the Autogrill Group aims to strengthen its global leadership by leveraging a clear, targeted strategy of:

- using the recovery phase to best advantage by optimizing the concession portfolio, exploiting opportunities offered by the market, and implementing new projects such as those in digital innovation, data analysis, and a sharper focus on the customer;
- strengthening the Group's business model by concentrating on cash-generating locations, shifting towards more profitable products and menus, and taking full advantage of the structural cost efficiencies achieved in 2020;
- making the financial structure more flexible, to accelerate growth and support the creation of long-term value.

Below are the main earnings and cash flow variables forecast for 2024, shown in comparison with the final 2019 and 2020 figures.

⁹ FCF excluding acquisitions and disposals in North America as of 31 December 2019 and 31 December 2020.

¹⁰ *Underlying*: alternative performance measure determined excluding certain elements that are unusual or unrelated to the operating performance which significantly impact the Group's results over time in an inconsistent, non-systematic way in order to improve a correct interpretation of the Group's normalized results. In particular capital gains and losses from the sale of business, cost incurred for successful acquisitions, cost for stock option plans and costs for strategic, non recurring corporate reorganization and their related tax effect are excluded.

¹¹ Source: Bloomberg, FactSet, EIU, Oxford Economics.

	2019	2020	Forecast 2024
Revenue (€/billion)	5.0	2.0	4.5
Underlying EBIT¹² margin¹³	4.6%	-26.0%	6.0%
Capital expenditure/Revenue	6.9%	9.8%	Between 4.8% and 5.4%
Free cash flow¹⁴ (€/million)	57	(501)	Between 130 and 160

The shift from a deeply negative underlying EBIT margin to an underlying EBIT margin of 6.0% in 2024 implies not only a reversal of trend from a negative to a positive FCF, but also from a consolidated loss to a profit.

The average EUR/USD exchange rate for 2024 was estimated at 1.22¹⁵.

The Group plans to take the following actions to boost revenue:

- like-for-like: revenue growth will be driven mainly by traffic recovery curves;
- non like-for-like:
 - net openings at airports as a result of portfolio expansion;
 - diversification into convenience retail, another source of growth in the airport channel;
 - net closures in the motorway channel and other channels, as the contract portfolio is further streamlined;
 - net openings at railway stations, due to additional expansion in "Other Channels".

By 31 December 2024 these specific actions will permit the Group to achieve revenue of €4.5 billion, provided the euro/US dollar exchange rate remains at the levels assumed by management.

The Group plans to maintain a strong focus on cost optimization by taking discretionary initiatives in support of operating profits, including in light of all the actions taken and competencies developed during the pandemic. In particular:

- revenue: new initiatives to stimulate sales (e.g. more grab&go products; streamlined contract portfolio);
- cost of goods sold: greater standardization, focus on menus and number of referrals;
- cost of labor: revised organizational model in some regions and different allocation of labor;
- leases/minimum guaranteed annual rent: negotiations with landlords to protect stores' ability to generate cash.

The increase of 140 basis points in the underlying EBIT margin between 2019 and 2024 is attributable in roughly equal portions to operating efficiencies, a streamlined presence, and a better revenue mix.

The Group aims to gradually return to a normal level of capital expenditure as a percentage of revenue through the following discretionary actions:

- ongoing review of the extent, size, and construction costs of existing investment plans;
- greater focus on shoring up strategic markets as opposed to expanding in less profitable ones.

¹² EBIT = earnings before tax and interests.

¹³ Underlying EBIT margin = Underlying EBIT / Revenue.

¹⁴ FCF excluding acquisitions and disposals in North America as of 31 December 2019 and 31 December 2020.

¹⁵ Source: Bloomberg, FactSet, EIU, Oxford Economics

Subsequent events

Other than the disclosure provided in the Notes, where applicable, to ensure the Group has access to even more liquidity, on 1st April 2021 Autogrill S.p.A. took the opportunity to contract a €100m term facility, to be repaid when the capital increase is fully carried out or by 15 November 2021, whichever is earlier. The full amount was drawn down on 9 April 2021.

On 23 April 2021 the general meeting of Shareholders, having examined and approved the financial statements for the year ended 31 December 2020 and approved the Directors' proposal to carry forward the loss for the year:

- voted in the Board of Statutory Auditors for the three-year period 2021-2023. The chosen candidates were Francesca Michela Maurelli (Chairperson), Antonella Carù and Massimo Catullo (Standing Auditors), and Michaela Castelli and Roberto Miccù (Alternate Auditors);
- approved, pursuant to Art. 114-bis of the Consolidated Finance Act, the free allotment of ordinary Autogrill shares – the “2021 performance share unit plan” – for employees and/or executive directors of Autogrill S.p.A. and its direct and indirect subsidiaries as defined by Civil Code Art. 2359, which is designed to motivate and retain key management personnel in order to create value for the Company and the Group and to align their interests with those of the shareholders. Each beneficiary selected by Autogrill S.p.A.'s Board of Directors will be personally awarded a number of units which, if and to the extent accrued, will entitle their holders to the assignment of ordinary Autogrill shares.

2. Condensed interim consolidated financial statements

2.1 Consolidated financial statements

2.1.1 Statement of financial position

Note	(€k)	31.03.2021	Of which related parties	31.12.2020	Of which related parties
ASSETS					
	Current assets	844,993		952,738	
	Cash and cash equivalents	498,898		613,545	
V	Lease receivables	15,243		15,003	
	Other financial assets	48,432		48,129	
	Tax assets	6,011		6,132	
	Other receivables	144,613	5,088	135,789	6,251
	Trade receivables	37,360	2,166	36,696	1,423
	Inventories	94,436		97,444	
	Non current assets	3,444,531		3,923,565	
I	Property, plant and equipment	804,855		967,946	
II	Right-of-use assets	1,495,970		1,748,787	
III	Goodwill	787,869		819,473	
IV	Other intangible assets	102,116		105,706	
	Investments	857		885	
V	Lease receivables	57,874		61,808	
	Other financial assets	28,749		37,350	-
	Deferred tax assets	69,819		76,694	
	Other receivables	96,422		104,916	
X	Assets classified as held for sale	447,117		-	
	TOTAL ASSETS	4,736,641		4,876,303	
LIABILITIES AND EQUITY					
	LIABILITIES	4,455,285		4,476,611	
	Current liabilities	1,231,503		1,277,433	
	Trade payables	261,928	23,408	292,097	19,108
	Tax liabilities	869		1,176	
	Other payables	265,434	4,162	266,363	4,238
VI	Bank loans and borrowings	260,513		265,129	
VII	Lease liabilities	375,496	43,228	377,289	39,202
	Other financial liabilities	11,019		15,340	
VIII	Bonds	34,250		32,806	
IX	Provision for risks and charges	21,994		27,233	
	Non-current liabilities	2,970,133		3,199,178	
	Tax liabilities	-		-	
	Other payables	33,110		29,177	
VI	Loans, net of current portion	1,226,872		1,197,101	
VII	Lease liabilities	1,343,781	199,981	1,590,384	210,284
	Other financial liabilities	1,303		1,283	
VIII	Bonds	249,642		239,687	
	Deferred tax liabilities	22,028		46,241	
	Defined benefit plans	57,664		60,082	
IX	Provision for risks and charges	35,733		35,223	
X	Liabilities classified as held for sale	253,649		-	
XI	EQUITY	281,356		399,692	
	- attributable to owners of the parent	221,892		339,811	
	- attributable to non-controlling interests	59,464		59,881	
	TOTAL LIABILITIES AND EQUITY	4,736,641		4,876,303	

2.1.2 Income statement

Note	(€k)	1Q 2021	Of which related parties	1Q 2020	Of which related parties
XII	Revenue	420,195	-	977,107	-
	Other operating income	22,906	370	43,624	-
	Total revenue and other operating income	443,101		1,020,731	
	Raw materials, supplies and goods	192,847	41	360,115	23
	Personnel expense	134,456	1,215	360,405	1,316
	Leases, rentals, concessions and royalties	12,205	3,219	86,076	5,915
	Other operating expense	79,354	2,695	138,680	2,420
	Depreciation and amortization	126,331		155,646	
	Impairment losses on property, plant and equipment, intangible assets and right-of-use assets	120		112	
	Gain on operating activity disposal	-		-	
	Operating profit (loss)	(102,212)		(80,303)	
XIII	Financial income	455	-	2,305	-
XIII	Financial expense	(35,466)	(1,459)	(22,495)	(1,704)
	Share of the profit (loss) of equity method investments	17		(194)	
	Revaluations (writedowns) of financial assets	(175)		-	
	Pre-tax profit (loss)	(137,381)		(100,687)	
XIV	Income tax	6,769		10,541	
	Profit (loss) for the period	(130,612)		(90,146)	
	Profit (loss) for the period attributable to:				
	- owners of the parent	(128,332)		(88,043)	
	- non-controlling interests	(2,280)		(2,103)	
XV	Earnings (loss) per share (in €)				
	- basic	(0.5108)		(0.3466)	
	- diluted	(0.5064)		(0.3435)	

(*) The comparative figures are not subject to any audit procedure, while the figures related to 1Q 2021 are subject to limited review (ISRE 2410)

2.1.3 Statement of comprehensive income

(€k)	1Q 2021	1Q 2020
Profit (loss) for the period	(130,612)	(90,146)
Items that will never be reclassified to profit or loss		
Remeasurements of the defined benefit (liabilities) asset	(17)	-
Items that will never be reclassified to profit or loss	(17)	-
Items that may be subsequently reclassified to profit or loss		
Equity-accounted investee - share of other comprehensive income	1	37
Foreign currency translation differences for foreign operations	12,682	11,766
Gain (loss) on net investment hedge	(20)	(16)
Tax effect on items that may be subsequently reclassified to profit or loss	5	4
Items that may be subsequently reclassified to profit or loss	12,668	11,791
Total comprehensive income for the period	(117,961)	(78,355)
- attributable to owners of the parent	(118,226)	(78,909)
- attributable to non-controlling interests	265	554

(*) The comparative figures are not subject to any audit procedure, while the figures related to 1Q 2021 are subject to limited review (ISRE 2410)

2.1.4 Statement of changes in equity

(Note XI)

(€k)	Share capital	Legal reserve	Translation reserve	Other reserve and retained earnings	Treasury shares	Profit (loss) for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2020	68,688	13,738	23,034	727,261	(13,042)	(479,868)	339,811	59,881
Total comprehensive income for the period								
Net result for the period	-	-	-	-	-	(128,332)	(128,332)	(2,280)
Foreign currency translation differences for foreign operations	-	-	10,137	-	-	-	10,137	2,545
Gain (loss) on net investment hedge, net of the tax effect	-	-	(15)	-	-	-	(15)	-
Equity-accounted investee - share of other comprehensive income	-	-	1	-	-	-	1	-
Remeasurements of the defined benefit (liabilities) asset, net of the tax effect	-	-	-	(17)	-	-	(17)	-
Total comprehensive income for the period	-	-	10,123	(17)	-	(128,332)	(118,226)	265
Transaction with owners of the parent, recognised directly in equity								
Contributions by and distributions to owners of the parent								
Stock options	-	-	-	307	-	-	307	-
Allocation of 2020 profit (loss) to reserves	-	-	-	(479,868)	-	479,868	-	-
Other movements	-	-	-	-	-	-	-	(682)
Total contributions by and distributions to owners of the parent	-	-	-	(479,561)	-	479,868	307	(682)
Total transactions with owners of the parent	-	-	-	(479,561)	-	479,868	307	(682)
31.03.2021	68,688	13,738	33,157	247,683	(13,042)	(128,332)	221,892	59,464

(€k)	Share capital	Legal reserve	Translation reserve	Other reserve and retained earnings	Treasury shares	Profit (loss) for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2019	68,688	13,738	50,860	520,550	(720)	205,188	858,304	77,620
Total comprehensive income for the period								
Net result for the period	-	-	-	-	-	(88,043)	(88,043)	(2,103)
Foreign currency translation differences for foreign operations	-	-	9,109	-	-	-	9,109	2,657
Gain (loss) on net investment hedge, net of the tax effect	-	-	(12)	-	-	-	(12)	-
Equity-accounted investee - share of other comprehensive income	-	-	37	-	-	-	37	-
Total comprehensive income for the period	-	-	9,134	-	-	(88,043)	(78,909)	554
Transaction with owners of the parent, recognised directly in equity								
Contributions by and distributions to owners of the parent								
Stock options	-	-	-	1,037	-	-	1,037	-
Allocation of 2019 profit (loss) to reserves	-	-	-	205,188	-	(205,188)	-	-
Capital increase	-	-	-	-	-	-	-	857
Treasury shares acquisition	-	-	-	-	(9,911)	-	(9,911)	-
Other movements	-	-	-	589	-	-	589	-
Total contributions by and distributions to owners of the parent	-	-	-	206,814	(9,911)	(205,188)	(8,285)	857
Total transactions with owners of the parent	-	-	-	206,814	(9,911)	(205,188)	(8,285)	857
31.03.2020	68,688	13,738	59,994	727,364	(10,631)	(88,043)	771,110	79,031

(*) The comparative figures are not subject to any audit procedure, while the figures related to 1Q 2021 are subject to limited review (ISRE 2410)

2.1.5 Statement of cash flows

(€k)	1Q 2021	1Q 2020
Opening net cash and cash equivalents	555,391	243,783
Pre-tax profit and net financial expense for the period ^(*)	(102,370)	(80,499)
Amortisation, depreciation and impairment losses on non-current assets, net of reversals	126,451	155,757
Share of the profit (loss) of equity method investments	(17)	194
Value adjustment on financial assets	175	-
Gain on disposal of non-current assets	(448)	(6)
Other non cash items	80	741
Change in working capital	(29,855)	(157,305)
Net change in non-current non-financial assets and liabilities	1,719	604
Cash flow from operating activities	(4,265)	(80,514)
Taxes paid	(1,090)	(25,490)
Net Interest paid	(19,542)	(10,180)
Net implicit interest in lease liabilities	(5,122)	(14,418)
Net cash flow from (used in) operating activities	(30,019)	(130,602)
Acquisition of property, plant and equipment and intangible assets paid	(33,141)	(75,363)
Proceeds from sale of non-current assets	4,626	1,162
Cash flow absorbed by acquisition of investments	-	(2,076)
Net change in non-current financial assets	626	(940)
Net cash flow used in investing activities	(27,889)	(77,217)
Utilisations of non-current credit lines	8,773	405,581
Issue of new current loans, net of repayments	(1,492)	166,056
Principal repayment of lease liabilities	(30,519)	(85,054)
Renegotiation for COVID-19 on lease liabilities	(30,600)	-
Treasury share purchase	-	(9,911)
Other cash flows ^(**)	1,950	(2,491)
Net cash flow from (used in) financing activities	(51,888)	479,163
Cash flow for the period	(109,796)	271,344
Effect of exchange on net cash and cash equivalents	6,261	663
Cash and cash equivalent included in the assets available for sale	(1,831)	-
Closing net cash and cash equivalents	450,025	515,791

(*) Includes the item "Pre-tax profit" net of the items "Financial income" and "Financial expense".

(**) Includes the distribution of dividends to the non-controlling shareholders of the consolidated companies, net of capital increases.

Reconciliation of net cash and cash equivalents

(€k)	1Q 2021	1Q 2020
Opening - net cash and cash equivalents - balance as of 1st January 2021 and as of 1st January 2020	555,391	243,783
Cash and cash equivalents	613,545	284,091
Current account overdrafts	(58,154)	(40,308)
Closing - net cash and cash equivalents - balance as of 31 March 2021 and as of 31 March 2020	450,025	515,791
Cash and cash equivalents	498,898	553,967
Current account overdrafts	(48,874)	(38,176)

(*) The comparative figures are not subject to any audit procedure, while the figures related to 1Q 2021 are subject to limited review (ISRE 2410)

2.2 Notes to the financial statements

Group operations

The Autogrill Group operates in the food & beverage industry, mainly at airports, motorway rest stops and railway stations, under contracts known as concessions.

2.2.1 Accounting policies and basis of consolidation

General standards

These Condensed interim consolidated financial statements at 31 March 2021 have been prepared in accordance with Art. 154-ter of Legislative Decree 58 of 24 February 1998 (Italy's Consolidated Finance Act), as amended, and with IAS 34 "Interim financial reporting". They do not include all disclosures required by the international accounting standards (IFRS/IAS) adopted by the European Union in the annual financial statements, and should therefore be read jointly with the consolidated financial statements for the year ended 31 December 2020.

In the Condensed interim consolidated financial statements, the accounting standards and consolidation methods, adjusted consistently with the new amendments and standards that took effect during the three-month period, are consistent with those used in the 2020 annual consolidated financial statements, which should be consulted for further description. Likewise, the accounting standards and consolidation methods are the same as those used in the quarterly figures for 2020 (provided for comparative purposes only, on the basis of internal accounts not subject to all of the control procedures required for interim financial statements and for this reason not subject to review), except as concerns the amendment to IFRS 16 – COVID-19-Related Rent Concessions published by the IASB on 28 May 2020 and endorsed on 9 October 2020, which the Autogrill Group opted to apply as from 1 January 2020. In any case, the effects of that amendment on the consolidated figures at 31 March 2020 would not have been significant, since the COVID-19-related rent reductions, taken to the income statement in accordance with the expedient offered by the amendment, mostly concerned minimum payments originally due starting in March 2020 when the Group had to start closing locations pursuant to quarantines and other government orders in response to the pandemic.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on 1 January 2021:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16: Interest rate benchmark reform – Phase 2.

The application of the amendments mentioned above did not affect the Group's Condensed interim consolidated financial statements to an extent requiring mention in these notes.

At 31 March 2021 there were no IFRS or IFRIC accounting standards, amendments, or interpretations endorsed by the European Union whose adoption was not yet mandatory.

As concerns accounting policies, amendments and interpretations not yet endorsed by the European Union:

- on 23 January 2020, the IASB published "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on 15 July it published "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – deferral of Effective Date". The amendment will take effect on 1 January 2023;
- on 14 May 2020, the IASB published "Amendments to IFRS 3 Business Combinations", "Amendments to IAS 16 Property, Plant and Equipment", "Amendments to IAS 37 Provisions,

Contingent Liabilities and Contingent Assets”, and “Annual Improvements 2018-2020”. All of the amendments will take effect on 1 January 2022;

- on 12 February 2021, the IASB published “Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies” and “Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates.” All of the amendments will take effect on 1 January 2023;
- on 31 March 2021, the IASB published “Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16 Leases)”.

In particular, the additional amendment to IFRS 16 would extend the period of time for applying the practical expedient offered by the amendment published on 28 May 2020 and endorsed on 9 October. Because the effects of the COVID-19 pandemic are still present and significant, the change allows the benefits of rent reductions affecting minimum payments originally due before 30 June 2022 (rather than 30 June 2021) to be reflected directly in the income statement. Should the new amendment to IFRS 16 be endorsed by the European Union, it will be applied retroactively by companies that published their 2020 annual report without applying the expedient to reductions of rent due after 30 June 2021 but before 30 June 2022. Retroactive application will entail recognition of the cumulative effect of the initial application of the amendment as an adjustment to the opening balance of retained earnings in shareholders' equity at the beginning of the period in which the amendment is applied, without restating assets and liabilities with respect to the amounts originally published in the 2020 Annual Report. This amendment has not been yet endorsed by European Union, therefore the condensed interim consolidated financial statement as of 31 March 2021 does not include any effect due to its adoption.

Finally, we report that the breakdown of the net financial position provided in this quarterly report as required by CONSOB's circular of 28 July 2006 has been revised in accordance with the latest ESMA recommendations of 4 March 2021.

Use of estimates

The preparation of the Condensed interim consolidated financial statements requires management to make estimates and assumptions that affect the carrying amounts of revenue, costs, assets, and liabilities and the disclosure regarding contingent assets and liabilities at the end of the reporting period. Such estimation processes are generally more significant than those incorporated in the annual report, as there is more information on recent trends and events by the time the annual report is prepared than is available for quarterly accounts drawn up close to the reporting date; adding to this is the specific uncertainty of how the COVID-19 pandemic will evolve and what measures affecting motorway and air traffic will be taken in the countries where the Group operates. If these estimates and assumptions, reached according to the best of the directors' knowledge, turn out to differ from actual circumstances, they will be modified accordingly in the period in which the circumstances differ and it may be necessary to make even significant adjustments to the amounts shown herein.

When drawing up these condensed interim consolidated financial statements, some of the more complex assessments such as impairment testing were not carried out, as there have been no new indicators of impairment requiring immediate attention and no changes to the Group's strategy reported in the 2020 Annual Report, with consequent confirmation of the reasonableness of the forecast data used- for the impairment tests of the 2020 financial statements, approved on 11 March 2021. For this reason, the identification of any trigger events and the consequent impairment testing of goodwill, right-of-use assets, or other non-current assets will be incorporated in the condensed half-year accounts, when there may be new estimates and revised assumptions including with respect to the COVID-19 pandemic, whose potential impacts in terms of size and duration are being constantly monitored by the Group.

Including as a result of adopting IFRS 16, the Group has made professional judgments involving the definition of certain accounting policies and the use of estimates and assumptions, as detailed in the 2020 Annual Report.

Defined benefit plan assets and liabilities are only measured precisely at year end, unless there are indicators suggesting the need to revise estimates during the course of the year; at 31 March 2021, estimates were adjusted using discount rates applicable in the quarter and the revised liability was recognized with a contra entry in shareholders' equity.

As for the recognition of liabilities for management incentive plans (Phantom Stock Option and Performance Share Units), the use of the best available share performance data in the context of actuarial estimates of the liability's value might not correspond to the share's actual performance in subsequent periods, requiring an adjustment of the liability when such information becomes available. In this case, the estimation process was updated as of 31 March 2021, leading to an adjustment of the liability and a contra entry in shareholders' equity (Note XI).

The tax charge, pursuant to IAS 34, is estimated by calculating the actual liability as of 31 March 2021.

Content of the Condensed interim consolidated financial statements

In the Condensed interim consolidated financial statements, earnings and cash flow figures are compared with those for the same quarter last year. Assets, liabilities, and the net financial position as of 31 March 2021 are compared with the corresponding amounts at 31 December 2020.

The Condensed interim consolidated financial statements at 31 March 2021 were prepared on a going concern basis, the assumptions of which are better described in the "Outlook" section in the Interim Directors' Report for at least the next 12 months considering also the recommendations of CONSOB, ESMA, and IOSCO, and use the euro as presentation currency. Unless otherwise specified, the figures in the financial statements and notes are in thousands of Euros (k€).

Below are the exchange rates used to translate the financial statements of the main subsidiaries with a functional currency other than the Euro:

	2021		2020		
	Rate on 31 March	Average rate for the period	Rate on 31 March	Average rate for the period	Rate on 31 December
US Dollar	1.1725	1.2048	1.0956	1.1027	1.2271
Canadian Dollar	1.4742	1.5252	1.5617	1.4819	1.5633
Swiss Franc	1.1070	1.0913	1.0585	1.0668	1.0802

HMSHost Corporation and its subsidiaries, following common practice in English-speaking countries, close their fiscal year on the Friday closest to 31 December and divide it into 13 four-week periods, which in turn are grouped into 12-week quarters with the exception of the last which is a 16-week quarter. As a result, the accounts included in the condensed interim consolidated financial statements at 31 March 2021 cover the period 2 January to 26 March 2021, while the previous year's interim accounts covered the period 4 January to 27 March 2020. This has had no significant impact on the statement of financial position at 31 March 2021 or on results for the period.

Scope and methods of consolidation

Since 31 December 2020 the scope of consolidation has not undergone significant changes.

2.2.2 Disposals

At 31 March 2021, Autogrill S.p.A. announces that its US subsidiary HMSHost Corporation has signed an agreement to sell its U.S. motorways business for a price of \$375m to a consortium that is majority owned and led by Blackstone Infrastructure Partners, subject to post-closing adjustments and a potential increase through an earn-out mechanism on 2022 and 2023 revenues.

The parties expect to close the transaction in summer of 2021, subject to receipt of necessary governmental approvals as well as consent from landlords, that are the only condition precedent to which the sale is subject to.

The HMSHost U.S. motorways business includes branded food and beverage concessions such as Starbucks, Burger King and Pret (which the Group will continue to operate as a licensee in other channels) as well as convenience retail concessions, located in approximately 60 motorway service areas in the U.S.

At 31 March 2021, the assets and liabilities of the motorway business, that are part of the agreement, reclassified as assets classified as held for sale and liabilities classified as held for sale are broken down as follows:

(k€)	31.03.2021
Current assets	4,616
<i>of which Current financial assets</i>	<i>2,056</i>
Non-current assets	442,501
<i>of which Non-current financial assets</i>	<i>2,061</i>
Assets classified as held for sale	447,117
Current liabilities	18,287
<i>of which Current financial liabilities</i>	<i>10,655</i>
Non-current liabilities	235,362
<i>of which Non-current financial liabilities</i>	<i>235,336</i>
Liabilities classified as held for sale	253,649

Key earnings figures for the motorway business in absolute terms and as a percentage of Group totals are shown below:

	1Q 2021	1Q 2020	Full year 2020	Full Year 2019
Revenue in \$k	30,013	41,651	138,478	302,860
<i>Exchange rate US Dollar/Euro</i>	<i>1.2048</i>	<i>1.1027</i>	<i>1.1422</i>	<i>1.1195</i>
Revenue in €k	24,911	37,772	121,238	270,531
Revenue – Autogrill Group	420,195	977,107	2,215,774	5,393,753
Incidence %	5.9%	3.9%	5.5%	5.0%
Operating profit (loss) in \$k	(5,462)	(9,955)	(63,800)	(5,877)
<i>Exchange rate US Dollar/Euro</i>	<i>1.2048</i>	<i>1.1027</i>	<i>1.1422</i>	<i>1.1195</i>
Operating profit (loss) in k€	(4,534)	(9,028)	(55,857)	(5,250)
Operating profit (loss) – Autogrill Group	(102,212)	(80,303)	(511,624)	336,553
Incidence %	4.4%	11.2%	10.9%	-1.6%

2.2.3 Impact of the COVID-19 pandemic

With regard to the disclosures called for in the notices issued by ESMA, CONSOB and IOSCO¹⁶, relating to the impact of the COVID-19 pandemic on operations, the Group is not able to distinguish how much of the overall decrease in the economic figures recorded in the first three months of 2021 is directly attributable to the pandemic: the total impact, which is largely attributable to the pandemic but not exclusively, on the figures and economic results is shown below.

As discussed in the Interim Directors' report, since late February 2020 (for the comparative period) and through the entire first quarter of 2021, sales were sharply curtailed by the significant reduction in passenger traffic at retail locations and shopping areas and by the temporary and in some cases indefinite closures as a result of quarantines and other government orders, causing an overall net decline of €556,912k.

The costs of raw materials, supplies and goods decreased by €167,268k, attributable directly to the trend in sales, albeit not proportionately, including due to product expiration and damage which resulted in non-recurring costs of roughly €163k.

In this context, the Group's management confirmed the 2020 series of measures to stem the negative effects of the COVID-19 pandemic which resulted in a strong reduction in:

- personnel expense, thanks to the measures implemented by the company including a reduction in the hours worked consistent with the drop in traffic and a hiring freeze. Along with the reduction in personnel expense, the various forms of social safety nets made available by local governments and similar measures in the Group's countries of operation also had a positive impact of roughly €46,255k;
- other operating costs which, however, were affected by the recognition of non-recurring costs attributable to logistics and the introduction of important measures to safeguard the health and safety of its staff and customers (around €624k).

As in the early months of the COVID-19 pandemic, the Group continued to renegotiate its existing leases in order to obtain better terms and conditions from landlords. These negotiations led to the recognition of rent reductions and cancellations of €32.6m directly in the income statement as of the effective date of the relief, in accordance with the amendment to IFRS 16 ("Leases - COVID-19 Related Rent Concessions (Amendment to IFRS 16)") of 28 May 2020 (endorsed on 9 October 2020) which gives lessees the option to account for COVID-19 related rent concessions without the need to determine from the contracts whether they constitute lease modifications as defined by IFRS 16, subject to certain conditions.

Further negotiations with landlords are in progress to mitigate the impact of the COVID-19 pandemic on profitability for the year in course, the benefits of which will be recognized in the coming months of 2021 as they have not yet been realized and cannot be fully quantified at this time.

During the first quarter of 2021 the Group benefited from various forms of government relief amounting to €4,436k, recognized under "Other operating income."

Financial charges have also been incurred in connection with the new agreements with lender banks and bondholders amounting to €13,384k, better described in the notes.

¹⁶ ESMA – "Implications of the COVID-19 outbreak on the half-yearly financial reports" (May 2020), CONSOB – "Richiamo di attenzione" 6/2020 of 9 April 2020 and 8/2020 of 16 July 2020 and IOSCO – "Statement on Importance of Disclosure about COVID-19" of 29 May 2020.

2.2.4 Notes to the statement of financial position

Following the reclassification of assets and liabilities classified as held for sale, there are even significant changes in captions in the financial statements that have not been disclosed in a specific note. For more details, see paragraph 2.2.2 - Disposals.

I. Property, plant and equipment

The following tables show movements in property, plant and equipment at March 31, 2021 and 31 December, 2020.

(€k)	31.03.2021			31.12.2020			Change
	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	
Land and buildings	107,779	(57,539)	50,240	108,462	(58,324)	50,138	102
Leasehold improvements	1,200,609	(832,160)	368,449	1,397,260	(908,759)	488,501	(120,052)
Plant and machinery	203,960	(156,417)	47,543	210,437	(161,889)	48,548	(1,005)
Industrial and commercial equipment	931,307	(748,712)	182,595	974,800	(774,244)	200,556	(17,961)
Assets to be transferred free of charge	312,433	(219,469)	92,964	312,424	(222,816)	89,608	3,356
Other	54,415	(49,612)	4,803	55,935	(50,694)	5,241	(438)
Assets under construction and payments on account	58,261	-	58,261	85,355	-	85,355	(27,094)
Total	2,868,764	(2,063,909)	804,855	3,144,673	(2,176,727)	967,946	(163,091)

Capital expenditure in the first quarter of 2021 amounted to € 14,192k, while the net carrying amount of disposals was €3,622k, other than foreign exchange differences. No significant net gains were realized on disposals of non-current assets. Due to the planned sale of the US motorway operations (Paragraph 2.2.2), assets with a combined net carrying value of €149,952k have been reclassified to assets classified as held for sale.

Depreciation came to €43,730k for the period (€51,432k in the first quarter of 2020).

In the first three months of 2021 there was no need re-test individual locations for impairment, except in specific cases that have led to the recognition of €111k impairment, as management decided there had been no significant change in conditions since the previous tests were conducted as of 31 December 2020.

Leasehold improvements refer to expenses incurred to set up or adapt leased premises and concessions. This includes costs for the development of points of sales managed at airports, at shopping centers in North America, and at several points of sales prevalently on Italian motorways.

Assets under construction and payments on account are concentrated mostly in the United States and include investments for new openings and contract renewals.

II. Right-of-use assets

The table below breaks down right-of-use assets at 31 March 2021 and 31 December 2020:

(k€)	31.03.2021			31.12.2020			Change
	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	
Buildings	2,183,889	(691,264)	1,492,625	2,384,596	(639,149)	1,745,447	(252,822)
Other	7,573	(4,228)	3,345	6,989	(3,649)	3,340	6
Total	2,191,462	(695,492)	1,495,970	2,391,585	(642,798)	1,748,787	(252,817)

Right-of-use assets amounted to €1,495,970k at 31 March 2021 (€1,748,787k at the end of 2020).

Of the net change in this item, €10,588k (€9,320k in the first quarter of 2020) relates to new contracts and the remeasurement of some leases on the basis of previously negotiated terms (there were no remeasurements during the quarter as a result of COVID-19-related negotiations). Other changes concern early lease terminations (€3,275k, compared with €2,827k in the first three months of 2020) and exchange differences. The transactions mentioned above did not have a significant economic impact.

This item shows a substantial decrease (€225,641k) due to the reclassification to assets classified as held for sale, in connection with the planned disposal of the US motorway business. For details, see paragraph 2.2.2 - Disposals.

The depreciation of right-of-use assets amounted to €71,484k in the first quarter of 2021 (€92,862k for the same period last year).

In the first three months of 2021 there was no need re-test individual locations for impairment, except in specific cases, as management decided there had been no significant change in conditions since the previous tests were conducted as of 31 December 2020.

III. Goodwill

At 31 March 2021 goodwill amounted to €787,869k, compared with €819,473k the previous year.

The cash-generating units (CGUs) were identified on the basis of business segment, following a geographical/operational logic, consistently with the governance responsibilities of the chief executive officers of those segments and the minimum level at which goodwill is monitored for internal management purposes.

The carrying amounts of goodwill by geographical CGU are as follows:

(€k)	31.03.2021	31.12.2020	Change
North America	382,309	412,950	(30,641)
International	67,849	65,544	2,305
Europe			
Italy	83,631	83,631	-
Other European countries	254,080	257,348	(3,268)
Total	787,869	819,473	(31,604)

Most of the change in the first quarter 2021 relates to the planned disposal of the US motorway business (paragraph 2.2.2), which involved the reclassification of €50,142k to assets classified as held for sale. The remaining amount consists of exchange differences.

IV. Other intangible assets

The following tables show movements in other intangible assets at March 31, 2021 and December 31, 2020.

(€k)	31.03.2021			31.12.2020			Change
	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	Gross carrying amount	Accumulated depreciation and impair. losses	Carrying amount	
Concessions, licenses, trademarks and similar rights	220,582	(139,627)	80,955	221,758	(138,686)	83,071	(2,117)
Other intangible assets	127,078	(111,872)	15,206	126,717	(109,701)	17,016	(1,810)
Assets under development and payments on account	5,955	-	5,955	5,619	-	5,619	336
Total	353,615	(251,499)	102,116	354,094	(248,387)	105,706	(3,590)

Investments in the first quarter of 2021 came to €1,669k, mostly for business software, while amortization totalled €6,244k (€7,057k in the first three months of 2020).

Due to the planned sale of the US motorway operations (paragraph 2.2.2), intangible assets with a combined net carrying value of €791k have been reclassified to assets classified as held for sale.

All "Other intangible assets" have finite useful lives.

In the first three months of 2021 there was no need re-test individual locations for impairment, as management decided there had been no significant change in conditions since the previous tests were conducted as of 31 December 2020.

V. Lease receivables

(€k)	31.03.2021	31.12.2020	Change
Lease receivables - current	15,243	15,003	240
Lease receivables - non current	57,874	61,808	(3,934)
Total	73,117	76,811	(3,694)

The recognition of lease receivables represents the transfer of some of the Group's rights of use to third parties under sublet agreements (mostly in North America). At 31 March 2021 this item amounted to €15,243k (€15,003k at the end of 2020) under current assets and €57,874k (€61,808k the previous year) under non-current assets.

Of the net change for the quarter, €1.336k pertains to rent collected while €1,829k reflects permanent rent reductions granted to subletters in response to the COVID-19 emergency.

Implicit interest accrued came to €378k (€1,133k in the first quarter of 2020).

VI. Loans

(€k)	31.03.2021	31.12.2020	Change
Current account overdrafts	48,874	58,154	(9,280)
Unsecured bank loans	211,639	206,975	4,664
Total current	260,513	265,129	(4,616)
Unsecured bank loans	1,214,357	1,190,681	23,676
Fair value adjustment of contractual cash flow modification	20,588	11,722	8,866
Commissions on loans	(8,073)	(5,302)	(2,771)
Total non-current	1,226,872	1,197,101	29,771
Total	1,487,385	1,462,230	25,155

The current unsecured bank loans consist mainly of ultra-short-term borrowings by the Parent company and the American subsidiaries. It includes the current portion of Autogrill S.p.A.'s amortizing term loan maturing in August 2021 (€12.5m) and the current portion of HMSHost Corporation's amortizing term loan maturing in June 2021 (\$50m).

The breakdown of unsecured bank loans at the close of 31 March 2021 and at 31 December 2020 is presented below:

	Expiry	31.03.2021		31.12.2020	
		Amount (€k)	Drawdowns (€k) ⁽¹⁾	Amount (€k)	Drawdowns (€k) ⁽¹⁾
Term Amortizing Facility - HMS Host Corporation	June 2023	127,932	127,932	122,239	122,239
Revolving Amortizing Facility - HMS Host Corporation	June 2023	170,576	170,576	162,986	162,986
2018 Line		298,507	298,507	285,225	285,225
Term Amortizing Facility - Autogrill S.p.A.	January 2025	100,000	100,000	100,000	100,000
Revolving Amortizing Facility - Autogrill S.p.A.	January 2025	200,000	200,000	200,000	200,000
2018 Line		300,000	300,000	300,000	300,000
Revolving Facility - Autogrill S.p.A.	January 2023	100,000	100,000	100,000	100,000
2018 Line		100,000	100,000	100,000	100,000
Revolving Facility - Autogrill S.p.A.	August 2024	25,000	25,000	25,000	25,000
2019 Line		25,000	25,000	25,000	25,000
Term Amortizing Facility - Autogrill S.p.A.	August 2024	50,000	50,000	50,000	50,000
2019 Line		50,000	50,000	50,000	50,000
Term Amortizing Facility - Autogrill S.p.A. ⁽²⁾	March 2025	150,000	150,000	150,000	150,000
Term Loan Facility (guaranteed by SACE)	June 2025	300,000	300,000	300,000	300,000
2020 Line		450,000	450,000	450,000	450,000
Other credit lines		50,994	50,994	42,703	38,703
2020 Line		50,994	50,994	42,703	38,703
Total		1,274,502	1,274,502	1,252,928	1,248,928
of which current portion ⁽³⁾		60,145	60,145	58,247	58,247
Total lines of credit net of current portion		1,214,357	1,214,357	1,194,681	1,190,681

⁽¹⁾ Drawdowns in foreign currency are valued based on exchange rates at 31 March 2021 and 31 March 2020.

⁽²⁾ Credit line obtained in March 2020 and used to prepay the amortizing term loan of €150m originally maturing in 2021.

⁽³⁾ Includes \$50m for the American amortizing term loan, €12.5m for Autogrill S.p.A.'s amortizing term facility (2019 line), and €5m for other credit lines held by the Belgian subsidiary.

At 31 March 2021 the Group's committed credit facilities were fully drawn down.

In March 2020, Autogrill S.p.A. obtained a new €150m amortizing term loan maturing in March 2025, used to prepay the term loan of nominal €150m that was due to mature in 2021. The new facility involves two annual payments of €50m starting in March 2023, with reimbursement of the remaining €50m on maturity.

On 27 November 2020 the parent company contracted a €300m term loan from a pool of major banks, maturing in June 2025. The loan is guaranteed by SACE S.p.A. pursuant to Art. 1 of Decree Law 23/2020, converted with amendments into Law 40/2020 "Decreto Liquidità" ("Liquidity Decree"). It will be repaid in constant quarterly installments starting on 31 December 2023 and will be used by the parent company, directly or through its Italian subsidiaries, to pay for personnel expense, capital expenditure, working capital, and/or lease installments for operations located in Italy, in accordance with the Liquidity Decree and SACE regulations.

In January 2018 the parent company obtained two credit lines:

- an amortizing term loan of €100m and a revolving credit line of €200m, packaged into a single facility maturing in January 2023. In February 2020 these facilities were renegotiated and their maturities extended by two years: the amortizing term loan now involves two annual payments of €25m starting in January 2023, with reimbursement of the remaining €50m in 2025. For the revolving line, the commitment will be reduced through two annual payments of €62.5m as from January 2023, and the remaining commitment of €75m will be settled in 2025;
- a revolving facility of €100m maturing in January 2023.

In August 2019 Autogrill S.p.A. contracted a new €50m amortizing term loan and €25m revolving credit line, maturing in August 2024. The amortizing term loan involves three annual payments of €12.5m starting in August 2021, with reimbursement of the remaining €12.5m on maturity. The entire revolving credit commitment of €25m will be settled at that time.

The above contracts require the Group to uphold certain financial ratios: a leverage ratio (net debt/EBITDA) of 3.5 or less and an interest coverage ratio (EBITDA/net financial expense) of at least 4.5, referring to the Group as a whole. In June 2020, as part of a broader, Group-wide plan of action aimed at mitigating the financial and operational impact of the COVID-19 crisis, Autogrill S.p.A. signed "covenant holiday" agreements with its lenders for the temporary suspension of required leverage ratio and interest coverage ratio parameters. The covenant holiday is effective for 15 months starting on 30 June 2020, and can be extended until 31 December 2021 under specified conditions. On 10 March 2021, the Group obtained an extension for contracts already granted a covenant holiday in June 2020 until 31 December 2022, and a covenant holiday until 31 December 2022 for the loan guaranteed by SACE S.p.A., assuming a positive outcome of the covenant test by HMSHost Corporation in September 2022.

As is customary for this kind of contract, the lenders are entitled to cancel the facilities and force the borrower to pay back all amounts in advance in the event of the borrower's change of control. For these purposes, a "change of control" would occur if one or more parties – other than the current key investors of Edizione S.r.l. – acted individually or in concert to acquire control of Autogrill S.p.A. as defined by paragraphs 1.1 and 1.2 of Civil Code Art. 2359.

On 26 June 2018 the subsidiary HMSHost Corporation obtained a new loan maturing in June 2023, comprised of a term loan and a revolving credit facility, both in the amount of \$200m. The term loan involves two annual payments of \$50m starting in January 2020, with reimbursement of the remaining \$50m on maturity. The two lines have been used to prepay the revolving loan of nominal \$300m (of which \$200m has been drawn down) ahead of its original maturity. The contract includes a "change of control" clause.

The contract for the facility contracted by HMSHost Corporation requires it to uphold a leverage ratio (gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/net financial expense) of at least 4.5, calculated for the companies headed up by HMSHost Corporation. In June 2020 HMSHost Corporation signed "covenant holiday" agreements with its lenders for the temporary suspension of required leverage ratio and interest coverage ratio parameters. The covenant holiday is effective for 15 months starting on 30 June 2020, and can be extended until 31 December 2021 under specified conditions. On 10 March 2021 the Group obtained an extension for contracts already granted a covenant holiday in June 2020 until September 2022, with an additional extension until 31 December 2022 assuming a positive outcome of the covenant test in September 2022.

For the calculation of these ratios, net and gross debt, EBITDA and financial charges are measured according to contractual definitions and therefore differ from the amounts valid for financial reporting purposes. Thus, the final ratios are not readily apparent from the financial statements.

"Other credit facilities" refer to government loans granted to various European subsidiaries in the face of the COVID-19 emergency.

Fair value adjustments for change in contractual flows include the effect of applying IFRS 9, as a result of the negotiation of the covenant holiday mentioned above; in 2021, the extension of the covenant holiday led to the immediate recognition in the income statement of a further difference

between the present value of the modified cash flows discounted using the original effective interest rate and the present value of the original cash flows (€11,509k: €8,862k for the parent company and €2,720k for HMSHost Corporation). The balance of this item reflected €2,870k released to the income statement in the first quarter of 2021, with the remainder due to exchange differences.

VII. Lease liabilities

(€k)	31.03.2021	31.12.2020	Change
Lease liabilities - current	375,496	377,289	(1,793)
Lease liabilities - non current	1,343,781	1,590,384	(246,603)
Total current	1,719,277	1,967,673	(248,396)

This item includes the current and non-current portion of liabilities arising from the discounting of minimum guaranteed lease payments, as a result of applying IFRS 16.

This item shows a substantial decrease (€239,396k) due to the reclassification to liabilities classified as held for sale, in connection with the planned disposal of the US motorway business. For details, see paragraph 2.2.2 - Disposals.

Of the net change for the quarter, other than foreign exchange differences, €36,923k pertains to rent paid (€102,935k in the first quarter 2020) while €32,429k reflects permanent rent reductions granted by landlords in response to the COVID-19 emergency in the first quarter 2021, which fall within the scope of the amendment to IFRS 16.

In addition, this item increased by €9,495k in the first three months of 2021 as a result of new contracts and the remeasurement of some leases on the basis of previously negotiated terms (there were no remeasurements during the quarter as a result of COVID-19-related negotiations).

Implicit interest accrued came to €10,282 (€15,551k in the first quarter 2020).

VIII. Bonds

(€k)	31.03.2021	31.12.2020	Change
Bonds (current)	34,115	32,597	1,518
Fair value adjustment of contractual cash flow modification	135	209	(74)
Total current	34,250	32,806	1,444
Bonds (non-current)	247,842	238,021	9,821
Fair value adjustment of contractual cash flow modification	4,375	2,883	1,492
Commissions on bond issues	(2,575)	(1,217)	(1,358)
Total non-current	249,642	239,687	9,955
Total	283,892	272,493	11,399

Bonds refer to private placements issued by HMSHost Corporation:

- in January 2013 for a total of \$150m, maturing in January 2023 and paying interest half-yearly at a fixed annual rate of 5.12%;
- in March 2013 for a total of \$200m (of which \$25m was redeemed in September 2020), paying interest half-yearly and split into tranches as summarized in the table below:

Nominal amount (\$m)	Issue date	Annual Fixed rate	Expiry
40	March 2013	4.97%	September 2021
80	March 2013	5.40%	September 2024
55	March 2013	5.45%	September 2025

At 31 March 2021, bonds as a whole amounted to €283,892k, compared with €272,493k at 31 December 2020. The increase reflects the fair value change, the exchange effect (€12,655k), and the effect of applying IFRS 9 as a result of the covenant holiday described above, for an additional €1,875k beyond the amount recognized in 2020. Regarding this latter item, €635k was released to the income statement during the first quarter of 2021.

Regarding the interest rate hedges of a notional \$100m covering the bonds issued in 2013, a gain of €1,229k was recorded at 31 March 2021 and a loss of similar amount was recognized on the hedging instrument, for a substantially zero effect on the income statement.

The fair value of the bonds outstanding is measured using valuation techniques based on parameters other than price that can be observed in the open market. They can therefore be classified in level 2 of the fair value hierarchy (as defined by IFRS 7), with no change on the comparative period.

The regulations for these bonds require the maintenance of certain financial ratios: a leverage ratio (gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/net financial expense) of at least 4.5, calculated with respect to HMSHost Corporation and its subgroup. For the calculation of these ratios, gross debt, EBITDA and financial charges are measured according to contractual definitions, which differ from the amounts valid for financial reporting purposes and are therefore not readily apparent from the financial statements.

In June 2020 HMSHost Corporation signed "covenant holiday" agreements with its bondholders for the temporary suspension of required leverage ratio and interest coverage ratio parameters, in exchange for higher coupons throughout the bond's duration. The covenant holiday is effective for 15 months starting on 30 June 2020, and can be extended until 31 December 2021 under specified conditions. On 10 March 2021 the Group obtained an extension from the bondholders for contracts already granted a covenant holiday in June 2020 until September 2022, with an additional extension until 31 December 2022 assuming a positive outcome of the covenant test in September 2022.

According to the bond regulations, if there is a change of control at HMSHost, each bondholder is entitled to the early redemption of all bonds possessed.

IX. Provision for risks and charges

The following table shows the breakdown of the item as of 31 March 2021 and 31 December 2020:

(k€)	31.03.2021	31.12.2020	Change
Provision for taxes	3,110	2,843	267
Other provisions	7,060	6,750	310
Provision on investments	-	43	(43)
Provision for legal disputes	8,339	10,629	(2,290)
Provision for restructuring	3,039	6,533	(3,494)
Provision for the refurbishment of third party assets	446	435	11
Total provisions for current risks and charges	21,994	27,233	(5,239)
Other provisions	25,246	25,508	(262)
Provision for legal disputes	1,720	1,981	(261)
Provision for the refurbishment of third party assets	8,767	7,735	1,032
Total provisions for non-current risks and charges	35,733	35,223	509

The significant change in the current portion is due mainly to the use of the provision for restructuring to cover expenses incurred in the first quarter of 2021 to complete the restructuring plans implemented in Italy and Europe in the fourth quarter of 2020, as well as the use of the provision for legal disputes due to the updates in the legal litigations.

X. Assets and liabilities classified as held for sale

Assets classified as held for sale and liabilities classified as held for sale concern the planned disposal of the US motorway business. For details, see section 2.2.2 - Disposals.

XI. Equity

Movements in equity items during the period are detailed in the statement of changes in shareholders' equity.

Share capital

At 31 March 2021 the share capital of Autogrill S.p.A., fully subscribed and paid in, amounts to €68,688k and consists of 254,400,000 ordinary shares with no par value.

At 31 March 2021 Schematrentaquattro S.p.A., wholly owned by Edizione S.r.l., held 50.1% of the share capital.

In the first half of 2021, after the extraordinary Shareholders' meeting of 25 February 2021 approved the mandate to increase the share capital providing market conditions permit and the necessary authorizations are given by the pertinent authorities, the Group expects to complete a capital increase of a maximum amount of €600 million including any share premium, by issuing ordinary shares on an pre-emptive right basis to the persons entitled to the option rights pursuant to Art. 2441(1) of the Italian Civil Code.

Edizione S.r.l. – owner of Schematrentaquattro S.p.A., which in turn controls 50.1% of Autogrill S.p.A. – has expressed appreciation of the capital increase, specifying that it fully agrees with the strategic reasoning, and therefore plans to provide its subsidiary Schematrentaquattro S.p.A. with the necessary financial resources.

Also, in accordance with the pre-underwriting agreement, the pool of banks involved in the capital increase have committed (under conditions consistent with market practice for similar operations) to underwriting the subscription and release of any newly issued ordinary shares that have not been

subscribed following the auction of unexercised rights, up to the maximum amount of the capital increase.

Legal reserve

The legal reserve (€13,738k) is the portion of Autogrill S.p.A. profits that cannot be paid out as dividends, in accordance with Art. 2430 of the Italian Civil Code.

Translation reserve

Translation differences are generated by the translation into euros of the foreign currency financial statements of companies consolidated on a line-by-line basis or using the equity method, net of the fair value of instruments designated as net investment hedges. Of the increase, €10,137k concerns exchange rate differences from the translation of financial statements in foreign currencies, €1k refers to the portion of comprehensive income for investments valued using the equity method, and -€15k reflects the change in the fair value of instruments designated as net investment hedges, net of the tax effect.

Other reserves and retained earnings

These include the profits of subsidiaries not distributed as dividends and the amount set aside in connection with the recognized costs of the stock option plans.

Other reserves and retained earnings also include unrealized actuarial gains and losses (net of the tax effect) arising from the remeasurement of defined benefit plan assets and liabilities.

Most of the change in this item reflects the use of reserves to cover the 2020 loss, as resolved by the general meeting of shareholders on 23 April 2021.

Treasury shares

At 31 March 2021 Autogrill S.p.A. owned 3,181,641 treasury shares, the same as of the end of 2020.

Non-controlling interests

Non-controlling interests amount to €59,464k, compared with €59,881k at 31 December 2020. The change is due primarily to the loss for the period (€2,280k), to exchange differences (€2,545k) and a reduction in contributions for capital expenditure (€682k).

2.2.5 Notes to the income statement

The changes in the income statement items, other than specifically disclosed, are due to the fact that the first quarter of 2021 is fully affected by the COVID-19 pandemic, while the comparative period was impacted just for one month.

XII. Revenue

Revenue is detailed below:

(€k)	1Q 2021	1Q 2020	change
Food & Beverage sales	370,635	910,767	(540,132)
Oil sales	49,560	66,340	(16,780)
Total	420,195	977,107	(556,912)

The decrease in revenue is due to the fact that the first quarter of 2020 included two months that were not affected by the COVID-19 pandemic.

See the Interim Directors' report for a detailed review of sales performance.

XIII. Financial income and expense

(€k)	1Q 2021	1Q 2020	change
Interest income	60	588	(528)
Exchange rate income	-	131	(131)
Ineffective portion of hedging instruments	5	-	5
Finance income on lease receivables	378	1,133	(755)
Other financial income	12	453	(441)
Total financial income	455	2,305	(1,850)

(€k)	1Q 2021	1Q 2020	change
Interest expense	22,692	6,081	16,611
Finance expense on lease liabilities	10,282	15,551	(5,269)
Discounting of long-term liabilities	395	304	91
Exchange rate loss	1,571	-	1,571
Interest differential on exchange rate hedges	184	104	80
Fees paid on loans and bonds	48	110	(62)
Other financial expense	294	345	(51)
Total financial expense	35,466	22,495	12,971
Total net financial expense	(35,011)	(20,190)	(14,821)

Most of the increase in net financial expense relates to interest expense, which includes the effect of applying IFRS 9 in the amount of €13,384k (Notes VI and VIII). In light of the ongoing COVID-19 pandemic, in March 2021 a new set of covenant holidays was arranged with lender banks for the temporary suspension of required parameters (leverage ratio and consolidated EBITDA/consolidated net finance charges). These contractual changes, in accordance with IFRS 9, led to the immediate recognition in the income statement of the difference between the present value of the modified cash flows discounted using the original effective interest rate and the present value of the original cash flows.

The weighted average cost of debt in the first quarter 2021 was 4.67% (4.1% in the full year 2020).

The reduction in finance expense on lease liabilities, due to the general decrease in the incremental borrowing rate used for new contracts and for remeasurements not related to index updates.

XIV. Income tax

The positive amount of €6,769k (€10,541k positive in the first quarter 2020) includes €1,087k in current taxes (€84k in the first quarter 2020) and €8,011k in net deferred tax assets (€11,013k net deferred tax assets for the first three months of 2020).

At 31 March 2021 this item also includes IRAP of €1k (€1k in the first quarter 2020), which is charged on Italian operations and whose basis is essentially EBIT plus personnel expense for fixed-term labor, and CVAE of €154k (€387k in the first quarter 2020), charged on French operations and calculated on the basis of revenue and value added.

XV. Basic and diluted earnings per share

Basic earnings per share is calculated as the Group's share of net profit divided by the weighted average number of ordinary Autogrill S.p.A. shares outstanding during the period; treasury shares held by the Group are therefore excluded from the denominator.

Diluted earnings per share takes account of dilutive potential shares deriving from stock option plans when determining the number of shares outstanding.

	1Q 2021	1Q 2020
Profit (loss) for the period attributable to owners of the parent (€k)	(128,332)	(88,043)
Weighted average no. of outstanding shares (no./000)	251,218	254,018
Basic earnings per share (€)	(0.5108)	(0.3466)
	1Q 2021	1Q 2020
Profit (loss) for the period attributable to owners of the parent (€k)	(128,332)	(88,043)
Weighted average no. of outstanding shares (no./000)	251,218	254,018
Dilution effect of shares included in stock option plans (no./000)	2,224	2,301
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	253,442	256,319
Diluted earnings per share (€)	(0.5064)	(0.3435)

2.2.6 Net financial indebtedness

Details of the net financial position (net financial indebtedness) at 31 March 2021 and 31 December 2020 are as follows, presented based on the new scheme according to ESMA Recommendation 32-232-1138 of last 4 March 2021:

Note	(m€)	31.03.2021	31.12.2020	change
	A) Cash	26.5	23.3	3.2
	B) Cash equivalents	472.4	590.3	(117.8)
	C) Other current financial assets	-	-	-
	D) Liquidity (A)+(B)+(C)	498.9	613.5	(114.6)
(*)	E) Current financial debt (including debt instruments, but excluding current portion of non-current financial debt)	211.4	222.2	(10.8)
(**)	F) Current portion of non-current financial debt	469.9	468.3	1.5
	G) Current financial indebtedness (E+F)	681.3	690.6	(9.3)
	H) Net current financial indebtedness (G-D)	182.4	77.0	105.4
(***)	I) Non-current financial debt (excluding current portion and debt instruments)	2,570.7	2,787.5	(216.8)
	J) Debt instruments	249.6	239.7	10.0
	K) Non-current trade and other payables	1.3	1.3	-
	L) Non-current financial indebtedness (I+J+K)	2,821.6	3,028.5	(206.9)
	M) Net financial indebtedness (H+L) - com. CONSOB (04/03/2021 ESMA32-382-1138) ⁽¹⁾	3,004.0	3,105.5	(101.5)
(****)	P) Other current and non-current financial assets	127.0	131.9	(4.8)
	O) Net financial liabilities classified as held for sale ¹⁷	241.9	-	241.9
	Net financial indebtedness (M-N+O)	3,118.8	2,973.6	145.2

⁽¹⁾ As required by the CONSOB circular and in accordance with ESMA 32-232-1138 recommendation of last 4 March 2021

(*) It includes the following lines: "Bank loans and borrowings" excluding the current portion of non current financial indebtedness (€60.1m) and "Other financial liabilities" (€11.0m).

(**) It includes the following lines for Current Liabilities: "Bank loans and borrowings" limited to the current portion of non current financial indebtedness (€60.1m), "Lease liabilities" (€375.5m) and "Bonds" (€34.3m).

(***) It includes the following lines for Non Current Liabilities: "Loans, net of current portion" for the non current portion of financial indebtedness (€1,226.9m) and "Lease Liabilities" (€1,343.9m).

(****) It includes the following lines: "Lease receivable" (€15.2m) and "Other financial assets" (€48.4m) for Current Assets and "Lease receivable" (€57.9m) and "Other financial assets" net of Interest-bearing sums with third parties and Guarantee deposits (€23.3m) for €5.5m for Non Current Assets.

For further comments, see the Notes indicated for each item and the Interim Directors' Report.

¹⁷ The item "Net financial liabilities held for sale" has been included to reflect the effect of the planned disposal of the US motorway business (transaction communicated to the market on 31 March 2021). For details, see paragraph 2.2.2 - Disposals.

2.2.7 Financial instruments - fair value and risk management

The objectives, policies and procedures of financial risk management did not change during the first quarter 2021. They are described in the 2020 Annual Report. In addition, there were no changes in the fair value hierarchy used in measuring of financial instruments compared with the most recent annual consolidated financial statements and the methods used in measuring level fair value are consistent with those used in the 2020 Annual Report.

2.2.8 Disclosure of non-controlling interests

Non-controlling interests refer mainly to investments in US subsidiaries held by accredited Disadvantaged Business Enterprises (DBE), whose participation in the operation of concessions is regulated by state and federal law. The Group maintains control of these companies and is principally responsible for the concession fees due to the grantor.

At 31 March 2021, these companies had net assets of \$252.7m (\$259.3m at 31 December 2020); in the first quarter of 2021 they reported revenue of \$99.3m (\$247.6m in first quarter of 2020) and a net loss of \$10.4m (net loss of \$7m in first quarter of 2020). Non-controlling interests in shareholders' equity amount to \$60.6m (\$63.6m at 31 December 2020) and in net profit to \$7.6m (\$4.5m in first quarter of 2020).

2.2.9 Segment reporting

The Group operates in the food & beverage industry, mainly at airports, motorway rest stops and railway stations, serving a local and international clientele. The business is conducted in Italy by Autogrill S.p.A.; in France, Switzerland, Germany, Belgium, Austria, and Greece by Autogrill Europe S.p.A. through its own direct subsidiaries; and in North America, the Netherlands, the United Kingdom, Ireland, Scandinavian countries, the Middle East, and Asia by HMSHost Corporation and its subsidiaries. The Group serves its own proprietary brands as well as third-party brands under license. The operational levers are typically assigned to local organizations and coordinated, at the European level, by central facilities.

Business units were identified on the basis of a geographical/operational logic, consistently with the governance responsibilities of the chief executive officers of those segments.

Performance is monitored separately for each of the three business units: Europe, North America, and International (the latter covering Northern Europe, the Middle East, and Asia). Because of the distinct characteristics of the Italian market, "Europe" distinguishes between the "Italy" and "other European countries" cash generating units; there are therefore four CGUs overall.

Costs are shown separately for "Corporate" functions, which include the centralized units in charge of administration, finance and control, investor relations, strategic planning, legal and corporate affairs, enterprise risk management, communications, marketing, IT systems, internal audit, human resources, and organization for the Group as a whole.

The accounting policies used for segment reporting are the same as those applicable to the consolidated financial statements.

Segment reporting in table form is provided below.

Profit & Loss – 1Q 2021					
(€k)	North America	International	Europe	Corporate	Consolidated
Total revenue and other operating income	183,134	28,950	230,890	127	443,101
Depreciation, amortisation and impairment losses on property, plant, equipment, intangible assets and right-of-use assets	(59,145)	(17,834)	(49,004)	(468)	(126,451)
Operating profit (loss)	(21,935)	(15,360)	(57,785)	(7,132)	(102,212)
Net financial income (expense)					(35,011)
Share of the profit (loss) of equity method investments					17
Revaluation (write-down) of financial assets					(175)
Pre-tax profit (loss)					(137,381)
Income tax					6,769
Profit (loss) for the period					(130,612)

Profit & Loss – 1Q 2020					
(€k)	North America	International	Europe	Corporate	Consolidated
Total revenue and other operating income	509,944	148,998	361,824	(35)	1,020,731
Depreciation, amortisation and impairment losses on property, plant, equipment, intangible assets and right-of-use assets	(72,841)	(21,779)	(60,644)	(494)	(155,758)
Operating profit (loss)	(34,741)	(3,779)	(35,796)	(5,987)	(80,303)
Net financial income (expense)					(20,190)
Share of the profit (loss) of equity method investments					(194)
Pre-tax profit (loss)					(100,687)
Income tax					10,541
Profit (loss) for the period					(90,146)

Net invested capital at 31.03.2021					
(€k)	North America	International	Europe	Corporate	Consolidated
Goodwill	382,309	67,849	337,711	-	787,869
Other intangible assets	36,947	12,073	51,603	1,493	102,116
Property, plant and equipment	360,198	72,043	367,707	4,907	804,855
Right-of-use assets	626,807	198,055	666,991	4,117	1,495,970
Financial assets ¹⁸	3,146	14,404	5,722	850	24,122
Assets classified as held for sale	443,000	-	-	-	443,000
Non-current assets	1,852,407	364,424	1,429,734	11,367	3,657,932
Net working capital¹⁹	(137,342)	(54,075)	(99,107)	22,722	(267,802)
Other current & non-current financial activities and liabilities ²⁰	35,270	4,878	(40,603)	18,160	17,705
Liabilities classified as held for sale	(7,658)	-	-	-	(7,658)
Net invested capital	1,742,677	315,227	1,290,024	52,249	3,400,177

Net invested capital at 31.12.2020					
(€k)	North America	International	Europe	Corporate	Consolidated
Goodwill	412,950	65,544	340,979	-	819,473
Other intangible assets	38,243	12,557	53,244	1,661	105,706
Property, plant and equipment	510,114	74,882	377,887	5,063	967,946
Right-of-use assets	855,435	205,968	683,211	4,174	1,748,787
Financial assets ¹⁸	10,212	14,419	5,821	853	31,304
Non-current assets	1,826,954	373,370	1,461,142	11,751	3,673,217
Net working capital¹⁹	(139,644)	(58,919)	(132,251)	20,005	(310,809)
Other current & non-current financial activities and liabilities ²⁰	29,188	4,721	(42,025)	19,004	10,888
Net invested capital	1,716,499	319,171	1,286,866	50,760	3,373,296

¹⁸ The item "Financial assets" include "Investments" and "Other financial assets" with the exception of "Financial receivables from third parties" (€2.4m as of 31 March 2021 and €4.7m as of 31 December 2020) and "Fair value of interest rate hedging derivatives" (€3.1m as of 31 March 2021 and €2.3m as of 31 December 2020).

¹⁹ The item "Net working capital" include "Tax assets", "Other receivables", "Trade receivables", "Inventories", "Trade payables", "Tax liabilities", "Other payables" and "Provision for risks and charges" for the current portion.

²⁰ The item "Other current & non-current financial activities and liabilities" include "Deferred tax assets", "Other receivables", "Other payables", "Deferred tax liabilities", "Defined benefit plans" "Provision for risks and charges" and "Other Liabilities" for the non current portion.

2.2.10 Seasonal patterns

The Group's volumes are closely related to the flow of travellers, which is highly seasonal in some businesses, and this in turn affects consolidated results. The breakdown of 2020 results by quarter shows how the spread of the COVID-19 pandemic altered the seasonal pattern of previous years, when volumes were mostly concentrated in the second six months of the year when business is stronger due to the summer holidays. In 2020, nearly half of all revenue was earned during the first quarter, before the pandemic was widespread, then dropped sharply during the second quarter when the first wave reached its peak and governments strictly curtailed personal movement. In the second half of 2020, business performance followed the pandemic curve: sales improved in the third quarter, as the pandemic eased, and then worsened in the fourth quarter when infection rates rose once again.

Autogrill Group believes that 2021 will be a year of transition, with the first half still significantly affected by the COVID-19 pandemic and the second half characterized by a gradual return to normal.

€m	Full year 2020 (**)			
	First quarter	First six months	First nine months	Full year
Revenue (*)	910.8	1,096.5	1,564.1	1,983.7
% of full year	45.9%	55.3%	78.9%	100.0%
Operating profit (loss)	(80.3)	(300.5)	(372.6)	(511.6)
% of full year	15.7%	58.7%	72.8%	100.0%
Pre-tax profit (loss)	(100.7)	(357.2)	(471.7)	(638.0)
% of full year	15.8%	56.0%	73.9%	100.0%
Profit (loss) attributable to owners of the parent	(88.0)	(271.0)	(365.8)	(479.9)
% of full year	18.2%	56.5%	76.2%	100.0%

(*) For consistency with the data in the Interim Directors' Report, revenue does not include fuel sales, which take place mainly at Italian and Swiss service stations.

(**) The data related to the first quarter and the first nine months are not subject to audit.

The percentages shown are general indications only and should not be used to predict results or the generation of cash.

2.2.11 Guarantees given, commitments and contingent liabilities

Guarantees

At 31 March 2021 the guarantees given by the Autogrill Group amounted to €451,710k (€460,077k at the close of 2020) and referred mainly to performance bonds and other personal guarantees issued in favor of grantors and business counterparties.

Commitments

Commitments outstanding at 31 March 2021 concern:

- the value of goods on consignment held at Group locations (€2,470k);
- commitments for service contracts (€200,004k);
- commitments for access rights (€17,293k);
- commitments under low-value and short-term leases (€11,990k).

An access concession exists when ownership of the land and buildings along the motorway is in the hands of a private firm (like Autogrill), which negotiates access rights with the motorway company with the commitment to sell fuel and lubricants and/or food and beverages to motorway users. The firm accepts the obligation to pay rent to the motorway as well as certain stipulations regarding the way the services are to be provided and the hours of operation.

Contingent liabilities

At 31 March 2021, there were no contingent liabilities as defined in IAS 37.

2.2.12 Other information

Related party transactions

Autogrill S.p.A. is controlled by Schematrentaquattro S.p.A., which owns 50.1% of its ordinary shares. Schematrentaquattro S.p.A. is a wholly-owned subsidiary of Edizione S.r.l.

All related-party transactions are carried out in the Company's interest and at arm's length.

In the first quarter of 2021 Autogrill S.p.A. and its subsidiaries conducted no transactions with the direct parent, Schematrentaquattro S.p.A.

Income Statement – 1Q 2021

€k	Revenue	Other operating income	Raw materials, supplies and goods	Leases, rentals, concessions and royalties	Other operating expense	Personnel expense	Financial (expense) income
Parent:							
Edizione S.r.l.	-	-	-	-	-	30	-
Other related parties:							
Atlantia Group	-	370	41	3,159	2,500	-	(1,459)
Verde Sport S.p.A.	-	-	-	-	45	-	-
Equity investments	-	-	-	60	61	-	-
Other related parties (*)	-	-	-	-	90	1,185	-
Total Related parties	-	370	41	3,219	2,695	1,215	(1,459)
Total Group	420,195	22,906	192,847	12,205	79,354	134,456	(35,011)
Incidence	0.0%	1.6%	0.0%	26.4%	3.4%	0.9%	4.2%

(*) The other related parties refers to transactions with Directors, Statutory Auditors and Executives with strategic responsibilities

Income statement – 1Q 2020

€k	Revenue	Other operating income	Raw materials, supplies and goods	Leases, rentals, concessions and royalties	Other operating expense	Personnel expense	Financial (expense) income
Parent:							
Edizione S.r.l.	-	-	-	-	2	25	-
Other related parties:							
Atlantia Group	-	-	23	6,161	2,383	-	(1,704)
Verde Sport S.p.A.	-	-	-	-	45	-	-
Equity investments	-	-	-	(246)	(102)	-	-
Other related parties (*)	-	-	-	-	93	1,291	-
Total Related parties	-	-	23	5,915	2,420	1,316	(1,704)
Total Group	977,107	43,624	360,115	86,076	138,680	360,405	(20,190)
Incidence	0.0%	0.0%	0.0%	6.9%	1.7%	0.4%	8.4%

(*) The other related parties refers to transactions with Directors, Statutory Auditors and Executives with strategic responsibilities

Statement of financial position – 31.03.2021

€k	Trade receivables	Other receivables	Trade payables	Other payables	Lease liabilities – Current	Lease liabilities – Non Current
Parent:						
Edizione S.r.l.	-	-	1	885	-	-
Other related parties:						
Atlantia Group	2,166	5,057	23,384	1,860	43,228	199,981
Verde Sport S.p.A.	-	-	23	-	-	-
Equity investments	-	31	-	-	-	-
Other related parties (*)	-	-	-	1,417	-	-
Total Related parties	2,166	5,088	23,408	4,162	43,228	199,981
Total Group	37,360	144,613	261,928	265,434	375,496	1,343,781
Incidence	5.8%	3.5%	8.9%	1.6%	11.5%	14.9%

(*) The other related parties refers to transactions with Directors, Statutory Auditors and Executives with strategic responsibilities

Statement of financial position – 31.12.2020

€k	Trade receivables	Other receivables	Trade payables	Other payables	Lease liabilities – Current	Lease liabilities – Non Current
Parent:						
Edizione S.r.l.	-	-	1	874	-	-
Other related parties:						
Atlantia Group	1,423	6,248	19,106	2,176	39,202	210,284
Equity investments	-	2	-	-	-	-
Other related parties (*)	-	-	-	1,188	-	-
Total Related parties	1,423	6,251	19,108	4,238	39,202	210,284
Total Group	36,696	135,789	292,097	266,363	377,289	1,590,384
Incidence	3.9%	4.6%	6.5%	1.6%	10.4%	13.2%

(*) The other related parties refers to transactions with Directors, Statutory Auditors and Executives with strategic responsibilities

Edizione S.r.l.

Personnel expense refers to fees earned by a director of Autogrill S.p.A. and paid back to Edizione S.r.l. where he serves as executive manager.

"Other payables" mostly originate from Autogrill Italia S.p.A.'s purchase of Edizione S.r.l.'s tax credit (IRES) for the year 2019, amounting to €750k, which will be paid for in 2021.

Atlantia Group

"Leases, rentals, concessions and royalties" refer to variable concession fees and accessory costs pertaining to the period. The decrease for the period is due mainly to the variable portion and reflects the decline in revenue as a result of the COVID-19 pandemic.

"Other operating expense" refers chiefly to the management of motorway locations.

"Financial expense" also concerns the application of accounting standard IFRS 16, which requires the recognition of implicit interest previously included under "Leases, rentals, concessions and royalties".

"Trade payables" originate from the same contractual relationships.

"Lease liabilities" arise from the application of IFRS 16 and the consequent recognition of €243,209k deriving from the discounting of fixed or substantively fixed future minimum lease payments outstanding at 31 March 2021.

"Other receivables" refers mainly to credit notes to be received from Autostrade per l'Italia S.p.A., as well as fees for rest stop cleaning services.

Verde Sport S.p.A.

Other operating expense concerns the commercial sponsorship of youth sports at the facilities housed at "La Ghirada - Città dello Sport".

Remuneration of directors and key management personnel

The following remuneration accrued to members of the Board of Directors and to key management personnel in the first quarter of 2021:

(€)						
Name	Office held	Term of office	Remuneration	Bonus and other incentives	Non-monetary benefits	Other fees
Paolo Zannoni	Chairman	2020/2022	62,500			
Gianmario Tondato da Ruos	CEO	2020/2022	130,000		1,201	85,714
Alessandro Benetton	Director	2020/2022	15,000			
Paolo Roverato	Director	2020/2022	30,000			
Massimo Fasanella D'Amore di Ruffano (*)	Director	2020/2022	25,000			6,250
Francesco Chiappetta	Director	2020/2022	22,500			
Ernesto Albanese	Director	2020/2022	17,500			
Franca Bertagnin Benetton	Director	2020/2022	15,000			
Maria Pierdicchi	Director	2020/2022	20,000			
Barbara Cominelli	Director	2020/2022	20,000			
Rosalba Casiraghi	Director	From 21/05/2020 to 2022	20,000			
Simona Scarpaleggia	Director	From 21/05/2020 to 2022	20,000			
Laura Cioli	Director	From 21/05/2020 to 2022	22,500			
Total directors			420,000	-	1,201	91,964
Camillo Rossotto (**)	Corporate General Manager				2,599	132,143
Key managers with strategic responsibilities					43,308	487,975
Total			420,000	-	47,108	712,082

(*) Other fees are for serving as director at Autogrill Europe S.p.A.

(**) Other fees are for serving as sole director of Autogrill Advanced Services S.p.A. since 19/11/2018.

A significant portion of the variable compensation received by the CEO, the Corporate General Manager, and the key management personnel is tied to the achievement of specific targets established in advance by the Board of Directors, by virtue of their participation in management incentive plans. Should the CEO leave office for any reason, he shall retain the right to variable pay under the incentive plans of which he is a beneficiary, subject to the achievement of the targets and the satisfaction of any other condition stated in each plan, regulation, or program and in an amount proportional to the service rendered during the relevant period of time.

For the Corporate General Manager and key management personnel, any rights acquired under incentive plans (including options) shall be null and void in the event of termination for just cause, subjective justified cause, or voluntary resignation ("bad leavers"). In the event of termination for objective justified cause or retirement ("good leavers"), the beneficiary does not lose the pro-rata rights acquired under the plans.

The CEO's remuneration includes his executive salary from Autogrill S.p.A., which is shown under "Other remuneration". According to the Board of Directors resolution of 25 May 2020, which governs the CEO's employment, if the CEO resigns with just cause or is dismissed by the Company without just cause, the Company will top up to €2m the standard indemnity in lieu of notice and any other indemnity or leaving compensation provided for in the national collective managers' contract for the commercial sector, when less than that amount. Also, given the CEO's strategic role at the Company, he is bound by a non-compete agreement and a ban on poaching Autogrill Group personnel for 18 months, under a specific agreement that entails a penalty for breach thereof.

Non-compete agreements, with or without an option clause, are also in place with the Corporate General Manager and with key management personnel.

Incentive plans for directors and key management personnel

The incentive plans for executive directors and key management personnel were valued as follows: (i) for the phantom stock option plan, at a fair value reflecting the greater volatility and uncertainty currently present in the Group's industry and in the equity market in general, as well as stock market performance; (ii) for the performance share unit plan, considering the effects of the COVID-19 pandemic on the Group's present and projected results and as reflected in the measurement of non-market conditions; note that the vesting conditions were not satisfied during the first wave of the plan.

In the first quarter of 2021, costs were recognized with respect to the phantom stock option plan (€573k) and the performance share unit plan (€307k).

2.2.13 Significant non-recurring events and transactions

In the first quarter 2021 there were no significant non-recurring events or transactions as defined by CONSOB Resolution 15519 of 27 July 2006 and CONSOB Communication DEM/6064293 of 28 July 2006.

2.2.14 Atypical or unusual transactions

In the first quarter 2021 there were no atypical and/or unusual transactions as defined by CONSOB Communication DEM/6064293 of 28 July 2006.

2.2.15 Subsequent events

Other than the disclosure provided in the Notes, where applicable, to ensure the Group has access to even more liquidity, on 1st April 2021 Autogrill S.p.A. took the opportunity to contract a €100m term facility, to be repaid when the capital increase is fully carried out or by 15 November 2021, whichever is earlier. The full amount was drawn down on 9 April 2021.

On 23 April 2021 the general meeting of Shareholders, having examined and approved the financial statements for the year ended 31 December 2020 and approved the Directors' proposal to carry forward the loss for the year:

- voted in the Board of Statutory Auditors for the three-year period 2021-2023. The chosen candidates were Francesca Michela Maurelli (Chairperson), Antonella Carù and Massimo Catullo (Standing Auditors), and Michaela Castelli and Roberto Miccù (Alternate Auditors);
- approved, pursuant to Art. 114-bis of the Consolidated Finance Act, the free allotment of ordinary Autogrill shares – the “2021 performance share unit plan” – for employees and/or executive directors of Autogrill S.p.A. and its direct and indirect subsidiaries as defined by Civil Code Art. 2359, which is designed to motivate and retain key management personnel in order to create value for the Company and the Group and to align their interests with those of the shareholders. Each beneficiary selected by Autogrill S.p.A.'s Board of Directors will be personally awarded a number of units which, if and to the extent accrued, will entitle their holders to the assignment of ordinary Autogrill shares.

2.2.15 Authorization for publication

The Board of Directors authorized the publication of this Interim financial report at its meeting of 4 May 2021.

Declaration of the Executive Responsible for Corporate Accounting Information pursuant to Article 154-bis of Legislative Decree 58/1998 (Consolidated finance act)

The undersigned Camillo Rossotto, *Chief Financial Officer* of Autogrill Group, as Executive Responsible for Corporate Accounting Information hereby declares that the quarterly report at 31 March 2021 corresponds to the results documented in the books, accounting and other records of the Company.

Milan, 4 May 2021

Executive Responsible for Corporate
Accounting Information

Camillo Rossotto

Independent auditors' report

Deloitte.

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REPORT ON REVIEW OF THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Board of Directors of
Autogrill S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of Autogrill S.p.A. and subsidiaries (the "Autogrill Group") as of March 31, 2021, which comprise the statement of financial position as of March 31, 2021, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flow for the three-month period then ended, and related notes. The Directors are responsible for the preparation of the condensed interim consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity." A review of the condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying condensed interim consolidated financial statements of the Autogrill Group as of March 31, 2021 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

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Other Matter

Data and information related to the quarter ended as of March 31, 2020, presented for comparative purposes, were not audited or reviewed.

DELOITTE & TOUCHE S.p.A.

Signed by
Ernesto Lanzillo
Partner

Milan, Italy
May 5, 2021

*This report has been translated into the English language
solely for the convenience of international readers.*