

## Consolidated Interim Financial Report at September 30, 2021

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





# Consolidated Interim Financial Report Aeroporto Guglielmo Marconi di Bologna Group at September 30, 2021

*This document is a courtesy translation from Italian into English.*

*In case of any inconsistency between the two versions, the Italian original version shall prevail.*

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

## Ownership of the Parent Company Aeroporto Guglielmo Marconi di Bologna Spa

According to the shareholder register and the notices received pursuant to Article 120 of Legislative Decree No. 58/98, the shareholders of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., with holdings of more than 5% were as follows at September 30, 2021:

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

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

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

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

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

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

**PUBLIC SHAREHOLDERS****% Share Capital subject to  
Voting Agreement**

BOLOGNA CHAMBER OF COMMERCE	39.10%
MUNICIPALITY OF BOLOGNA	3.88%
METROPOLITAN CITY OF BOLOGNA	2.31%
REGION OF EMILIA ROMAGNA	2.04%
MODENA CHAMBER OF COMMERCE	0.30%
FERRARA CHAMBER OF COMMERCE	0.22%
REGGIO EMILIA CHAMBER OF COMMERCE	0.15%
PARMA CHAMBER OF COMMERCE	0.11%

**PUBLIC SHAREHOLDERS****% Share Capital  
subject to Transfer  
Restriction Agreement**

BOLOGNA CHAMBER OF COMMERCE	37.5325326%
MUNICIPALITY OF BOLOGNA	3.8477737%
METROPOLITAN CITY OF BOLOGNA	2.2972543%
REGION OF EMILIA ROMAGNA	2.0210297%
MODENA CHAMBER OF COMMERCE	0.0835370%
FERRARA CHAMBER OF COMMERCE	0.0627298%
REGGIO EMILIA CHAMBER OF COMMERCE	0.0427747%
PARMA CHAMBER OF COMMERCE	0.0314848%

## Board of Directors

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

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

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

(A) Member of the Remuneration Committee (Chairman Eugenio Sidoli)

(B) Member of the Control & Risks Committee (Chairperson Silvia Giannini)

## Board of Statutory Auditors

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

<b>Name</b>	<b>Office</b>
Pietro Voci	Chairman
Samantha Gardin	Statutory Auditor
Alessandro Bonura	Statutory Auditor
Violetta Frasnedi	Alternate Auditor
Alessia Bastiani	Alternate Auditor

## Auditing Firm

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

## **Directors' Report of Aeroporto Guglielmo Marconi di Bologna S.p.A. Group at September 30, 2021**

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## INTRODUCTION

This report, accompanying the interim Condensed Consolidated Financial Statements of the Aeroporto Guglielmo Marconi di Bologna Group (hereinafter also the “Aeroporto Group”, “Aeroporto” or “AdB”) for the nine months ended September 30, 2021, in presenting the Group's performance indirectly analyses also the performance of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., the holder of the concession for the full management of Bologna Airport, i.e. Full Management Concession No. 98 of July 12, 2004 and subsequent Additional Deeds, approved by Decree of the Ministry of Transport and Infrastructure and of the Economy and Finance of March 15, 2006, with a term of 40 years starting on December 28, 2004. Given the drastic drop in traffic at Italy's airports due to COVID-19, Article 102, Paragraph 1-*bis* of Law Decree No. 34 of May 19 (Relaunch Decree), converted into Law No. 77 of July 17, 2020, extended the duration of airport concessions by two years in order to cushion the consequent economic blow. Given the direct applicability of the above law, Bologna Airport's concession is extended to December 2046.

The Group's structure at September 30, 2021 and a brief description of the type and businesses of its subsidiaries and associates is presented below:



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

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

## Business Description

Airport business may be divided into aviation and non-aviation activities. Aviation activities primarily consist of managing, maintaining and developing airports, which also includes security checks and surveillance, as well as aviation services for passengers, other users and airport operators and marketing activities to develop passenger and cargo traffic. Non-aviation activities primarily consist of developing airport real estate and commercial potential.

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

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

### **Aviation SBU**

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

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

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

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

The Aviation SBU's other major revenue sources are:

- departing passenger security fees: these fees are due for providing security check services, including the personnel and equipment used by the manager to provide this service;
- checked baggage security fees: these fees are due for the equipment and personnel responsible for performing such checks;
- PRM fees: they include the fees paid for services for passengers with reduced mobility and are based on the number of departing passengers (PRM and otherwise);
- fees for the exclusive use of premises: they include fees for using airport infrastructure dedicated to individual carriers or operators (check-in desks, offices, operating premises), calculated according to the duration of use, floor area and/or location and type of the premises used;
- centralised infrastructure fees: these fees refer solely to aircraft de-icing services and are based on the number of winter flights;
- cargo handling and general aviation fees and fees due for the related activities such as customs clearance and refuelling.

## **Non-Aviation SBU**

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

### **Parking**

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

### **Retail**

Bologna airport's retail offerings include internationally recognised brands with local ties and some of the leading local, domestic and international retail and catering chains. The shopping area extends over approximately 4,200 m<sup>2</sup> and includes 38 shops. The latest airport upgrade developed the Duty-free areas – one of the SBU's main revenue sources. In 2020 because of the spread of the pandemic and the resulting dramatic fall in traffic most sub-concession holders closed their commercial establishments, only starting to reopen gradually in July. At September 30, 2021, following a gradual recovery in traffic, most of the retail spaces are now operating.

### **Advertising**

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

### **Passenger services**

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

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

### **Real Estate**

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

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

# 1 STRATEGIES AND RESULTS

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

The global recovery continues despite risks related to new variants of the COVID-19 virus. According to the International Monetary Fund's October forecast, world GDP is expected to grow by 5.9% in 2021, exceeding pre-pandemic levels. The outlook continues to vary by country, with GDP for advanced economies expected to again be in line with pre-pandemic trends by next year, while the effects of the health emergency will last longer in the emerging economies.

After a drop in August, the price of oil began rising again to surpass the levels of early July. This helped drive global inflation, although prices are expected to decline again over the medium term. On the supply side, the OPEC+ nations, in their meeting of early October, decided not to continue increasing production. Volatility remains high, reflecting the uncertainty in demand brought about by developments in the pandemic.

The price of natural gas has risen significantly, particularly in Europe, due to a particularly cold winter, which led to a reduction in reserves for the second half of 2021 as a result of decreased production in Norway due to infrastructure maintenance work and delays in activating the Nord Stream 2 pipeline, which connects Russia and Germany. On the demand side, the faster-than-expected recovery and the sharp increase in Chinese imports from Russia has served to drive prices higher. A partial correction is expected to be seen in 2022, although certain medium-term factors – growth in global gas demand and a decline in European production – would suggest that a part of the price increases could become permanent.

In the second quarter of 2021, economic activity in the Eurozone posted marked growth (+2.1%), driven by a recovery in both consumption and investment, with continued rapid growth expected to continue into the third quarter. According to ECB forecasts published in early September, GDP is expected to grow by 5.0% in 2021, 4.6% in 2022, and 2.1% in 2023.

In the second quarter of 2021, Italy's GDP rose strongly (+2.7%), driven mainly by domestic demand, and is expected to continue this trend into the third quarter with GDP growth exceeding 2%. GDP forecasts for the current year by leading international organisations and by independent experts have been revised progressively higher. Based on the latest information available, growth is expected to reach around 6% for 2021 and around 4% for 2022 (*Source: Bank of Italy Economic Bulletin, October 2021*).

Against this backdrop, according to the IATA's data, global passenger traffic overall in the first nine months of 2021 was still significantly down on pre-COVID figures, despite increasing month-on-month: compared to the January-September 2019 period, there was a decrease of 62.2%. In September 2021 alone, traffic fell 53.4% compared to September 2019, although this is an improvement from August, when demand was 56.0% lower than August 2019 levels. The very strong cargo component growth continued in 2021, exceeding volumes for the first nine months of 2019 by 8.2%. In September, the volume of goods transported surpassed the levels of September 2019 by 9.1%. The decrease in European passenger traffic during the first nine months of 2021 was 67.8% overall compared to 2019. In line with the global trend, European cargo traffic also increased, surpassing pre-COVID levels in the first nine months of the year, up 5.5% on the same period of 2019 (*Source: Air Passenger and Air Freight Market Analysis (IATA), September 2021*).

In Italy, passenger traffic grew 14.7% on the same period of 2020. Volumes still remain 65.1% lower than 2019, in line with the decrease seen at European level. Cargo traffic, on the other hand, again performed better than passenger traffic: the volume of cargo transported increased by 34.8% on 2020, almost recovering to 2019 levels (on which it was down just 1.3%) (*Source: Assaeroporti, September 2021*). Bologna airport in the first nine months of 2021 saw an increase in passenger traffic (+18.4%) on the same period of 2020. Volumes, however, decreased by 64.9% on the same period of 2019, in line with the national trend. On conclusion of the first nine months of the year, Bologna Airport was ranked eighth in Italy in terms of passenger numbers.

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

Group results for the period January-September 2021 were heavily influenced by the ongoing COVID-19 pandemic which, following the significant slowdown in the first part of 2021, showed the first signs of a partial recovery in traffic volumes during the summer.

In 2021, the Group is continuing to implement measures to ensure the safety of passengers, employees and the entire airport community.

These include body temperature measurement at the terminal and the offices, the installation of disinfecting gel dispensers, the posters and signs on hygiene measures to be followed and precautions to be taken, the separation of passenger movements to ensure distancing, the intensive sanitisation of the areas, also through a molecular fragmentation system, the installation of plexiglass, the adoption of the patented BEST system at the security controls to reduce the frontal interaction between the staff in charge of controls and passengers and the installation of ventilation systems at the terminal and on the airport grounds and offices with high-efficiency filters in the areas with the greatest density of people.

From the early stages of the pandemic, in order to both contain costs and protect jobs, the Group introduced a plan to encourage employees to take accrued holidays, and subsequently the Extraordinary Temporary Lay-off Scheme was introduced for all employees for a period of 12 months beginning March 21, 2020. These measures came in addition to moves designed to cut outsourced operating costs. The Exceptional Temporary Lay-off Scheme entered into force from March 22, 2021 to December 26, 2021 for AdB employees, and from April 1, 2021 until December 31, 2021 for the subsidiary FFM.

From a financial viewpoint, the Group entered this critical period with a solid and balanced equity and financial structure, which has allowed it to meet its commitments even in those months of greatest pressure on liquidity. Among the main measures introduced to tackle the crisis, in addition to cost reductions, the Group focused on revising the timeframes for investments and non-urgent replacement/upgrade work. In mid-2020, the Parent Company also signed two loans for a total of Euro 58.9 million, in order to ensure adequate resources for the Group to meet its financial needs, related to the increase in working capital and support for its business plan. All of the Group's cost streamlining measures remain in place for 2021 in order to limit liquidity pressure resulting from the continuing crisis, and the Group is engaged in dialogue with other lenders to meet any future credit requirements.

### 1.3 STRATEGIC OBJECTIVES

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

#### **“Connect”**

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

#### **“Develop”**

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

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

#### **“Experience”**

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

#### **“Care”**

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

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

#### **“Maximise financial performance”**

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

### **“Performing and sustainable corporation”**

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

## **1.4 SHARE PERFORMANCE**

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

The following graphs present:

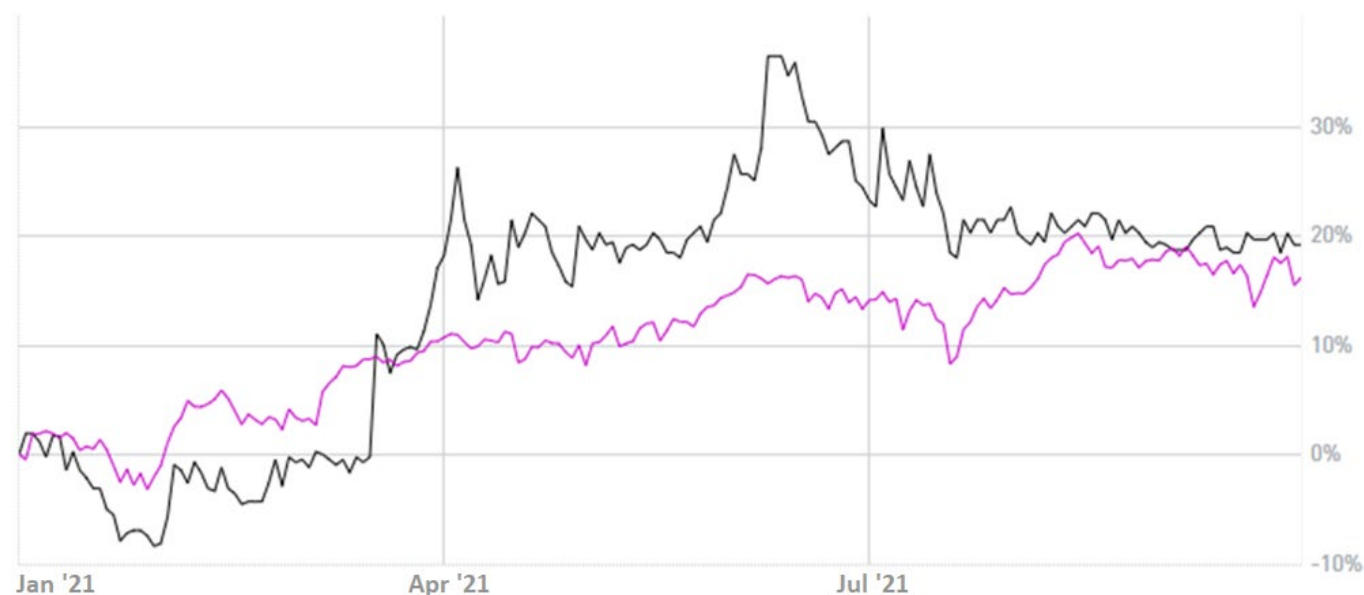
- the share performance between January 1, 2021 and September 30, 2021;
- tracking of the company's share performance against the FTSE Italia all-share index.

On September 30, 2021, the official share price was Euro 9.82 per share, resulting in an AdB Group market capitalisation of Euro 354.8 million at that date.

**AdB share performance (01/01/2021-30/09/2021)**

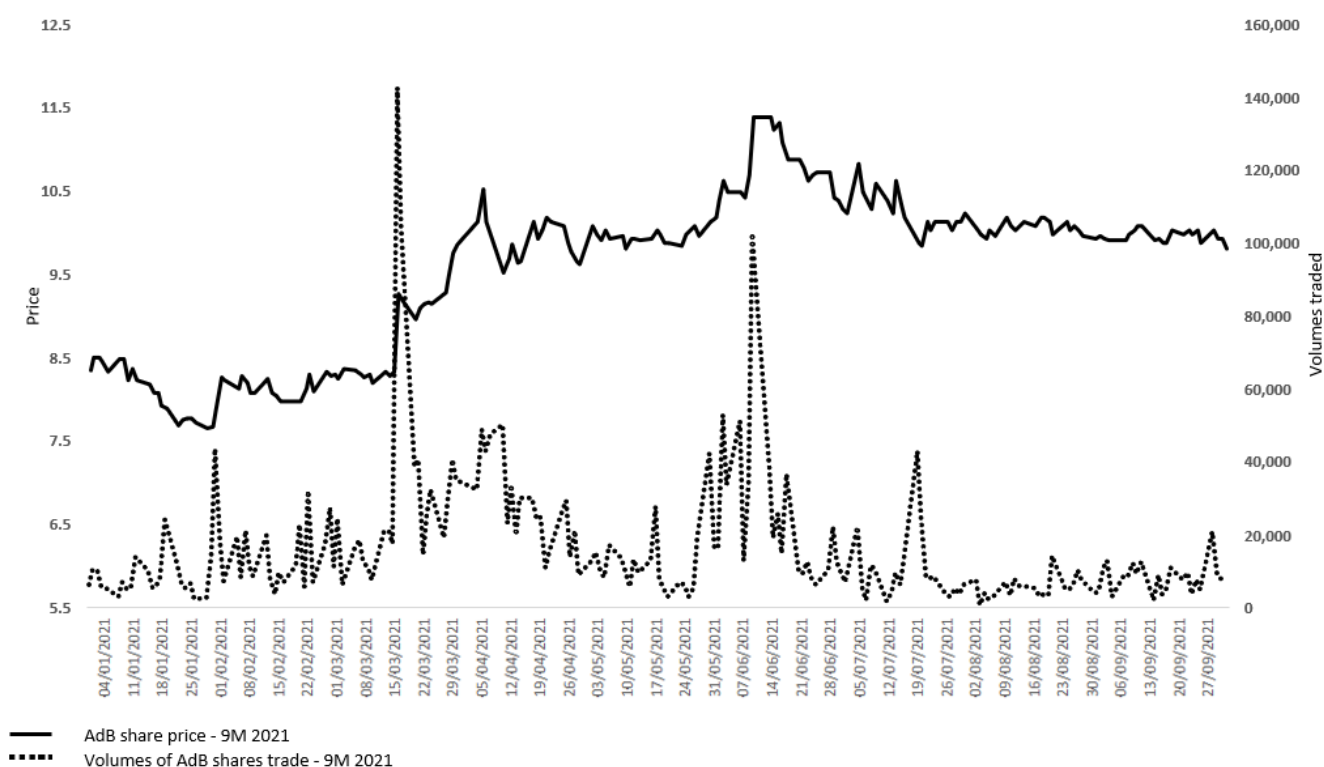


**AdB share and FTSE Italia All-Share performance (01/01/2021-30/09/2021)**





### AdB share performance – prices and volumes (01/01/2021-30/09/2021)



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

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

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

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

After a slight reduction in the first half of July, during the third quarter of the year the share price remained more or less stable at values between Euro 9.80 and Euro 10.20 per share, with limited volumes of shares traded on the market. At period-end, the price stood at Euro 9.82 per share (down 18.8% from the 2019 closing price).

## 2. KEY OPERATING RESULTS ANALYSIS

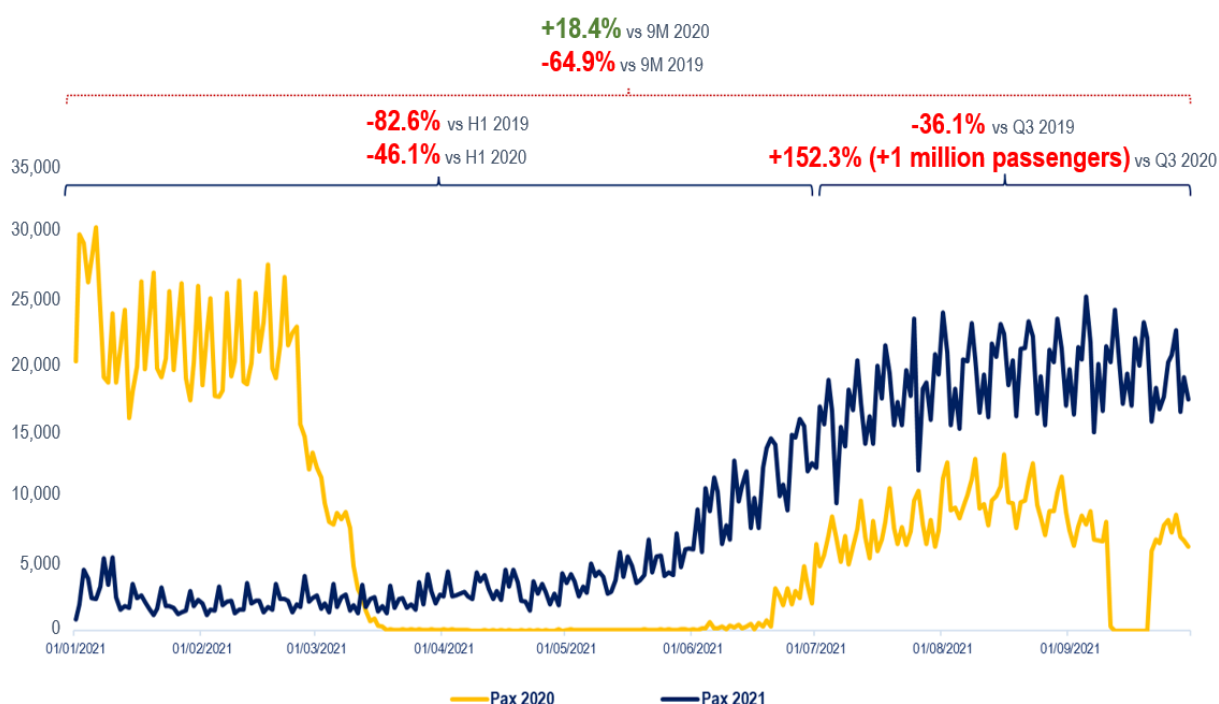
### 2.1 AVIATION STRATEGIC BUSINESS UNIT

#### 2.1.1 AVIATION STRATEGIC BUSINESS UNIT: TRAFFIC DATA

Although the first quarter of 2021 did not show signs of improvement over 2020, with the exception of the cargo segment, as travel restrictions were gradually loosened in response to the decrease in infections and the continuation of the vaccine roll-out, we began to see a recovery in traffic in late spring. The second and third quarters of 2021 in fact posted an increase of more than 1.6 million passengers over the same period of 2020, which had been hit hard by the lockdown.

In the first nine months of the year, passengers totalled 2,517,292, down 64.9% on the same period of 2019 but up 18.4% on 2020, with 27,568 movements (-53.2% from 2019 and +16.1% on 2020) and 36,243 tonnes of cargo transported (-0.3% from 2019 and +25.5% on 2020). The average load factor increased from 64.4% in the first nine months of 2020 to 67.7% for the same period of 2021, as we have seen a significant improvement throughout the year, going from 53.6% in the first quarter to 64% in the second and to 71.3% in the third. To offer a more useful comparison with pre-pandemic data, the following tables also provide figures for 9M 2019.

**Passenger traffic performance January-September 2021**



	January-September 2021	January-September 2020	Change % 2021-2020	January-September 2019	Change % 2021-2019
Passengers	2,517,292	2,126,538	18.4%	7,175,435	(64.9%)
Movements	27,568	23,750	16.1%	58,844	(53.2%)
Tonnage	1,811,410	1,581,828	14.5%	3,864,679	(53.1%)
Cargo	36,242,905	28,867,538	25.5%	36,336,775	(0.3%)

Data includes General Aviation and transits

Passenger traffic breakdown	January-September 2021	% of total	January-September 2020	% of total	January-September 2019	% of total	Change % 21-20	Change % 21-19
Legacy	691,221	27.5%	745,165	35.0%	2,918,751	40.7%	(7.2%)	(76.3%)
Low cost	1,803,016	71.6%	1,363,007	64.1%	4,133,751	57.6%	32.3%	(56.4%)
Charter	13,395	0.5%	12,418	0.6%	103,847	1.4%	7.9%	(87.1%)
Transits	4,124	0.2%	2,722	0.1%	12,307	0.2%	51.5%	(66.5%)
<b>Total Commercial Aviation</b>	<b>2,511,756</b>	<b>99.8%</b>	<b>2,123,312</b>	<b>99.8%</b>	<b>7,168,656</b>	<b>99.9%</b>	<b>18.3%</b>	<b>(65.0%)</b>
General Aviation	5,536	0.2%	3,226	0.2%	6,779	0.1%	71.6%	(18.3%)
<b>Total</b>	<b>2,517,292</b>	<b>100.0%</b>	<b>2,126,538</b>	<b>100.0%</b>	<b>7,175,435</b>	<b>100.0%</b>	<b>18.4%</b>	<b>(64.9%)</b>

Legacy traffic saw a greater drop in passenger traffic in the first nine months of 2021 (-7.2% on 2020 and -76.3% on 2019) compared to low-cost traffic (+32.3% on 2020 and -56.4% on 2019), as a result of both a significant drop in movements and a lower aircraft load factor.

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

A two-speed recovery is therefore confirmed, with passengers on domestic flights already exceeding pre-pandemic levels during the third quarter of 2021 (+19.6% compared to the same period in 2019), while international passengers numbers continue to be subdued by uncertainties surrounding the international health situation and the different access rules among countries.

Passenger traffic breakdown	January-September 2021	% of total	January-September 2020	% of total	January-September 2019	% of total	Change % 21-20	Change % 21-19
Domestic	1,022,238	40.6%	600,460	28.2%	1,497,138	20.9%	70.2%	(31.7%)
International	1,489,518	59.2%	1,522,852	71.6%	5,671,518	79.0%	(2.2%)	(73.7%)
<b>Total Commercial Aviation</b>	<b>2,511,756</b>	<b>99.8%</b>	<b>2,123,312</b>	<b>99.8%</b>	<b>7,168,656</b>	<b>99.9%</b>	<b>18.3%</b>	<b>(65.0%)</b>
General Aviation	5,536	0.2%	3,226	0.2%	6,779	0.1%	71.6%	(18.3%)
<b>Total</b>	<b>2,517,292</b>	<b>100.0%</b>	<b>2,126,538</b>	<b>100.0%</b>	<b>7,175,435</b>	<b>100.0%</b>	<b>18.4%</b>	<b>(64.9%)</b>

Despite the restrictions which continue to impact international travel, in the first nine months of 2021 half of the top ten destinations were overseas cities, with Tirana the most popular with over 100 thousand passengers.

Main passenger traffic routes	January-September 2021	January-September 2020	Change % 2021-2020	January-September 2019	Change % 2021-2019
Catania	243,641	99,212	145.6%	305,237	(20.2%)
Palermo	163,202	90,467	80.4%	202,517	(19.4%)
Brindisi	104,958	51,097	105.4%	143,904	(27.1%)
Tirana	104,107	53,215	95.6%	119,416	(12.8%)
Bari	102,519	45,373	125.9%	131,846	(22.2%)
Olbia	95,559	30,550	212.8%	48,744	96.0%
Barcelona	84,586	70,674	19.7%	296,094	(71.4%)
Casablanca	76,626	41,821	83.2%	122,548	(37.5%)
Madrid	76,093	73,890	3.0%	226,359	(66.4%)
Amsterdam	71,338	49,121	45.2%	170,662	(58.2%)

*Passenger traffic including transits*

## Cargo Traffic

(in KG)	January-September 2021	January-September 2020	Change % 2021-2020	January-September 2019	Change % 2021-2019
<b>Air cargo</b> of which	28,000,325	22,646,680	23.6%	28,346,057	(1.2%)
<b>Cargo</b>	28,000,139	22,646,384	23.6%	28,323,925	(1.1%)
<b>Mail</b>	186	296	(37.2%)	22,132	(99.2%)
<b>Road cargo</b>	8,242,580	6,220,858	32.5%	7,990,718	3.2%
<b>Total</b>	<b>36,242,905</b>	<b>28,867,538</b>	<b>25.5%</b>	<b>36,336,775</b>	<b>(0.3%)</b>

**Cargo traffic** in the first nine months of 2021 amounted to 36,242,905 KG, up 25.5% on the same period of 2020 and in line with the first nine months of 2019 (-0.3%). After Milan Malpensa and Rome Fiumicino, Bologna was Italy's third leading airport in the cargo segment from January to September 2021 (vs. fifth place in 2019).

This was the result of a strong recovery in the cargo business, which is a significant improvement over the previous year despite the fact that the first quarter of 2020 was not impacted by the COVID-19 health emergency. Road traffic increased by 32.5% over the same period of 2020, while air traffic increased by 23.6%, and even by 3.2% on the first nine months of 2019.

## 2.1.2 AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Total change vs 2020	% change vs 2020	For the nine months ended 30.09.2019	% Change
Passenger Revenues	15,169	12,450	2,719	21.8%	45,908	-67.0%
Carrier Revenues	11,108	8,965	2,143	23.9%	19,547	-43.2%
Airport Operator Revenues	1,631	1,289	342	26.5%	2,757	-40.8%
Traffic Incentives	(8,446)	(5,982)	(2,464)	41.2%	(19,568)	-56.8%
Revenues from Construction Services	4,343	16,640	(12,297)	-73.9%	9,881	-56.0%
Other revenues	950	944	6	0.6%	1,127	-15.7%
Aeronautical and FSC Revenue Reduction	(378)	(104)	(274)	263.5%	0	n.a.
<b>Total AVIATION SBU Revenues</b>	<b>24,377</b>	<b>34,202</b>	<b>(9,825)</b>	<b>-28.7%</b>	<b>59,652</b>	<b>-59.1%</b>

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

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

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

Group revenues from the Aviation Strategic Business Unit were down 28.7% overall on 2020 and 59.1% on 2019. The individual accounts broke down as follows:

- Passenger Revenues (+21.8% on 2020 and -67% on 2019): passenger revenues moved in line with passenger traffic;
- Carrier Revenues (+23.9% on 2020 and -43.2% on 2019): carrier revenues against 2019 fell less than total tonnage, due to higher take-off and landing tariffs; compared with 2020 the growth exceeded that of tonnage due to the effect of higher cargo charges deriving from the growth in cargo traffic and higher handling revenues from General Aviation;
- Airport Operator Revenues (+26.5% on 2020 and -40.8% on 2019): revenues declined compared to 2019 due to the decrease in traffic volumes and the revision of fees for premises and operating equipment granted by the manager to support operators in the emergency phase; an increase is reported on 2020 due to higher fuel sales revenues;
- Incentives: the movement in incentives (+41.2% on 2020 and -56.8% on 2019) relates to the incentivised traffic performance;
- Revenues from Construction Services: the decline in this item (-73.9% on 2020 and -56% on 2019) relates to lesser investments considering the rescheduling of work required by the ongoing health emergency.

## 2.2 NON-AVIATION STRATEGIC BUSINESS UNIT

### 2.2.1 NON-AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Total change vs 2020	% change vs 2020	For the nine months ended 30.09.2019	% Change
Retail and Advertising	3,548	4,006	(458)	-11.4%	11,677	-69.6%
Parking	4,476	4,006	470	11.7%	12,899	-65.3%
Real Estate	1,916	1,661	255	15.4%	1,831	4.6%
Passenger services	1,475	1,629	(154)	-9.5%	4,731	-68.8%
Revenues from Construction Services	1,713	6,877	(5,164)	-75.1%	1,434	19.5%
Other revenues	1,009	1,405	(396)	-28.2%	2,246	-55.1%
Non-Aeronautical and FSC Revenue Reduction	(4)	0	(4)	n.a.	0	n.a.
<b>Total NON AVIATION SBU Revenues</b>	<b>14,133</b>	<b>19,584</b>	<b>(5,451)</b>	<b>-27.8%</b>	<b>34,818</b>	<b>-59.4%</b>

Total non-aviation business revenues in the period declined 27.8% on 2020 and 59.4% on 2019.

The individual areas of this business unit performed as follows.

#### Retail and Advertising

The decrease in revenues (-11.4% on 2020 and -69.6% on 2019) was due to the continuation of the COVID-19 emergency, which continued to cause a dramatic decline in traffic volumes on 2019, the non re-opening of some commercial establishments (mainly temporarily though in some cases permanently), and the reduction in the sale of advertising spaces. This came in addition to a review of contractual terms, according to which fees vary on the basis of changes in traffic on 2019 levels. This was agreed by the airport manager and sub-concessionaires to provide support for the latter during the emergency phase.

#### Parking

The trend in revenue from parking and rail access fees (+11.7% on 2020 and -65.3% on 2019) is strictly related to the trend in traffic, which remains significantly below 2019 levels due to the ongoing health emergency, despite recovering from 2020 levels.

#### Real Estate

The real estate revenue performance (+15.4% on 2020 and +4.6% on 2019) was less affected by the ongoing health emergency. Operators suffering from the reduction in traffic were offered discounts. The increase was due to a new sub-concession agreement related to new areas delivered from June.

#### Passenger services

Passenger services in the first nine months of 2021 were down (-9.5% on 2020 and -68.8% on 2019), due to both premium services (lounge and accessory services) against both years and self-hire services, against only 2019.

#### Premium services

The reduction in revenues for this segment is due to the drop in traffic using the service, the dramatic fall in work travel and conventions, the temporary suspension of lounge services by some carriers, and the reduction in operations and total cancellation of routes that are particularly significant for the premium services segment. We indicate the resumption of the lounge service on British flights and the resumption of trade fair traffic from September.

#### **Self-hire sub-concessions**

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

#### **Revenues from Construction Services**

The reduction in this item on 2020 (-75.1%) relates to reduced investment in the business unit on the same period of the previous year. The item reports however an increase on 2019 (+19.5%).

#### **Other revenues**

The contraction in other revenues on 2020 (-28.2%) was mainly due to a reduction in maintenance activities carried out on airport operator vehicles due to their less frequent use and lower sales of aircraft de-icing liquid. Reduced maintenance activities carried out on airport operator vehicles, as well as the reduced use of passenger trolleys, the provision of fewer training courses and a decrease in the number of energy efficiency certificates sold, all contributed to remaining below 2019 levels (-55.1%). Finally, the direct management of aircraft de-icing fluid, purchased and managed by AdB and sold to handlers to provide the service, was not yet available in the first nine months of 2019.

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

#### 3.1 CONSOLIDATED OPERATING RESULTS ANALYSIS

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Total change vs 2020	% change vs 2020	For the nine months ended 30.09.2019	% change vs 2019
Revenues from aeronautical services	19,197	16,792	2,405	14.3%	48,890	-60.7%
Revenues from non-aeronautical services	12,686	12,908	(222)	-1.7%	33,502	-62.1%
Revenues from construction services	6,056	23,517	(17,461)	-74.2%	11,315	-46.5%
Other operating revenues and income	571	569	2	0.4%	763	-25.2%
<b>REVENUES</b>	<b>38,510</b>	<b>53,786</b>	<b>(15,276)</b>	<b>-28.4%</b>	<b>94,470</b>	<b>-59.2%</b>
Consumables and goods	(1,166)	(998)	(168)	16.8%	(1,590)	-26.7%
Service costs	(11,278)	(11,266)	(12)	0.1%	(14,992)	-24.8%
Construction service costs	(5,767)	(22,397)	16,630	-74.3%	(10,776)	-46.5%
Leases, rentals and other costs	(3,024)	(2,750)	(274)	10.0%	(6,499)	-53.5%
Other operating expenses	(2,290)	(2,237)	(53)	2.4%	(2,426)	-5.6%
Personnel costs	(15,519)	(15,275)	(244)	1.6%	(21,958)	-29.3%
<b>COSTS</b>	<b>(39,044)</b>	<b>(54,923)</b>	<b>15,879</b>	<b>-28.9%</b>	<b>(58,241)</b>	<b>-33.0%</b>
<b>GROSS OPERATING PROFIT (EBITDA)</b>	<b>(534)</b>	<b>(1,137)</b>	<b>603</b>	<b>53.0%</b>	<b>36,229</b>	<b>n.a.</b>
Amortisation of concession rights	(5,443)	(4,962)	(481)	9.7%	(4,643)	17.2%
Amortisation of other intangible assets	(653)	(979)	326	-33.3%	(904)	-27.8%
Depreciation of tangible assets	(1,671)	(1,894)	223	-11.8%	(2,060)	-18.9%
<b>AMORTISATION, DEPRECIATION AND WRITE-DOWNS</b>	<b>(7,767)</b>	<b>(7,835)</b>	<b>68</b>	<b>-0.9%</b>	<b>(7,607)</b>	<b>2.1%</b>
Provisions for doubtful accounts	(621)	(260)	(361)	138.8%	(516)	20.3%
Provision for renewal of airport infrastructure	(330)	(1,323)	993	-75.1%	(1,795)	-81.6%
Provisions for other risks and charges	(78)	(29)	(49)	169.0%	(306)	-74.5%
<b>PROVISIONS FOR RISKS AND CHARGES</b>	<b>(1,029)</b>	<b>(1,612)</b>	<b>583</b>	<b>-36.2%</b>	<b>(2,617)</b>	<b>-60.7%</b>
<b>TOTAL COSTS</b>	<b>(47,840)</b>	<b>(64,370)</b>	<b>16,530</b>	<b>-25.7%</b>	<b>(68,465)</b>	<b>-30.1%</b>
<b>OPERATING RESULT</b>	<b>(9,330)</b>	<b>(10,584)</b>	<b>1,254</b>	<b>11.8%</b>	<b>26,005</b>	<b>n.a.</b>
Financial income	58	123	(65)	-52.8%	88	-34.1%
Financial expenses	(746)	(674)	(72)	10.7%	(1,007)	-25.9%
<b>RESULT BEFORE TAXES</b>	<b>(10,018)</b>	<b>(11,135)</b>	<b>1,117</b>	<b>10.0%</b>	<b>25,086</b>	<b>n.a.</b>
<b>TAXES FOR THE PERIOD</b>	<b>2,458</b>	<b>3,056</b>	<b>(598)</b>	<b>-19.6%</b>	<b>(7,184)</b>	<b>-134.2%</b>
<b>LOSS FOR THE PERIOD</b>	<b>(7,560)</b>	<b>(8,079)</b>	<b>519</b>	<b>6.4%</b>	<b>17,902</b>	<b>n.a.</b>
Profit (loss) for the period - Minority interests	0	0	0	n.a.	0	n.a.
<b>Loss for the period – Group</b>	<b>(7,560)</b>	<b>(8,079)</b>	<b>519</b>	<b>6.4%</b>	<b>17,902</b>	<b>n.a.</b>

The first nine months of 2021 reports a **consolidated loss of Euro 7.6 million**, compared to a loss of Euro 8.1 million in the first nine months of 2020. A net profit of Euro 17.9 million was reported in the first nine months of 2019, thereby confirming the significant impact on the Group from the pandemic-related crisis.

Operating **revenues** overall declined 28.4% on 2020 and 59.2% on 2019. Specifically:

- **revenues from aeronautical services** dropped 60.7% on 2019 due to the reduction in traffic, but grew 14.3% on 2020 thanks to the recovery that began in late spring 2021;
- **revenues from non-aeronautical services** declined (-1.7% on 2020 and -62.1% on 2019) due to the performance of the various category components, as outlined in the relative section;
- **revenues from construction services** dropped (-74.2% on 2020 and -46.5% on 2019) due to reduced capex;
- other **operating revenues and income**: +0.4% on 2020 and -25.2% on 2019; the decrease on 2019 is due almost entirely to lower sales of energy efficiency certificates.



Period **costs** overall reduced 28.9% on the same period of 2020 and by 33% on 2019. The savings on 2019 are due to the decrease in traffic and the efficiency enhancement measures implemented to reduce the impact of the decline in volumes on profitability. The drop compared to 2020 is attributable entirely to costs for construction services, as all other cost categories have increased.

These break down as follows:

- ✓ **consumables and goods** increased 16.8% on 2020 and fell 26.7% on 2019, mainly due to aircraft fuel purchased resulting by a subsidiary in response to the trend in traffic. The increase over 2020 was mitigated by a decrease in purchases of aircraft de-icing fluid, whereas lower purchases of consumables, office supplies, printed materials, maintenance materials and fuel contributed to the cost savings compared to 2019.
- ✓ **service costs** are in line with 2020 and 24.8% lower than 2019. The equilibrium with 2020 is attributable to:
  - utilities and maintenance costs remaining unchanged from the same period of the previous year;
  - increased costs for janitorial services, snow ploughing, and security services, offset by lower costs for consulting and other professional services, as well as PRM, MBL and other services;the decline compared to 2019 is attributable to:
  - a reduction of some traffic-related services;
  - the drop in utility costs;
  - the lower costs for maintenance, development and promotion, professional services and consultancy, and the restructuring or suspension of some service contracts (e.g., cleaning and passenger and staff shuttles to outlying car parks);
- ✓ the movements in the **lease, rentals and other costs** account (+10% on 2020 and -53.5% on 2019) is mainly due to traffic volume movements, on whose basis the concession and security fees are calculated;
- ✓ **other operating expenses** increased on 2020 (+2.4%) due to costs connected with the aviation event held in late August, which were partially offset by revenue from sponsorships, while the decline from 2019 (-5.6%) is mainly due to reduced tax charges.

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

Overall, the January-September 2021 period reports an **EBITDA loss of Euro 0.5 million**, compared to a loss of Euro 1.1 million in 2020 and a profit of Euro 36.2 million in 2019, due to the revenue performance, entirely linked to traffic, and to more rigid costs, considering the high fixed cost structure characteristic of airport managers.

**Overheads** decreased from September 30, 2021 (from Euro 9.4 million to Euro 8.8 million) due mainly to decreased allocations to the provision for renewal of airport infrastructure following delays in certain works, whereas doubtful debt provisions increased (from Euro 260 thousand to Euro 621 thousand) after updating the risk of default for a number of exposures, mainly in the aviation segment.

**EBIT** came to a **loss of Euro 9.3 million**, which is a slight improvement over the loss of Euro 10.6 million at September 30, 2020, but remains far from the EBIT profit of Euro 26 million for the first nine months of 2019.

**Net financial expenses** amounted to **Euro 0.7 million**, substantially in line with the first nine months of 2020 (Euro 0.6 million).

As a result of that outlined above, the **Result before taxes** for the first nine months of 2021 was a **loss of Euro 10 million**, compared also to a loss of Euro 11.1 million in the first nine months of 2020 and a profit of Euro 25 million in the first nine months of 2019.

**Income taxes** presents a **positive component (net income)** in the income statement of **Euro 2.5 million** (Euro 3 million in the first nine months of 2020) due to the recognition of deferred tax assets, calculated on the IRES tax loss for the year, recognised assuming that the current situation is temporary and that a reasonable certainty therefore exists of generating in future periods sufficient assessable income to allow for its gradual absorption.

The **result for the period**, entirely concerning the Group, was therefore a **net loss of Euro 7.6 million**, compared to a loss of Euro 8.1 million in 9M 2020 and a net profit of Euro 17.9 million in 9M 2019.

The **EBITDA** adjusted for the construction services margin is presented below:

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Total change vs 2020	% change vs 2020	For the nine months ended 30.09.2019	% change vs 2019
Revenues from aeronautical services	19,197	16,792	2,405	14.3%	48,890	-60.7%
Revenues from non-aeronautical services	12,686	12,908	(222)	-1.7%	33,502	-62.1%
Other operating revenues and income	571	569	2	0.4%	763	-25.2%
<b>ADJUSTED REVENUES</b>	<b>32,454</b>	<b>30,269</b>	<b>2,185</b>	<b>7.2%</b>	<b>83,155</b>	<b>-61.0%</b>
Consumables and goods	(1,166)	(998)	(168)	16.8%	(1,590)	-26.7%
Service costs	(11,278)	(11,266)	(12)	0.1%	(14,992)	-24.8%
Leases, rentals and other costs	(3,024)	(2,750)	(274)	10.0%	(6,499)	-53.5%
Other operating expenses	(2,290)	(2,237)	(53)	2.4%	(2,426)	-5.6%
Personnel costs	(15,519)	(15,275)	(244)	1.6%	(21,958)	-29.3%
<b>ADJUSTED COSTS</b>	<b>(33,277)</b>	<b>(32,526)</b>	<b>(751)</b>	<b>2.3%</b>	<b>(47,465)</b>	<b>-29.9%</b>
<b>ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)</b>	<b>(823)</b>	<b>(2,257)</b>	<b>1,434</b>	<b>63.5%</b>	<b>35,690</b>	<b>n.a.</b>
Revenues from construction services	6,056	23,517	(17,461)	-74.2%	11,315	-46.5%
Construction service costs	(5,767)	(22,397)	16,630	-74.3%	(10,776)	-46.5%
<b>Construction Services Margin</b>	<b>289</b>	<b>1,120</b>	<b>(831)</b>	<b>-74.2%</b>	<b>539</b>	<b>-46.4%</b>
<b>GROSS OPERATING PROFIT/(LOSS) (EBITDA)</b>	<b>(534)</b>	<b>(1,137)</b>	<b>603</b>	<b>53.0%</b>	<b>36,229</b>	<b>n.a.</b>

The table below shows the quarterly **passenger traffic** performance and **EBITDA** of the Parent Company adjusted for the construction services margin:

	Q1 2021	Change % vs 2020	Change % vs 2019	Q2 2021	Change % vs 2020	Change % vs 2019	Q3 2021	Change % vs 2020	Change % vs 2019
<b>Passenger Traffic</b>	210,617	-84.9%	-89.3%	563,003	1320.6%	-77.3%	1,743,672	152.3%	-36.1%
<b>INCOME STATEMENT (in thousands of Euro)</b>									
<b>ADJUSTED REVENUES</b>	<b>4,709</b>	<b>-72.4%</b>	<b>-78.8%</b>	<b>7,425</b>	<b>228.8%</b>	<b>-72.3%</b>	<b>16,842</b>	<b>101.5%</b>	<b>-42.8%</b>
Revenues from aeronautical services	2,512	-72.2%	-79.5%	3,793	334.5%	-75.3%	9,779	110.9%	-42.4%
Revenues from non-aeronautical services	2,038	-74.2%	-78.9%	3,335	164.7%	-70.1%	6,929	104.8%	-43.3%
Other operating revenues and income	159	3.9%	-32.9%	297	137.6%	-16.1%	134	-60.1%	-42.7%
<b>ADJUSTED COSTS</b>	<b>-9,709</b>	<b>-26.3%</b>	<b>-32.2%</b>	<b>-9,862</b>	<b>26.6%</b>	<b>-35.7%</b>	<b>-11,125</b>	<b>16.5%</b>	<b>-24.0%</b>
Personnel costs	-4,748	-23.5%	-30.3%	-4,881	28.5%	-34.5%	-4,950	10.9%	-26.0%
Other operating expenses	-4,961	-28.8%	-34.0%	-4,981	24.8%	-36.7%	-6,175	21.4%	-22.3%
<b>ADJUSTED EBITDA</b>	<b>-5,000</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-2,437</b>	<b>-55.9%</b>	<b>n.a.</b>	<b>5,717</b>	<b>n.a.</b>	<b>-61.4%</b>
<b>ADJUSTED EBITDA MARGIN</b>	<b>-106.2%</b>	<b>n.a.</b>	<b>n.a.</b>	<b>-32.8%</b>	<b>n.a.</b>	<b>n.a.</b>	<b>33.9%</b>	<b>n.a.</b>	<b>n.a.</b>

### 3.2 CASH FLOW ANALYSIS

The consolidated cash flow statement, indicating cash flows generated/absorbed from operating, investing and financing activities, is summarised below:

in thousands of Euro	As at 30.09.2021	As at 30.09.2020	Change
Cash flow generated / (absorbed) by operating activities before working capital changes	(56)	(2,106)	2,050
Cash flow generated / (absorbed) by net operating activities	(12,934)	(4,923)	(8,011)
Cash flow generated / (absorbed) by investing activities	(5,845)	(22,315)	16,470
Cash flow generated / (absorbed) by financing activities	(1,929)	58,393	(60,322)
Change in closing cash flow	(20,708)	31,156	(51,864)
Cash and cash equivalents at beginning of period	43,658	29,253	14,405
Change in closing cash flow	(20,708)	31,156	(51,864)
Cash and cash equivalents at end of period	22,950	60,409	(37,459)

For the first time since the start of the pandemic, **cash flow absorbed by operating activities before working capital changes was essentially break-even (at Euro 56 thousand)** compared to Euro 2.1 million in cash absorbed in the comparative period. This was due mainly to the improved financial performance for the period, although remaining in the red.

Conversely, cash flow from working capital for the first nine month of 2021 absorbed much more cash than in the comparative period due mainly to the increase in receivables as a result of the increased revenues, mainly in aviation, through the summer and of the increase in average collection period.

**Cash flow from operating activities net of working capital changes** therefore reported an absorption of **Euro 12.9 million**, compared to an absorption of only Euro 4.9 million at September 30, 2020.

Cash absorbed by **investing activities** was much lower than for the first nine months of 2020: **Euro 5.8 million** as compared to Euro 22.3 million at September 30, 2020.

Finally, **financing activities absorbed cash flows of Euro 1.9 million** due to the settlement of loan instalments, in addition to payments for lease liabilities. At September 30, 2020, they generated cash flows of Euro 58.4 million as a result of the SACE-backed loans received during the period.

Consequently, the **change in closing cash flow** in the period indicates the **absorption of Euro 20.7 million**, compared to the generation of cash of Euro 31.2 million in 2020.

The Group net financial position at September 30, 2021, compared to December 31 and September 30, 2020, was as follows:

<i>in thousands of Euro</i>	As at 30.09.2021	As at 31.12.2020	As at 30.09.2020	Change 30.09.2021 31.12.2020	Change 30.09.2021 30.09.2020
A Cash	37	33	26	4	11
B Other cash equivalents	22,913	43,625	60,383	(20,712)	(37,470)
C Securities held for trading	0	0	0	0	0
<b>D Liquidity (A+B+C)</b>	<b>22,950</b>	<b>43,658</b>	<b>60,409</b>	<b>(20,708)</b>	<b>(37,459)</b>
<b>E Current financial receivables</b>	<b>0</b>	<b>275</b>	<b>274</b>	<b>(275)</b>	<b>(274)</b>
F Current bank debt	(92)	(33)	(122)	(59)	30
G Current portion of non-current debt	(3,069)	(3,064)	(3,062)	(5)	(7)
H Other current financial debt	(1,097)	(1,440)	(1,466)	343	369
<b>I Current financial debt (F+G+H)</b>	<b>(4,258)</b>	<b>(4,537)</b>	<b>(4,650)</b>	<b>279</b>	<b>392</b>
<b>J Net Current Financial Position (I-E-D)</b>	<b>18,692</b>	<b>39,396</b>	<b>56,033</b>	<b>(20,704)</b>	<b>(37,341)</b>
K Non-current bank debt	(67,101)	(68,759)	(70,163)	1,658	3,062
L Bonds issued	0	0	0	0	0
M Other non-current debt	(732)	(1,026)	(1,112)	294	380
<b>N Non-current financial debt (K+L+M)</b>	<b>(67,833)</b>	<b>(69,785)</b>	<b>(71,275)</b>	<b>1,952</b>	<b>3,442</b>
<b>O Net financial (debt) position (J+N)</b>	<b>(49,141)</b>	<b>(30,389)</b>	<b>(15,242)</b>	<b>(18,752)</b>	<b>(33,899)</b>

The Group **Net Financial Debt** at September 30, 2021 was **Euro 49.1 million**, compared to Euro 30.4 million at December 31, 2020 and Euro 15.2 million at September 30, 2020, with increases respectively of Euro 18.8 million and Euro 33.9 million.

The deterioration on December 31, 2020 is due to the extraordinary absorption of liquidity as a result of the ongoing crisis, which significantly cut cash inflows from operating activities and investments, in addition to the payment of the airport concession fee - 2019 balance and 2020 full-year settlement, not discharged last year as per the postponement ordered by ENAC, in addition to the first 2021 instalment.

At September 30, 2020, total debt included the SACE-backed loans for Euro 58.9 million received by the Parent Company; therefore, the most significant change is attributable to the absorption of cash related to the contraction in assets.

### 3.3 FINANCIAL POSITION ANALYSIS

The Group financial position, classified according to “sources” and “uses”, is presented below:

USES	As at 30.09.2021	As at 31.12.2020	As at 30.09.2020	Change 30.09.2021 31.12.2020	Change 30.09.2021 30.09.2020
- Trade receivables	17,881	6,279	9,474	11,602	8,407
- Tax receivables	170	1,299	829	(1,129)	(659)
- Other Receivables	7,957	2,494	3,956	5,463	4,001
- Inventories	649	676	675	(27)	(26)
<b>Sub-total</b>	<b>26,657</b>	<b>10,748</b>	<b>14,934</b>	<b>15,909</b>	<b>11,723</b>
- Trade payables	(12,796)	(13,612)	(20,722)	816	7,926
- Tax payables	(948)	(511)	(782)	(437)	(166)
- Other payables	(29,024)	(22,923)	(24,426)	(6,101)	(4,598)
<b>Sub-total</b>	<b>(42,768)</b>	<b>(37,046)</b>	<b>(45,930)</b>	<b>(5,722)</b>	<b>3,162</b>
<b>Net operating working capital</b>	<b>(16,111)</b>	<b>(26,298)</b>	<b>(30,996)</b>	<b>10,187</b>	<b>14,885</b>
Fixed assets	215,797	217,457	214,228	(1,660)	1,569
- Deferred tax assets	13,233	10,732	8,950	2,501	4,283
- Other non-current assets	13,253	13,262	12,630	(9)	623
<b>Total fixed assets</b>	<b>242,283</b>	<b>241,451</b>	<b>235,808</b>	<b>832</b>	<b>6,475</b>
- Provisions for risks, charges & severance	(17,262)	(17,567)	(16,875)	305	(387)
- Deferred tax liabilities	(2,661)	(2,618)	(2,605)	(43)	(56)
- Other non-current liabilities	(41)	(41)	0	0	(41)
<b>Sub-total</b>	<b>(19,964)</b>	<b>(20,226)</b>	<b>(19,480)</b>	<b>262</b>	<b>(484)</b>
<b>Fixed Operating Capital</b>	<b>222,319</b>	<b>221,225</b>	<b>216,328</b>	<b>1,094</b>	<b>5,991</b>
<b>Total Uses</b>	<b>206,208</b>	<b>194,927</b>	<b>185,332</b>	<b>11,281</b>	<b>20,876</b>

SOURCES	As at 30.09.2021	As at 31.12.2020	As at 30.09.2020	Change 30.09.2021 31.12.2020	Change 30.09.2021 30.09.2020
<b>Net financial position/(Debt)</b>	<b>(49,141)</b>	<b>(30,389)</b>	<b>(15,242)</b>	<b>(18,752)</b>	<b>(33,899)</b>
- Share Capital	(90,314)	(90,314)	(90,314)	0	0
- Reserves	(74,313)	(87,814)	(87,855)	13,501	13,542
- Profit (loss) for the period	7,560	13,590	8,079	(6,030)	(519)
<b>Group Shareholders' Equity</b>	<b>(157,067)</b>	<b>(164,538)</b>	<b>(170,090)</b>	<b>7,471</b>	<b>13,023</b>
Minority Interests	0	0	0	0	0
<b>Total Shareholders' Equity</b>	<b>(157,067)</b>	<b>(164,538)</b>	<b>(170,090)</b>	<b>7,471</b>	<b>13,023</b>
<b>Total sources</b>	<b>(206,208)</b>	<b>(194,927)</b>	<b>(185,332)</b>	<b>(11,281)</b>	<b>(20,876)</b>

**Fixed operating capital** at September 30, 2021 was **Euro 206.2 million**, increasing Euro 11.3 million on December 31, 2020 and Euro 20.9 million on September 30, 2020.

**Uses** at September 30, 2021, are significantly different from those at December 31, 2020, particularly in relation to net operating working capital as a result of an increase in receivables, particularly trade receivables, which was only partly offset by an increase in other payables.

There was also a sharp increase in trade and other receivables compared to September 30, 2020, and a reduction in payables.

In terms of fixed assets, deferred tax assets significantly increased in relation to the tax benefit on the tax losses.

In terms of **sources**, in addition to **net financial debt** as described above, **Consolidated and Group Shareholders' Equity** was **Euro 157.1 million**, compared to Euro 164.5 million at December 31, 2020, due to Group losses carried forward.

### 3.4 INDICATORS

The Directors deemed the Group's major income statement and statement of financial position indicators at and for the period ended September 30, 2021 to be immaterial due to their interim nature.

### 3.5 INVESTMENTS

Total **investments** made at September 30, 2021 amount to **Euro 6.1 million**.

In particular, Euro 3.1 million concerned investments for the execution of the Masterplan, alongside Euro 3 million for investments in airport operations.

The state of progress of the main investments in the Masterplan is illustrated below:

- **Terminal expansion:** preliminary ENAC approval was obtained with certain reservations; the functional layout of the project is currently being updated in response to these reservations expressed by ENAC;
- **Expansion of aircraft parking, third lot:** work is being completed on moving the POL pipeline interfering with construction of the parking area;
- **Cargo Building:** work concluded on a building dedicated to a specialist operator in the cargo sector. the works for the construction of a parking lot that will complete the overall project are in the final phase.

Furthermore, in terms of other investments in airport operations, we highlight:

- the completion of the expansion works of the operating offices in the check-in area;
- the completion of work to upgrade the drainage basin on the strip north of the runway to refurbish the primary drainage grid for rainwater coming from the culverts along the northern edge of the runway;
- the completion of construction of the new de-icing system;
- a number of works at the terminal aimed at increasing safety in operational areas accessed by passengers and workers to meet COVID-19 safety standards established by applicable legislation.

### Provisions for Renewal

The total works for the **cyclical renewal and maintenance of the airport infrastructure** and plant at September 30, 2021 amount to **Euro 368 thousand** and primarily concerned land side and plant works.

## 3.6 PERSONNEL

### Workforce breakdown

	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Total change vs 2020	% change vs 2020	For the nine months ended 30.09.2019	Total change vs 2019	% change vs 2019
<b>Full Time Equivalent average workforce</b>	<b>429</b>	<b>449</b>	<b>-20</b>	<b>-4%</b>	<b>496</b>	<b>-67</b>	<b>-13%</b>
Executives	9	9	0	4%	9	0	4%
Managers	36	35	2	4%	32	4	13%
White-collar	303	319	(16)	-5%	357	(54)	-15%
Blue-collar	81	86	(5)	-6%	98	(17)	-18%

	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Total change vs 2020	% change vs 2020	For the nine months ended 30.09.2019	Total change vs 2019	% change vs 2019
<b>Average workforce</b>	<b>472</b>	<b>499</b>	<b>-27</b>	<b>-5%</b>	<b>546</b>	<b>-74</b>	<b>-14%</b>
Executives	9	9	0	0%	9	0	0%
Managers	36	35	1	4%	32	4	13%
White-collar	343	365	(22)	-6%	404	(61)	-15%
Blue-collar	84	90	(6)	-6%	101	(17)	-17%

Source: Company workings

The reduction in the workforce of 20 full-time equivalent staff compared to 2020 and of 67 on 2019 is due to the lack of use, from April 2020 and until July 2021, of fixed-term contracts due to the reduction in traffic and to a number of early retirements.

### Costs

In addition to the drop in staff numbers mentioned above, the Group has reduced its costs by 29.3% compared to 2019 by taking actions to limit personnel costs, given that they represent one of the Group's primary expenses. The maximum possible employment levels have however been maintained.

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

Other personnel expense also contributes to the saving, mainly for lower canteen service costs (in relation to reduced attendances at workplaces due to the Temporary Lay-off Scheme and remote working), training (compared to 2019 only - the figure is in line with 2020) and travel, and the non-use of temporary personnel.

Compared to 2020, despite the reduced workforce, personnel costs increased by 1.6% due to provisions related to the reintroduction of variable bonuses for personnel, which were eliminated in 2020 and have been estimated for the current year, as well as increased incentivised redundancies and lower use of paid holidays.

	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Total change vs 2020	% change vs 2020	For the nine months ended 30.09.2019	Total change vs 2019	% change vs 2019
Personnel costs	15,519	15,275	244	1.6%	21,958	-6,439	-29.3%

## TRADE UNION RELATIONS

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

The same agreement was signed for the company FFM, both for the first 12 weeks with a validity period from April 1 to June 23, 2021, and for the following 28 weeks from June 24 to December 31.

In addition, on January 5, 2021 an agreement was signed with the trade unions to set up a voluntary incentivised redundancy plan, for both AdB and FFM, as a further measure to protect employment and, at the same time, to permit Group personnel cost savings. The deadline for voluntary redundancies, initially set for March 31, 2021 was extended by the subsequent supplements to the agreement - firstly until June 30, 2021 then later until October 31 - in line with the extension of the redundancy freeze decided by the government.

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

In collaboration with the trade unions, and with the support of the Municipality and Metropolitan City of Bologna, AdB also produced and brought to the attention of the Italian Government, the Ministry of Transport, the Emilia Romagna Region and other interested bodies a document requesting support and job protection for the entire airport site with a view to asking for direct intervention, partly with a view to the exit from the health emergency. AdB also took part in two working groups organised by local institutions: the "Safety Working Group", which addressed anti-COVID procedures and rules to be implemented in companies, and the "Work and Sustainable Growth Deal".

## TRAINING OF PERSONNEL

A comparison with the same period of the previous year shows a similar amount of costs dedicated to training. Training in the first nine months of 2021 centred on mandatory training (involving the Prevention and Protection Service and the Security update for approximately 70 staff, who took the exam to renew their three-year certification with ENAC), and on a number of managerial initiatives, thanks to the use of professional provisions and public tenders.

With regard to management training, the following are highlighted:

- the "Regulatory Compliance course regarding energy in the design of buildings", regarding energy efficiency and the regional and national regulatory framework;
- a Team Coaching course on the subject of Pandemic Fatigue to manage the strong pressure due to the extended continuation of the pandemic and the resulting situation of uncertainty and difficulty in terms of strategy, management and leadership.

The specialist courses among others included:



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

### 3.7 KEY INFORMATION ON THE SUBSIDIARIES’ PERFORMANCES

#### **Fast Freight Marconi Spa**

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

At September 30, 2021, the company had 15 employees and, in continuity with previous years, assigned many staff activities to the parent under a management & staffing contract which covers the accounting, administrative, legal, personnel and ICT areas.

Despite the significant impacts on air traffic from the COVID-19 pandemic, FFM reported 32.5% growth for the first nine months of 2021 in traffic served on the same period in 2020, with approximately an additional 3 million kg processed. However, the comparison with 2019 remains negative (-17%, equal to approximately 2.5 million fewer kg processed). With regard to air-traffic routes, exports increased by 45% and imports, too, posted modest growth (+1%) thanks, in part, to a recovery in holiday travel.

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

Results were down in 9M 2021, although a net profit was reported for the period. EBITDA settled at around Euro 125 thousand, down from the same period of the previous year (Euro 380 thousand) due to a moderate decline in revenues (-2%) related to the different traffic mix recorded in 2021 as compared to 2020, while costs increased (+15%) as a result of revisions to outsourcing agreements and greater costs for professional services.

Therefore, net profit for the period comes to Euro 79 thousand, declining 71% on the same period of 2020.

As described in greater detail in the section on disputes, to which reference should be made for further details, the company has instructed its legal counsel to defend it in tax proceedings before the Bologna Provincial Tax Commission against certain adjustment notices for customs import declarations, on the basis of which the Bologna Customs Office - not deeming that the conditions for exemption from import duties and exemption from value added tax on importation were met - requested FFM to pay the higher duties and VAT, together with interest on arrears, totalling Euro 4.3 million. These notices identify FFM and, jointly and severally, the customers for whom it has carried out customs clearance operations, as the party liable to pay. Any obligations that FFM might have towards the Agency would derive from unlawful behaviour on the part of clients, in relation to which FFM is completely extraneous and an injured party and, as such, has given a mandate to its lawyers to defend itself in all forums (see the Disputes section).

## **Tag Bologna Srl**

TAG began operations in 2008 following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector. The Parent Company acquired a 100% interest (previously 49%) in TAG Bologna in 2018. The company assigned certain staff activities to the parent company under a management & staffing contract covering the legal and personnel area and as of September 30, 2021, operated with 15 employees, up on December 31, 2020 (11 employees) due to the start of handling assistance activities for "non-scheduled" flights (or also "H24" service), an activity awarded by the Parent Company that entailed the acquisition of means and personnel for the start of the activity from April 1, 2021.

Despite the impact of the COVID-19 health emergency, movements in General Aviation in Italy for the first nine months of 2021 increased 39.2% on 2020 to return to 2019 levels. For the same period, TAG posted growth of 59% in movements, surpassing the national average and returning to 2019 levels. The recovery emerged from March, also due to the closure of Florence airport for works. In terms of tonnage, the increase over 2020 was 89%, although still down on 2019 (-10%).

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

In the first nine months of 2021, thanks to a recovery in traffic and the start-up of the "H24" service, TAG reported revenue growth of 85% on 2020, in addition to the receipt of the Euro 103 thousand grant under the "Supports Decree". Operating costs rose 45%, mainly due to the increased purchase of aircraft fuel, which was matched by higher sales and increased personnel costs due to the new hires to cover the H24 service.

Consequently, the company in the period reported EBITDA of Euro 771 thousand, compared to Euro 176 thousand in the comparative period, and net profit of Euro 393 thousand, compared to a net loss of Euro 50 thousand for the comparative period.

Reference should be made to the specific paragraph of the Notes to the consolidated financial statements at September 30, 2021 for information concerning transactions undertaken during the first nine months of 2021 with subsidiaries and related parties.

## **4 MAIN NON-FINANCIAL RESULTS**

### **4.1 SUSTAINABILITY**

The Issuer continues to pursue its sustainability objectives with due focus, albeit updated to the pandemic context. This is also in compliance with the new Corporate Governance Code (2020 version), with the focus of the entire Board of Directors which seeks to guide the company through pursuing its sustainable success.

For further details, see the same paragraph of the Consolidated Half-Year Report at June 30, 2021.

### **4.2 QUALITY**

Service quality at the airport in 2021 was significantly impacted by the COVID-19 pandemic, as it had been in 2020, both on the manager side, due to the adaptation of operations and the implementation and maintenance of new measures of health and safety, and in terms of the expectations and perception of our passengers.

In general, the 2021 summer season confirmed the positive view of airport services. There was a first sign of discontinuity in June, coinciding with the resumption of traffic (in fact, the limits of social distancing and security imposed by the pandemic still weigh on daily operations) and the new document verification requirements imposed by the COVID-19 protocols.

Performance monitoring efforts continue, and wait times have remained within target thresholds. The manager has provided airport operators with performance data in a timely manner, along with context updates, potential critical issues, and related solutions, in order to work together on solutions to help users. Passenger reports have pointed to a significant need for clear, accurate information on national and international regulations, and particular emphasis has been placed on providing updates by way of the airport's official channels.

## **5 REGULATORY FRAMEWORK**

### **5.1 REGULATORY AGREEMENT AND NEW TARIFF DYNAMIC 2020-2023**

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

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

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

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

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

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

## 5.2 AIRPORT SECTOR SUPPORT MEASURES

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

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

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

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

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

The conditions and procedures for submitting requests for access to the contribution, as well as criteria for granting and awarding it will be set out – in compliance with the criteria outlined in the provision “with the aim of avoiding over-compensation” – under a decree from the MIMS and the MEF, following receipt of an opinion from the relevant parliamentary Committees; such a decree has not been issued to date.

## 5.3 CONTINUITY OF SERVICES PROVIDED BY ALITALIA IN EXTRAORDINARY ADMINISTRATION

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

The Parent Company, as part of the extraordinary administration procedure, in a timely manner raised the receivable matured to May 2, 2017 of Euro 0.78 million, of which Euro 0.66 million requested in preference form as per Article 1023 No. 1 of the navigation code, and Euro 0.12 million as unsecured.

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

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

With regard to the current debt positions of Alitalia SAI in a.s., a significant exposure at September 30, 2021 of approximately Euro 1.6 million exists, of which Euro 0.7 million are non-trade receivables, primarily relating to the municipal surcharge on boarding fees and of which Euro 1.1 million are overdue by more than 90 days as of September 30, 2021. In relation to this situation, AdB has forwarded, in accordance with common practice, requests and payment reminders, also constantly informing ENAC of the situation of significant risk and prejudice for the operator and also, finally, formally warning ENAC with the request to adopt measures to inhibit the carrier's airport operations. In addition - as no reply has been received from ENAC, despite the many registered e-mails sent - the necessary documentation was drawn up and sent in order to formalise a specific application pursuant to Article 802 of the Navigation Code to the local Bologna-Rimini Airport Management in order to obtain the prohibition order for the take-off of AZ fleet aircrafts. The Airport Management did not grant the above measure, considering the carrier's condition of extraordinary administration as an obstacle. In the meantime, receivables of Euro 231 thousand were collected in October, and Alitalia stopped all flights on October 14, leaving maintenance activities alone at the Bologna airport.

Through Decree of October 9, 2020, the company Italia Trasporto Aereo SpA was incorporated, with an opening share capital of Euro 20 million, fully paid-in by the Ministry of the Economy and Finance. ITA, the new national airline, following the successful conclusion of the difficult negotiations between the EU and the Italian government, began operations on October 15, 2021. ITA recently announced that the Bologna-Rome service will be suspended from November 22 until the end of Winter 21/22; this is confirmed by the absence of the route on sale on the company's website.

For information on other issues, such as the sale back of the auxiliary visual aid systems, of assets, and of the ENAV areas, as well as Brexit, see the Consolidated Half-Year Report at June 30, 2021.

## 6 DISPUTES

This section outlines the main - fundamental in financial terms - disputes and/or those which in the period saw significant legal and/or non-legal developments, without therefore providing an exhaustive outline of all positions for which specific amounts have been allocated to the disputes risk provision. For information on other disputes, reference should be made to the Consolidated Half-Year Financial Report at June 30, 2021, or to the 2020 Annual Accounts.

### FFM customs dispute

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

The Group considers that it has always operated with absolute correctness and legality and, in particular, during the most critical phases of the spread of the pandemic, the subsidiary FFM, as a cargo sector operator, took action and did its utmost following requests and contacts from regional and local authorities, making the greatest operational and managerial efforts to provide assistance to the extraordinary cargo flights that imported into Italy the medical equipment that was highly sought after by local hospitals and healthcare authorities. The Group confirms that FFM's operations were carried out in full compliance with procedures and regulations, insofar as they were the responsibility of the latter, and therefore strongly rejects the claims of the customs authorities.

The subsidiary FFM has assigned its defence to lawyers specialising in this area and has lodged an appeal against the above notices within the legal term of 60 days of notification. This is in order to put forward all possible defences, in view of the fact that the company is not responsible whatsoever with the alleged failure, by the importer and in an action subsequent to importation and in no way verifiable by FFM at the time of its own operations, to fulfil the conditions regarding the destination of the goods and, therefore, with all the conditions legitimising the aforesaid exemption. Requests for suspension have also been made in connection with the proposed appeals. In particular, following the request filed with the Bologna Customs Authority pursuant to Article 45 of the UCC for the suspension of the notices of assessment, FFM obtained such a suspension subject to issuance of a bank or insurance guarantee.

Therefore, FFM took steps to obtain such a guarantee, but was met with various documented challenges in finding one on the market. In October, FFM successfully finalised an ad hoc insurance guarantee agreement with a leading Italian organisation at the terms and conditions specified by the Customs Authority and submitted it to the Bologna Customs Office to support the agreed suspension and prevent any executive action. This guarantee included a co-obligation for the Bologna airport. In the meantime, having verified the tax proceedings before the Bologna Provincial Tax Commission and following the outcome of the October 13, 2021, hearing, the suspension motion filed by FFM was rejected. Proceedings on the merits of the case continue.

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

## 7 MAIN RISKS AND UNCERTAINTIES

### Risks relating to the COVID-19 pandemic

The COVID-19 health emergency has continued to have significant impacts on the airport industry in the first half of this year. However, with the start of the summer season, thanks to the drop in the number of infections and the simultaneous strong progress of the vaccination campaigns, air traffic has picked up significantly, despite a degree of uncertainty regarding future developments, mainly linked to the continued spread of variants of the virus. According to ACI Europe's figures, in the first nine months of the year 1.2 billion passengers were lost in Europe compared to 2019 (-63%); however, the albeit partial recovery in volumes beginning in the summer should be highlighted (particularly in August, -41%, and September, -43% compared to 2019). According to the former's estimates, 2019 traffic levels may return by 2025, with significant diseconomy of scales for airport managers who shall see their earnings significantly impacted. (*Source: COVID-19 & AIRPORTS Traffic Forecast, Revised Q4 2021, FY 2021 & 2022 Scenarios, October 13, 2021*).

The AdB Group's financial performance is strongly influenced by air traffic, which is, in turn, influenced by the economic environment, national and international health conditions, the economic and financial situation of individual airlines and airline alliances, as well as competition, on some routes, with alternative means of transport. Depending on the specific way in which they evolve, these factors can have a particularly significant impact on long-term performance, thus resulting in changes to the Group's development policies. The areas listed below may be affected by these issues, given the pervasive and uncertain nature of the developing pandemic.



In the context of such an extreme and prolonged crisis and given the considerable commitments to infrastructure developments, the **liquidity risk** could manifest as difficulty in obtaining timely, cost-effective financing to cover the requirements of the operations plan and, at the same time, cover the new requirement for finance in the Net Working Capital cycle until the end of the crisis. While the Group's commitment to develop existing airport infrastructures currently remains unchanged, its operations plan underwent strategic re-assessment in consultation with ENAC with the identification of new priorities and implementing phases following the drastic reduction in traffic, and the Group is in ongoing discussions with potential lenders. With regard to non-compliance, due to worsening margins owed to the current crisis, Banca Intesa informed AdB on August 31, 2020 that some covenants – which are usually reviewed on an annual basis, and relate to a loan undertaken with the bank prior to the Covid-19 pandemic – will be suspended for 2020 and 2021. The annual contractual covenants on the Unicredit loan finalised in July shall apply from the 2022 financial statements.

The Group has sought to minimise **interest rate risk**, in view of its outstanding financing, by entering into both fixed-rate and floating-rate facilities.

The Group's **credit risk** is concentrated, in that 62% of its accounts receivable at September 30, 2021 are claimed from its top ten clients, a sharp increase compared to 49% at June 30, 2021, and 27% at December 31, 2020. Default risk has also increased for a number of customers, primarily in the aviation segment. The current economic crisis has increased the Group's credit risk due to the general lack of liquidity throughout the chain. In order to handle these difficulties, the Group has granted payment deferments to customers and has appropriately taken into account the greater risk for the provision for bad debts at September 30, 2021, and shall continue to monitor such as events unfold in the coming months and in line with the expected recovery timeframe. In general, the credit risk is offset through specific trade payable management and control tools and procedures, in addition to adequate provisioning for doubtful accounts – taking into account the increased risk owed to the current crisis – according to the principles of prudence and in compliance with the accounting standards IFRS 15 and IFRS 9, which strengthens the *ex-ante* analysis approach, rather than existing receivable recovery, in the credit risk assessment processes.

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

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

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

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

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

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

### **Risks related to a dependence on Ryanair traffic volumes**

Group operations are significantly based on relations with the leading airlines at the airport and to which the Group offers its services, including - in particular - Ryanair. Due to the large proportion of total passenger flights at the airport operated by Ryanair, the Group is exposed to the risk that the airline may scale back or discontinue entirely its operations at the airport. Ryanair passengers accounted for 54.3% of the airport's total traffic volumes in 9M 2021. AdB and Ryanair strengthened their partnership on October 27, 2016 by entering into a long-term agreement set to expire in 2022, whereby they undertook to increase the number of destinations served by Bologna airport, in addition to achieving a consistently high standard of service due to the airport's continuing investments and the airline's "Always Getting Better" programme. The agreement lays out a scheme relating to the airport's traffic development policy and Ryanair's commitment to abide by it, in addition to a contractual safeguard mechanism that ensures that the objectives will be met. Although in the Group's opinion Bologna airport is of strategic importance to the airline, it is still possible that Ryanair may decide to change the routes served, significantly reducing or discontinuing entirely its flights at the airport, or that at some point in the future the agreement might not be renewed, in whole or in part, or might contain conditions less favourable for the Group. Any reduction or stoppage of flights by the afore-mentioned airline or the stoppage or change to flights with other destinations with high passenger traffic volumes may impact - even to a significant degree - the Group financial statements. In view of the current air transport industry crisis, any redistribution of passenger traffic among other airlines is more complex and uncertain. However, the parent company maintains active relationships with all sector operators.

### **Risk related to the effect of incentives on revenue margins**

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

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

Although the low-cost segment's share of the Italian national market is increasing, the Group manages this risk by actively developing traffic that generates a positive marginal contribution. Given the continuation of the pandemic crisis and the significant uncertainty and enduring discontinuity with the previous market situation, the Parent Company has introduced an ad hoc policy for the Summer Season 2021 (to support the recovery of summer traffic, in the interest of users and the operator, in order to recover as much traffic as possible despite the exceptional contingency). The Company is developing, in view of the most up-to-date short-term forecasts, a new annual policy in line with the best sector practices.

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

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

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



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

### **Risks related to implementation of the Action Plan**

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

AdB could encounter difficulties in implementing the investments provided for under the Action Plan in a timely manner due to unforeseeable events, such as delays in the process of obtaining authorisation for and/or executing the works, with possible adverse effects on the amount of the tariffs that may be applied and possible risks of withdrawal from or termination of the Agreement. An additional extraordinary risk that has also emerged in 2020 in this context is “pandemic risk”, with all its impacts (in terms of the airport company’s organisational capacity and performance, possible further slowdown in procedures, risk of unavailability of financial resources, etc. etc.).

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

The adjusted and now formally authorised investment plan is to be implemented, through 2023, with funds that are in part already available and others that will be raised via external sources.

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

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

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

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

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

In terms of the risk of the non-recoverability of the carrying amount of the Concession Rights recognised to intangible assets consolidated at December 31, 2020 for Euro 198 million, as per IAS 36, the Group carried out an impairment test on the most recent cash flow projections approved by the Board of Directors of the Parent Company and based on assumptions considered reasonable and demonstrable, in order to present the best estimate of the future economic conditions that the current situation of uncertainty - in particular on the duration of the crisis - permits. The impairment test did not indicate any loss in value. With regards to the amounts recognised to Concession Rights at June 30, 2021 - again amounting to Euro 198 million - the Group updated the above-stated projections on the basis of traffic, revenues, costs and investment forecasts, updated to this date and also according to this latter projection no impairment indicators emerged. In view of the performance for the first nine months of 2021, against the 2021 Y-o-Y forecasts, as indicators of impairment as defined by IAS 36 are not evident, the Group confirms the relative recoverability results of the amounts recognised to Concession rights at September 30, 2021, in addition to the Group's net capital employed.

## **Seasonality of revenues**

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

## **8 ALTERNATIVE PERFORMANCE INDICATORS**

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

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

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

- **EBITDA:** EBITDA (earnings before interest, taxation, depreciation and amortisation) is defined by management as the result before taxes for the year, financial income and charges, income and charges from equity investments, depreciation, amortisation and impairment. It therefore coincides, in this case, with the gross operating margin. EBITDA is not identified as an accounting measure as per IFRS and therefore should be considered as an alternative measure for the evaluation of the Group's performance. Since calculation of this indicator is not governed by the accounting standards that form the basis of preparation of the Group's Consolidated Financial Statements, the criterion used to determine and measure the indicator might not be uniform with that adopted by other groups. Accordingly, the figure in question might not be comparable with that presented by such other groups;
- **Adjusted EBITDA:** this is a measure used by the Group's management to monitor and assess the Group's operating and financial performance. This is calculated by subtracting from EBITDA:

- the margin calculated as the difference between the Group's construction revenues and construction costs as the Airport's manager and
- with effect from 2019, terminal value receivable revenues on the provision for renewal, where this account is understood to refer to the consideration – equal to the present value of the terminal value credit – that the airport manager is entitled to be paid at the end of the concession from the new manager for renewal work on the assets under concession that at the date concerned have not been fully depreciated according to the regulatory accounting rules (Art. 703 of the Navigation Code, as amended by Art. 15-quinquies, para. 1, of Decree-Law No. 148/2017, converted, with amendments, by Law No. 172 of December 4, 2017).
- **Net Financial Position:** the composition of net financial position is represented in accordance with the Consob Communication of July 28, 2006 and ESMA recommendation ESMA/2011/81.

## 9 GUARANTEES PROVIDED

The following table summarises the guarantees granted by the Group.

in thousands of Euro	30/09/2021	30/09/2020	Change	Change. %
Sureties	3,456	8,093	(4,637)	-57%
Pledge on Equity Financial Instruments	10,873	10,873	0	0%
Patronage letters	2,361	2,880	(519)	-18%
<b>Total guarantees provided</b>	<b>16,690</b>	<b>21,846</b>	<b>(5,156)</b>	<b>-24%</b>

At September 30, 2021, the guarantees granted by the Group total approx. Euro 16.7 million and principally concern:

- sureties, mainly:
  - to ENAC (the Italian Civil Aviation Authority) pursuant to the Full Management Agreement (Euro 1.6 million);
  - to the Bologna Customs Agency for VAT deposits and customs activities of the subsidiary Fast Freight Marconi SpA totalling Euro 1.8 million.
- a pledge of the equity financial instrument issued by Marconi Express S.p.a. and subscribed for by the Parent Company for a nominal value of Euro 10.87 million, securing the obligations of Marconi Express to the credit institutions that financed the People Mover project;
- a letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena), equal to the residual principal, which at the end of the period amounted to Euro 2.4 million.

## 10 SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to period end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements.

However, some significant events occurred after the end of the period or are set to occur in the coming months.

## Traffic performance

Month by month, the Bologna airport continues to post passenger growth after the sudden shutdown due to the pandemic. Although still far from pre-COVID levels, in the first 10 months of the year the Marconi airport surpassed a total of three million passengers.

October recorded 582,776 passengers, a decrease of 27.8% on October 2019, prior to the pandemic, but an increase of 189.6% on October 2020, when significant travel restrictions reduced passenger numbers to just 200,000.

More specifically, October saw a sharp increase in passengers on domestic flights to 188,089, up 17.0% on October 2019 (and +64.1% on October 2020). However, passengers on international flights remain sharply lower than 2019 levels at 394,867 (-39.0% on October 2019, vs. growth of 355.6% on October 2020).

Aircraft movements numbered 4,879 (-21.7% on October 2020), while air cargo transport totalled 3,543 tonnes, up 4.7% on October 2019 and up 22.2% on October 2020.

A two-speed recovery is therefore confirmed, with passengers on domestic flights already exceeding pre-COVID levels, while international passenger numbers continue to be subdued by the international health emergency.

The preferred destinations in October also confirm current trends, with 4 Italian airports placing in the top 5: Catania, Palermo, Barcelona, Brindisi and Bari. These were followed by: Madrid, Paris Charles De Gaulle, Tirana, Amsterdam and Cagliari.

In the first ten months of 2021, total passengers through Marconi numbered 3,094,532, down 61.2% on the same period in 2019, with 29,043 aircraft movements (-52.9%) and 31,543 tonnes of cargo transported (-0.5%). Compared with 2020, the figures for January-October 2021 show a 33.1% increase in passengers, a 20.7% increase in movements, and a 23.5% increase in cargo.

The change compared to pre-pandemic levels remains significant, but the intensification of the vaccine roll-out, which has reached more than 83% of the Italian population, and the introduction of the Green Pass for domestic flights, too, are helping to drive recovery in the industry.

The new national airline of ITA, Italia Trasporto Aereo SpA, recently announced that the Bologna-Rome service will be suspended from November 22 until the end of Winter 21/22.

On October 26, 2021, AdB signed a preliminary agreement that defines its initial entry into the newco to be established, URBAN BLUE, in order to develop urban air mobility internationally, alongside Aeroporti di Roma, Aeroporti di Venezia, and Aeroports de la Cote d'Azur.

During its initial phase of operations, URBAN BLUE will conduct feasibility studies and define its master plan in coordination with all parties involved in the new ecosystem, so as to prepare for the authorisation stage and subsequent construction and management of vertiports. In the future, the company will be opened to new industrial, financial and technology partners for the gradual expansion of urban air mobility to other regions beyond the initial Italy and France. It will also begin to study, design, construct and manage the infrastructures, known as "vertiports", which will be an essential enabler of electric vertical take-off and landing (e-VTOL) aircraft that will connect airports with city centres, thereby enhancing intracity mobility and promoting lower levels of traffic in urban areas.

## Operating and Financial Performance and Business Outlook

Uncertainty surrounding the continuation and future evolution of the current health emergency makes it difficult to predict traffic trends and the Group's economic and financial situation in the coming months.

Studies on the pandemic and its impact on the air transport sector suggest an uneven recovery over the coming years, with volumes likely to see-saw as coronavirus spreads through countries at different rates and as vaccine roll-outs also proceed at varying speeds. Currently, there is an expectation that air traffic will fully recover to pre-COVID-19 levels by around 2025 (Source: ACI Europe).

Pending a significant recovery in traffic to such levels, the Group's sustainability strategy will focus on preserving company assets, particularly by maintaining job levels and cash flow, ensuring the conditions for growth in the medium term.

For the current year 2021 sector studies estimate that passenger traffic performance will be strongly impacted by the effectiveness and coverage achieved by vaccination programmes and by any further waves of infection. ACI Europe estimates a possible recovery of 40% of annual pre-COVID-19 traffic volumes for 2021, with a slight recovery not expected until the second half of the year. ADB estimates for 2021 passenger traffic volumes in line with the main sector studies.

The non-aviation sector will continue to be adversely affected by the crisis, both because of the weak recovery of traffic volumes on which variable contract components are based, which have in the interim been redefined, substantially eliminating minimum guaranteed components, and because of the failure to open several stores at the airport.

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

In terms of social sustainability and related impact on personnel costs, the Parent Company can utilise the Exceptional Temporary Lay-Off Scheme, which – in view of the ongoing crisis in the sector – has been extended for a further 28 weeks until the end of 2021.

Although the environment is very uncertain, on the basis of the available liquidity and the budget assumptions it is considered that cash flows will be sufficient to avoid further recourse to external finance during the year. However, in view of total commitments in the coming years and since there is currently no information on how certain it is that State aid will be available, nor the amounts or time-scales involved, work on sourcing financial resources is already in progress.

In light of everything described in further detail in the report for the period and summarised above, the Group confirms that the pandemic will have a significantly negative impact on the 2021 financial year.

The Chairperson of the Board of Directors

(Enrico Postacchini)

Bologna, November 12, 2021

## **Consolidated Financial Statements at September 30, 2021**

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

## Statement of Consolidated Financial Position

<i>in thousands of Euro</i>	Note	As at 30.09.2021	As at 31.12.2020
Concession rights		198,796	198,470
Other intangible assets		1,048	1,569
<b>Intangible assets</b>	<b>1</b>	<b>199,844</b>	<b>200,039</b>
Property, plant and equipment		11,221	12,686
Investment property		4,732	4,732
<b>Tangible assets</b>	<b>2</b>	<b>15,953</b>	<b>17,418</b>
Investments	<b>3</b>	44	44
Other non-current financial assets	<b>4</b>	12,970	12,946
Deferred tax assets	<b>5</b>	13,233	10,732
Other non-current assets	<b>6</b>	239	272
<b>Other non-current assets</b>		<b>26,486</b>	<b>23,994</b>
<b>NON-CURRENT ASSETS</b>		<b>242,283</b>	<b>241,451</b>
Inventories	<b>7</b>	649	676
Trade receivables	<b>8</b>	17,881	6,279
Other current assets	<b>9</b>	8,127	3,793
Current financial assets	<b>10</b>	0	275
Cash and cash equivalents	<b>11</b>	22,950	43,658
<b>CURRENT ASSETS</b>		<b>49,607</b>	<b>54,681</b>
<b>TOTAL ASSETS</b>		<b>291,890</b>	<b>296,132</b>

<i>in thousands of Euro</i>	Note	As at 30.09.2021	As at 31.12.2020
Share capital		90,314	90,314
Reserves		74,313	87,814
Profit/(loss) for the period		(7,560)	(13,590)
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>12</b>	<b>157,067</b>	<b>164,538</b>
<b>MINORITY INTERESTS</b>		<b>0</b>	<b>0</b>
<b>TOTAL SHAREHOLDERS' EQUITY</b>	<b>12</b>	<b>157,067</b>	<b>164,538</b>
Severance and other personnel provisions	<b>13</b>	3,937	4,251
Deferred tax liabilities	<b>14</b>	2,661	2,618
Provision for renewal of airport infrastructure	<b>15</b>	10,615	10,316
Provisions for risks and charges	<b>16</b>	1,477	1,399
Non-current financial liabilities	<b>17</b>	67,833	69,785
Other non-current liabilities		41	41
<b>NON-CURRENT LIABILITIES</b>		<b>86,564</b>	<b>88,410</b>
Trade payables	<b>18</b>	12,796	13,612
Other liabilities	<b>19</b>	29,972	23,434
Provision for renewal of airport infrastructure	<b>15</b>	1,210	1,578
Provisions for risks and charges	<b>16</b>	23	23
Current financial liabilities	<b>17</b>	4,258	4,537
<b>CURRENT LIABILITIES</b>		<b>48,259</b>	<b>43,184</b>
<b>TOTAL LIABILITIES</b>		<b>134,823</b>	<b>131,594</b>
<b>TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES</b>		<b>291,890</b>	<b>296,132</b>

## Consolidated Income Statement

<i>in thousands of Euro</i>	Note	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020
Revenues from aeronautical services		19,197	16,792
Revenues from non-aeronautical services		12,686	12,908
Revenues from construction services		6,056	23,517
Other operating revenues and income		571	569
<b>Revenues</b>	<b>20</b>	<b>38,510</b>	<b>53,786</b>
Consumables and goods		(1,166)	(998)
Service costs		(11,278)	(11,266)
Construction service costs		(5,767)	(22,397)
Leases, rentals and other costs		(3,024)	(2,750)
Other operating expenses		(2,290)	(2,237)
Personnel costs		(15,519)	(15,275)
<b>Costs</b>	<b>21</b>	<b>(39,044)</b>	<b>(54,923)</b>
Amortisation of concession rights		(5,443)	(4,962)
Amortisation of other intangible assets		(653)	(979)
Depreciation of tangible assets		(1,671)	(1,894)
<b>Depreciation, amortisation and impairment</b>	<b>22</b>	<b>(7,767)</b>	<b>(7,835)</b>
Provisions for doubtful accounts		(621)	(260)
Provision for renewal of airport infrastructure		(330)	(1,323)
Provisions for other risks and charges		(78)	(29)
<b>Provisions for risks and charges</b>	<b>23</b>	<b>(1,029)</b>	<b>(1,612)</b>
<b>Total Costs</b>		<b>(47,840)</b>	<b>(64,370)</b>
<b>Operating result</b>		<b>(9,330)</b>	<b>(10,584)</b>
Financial income	24	58	123
Financial expenses	24	(746)	(674)
<b>Result before taxes</b>		<b>(10,018)</b>	<b>(11,135)</b>
Taxes for the period	25	2,458	3,056
<b>Loss for the period</b>		<b>(7,560)</b>	<b>(8,079)</b>
Minority interest profit (loss)		0	0
<b>Group loss for the period</b>		<b>(7,560)</b>	<b>(8,079)</b>
Undiluted earnings/(loss) per share (in Euro)		<b>(0.21)</b>	<b>(0.22)</b>
Diluted earnings/(loss) per share (in Euro)		<b>(0.21)</b>	<b>(0.22)</b>



## Consolidated Statement of Comprehensive Income

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020
Profit (loss) for the period (A)	(7,560)	(8,079)
<i>Other profits (losses) that will be reclassified in the net result for the period</i>	0	0
<b><i>Total other profits (losses) that will be reclassified in the net result for the period (B1)</i></b>	<b>0</b>	<b>0</b>
<b><i>Other profits (losses) that will not be reclassified in the net result for the period</i></b>		
Actuarial profits (losses) on severance and other personnel provisions	118	(9)
Tax impact on actuarial profits (losses) on severance and other personnel provisions	(30)	2
<b><i>Total other profits (losses) that will not be reclassified in the net result for the period (B2)</i></b>	<b>88</b>	<b>(7)</b>
<b>Total other profits (losses), net of taxes (B1 + B2) = B</b>	<b>88</b>	<b>(7)</b>
<b>Total profits (losses), net of taxes (A + B)</b>	<b>(7,472)</b>	<b>(8,086)</b>
of which Minority Interests	0	0
of which Group	(7,472)	(8,086)

## Consolidated Cash Flow Statement

<i>in thousands of Euro</i>	As at 30.09.2021	As at 30.09.2020
Core income-generating operations		
Result for the period before taxes	(10,018)	(11,135)
Adjustments to items with no impact on cash and cash equivalents		
- Margin from construction services	(289)	(1,120)
+ Depreciation and amortisation	7,767	7,835
+ Provisions	1,029	1,612
+ Interest expense on discounting provisions and severance	(21)	240
+/- Interest income and financial charges	709	312
+/- Losses/gains and other non-monetary costs/revenues	700	120
+/- Severance provisions and other personnel expenses	67	31
<b>Cash flow generated/(absorbed) by operating activities before changes in working capital</b>	<b>(56)</b>	<b>(2,106)</b>
Change in inventories	27	(53)
(Increase)/decrease in trade receivables	(12,509)	5,640
(Increase)/decrease in other receivables and current/non-current assets	(4,299)	1,116
Increase/(decrease) in trade payables	(816)	2,185
Increase/(decrease) in other liabilities, various and financial	6,500	(5,002)
Interest paid	(1,016)	(511)
Interest collected	2	79
Taxes paid	0	(2,252)
Severance and other personnel provisions paid	(306)	(152)
Use of provisions	(461)	(3,868)
<b>Cash flow generated / (absorbed) by net operating activities</b>	<b>(12,934)</b>	<b>(4,923)</b>
Purchase tangible assets	(221)	(751)
Payment from sale of tangible assets	0	3
Purchases of intangible assets/concession rights	(5,898)	(22,137)
Proceeds on sale of intangible assets/concession rights	0	0
Purchase/capital increase of equity investments	0	0
Proceeds on sale of equity investments	0	0
Change in investment in current and non-current financial assets	275	570
<b>Cash flow generated / (absorbed) by investment activities</b>	<b>(5,845)</b>	<b>(22,315)</b>
Proceeds from the issuance of shares and other equity instruments	0	0
Dividends paid	0	0
Loans received	0	63,900
Loans repaid	(1,668)	(5,386)
Payments of leasing capital share	(261)	(120)
<b>Cash flow generated / (absorbed) by financing activities</b>	<b>(1,929)</b>	<b>58,393</b>
<b>Final cash change</b>	<b>(20,708)</b>	<b>31,156</b>
<b>Cash and cash equivalents at beginning of period</b>	<b>43,658</b>	<b>29,253</b>
<b>Final cash change</b>	<b>(20,708)</b>	<b>31,156</b>
<b>Cash and cash equivalents at end of period</b>	<b>22,950</b>	<b>60,409</b>

## Statement of changes in Consolidated Shareholders' Equity

<i>in thousands of Euro</i>	<i>Share capital</i>	<i>Share Premium Reserve</i>	<i>Legal Reserve</i>	<i>Other reserves</i>	<i>FTA Reserve</i>	<i>Actuarial profits/(losses) reserve</i>	<i>Profit (losses) carried forward</i>	<i>Profit (loss) for the period</i>	<i>Group shareholders' equity</i>	<i>Minority Interests</i>	<i>Shareholders' Equity</i>
<b>Shareholders' Equity at 31.12.2020</b>	<b>90,314</b>	<b>25,683</b>	<b>8,179</b>	<b>56,655</b>	<b>(3,272)</b>	<b>(1,036)</b>	<b>1,604</b>	<b>(13,590)</b>	<b>164,538</b>	<b>0</b>	<b>164,538</b>
Allocation of the 2020 financial year result	0	0	0	462	0	0	(14,050)	13,590	0	0	0
Share Capital Increase	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Assets held-for-sale	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	88	0	(7,560)	(7,472)	0	(7,472)
<b>Shareholders' equity at 30.09.2021</b>	<b>90,314</b>	<b>25,683</b>	<b>8,179</b>	<b>57,117</b>	<b>(3,272)</b>	<b>(948)</b>	<b>(12,446)</b>	<b>(7,560)</b>	<b>157,067</b>	<b>0</b>	<b>157,067</b>

<i>in thousands of Euro</i>	<i>Share capital</i>	<i>Share Premium Reserve</i>	<i>Legal Reserve</i>	<i>Other reserves</i>	<i>FTA Reserve</i>	<i>Actuarial profits/(losses) reserve</i>	<i>Profit (losses) carried forward</i>	<i>Profit (loss) for the period</i>	<i>Group shareholders' equity</i>	<i>Minority Interests</i>	<i>Shareholders' Equity</i>
<b>Shareholders' Equity at 31.12.2019</b>	<b>90,314</b>	<b>25,683</b>	<b>7,170</b>	<b>37,029</b>	<b>(3,272)</b>	<b>(988)</b>	<b>1,387</b>	<b>20,852</b>	<b>178,175</b>	<b>0</b>	<b>178,175</b>
Allocation of the 2019 financial year result	0	0	1,009	19,626	0	0	217	(20,852)	0	0	0
Share Capital Increase	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Assets held-for-sale	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	(7)	0	(8,079)	(8,086)	0	(8,086)
<b>Shareholders' Equity at 30.09.2020</b>	<b>90,314</b>	<b>25,683</b>	<b>8,179</b>	<b>56,655</b>	<b>(3,272)</b>	<b>(995)</b>	<b>1,604</b>	<b>(8,079)</b>	<b>170,090</b>	<b>0</b>	<b>170,090</b>

## Notes to the consolidated financial statements

## Information on Group activities

The Group operates in the airport management business. Specifically:

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

## Accounting standards adopted for the Preparation of the Consolidated interim financial statements as at September 30, 2021

### Basis of preparation

The condensed consolidated interim financial statements of the Group (hereafter “the condensed consolidated interim financial statements of the Group” or “consolidated financial statements”) were prepared for the nine months ended September 30, 2021 and include the comparative figures for the year ended December 31, 2020, limited to the Consolidated Statement of Financial Position and the comparative figures for the January 1-September 30, period, limited to the Consolidated Income Statement, Consolidated Statement of Comprehensive Income and Consolidated Cash Flow Statement. The consolidated financial statements were prepared under the historic cost convention, except for any financial assets held-for-sale, and any Intangible Assets comprising Energy Certificates, which were recognised at fair value, and in accordance with the going concern principle.

### Impacts of the COVID-19 pandemic and going concern

As outlined in the Directors’ Report, from the end of February 2020, the Group’s performance was significantly impacted by the effects of the crisis caused by the repeated COVID-19 outbreaks, whose effects on air transport have been and continue to be very significant.

2021 in fact began in a similar vein to the end of 2020, although the vaccination campaigns have been a key factor for a global recovery, together with the introduction of the Europe-wide Green Pass. The recovery in traffic volumes emerged in June and consolidated over the summer, although not returning to pre-COVID traffic levels. Support measures at governmental and European level have also been made available, as outlined in greater detail below. Against this backdrop, taking account of all information currently available regarding the future, the Group believes that there are no significant uncertainties (as defined in paragraph 25 of IAS 1) regarding its ability to continue as a going concern, as the measures already put in place and those being implemented will enable it to overcome this crisis in the medium term. Although the scale and impact of the crisis has been disruptive, it must in any event be considered exceptional and temporary in nature.

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

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

- the 2021-2025 business plan, approved by the Parent Company's Board of Directors on January 25, 2021, whose traffic growth forecasts over the time horizon are based on leading industry studies; the Group confirms the reasonableness of these estimates, based on traffic, revenue, cost and investment forecasts updated to the presentation date of these financial statements, sourced from the most recent information available;
- the post-COVID-19 infrastructure development strategy: the Parent Company, together with the Civil Aviation Authority (ENAC), has launched a long-term infrastructure development program in accordance with new priorities and executive phases in order to respond consistently to the new traffic needs and to allow adequate remuneration of investments and ensure they are fully sustainable in financial terms;
- the measures in support of the sector, such as the Exceptional Temporary Lay-Off Scheme from March 22 until December 26, 2021 for the parent company's employees (and from April 1 to December 31 for the subsidiary FFM) and other measures, including that provided for by Article 128-bis of the 2021 Finance Act, which allocated a fund of Euro 450 million to compensate for damages suffered by airport operators and Euro 50 million for handling companies. The fund was increased by Decree Law No. 73 of May 25, 2021 (Official Gazette General Series No. 123 of May 25, 2021) to Euro 800 million, of which Euro 735 million for airport operators and Euro 65 million for ground handling companies. At the end of July 2021, the European Commission approved this financial support in compliance with the EU's state aids rules;
- the other measures to reduce internal costs (e.g. blocking the recruitment of new staff, reduction of vacation arrears, elimination of overtime, etc.) and external costs, with particular reference to non-strategic supplies and also through renegotiations with suppliers;
- cash and cash equivalents sufficient to cover cash needs for at least twelve months from the approval of the Interim Financial Report at September 30, 2021, considering the current crisis and reduced traffic in response to trends in the COVID-19 pandemic continuing through 2021 and, although to a lesser extent, 2022 and 2023, as well as the credit line available and currently not utilised and the contacts with other lenders for potential additional credit needs;
- further action that can be taken to preserve liquidity (e.g. further investment plan adjustments).

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

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

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

The publication of the condensed consolidated interim financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. and the two subsidiaries (the Group) for the first nine months of 2021 was approved by the Board of Directors on November 12, 2021.

## Content and form of the consolidated financial statements

The Condensed Consolidated Interim Financial Statements at September 30 were prepared as per IAS 34 “Interim Financial Statements” including condensed explanatory notes in accordance with the above-mentioned international accounting standard and supplemented in order to provide greater disclosure were considered necessary. These Consolidated Financial Statements must therefore be read together with the Consolidated Financial Statements for the year 2020 prepared in accordance with IFRS International Accounting Standards issued by the International Accounting Standards Board (“IASB”).

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

This interim report has not been audited.

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

An asset is current when:

- it is expected to be realized, or is held for sale or consumption, in the normal course of the operating cycle;
- it is held mainly for the purpose of negotiating it;
- it is expected to be realized within twelve months of the closing date of the year; or
- it consists of cash or cash equivalents unless it is forbidden to exchange it or use it to settle a liability for at least twelve months from the closing date of the financial year.

All other assets are classified as non-current.

A liability is considered current where:

- it is expected to be settled within the normal operating cycle;
- it is held mainly for the purpose of negotiating it;
- it is expected to be settled within twelve months from the year-end;
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months of the closing date of the year.

The Group classifies all other liabilities as non-current.

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

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

## Consolidation scope

The consolidated financial statements at September 30, 2021 were prepared based on the financial statements of the Parent Company and its subsidiaries, directly and indirectly held, approved by the respective shareholders' meetings or executive bodies, appropriately adjusted in line with IFRS. The subsidiary companies are fully consolidated from the date of acquisition, or from the date in which the Group acquires control, and ceases to be consolidated at the date on which the Group no longer has control.

The following tables summarise the information on the subsidiaries at September 30, 2021 and December 31, 2020 in terms of the Group's direct and indirect holding.



SUBSIDIARIES (in thousands of Euro)	Share capital	% Held	
		As at 30.09.2021	As at 31.12.2020
Fast Freight Marconi S.p.a. Società Unipersonale	520	100.00%	100.00%
Tag Bologna S.r.l. Società Unipersonale	316	100.00%	100.00%

## Operating Segment information

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

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

- Aviation;
- Non-Aviation;
- Other.

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

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

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

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

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

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

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021 Aviation	For the nine months ended 30.09.2021 Non-Aviation	For the nine months ended 30.09.2021 Other	For the nine months ended 30.09.2021
Revenues	24,377	14,133	0	38,510
Costs	(31,267)	(7,777)	0	(39,044)
<b>Gross operating profit/(loss)</b>	<b>(6,890)</b>	<b>6,356</b>	<b>0</b>	<b>(534)</b>
Depreciation, amortisation & impairment	(5,262)	(2,505)	0	(7,767)
Provisions	(875)	(154)	0	(1,029)
<b>Operating result</b>	<b>(13,027)</b>	<b>3,697</b>	<b>0</b>	<b>(9,330)</b>
Financial income	0	0	58	58
Financial expenses	0	0	(746)	(746)
<b>Result before taxes</b>	<b>(13,027)</b>	<b>3,697</b>	<b>(688)</b>	<b>(10,018)</b>
Taxes for the period	0	0	2,458	2,458
<b>Profit (loss) for the period</b>	<b>(13,027)</b>	<b>3,697</b>	<b>1,770</b>	<b>(7,560)</b>
<b>Minority interest profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Group profit (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(7,560)</b>

<i>in thousands of Euro</i>	For the nine months ended 30.09.2020 Aviation	For the nine months ended 30.09.2020 Non-Aviation	For the nine months ended 30.09.2020 Other	For the nine months ended 30.09.2020
Revenues	34,202	19,584	0	53,786
Costs	(39,680)	(15,243)	0	(54,923)
<b>Gross operating profit/(loss)</b>	<b>(5,478)</b>	<b>4,341</b>	<b>0</b>	<b>(1,137)</b>
Depreciation, amortisation & impairment	(5,188)	(2,647)	0	(7,835)
Provisions	(1,320)	(292)	0	(1,612)
<b>Operating result</b>	<b>(11,986)</b>	<b>1,402</b>	<b>0</b>	<b>(10,584)</b>
Financial income	0	0	123	123
Financial expenses	0	0	(674)	(674)
<b>Result before taxes</b>	<b>(11,986)</b>	<b>1,402</b>	<b>(551)</b>	<b>(11,135)</b>
Taxes for the period	0	0	3,056	3,056
<b>Profit (loss) for the period</b>	<b>(11,986)</b>	<b>1,402</b>	<b>2,505</b>	<b>(8,079)</b>
<b>Minority interest profit</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Group profit (loss)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>(8,079)</b>

The table below presents the segment information for assets:

<i>in thousands of Euro</i>	As at 30.09.2021 Aviation	As at 30.09.2021 Non-Aviation	As at 30.09.2021 Other	As at 30.09.2021 Total
<b>Non-current assets</b>	<b>177,163</b>	<b>38,723</b>	<b>26,397</b>	<b>242,283</b>
<b>Intangible assets</b>	<b>173,366</b>	<b>26,478</b>	<b>0</b>	<b>199,844</b>
Concession rights	172,669	26,127	0	198,796
Other intangible assets	697	351	0	1,048
<b>Tangible assets</b>	<b>3,720</b>	<b>12,233</b>	<b>0</b>	<b>15,953</b>
Property, plant and equipment	3,720	7,501	0	11,221
Investment property	0	4,732	0	4,732
<b>Other non-current assets</b>	<b>77</b>	<b>12</b>	<b>26,397</b>	<b>26,486</b>
Investments	0	0	44	44
Other non-current financial assets	0	0	12,970	12,970
Deferred tax assets	0	0	13,233	13,233
Other non-current assets	77	12	150	239
<b>Current assets</b>	<b>21,054</b>	<b>5,070</b>	<b>23,483</b>	<b>49,607</b>
Inventories	427	222	0	649
Trade receivables	13,580	4,301	0	17,881
Other current assets	7,047	547	533	8,127
Current financial assets	0	0	0	0
Cash and cash equivalents	0	0	22,950	22,950
<b>Total assets</b>	<b>198,217</b>	<b>43,793</b>	<b>49,880</b>	<b>291,890</b>

<i>in thousands of Euro</i>	As at 30.09.2020 Aviation	As at 30.09.2020 Non-Aviation	As at 30.09.2020 Other	As at 30.09.2020 Total
<b>Non-current assets</b>	<b>175,160</b>	<b>39,146</b>	<b>21,502</b>	<b>235,808</b>
<b>Intangible assets</b>	<b>171,160</b>	<b>25,285</b>	<b>0</b>	<b>196,445</b>
Concession rights	170,322	24,416	0	194,738
Other intangible assets	838	869	0	1,707
<b>Tangible assets</b>	<b>3,938</b>	<b>13,845</b>	<b>0</b>	<b>17,783</b>
Property, plant and equipment	3,938	9,113	0	13,051
Investment property	0	4,732	0	4,732
<b>Other non-current assets</b>	<b>62</b>	<b>16</b>	<b>21,502</b>	<b>21,580</b>
Investments	0	0	44	44
Other non-current financial assets	0	0	12,279	12,279
Deferred tax assets	0	0	8,950	8,950
Other non-current assets	62	16	229	307
<b>Current assets</b>	<b>9,611</b>	<b>3,820</b>	<b>62,186</b>	<b>75,617</b>
Inventories	365	310	0	675
Trade receivables	6,311	3,163	0	9,474
Other current assets	2,935	347	1,503	4,785
Current financial assets	0	0	274	274
Cash and cash equivalents	0	0	60,409	60,409
<b>Total assets</b>	<b>184,771</b>	<b>42,966</b>	<b>83,688</b>	<b>311,425</b>

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

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

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

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

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

The main differences were as follows:

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

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

### ASSETS

#### 1. Intangible assets

The following table breaks down intangible assets at September 30, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	<b>As at 30.09.2021</b>	<b>As at 31.12.2020</b>	<b>Change</b>
Concession rights	198,796	198,470	326
Software, licenses and similar rights	583	1,027	(444)
Other intangible assets	51	55	(4)
Other intangible assets in progress	414	487	(73)
<b>TOTAL INTANGIBLE ASSETS</b>	<b>199,844</b>	<b>200,039</b>	<b>(195)</b>

At September 30, 2021, Concession rights increased by Euro 6.1 million, of which Euro 5.8 million (equal to the fair value of construction services provided in the period) principally due to the following works:

- construction of a new cargo building and related annexes for a specialised sector operator;
- reconstruction of the main storm water collection system;
- construction of the new aircraft de-icing system;
- upgrading, extension and modernisation works of the offices at the check-in area.

Amortisation of concession rights in the period amounted to Euro 5.3 million and was applied according to the residual duration of the concession.

Software, licenses and similar rights increased Euro 205 thousand, mainly due to the introduction of the SAP application system for both outgoing and incoming electronic invoicing.

Other intangible assets in progress include software development not concluded at September 30, 2021.

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

In view of the ongoing COVID-19 health and economic crisis, the Group constantly monitors its operating-financial performances in comparison with the 2021-2046 operating-financial forecasts approved by the Board of Directors of the parent company on February 15, 2021 and used for the impairment test on Concession Rights for the year ended December 31, 2020 and the relative sensitivity tests. For the year 2020, the impairment test performed did not identify any impairment of the carrying amounts of the concession rights, and no impairment losses were therefore recognised on the assets concerned. With regards to the amounts recognised to Concession Rights at June 30, 2021 - amounting to Euro 198 million, as was the case at December 31, 2020 - the Group updated the above-stated projections on the basis of traffic, revenues, costs and investment forecasts, updated to this date and also according to this latter projection no impairment indicators emerged.

In view of the performance for the first nine months of 2021, against the 2021 Y-o-Y forecasts, as indicators of impairment as defined by IAS 36 are not evident, the Group confirms the relative recoverability results of the amounts recognised to Concession rights at September 30, 2021, in addition to the Group's net capital employed.

## 2. Tangible assets

The following table breaks down tangible assets at September 30, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 30.09.2021	As at 31.12.2020	Change
Land	2,763	2,763	0
Buildings, light constructions and improvements	3,244	3,487	(243)
Machinery, equipment & plant	2,167	2,716	(549)
Furniture, EDP and transport	1,497	1,925	(428)
Building plant and machinery in progress and advances	457	346	111
Investment property	4,732	4,732	0
<b>TOTAL TANGIBLE ASSETS</b>	<b>14,860</b>	<b>15,969</b>	<b>(1,109)</b>
Land in leasing	950	1,252	(302)
Leased buildings and minor construction and improvements	0	0	0
Leased machinery, equipment & plant	22	8	14
Leased furniture, office machinery, transport equipment	121	189	(68)
<b>TOTAL LEASED TANGIBLE ASSETS</b>	<b>1,093</b>	<b>1,449</b>	<b>(356)</b>
<b>TOTAL TANGIBLE ASSETS</b>	<b>15,953</b>	<b>17,418</b>	<b>(1,465)</b>

At September 30, 2021, the overall increase in this category was Euro 208 thousand and mainly concerns the purchase of furniture and computers, in addition to investments in progress. This category includes right-of-use assets, recognised in accordance with IFRS 16, which the Adb Group recognises as a lessee primarily for the long-term lease of land used for parking, employee motor vehicles and some equipment. The amount recognised at September 30, 2021 corresponds to the present value of the lease instalments falling due, which is reflected under current and non-current financial liabilities for leases.

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

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

### 3. Investments

The following table breaks down other investments at September 30, 2021 (compared with December 31, 2020):

<i>in thousands of Euro</i>	As at 31.12.2020	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 30.09.2021
Other investments	44	0	0	0	44
<b>TOTAL INVESTMENTS</b>	<b>44</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>44</b>

The composition of the account is as follows:

<i>in thousands of Euro</i>	Holding	As at 30.09.2021	As at 31.12.2020	Change
Consorzio Energia Fiera District	14.3%	3	3	0
CAAF dell'Industria Spa	0.07%	0	0	0
Bologna Welcome Srl	10%	41	41	0
<b>TOTAL OTHER INVESTMENTS</b>		<b>44</b>	<b>44</b>	<b>0</b>

### 4. Other non-current financial assets

The following table shows the movements in other non-current financial assets for the period ended September 30, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2020	Increases/ Acquisitions	Decreases/ Reclass.	Write-downs	As at 30.09.2021
Receivables from Terminal Value	1,043	11	0	0	1,054
Equity Financial Instruments	10,873	0	0	0	10,873
Other financial assets	1,030	13	0	0	1,043
<b>TOTAL OTHER NON-CURRENT FINANCIAL ASSETS</b>	<b>12,946</b>	<b>24</b>	<b>0</b>	<b>0</b>	<b>12,970</b>

At September 30, 2021, the account "Other non-current financial assets" comprised:

- Euro 1.1 million in receivables from Terminal Value for the portion of fees for construction/improvement services provided by the Group relating to investments in concession rights, as well as a supplement to the performance obligation fee, in accordance with IFRS 15, on the interventions carried out on the provisions for renewal of airport infrastructure. This receivable, recorded at present value, derives from application of the Terminal Value regulation as per Article 703 of the Navigation Code, which established that, for investments in concession rights, the airport manager shall receive from the succeeding concession holder, on conclusion of the concession, an amount equal to the residual value at that date of the investment, in addition to the interventions made on the provisions for renewal, both calculated according to the regulatory accounting rules. The movement in the period relates to the financial income for the period calculated on the receivable recognised at December 31, 2020, as the additional Terminal Value receivable on investments made in 2021 has not matured;

- Euro 10.9 million of equity financial instruments in Marconi Express Spa, concession holder for the construction and management of the rapid rail link infrastructure between the Airport and Bologna Central Station called People Mover. This financial instrument, subscribed by the Parent Company on January 21, 2016 for a total value of Euro 10.9 million, is recorded corresponding to the amount effectively paid or rather the cost incurred at that date. The investment, in addition to the strategic/operating interest related to improving accessibility to the airport, meets the Group's objective both in relation to the collection of the contractual cash flows and to any future sale of the financial asset. In accordance with IFRS 9, since it is an equity instrument, financial assets are measured at fair value through profit or loss. In this case, considering the difficulty in measuring at fair value the Equity Financial Instrument, the subsequent valuations of this EFI are at cost as the best fair value estimate and any reductions in value, quantified comparing the book value with the present value of the expected cash flows discounted at the market rate for similar instruments, are recorded in the Income Statement.

No change has been made in the value at September 30, 2021, of the Equity Financial Instrument in that the updated Marconi Express SpA business plan approved by the lending bank syndicate, provides for a rescheduling of the debt repayment plan, made necessary following the reduction in revenues caused by the pandemic, and other anti-crisis measures, in light of which the Group believes there is no impairment loss to be recorded on the value of the equity instrument at September 30, 2021;

- Euro 1 million of a capitalisation product purchased in 2019, with a 10-year duration and 2029 maturity. In accordance with the standard IFRS 9, these assets are classified to the category "Held to collect – HTC", as this complies with the Group's need to invest temporary liquidity held in order to collect the contractual cash flows. In this specific case, the maturity is defined contractually, but the return is related to the capital management performance and therefore this financial instrument is measured at fair value through profit or loss.

## 5. Deferred tax assets

The following table presents the movements in deferred tax assets for the nine months ended September 30, 2021, compared with December 31, 2020.

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Util./Reclass.	As at 30.09.2021
<b>DEFERRED TAX ASSETS</b>	<b>10,732</b>	<b>3,210</b>	<b>(709)</b>	<b>13,233</b>

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

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

The increase in the period was mainly due to deferred tax assets on the estimated tax losses recorded at September 30, 2021 (Euro 2.2 million), which is reasonably certain to be recovered in the future in view of the Group's forecast financial performance.

## 6. Other non-current assets

The following table breaks down other non-current assets at September 30, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	<i>As at 30.09.2021</i>	<i>As at 31.12.2020</i>	<i>Change</i>
Non-current prepaid expenses and accrued income	49	89	(40)
Guarantee deposits	96	89	7
Non-current tax receivables	94	94	0
<b>OTHER NON-CURRENT ASSETS</b>	<b>239</b>	<b>272</b>	<b>(33)</b>

No significant changes occurred between the two periods.

## 7. Inventories

The following table breaks down inventories at September 30, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	<i>As at 30.09.2021</i>	<i>As at 31.12.2020</i>	<i>Change</i>
Inventories of raw materials, supplies and consumables	623	572	51
Inventories of finished products	26	104	(78)
<b>INVENTORIES</b>	<b>649</b>	<b>676</b>	<b>(27)</b>

This category also presents no significant changes.

## 8. Trade receivables

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

<i>in thousands of Euro</i>	<i>As at 30.09.2021</i>	<i>As at 31.12.2020</i>	<i>Change</i>
Trade receivables	19,780	7,271	12,509
Provisions for doubtful accounts	(1,899)	(992)	(907)
<b>TRADE RECEIVABLES</b>	<b>17,881</b>	<b>6,279</b>	<b>11,602</b>

At September 30, 2021, trade receivables for Euro 17.9 million were recorded net of the provision for doubtful accounts of Euro 1.9 million. Gross trade receivables increased significantly (up Euro 12.5 million) due to the increase in traffic volumes and in revenues during the summer and to a slowing in payments by a number of customers, mainly in the aviation segment, and the lack of payments by Alitalia, which only began making partial payments again in October.

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

The provisions in the period total Euro 1 million, of which Euro 0.4 million recorded as a direct reduction of the relative revenues as concerning amounts maturing in the period which are no longer considered collectible.



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

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Utilisations	Releases	As at 30.09.2021
<b>PROVISIONS FOR DOUBTFUL ACCOUNTS</b>	<b>(992)</b>	<b>(1,030)</b>	<b>94</b>	<b>28</b>	<b>(1,899)</b>

## 9. Other current assets

The following table breaks down other current assets at September 30, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 30.09.2021	As at 31.12.2020	Change
VAT Receivable	138	1,266	(1,128)
Direct income tax receivables	17	15	2
Other tax receivables	15	18	(3)
Employee receivables	73	58	15
Other receivables	7,884	2,436	5,448
<b>OTHER CURRENT ASSETS</b>	<b>8,127</b>	<b>3,793</b>	<b>4,334</b>

The increase in this category is due mainly to the increase in other receivables connected with the growth in traffic and to prepayments and accrued income related to seasonal effects during the period under review.

The decrease in VAT receivable is due both to the recovery in business and in revenues and to its use for offsets.

<i>in thousands of Euro</i>	As at 30.09.2021	As at 31.12.2020	Change
Receivables for passenger boarding fees surtax	6,833	2,443	4,390
IRESA receivables	379	156	223
Other current receivables provision for doubtful accounts	(1,061)	(1,062)	1
Prepayments and accrued income	1,197	445	752
Advances to suppliers	69	22	47
Pension and social security institutions	122	127	(5)
Other current receivables	345	305	40
<b>TOTAL OTHER RECEIVABLES</b>	<b>7,884</b>	<b>2,436</b>	<b>5,448</b>

The Group charged the carriers the boarding fee surtax, as per Article 2, paragraph 11 of Law 350/2003 and subsequent integrations and modifications, and once collected, paid the amount to the State and to INPS respectively in the measure of Euro 1.50 and Euro 5.00 per passenger boarded. There were no tariff changes to the surtax in the period and therefore the increase in the receivable is due to the traffic recovery in the summer and the absence of payments from a number of carriers (see the trade receivables item).

The account "other current receivables provision for doubtful accounts" includes the provision for passenger boarding fee surtax doubtful accounts and for IRESA, obtained for reclassification under assets in the statement of financial position, as a deduction of the respective receivable, of the surtax and IRESA charged to the carriers which in the meantime were subject to administration procedures or which contested the charge. This item, which is exclusively posted in the statement of financial position, is classified as a deduction of the respective receivables due to the high improbability of recovery, with nearly no movements in the period as shown below:

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions/Increases	Utilizations	Releases	As at 30.09.2021
Municipal surtax receivable provision					
<b>TOTAL OTHER RECEIVABLES PROVISIONS FOR DOUBTFUL ACCOUNTS</b>	<b>(1,062)</b>	<b>0</b>	<b>0</b>	<b>1</b>	<b>(1,061)</b>

## 10. Current Financial Assets

“Current financial assets” reduced to zero at September 30, 2021, as the capitalisation policy recognised at December 31, 2020 for Euro 274 thousand was collected on contractual maturity (May 2021).

## 11. Cash and cash equivalents

<i>in thousands of Euro</i>	As at 30.09.2021	As at 31.12.2020	Change
Bank and postal deposits	22,913	43,625	(20,712)
Cash in hand and similar	37	33	4
<b>CASH AND CASH EQUIVALENTS</b>	<b>22,950</b>	<b>43,658</b>	<b>(20,708)</b>

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

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

## LIABILITIES

### 12. Shareholders' Equity

The following table breaks down the Shareholders' Equity at September 30, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	<i>As at 30.09.2021</i>	<i>As at 31.12.2020</i>	<i>Change</i>
Share capital	90,314	90,314	0
Reserves	74,313	87,814	(13,501)
Profit/(loss) for the period	(7,560)	(13,590)	6,030
<b>GROUP SHAREHOLDERS' EQUITY</b>	<b>157,067</b>	<b>164,538</b>	<b>(7,471)</b>

#### i. Share capital

The share capital of the Parent Company at September 30, 2021 amounts to Euro 90,314,162, entirely paid-in and comprising 36,125,665 ordinary shares without par value.

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

<i>in Euro</i>	<i>For the nine months ended 30.09.2021</i>	<i>For the nine months ended 30.09.2020</i>
Group profit (loss) (*)	(7,470,997)	(8,084,996)
Average number of shares outstanding	36,125,665	36,125,665
<b>Undiluted earnings/(losses) per share</b>	<b>(0.21)</b>	<b>(0.22)</b>
<b>Diluted earnings/(losses) per share</b>	<b>(0.21)</b>	<b>(0.22)</b>

(\*) Consolidated Statement of Comprehensive Income

The undiluted earnings/(losses) and diluted earnings/(losses) per share of the AdB Group at September 30, 2021 and September 30, 2020 are the same due to the absence of potential dilutive instruments.

#### ii. Reserves

The following table breaks down the Reserves at September 30, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	<i>As at 30.09.2021</i>	<i>As at 31.12.2020</i>	<i>Change</i>
Share premium reserve	25,683	25,683	0
Legal reserve	8,179	8,179	0
Extraordinary reserve	57,117	56,655	462
FTA Reserve	(3,272)	(3,272)	0
Profits (losses) carried forward	(12,446)	1,604	(14,050)
OCI reserve	(948)	(1,036)	88
<b>TOTAL RESERVES</b>	<b>74,313</b>	<b>87,814</b>	<b>(13,501)</b>

The share premium reserve comprises:

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

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

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

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

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

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

<i>in thousands of Euro</i>	As at 30.09.2021	As at 31.12.2020	Change
IAS 19 actuarial profits/losses	(1,248)	(1,366)	118
Deferred taxes on actuarial gains/losses as per IAS 19	300	330	(30)
<b>OCI RESERVE</b>	<b>(948)</b>	<b>(1,036)</b>	<b>88</b>
of which minority interest	0	0	0
of which Group	(948)	(1,036)	88

### 13. Severance and other personnel provisions

The following table breaks down severance and other personnel provisions at September 30, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 30.09.2021	As at 31.12.2020	Change
Severance	3,674	4,041	(367)
Other personnel provisions	263	210	53
<b>SEVERANCE AND OTHER PERSONNEL PROVISIONS</b>	<b>3,937</b>	<b>4,251</b>	<b>(314)</b>

The table below shows the movements in the provisions from December 31, 2020 to September 30, 2021.

<i>in thousands of Euro</i>	As at 31.12.2020	Service cost	Net interest	Benefits paid	Actuarial profits/(losses)	As at 30.09.2021
Severance	4,041	14	42	(306)	(118)	3,674
Other personnel provisions	210	53	0	0	0	263
<b>SEVERANCE AND OTHER PERSONNEL PROVISIONS</b>	<b>4,251</b>	<b>67</b>	<b>42</b>	<b>(306)</b>	<b>(118)</b>	<b>3,937</b>

The other personnel provisions at September 30, 2021 concern the long-term incentive plan and the non-competition agreement of the Chief Executive Officer/General Manager of the Parent Company.

## 14. Deferred tax liabilities

The following table breaks down the deferred tax liabilities at September 30, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Utilisations	As at 30.09.2021
<b>DEFERRED TAX LIABILITIES</b>	<b>2,618</b>	<b>43</b>	<b>0</b>	<b>2,661</b>

The deferred tax liability provision amounts to Euro 2.7 million and increased due to the deferred taxes on adjustments regarding the application of IFRIC 12 “service concession arrangements”.

## 15. Provision for renewal of airport infrastructure (non-current and current)

The provision for renewal of airport infrastructure includes the provision allocated to cover the conservation maintenance expenses and renewal of the assets held under concession which the Group must return at the end of the concession period in perfect functioning state.

At September 30, 2021, the provision for renewal of airport infrastructure (non-current portion and current portion) totals Euro 11.8 million.

The changes in the provision in the period ending September 30, 2021 are reported below, divided between non-current and current.

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Utilisations	Reclass.	As at 30.09.2021
Provision for renewal of airport infrastructure (non-current)	10,316	299	0	0	10,615
Provision for renewal of airport infrastructure (current)	1,578	0	(368)	0	1,210
<b>TOTAL PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE</b>	<b>11,894</b>	<b>299</b>	<b>(368)</b>	<b>0</b>	<b>11,825</b>

Changes in the year were as follows:

- ✓ the provision (of Euro 330 thousand) net of the update to the discount rate of cash flows, with a positive impact of Euro 31 thousand on the first nine months of 2021;
- ✓ uses (Euro 368 thousand) for works, mainly regarding the restoration of lifts, refrigeration units, automatic doors and gates and the resurfacing of an operating hanger’s flooring;

## 16. Provisions for risks and charges (non-current and current)

The changes in the non-current and current provision for risks and charges in the period ended September 30, 2021 are reported below:

<i>in thousands of Euro</i>	As at 31.12.2020	Provisions	Uses/Other decreases	As at 30.09.2021
Risk provision for disputes	976	51	0	1,027
Provisions for other risks and charges	423	27	0	450
<b>PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)</b>	<b>1,399</b>	<b>78</b>	<b>0</b>	<b>1,477</b>
Employee back-dated provision	23	0	0	23
<b>PROVISIONS FOR RISKS AND CHARGES (CURRENT)</b>	<b>23</b>	<b>0</b>	<b>0</b>	<b>23</b>
<b>TOTAL PROVISIONS FOR RISKS AND CHARGES</b>	<b>1,422</b>	<b>78</b>	<b>0</b>	<b>1,500</b>

No significant movements in this account were reported in the period.

### ***Contingent liabilities***

With regard to the customs dispute that recently involved the subsidiary FFM and outlined in the "Disputes" section of the Directors' Report, to which reference should be made, it should be noted that a risk has arisen for this company, which operates in the cargo sector, of approximately Euro 4.3 million, as currently estimated on the basis of the total value of the adjustment notices for various FFM customs declarations, while the Group considers itself to be the injured party who is extraneous to the matter in view of the documentation already submitted to their legal counsel, reserving the right to defend themselves in any appropriate forum. The appointed lawyers, having evaluated the dossier outlining the position and the jurisprudence on the subject, consider it possible but not probable that the case will be lost.

With regards to the notification of invitation from the Municipality of Bologna, received on February 10, 2020, of a differing cadastral classification of a number of buildings - appealing to the procedure as per Law 311/2004 - against that agreed with the administration since 2007 - with a consequent impact on the IMU (property tax) tax for recent years and following which a provision for risks of Euro 226 thousand, increased by Euro 27 thousand for the current period,

On this point, it should be noted that during 2021 the Bologna Land Registry Office concluded the preliminary investigation phase for the purposes of the regularisation request regarding the cadastral situation pursuant to the single article, paragraph 336 of Law 311/2004, as activated by the Municipality of Bologna - Tax Office - insofar as it is also valid for IMU purposes. The communication attesting to this stage (i.e. "Conclusion of the preliminary investigation") was received by AdB by certified e-mail of July 12, 2021. The Company filed on August 2 a specific Counterclaims and Request for Reconsideration and Rectification/Cancellation. On September 27, the Tax Agency checked the counterclaims to confirm previous communications. On September 30, the Parent Company replied, maintaining the position taken thus far and reiterating the reasoning presented.

The Company does not currently have any objective arguments that would allow it to proceed with a possible movement of the provision, except for mere updates on the basis of past reasoning. No further formal discussion took place with the Tax Office of the Municipality of Bologna.

The Directors, taking into account the factual and legal arguments shared with their tax advisors, have decided to qualify the contingent liability as possible for a further estimated amount of Euro 360 thousand and therefore to include appropriate information in the Notes.

In relation, finally, to the extraordinary administration of Alitalia, the Group assessed the potential liability related to the revocation of receivables arising in the six months before the procedure, for an amount of Euro 1.49 million, net of municipal surtaxes for passenger boarding fees. As of the date of preparation of this document, and specifically taking into account the information available and the elements of defence that can be objected to in relation to the action brought (see Consolidated Half-Year Financial Report at June 30, 2021), the Directors considered it appropriate to provide disclosure in the Notes, without making any accrual, in view of the fact that in this case the conditions in fact and in law for action by the creditor do not exist, although while at the same time continuing to closely monitor the airline's situation.

## **17. Non-current and current financial liabilities**

The following table breaks down current and non-current financial liabilities at September 30, 2021 compared with December 31, 2020.

<i>in thousands of Euro</i>	As at 30.09.2021	As at 31.12.2020	Change
Bank loans – non-current	67,101	68,759	(1,658)
Non-current financial payables for leasing	732	1,026	(294)
<b>NON-CURRENT FINANCIAL LIABILITIES</b>	<b>67,833</b>	<b>69,785</b>	<b>(1,952)</b>
Bank loans - current	3,069	3,064	5
Current financial liabilities for leasing	564	544	20
Payables due for boarding fee surtaxes and Iresa	533	896	(363)
Other current financial debt	92	33	59
<b>CURRENT FINANCIAL LIABILITIES</b>	<b>4,258</b>	<b>4,537</b>	<b>(279)</b>
<b>TOTAL FINANCIAL LIABILITIES</b>	<b>72,091</b>	<b>74,322</b>	<b>(2,231)</b>

Financial liabilities at September 30, 2021 totalled Euro 72.1 million, decreasing Euro 2.2 million compared to December 31, 2020, due to the payment of the loan instalments maturing in the period (Euro 1.7 million), of leasing fees (Euro 0.3 million) and due to the decrease in the payables due for boarding fee surtaxes and IRESA (amount received from carriers and reversed in October 2021 to the beneficiary bodies).

With regards to loans, the “bank loans - non-current” item includes two loans supported by SACE-backed guarantees as part of the “Garanzia Italia” programme and subscribed by the parent company in 2020 to support the infrastructural development plan and to handle the increased need for working capital related to the COVID-19 emergency. They amount respectively to Euro 25 million with Unicredit and Euro 33.9 million with Intesa Sanpaolo. The loans have a 72-month duration, with equal instalments to be paid on a quarterly basis, and a grace period of 2 years (Unicredit) and 3 years (Banca Intesa).

In addition to that above, we indicate:

- fifteen-year bank loan with maturity 2026, with a residual balance of Euro 2.4 million at September 30, 2021 (Euro 2.7 million at December 31, 2020), granted by Monte dei Paschi di Siena (former Banca Agricola Mantovana) to fund investments of the General Aviation Terminal. This liability is classified for Euro 1.8 million under bank loans - non-current (Euro 2.2 million at December 31, 2020), and for Euro 0.5 million, equal to the capital portion to be repaid over the coming 12 months under current loans (same amount at December 31, 2020);
- ten-year bank loan with December 2024 maturity, with a balance of Euro 8.9 million at September 30, 2021 (Euro 10.1 million at December 31, 2020), granted by Banca Intesa to fund the infrastructure investment plan of the Parent Company. This loan is classified for Euro 6.4 million under non-current loans and for Euro 2.5 million under current loans.

The following table summarises the loans:

<i>in thousands of Euro</i>	As at 30.09.2021	As at 31.12.2020	Change
Bank loans – non-current	67,101	68,759	(1,658)
Bank loans - current	3,069	3,064	5
<b>TOTAL LOANS</b>	<b>70,170</b>	<b>71,823</b>	<b>(1,653)</b>

and the contractual conditions of the loans in place at September 30, 2021:

Credit Institution	Type of loan	Interest rate applied	Rate	Maturity	Covenant
Intesa San Paolo S.p.A.	Loan	Fixed rate of 3%	Half-Yearly	2024	Yes
Monte dei Paschi di Siena (former Banca Agricola Mantovana)	Loan	Euribor variable 3 Months + spread 0.9%	Quarterly	2026	No
Unicredit Spa Sace guarantee	Loan	Fixed rate of 0.77%	Quarterly	2026	Yes
Intesa San Paolo Spa - SACE-backed	Loan	Euribor variable 3 Months + spread 1.29%	Quarterly	2026	No

The annual nominal cost of the two bank loans with SACE guarantee granted in 2020, shown in the table above, is in addition to the cost of the SACE guarantee, which amounts to 0.5% in the first year, 1% in the second and third years and 2% from the fourth to sixth years of the guaranteed portion of the debt, equal to 90% of the loan.

The loans are not covered by secured guarantees.

With reference to the cross default clauses on the loan contracts of the Group, these include both clauses where the benefits are no longer applicable and where the Company financed is not in compliance with obligations of a credit or financial nature, or guarantees assumed with any party. We report that at September 30, 2021, the Group has not received any communication for application of cross default clauses by any of its lenders as the Group is in compliance with its existing contractual commitments.

With regard to non-compliance, due to worsening margins owed to the current crisis, Banca Intesa informed AdB on August 31, 2020 that some covenants – which are usually reviewed on an annual basis, and relate to a loan undertaken with the bank prior to the Covid-19 pandemic – will be suspended for 2020 and 2021. The annual contractual covenants on the Unicredit loan finalised in July 2020 shall apply from the 2022 financial statements.

The following table shows the liabilities for leases, in accordance with IFRS 16, representing the obligation to make the contractually-agreed payments for the right-to-use assets recorded under fixed assets in note 2.

<i>in thousands of Euro</i>	As at 30.09.2021	As at 31.12.2020	Change
Non-current lease liabilities	732	1,026	(294)
Current lease liabilities	564	544	20
<b>TOTAL LEASE LIABILITIES</b>	<b>1,296</b>	<b>1,570</b>	<b>(274)</b>

The Group has both underwritten leasing contracts as lessor with the sub-license of airport areas and spaces to its customers and also has undertaken leasing contracts as lessee for equipment, plant, machinery, automotive vehicles and land.

The table above refers to these latter obligations broken down into financial liabilities for leases:

- non-current: Euro 0.7 million for contractual instalments due beyond 12 months
- current: Euro 0.6 million relating to contractual instalments due within 12 months

We illustrate below the table required by IAS 7 - Cash Flow Statement for a greater disclosure of changes in financial liabilities:



<i>in thousands of Euro</i>	31/12/2020	Cash flows	New contracts	Interest/Other Reclass.	30/09/2021
Loans - current portion	3,064	(1,668)	0	1,673	3,069
Lease liabilities - current portion	544	(261)	19	262	564
Loans - non-current portion	68,759	0	0	(1,658)	67,101
Lease liabilities - non-current portion	1,026	0	14	(308)	732
<b>Total</b>	<b>73,393</b>	<b>(1,929)</b>	<b>32</b>	<b>(31)</b>	<b>71,613</b>

## 18. Trade payables

<i>in thousands of Euro</i>	As at 30.09.2021	As at 31.12.2020	Change
<b>TRADE PAYABLES</b>	<b>12,796</b>	<b>13,612</b>	<b>(816)</b>

Trade payables, concerning the purchase of goods and services, mainly include investments and mainly concern Italian suppliers and recorded a slight decrease compared to December 31, 2020.

## 19. Other Liabilities

The following table breaks down current liabilities at September 30, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	As at 30.09.2021	As at 31.12.2020	Change
Current tax payables	948	511	437
Employee payables and social security institutions	3,566	2,470	1,096
ENAC concession fee and other State payables	17,489	17,891	(402)
Other current liabilities, accrued liabilities and deferred income	7,969	2,562	5,407
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>29,972</b>	<b>23,434</b>	<b>6,538</b>

The principal changes were as follows:

### i. Current tax payables

Current tax payables comprise almost entirely of the IRPEF payable for employees and consultants and the payable for local taxes.

### ii. Employee payables and social security institutions

The following table breaks down employee payables and social security institutions at September 30, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	<b>As at 30.09.2021</b>	<b>As at 31.12.2020</b>	<b>Change</b>
Employee salaries	907	896	11
Employee deferred compensation	1,696	934	762
Social security payables	963	640	323
<b>EMPLOYEE PAYABLES AND SOCIAL SECURITY INSTITUTIONS</b>	<b>3,566</b>	<b>2,470</b>	<b>1,096</b>

The payables to employees and social security institutions increased on December 31, 2020, despite the reduction in the workforce and of personnel costs, mainly due to the interim nature of the current period, which includes deferred remuneration and vacation pay.

### iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 16.6 million (Euro 15.6 million at December 31, 2020) concerning the fire prevention service as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3bis of Law No. 2/2009. For further details, reference should be made to the chapter on Disputes in the Directors' Report of the 2020 Annual Accounts;
- Euro 0.8 million (Euro 2.2 million at December 31, 2020) as the variable airport concession fee payable regarding the first instalment of 2021, settled in July 2021. The payable at December 31, 2020 regarding the 2019 balance and the entire 2020 annual payment was settled on April 30, 2021 as a result of the extension ordered by ENAC as a measure to support the sector.

### iv. Other current liabilities, accrued liabilities and deferred income

The following table breaks down current liabilities, accrued liabilities and deferred income at September 30, 2021 (compared with December 31, 2020).

<i>in thousands of Euro</i>	<b>As at 30.09.2021</b>	<b>As at 31.12.2020</b>	<b>Change</b>
Municipal surtax payables and Iresa	6,152	1,539	4,613
Other current payables	1,053	952	101
Current accrued liabilities and deferred income	764	71	693
<b>TOTAL OTHER CURRENT LIABILITIES, ACCRUED LIABILITIES AND DEFERRED INCOME</b>	<b>7,969</b>	<b>2,562</b>	<b>5,407</b>

The main account principally concerns the passenger boarding fees surtax and for IRESA, relating to the receivables from carriers not yet received at September 30, for Euro 6.2 million. The portion of the municipality surtax payable and for IRESA relating to receivables collected from carriers, not yet paid to the creditor entities on the other hand is classified under current financial liabilities (Note 17).

"Other current liabilities" include deposits and advances received from customers in addition to deferred income and miscellaneous payables. Finally, the accrued liabilities and deferred income is due to the invoicing process which provides for the advance invoicing of certain services.

## NOTES TO THE MAIN CONSOLIDATED INCOME STATEMENT ACCOUNTS

The main income statement accounts at September 30, 2021, compared with the figures at September 30, 2020, are presented below, while recalling that both periods were impacted by the major drop in traffic and revenues as a result of the COVID-19 pandemic, although in the comparative period this effect was mitigated by nearly two months of full operations against nine months of 2021, a year that began with the third wave of the pandemic and saw a recovery in airport traffic that did not begin until summer and was not sufficient to return to pre-COVID levels.

### REVENUES

#### 20. Revenues

The tables below break down revenues for the two comparative periods. In relation to the performance, reference should be made to the greater detail provided in the Directors' Report.

Consolidated revenues totalled Euro 38.5 million, a decline of Euro 15.3 million on the first nine months of 2020 (-28.4%). Isolating the item "revenues from construction services", which concerns investments in concession rights in the period which reduced in the first nine months of 2021, period revenues increased 7.2%, from Euro 30.3 million in the first nine months of 2020 to Euro 32.5 million in 2021.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Revenues from aeronautical services	19,197	16,792	2,405
Revenues from non-aeronautical services	12,686	12,908	(222)
Revenues from construction services	6,056	23,517	(17,461)
Other operating revenues and income	571	569	2
<b>TOTAL REVENUES</b>	<b>38,510</b>	<b>53,786</b>	<b>(15,276)</b>

The reclassification of Group revenues based on revenue streams defined by IFRS 15, i.e. those from contracts with customers, is shown in the following table:

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Airport fees	15,596	13,982	1,614
Parking	4,476	4,006	470
Revenues from construction services	6,056	23,517	(17,461)
Others	5,179	4,971	208
<b>TOTAL IFRS 15 REVENUE STREAMS</b>	<b>31,307</b>	<b>46,476</b>	<b>(15,169)</b>

The reconciliation between IFRS 15 revenue streams and total revenues is shown in the following table:

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Airport fees	15,596	13,982	1,614
Parking	4,476	4,006	470
Revenues from construction services	6,056	23,517	(17,461)
Others	5,179	4,971	208
<b>TOTAL IFRS 15 REVENUE STREAMS</b>	<b>31,307</b>	<b>46,476</b>	<b>(15,169)</b>
Commercial/non-comm. sub-licenses	7,160	7,249	(90)
<b>TOTAL NON IFRS 15 REVENUE STREAMS</b>	<b>7,160</b>	<b>7,249</b>	<b>(90)</b>
TOTAL NON IFRS 15 Revenues	43	61	(18)
<b>TOTAL REVENUES</b>	<b>38,510</b>	<b>53,786</b>	<b>(15,276)</b>

#### i. Revenues from aeronautical services

The table below shows revenues from non-aeronautical services in the periods ended on September 30, 2021 and 2020.

This revenue category increased 14.3%, and comprised the following components:

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Centralised infrastructure/other airport services	368	244	124
Exclusive use revenues	430	414	16
Airport fee revenues	22,319	18,475	3,844
PRM revenues	1,686	1,411	275
Air traffic development incentives	(8,446)	(5,982)	(2,464)
Handling services	1,531	1,181	350
Other aeronautical revenues	1,309	1,049	260
<b>TOTAL REVENUES FROM AERONAUTICAL SERVICES</b>	<b>19,197</b>	<b>16,792</b>	<b>2,405</b>

The breakdown of airport fee revenues is shown below:

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Passenger boarding fees	9,319	7,701	1,618
Landing, take-off and parking fees	8,650	7,087	1,563
Passenger security fees	3,041	2,513	528
Baggage stowage control fees	1,124	826	298
Cargo loading and unloading fees	560	452	108
Reduction fees to prov. for doubtful accs.	(375)	(104)	(271)
<b>TOTAL AVIATION FEE REVENUES</b>	<b>22,319</b>	<b>18,475</b>	<b>3,844</b>

The “reduction fees to provision for doubtful accounts” is due to the write-down on receivables from the carrier Alitalia matured in the period; a write-down which, in accordance with IFRS 15, was directly deducted from the corresponding revenues. Reference should be made to the Directors’ Report for further information on the client Alitalia.

## ii. Revenues from non-aeronautical services

The table below shows revenues from non-aeronautical services for the periods ended September 30, 2021 and 2020.

The decrease in this category, which was significant in the first quarter (-73.5%) and first half (-40.9%), contracted to just 1.7% due mainly to a recovery in parking services.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Commercial premises and spaces sub-concession	6,072	6,135	(63)
Parking	4,476	4,006	470
Other commercial revenues	2,138	2,767	(629)
<b>TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES</b>	<b>12,686</b>	<b>12,908</b>	<b>(222)</b>

Other commercial revenues are broken down as follows:

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Marconi Business Lounge	318	593	(275)
Advertising	742	797	(55)
Misc. commercial revenues	1,078	1,377	(299)
<b>TOTAL OTHER COMMERCIAL REVENUES</b>	<b>2,138</b>	<b>2,767</b>	<b>(629)</b>

The contraction in activities at the Marconi Business Lounge due to the noted reasons linked to the drop in traffic was compounded by a reduction in particular of "other commercial revenues", within which lower revenues were recorded primarily for the maintenance and hire of operating equipment, for the road access to the Terminal and the recharge to the Emilia-Romagna Region in the comparative period of costs incurred for the initiation of IRESA collection.

## iii. Revenues from construction services

Revenues from construction services concern the construction services undertaken by the Aeroporto Guglielmo Marconi di Bologna S.p.A. Group on behalf of the ENAC granting entity for the capital investments previously commented upon in relation to the Concession Rights in Note 1.

## iv. Other revenues and income

The residual item of other revenues and income is essentially in line with the figure at September 30, 2020. Also of note is the grant, as per the Support Decree (Article 1 of Legislative Decree No. 41 of March 22, 2021), collected by the subsidiary Tag Bologna.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Indemnities, reimbursement and misc. income	463	522	(59)
Operating grants	108	47	61
<b>TOTAL OTHER REVENUES AND INCOME</b>	<b>571</b>	<b>569</b>	<b>2</b>

## COSTS

In the first nine months of 2021, operating costs contracted 28.9%, from Euro 54.9 million in the first nine months of 2020 to Euro 39 million in the same period of 2021. Excluding the item "construction services" - down 74.3% due to lower investments in concession rights - total operating costs increased by 2.3% due mainly to the increase in the airport concession fee and in personnel costs.

### 21. Costs

#### i. Consumables and goods

The table below presents consumables and goods for the nine months ended on September 30, 2021 and 2020. On the whole, this cost category increased mainly as a result of aircraft fuel purchases.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Consumables and goods	389	555	(166)
Maintenance materials	78	89	(11)
Fuel and gasoline	699	354	345
<b>TOTAL CONSUMABLES AND GOODS</b>	<b>1,166</b>	<b>998</b>	<b>168</b>

#### ii. Service costs

The following table shows the breakdown of services costs for the periods ended on September 30, 2021 and 2020. No significant change have been recorded for the two comparative periods.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Maintenance costs	3,094	3,093	1
Utilities	1,340	1,340	0
Cleaning and accessory services	1,240	1,183	57
Services	3,178	3,117	61
MBL Services	65	87	(22)
Advertising, promotion and development	271	279	(8)
Insurance	728	770	(42)
Professional and consultancy services	828	933	(105)
Statutory board fees and expenses	439	417	22
Other service costs	95	47	48
<b>TOTAL SERVICE COSTS</b>	<b>11,278</b>	<b>11,266</b>	<b>11</b>

A breakdown in maintenance expenses is provided below:

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Owned asset maintenance expenses	689	685	4
Airport infrastructure maintenance expenses	2,263	2,092	171
Third party asset maintenance expenses	142	316	(174)
<b>TOTAL MAINTENANCE EXPENSES</b>	<b>3,094</b>	<b>3,093</b>	<b>1</b>

The breakdown of services is illustrated below:

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Snow clearance	235	167	68
Porterage, transport third-party services	28	165	(137)
PRM assistance service	359	405	(46)
De-icing and other public service charges	182	242	(60)
Security service	1,150	868	282
Other outsourcing	1,224	1,270	(46)
<b>TOTAL SERVICES</b>	<b>3,178</b>	<b>3,117</b>	<b>61</b>

### iii. Construction service costs

Construction service costs concern the construction costs incurred by Aeroporto Guglielmo Marconi di Bologna S.p.A. Group for the capital investments previously commented upon in relation to the Concession Rights in Note 1.

### iv. Leases, rentals and other costs

The following table shows the breakdown of leases, rentals and other costs for 9M 2021 and 2020.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Concession fees	1,754	1,456	298
Hire charges	132	92	40
Rental charges	0	21	(21)
EDP processing charges	1,133	1,178	(45)
Other rental & hire costs	5	3	2
<b>TOTAL LEASES, RENTALS AND OTHER COSTS</b>	<b>3,024</b>	<b>2,750</b>	<b>274</b>

This cost category increased (10%), mainly due to the greater traffic volumes, on whose basis the concession fees are calculated.

#### v. Other operating expenses

The following table shows the breakdown of other operating expenses for 9M 2021 and 2020 (no significant changes).

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Misc. and local taxes	870	847	23
Fire prevention service contribution	1,010	1,062	(52)
Capital losses	1	17	(16)
Other operating expenses	409	311	98
<b>TOTAL OTHER OPERATING EXPENSES</b>	<b>2,290</b>	<b>2,237</b>	<b>53</b>

#### vi. Personnel costs

The following table shows the breakdown of personnel costs for 9M 2021 and 2020.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Wages and salaries	10,426	10,348	78
Social security charges	3,171	3,215	(44)
Severance provisions	917	957	(40)
Retirement pension and others	144	145	(1)
Other personnel costs	861	610	251
<b>TOTAL PERSONNEL COSTS</b>	<b>15,519</b>	<b>15,275</b>	<b>244</b>

Personnel costs increased on the first nine months of 2020 (1.6%), mainly due to provisions related to the reintroduction of variable bonuses for personnel, which were eliminated in 2020 and have been estimated for the current year, as well as increased incentivised redundancies and lower use of paid holidays.

The average workforce for the first nine months of 2021 is lower than in 2020 (by 27 employees) even though the Group's workforce at September 30 was greater than at September 30, 2020 (by 16 employees).



<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Employee canteen	261	270	(9)
Personnel training and refresher courses	66	52	14
Employee expenses	13	39	(26)
Misc. personnel costs	468	16	452
Other personnel provisions	53	233	(180)
<b>TOTAL OTHER PERSONNEL COSTS</b>	<b>861</b>	<b>610</b>	<b>251</b>

The average headcount by category in the two periods under consideration is shown below:

<i>Average workforce (No.)</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Executives	9	9	0
White-collar	379	400	(21)
Blue-collar	84	90	(6)
<b>TOTAL PERSONNEL</b>	<b>472</b>	<b>499</b>	<b>(27)</b>

The headcount at the end of the two periods under consideration was as follows:

<i>Workforce (number)</i>	As at 30.09.2021	As at 30.09.2020	Change
Executives	9	9	0
White-collar	387	379	8
Blue-collar	91	83	8
<b>TOTAL PERSONNEL</b>	<b>487</b>	<b>471</b>	<b>16</b>

## 22. Depreciation, amortisation and write-downs

The following table shows the movement of depreciation, amortisation and impairment for the periods ended September 30, 2021 and 2020.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Amortisation/write-downs of Concession Rights	5,443	4,962	481
Amortisation/write-down of other intangible assets	653	979	(326)
Depreciation/write-down of tangible assets	1,671	1,894	(223)
<b>TOTAL DEPRECIATION AND AMORTISATION</b>	<b>7,767</b>	<b>7,835</b>	<b>(68)</b>

“Amortisation/impairment of concession rights” includes Euro 161 thousand of write-downs of concession rights for the cancellation of projects that can no longer be used. The item “Depreciation of tangible assets”, finally, includes Euro 343 thousand of depreciation on leased assets in accordance with IFRS 16.

## 23. Provisions for risks and charges

The following table shows the movement of the provisions for risks and charges for the periods ended September 30, 2021 and 2020.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Provisions for doubtful accounts	621	260	361
Provision for renewal of airport infrastructure	330	1,323	(993)
Provisions for other risks and charges	78	29	49
<b>TOTAL PROVISIONS</b>	<b>1,029</b>	<b>1,612</b>	<b>(583)</b>

This category, too, decreased mainly as a result of the lower provision for renewal of airport infrastructure compared to the previous period. This provision represents the amount accrued during the period of the costs of restoration and replacement of the airport infrastructure to be returned to ENAC at the end of the concession in a state of efficiency and full operation. The lower provision was due to the revision of the ten-year plan of restoration and replacement interventions, with the deferral of several major airside projects. With regards to the “provisions for doubtful accounts”, the increased accrual in the period is due to the greater solvency risk on mainly aviation positions. Euro 381 thousand as a direct deduction of airport fees and other revenues invoiced in the period is added to the amount of Euro 621 thousand reported above (see Note 20).

## 24. Net financial income and expenses

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Income from securities	16	18	(2)
Other income	0	87	(87)
Discounting income on provisions	42	18	24
<b>TOTAL FINANCIAL INCOME</b>	<b>58</b>	<b>123</b>	<b>(65)</b>
Interest expenses and bank charges	(565)	(373)	(192)
Discounting charges on provisions	(21)	(252)	231
Interest charges for discounting of liabilities for leasing	0	(6)	6
Other financial expenses	(160)	(43)	(117)
<b>TOTAL FINANCIAL EXPENSES</b>	<b>(746)</b>	<b>(674)</b>	<b>(72)</b>
<b>TOTAL FINANCIAL INCOME AND EXPENSES</b>	<b>(688)</b>	<b>(551)</b>	<b>(137)</b>

Net financial expense of approximately Euro 688 thousand is reported, compared to Euro 551 thousand in 9M 2020. The deterioration is due to the increase in the debt, with a consequent increase in interest expense and accessory costs, such as costs for the SACE guarantee.

## 25. Taxes for the period

<i>in thousands of Euro</i>	For the nine months ended 30.09.2021	For the nine months ended 30.09.2020	Change
Current and deferred taxes	(2,458)	(3,056)	598
<b>TOTAL TAXES FOR THE PERIOD</b>	<b>(2,458)</b>	<b>(3,056)</b>	<b>598</b>
<b>% taxes on pre-tax result</b>	<b>n.a.</b>	<b>n.a.</b>	

Income taxes are a positive component of the income statement at Euro 2.5 million (Euro 3.1 million in the first nine months of the previous year) due mainly to the estimated deferred tax assets in relation to the tax losses mainly resulting from period.

## **26. Related party transactions**

For the definition of “Related Parties”, reference should be made to IAS 24, approved by Regulation (EC) No. 1725/2003.

Related party transactions are carried out within the scope of ordinary operations and at normal market conditions. Intercompany transactions principally concern commercial and financial transactions, in addition to participation in the tax consolidation. None of these have particular economic or strategic significance for the company as they do not account for a significant percentage of the total financial statement amounts.

The Bologna Chamber of Commerce shareholders were identified as a Government party, therefore exempt from the disclosure regarding related parties as defined by IAS 24. The categorisation of the Bologna Chamber of Commerce as a Government party therefore limited the checks required for the identification of related parties to the mere identification of the Bologna Chamber of Commerce. No additional information is reported in the financial statements concerning transactions undertaken by the company with the Bologna Chamber of Commerce as no significant transactions are undertaken with this shareholder.

The following related party transactions was carried out in the period:

### **Transactions with subsidiary companies**

Commercial transactions between the Parent Company and the subsidiary Tag Bologna Srl, in terms of receivables, principally concern the provision of administration and legal services, including the compensation, reversed to the employer AdB, of directors of the Parent Company, in addition to the twenty-year sub-concession of the General Aviation traffic assistance infrastructure for Euro 115 thousand (Euro 67 thousand in the first nine months of 2020). This increase is mainly attributable to the greater use of personnel seconded from the parent company.

AdB payables to the subsidiary mainly concern the capital grant for the covering of General Aviation terminal infrastructure operation and maintenance costs for the boarding and disembarking of passengers, against the financial advantage for AdB of including these costs in the calculation of passenger boarding fees. In addition to the above, the new H24 contract awarded to the subsidiary on April 1, 2021 is considered. Overall, costs for TAG totalled Euro 268 thousand at September 30, 2021, compared to Euro 133 thousand for the comparative period.

Non-commercial transactions with Tag concerned:

- the tax consolidation contract renewed on the basis of the Board of Directors’ motions of the companies Aeroporto Guglielmo Marconi di Bologna Spa of January 25, 2021 (consolidating company) and Tag Bologna Srl of February 22, 2021 (consolidated company) for the years 2021-2023;
- a letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena), equal to the residual principal, which at the end of the period amounted to Euro 2.4 million.

Commercial transactions between the Parent Company and the subsidiary Fast Freight Marconi S.p.A. concern mainly the provision by AdB of the following services:

- sub-concession of offices, areas and operating rooms;
- management and staffing, including the following staff services: accounting, administration, finance, operating control, management reporting, personnel, legal, ICT, personnel secondment and directors’ competences and Supervisory Board;
- packages and goods x-ray controls.

Revenues in the year from the subsidiary amount to Euro 247 thousand compared to Euro 263 thousand in 2020.

The non-commercial transactions with FFM include the tax consolidation contract renewed on the basis of the Board of Directors' motions of the companies Aeroporto Guglielmo Marconi di Bologna Spa of January 25, 2021 (consolidating company) and FFM of February 17, 2021 (consolidated company) for the years 2021-2023.

### **Transactions with other related parties**

In the first nine months of 2021, the parent company undertook commercial transactions with subsidiaries of the shareholder Atlantia Spa as follows:

- Autostrade spa: under the lease agreement valid until 31/12/2024 of land for parking use, the Parent Company recognised a leasing asset for a net value of Euro 267 thousand at September 30, 2021 (Euro 337 thousand at September 30, 2020) and has payables for invoices to be received of Euro 71 thousand, in addition to current leasing liabilities for Euro 124 thousand and non-current for Euro 160 thousand (respectively Euro 123 thousand and Euro 231 thousand at September 30, 2020);
- Telepass Spa: under the contract for the supply of electronic parking payment services using the Telepass system, the Parent Company incurred costs of Euro 50 thousand (Euro 49 thousand at September 30, 2020) and had payables of Euro 39 thousand (Euro 26 thousand at September 30, 2020);
- Autostrade Tech: under the facilities maintenance contract mentioned in the previous point, the Parent Company incurred costs of Euro 10 thousand, unchanged from September 30, 2020;
- Infoblu Spa: under the contract for the supply of multimedia traffic information services, the Parent Company incurred costs of Euro 7 thousand and had payables of Euro 9 thousand, also unchanged from the comparative period.

### **Types and management of other risks**

With regards to the disclosure concerning the types and means of financial risk management under Article 2428, paragraph 2 No. 6 bis, reference should be made to the specific section of the Directors' Report, also with regards to the comment upon the other risks to which the Group is subject.

## **SUBSEQUENT EVENTS AND BUSINESS OUTLOOK**

No events have occurred subsequent to period end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements with reference to the amounts reported at September 30, 2021.

Reference should be made to the Directors' Report for further information on the business outlook.

The Chairman of the Board of Directors  
(*Enrico Postacchini*)

Bologna, November 12, 2021

## Statement pursuant to Article 154-*bis*, paragraph 2 of the C.F.A.

### INTERIM FINANCIAL REPORT AT SEPTEMBER 30, 2021

The officer in charge of preparing the corporate accounting documents, Patrizia Muffato, hereby declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Finance Act (CFA), that the accounting information contained in this Report corresponds to information contained in the accounting documents, registers and entries.

*The officer in charge of preparing the corporate  
accounting documents*  
**(Patrizia Muffato)**



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