FINANCIAL STATEMENTS AND DIRECTORS' REPORT

2021

TORINO AIRPORT

SAGAT

TORINO
AIRPORT

TO

SAGAT

FINANCIAL STATEMENTS AND DIRECTORS' REPORT AT DECEMBER 31, 2021

1. MEETING OF SHAREHOLDERS

FIRST CALL 29/04/2022
SECOND CALL 20/05/2022

2. AGENDA

FINANCIAL STATEMENTS AS AT 31/12/2021

SAGAT S.p.A.

Società Azionaria Gestione Aeroporto Torino
Strada San Maurizio, 12
10072 Caselle Torinese (TO)
www.torinoairport.com

Share capital ¤ 12,911,481 fully paid in
Company subject to the management and coordination of the company 2i Aeroporti S.p.A.
Economic Administrative Register (R.E.A.) no. 270127
Register of Companies of Turin, Tax ID and VAT no. 00505180018

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Letter to the Shareholders

Dear Shareholders,

Turin Airport in 2021 served 2,066,106 passengers, an increase of 678,734 (+46.8%) on 2020, although down 47.7% on 2019 (the last year not affected by the COVID-19 pandemic). The impact on traffic data from the COVID-19 outbreak is therefore confirmed.

Despite the challenges during the period, the commitment to overcome the crisis and to ensure the sustainability of the airport have never been lacking. With a view to tapping into the growth opportunities deriving from the ending of the health emergency, SAGAT S.p.A. signed a major commercial agreement with Ryanair, resulting in the basing of two aircraft and the launch of 19 new routes (of which 17 international) from November. This has allowed a closing of the international segment gap over the last two months compared with the pre-pandemic period.

Alongside its commitment to develop traffic, the SAGAT Group has dealt with the continuing health crisis by strengthening the infection prevention measures for passengers and the airport community, undertaking all possible actions to offset the financial impacts from the still significantly lower traffic levels compared to 2019, without however halting innovation and environmental sustainability projects.

Within the framework of Group measures to tackle the pandemic, we highlight the use of the ski terminal for the opening in April 2021 of the public vaccination hub, which also enabled the vaccination of Group employees and their family members in advance of the normal healthcare channels, the organisational measures to respond to the emerging needs, so as to protect the health of operators and passengers, the introduction of digital innovations to ensure social distancing, inform passengers and ensure a high service level travel experience despite the limitations, and the continuation of remote working, that has also extended to operational staff in training.

The airport's proper and effective implementation of anti-COVID-19 procedures led to the renewal of the *Airport Health Accreditation* certification issued by ACI World and ACI Europe, while its commitment to listening to passengers, despite difficult circumstances, earned ACI World's *The voice of the customer* award for the second year.

The close dialogue with all partners has led to the gradual full reopening of commercial activities, while the constant monitoring of passenger needs has also made it possible to identify and propose new services.

Also due to the COVID-19 outbreak and the repercussions in terms of declining passenger traffic, investments were completely rescheduled during 2021 for a total amount of Euro 5,084 thousand. In addition to the modernisation of airport buildings, the upgrading of plant networks, and interventions in the aircraft movement area, priority was given to investments for environmental sustainability.

In fact, the SAGAT Group has not only fulfilled its commitment to the environment and the community to reduce carbon dioxide emissions from operations under its control to zero by 2050, but has also publicly chosen the path of sustainability. In fact, it launched the Torino Green Airport project, which brings together all the sustainability-focused actions already taken, underway and planned for the future, communicated through a dedicated visual identity and internal and external communication campaigns with the aim of engaging the whole community and launching collaborative strategies.

In this context, Turin Airport was selected in 2021 as a partner in the European H2020 TULIPS consortium for a more sustainable aviation industry, the only Italian representative together with the Polytechnic University of Turin, and the Torino Green Airport flagship project has begun, represented by the installation of a 1.2 MW hydrogen-ready fuel cell system in co-generative set-up at the airport, capable of being fuelled with varying levels of hydrogen blended with natural gas for combined heat and power generation.

Consolidated revenues totalled Euro 37,203 thousand, increasing Euro 10,620 thousand on 2020 (+40%), mainly due to the 46.7% growth in passenger traffic. Costs of Euro 40,865 thousand increased Euro 6,103 thousand on 2020 (+17.6%). The 2021 result - although significantly improving on 2020 - reported a consolidated net loss of Euro 8,407 thousand.

While waiting to receive the relief under the Aviation Sector Damage Compensation Fund as per Law 178/2020, an additional line of financing was introduced during 2021, which is necessary to ensure the liquidity needed to operate the airport and carry out planned investments. Liquidity of Euro 9,422 thousand was absorbed in 2021, with the Net financial position decreasing to a debt of Euro 16,742 thousand, from Euro 7,319 thousand at December 31, 2020.

This Directors' Report, which accompanies the Financial Statements at December 31, 2021, was drawn up in accordance with Article 2428 of the Civil Code and presents the Directors' observations on the operating performance and main events in 2021 and those subsequent to year-end.

The operating and financial results for 2021 are compared with the year ending December 31, 2020.

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Group directors' report

at December 31, 2021

SAGAT - **FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2021**

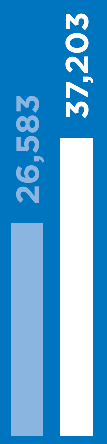
2021 **SAGAT GROUP HIGHLIGHTS**

KEY FINANCIAL HIGHLIGHTS

The Group key financial highlights for 2021 compared with the previous year are reported below.

2020 2021 Euro thousands

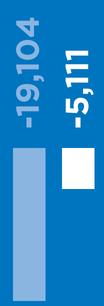
(*) Net of revenues for secondment of personnel to third parties.



Revenues(*)

Totalling Euro 37,203 thousand, decreased by +40% compared to Euro 26,583 thousand from 2020

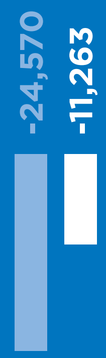
+40.0%
(10,620)



EBITDA

Loss of Euro -5,111 thousand, with a reduction of 73.2% compared to Euro -19,104 thousand from 2020

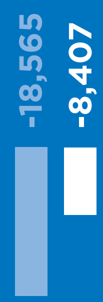
+73.2%
(13,993)



Profit (loss) before taxes

Loss of Euro -11,263 thousand, with a reduction of 54.2% compared to Euro -24,570 thousand from 2020.

54.2%
(13,307)



Net profit (loss)

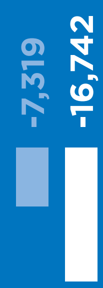
Loss of Euro -8,407 thousand, up by 54.7 percent compared to Euro -18,565 thousand from 2020.

54.7%
(10,158)

Investments

Euro 4,153 thousand have been invested during the year.

22.4%
(931)



Net Financial Position

Loss of Euro -7,319 thousand, with a reduction of Euro -16,742 thousand from 2020.

-128.7%
(-9,422)

TRAFFIC

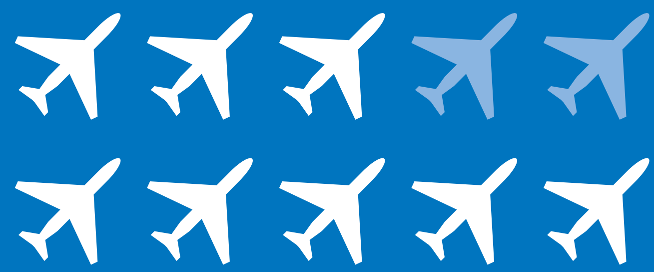
In 2021, Turin Airport transported 2,066,106 passengers, reporting an increase in traffic of 658,734 passengers, or +46.8% on 2020 and -47.7% on 2019 (before the pandemic).

2,066,106
PASSENGERS IN **2021**

+46.8%
COMPARED TO **2020**

In 2021, Turin Airport recorded 27,132 aircraft movements, equal to + 26.7% on 2020 data and -37.8% on 2019 data (before the pandemic).

27,132
MOVEMENTS IN **2021**



+26.7%
COMPARED TO **2020**

MAIN ACTIONS TAKEN TO TACKLE THE HEALTH EMERGENCY

RECONFIRMATION 2020 ACTIONS

The continuation in 2021 of the extraordinary circumstances that emerged during 2020 required the use and reconfirmation of all actions put in place last year to deal with the health emergency, which therefore continued to directly affect management, including the application of social support schemes for all Group personnel (Extraordinary Temporary Lay-off Scheme until March 22, 2021 and Exceptional Temporary Lay-off Scheme from March 23 to December 26, 2021).
The 'Covid Action Group' established at Group level was also confirmed, which continued to coordinate the management of operations so as to avoid gatherings, spacing people out, sanitizing locations, informing passengers and the airport community, while remote work, the health insurance policy for employees affected by the COVID-19 infection, and the Covid test point open to all were maintained.

SOCIAL SAFETY NETS | "COVID ACTION GROUP" | SMART WORKING | HEALTH INSURANCE POLICY | COVID TEST POINT

NEW ACTIONS 2021

In addition, in 2021:
- the ski terminal was made available to the regional health system, which has become a dedicated vaccine hub for citizens since April 2021 and where more than 95 thousand doses were administered during 2021, thus helping to support the local community;
- a workplace vaccination campaign was organised in collaboration with the local health authority for employees of Group companies and their family members, thus reducing the waiting times for access to the vaccine through the National Healthcare Service.
- the Airport Health Accreditation certification was renewed, issued by Airports Council International (ACI), which assesses the health measures and procedures introduced by airports in view of the COVID-19 pandemic, in accordance with the recommendations issued by the International Civil Aviation Organisation, the European Agency for air safety, the protocol of the European Centre for disease prevention and control (ECDC - Aviation Health Safety Protocol) and the ACI Europe guidelines;
- the passenger and employee experience saw innovations from a touchless and paperless perspective to contain infection;
- costs and investments for the pandemic's prevention were made totalling Euro 321 thousand in 2021 alone. They include the purchase and entry into use of additional infrared thermometers and thermometric cameras, while the related control stations have been set up. Work has continued on preparing and setting up walkways for passenger boarding and health check stations. Additional shields have been fitted at the stations and counters. Finally, new apparatus to sanitise rooms, equipment and vehicles have been purchased, and infrared heaters for the airport vaccine hub have been installed.

VACCINE HUB (MORE THAN 95 THOUSANDS DOSES ADMINISTERED) | WORKPLACE VACCINATION CAMPAIGN | AIRPORT HEALTH ACCREDITATION RENEWAL | TOUCHLESS AND PAPERLESS INNOVATION | 321 THOUSANDS EURO INVESTED FOR PREVENTION

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2021

OUTLOOK

In the first two months of 2022, the SAGAT Group reported significant growth on the same period of 2021, with a total of 469,926 passengers (+625%) and 5,666 movements (+189%). However, the spread of the Omicron COVID-19 variant and the actions introduced by the competent domestic and overseas authorities to contain its impact on the population resulted in a further impact on passenger traffic, which in the first two months of 2022 was down 25% on 2019.
In consideration of the **conclusion on March 31, 2022 of the pandemic state of emergency** in Italy, a significant increase in volumes for the summer may be expected, both for domestic and international destinations, driven by the Ryanair base, with 2 operative aircraft from November 2021.
However, these strong prospects for the coming two months may be hampered by the ongoing **conflict in Ukraine,** whose development is currently highly uncertain both in terms of its duration and its social and economic consequences. Although to date the impact on traffic volumes has not been significant, as flight cancellations have only affected connections to Ukraine (Kyiv and Lviv) and Moldova (Chisinau), which together accounted for 1.6% of the projected passenger traffic in the first quarter of 2022, impacts on passenger mobility may not be ruled out - for example for security reasons or the effect of price increases from higher energy costs.
According to the IATA[1], long-term growth in air transport will not be significantly impacted by the conflict, but negative short-term consequences are still considered likely. ACI Europe[2] estimates for 2022 a possible recovery ranging from 61% to 80% of annual pre-COVID19 traffic volumes, with a stronger recovery for the second half of the year.

On March 7, 2022, ENAC announced the **disbursement of Euro 300 million to the airport management companies** in Italy, as an advance of 50% with respect to the requests for compensation, due to the damage caused by the COVID-19 health emergency, in accordance with the 2021 Budget Law, Legislative Decree No. 73/2021 and the inter-ministerial decree of December 28, 2021. SAGAT S.p.A., on March 8, 2022, received payment of Euro 5.02 million as a 50% advance of the amount requested. The grant will be recognised as revenue in the 2022 financial statements upon the conclusion by the Head Office of the Ministry of Sustainable Infrastructure and Mobility of the assessment of the applications made by SAGAT S.p.A.
A similar contribution was also arranged by ENAC for handling companies. SAGAT Handling S.p.A. therefore on March 31, 2022 received Euro 509,686.50 as an advance of the compensation.
In addition, to protect its economic and social sustainability, the Group will continue to implement all possible variable and cost containment actions that are compatible with maintaining the airport's full operations.

GROWTH IMPACTED IN FIRST TWO MONTHS 2022 (BY OMICRON VARIANT)

CONCLUSION OF STATE OF EMERGENCY (31ST MARCH 2022)

UKRAINE CONFLICT, HIGHER ENERGY COSTS

TRAFFIC INCREASE (FROM SUMMER 2022)

ADVANCE OF 50% OF THE REQUEST FOR COMPENSATION **SAGAT S.P.A.**

ADVANCE OF 50% OF THE REQUEST FOR COMPENSATION **SAGAT HANDLING S.P.A.**

Covid-19 Highlights

2021 traffic and the operating-financial performance was critically impacted by the COVID-19 outbreak emergency, in response to which the Authorities continued to impose restrictions on international and domestic travel, with a consequent direct impact on air passenger traffic. Many Italian regulations have directly and indirectly shaped airport operations (see Annex at the end of this document).

In view of the situation outlined above, a number of regulatory measures were introduced to support the airport sector during the year.

More specifically, Law No. 178 of December 30, 2020 "State budget for the 2021 financial year and budget for the three-year period 2021-2023" (the 2021 Budget Law) was published in the Official Gazette. It entered into force on January 1, 2021 and includes two new specific measures to support the airport sector.

- the first measure (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;
- the second measure (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.

Legislative Decree 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 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 in the March 1, 2020 - June 30, 2020 period.

On December 28, 2021, the Decree of the Minister of Infrastructure and Sustainable Mobility, in consultation with the Minister of Economy and Finance of November 25, 2021, was published in the Official Gazette, defining the terms and procedures for submitting applications for access to the grant, as well as the criteria for its calculation and disbursal.

The decree stipulated that applications for access to the fund were to be submitted within 30 days of the publication of the decree (and thus by January 27, 2022). SAGAT S.p.A. filed its application on January 26, 2022, quantifying its damage for the period March 1 to June 30, 2020 as Euro 10,036,342. On the same date, SAGAT Handling S.p.A. also submitted its own application for access to the fund for damages quantified at Euro 1,019,373.

1.1
SAGAT S.p.A. Shareholders and Corporate Boards

The shareholder structure at December 31, 2021 is unchanged on the previous year, as follows:

Shareholder	Ordinary shares	Nominal value	%
2i Aeroporti S.p.A.	2,259,019	€ 11,656,538	90.28%
Tecno Holding S.p.A.	169,028	€ 872,184	6.76%
SAGAT S.p.A.	74,178	€ 382,758	2.96%
TOTAL SHARE CAPITAL	**2,502,225**	**€ 12,911,481**	**100%**

The company holds 74,178 treasury shares (2.96% of the share capital), with a total nominal value of Euro 383 thousand.

The company did not purchase or dispose of shares of the parent company in the year, even through trust companies or nominees.
At December 31, 2021, the company did not hold shares of the parent company, even through trust companies or nominees.

Corporate boards at December 31, 2021

The Board of Directors and the Board of Statutory Auditors were appointed by the Shareholders' Meeting of May 17, 2019. Their mandate concludes with the approval of the 2021 Annual Accounts.

BOARD OF DIRECTORS

Elisabetta OLIVERI	Chairwoman
Andrea ANDORNO	Chief Executive Officer
Rita CICCONE	Director
Jean Jacques DAYRIES	Director
Antonio LUBRANO LAVADERA	Director
Paolo MIGNONE	Director
Laura PASCOTTO	Director
Daniele RIZZOLINI	Director

BOARD OF STATUTORY AUDITORS

Roberto NICOLÒ	Chairman
Piera BRAJA	Statutory Auditor
Ernesto CARRERA	Statutory Auditor
Lorenzo GINISIO	Statutory Auditor
Egidio RANGONE	Statutory Auditor
Alessandro COTTO	Alternate Auditor
Maddalena COSTA	Alternate Auditor

1.2
Regulatory framework

ENAC convention

On October 8, 2015, SAGAT S.p.A. and ENAC (National Civil Aviation Authority) signed the Convention governing relations for the management and development of airport operations at Turin Airport, covering the design, execution, award, maintenance and use of key plant and infrastructure.
The duration of the Convention, initially stipulated until August 3, 2035 (concluding date of the extension of private airport management as per Law No. 187 of February 12, 1992) was subsequently extended by two years, until 2037, in accordance with Article 202 of Law No. 77/2020 concerning *Urgent measures regarding health, employment and economic support, in addition to social policies related to the COVID-19 emergency.* The above extension is effective ope legis, as clarified by ENAC through its communication of January 19, 2021.
The Convention in addition, at introduction No. 22, establishes that *"where SAGAT - close to the conclusion of the current extension permitted under special Law No. 187/1992 until August 3, 2035 - requires an extension of the duration of the full management of Turin Airport for an additional 20 years, ENAC, on presentation of a programme of measures by the concession holder, and having given its approval, following the completion of the required preliminary formalities, will permit an extension to the full management for a period of an additional twenty years".*

Regulatory agreement

In order to initiate the process for the signing of the Regulatory Agreement for the 2020-2023 period, on June 24, 2019 the Company presented to ENAC the Four-Year Action Plan, traffic forecasts, the Financial Plan, the Quality Plan and the Environmental Protection Plan, receiving a favourable technical opinion with note No. 0091615-P dated August 1, 2019.
In order to receive information and assessments from interested parties, as per the due process and transparency of administrative action rules and in application of Directive 12/2009/EC and the updated tariff models approved by the Transport Regulation Authority with Motion No. 92/2017 of July 6, 2017, the Company, following the issue of the above favourable technical opinion by ENAC's competent structures, submitted the following consultation documents:

- Traffic forecasts for the contractual period;
- Four-Year Action Plan and the relative timeline, indicating the works, where existing, of particular significance for the airport's development and to which the increased rate of return (WACC) will be applied;
- Quality Plan;
- Environmental Protection Plan.

The Regulatory Agreement for the new regulatory period has not yet been signed by the Parties, although SAGAT S.p.A. has expressed its wish for a prompt definition and completion of the relative process.

As more fully set out in the section on disputes, SAGAT, together with other operating companies, challenged Article 19, paragraph 1 of the outline of the Regulatory Agreement approved by ENAC with Resolution No. 20/2018 of October 2, 2018, as containing a waiver clause to disputes deemed unlawful, as it infringes on the right to judicial protection guaranteed by Articles 24 and 113 of the Constitution.
The challenge, as reported, was upheld and SAGAT expressed to ENAC its willingness to sign the Regulatory Agreement on the basis of a new outline amended of the unlawful clause.
To date, ENAC has not yet submitted the new Regulatory Agreement text to SAGAT.

Tariff-setting process

The process to review the tariff applied to Turin airport for the 2020-2023 period was concluded in 2019. In particular, the Transport Regulation Authority (hereafter TRA), with Motion No. 145 of November 20, 2019, considered the proposed review of Airport fees presented by SAGAT S.p.A. as compliant with the Airport Fees Regulation Model approved by the TRA with Motion No. 92/2017 (hereafter the Tariff Model), subject to the application of certain corrections to be applied to the tariffs that came into force on January 10, 2020 and on a temporary basis until March 28, 2020.

The fees for the entire tariff period, which incorporated the indicated corrections, were approved by the TRA with motion No. 12/2020 of January 31, 2020 and entered into force on March 29, 2020.

According to the Tariff Model, in 2021 the Company drew up the "Annual Disclosure Document" to provide the User with appropriate updates on the elements considered to update the airport fee levels for 2022. This Document was made available to the User through publication on October 1, 2021 on the Turin Airport website and was outlined, shared and approved during the annual meeting of Users held by video-conference on October 28, 2021.

1.3 General economy and air transport sector overview

General economy

The global economic environment in 2021 featured the impacts of the COVID-19 pandemic: a range of restrictions on mobility were introduced during the year, whose application was not always uniform even among countries belonging to the same macro-area. These measures imposed by national governments continued to have a significant impact on economic activity and global trade, interrupting production supply chains and affecting the demand for goods and services.

According to the International Monetary Funds figures[1], the **global economy** in 2021 was generally weaker than originally projected. With the spread of the Omicron variant, several countries have reimposed travel restrictions, and rising energy prices and supply difficulties have impacted the global economy. According to the International Monetary Fund's estimates, world GDP growth is expected to drop from 5.9% in 2021 to 4.4% in 2022.

Following the economic slowdown in many areas again in Q3 last year, at the end of the previous year signs of a return to a more sustained recovery in the United States and in the other advanced countries emerged, against the prolonged weakness of the emerging economies. However, the continuation of the pandemic and the persistent bottlenecks in the supply chain risk slowing growth further. Inflation rose almost everywhere, primarily as a result of higher energy prices, increases in intermediate inputs, and the recovery of domestic demand.

In the **eurozone**[2], GDP experienced a marked deceleration throughout the year, brought about by an upturn in infections and ongoing supply-chain tensions that hindered manufacturing productivity. Inflation touched highs not seen since the start of the European Monetary Union due to exceptional increases in energy prices, particularly for gas, including in response to geopolitical factors in Europe.

Growth **in Italy**[2] was again strong in Q3 2021, supported particularly by household consumption. GDP rose 2.6% on the preceding period, driven mainly by the further significant increase in household consumption. Spending on commercial, transportation and rental services in particular were more vibrant in the spring (facilitated by a loosening of the restrictions that had been put in place during the most acute periods of the pandemic), which led to an acceleration in the entire service sector. Added value decelerated in construction and, to a lesser extent, in industry in the strict sense, following the significant expansion in the first half of the year.

GDP then slowed, based on Bank of Italy[2] models, in the fourth quarter to growth of around half a percent. The increase in value added weakened in both manufacturing and the service sector.
The rise in infections and the consequent weakening of confidence particularly impacted services spending. According to intentions noted in surveys conducted between November and December, businesses expect investment to decelerate this year. The current account surplus has remained high despite the worsening of the energy balance, and the net lending position increased.

The increase in job demand that began in the summer led to an increase in hours worked, a reduction in the use of salary-support measures, and a recovery in open-ended employment contracts. The removal of restrictions on employment termination in all sectors has not had a significant impact. The stagnation in the unemployment rate reflects the gradual recovery in job availability, which has approached pre-pandemic levels.

Domestic GDP, which settled to 1.3 percentage points below pre-pandemic levels, according to the Bank of Italy's estimates, is expected to recover by about mid-2022. This expansion is then expected to continue at a healthy pace, although less intensely that following the reopening of business in mid-2021.

The growth forecasts are subject to numerous risks, most of which would hold growth back. Over the short term, the uncertainty of the forecasts is tied to the health emergency and the supply-chain tensions, which could prove to be more persistent than expected and have a sharper impact on the real economy. Over the medium term, the forecasts remain conditioned upon the full implementation of the spending programmes included in the budget measure and on the timing of the measures envisaged under the National Growth Plan (PNRR)[2].

2021 saw a rebound of economic activity in **Piedmont**[3]. After a 2020 in which the regional economy dealt with the challenges posed by the measures adopted to contain the pandemic, with production declining 5.9%, in 2021 uninterrupted manufacturing sector production, stemming from the significant international trade recovery, resulted in a double-digit increase in Piedmont's industrial output, together with strong revenue and order growth.

The quarterly performance indicates that, following a 5% rise in the January-March 2021 period, quarterly average growth was 25.1% in Q2, also as compared with the hardest lockdown period (April-June 2020). Q3 2021 saw an improvement of 4.1% on the same period of the previous year, while regional manufacturing in the period saw a 6.8% production increase year-on-year. Average manufacturing growth for 2021 was 10.3%, indicating not just a turnaround on 2021, but also an improvement on the pre-pandemic years.

For Piedmont's exports[4], a value of Euro 49.6 billion is reported for 2021, up 20.6% on 2020 and 5.7% on 2019. Imports rose 25.7% on the previous year. The value of goods imported into Piedmont increased to Euro 35.1 billion. The trade balance remains positive at Euro 14.5 billion, increasing by approx. Euro 1.4 billion on the previous year (Euro 13.1 billion). Piedmont's strong result in 2021 beat the national average: Italian exports in fact rose 18.2% on the previous year.

On the basis of the Piedmont Chamber of Commerce's figures, 24,958 businesses were created in 2021, 19.2% more than the 20,942 new registrations in 2020, although 3.9% less than 2019. Net of the 20,288 closures (7.4% less than 2020 and indeed 26.2% less than 2019), the balance is positive (+4,670 units), indicating a reversal of the previous decline of the local economy[5].

Looking to the **tourism sector**, Istat's[6] figures for the first 3 quarters of 2021 indicate nationally an increase in overnight stays on 2020 (+22.3%), although still well under 2019 levels (-38.4%). During the summer quarter (July-September), tourist numbers were approx. 177 million (+31% on 2020) and 29 million less than 2019 (-14%). Resident travel for work (approx. 1.5 million) and vacations (approx. 18 million) are at the levels of the first nine months of 2020, but still remain below the corresponding period of 2019.

2021 opened with an almost complete halt to the winter tourist season as a result of restrictive measures made necessary to counter the spread of infections. The first quarter of the year saw an 81.7% decline in arrivals and of 79.7% in overnight stays compared to the same quarter of 2019. In particular, the foreign component is almost absent (overnight stays down 93.7%), while the domestic component accounted for just over 30% of overnight stays in Q1 2019. In the summer quarter (July-September), following the possibility of an inter-regional traffic recovery, tourist numbers were substantially up, although still down on 2019 due to the lack of an overseas customer component. Overall, total stays in Q3 were approx. 86% of the same quarter of 2019. However, while the stays of Italian customers slightly increased (+0.9%), the number of overseas tourists significantly declined (-30.5%), although more contained than compared to preceding quarters.

For **tourism in Piedmont**[7], the summer months of 2021 saw a strong recovery - thanks not only to the many Italians who chose the region for their vacations, with arrivals up more than 35% over 2020, but also the return of overseas travellers, which more than doubled on 2020. August 2021 saw similar arrival numbers to August 2019. Although the final full-year figures are still not available, at the start of the winter season8 regional tourism expectations for Q4 are good, thanks to the rebounding ski sector.

Air transport market

The **global air transport sector**[1] in 2021 show signs of partial recovery after the halt in 2020 due to the COVID-19 pandemic. The sector has seen in fact a gradual rebound in demand, although traffic volumes have recovered slower than expectations. Of the 9.2 billion passengers served in 2019 in fact, in 2021 only 4.4 billion returned (a 55% loss in global passenger traffic). Domestic traffic is driving the recovery - approaching 3.4 billion passengers in 2021 (63.4% of 2019's levels). International traffic volumes still lag behind the domestic traffic recovery. Approx. 1.05 billion international passengers were reported for 2021 (only 27% of 2019's levels). The recovery outlook[2] indicates the reaching of 69% of international traffic volumes in 2022, of 82% by 2023 and 92% by 2024, while a total traffic recovery globally of 83% is expected in 2022, rising to 94% in 2023 and returning to 2019 levels only in 2024[2]. These estimates are however subject to the emergence of possible new COVID-19 variants and the duration of the conflict in Ukraine.

The **passengers** handled at **European level** in 2021 by the airport network rose 37% on 2020, although still down 59% on the pre-pandemic levels of 2019[3]. After losing 1.72 billion passengers in 2020, the sector indeed had very high hopes for a strong recovery in 2021, although the loss of volumes was still very stark at 1.4 billion passengers compared to 2019. The impact of the **Delta variant** was a key factor, which substantially cut passenger traffic numbers in the first half of 2021 (-77.7% on 2019), due to the reintroduction of travel restrictions. The launch of vaccines, combined with the EU **COVID digital certificates** and the reopening of the Transatlantic market from November, resulted in improved passenger traffic in the second half of the year (-42.4% on 2019), although the **Omicron variant** interrupted this recovery in December.

In **Italy**, the airport system reported in 2021 80.7 million passengers, a 58.2% decline on 2019[4]. This figure was up 52.4% on 2020, although still represents a significant crisis with 113 million passengers lost compared to 2019. Due to the second and third waves which hit Italy, the serious effects of the pandemic were felt until as far as May 2021. In the first 5 months of last year, traffic at domestic airports contracted 86% on 2019; the first weak signs of recovery were not seen until June 2021 (-65% on pre-COVID levels), and then strengthened in the second half of the year (-38% on the second half of 2019). Over the entire 12 months, the domestic segment was down 35.1% on pre-pandemic volumes, while the international segment declined 70.4%, indicating therefore the two-speed sector recovery.

The development outlined above has also changed the distribution of traffic at Italian airports, with airports in the Islands, benefiting from domestic tourism, showing more obvious signs of

1 Source International Monetary Fund https://www.imf.org/en/Publications/WEO/Issues/2022/01/25/world-economic-outlook-update-january-2022
2 Source Bank of Italy: https://www.bancaditalia.it/pubblicazioni/bollettino-economico/2022-1/index.html
3 Source Unioncamere Piemonte http://images.pie.camcom.it/f/ComunicatiStampa/2017/29/29255_UCCP_1632022.pdf
4 Source Unioncamere Piemonte http://images.pie.camcom.it/f/ComunicatiStampa/2017/29/29244_UCCP_1032022.pdf
5 Source Unioncamere Piemonte http://images.pie.camcom.it/f/ComunicatiStampa/2017/29/29187_UCCP_2112022.pdf
6 Source ISTAT https://www.istat.it/it/files//2022/01/REPORT_MOVIMENTOTURISTICO_2021.pdf
7 Source Piedmont Region https://www.regione.piemonte.it/web/pinforma/notizie/piena-ripresa-turismo-estivo-piemonte
8 Source VisitPiemonte https://www.visitpiemonte-dmo.org/wp-content/uploads/2021/11/CS_SondaggioVacanzaPiemonte_Inverno-21_22-con-dati.pdf

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recovery than the system average. On the other hand, airports with a strong international and intercontinental focus have struggled to rebound due to continued restrictions on non-EU travel.

Aircraft movements contracted less sharply than passenger traffic: in 2021 they numbered approx. 950,000, -42.4% on 2019 (+34.7% on 2020), confirming air carriers' use of smaller-capacity aircraft. Encouraging results for cargo traffic, with air cargo volumes reaching 2019 levels (+0.2%), and the entire cargo segment, including trucked cargo, reporting 1 million tonnes, or -1.9% on pre-COVID levels (+28.6% over 2020)4.

1 Source ACI World
https://aci.aero/2022/02/24/potential-turning-point-in-the-recovery-of-travel-as-latest-air-traffic-data-revealed/
2 Source IATA: https://www.iata.org/en/pressroom/2022-releases/2022-03-01-01/
3 Source ACI Europe
https://www.aci-europe.org/press-release/367-a-stop-start-recovery-in-2021-revealed-in-fragmented-traffic-results-for-europe-s-airports.html
4 Source Assaeroporti:
https://assaeroporti.com/aeroporti-italiani-nel-2021-passeggeri-in-calo-del-582-rispetto-ai-livelli-pre-pandemia/

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1.4
Aviation Business: passenger and cargo traffic

In 2021, Turin Airport transported 2,066,106 passengers, reporting an increase in traffic of 658,734 passengers, or +46.8% on 2020 and -47.7% on 2019 (before the pandemic).

PASSENGERS	2021	2020	2019	CHANGE ON 2020	%	CHANGE ON 2019	%
Domestic (scheduled)	1,483,713	880,284	1,900,013	603,429	68.5%	-416,300	-21.9%
International (scheduled)	558,454	451,317	1,907,891	107,137	23.7%	-1,349,437	-70.7%
TOTAL SCHEDULED	**2,042,167**	**1,331,601**	**3,807,904**	**710,566**	**53.4%**	**-1,765,737**	**-46.4%**
Charter	15,642	69,207	126,185	-53,565	-77.4%	-110,543	-87.6%
General Aviation	5,831	4,731	8,719	1,100	23.3%	-2,888	-33.1%
Transits	2,466	1,833	9,350	633	34.5%	-6,884	-73.6%
TOTAL	**2,066,106**	**1,407,372**	**3,952,158**	**658,734**	**46.8%**	**-1,886,052**	**-47.7%**

Despite the continuation of the pandemic, in 2021 Turin Airport was able to recover much of the volume lost in 2020 due to COVID-19.

We note the significant recovery of the domestic segment, which reported 1.4 million passengers in 2021 (+68.5% on 2020 and -21.9% on 2019). The domestic market primarily relies on routes to southern Italy and the Italian islands and was particularly lively during the peak summer period. The Airport recorded its best ever traffic volumes in August 2021, thanks to a surge in travel demand.

The international scheduled segment recorded 558,000 passengers in 2021, up 23.7% on 2020 but down 70.7% on 2019. The gap in international traffic compared to the pre-pandemic era shrank significantly in the last two months of 2021. At the start of the 2021-22 winter season in November, the new Ryanair base brought two aircraft into operation at Turin Airport and began operating flights to 19 new destinations, 17 of which are international. In addition, snow traffic from Northern Europe, the Republic of Ireland, and Great Britain also recovered.

The combination of these factors allowed Turin Airport to rank as one the top European regional airports in December 2021 in terms of air traffic recovery, with overall volumes recovering 86.4% compared to December 2019.

The **charter segment** in 2021 saw a decline of **77.4%** on 2020, a year in which skier numbers were still well-established in the initial two months, only to be abruptly cut to zero with the outbreak of the pandemic. The first ski charters in fact only restarted at the end of December 2021.

Destinations

In 2021, nine out of ten of the busiest routes were domestic due to several network changes and the ongoing difficulties caused by the pandemic, which continued to limit ravel to and from many foreign countries.
Before the summer season, new domestic flights were launched to destinations that were already served by other airlines; these include Blue Air and Wizz Air flights to Palermo, Blue Air and easyJet flights to Olbia, Ryanair flights to Cagliari, Lamezia Terme, and Naples, and a Wizz Air flight to Bari. Blue Air also launched a new flight to Reggio Calabria, while Ryanair launched a connection to Pescara. In terms of additional flights for summer 2021, practically all Southern Italian and islands destinations added significant numbers of flights. Finally, Ryanair launched a new flight to Trapani during the winter season.

Rome, which has always been the busiest route, in 2020 had already slipped to second place after Catania and in 2021 slid to sixth due to the disengagement of Alitalia, which was taken over by ITA on October 15, operating at most two daily flights, compared to the 6-7 in the pre-pandemic period.

PASSENGERS								
DESTINATIONS - SCHEDULED	2021	2020	2019	% OF TOTAL	Change on 2020		Change on 2019	
Catania	315,613	166,348	298,710	15.45%	149,265	89.7%	16,903	5.7%
Palermo	231,956	135,736	275,475	11.36%	96,220	70.9%	-43,519	-15.8%
Naples	175,192	116,670	267,622	8.58%	58,522	50.2%	-92,430	-34.5%
Bari	174,900	73,594	168,904	8.56%	101,306	137.7%	5,996	3.5%
Lamezia Terme	139,669	71,615	107,945	6.84%	68,054	95%	31,724	29.4%
Roma Fiumicino	121,838	143,646	485,391	5.97%	-21,808	-15.2%	-363,553	-74.9%
Cagliari	102,739	64,945	91,307	5.03%	37,794	58.2%	11,432	12.5%
Olbia	81,149	38,668	41,484	3.97%	42,481	109.9%	39,665	95.6%
Brindisi	64,833	35,153	90,272	3.17%	29,680	84.4%	-25,439	-28.2%
London	45,853	110,736	333,915	2.25%	-64,883	-58.6%	-288,062	-86.3%
TOTAL TOP 10 DESTINATIONS	**1,453,742**	**957,111**	**2,161,025**	**71.19%**	**496,631**	**51.9%**	**-707,283**	**-32.7%**
Other locations	588,425	374,490	1,646,879	28.81%	213,935	57.1%	-1,058,454	-64.3%
TOTAL	**2,042,167**	**1,331,601**	**3,807,904**	**100%**	**710,566**	**53.4%**	**-1,765,737**	**-46.4%**

In the international segment, Binter made its debut on the Italian market at Turin Airport during the summer season, operating a new flight to Gran Canaria. In addition, new connections to Greece and the Balearic Islands were established through Volotea flights to Mykonos and Menorca and Ryanair flights to Chania (Crete), Corfù, Rhodes, and Palma de Mallorca. Finally, new connections to Eastern Europe were established thanks to a Ryanair flight to Lviv (Ukraine) and a new Wizz Air connection to Bacau in Romania.

The most major development in 2021 involved the opening of a Ryanair base in the winter season. This new base is equipped with two aircraft serving 33 routes, including new international routes to Birmingham, Budapest, Krakow, Copenhagen, Edinburgh, Kyiv, Lanzarote, London Luton, Madrid, Malaga, Marrakech, Paris Beauvais, Shannon, Seville, and Tel Aviv. Finally, we note that Vueling began operating a new flight to Paris Orly on November 2, 2021.

The following table presents a comparison between 2021 and 2020 and 2019 of movements on the main scheduled traffic destinations.

MOVEMENTS								
DESTINATIONS-SCHEDULED	2021	2020	2019	% OF TOTAL	Change on 2020		Change on 2019	
Catania	2,271	1,348	1,861	13.2%	923	68.47%	410	22.03%
Palermo	1,641	1,072	1,763	9.5%	569	53.08%	-122	-6.92%
Rome fiumicino	1,210	1,552	4,547	7%	-342	-22.04%	-3,337	-73.39%
Naples	1,153	1,009	2,213	6.7%	144	14.27%	-1,060	-47.9%
Bari	1,149	605	1,006	6.7%	544	89.92%	143	14.21%
Lamezia terme	1,009	594	809	5.9%	415	69.87%	200	24.72%
Frankfurt	739	753	2,776	4.3%	-14	-1.86%	-2,037	-73.38%
Cagliari	732	582	679	4.3%	150	25.77%	53	7.81%
Amsterdam	704	517	1,442	4.1%	187	36.17%	-738	-51.18%
Olbia	637	324	336	3.7%	313	96.6%	301	89.58%
TOTAL TOP 10 DESTINATIONS	**11,245**	**8,356**	**17,432**	**65.4%**	**2,889**	**34.57%**	**-6,187**	**-35.49%**
Other locations	5,960	4,802	16,052	34.6%	1,158	24.11%	-10,092	-62.87%
TOTAL	**17,205**	**13,158**	**33,484**	**100%**	**4,047**	**30.76%**	**-16,279**	**-48.62%**

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Airlines

The main **scheduled carriers** operating in 2021 at our Airport and the respective numbers of passengers carried are presented below:

PASSENGERS								
CARRIER - SCHEDULED	2021	2020	2019	% OF TOTAL	Change on 2020		Change on 2019	
Ryanair	875,346	365,145	1,004,525	42.9%	510,201	139.7%	-129,179	-12.9%
Blue Air	282,817	209,293	569,185	13.8%	73,524	35.1%	-286,368	-50.3%
Volotea	267,716	233,567	256,803	13.1%	34,149	14.6%	10,913	4.2%
Wizz Air	236,700	36,465	75,862	11.6%	200,235	549.1%	160,838	212%
Alitalia group	121,857	143,646	476,663	6%	-21,789	-15.2%	-354,806	-74.4%
Easyjet	54,050	71,493	169,883	2.6%	-17,443	-24.4%	-115,833	-68.2%
Lufthansa group	54,020	66,745	384,568	2.6%	-12,725	-19.1%	-330,548	-86%
Klm	41,125	28,375	110,637	2%	12,750	44.9%	-69,512	-62.8%
Airnostrum	33,541	20,603	113,063	1.6%	12,938	62.8%	-79,522	-70.3%
Air France	32,300	28,862	169,207	1.6%	3,438	11.9%	-136,907	-80.9%
TOTAL TOP 10 AIRLINES	**1,999,472**	**1,204,194**	**3,330,396**	**97.9%**	**795,278**	**66%**	**-1,330,924**	**-40%**
Other airlines	42,695	127,407	477,508	2.1%	-84,712	-66.5%	-434,813	-91.1%
TOTAL	**2,042,167**	**1,331,601**	**3,807,904**	**100%**	**710,566**	**53.4%**	**-1,765,737**	**-46.4%**

Ryanair is still the leading carrier at Turin Airport and grew by 139.7% on 2020 thanks to the opening of a new hub. It now occupies 42.9% of the market at Turin Airport (compared to 27.4% in 2020). Wizz Air also performed very well, growing 549.1% in 2021 compared to 2020 and moving up the rankings from eighth to fourth place. The airline owes its growth to the expansion of its domestic flight network. Blue Air and Volotea rank in second and third place respectively and reported very similar traffic levels; they also expanded their domestic network during the year.

Low cost traffic accounted for 83.9% of total passenger traffic in 2021. The percentage increase compared to previous years (68.6% in 2020 and 57.3% in 2019) is due to the reduced operations of the full-service carriers connecting Turin with international destinations and the disengagement of Alitalia from the Rome route, as indicated above.

Finally, scheduled carrier **movements by airline** are presented below:

MOVEMENTS								
CARRIER - SCHEDULED	2021	2020	2019	% OF TOTAL	Change on 2020		Change on 2019	
Ryanair	6,177	2,948	5,884	35.9%	3,229	109.5%	293	5%
Blue Air	2,465	1,924	4,581	14.3%	541	28.1%	-2,116	-46.2%
Volotea	1,919	1,941	2,093	11.2%	-22	-1.1%	-174	-8.3%
Wizz Air	1,598	305	380	9.3%	1,293	423.9%	1,218	320.5%
Alitalia group	1,218	1,552	4,321	7.1%	-334	-21.5%	-3,103	-71.8%
Lufthansa group	1,073	1,492	5,760	6.2%	-419	-28.1%	-4,687	-81.4%
Klm	705	518	1,442	4.1%	187	36.1%	-737	-51.1%
Air France	552	543	2,400	3.2%	9	1.7%	-1,848	-77%
Airnostrum	499	256	1,275	2.9%	243	94.9%	-776	-60.9%
Easyjet	468	532	1,261	2.7%	-64	-12%	-793	-62.9%
TOTAL TOP 10 AIRLINES	**16,674**	**12,011**	**29,397**	**96.9%**	**4,663**	**38.8%**	**-12,723**	**-43.3%**
Other airlines	531	1,147	4,087	3.1%	-616	-53.7%	-3,556	-87%
TOTAL	**17,205**	**13,158**	**33,484**	**100%**	**4,047**	**30.8%**	**-16,279**	**-48.6%**

The following is a summary of historical trends and seasonality in total **passengers** specific to our airport.

TOTAL PASSENGER TRAFFIC (including transits & general aviation)

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
2006	260,461	321,034	301,479	275,236	268,880	279,790	286,999	246,939	270,742	259,835	231,318	258,261	**3,260,974**
2007	280,182	283,146	314,788	294,648	291,032	301,010	322,412	286,258	308,790	297,291	257,152	272,544	**3,509,253**
2008	290,081	297,462	338,402	289,135	304,187	314,022	307,055	269,285	279,529	268,527	219,513	243,635	**3,420,833**
2009	257,144	264,156	302,360	276,737	266,173	266,112	297,407	271,464	272,958	262,865	220,185	269,697	**3,227,258**
2010	279,036	269,824	312,431	270,799	308,544	307,732	313,081	323,100	322,070	304,788	271,619	277,145	**3,560,169**
2011	300,575	278,985	312,781	301,429	317,306	333,399	312,366	318,216	338,719	316,164	282,739	297,806	**3,710,485**
2012	300,967	271,516	309,360	299,873	311,909	309,811	298,850	307,339	311,482	291,052	248,093	261,595	**3,521,847**
2013	256,862	251,752	283,835	255,685	260,621	271,987	285,113	269,502	273,759	261,745	238,387	251,039	**3,160,287**
2014	266,969	267,388	294,766	270,509	297,841	296,379	332,116	304,432	309,331	277,005	248,069	267,181	**3,431,986**
2015	273,531	282,862	309,705	308,141	305,091	335,412	350,572	324,484	327,808	300,326	268,149	280,343	**3,666,424**
2016	298,806	321,833	346,471	312,453	331,793	344,008	364,466	345,742	350,210	328,576	293,054	313,496	**3,950,908**
2017	327,356	335,644	376,805	350,588	349,838	363,002	388,502	367,396	371,427	347,842	288,536	309,620	**4,176,556**
2018	318,941	327,546	366,789	346,722	335,869	337,565	363,923	341,458	358,011	347,013	307,296	333,790	**4,084,923**
2019	339,432	337,770	374,578	319,456	313,028	332,445	344,751	320,271	341,058	319,984	289,788	319,597	**3,952,158**
2020	333,274	313,742	66,446	1,487	2,619	23,994	128,377	171,484	161,872	120,850	30,453	52,774	**1,407,372**
2021	42,837	21,989	33,427	59,414	91,318	188,599	269,201	312,091	267,049	240,084	263,990	276,107	**2,066,106**

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TOTAL TRAFFIC MOVEMENTS

Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOTAL
2006	4,612	6,210	5,460	4,738	5,263	5,340	5,044	4,071	5,062	5,378	5,076	4,584	**60,838**
2007	4,927	5,110	5,580	5,001	5,487	5,364	5,636	4,331	5,443	5,636	4,847	4,774	**62,136**
2008	4,972	4,922	5,242	5,198	5,079	5,053	5,212	3,997	4,827	4,975	4,385	4,286	**58,148**
2009	4,867	5,001	5,568	4,789	5,088	4,737	5,088	3,804	4,681	4,871	3,904	4,021	**56,419**
2010	4,180	4,254	4,850	4,318	4,927	4,978	4,714	3,938	4,952	4,976	4,527	4,226	**54,840**
2011	4,292	4,341	4,947	4,584	5,060	4,732	4,286	3,949	4,793	4,965	4,395	4,197	**54,541**
2012	4,297	4,204	4,695	4,220	4,784	4,726	4,266	3,654	4,565	4,526	3,972	3,864	**51,773**
2013	3,714	3,570	3,953	3,620	3,999	3,753	3,879	3,068	3,585	3,720	3,404	3,391	**43,656**
2014	3,770	3,367	3,642	3,294	3,685	3,713	3,931	3,269	3,808	3,533	3,259	3,191	**42,462**
2015	3,579	3,446	3,925	3,730	3,851	3,997	4,092	3,340	3,720	3,576	3,488	3,517	**44,261**
2016	3,650	3,737	3,990	3,656	3,966	4,092	4,279	3,536	4,121	4,049	3,832	3,589	**46,497**
2017	3,761	3,452	3,970	3,878	4,158	4,315	4,625	4,015	4,319	4,207	3,627	3,528	**47,855**
2018	3,695	3,562	3,958	3,816	3,768	4,010	4,090	3,533	3,914	3,929	3,521	3,715	**45,511**
2019	3,943	3,798	4,148	3,371	3,605	3,657	3,783	3,237	3,819	3,516	3,327	3,450	**43,654**
2020	3,701	3,477	1,257	107	459	1,042	2,010	2,223	2,498	2,024	1,255	1,355	**21,408**
2021	1,172	787	1,297	1,405	1,616	2,506	2,944	3,005	3,259	2,839	3,073	3,229	**27,132**

Cargo

Cargo traffic at Turin Airport totalled 1,786,825 Kg, up 61.1% on 2020, a year heavily impacted by the COVID-19 pandemic. Traffic volumes recovered, although remaining significantly below 2019 volumes (-46.4%), amid a general domestic and regional recovery.
In 2021, the growth of Piedmont (source: Confindustria Piedmont) was in line with the domestic average and slightly under the more developed Northern Italian regions.
Airport performance was also impacted by the concentration of cargo traffic at a limited number of airports, particular to the global air freight industry, which can be seen in a general tendency for industrial districts to concentrate their flow of goods through Milan's Malpensa Airport, where the greatest volumes of Piedmont's imports and exports are centralised.

Within this environment, in 2021 the aviation component recovered partially (+92.9% on 2020 and -48.1% on 2019), thanks to the recovery from March of road connections to and from the Paris Charles De Gaulle hub. The historic air connections of Lufthansa, Alitalia, KLM, and Swiss, which together accounted for 61% of surface traffic annually in 2019, remain cancelled.

Simultaneously, due to the scheduled passenger connections of Alitalia, Lufthansa, Royal Air Maroc and Brussels Airlines, a decline in the passenger flight hold air cargo component was reported of 37.8% in 2021 on 2020, despite a number of all cargo flights operated by Volga-Dnepr Airlines with Antonov 124 aircraft, which carried exceptional cargo to the United States and France.

In terms of total cargo traffic markets (air and trucked cargo), in 2021 the U.S., U.K. (growing strongly), Brazil, China (declining), Argentina, and Japan represented the top six nations by volume of cargo transited. Other major markets followed: India (declining), Qatar, Nepal, Pakistan, and Uzbekistan. Medium and short-range markets in 2021 included Israel, Belgium and Sweden.

Rate-regulated areas

The Aviation business also includes the exclusive use of dedicated airport infrastructure by the individual carriers or operators (e.g. check-in counters, offices, operating premises). This included refurbishing space in the main terminal and remote buildings subcontracted to Ryanair for management and maintenance activities related to the opening of the carrier's base.

1.5
Business Handling

In 2021, due to the continuation of the COVID-19 pandemic, traffic was still limited compared to standard volumes, although compared to the previous year, all components were up:

- passengers served: +63.7%;
- total weight: +43.7%;
- aircraft movements served: +38.9%;
- goods transported: +61.4%.

The share of traffic handled at Turin Airport by SAGAT Handling in 2021 constituted 88.9% of commercial aviation passengers (up from 79.8% in 2020), and 83.3% of aircraft movements (up from 76.1% in 2020).

These figures confirm that SAGAT Handling continues to be able to provide quality service to the passengers and carriers that use Turin Airport and are a testament to the high level of satisfaction with this service, which is provided at market rates.

The level of assisted traffic, although still below standard levels, generated an improvement in all financial indicators, partly due to the fact that all possible measures were undertaken to mitigate the impacts of the pandemic, including the adoption of the Extraordinary Temporary Lay-off Scheme for all staff and the introduction of all available levers to reduce operating costs.

The value of production improved, from Euro 5,419 thousand in 2020 to Euro 7,022 thousand, EBITDA came to a loss of Euro 660 thousand, improving on the loss of Euro 1,712 thousand in 2020, and the net loss for the year was Euro 618 thousand, improving on Euro 2,525 thousand in 2020.

The table below shows highlights for SAGAT Handling's business as compared to the previous year (and for completeness also with 2019):

COMMERCIAL AVIATION	2021	2020	2019	2021/2020
Aircraft movements (No.)	14,749	10,617	24,884	38.9%
Domestic passengers (No.)	1,364,136	739,329	1,425,343	84.5%
International passengers (No.)	467,512	379,745	1,571,896	23.1%
Total passengers (No.)	1,831,648	1,119,074	2,997,239	63.7%
Aircraft tonnage (t.)	1,011,745	704,200	1,541,551	43.7%
Air/surface cargo (kg)	1,786,385	1,106,639	3,332,933	61.4%

Commercial and financial performance

The increase in the number of passengers and assisted movements and the introduction of all available levers to reduce operating costs have significantly improved the operating results on the previous year, although they still remain in negative territory overall.

The table below shows the main financial indicators for the business conducted by SAGAT Handling in 2021.

Euro thousands

	2021	2020	Change € 2021/2020	Change % 2021/2020
Value of production	7,022	5,419	1,603	29.6%
Personnel costs	4,789	4,605	185	4%
Operating costs	2,881	2,526	355	14.1%
Gross Profit/(loss)	**(649)**	**(1,712)**	**1,063**	**62.1%**
Provisions & write-downs	111	1,487	-1,376	-92.5%
EBITDA	**(760)**	**(3,199)**	**2,439**	**76.2%**
Amortisation and depreciation	68	87	-18	-20.9%
EBIT	**(828)**	**(3,285)**	**2,457**	**74.8%**
Net Financial income/(charges)	0	0	0	-165.6%
Profit/(loss) before taxes	**(828)**	**(3,285)**	**2,457**	**74.8%**
Income taxes	(220)	(760)	541	71.1%
Net profit/(loss)	**(609)**	**(2,525)**	**1,916**	**75.9%**

1.6
Non-aviation business: commercial activities

As in 2020, the COVID-19 pandemic continued to impact all commercial activities at the Airport in 2021, as closely related to passenger traffic movements. Thus, the first half of 2021 was marked by dialogue with all partners to agree strategies for maintaining operations (reshaping opening days and hours, renegotiating contract terms). In contrast, the second half of the year was marked by a gradual return to pre-COVID service levels and the restoration of normal contract conditions, in line with the robust recovery in traffic.

SAGAT's total non-aviation revenues (which include the sub-licensing of retail spaces, parking, advertising, and other non-aviation passenger services) were up 24.6% in the year on 2020.

The key developments of the individual areas of business are presented below:

• Sub-licensing of retail and food-service space

In response to the reduction in passenger traffic, a number of supply optimisation measures have been developed. Panella's new format opened on the Departures level - check-in area to replace the cafeteria previously located on the Upper Departures level, so as to service more customers. This new unit has been joined by the "Viaggi Essential" market format, which can benefit from the footfall of the adjacent bar. The redesign of the Departures Hall commercial offerings continued with the opening in October of the new restaurant-shop "Terre Baladin," which promotes the products of the Piedmont region, and the reopening in December of the restaurant-pizzeria specialising in buffalo mozzarella dishes, in a different location and with the original "Bufala" format. This completes the new use of the southern area of the Departures Hall, which now with 4 dining venues is set up as a full-fledged food court.
On the retail front, the "Giunti al Punto" bookstore was expanded, with interesting sales results also stemming from the increased window space in the shopping mall.
Despite the contraction of the traditionally high-spending international component of passenger traffic, Duty Free has been able to change its product offerings, with the inclusion of many very attractive options for domestic passengers.
The Travel & Facilities segment benefited from the continual opening of sales points, as they also provide essential services for passengers, such as the sale of facemasks and other goods necessary for travel. The airport Covid Test Point, which opened in 2021, has continued its valuable work in supporting travel needs, including the offering of new services such as molecular testing with rapid results and opening its doors to the local catchment area. For these reasons, the performance improved on the previous year.

• Non-retail and other sub-licensing

In the car-hire segment, despite the sharp decline in car hiring due to the drop in traffic and its differing composition, all sub-licensees

continued to operate. The best performance was recorded by rental cars located in the arrivals area inside the terminal, which was completely overhauled in 2019. The first full electric cars for car rental have also been released at Turin Airport, with special charging stations set up in the multi-storey parking lot.
In terms of non-retail space subconcessions, an entire floor of the building traditionally occupied by State Bodies has been made available to generate income, subconcessioned for a fee to Enac Operations Department-Turin office.

• Parking

During 2021, many actions have been taken to make the experience of buying and using official Torino Airport parking space as safe and convenient as possible.
The e-commerce platform has been further improved by allowing the customer total management of their purchase, including through order modification and cancellation. Parking lots, thanks to the enhancement of entry and exit barriers with cameras, can also be accessed by license plate reading, making the experience increasingly conctactless and immediate.
From spring 2021, customer parking assistance is handled by the information service staff with guaranteed customer support and maximum hourly coverage based on the arriving and departing flight times. Assistance is provided in person at the information office and remotely via new video intercom stations located at strategic points such as the automated payment area and the exit of the Multi-storey parking lot. Support also continues to be provided via e-mail and through the Live Chat channel.
Public parking revenues in 2021 were up 44.2% on the previous year, with online purchasing confirmed as the preferred option, with its revenues doubling on 2020.
In December 2021, a new car sharing parking lot dedicated to the increasingly used and popular passenger service connecting the Airport to Turin opened a few meters from the Terminal. The parking area, accessible only by license plate reading, houses the Share Now operator and the new client Enjoy (who will be joined by Leasys Go in 2022). The parking lot has provision for the installation of charging stations to serve all brands that will also expand their fleets with electric cars in the near future.

• Advertising

Most revenues stemmed, as always, from the main subconcessionaire, IGPDecaux, which was impacted by the inability to enter into long-term contracts due to the uncertain traffic situation. This business unit also includes revenues from the use of the airport as a set for film and TV shoots, chosen by 4 productions during the year.

• Non-aviation assistance

The VIP lounge in 2021 was closed for 10 months and the fast track for two months. Consequently, revenues - down on the previous year - do not reflect passenger traffic performance, due to the unavailability of services.
The ticket office has always continued to operate to ensure passenger assistance, expanding its reach, also providing customers with a VAT refund service and managing parking payment assistance.

1.7 Operating performance

The operating performance in 2021 was significantly compromised by the continued COVID-19 health emergency. The Parent Company posted a net loss of Euro 7,815 thousand for the year, increasing Euro 8,241 thousand on 2020. At consolidated level, the net loss came to Euro 8,407 thousand for the year, improving Euro 10,158 thousand on 2020. The tables below summarise the main items of the income statement compared with the figures for the previous year.

Euro thousands

SAGAT S.P.A.	2021	2020	Change	% Change
Revenues	32,704	23,647	9,057	38.3%
Personnel costs	11,676	11,603	73	0.6%
Operating costs	24,041	18,513	5,528	29.9%
Gross Profit/(loss)	**(3,013)**	**(6,469)**	**3,456**	**-53.4%**
Gross Profit/(loss) %	**-9.2%**	**-27.3%**	**18.0%**	
Provisions and write downs	1,339	9,439	-8,100	-85.8%
EBITDA	**(4,352)**	**(15,908)**	**11,556**	**-72.6%**
EBITDA %	**-13.3%**	**-67.3%**	**54.0%**	
Amortisation and depreciation	6,154	5,860	293	5%
Grants	671	671	0	0%
EBIT	**(9,834)**	**(21,095)**	**11,261**	**-53.4%**
EBIT %	**-30.1%**	**-89.2%**	**59.1%**	
Net Financial income/(charges)	(616)	(206)	-411	199.5%
Profit/(loss) before taxes	**(10,451)**	**(21,301)**	**10,850**	**-50.9%**
Income taxes	(2,636)	(5,245)	2,609	-49.7%
Net profit/(loss)	**(7,815)**	**(16,056)**	**8,241**	**-51.3%**

Euro thousands

CONSOLIDATED	2021	2020	Change	% Change
Revenues	37,203	26,583	10,620	40%
Personnel costs	16,465	16,206	259	1.6%
Operating costs	24,400	18,556	5,844	31.5%
Gross Profit/(loss)	**(3,662)**	**(8,179)**	**4,518**	**-55.2%**
Gross Profit/(loss) %	**-9.8%**	**-30.8%**	**20.9%**	
Provisions & write-downs	1,450	10,925	-9,475	-86.7%
EBITDA	**(5,111)**	**(19,104)**	**13,993**	**-73.2%**
EBITDA %	**-13.7%**	**-71.9%**	**58.1%**	
Amortisation and depreciation	6,206	5,931	275	4.6%
Grants	671	671	0	0%
EBIT	**(10,647)**	**(24,365)**	**13,718**	**-56.3%**
EBIT %	**-28.6%**	**-91.7%**	**63%**	
Net Financial income/(charges)	(616)	(206)	-411	199.5%
Gross Consolidated Result	**(11,263)**	**(24,570)**	**13,307**	**-54.2%**
Income taxes	(2,856)	(6,005)	3,149	-52.4%
Consolidated profit/(loss)	**(8,407)**	**(18,565)**	**10,158**	**-54.7%**

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Revenues

The tables below highlight the main components of revenue for 2021 and 2020 respectively for the Parent Company and for the Group:

Euro thousands

SAGAT S.P.A.	2021	2020	Change €	% Change
Value of Production	**32,704**	**23,647**	**9,057**	**38.3%**
consisting of:				
Aviation	**22,920**	**16,093**	**6,828**	**42.4%**
of which:				
Fees	15,261	10,184	5,076	49.8%
Centralised infrastructure	698	789	-91	-11.6%
Safety	4,119	2,806	1,313	46.8%
Aviation Assistance	1,814	1,241	573	46.2%
Regulated sub-concessions	1,029	1,072	-43	-4%
Handling	**50**	**57**	**-7**	**-12.2%**
Non-Aviation	**7,533**	**6,070**	**1,463**	**24.1%**
of which:				
Ticketing	330	221	108	49%
Food & Beverage	1,005	696	309	44.5%
Beauty & Fashion	214	203	11	5.4%
VIP Lounge & Fast Track	117	291	-174	-59.7%
Duty Free	398	365	33	9.1%
Travel & Facilities	442	252	190	75.5%
Financial services	83	110	-27	-24.7%
Rent a car	884	701	183	26.1%
Subc. spaces	713	662	51	7.7%
Parking	2,868	2,098	770	36.7%
Advertising	468	465	3	0.7%
Other	10	6	4	80.1%
Other revenues	**2,201**	**1,427**	**773**	**54.2%**

Euro thousands

CONSOLIDATED	2021	2020	Change €	% Change
Value of Production	**37,203**	**26,583**	**10,620**	**40%**
consisting of:				
Aviation	**22,602**	**15,712**	**6,890**	**43.9%**
of which:				
Fees	15,261	10,184	5,076	49.8%
Centralised infrastructure	698	789	-91	-11.6%
Safety	4,119	2,806	1,313	46.8%
Aviation Assistance	1,812	1,241	571	46.1%
Regulated sub-concessions	713	691	21	3.1%
Handling	**5,294**	**3,800**	**1,494**	**39.3%**
of which:				
Assistance	5,122	3,660	1,462	39.9%
Cargo activities	172	140	32	22.9%
Non-Aviation	**7,393**	**5,932**	**1,461**	**24.6%**
of which:				
Ticketing	330	221	108	49%
Food & Beverage	1,005	696	309	44.5%
Beauty & Fashion	214	203	11	5.4%
VIP Lounge & Fast Track	117	291	-174	-59.7%
Duty Free	398	365	33	9.1%
Travel & Facilities	442	252	190	75.5%
Financial services	83	110	-27	-24.7%
Rent a car	884	701	183	26.1%
Subc. spaces	606	554	53	9.5%
Parking	2,835	2,068	766	37.1%
Advertising	468	465	3	0.7%
Other	0	6	5	80.1%
Other Revenues	**1,914**	**1,140**	**774**	**67.9%**

The main changes at the consolidated level are described below.

Revenues

Aviation revenues in 2021 amounted to Euro 22,602 thousand, an increase of Euro 6,890 thousand (+43.9%). The significant increase stems from the recovery of much of the traffic volumes lost in 2020 due to the COVID-19 health emergency, which had greater impacts in 2020 than in 2021.

Non-aviation revenues increased by Euro 1,461 thousand in 2021 (+24.6%), from Euro 5,932 thousand in 2020 to Euro 7,393 thousand in 2021. The increase in passenger traffic benefitted retail, food service, parking, and ticketing activities, while the activities of the SalaVip (VIP lounge) & FastTrack saw a 59.7 percent decrease, relating to the closure of the VIP lounge space for 10 months and of the Fast Track for two months.

Other revenues, totalling Euro 1,914 thousand, significantly increased due to non-recurring revenue components in 2021, such as the release of provisions and the closing of payables as a result of reaching their due dates. The details of this item are reported in the Explanatory Notes.

Personnel costs

Personnel costs for the Group, including the cost of temporary workers, amounted to Euro 16,465 thousand in 2021, increasing Euro 259 thousand on the previous year.

This increase is mainly attributable to the upturn in traffic in the second half of the year, Collective Bargaining Agreement renewals, the launch of the Ryanair base, and the resumption of snow charter traffic, which led to a large number of temporary seasonal hires over the last two months of the year. For further information, reference should be made to the related sections of the Directors' Report and the Explanatory Notes.

Operating costs

As a direct result of the upswing in traffic and the start-up of the Ryanair base, Group operating costs totalled Euro 24,400 thousand, thus increasing Euro 5,844 thousand over the previous year, resulting mainly from:

- higher utility costs;
- higher costs for fees;
- higher commercial costs for commercial and traffic promotion.

Gross profit

As a result of the changes in the revenue and cost components described above, the gross result for 2021 amounted to a loss of Euro 3,662 thousand, an improvement of Euro 4,518 thousand on 2020.

Provisions and write-downs

Provisions and write-downs includes the write-down of trade receivables so as to cover possible losses due to the non-collectability of some credit positions, and the best estimate of the adjustment of the value of contingent liabilities related to compensation to third parties and various disputes, carried out on the basis of internal assessments supported by the opinions of the lawyers and consultants assisting the Company.

In 2021, provisions and write-downs by the Group amounted to Euro 1,450 thousand, a reduction of Euro 9,475 thousand on the previous year. This significant reduction is mainly attributable to the higher doubtful debt provision, which was made necessary in 2020 by the effects of the pandemic on the aviation industry.

EBITDA

As a result of the factors outlined above, EBITDA for 2021 amounted to a loss of Euro 5,111 thousand, an improvement of Euro 13,993 thousand on 2020.

Amortisation and Depreciation

Amortisation and depreciation, totalling Euro 6,206 thousand, increased by Euro 275 thousand and is therefore essentially in line with the previous year.

Grants

Totalling Euro 671 thousand, grants are in line with the previous year and represent the portion attributable to 2021 of grants received in the early 2000's. For further information, reference should be made to the related sections of the Explanatory Notes.

EBIT

Group EBIT for 2021 amounted to a loss of Euro 10,647 thousand, improving Euro 13,718 thousand on 2020.

Net financial income/(charges)

Net financial charges of Euro 616 thousand increased Euro 411 thousand on the previous year and entirely concerns interest on the loans drawn down in 2020 and 2021.

Result before taxes

The pre-tax loss came to Euro 11,263 thousand for the year, an improvement of Euro 13,307 thousand on 2020.

Income taxes

Taxes overall again contributed positively to income, while decreasing Euro 3,149 thousand compared to the previous year due to the improved gross result for the year.
The difference between the actual 2021 tax rate, of 25.4% at the consolidated level, and the theoretical rate is described in detail in the specific section of the Explanatory Notes.

Net result

The Group posted a net loss of Euro 8,407 thousand for 2021, an improvement of Euro 10,158 thousand on the previous year.

1.8
Financial position analysis

The tables below present the separate and consolidated balance sheets, which have been reclassified as per financial criteria, including comparisons of the 2021 figures with those of the previous year.

Euro thousands

SAGAT S.p.A.	2021	2020	Δ vs 2020
Intangible and tangible fixed assets	51,579	52,701	-1,123
intangible	9,008	8,945	64
tangible	42,570	43,756	-1,186
Financial assets	14,189	12,691	1,498
Assets	**65,767**	**65,392**	**375**
Trade receivables	9,510	4,362	5,148
Trade payables	(19,452)	(15,432)	-4,020
Operating working capital	**(9,942)**	**(11,070)**	**1,128**
Other assets	25,512	24,857	656
Other liabilities	(28,516)	(28,359)	-156
Other Assets/ Other Liabilities	**(3,003)**	**(3,503)**	**500**
NWC	**(12,945)**	**(14,573)**	**1,628**
Provisions	**(12,029)**	**(11,622)**	**-407**
NET CAPITAL EMPLOYED	**40,793**	**39,197**	**1,596**
Share capital	12,911	12,911	0
Reserves	17,847	33,903	-16,056
Net profit/(loss) for the year	(7,815)	(16,056)	8,241
Shareholders' Equity	**22,944**	**30,759**	**-7,815**
(Cash and cash equivalents)	(10,418)	(16,726)	6,308
Loans	28,267	25,164	3,102
Net Financial Position	**17,849**	**8,439**	**9,411**
SOURCES	**40,793**	**39,197**	**1,596**

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Euro thousands

CONSOLIDATED	2021	2020	Δ vs 2020
Intangible and tangible fixed assets	51,782	52,868	-1,086
intangible	9,049	8,965	83
tangible	42,733	43,903	-1,170
Financial assets	9,845	9,847	-2
Fixed Assets	**61,627**	**62,715**	**-1,088**
Trade receivables	11,212	4,928	6,284
Trade payables	(20,279)	(16,147)	-4,132
Operating working capital	**(9,066)**	**(11,219)**	**2,152**
Other assets	25,808	24,925	883
Other liabilities	(28,131)	(27,581)	-550
Other Assets/ Other Liabilities	**(2,323)**	**(2,656)**	**333**
NWC	**(11,389)**	**(13,875)**	**2,486**
Provisions	**(13,583)**	**(13,201)**	**-382**
NET CAPITAL EMPLOYED	**36,654**	**35,639**	**1,015**
Share capital	12,911	12,911	0
Reserves	15,408	33,973	-18,565
Net profit/(loss) for the year	(8,407)	(18,565)	10,158
Shareholders' Equity	**19,913**	**28,320**	**-8,407**
(Cash and cash equivalents)	(11,525)	(17,845)	6,320
Loans	28,267	25,164	3,102
Net Financial Position	**16,742**	**7,319**	**9,422**
SOURCES	**36,654**	**35,639**	**1,015**

The main changes at the consolidated level are described below:

As can be seen in the statement above, capital employed, net of current liabilities, increased by Euro 1,015 thousand as a result of the following changes:

- a reduction of Euro 1,088 thousand in fixed assets, due essentially to:
  - an increase of Euro 83 thousand in intangible assets due to new investments made during the year for Euro 991 thousand, ordinary amortisation for Euro 1,059 thousand, and an increase due to reclassifications to other asset accounts for Euro 152 thousand;
  - a reduction of Euro 1,170 thousand in property plant and equipment, the combined effect of ordinary depreciation for Euro 5,146 thousand, new capital expenditures during the year for Euro 4,092 thousand, and the net negative effect of other changes for Euro 115 thousand;
- the increase in net working capital of Euro 2,486 thousand due mainly to:
  - increase in trade receivables for Euro 6,284 thousand, mainly due to the impact of higher revenues in the year.
  - increase in other assets of Euro 883 thousand, as a combined effect of the increase in deferred tax assets, of receivables from the tax consolidation and the reduction for collections in 2021 of the receivable from the Ministry of Infrastructure and Transport of Euro 3,135 thousand;
  - increase in trade payables of Euro 4,132 thousand, mainly due to higher costs compared to the previous year;
  - increase in other liabilities of Euro 550 thousand, mainly due to the higher payables for surtaxes.
- an increase in provisions for Euro 382 thousand as follows:
  - Euro 228 thousand for the increase in provision for risks and charges related to the allocation made at the end of the year to adjust the balance of the provision based on actual potential risks, as well as to releases and uses during the year. At December 31, 2021, the provision was Euro 10,410 thousand, as detailed in the related section of the Explanatory Notes;
  - increase of Euro 154 thousand of the payable for post-employment benefits of the Companies.

Group shareholders' equity decreased by Euro 8,407 thousand as a result of the net loss for the year.

The debt amounts to Euro 28,267 thousand, increasing Euro 3 million on the previous year, due to the drawdown of the new loan to ensure the medium-term financial sustainability of the company.

As a result of the changes above, cash and cash equivalents at the end of 2021 decreased by Euro 6,320 thousand on the previous year, amounting to Euro 11,525 thousand.

The Group net financial position for the year increased by Euro 9,422 thousand, from a net debt of Euro 7,319 thousand at December 31, 2020, to a net debt of Euro 16,742 thousand at December 31, 2021.

1.9 Cash flow analysis

During the year, Group operations absorbed cash for Euro 9,422 thousand.

Consolidated cash flow from operating activities, a net absorption of Euro 3,689 thousand, is a result of the gross operating loss of Euro 3,662 thousand, the decrease of Euro 2,486 thousand in net working capital, the positive effect of deferred tax assets for the year for Euro 2,856 thousand, and other non-monetary items (provisions and grants) for Euro 397 thousand of cash absorbed.
Cash flow on investing activities in intangible assets and in property, plant and equipment absorbed cash for Euro 5,084 thousand, while financing activities absorbed cash for Euro 616 thousand due to the payment of interest on financing.

As a result, overall consolidated cash flows absorbed cash for Euro 9,422 thousand. The net financial position at December 31, 2021 was a net debt position of Euro 16,742 thousand, as compared to a debt position of Euro 7,319 thousand on December 31, 2020.

The changes described above are summarised in the following table.

Euro thousands

CASH FLOW STATEMENT - CONSOLIDATED	2021	2020
Cash and cash equivalents	17,845	9,489
Financial payables	(25,164)	0
Initial NFP	**(7,319)**	**9,489**
EBITDA	(3,662)	(8,179)
Δ NWC	(2,486)	(2,995)
Income taxes	2,856	6,005
Δ Provisions (net of allocations for the period)	(397)	(8,093)
OPERATING CASH FLOW	**(3,689)**	**(13,262)**
Investments	(5,084)	(4,153)
Other items	(34)	812
CASH FLOW – Investments	**(5,118)**	**(3,341)**
FREE CASH FLOW	**(8,806)**	**(16,603)**
Dividends	0	0
Net financial income/expense	(616)	(206)
CASH FLOW – Dividends & Fin. inc/exp	**(616)**	**(206)**
NET CASH FLOW	**(9,422)**	**(16,808)**
Final NFP	**(16,742)**	**(7,319)**
Financial payables	(28,267)	(25,164)
Cash and cash equivalents	11,525	17,845

Therefore, overall, Group operations absorbed cash of Euro 9,422 thousand.

The table below shows a breakdown of and changes in liquidity and net financial position for SAGAT, the parent company:

Euro thousands

SAGAT S.P.A.	2021	2020
Opening cash and cash equivalents	16,726	8,104
Opening financial liabilities	(25,164)	0
Initial NFP	**(8,439)**	**8,104**
EBITDA	(3,013)	(6,467)
Δ NWC	(1,628)	(4,597)
Income taxes	2,636	5,245
Δ Provisions (net of allocations for the period)	(261)	(7,219)
OPERATING CASH FLOW	**(2,265)**	**(13,038)**
Investments	(4,995)	(4,110)
Other items	(1,534)	812
CASH FLOW - Investments	**(6,529)**	**(3,298)**
FREE CASH FLOW	**(8,794)**	**(16,337)**
Dividends	0	0
Net financial income/expense	(616)	(206)
CASH FLOW - Dividends & Fin. inc/exp	**(616)**	**(206)**
NET CASH FLOW	**(9,411)**	**(16,542)**
Final NFP	**(17,849)**	**(8,439)**
Financial payables	(28,267)	(25,164)
Cash and cash equivalents	10,417	16,726

1.10
Key financial indicators

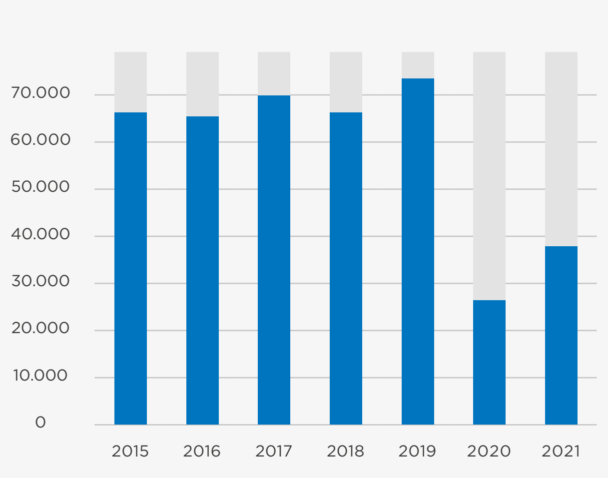
The table and the figures below present the consolidated operating and financial highlights, along with comparisons to the previous year.

Euro thousands

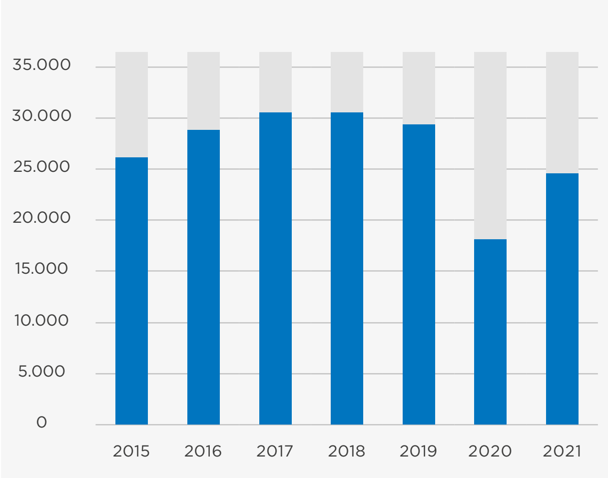
CONSOLIDATED	2015	2016	2017	2018	2019	2020	2021
Value of production	66,020	65,238	69,975	66,292	73,244	26,583	37,203
Operating costs	25,992	28,712	30,331	30,346	29,304	18,556	24,400
Personnel	19,708	20,713	20,497	19,577	19,947	16,206	16,465
Gross Profit/(loss)	20,320	15,813	19,147	16,369	23,993	(8,179)	(3,662)
Net Profit/(loss)	8,709	6,761	11,187	7,689	9,350	(18,565)	(8,407)
Shareholders' Equity	47,618	52,152	51,249	48,505	46,885	28,320	19,913
ROI %	22.93%	24.76%	27.68%	22.13%	32.38%	n/a	-26.73%
ROE %	18.29%	12.96%	21.80%	15.85%	19.94%	n/a	-42.22%
Trend in Investments	3,263	4,735	6,470	6,833	10,879	4,153	5,084
Trend in Self-financing (*)	20,450	13,789	18,979	15,132	21,353	(1,014)	(705)
Trade receivables	11,979	12,892	15,557	15,215	15,271	4,928	11,212
Average duration of trade receivables	79	74	86	86	89	71	116
Trade payables	10,842	16,020	17,822	17,868	19,436	16,147	20,279
Average duration of trade payables	152	204	215	216	243	318	303

ROI: EBIT / capital employed The figure for the previous years has been adjusted to align the calculation method across all companies of the Group.
ROE: net result / equity
Days Sales Outstanding: trade receivables / sales (item A1 of IV EEC format)
Accounts payable turnover: trade payables / costs for suppliers
(*) Self-financing: profit/(loss) for the year + amortisation/depreciation + provisions/write-downs + net change in post-emp. ben.

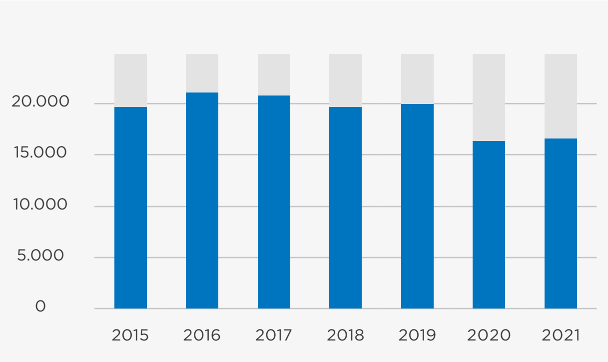
Value of production



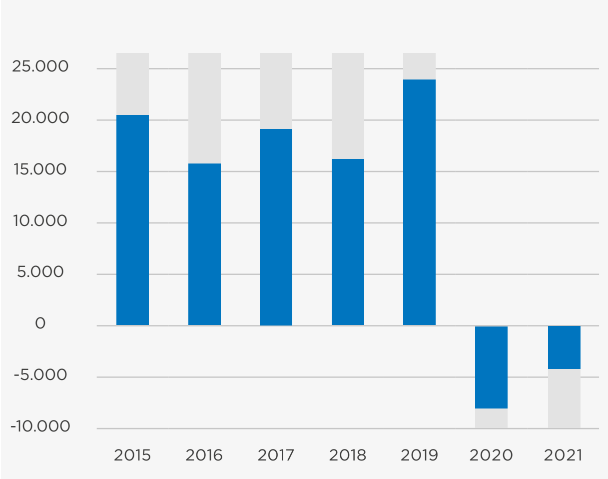
Operating costs



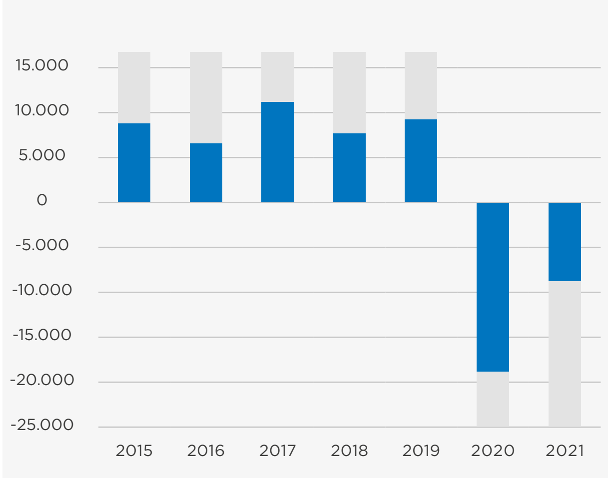
Personnel costs



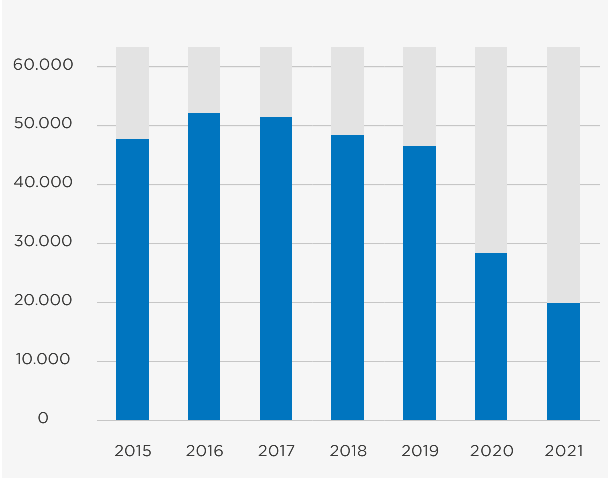
Gross profit



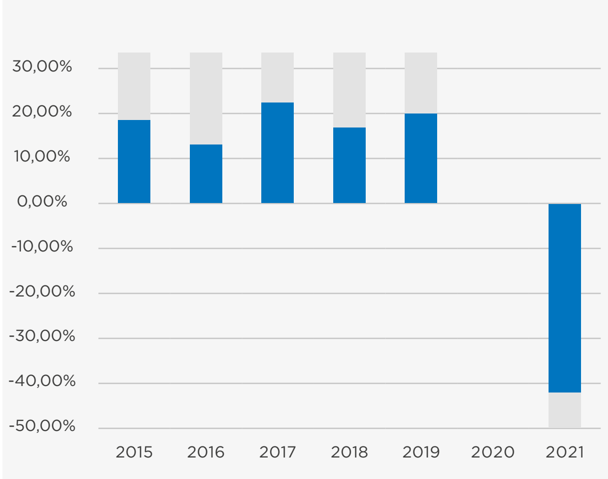
Net profit/(loss)



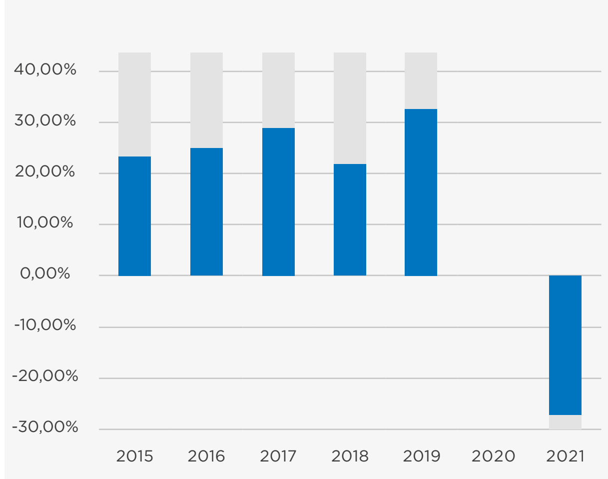
Shareholders' equity



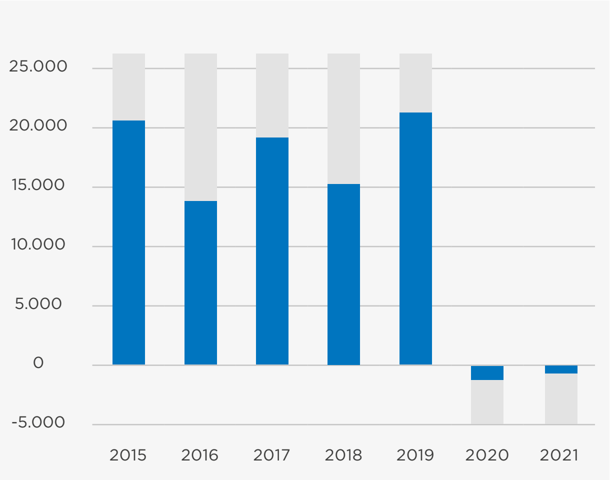
ROE



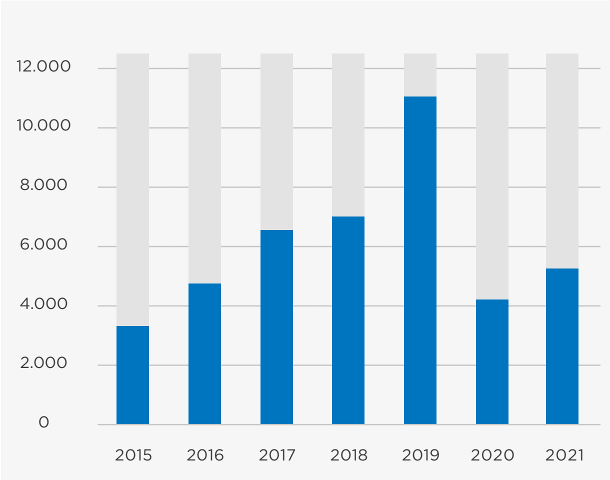
ROI



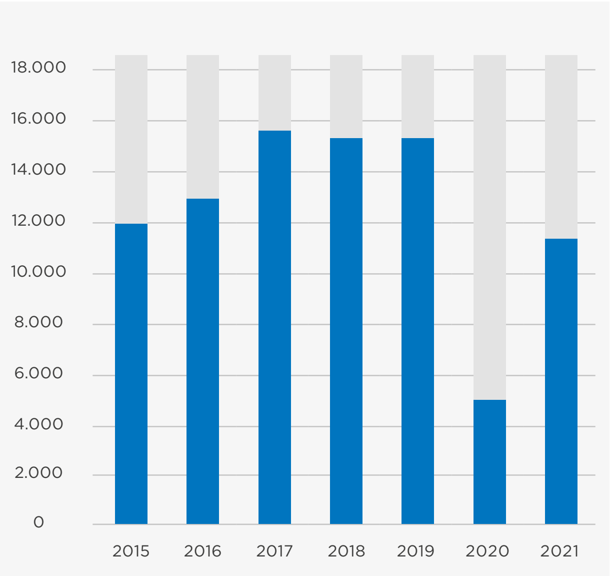
Trend in self-financing



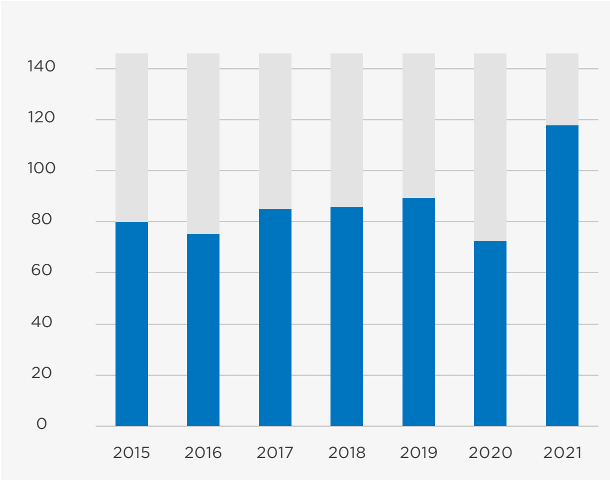
Trend in investments



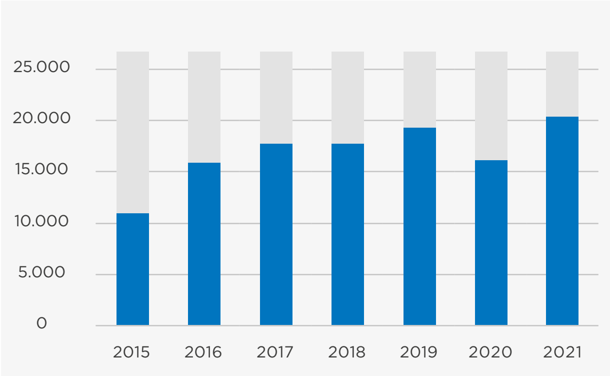
Trade receivables



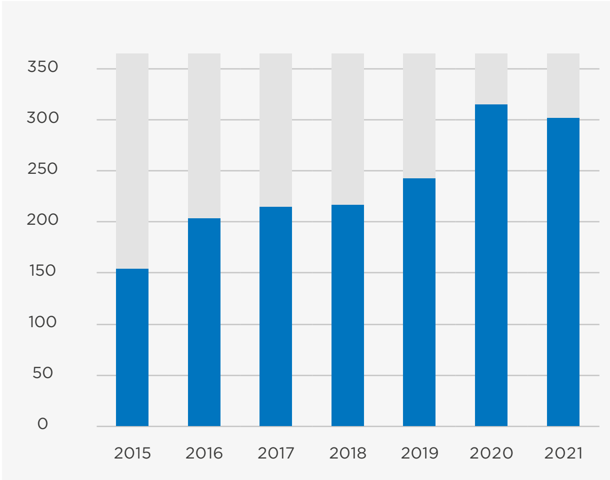
Average duration of trade receivables



Trade payables



Average duration of trade payables



1.11 Financial instruments

The economic losses in 2020 and 2021 were reflected in an absorption of liquidity that the Company managed at first by resorting to short-term sources of financing which, at a later stage, were converted into medium-term structured debt capable of guaranteeing a stable and adequate liquidity structure to support operational activities and planned investments.

In 2021 SAGAT S.p.A., in addition to the loan agreements signed in 2020 with Intesa Sanpaolo and Medio Credito Centrale, drew down a loan of Euro 3 million from Banca del Piemonte. The total net debt at December 31, 2021 of Euro 28,267 thousand helped to support the cash absorbed by operating activities of Euro 8,794 thousand and by investing activities of Euro 4,995 thousand.

For further details, reference should be made to the section of the Explanatory Notes of the Parent Company related to debt.

1.12 Human resources and the Group Organisation

The personnel of the SAGAT Group, with their wealth of knowledge and talent, have always been of strategic importance in our development. They were also called upon to make an extraordinary commitment to being flexible and open to change within an extremely challenging, unpredictable landscape in 2021, which continued to be affected by the pandemic.

2021 was marked by the application of social support schemes for all Group personnel: the Extraordinary Temporary Lay-off Scheme for a "sudden and unforeseen external event" concluded on March 22, 2021, and was introduced in March 2020 for a duration of 52 weeks. From March 23, 2021 to June 13, 2021 (for a duration of 12 weeks - ref. Law 178/2020) and from June 14, 2021 to December 26, 2021 (for a duration of a 28 additional weeks - ref. COVID-19 Legislative Decree No. 41/2021), an Exceptional Temporary Lay-Off Scheme was introduced as an emergency tool authorised by the Government to support businesses for losses relating to the COVID-19 pandemic. Both support schemes were applied by the SAGAT Group companies for all eligible personnel without exception. Workers also had access to the guarantee of supplementary benefits from the "Solidarity Fund for the Air Transport Sector and Airport System" and, during the period from March 23 to June 13, 2021 for the first 12 weeks of the Exceptional Temporary Lay-Off Scheme, of a non-interest bearing loan from the Companies, covering the loss of salary until the direct payment of the benefit by the INPS.

All administrative staff who requested to work from home were given permission to do so, given the ongoing state of emergency in Italy. Meanwhile, all operational staff were given the opportunity to attend training courses online (131 employees).

Industrial relations

In 2021, discussions between the companies of the Group and the trade unions were extensive and productive and centred around measures that could bring about major operational efficiencies the years to come, while safeguarding levels of employment within the delicate landscape of the pandemic. In this regard:

- in January, following the closure of the airport overnight (from 11pm to 6am), an agreement was signed to extend the on-call availability of the Airport Manager and SAGAT Handling (Flight Coordination Office, ramp, and apron) to additional operational sectors to provide assistance with unscheduled traffic;
- in March and June, agreements were signed that led to the activation of the aforementioned Temporary Lay-off Scheme;
- in June, maintenance at the electricity plant was reorganised and brought in house; to facilitate this change, SAGAT S.p.A. provided training to plant workers so that they could acquire new and certified specialised skills;
- in October, SAGAT signed an agreement to expand the pool of employees trained to dock and disconnect Ambulifts to/from aircraft;

this decision accompanies previous efforts to train the airside PRM management team to steer and position Ambulifts following the termination of the outsourcing contract between SAGAT S.p.A. and SAGAT Handling S.p.A. on December 31, 2020.

During the year, the agreement reached in 2020 between companies of the Group and the trade unions/General Workers' Representative Body (RSU), concerning the use of all remaining holiday time accumulated by each employee by December 31, 2021 remained in place. This agreement will remain valid for 2022; as a result, the extraordinary cost containment measures introduced in 2013 will remain in place, thus ensuring the effective management and efficient organisation of SAGAT Group personnel.

The table below compares 2021 with 2019 (pre-pandemic year). It can be seen that despite the application of the lay-off scheme for the entire year, great care has been taken in the vacation planning of all Group staff.

	2019	2021	Difference 2021/2019	%
Outstanding holiday time (in days)	861	598	-263	-30.5%
Average annual FTE	355	344	-11	-3.09%
Outstanding holiday time per employee	2.4	1.7	-0.7	-29.17%

Company welfare and work-life balance

In a year still strongly affected by the pandemic, the SAGAT Group continued to pay close attention to the quality of life of its employees, seeking to improve their work-life balance through a series of corporate welfare tools.

As mentioned above, with the continuation of the health emergency, the Companies confirmed the continuation of remote work for the Group's administrative staff, a tool strongly appreciated by the employees involved, especially for the positive implications in terms of managing their family time and their own well-being.

In June, SAGAT sent out its very first corporate climate survey to the companies of the Group to evaluate people's perceptions of the measures introduced to manage the COVID-19 emergency, and to assess the Group's professional experience in general. The results revealed that 90% of those surveyed were satisfied with the measures introduced by the companies to protect the occupational health and safety of employees during the pandemic, while 87% were satisfied with the financial support they received from the companies. SAGAT received an average score of 7.55 out of 10 for its overall professional experience.

Also in the area of emergency healthcare, the insurance policy, introduced in March 2020, for all employees to cover medical expenses arising from hospitalisation and recovery for Covid-19 and the agreement for periodic screening were renewed.

In 2021, the Performance Bonus was not issued and, therefore, it was not possible to take advantage of the welfare services resulting from the conversion of the bonus.

Below is a full list of the initiatives implemented during 2021:

INITIATIVE	DESCRIPTION	NO. RECIPIENTS
Summer trips for the children of employees up to 17 years of age	The Company covers 77% of the cost of leisure, sports and English language trips during the summer months	53 children of Group employees attended summer camps
Reimbursement of nursery and kindergarten expenses	Companies reimburse 50% of the costs incurred	29 Group employees benefited
Supplementary health coverage	A health insurance policy covering services and reimbursing expenses incurred outside the network of affiliated health care facilities for employees and cohabiting family members	188 employees of SAGAT S.p.A. are insured and 32 Group Heads and Managers
Health coverage for COVID-19 recovery	Health care insurance policy providing hospitalisation benefits, convalescence benefits, and post-hospitalisation care.	All Group employees are covered by the policy
COVID-19 IgG/IgM Rapid Test agreement to detect SARS CoV2 antibodies	Access to antibody (serology) tests at a reduced rate. The Group companies bear 50% of the costs. Reduced rate for cohabiting family members	Rivolto a tutti i dipendenti del Gruppo e familiari conviventi
Remote work	Option to work from home made available to all administrative staff	131 Group employees have benefited from the scheme

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Personnel development

All Executives, Heads of Service and Office Managers are involved in the process of assessing employees to monitor their performance, motivation, potential, and aspirations and expectations within the organisation.
The process is based on a conversation between managers and their employees and seeks to analyse distinctive performance factors and identify any areas for improvement. This process is accompanied by the finalisation of the company MBO and an assessment of the objectives assigned to individual employees.
In 2021, 20 new Office Managers were trained on staff appraisal techniques, which concludes the manager training process that began in late 2019; this will allow the appraisal process to be extended to all remaining administrative staff members not included in the MBO scheme in 2022.
In 2021, the performance appraisal process involved 74 Group employees.

As a result of this process, training courses were made available to employees on topics relating to employee management, teamwork, innovation and sustainability, to name a few.
Classroom training was severely affected during the year by the COVID-19 emergency. Therefore, some courses were suspended and have been rescheduled in the FY 2022 Training Plan

Training

Training and professional development initiatives carried out in 2021 by the SAGAT Group aimed at bringing human capital into line with market challenges, with a focus on bolstering both the technical and soft skills of employees.

The pandemic containment measures enacted at national and regional level have severely reduced the possibility of implementing the in-person training courses included in the Corporate Training Plan. Greater use was therefore made of the company's DOCEBO e-learning platform, which made it possible to train all employees on a wide range of operational topics and to continue to offer basic and refresher training courses both to employees of SAGAT Group companies and to those of outside companies who avail of the instruction provided by SAGAT Training.

With the offer of new courses, which were added to those previously provided, the total number of hours of online training delivered during the year for Group employees was 5,874.
Considering the 16,193 hours of training carried out by permanent and temporary contract employees, Group employees each completed an average of 46 hours of training during the year.
All Group employees at all levels participated in some form of basic or refresher training:

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Employees trained in 2021 (SAGAT Group total)

Classification	Personnel	Staff trained
Executives	7	4
Managers	27	27
White-collar	222	222
Blue-collar	96	95
SAGAT GROUP TOTAL	**352**	**348**
Temporary	42	42
Sub-contractors	103	103
Total other	**145**	**145**
TOTAL	**497**	**493**

Occupational health and safety

SAGAT Group companies are equipped with occupational safety management systems aimed at the maximum protection of their workers. The Parent Company SAGAT S.p.A. uses a management system that is certified according to the international UNI EN ISO 45001:2018 standard, while SAGAT Handling S.p.A. uses an integrated system in compliance with Article 30 of Legislative Decree No. 81/2008.

In 2021, SAGAT continued to organise health and safety training activities for Group employees, both in-person and online in compliance with provisions and limitations related to the pandemic.
In 2021, SAGAT S.p.A. recorded a total of 8 work-related accidents, of which 1 while commuting, while SAGAT Handling S.p.A. recorded none.

In 2021, the Group's Human Resources departments and Prevention and Protection Services proactively implemented protocols and measures to limit the spread of the SARS-CoV-2 virus in compliance with the regulations and guidelines issued by the Italian government and the National Institute of Health.

During the year, SAGAT published several internal communications and operating instructions for the benefit of personnel – partly due to the spread of new SARS-CoV-2 variants – to reinforce and specify the prevention, protection, and hygiene measures explained in the "Protocol for governing measures to combat and contain the spread of COVID-19 in SAGAT Group workplaces" issued by the companies with SB No. 4/2020, as amended and updated. Regular meetings were also held with trade union representatives on the Corporate Safety Management Committee to discuss individual and collective behaviours, obligations, prohibitions and suggestions for dealing with the various phases of the pandemic's evolution.

The Group companies have provided FFP2 masks to all employees on a monthly basis since March, regardless of their job description. In addition, all workplaces, including those that are not fixed (e.g., company vehicles), have been equipped with alcohol-based hand gel for sanitising hands and surfaces that are touched frequently.

Furthermore, in June and July, the Group companies organised a workplace vaccination campaign in collaboration with the local health authority for employees and cohabiting family members, thus in many cases reducing the waiting times for access to the vaccine through the National Healthcare Service.

Education-work projects

The Human Resources Department is committed to building relationships with local education institutes through partnerships and internships with high school and university students.

The last few months of 2021 saw approximately 30 fourth and fifth grade high-school pupils involved in the continuation of "Pathways for Transversal Skills and Orientation" on-the-job work experiences, under the "TO GUYS" project, and airport safety and security training courses given by SAGAT S.p.A. instructors in November, after such activities had been interrupted in February 2020 due to the outbreak of the pandemic. In December, practical training was given in passenger assistance in the terminal during weekends, in relation to ski charter traffic.

Organisation and management

In 2021, the Group companies persevered with the efficiency recovery process started in 2014.
The Group's average annual number of employees, expressed in terms of full-time equivalence (FTE), was equal to 344.4, down a further 1.3%, or 4.5 FTE, as indicated in the following table.

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CATEGORY	2021 Average	2020 Average	Absolute Change	Percentage Change
Executives	6.6	6	+0.6	9.7%
White-collar & Managers	244.2	246.6	-2.4	-1%
Blue-collar	93.6	96.3	-2.7	-2.8%
TOTAL	**344.4**	**348.9**	**-4.5**	**-1.3%**

The reduction is due to voluntary retirements during the year, which were only partially replaced, in addition to the lack of temporary staff hired in the first half of the year on account of the lack of charter traffic, which did not operate due to national and international travel restrictions and the closure of all ski facilities due to COVID-19. In addition, the first six months of the year were marked by a significant drop in global air traffic and saw the mass application of lay-off schemes, especially in operational sectors.

Group employees at December 31, 2021 increased by a headcount of 40, compared with the same date of the previous year, in relation to the launch of the Ryanair base and the resumption of charter traffic, which led to numerous seasonal hires during the last two months of the year. The total Group headcount is 391, of which 57 under temporary contracts.

The Group's total personnel costs amounted to Euro 16,465 thousand in 2021. July 2021 saw the application of the remaining increase in minimum wages relating to the renewal of the Airport Operator National Collective Bargaining Agreement.

Personnel costs rose by Euro 259 thousand compared to 2020, due to reduced furlough funding in 2021, and the adjustment to the Airport Operator National Collective Bargaining Agreement. To offset such costs, the average full-time equivalent cost was reduced and staff turnover made more efficient by agreements signed in December 2020 to make less use of temporary work and grant more holidays.

COMPANY	2021 Personnel costs	2020 Personnel costs	Change absolute
SAGAT S.p.A.	11,602	11,676	74
SAGAT Handling S.p.A.	4,605	4,789	185
SAGAT GROUP	**16,206**	**16,465**	**259**

SAGAT S.P.A.

The average annual number of employees of SAGAT S.p.A., expressed in full-time equivalents (FTE), was 226.2, an increase of 2.02 FTE compared to 2021, as indicated in the following table.

CATEGORY	2021 Average	2020 Average	Absolute change	Percentage change
Executives	6	6	0	0%
White-collar & Managers	155.6	154.2	1.4	0.9%
Blue-collar	64.6	64.0	0.6	1%
TOTAL	**226.2**	**224.2**	**2.0**	**0.9%**

FTE declined sharply in the first half of the year through voluntary retirements and an interruption in new temporary staff hires, due to the lack of charter traffic which did not operate as a result of national and international travel restrictions and the closure of ski resorts in Italy country owing to the COVID-19 pandemic, in addition to the severe downturn in global air traffic. However, from June, and with the resumption of summer traffic, there was a significant increase in FTE due to new seasonal hires.

At December 31, 2021, SAGAT S.p.A.'s headcount was 238.7 FTE, an increase of 9.2% (20.1 FTE) compared to the previous year.

At the same date, the headcount also increased by 26, or 11.7%, to 248 against 222 on the same date the previous year. This figure is to be read in relation to the impetus from the launch of the Ryanair base in November and the resumption of winter charter traffic, which led to numerous recruitments of seasonal staff on fixed-term contracts in the last two months of the year.

SAGAT HANDLING S.P.A.

During 2021, the structure of SAGAT Handling S.p.A. was impacted by the appointment by the Board of Directors of a General Manager to whom the company's operational prerogatives and the title of Employer were delegated. The appointment aims to strengthen the Company's operational effectiveness and to develop the strategic projects it will be called upon to implement in the future, especially in light of the expected increase in traffic linked to the Ryanair base.
SAGAT Handling S.p.A.'s average annual number of employees expressed in terms of full-time equivalents (FTE), was equal to 118.2, down 6.5, or 5.2%, compared to 2020, as indicated in the following table.

CATEGORY	2021 Average	2020 Average	Absolute change	Percentage change
Executives	0.6	0	0.6	100%
White-collar & Managers	88.6	92.4	-3.8	-4.1%
Blue-collar	29.0	32.4	-3.3	-10.3%
TOTAL	**118.2**	**124.7**	**-6.5**	**-5.2%**

FTE declined sharply in the first half of the year through voluntary retirements and an interruption in new temporary staff hires, due to the lack of charter traffic which did not operate as a result of national and international travel restrictions and the closure of ski resorts in Italy country owing to the COVID-19 pandemic, in addition to the severe downturn in global air traffic, above all in the first six months of the year.

A December 31, 2021, SAGAT Handling S.p.A.'s headcount expressed in FTE was 126.3, an increase of 5.9 FTE compared to the same date in 2020.
At December 31, 2021, there was a headcount of 143, up 14, or 10.9%, compared to the previous year. This increase tracked the increase in traffic related to the launch of the Ryanair base and the resumption of charter traffic in December, which led to numerous seasonal hires in the last two months of the year.

1.13 Investments

The development of investments in 2021 was remodelled during the year due to the COVID-19 pandemic, which impacted passenger traffic and resulted in organisational constraints that affected the continuity of operations.
Priority was given to dealing with the health emergency, in addition to any interventions deemed necessary to anticipate infrastructural maintenance and adaptation for likely improvements in the pandemic emergency scenario.
As a result, the SAGAT Group's actual investments in 2021 were significantly lower than planned, amounting to Euro 5,084 thousand.
The main measures implemented are highlighted below, with a descriptive annex that details the specific infrastructural and logistical measures implemented to deal with the pandemic.

With regard to **passenger terminal modernisation investments** in 2021, the finalisation and, in some cases, continuation of plant engineering works to upgrade and make the heating, air-conditioning, fire prevention and electrical systems more efficient in a number of areas of the building should be emphasised. Worth mentioning are construction and plant works to set up operating and service environments – including crew areas, ramp offices, and dedicated support rooms – to prepare for the opening of Ryanair's new base, which started operating in the second half of the year.
On the Upper Departures Level (+10.93), regulatory adaptation works were carried out on the emergency smoke extraction system.
A freight lift used for internal logistics and by airport sub-concessionaires was replaced.
Finishing works were carried out in the new Border Police offices, set up the previous year.

With regard to the **overhaul of the other buildings on the airport grounds**, the main activity consisted in the renovation of the airport building next to the P8 car park, with changes to the pre-existing customs area so that it could be used as the airside operational offices for maintenance workers serving Ryanair.
Work was carried out in the General Aviation building to create a new commercial space, and at the Airport Vaccination Hub in the Remote Check-in building. Finally, re-qualification interventions were carried out on the ground floor of the State Entities airport building for the completion of the new offices for the ENAC (Italian Civilian Aviation Authority) Operations Department.
In addition to the above-mentioned interventions were other minor extraordinary maintenance investments on various buildings.

The most significant investment in 2021 concerned completion of upgrades to the **BHS** (Baggage Handling System), which needed to be completed before three Standard 3 EDS (Explosive Detection System) machines could be installed to comply with standard 3 of ECAC (European Civil Aviation Conference) mandates. The intervention was preceded by a series of infrastructural works on the BHS building, necessary for the passage and installation of the new machinery.

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Regarding **airport utility improvements**, thermo-hydraulic air-conditioning system upgrades were made in the General Aviation building. A new pressurization unit was installed in the water distribution network serving this building, hangars 1, 2, 4 and the Control Tower. A new water line was also built to serve the Finance and State Police barracks on the east side of the grounds.
Minor interventions were then carried out on the drainage network to improve the inspection and disposal of wastewater.

As far as **electrical infrastructures** are concerned, installation was completed of specific consumption measurement systems were installed for sub-concessionaires. These activities involved activating a closed management system for electricity supplies, allowing for the more effective monitoring of electricity consumption. Thanks to this work, SAGAT S.p.A. has successfully built a network infrastructure that has supplied the entire airport grounds with electricity since January 1, 2022.

With regard to **energy saving and environmentally friendly measures (Torino Green Airport)**, relamping work was carried out in the passenger terminal (upper level departures and baggage reclaim area), at the BHS building and in car parking areas.
Regarding sustainable mobility, a new ground-level, car-sharing parking area was built and put into operation in the terminal area immediately next to the north wing of the Passenger Terminal, in addition to ancillary works carried out on the neighbouring road network, and the installation of new charging stations for SAGAT's electric vehicles. Ongoing upgrades to the **airport fleet** to replace traditional vehicles with hybrid or electric ones also continued.
Finally, new, high-performance heat generators were installed in hangars 1 and 2.

Regarding the **aircraft movement area**, the investment for the upgrading of the landing area from line 36 was completed during the summer period.
Further interventions were carried out on the apron area for the commissioning of new Stand 400, together with the related boarding and disembarking walkway. Works were also carried out to modify the passenger exit at Gate 8, in order to facilitate the management of passengers boarding on foot at Stands 106 and 107. The aforementioned interventions were designed to facilitate the work of low-cost airlines in speeding up turnarounds, minimize the reliance on boarding buses, reduce environmental impacts, and significantly improve social distancing between passengers.
Another significant intervention was the modification of the General Aviation apron designed to make the management of aircraft parking more efficient.
Finally, the executive design of the new apron de-icing area was completed.

In terms of **IT investments** in 2021, upgrading of the Access Control System hardware continued to expand the use of new airport badges equipped with contactless proximity chips (to prevent the spread of COVID-19), which contain encrypted information to open/close airport gates.

Pre-production management and analysis software was activated for the system, for interfacing with the Human Resources Training System and automating customs gate checks, in compliance with the security policy that entered into force at the end of 2021 regarding the adequate training of personnel accessing sensitive areas.

The hardware and software infrastructure of the system was updated to support air freight transport activities, with the introduction of a new Customs Agency interface module enabling the full digitalization of shipping documents, in compliance with international provisions.

The process to integrate the parking management system with SAGAT's network infrastructure, and activation of a new server containing a cutting-edge database in a high-fidelity virtual environment, commenced.

The CUTE airport system benefited from the migration of all client workstations to Windows 10, and a transition to secure communications protocol TLS 1.2, featuring a higher level of encryption.

SAGAT has equipped itself with a new software module to manage personnel health records and related risks in a secure and isolated environment.

A process was launched to acquire new data network management devices, due to come into operation in 2022 and improve local connectivity by a factor of 10.

COVID-specific measures

Initiatives to deal with the COVID-19 pandemic involved a series of wide-ranging investments which, combined with organisational measures, allowed the Group to respond promptly to emerging needs, in order to safeguard the health of operators and passengers and to guarantee a decent level of service despite the considerable restrictions in place. Below we describe the main measures taken in continuation of and in addition to those of the previous year.

To measure the body temperature of passengers in compliance with regulatory requirements, additional infra-red thermometers and thermometric cameras were procured and put into operation, together with the related control stations.

As already reported in detail, work continued on setting up and preparing modified routes for boarding passengers on foot.

According to an organic plan, coordinated with the relevant authorities, steps were also taken to set up health-check routes and stations. This made it possible to monitor passenger flows, facilitate social distancing, and create effective dedicated routes according to the type of checks needing to be carried out.
More screens for health-check stations and desks were installed to meet operational needs.

Finally, new equipment for the sanitisation of rooms, equipment and vehicles was purchased, as well as infrared heaters installed to serve the airport's vaccination hub.

1.14
Innovation and digitisation

Innovation team

In 2021, SAGAT continued to promote a culture of innovation by actively involving 28 innovation agents using a bottom-up methodological approach.
The **Innovation Team**'s mix of transversal skills and professionalism allows it to collect the widest range of points of view. This was evidenced on three peak-season, rush-hour **terminal tours**, arranged on different days and at potential challenging times, in order to estimate the operational impacts of the expected increase in passenger flows from the new Ryanair base. Being placed in the shoes of departing and arriving passengers, in order to directly observe dynamics from a non-operational point of view, and without preconceptions, allowed the team to make dozens of different observations. These were then analysed and used to identify opportunities for improving user experience and the customer journey.

Strategic pillars

Innovation and digitalization initiatives and projects in 2021 were oriented along the following strategic lines:

1. Airport safety
2. Airport sustainability
3. Digital customer experience
4. Digital employee experience

1. Airport safety

To cope with the ongoing health emergency, we continued to implement innovative solutions aimed at making travel even smoother, safer and more secure.
Licence plate reading entrance and exit cameras were installed in all the airport car parks. This, together with the possibility of customers entering their vehicle licence plate when purchasing parking on the e-commerce platform, has allowed us to create a new **digital parking experience**. Access to the car park is now much easier, and completely touchless, avoiding the previous method of having to physically key in a number on the entrance column.
To guarantee social distancing during winter weekends, affected by a large flux of "ski charter" passengers, security check areas were remodelled to take advantage of gates on both departure and restaurant levels. The **LED-wall** and **digital way-finding** system were used to tell passengers which level to go to and dynamically split flows between the two floors according to the departing flights.

To raise passenger awareness about social distancing, a pilot project was launched with the installation of displays at the entrances to three **toilet areas** in the landside area of the airport. These monitors displayed the maximum capacities for each area and a warning whenever the number of people detected by **people counters** on the access doors exceeded set thresholds.

An innovative digital project for the management of passengers of delayed, cancelled and diverted flights was introduced, in cooperation with handlers, leveraging the **Gate Manager** and **Flight Information Display System (FIDS)** to promptly inform the public, subject to agreement with Flight Coordination, on support and voucher distribution desks, and, therefore, avoid the crowding of passengers in search of updates.
Additional **thermoscanners** were installed at the security turnstiles for the systematic monitoring of the body temperature of passengers entering the boarding area. These thermoscanners are in addition to those already installed at the terminal entrance and arrivals lounge in 2020.

2. Airport sustainability

The Group has constructed a new **car park** dedicated to car-sharing companies equipped with electric **car sharing** points.
Four **Pila Bikes** were installed in the boarding area under an innovative initiative between Turin Airport and Turin City Lab to engage passengers and raise awareness on the topic of energy sustainability. The idea for the initiative came from the need for passengers to recharge their devices, such as smartphones or computers, inside the terminal. The heart of the initiative is the Pila Bike, a universal charger for USB devices, powered exclusively by pedal power. The kinetic energy generated by pedalling is in fact transformed into electricity, stored in a battery and made available to other passengers, thus resulting in the eco-friendly generation of energy for all.

3. Digital customer experience

Parking turnover through the **e-commerce** channel has significantly increased over the last 3 years, and accounted for 28% of total parking revenues in 2021 (and 19% in 2019). In addition to improvements in the e-commerce platform and marketing actions, this increase is also due to changes in purchasing habits driven by the pandemic.
The growing impact of the online channel has prompted investments in further development of the e-commerce platform and the Torino Airport app, in order to improve the user experience, interface and, in particular, specifically, the focus was on improving the **payment experience**.
However, while, on the one hand, the introduction of Strong Customer Authentication (SCA), as per European Payment Services Directive 2, has improved the security of digital payments, on the other it has made the validation process more complicated for users. SCA can make the payment process appear more difficult, and, therefore, may be one of the reasons users abandon orders at the checkout. To reduce this risk, we have expanded the range of available payment methods, introducing an alternative digital payment option that allows customers to complete the purchase via the mobile payments platform **Satispay**. This brings advantages in terms of greater simplicity and immediacy over traditional credit card payments. All the customer has to do is indicate their mobile phone number and confirm the payment via the Satispay app, making the online payment experience practically identical to an offline payment experience at a physical store.
To further leverage commercial opportunities, promotional banners have been configured in combination with purchase confirmations, such as to offer discounts on other purchases from

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airport merchants. Finally, marketing automation tools were activated to manage campaigns for the cross-selling of additional products, such as fast track and VIP lounge items, as well as for the re-engagement of customers who have left items in their shopping cart.

4. Digital employee experience

The pandemic strongly highlighted the importance of improving employee experience. With this awareness, in 2021, efforts were made to accelerate the digitalization of business processes.
A scouting process was launched for a highly flexible technological platform to facilitate the transition of all company departments to **paperless** document flows. SAGAT has paid particular attention in this regard to administrative processes requiring a signature (e.g., the invoice acceptance process), but hopes to extend use to operating processes (i.e., "read&sign" processes) dedicated to tracking and certifying – including with regard to third parties (external audits) – the acknowledgement and digital signing of documents by all recipients.

The growing need to organize **hybrid** virtual and in-person meetings, with both remote and on-site participants, has been met through the renewal of the technological equipment of the main company meeting room with a modern **audio and video conferencing** system.

1.15 The environment

In 2021, 'Torino Green Airport' was presented to stakeholders and the general public, an initiative which aims to bring together all of the airport's past, present, and future environmental sustainability projects under one roof.
Torino Green Airport represents a strategic driver in Turin Airport's development and confirms the SAGAT Group's commitment to protecting the environment and the fight against climate change.

Turin Airport is committed to managing airport infrastructure and operations in an ever more energy efficient manner, by consuming less energy and preventing wastage of resources.

Over time, the SAGAT Group has steadily increased the percentage of energy it purchases from renewable sources, and since January 1, 2021, 100% of purchased electricity has come from certified renewable sources (certificates of guarantee of origin - GO).

In 2021, Turin Airport maintained its Level 2 "Reduction" certification as part of the Airport Carbon Accreditation environmental sustainability programme - the common protocol for the active management of airport emissions through measurable results promoted by ACI Europe.

Level 2 certification requires organisations to enact a plan to reduce carbon emissions. In Turin's case, the target set for the three-year period from 2021 to 2023 is to halve CO_2 emissions from the 2017 base year. This will be achieved through investments to increase the efficiency of the most energy-intensive systems (lighting and air conditioning) and the purchase of electricity from certified renewable sources only.

In 2022, Turin's ACA protocol certification journey will continue with the achievement of Level 3 'Optimisation'. In addition to the activation of a plan to reduce emissions, this certification confirms the commitment made by an organisation to involve third parties in the process and to measure emissions generated by companies operating at the airport and passengers travelling to it in public and private vehicles.

In 2021, Turin Airport also became a partner of the EU H2020 TULIPS consortium run by the Royal Schiphol Group – the management company of Amsterdam and Rotterdam Airport – which comprises 29 entities, including airports, airlines, universities, research and training institutes, and industrial partners.
The project responds perfectly to the goals set by the EU Green Deal and seeks to develop innovative ways of facilitating the transition to low-emission mobility, improving the overall sustainability of airports and introducing sustainable fuels and organic carbon sequestration to the aviation industry.

The TULIPS project was launched in January 2022 and will run until December 2025. It will receive funding from the European Union's Horizon 2020 research and innovation programme under the grant agreement model.
Systems for creating airport energy smart hubs and carbon offsetting will be tested at Turin

Airport in partnership with the Polytechnic University of Turin. A pilot project will be conducted prior to the launch of an airport smart grid. The project involves the use of a flexible, blended system powered by various sources of energy, such as natural gas, biogas, hydrogen, photovoltaics, and energy storage systems.

Finally, in the last month of the year, a new project commenced to create a hydrogen-ready fuel cell as part of a 1.2 MW co-generation arrangement. The fuel cell will be the first of its kind and size in Italy fuelled by varying percentages of hydrogen blended with natural gas to co-generate heat and power. The fuel cell will be installed in Q2 2023, making Turin the first airport in Italy to implement this solution. The system will be able to produce up to 1.2 MWh of electricity and 840 kWh of heat per hour and will be fuelled by hydrogen blended with natural gas (up to 40% in volume), thus helping to reduce climate-changing emissions.

Environmental Management System

The SAGAT Group takes environmental topics very seriously and considers environmental and sustainable development to be essential to the management of its business activities. With this in mind, the Group is committed to promoting a culture of empowerment and active commitment to protecting the environment at all company levels, through the adoption of correct and responsible behaviour.

SAGAT S.p.A. makes uses of a strategic, cross-cutting HSE (Health, Safety & Environment) Management System for all activities carried out on airport grounds, including development, aviation operations, direct and indirect service management, design, construction, and plant and infrastructure maintenance.
Through the adoption of certain protocols and procedures, which demand strict compliance, workers' health and safety, fire prevention, building and workplace hygiene and cleanliness, and environmental matrices (water, air and soil) are managed in an comprehensive manner.
The HSE Management System is certified by the certifying body TÜV Italia according to international standards on occupational health and safety (ISO 45001:2018) and the environment (ISO 14001:2015). In December 2021, an audit to renew both certifications was carried out with a positive outcome.
In consideration of the current state of the environmental matrices present on the airport grounds, indicators have been identified and linked to the completion of specific investments foreseen in the Airport Development Plan.

Environmental Protection Plan

In 2021, the Group once again focused particular attention on its Environmental Protection Plan, which lists the indicators for which SAGAT S.p.A. is committed to achieving certain improvement objectives, as well as a description of the activities and key investments implemented to achieve these objectives.

In line with the Environmental Protection Plan under the Regulatory Agreement for Turin Airport (pursuant to Legislative Decree No. 133/2014 and subsequent Law No. 164/2014), approved by ENAC in 2019, the following interventions are underway:

- the replacement of existing lighting systems with energy-saving ones (LED technology with dimming systems), mainly within the Passenger Terminal building;
- informative and training courses for staff whose work activities may affect the environment, the protocols and procedures of the Environmental Management System, and the Green Airport project;
- the replacement of the existing vehicle fleet with vehicles powered by fuels with a lower environmental impact or with reduced emissions (e.g., natural gas, biodiesel, electricity, hydrogen, hybrids, etc.);
- the retrofitting of oil-fired heat generators to reduce emissions levels and increase efficiency.

Planning of environmental activities

The planning of activities to comply with general and special environmental regulations as well as to protect the environmental matrices on the airport grounds has resulted in the definition and completion of the following activities:

- the implementation of an ongoing improvement plan with specific improvement targets for environmental topics;
- the continuous monitoring of environmental performance indicators (KPIs) relating to rainwater and surface water, through the Prevention and Management Plans for rainwater on the runway and aircraft aprons shared with the Metropolitan City of Turin and with SMAT-Società Metropolitana Acque Torino S.p.A.;
- the modernisation of containing basins for non-hydrocarbon liquids and implementation measures to prevent the dispersion of these liquids into the soil
- the management and streamlining of the airport sewage system, through upgrading works, agreed with the Metropolitan City of Turin;
- the monitoring, managing and streamlining of water sources by modernising the drinking water supply network and replacing old and/or deteriorated sections of the network with new ones to avoid waste;
- the monitoring of atmospheric emissions from heat generators.

Airport noise

Communities living near the airport tend to notice airport noise more than any other environmental factor. As such, SAGAT S.p.A. is committed to managing this issue efficiently and effectively on an ongoing basis, guaranteeing constant communication and contact with the competent authorities and developing monitoring and operating procedures to reduce the impact of noise.

In 2021, SAGAT S.p.A. continued with:

- the ongoing monitoring of airport noise levels through a system of 8 noise monitoring stations;
- the calculation of noise indices required by Italian and European regulations;
- checks on compliance with anti-noise procedures;
- studies into the noise impact on airport surroundings by means of simulations using INM software;
- the handling of citizen complaints by analysing the aviation factors behind them and recommending mitigating actions;
- the sharing of airport and regional planning tools with the regional authorities;
- collaboration with the bodies responsible for managing airport noise pollution through dedicated technical working groups.

Energy management system

SAGAT S.p.A.'s Energy Management System is certified by DNV-GL to ISO 50001:2018, with certification last renewed in the audit of September 2021.

The ISO 50001 standard and the ACA-Airport Carbon Accreditation Protocol will be key building blocks towards NetZero 2050, an important commitment made by the SAGAT Group towards the environment and the local community to reduce carbon dioxide emissions from operations under its control to zero by 2050. SAGAT Group is part of a growing community of airports recognizing climate change as a global issue demanding collective action at the sector level.

2021 reported significant results from the point of view of reducing energy consumption, even considering the ongoing effects of the COVID-19 pandemic. Overall tonne of oil equivalent (toe) energy consumption came in at 3,468, up by approximately 5%, compared to 2020, against an increase in passengers of 47% at full operational regime.

The project to promote sustainable mobility continued with new hybrid and full-electric vehicles added to the airport fleet, and the establishment of new charging stations and a dedicated electric car sharing car park. The higher electricity consumption attributable to using the new vehicles is offset by the purchase of electricity from certified renewable sources .

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The circular economy and biodiversity

Turin Airport has, for a number of years, been committed to various initiatives in support of the circular economy and biodiversity.

A 'poor grass regime' has already been adopted with a view to managing green areas and protecting biodiversity, Turin Airport has adopted a poor grass regime to render its grassland unattractive to bird-life and other fauna, thus minimising the risk of wildlife strikes and reducing the total working hours of agricultural tractors in the hope of minimising environmental pollution.

Furthermore, 15 hectares of grassland have been dedicated to growing chamomile since autumn 2021, as it promotes biodiversity (since it is bee-friendly) and does not attract bird-life. All other organic matter collected is destined for biogas production at a specialised company located a few kilometres away from the airport. SAGAT is currently evaluating the feasibility of using the biogas produced on site to serve airport infrastructure.

Over many years, through careful, long-term planning of construction works, Turin Airport has minimized groundworks waste by recovering and reusing demolition material.

To reduce drinking water waste, various branches of the airport water distribution system have been fully rebuilt over the last three years, and well-water is used for the flushing of terminal toilets.

1.16
Quality

SAGAT Group is committed to analysing customer needs, expectations and satisfaction, including outside of the sphere of its relations with passengers, in the roles of: SAGAT S.p.A. as Airport Operator, and SAGAT Handling S.p.A. as a service provider for airlines. Quality objectives are shared at all levels of the organisation and pursued by providing adequate resources to achieve them.

A customer-centred approach

SAGAT S.p.A.'s Quality Policy is based on the supervisory role played by the Airport Operator with regard to the airport system, placing customers at the heart of activities by means of an ongoing customer experience improvement process.
The Quality Management System (certified ISO 9001:2015) is strategic and cross-cutting in all processes, and makes use of various, complementary tools:

- the ongoing monitoring of **process indicators** to allow for continuous performance improvements, based on:

- a tried and tested system for **monitoring** the level of quality provided and perceived in accordance with the reference legislation (ENAC Memoranda GEN-06 and GEN-02B);
- a customer satisfaction **survey** system according to the ACI ASQ model, which compares Turin airport to an international benchmark, encouraging comparison with airports with similar traffic levels
- a **voluntary certification** system according to ISO standards (9001:2015, etc.)
- the carrying out of **assessments** aimed at obtaining certifications, issued by ACI-Airports Council International, a trade association that brings together the world's airports, to certify Turin Airport at an international level;

- an **understanding of customer needs and expectations**, achieved through the management and analysis of passenger reports and complaints

Measurement activities in 2021

In 2021, activities to measure quality delivered and perceived were carried out, as provided for by:

- the **Service Charter**: the minimum service standards that SAGAT S.p.A. undertakes to provide, and which are subject to approval and verification by ENAC;
- the **Quality Plan** annexed to the **Regulatory Agreement** (four-year period 2020-2023): ten indicators, with pre-established improvement objectives with reference to the base year (2018). These, too, are subject to ENAC approval and verification;
- the ACI **Airport Service Quality** (ASQ) benchmark, which monitors customer satisfaction at participating airports.

Service Charter and Quality Plan annexed to the Regulatory Agreement

Although ENAC had granted monitoring exemptions to the 2021 Service Charter, due to the prolongation of the pandemic, Turin Airport nevertheless measured all the relevant indicators during the year. The delivered and perceived quality measurements in 2021 were significantly affected, in the first part of the year, by COVID-19 restrictions and their effects on traffic volumes, but were nevertheless carried out on a continuous basis.

Quality perception

For airports with traffic between 2 and 5 million passengers, ENAC Memorandum GEN-06 requires a minimum sample of 1,100 interviews, with a statistical error tolerance of around 3%.
Surveys are carried out using questionnaires delivered to passengers on the basis of the indicators set out by national law. The system is based on a scale from 1 (terrible) to 6 (excellent). To obtain the satisfaction rate, the number of positive responses (4, 5 or 6) is calculated as a percentage of the total number of responses.
The surveys are carried out by specially trained internal staff.
In 2021, a total of 1,164 questionnaires were returned, of which 1,272 addressed to passengers with reduced mobility (PRM).

Quality provided

ENAC's memoranda set out methods for measuring and calculating values for each indicator. In 2021, these measurements were carried out on a continuous basis, with the exception of passport control time monitoring, which was partially suspended for three months.
In total, almost 42,000 measurements were taken in 2021.

2021 Service Charter

In 2021, Turin Airport did not exclude any indicator from the measurements, even though ENAC had granted, as per Memorandum 0015390-P of February 11, 2021, exemptions to airport operators in the monitoring of indicators deemed most affected by the COVID-19 pandemic (marked with an asterisk in the table). SAGAT Group chose to continuing measuring such indicators out of a desire to not lose sight of the opinion of passengers, especially concerning potentially critical aspects. Therefore, it is possible to report the Service Charter in its entirety.

In the absence of pre-set targets and constraints on their achievement, in light of the derogation of obligations by ENAC expressed in Memorandum 0003706-P of January 14, 2021, the targets of the pre-COVID 2020 Service Charter, formulated before the outbreak of the pandemic and its heavy repercussions on airport operations, were used as a benchmark. This benchmark was applied to all the indicators of the Service Charter, with the exception of the six indicators (numbered 6, 9, 29, 31, PRM 3, and PRM 13) included, with their relevant targets, in the Quality Plan of the Regulatory Agreement, which prevails over the Service Charter due to its peremptory nature and possible consequences for the reward system of the agreement.

Out of 34 Service Charter targets, only 7 indicators came in lower than the results achieved in 2020 (the monitoring of 5 of which could have been suspended under ENAC guidance). These were, at any rate, satisfactory results, which were higher than 90% for half of the perceived satisfaction values, with not particularly ambitious targets, and greater than or equal to 96% in 5 cases. The only operational target not achieved concerned the punctuality of flights, which, again in 2021, suffered the effects of COVID-19 measures and associated slowdowns in ground operations.

The set of 16 indicators referring exclusively to PRM passengers all met their targets.

SERVICE CHARTER - INDICATORS TO BE PUBLISHED (GEN 06 - ALL. 3)

Quality factors	N°	Indicators	Measurement unit	Target 2020	Target 2021	Result 2021
Travel security	1	Overall perception of security control service of people and hand luggage	% satisfied passengers	97%	n.d.	99%
Personal and property security	2	Overall perception of level of personal and property security at the airport	% satisfied passengers	96%	n.d.	98.9%
Regularity and punctuality of the service	3	Overall flight punctuality	% on-time flights / Tot. departing flights	78%	n.d.	73.1%
	4	Overall departing luggage misplaced under Airport's responsibility	N° non-checked baggage with departing pax/1,000 departing pax	0.90	n.d.	0.30
	5	Time for return to passenger of first bag off the plane following the block-on	Time in minutes calculated from the block-on of aircraft to delivery of the first bag in 90% of cases	21:20	n.d.	19:53
	6	Time for return to passenger of last bag off the plane following the block-on	Time in minutes calculated from the block-on of aircraft to delivery of the last bag in 90% of cases	30:00	29:59	24:16
	7	Waiting time on board for first passenger disembarkation	Waiting time from block-on in 90% of cases	04:00	n.d.	03:07
	8	Overall perception of regularity and punctuality of the service received at the airport	% satisfied passengers	98%	n.d.	99.1%
Cleanliness and hygienic conditions	9	Level of cleanliness and toilets functionality	% satisfied passengers	90%	90,2%	95.4%
	10	Perception of level of airport cleanliness	% satisfied passengers	96.5%	n.d.	98.7%
Comfort in airport stay	11*	Availability of luggage trolleys	% satisfied passengers	96%	n.d.	98%
	12	Efficiency of passenger transfer systems (escalators, elevators)	% satisfied passengers	96%	n.d.	98.1%
	13	Efficiency of climatization systems	% satisfied passengers	96%	n.d.	98.6%
	14	Overall level of comfort in the terminal	% satisfied passengers	96.5%	n.d.	98.7%
Additional services	15	Connectivity of free wi-fi in the terminal	% satisfied passengers	91%	n.d.	95%
	16*	Availability of charging stations for mobiles/laptops in public areas	% satisfied passengers	96%	n.d.	93.8%
	17	Time compatibility of bar opening hours whith airport opening	% arriving/departing flights compatible with bar opening hours	100%	n.d.	100%
	18*	Perception on the adequacy of smoking rooms	% satisfied passengers	90%	n.d.	85.2%
	20*	Availability / quality / prices of Shops / Newstands	% satisfied passengers	96%	n.d.	85.6%
	21*	Availability / quality / prices of Bars / Restaurants	% satisfied passengers	96%	n.d.	87.7%
	22	Availability of vending machines providing drinks and snacks	% satisfied passengers	96%	n.d.	93.8%
Customer information	23	User-friendly and updated website	% satisfied passengers	95%	n.d.	96.8%
	24	Efficiency of operational information points	% satisfied passengers	95%	n.d.	99%
	25	Clear and easy to understand interior signage	% satisfied passengers	95%	n.d.	99.8%
	26	Professionalism of personnel (infopoint, security)	% satisfied passengers	96.5%	n.d.	98.9%
	27	Overall perception on the effectiveness and accessibility of public information services (monitor, announcements, internal signage)	% satisfied passengers	96.5%	n.d.	99.2%

* Indicators on which measurements have been suspended (ENAC 0015390 11.02.2021)

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Quality factors	N°	Indicators	Measurement unit	Target 2020	Target 2021	Result 2021
Desk/Checkpoint services	28*	Perception on the ticket service	% satisfied passengers	96.5%	n.d.	95.1%
	29	Waiting time at check-in	Waiting time expressed in minutes in 90% of cases	05:03	05:02	03:30
	30	Perception on waiting time at check-in	% satisfied passengers	96%	n.d.	96.7%
	31	Waiting time at security checks	Waiting time expressed in minutes in 90% of cases	05:04	05:03	04:58
	32	Perception on waiting time at passport control	% satisfied passengers	94.5%	n.d.	98.2%
Modal integration	33	Clear and easy to understand external signage	% satisfied passengers	95%	n.d.	99.6%
	34	Perception of adequacy of city/ airport transportation	% satisfied passengers	86%	n.d.	86.9%

SERVICE CHARTER - PRM INDICATORS TO BE PUBLISHED (GEN 06-02B)

Quality factors	N°	Indicators	Measurement unit	Target 2020	Target 2021	Result 2021
Efficiency of assistance services	1	For departing booked PRM: waiting time to receive assistance, at one of the designated points at the airport	Waiting time in minutes in 90% of cases	05:55	n.d.	04:08
	2	For departing non booked PRM: waiting time to receive assistance, at one of the designated points at the airport	Waiting time in minutes in 90% of cases	08:00	n.d.	03:25
	3	For arriving booked PRM: waiting time on board, after the disembarkation of the last passenger	Waiting time in minutes in 90% of cases	04:08	04:07	03:21
	4	For arriving non booked PRM: waiting time on board, after the disembarkation of the last passenger	Waiting time in minutes in 90% of cases	07:25	n.d.	03:38
Personal safety	5	Perception of the state and functionality of means and equipment provided	% satisfied PRM passengers	96.5%	n.d.	100%
	6*	Perception of the adequacy of personnel training	% satisfied PRM passengers	96.5%	n.d.	99.9%
Information at the airport	7*	Accessibility: number of essential information accessible to people with visual, aural and motion disabilities compared to the total number of essential information	% essential information accessible on the total number of essential information	100%	n.d.	100%
	8*	Completeness: number of information and instructions related to the services offered, available in an accessible format compared to the total number	% information/instructions, in accessible format on the total number of information/instructions	100%	n.d.	100%
	9	Perception on efficiency and accessibility of the information, communications and airport's internal signage	% satisfied PRM passengers	96.5%	n.d.	99.2%
Communication with passengers	10*	Number of the responses provided in due time compared to the total number of requests for information received	% responses provided in due time on the total number of requests	100%	n.d.	100%
	11	Number of complaints received compared to the total traffic of PRM	% complaints received on the total traffic of PRM	0.1%	n.d.	0.00016%
Comfort at airport	12	Efficiency of assistance to PRM	% satisfied PRM passengers	99.2%	n.d.	100%
	13	Usability and accessibility to airport services: carpark, call system, dedicated areas, toilets, etc	% satisfied PRM passengers	96%	93,8%	94.9%
	14	Dedicated areas (e.g. Sala Amica)	% satisfied PRM passengers	96.5%	n.d.	99.9%
Relational and behavioural aspects	15	Courtesy of personnel (infopoint, security, staff dedicated to special assistance)	% satisfied PRM passengers	96%	n.d.	98.6%
	16	Professionalism of personnel dedicated to PRM	% satisfied PRM passengers	96.5%	n.d.	100%

Results of the Quality Plan annexed to the Regulatory Agreement 2021

Of the indicators referred to by the Quality Plan, annexed to the 2021 Regulatory Agreement, 9 out of the 10 were considered excellent, with several results considerably above expectations. The only ASQ target not reached concerned "Ground transportation" (for the second consecutive year running, though monitoring of this measure was exempted by ENAC in 2020 due to the pandemic).

		Weighting	Real data - base year 2018	Results - bridge year 2019	2021		Objectives	
					Objectives	Results	2022	2023
1) Quality provided	Perception of passport control waiting time	15	5:05	4:30	05:03	04:58	5:02	5:01
2) Quality provided	Last baggage return time	5	30:01	25:39	29:59	24:16	29:58	29:57
3) Quality perceived	Perception of toilet facilities	10	89,8%	94%	90,2%	95,4%	90,4%	90,6%
4) PRM - provided	Disembarkation time, advance notice	10	4:09	5:28	04:07	03:21	4:06	4:05
5) PRM - perceived	Perception of access to infrastructure	10	93,4%	97,1%	93,8%	94,9%	94%	94,2%
6) Quality provided	Check-in waiting time	7	5:04	4:55	05:02	03:30	5:01	5:00
7) ASQ	Overall satisfaction	15	3,86	3,96	3,88	4,06	3,89	3,90
8) ASQ	Ground transportation	8	3,56	3,62	3,58	3,26	3,59	3,60
9) Technical	Usage of Automated Border Control (E-gates)	10	0%	0%	2%	7,95%	3%	4%
10) Technical	Charging stations (TPHP/no.)	10	631,7	384,6	500	166	416,7	357,1

Focus on Passengers with Reduced Mobility (PRM)

In 2021, Passenger with Reduced Mobility (PRM) service times were in full compliance with set standards.
SAGAT S.p.A. received 1,300 customer satisfaction surveys from such users in 2021.

Customer satisfaction for PRMs arriving and departing from Turin Airport was once again excellent (lowest satisfaction level: 94.9%).

In the area of service for passengers with disabilities or reduced mobility, 2021 saw the continuation of collaboration with CPD-Consulta per le Persone in Difficoltà (Council for People in Difficulty).

Despite the need to reduce costs across business areas, SAGAT S.p.A. continued to provide financial support to CPD as part of the "Caselle for All" project, which sets out to improve airport usability for passengers with specific needs or physical-motor or sensory disabilities. The project provides specially-equipped airport-city transport support services, which can be booked via a toll-free phone line managed by CPD. In 2021, 139 such rides were given, compared to 99 in 2020.

In 2021, SAGAT S.p.A. also continued its commitment to the "Autismo - in viaggio attraverso l'aeroporto (Autism - A journey through the airport)" project, created by ENAC in partnership with Assaeroporti, sector associations and airport management companies to facilitate airport access and air travel for people affected by autism.

Airport Service Quality (ASQ)

Though survey work had been suspended due to the lockdown in Q2 and partly Q4 of 2020, quality surveys were carried out in all four quarters of 2021. The 2021 sample was, therefore, consistent with pre-COVID standards, even though ASQ had granted flexibility in the data collection due to the persistence of the pandemic.

Overall Satisfaction in 2021 fell slightly to 4.06 (on a scale of 1 to 5), but was, in any case, well above the historical survey average.

Overall Satisfaction					
2016	2017	2018	2019	2020	**2021**
3.66	3.73	3.86	3.96	4.09	**4.06**

"The Voice of the Customer" award

It is precisely its perseverance in fieldwork that in 2021 enabled Turin Airport to obtain, for the second year running, the "The Voice of the Customer" award from ACI World to airports that, during the year, continued to prioritise passengers, endeavouring to gather feedback through ASQ despite the ongoing pandemic.

Voluntary certifications and Assessment

Two different certifications were renewed in 2021. The first is consistent with the company's strategy of placing customer experience at the centre of SAGAT Group operations, while the second came as a response to the continuing health emergency caused by the spread of COVID-19:

- **Airport Customer Experience Accreditation** (renewed in May 2021)
  This voluntary certification measures an airport's ability to manage passenger experience, as part of the ACI ASQ-Airport Service Quality programme.

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The Accreditation certifies an airport's ability to oversee customer experience. Airports must demonstrate their maturity as regards customer analysis, performance measurement, processes to manage customer service activities and strategies to improve the quality of services provided. The certificate is awarded based on the assessment, carried out by an international commission, of the achievement of objective requirements. These are identical for every airport, regardless of passenger numbers.
Turin Airport, certified at Level 1, was the first Italian airport in its ACI category (2-5 million passengers per year) to receive the certification. SAGAT's investments in innovation and digital communication were cited among the factors that led to the award.

- **Airport Health Accreditation**
  (renewed in October 2021)
  This programme assesses the health measures and procedures implemented by airports following the COVID-19 pandemic, conforming to the recommendations issued by the International Civil Aviation Organisation (ICAO - Council Aviation Recovery Task Force), in line with the European Union Aviation Safety Agency (EASA), the European Centre for Disease Prevention and Control (ECDC - Aviation Health Safety Protocol), and the ACI Europe guidelines for a Healthy Passenger Experience at airports. Topics taken into account by ACI when awarding the accreditation include: cleaning and disinfection of spaces, maintenance of social distancing, protecting personnel, and passenger communications and facilities.

The two new certifications supplement the certified systems that comprise the Integrated Policy of the SAGAT Group:

Voluntary certifications according to UNI EN ISO regulations:

- ISO 9001 Quality Management System;
- ISO 14001 Environmental Management System;
- ISO 50001 Energy Management System;
- ISO 45001 Occupational Health and Safety Management System

Sector-specific obligatory certifications:

- ENAC - Airport Certification.

Sector-specific voluntary certifications:

- ACA - Airport Carbon Accreditation;
- ASQ - Airport Customer Experience Accreditation;
- AHA - Airport Health Accreditation

ISO 9001:2015 Quality Certification

In December 2021, the certification body DNV carried out the audit required to achieve a three-year renewal of ISO 9001:2015 certification.

The audit concluded positively, and no non-conformities were found.

Passenger listening

In addition to the use of questionnaires, passenger listening is also carried out through the management of complaints and reports, which are classified in compliance with ENAC Memorandum GEN-06 (dissatisfaction, non-compliance, and safeguarding requests).
Analysis of the 75 complaints received in 2021 reveals that:

- there were more than the previous year, consistent with the increase in traffic;
- about 30% of the complaints are in some way connected to COVID-19;
- the percentage of unfounded complaints was less than 10%.

All, including baseless ones, received a formal response.

1.17
Communications and relations with the community

SAGAT Group's communications in 2021 were developed along three main lines:

- Environmental sustainability, with the new "Torino Green Airport" branding and related communications plan;
- Traffic development, with the launch of the Ryanair base and the new "Lowcost Tuttigust" advertising campaign, positioning Turin Airport as north-west Italy's leading airport for new international traffic at affordable prices;
- Information concerning COVID-19 regulations for air travel.

Among the major initiatives introduced by Turin Airport in 2021, we note the Torino Green Airport project, which unites all environmental sustainability activities introduced or soon to be introduced under a new brand. The project was bolstered by a series of communications over the course of several months. The public launch took place in July, with an online press conference followed by external campaign activities, including posters in the passenger terminal and the branding of an electric vehicle for company use outside the airport. A new dedicated section was also set up on the airport's website and targeted posts were published on social media pages.

Starting from the second half of 2021, another important theme was the promotion of the significant opening to the general public of the Ryanair base in Turin. This took place in several stages, with the organisation of press conferences, one in June and the other in November, attended in person by the media and local institutions, as well as advertising campaigns through local bill posting, the radio and social media.

The advertising campaign, called "Lowcost Tuttigust", was arranged with multiple entities in the catchment area of Turin for affixing billboard posters in the city centre. It was also articulated in a dynamic version through the decoration of two cars of the urban tram lines and the retrofitting of the back of three buses in service on the route from the airport to Turin city centre. The event was broadcast on radio frequencies with regional coverage and was publicised with the discussion of multiple topics on the airport's official Facebook page.

The conception of the campaign on the Facebook channel focused on a catchment area located in the regions of Piedmont, Liguria and Valle d'Aosta, and was organised with inserts linked to individual destinations. The aim of the advertisement was to bring direct traffic to the carrier's page (in the case of a destination served only by Ryanair), and to the airport's official website via an especially created landing page (in the case of a multi-carrier destination). With a total schedule of one and a half months (25 October to 10 December 2021), the campaign achieved a total of 5,603,836 impressions with an audience coverage of 1,983,493. Traffic generated was 55,484 link clicks.

News of the Ryanair base generated considerable community interest and media hype, in addition to consolidating Turin Airport's ties with the local area.

Still on the subject of Aviation, further initiatives involving the media and other target audiences were also carried out in the course of 2021. These included the launch on the Italian market of the carrier Binter, which in July made its debut from Turin with a direct flight to Gran Canaria, with the participation of passengers at the boarding gate. There was also the launch of the Paris Orly connection operated by Vueling, with a trade event organised in collaboration not just with the carrier, but also with Disneyland Paris.

As usual, the activity described above was flanked by media relations and digital PR activities aimed at promoting the network of destinations, the range of services on offer, the opening of new flights, the attainment of new certifications, the launch of new project initiatives and participation in industry initiatives.

On the digital PR and social media front, in the third year of social media presence (the channels were opened in July 2019), at December 31, 2021, the airport had over 43,000 Facebook fans, with an intrinsic monthly coverage of 150,000 views per post. It also had 4,799 followers on Instagram, 3,981 on LinkedIn and 2,045 on Twitter.

During 2021, the SAGAT Group's communications were still strongly influenced by information related to the health emergency, as a consequence of the constant regulatory updates that marked the year. Updating involved both offline channels (in passenger terminals and employee workplaces) and online channels (social media and Turin Airport digital tools).

Health-related initiatives in 2021 included the opening in April of the airport vaccination hub at the Remote Check-in Terminal (ski terminal), in conjunction with the regional government of Piedmont and the Torino4 local health authority (ASL). The SAGAT Group has thus put itself at the service of the community, making use of its infrastructure and organisational capabilities to respond quickly and efficiently to the needs expressed by the local area. The Long Stay car park was made available free of charge on the same level as the remote terminal to users travelling to the vaccination point at Turin Airport by car.

2021 was also distinguished by Torino Airport's support for a number of initiatives earmarked for near and future periods. These included support for the bids submitted by local institutions to host the 2022 Eurovision Song Contest, the 2023 Euroheat & Power Congress and the 2025 Special Olympics Games. All three were awarded!

In 2021, collaborations and co-marketing initiatives with local cultural bodies and institutions, which had been suspended in 2020 due to the spread of the pandemic, also resumed. Among others, the partnerships with the Teatro Regio and the Turismo Torino e Provincia on the occasion of the ATP Tennis Finals are worthy of mention. In this regard, the use of the digital spaces at Arrivals continued to provide passengers and their waiting companions with information on current happenings in the area. By means of short videos and slide shows, the calendar of upcoming events was broadcast free of charge, highlighting, inter alia, fixtures such as the ATP Finals, the Turin Film Festival, the Salone del Libro, the Le Corbusier exhibition (Pinacoteca Agnelli) and the Lunathica festival.

Finally, in January 2021, the statue of the Madonna Lauretana was received and placed for several weeks at Turin Airport as part of the Peregrinatio Mariae. The initiative, coordinated by Assaeroporti, complements the many activities supported by the association of which Turin Airport is a part and which have a charitable purpose.

1.18
Disputes

SAGAT S.P.A.

Fire Services

Article 1, paragraph 1328, of Law No. 296 of December 27, 2006 (2007 Finance Act) established a special Fund, to be supported by airport operators in proportion to traffic generated, amounting to Euro 30 million per year, in order to finance fire prevention services provided at airports by the National Fire-Fighting Service. Subsequently, Article 4, paragraph 3-bis of Legislative Decree No. 185 of November 29, 2008, which confirmed the extent and methods of financing the Fund, stipulated that it should not only finance airport fire prevention services, but also contribute, alongside other resources, to financing all the activities of the National Fire Prevention Service.

In 2009 SAGAT S.p.A., together with other airport operators, challenged the constitutionality of the regulations establishing the Fire-Fighting Fund and the legitimacy of the provisions establishing and implementing the Fund, and took action to have these provisions annulled.

The appeals were then repeated annually by SAGAT S.p.A. in the face of the various ENAC requests for Fund contribution payments.

The legal dispute, which has now lasted for ten years and has been extensively and thoroughly described in previous years' reports, has been extremely complex. The opposing views have mainly centred around whether the contribution is a tax or a consideration and, therefore, the competence of the tax judges to rule on its merits. The case has been referred to both the Supreme Court and the Constitutional Court. Both have found fully in favour of the Operators' arguments, confirming that the contributions to the fund established by Article 1, paragraph 1328, of Law No. 296 of December 27, 2006 are in fact a tax.

Two separate decisions of the Rome Provincial Tax Commission (judgement No. 10137/51/14, judgement No. 2517/19) have now become final, expressly acknowledging that the tax is not due from 2009, due to the non-applicability of its original legislative purpose as per Article 4, paragraph 3-bis of Legislative Decree No. 185 of 2008.

As of December 31, 2021, the following rulings were still pending:

- before the Court of Rome, filed by SAGAT S.p.A. to ascertain the lack of jurisdiction of the judge of the ordinary court. These proceedings were brought by SAGAT S.p.A. in 2012 following the Lazio Regional Tax Commission's ruling of July 14, 2011, which overturned the decision of the Provincial Commission of first instance of December 21, 2010, affirming the lack of jurisdiction of the tax court judge and indicating the judge of the ordinary court as competent. In a ruling dated February 7, 2022, the Court of Rome declared that the judge of the ordinary court lacked jurisdiction with respect to the tax court judge.
- The judicial review relating to the years 2007 and 2008 is still pending. For these years, however, the Rome Provincial Tax Commission (judgement No. 4874/8/19 of April 2, 2019) has already ordered cancellation, confirming, once again, that the Fire-Fighting Fund constitutes a tax (specifically a purpose tax) and declaring that the legal premise underlying the obligation to contribute to said Fund no longer exists. The first instance ruling was confirmed on appeal by the Lazio Tax Commission (ruling No. 7164/2019). On February 19, 2020, the Attorney General's Office gave notice of an appeal to the Court of Cassation against this judgement. SAGAT S.p.A. duly appeared. On April 12, 2021, the appeal passed the scrutiny of the filtering section and was referred to Section V, Taxation Division, of the Court of Cassation.

Revocatory action - Alitalia Linee Aeree Italiane S.p.A. in administration

As described in previous years' reports, on August 29, 2008, Alitalia was placed under Extraordinary Administration by means of a decree issued by the President of the Council of Ministers, pursuant to Legislative Decree No. 347/2003 ("Marzano Law") as amended by Legislative Decree No. 134/2008. On January 12, 2009 Alitalia Linee Aeree Italiane, which is under Extraordinary Administration, ceased operations and on January 13, 2009 Alitalia Compagnia Aerea Italiana became operational. The latter acquired Alitalia's company facilities from the receivership administrator.

Previous reports also described the initiatives taken by SAGAT S.p.A. regarding this extraordinary administration to collect its receivables.

On August 9, 2011 Alitalia Linee Aeree Italiane S.p.A. in extraordinary administration notified SAGAT S.p.A. of a writ of summons before the Court of Rome with which it requested revocation of the payments made by Alitalia in the six months prior to the declaration of insolvency and admission to the extraordinary administration procedure. Revocation payments for SAGAT S.p.A. amount to Euro 2,208,622.

SAGAT S.p.A., having obtained formal assurances from its lawyers regarding the validity of its legal arguments, therefore took legal action, contesting, among other things, that a large part of the payments made by Alitalia were made after the entry into force of the so-called Alitalia Decree (Legislative Decree No. 80/2008), which declared payments made by Alitalia after its entry into force to be irrevocable. With regard to the remaining payments, SAGAT S.p.A. maintained that the subjective and objective requirements of Article 67 of the Bankruptcy Law did not exist, and that the payments made to SAGAT S.p.A. were therefore not revocable.

It should be noted that similar legal action was also taken against the subsidiary SAGAT Handling S.p.A., whose payments subject to revocation amount to Euro 956 thousand. SAGAT Handling S.p.A. opposed the revocation in court with legal arguments similar to those of SAGAT S.p.A.

First instance judgements in both the above cases were reached in 2014, with judgement 14238/14 of July 1, 2014 regarding SAGAT Handling S.p.A. and judgement 16469/14 of July 29, 2014 regarding SAGAT S.p.A. Both judgements fully reject Alitalia's claims, accepting the defensive arguments of SAGAT S.p.A. and SAGAT Handling S.p.A.

In 2015, Alitalia launched appeals against both first instance judgements.

On June 8, 2018 the Rome Court of Appeal filed its judgement in relation to the SAGAT S.p.A. case, which partially modified the first instance decision. Specifically, the Court confirmed that payments made after April 24, 2008 (totalling Euro 1,308,103.88) were not revocable, since they were made after the so-called Alitalia Decree came into force. On the other hand, the same Court deemed the other payments, made outside the protection of the Alitalia Decree, for a total of Euro 689,323.49, to be revocable.

In December 2018, SAGAT S.p.A. filed an appeal with the Court of Cassation. On January 16, 2019 Alitalia, undergoing insolvency proceedings, notified SAGAT S.p.A. of a cross-appeal.
As regards the case involving SAGAT Handling S.p.A., with judgement of December 10, 2020, filed on December 23, 2020, the Rome Court of Appeal fully dismissed the appeal lodged by Alitalia against SAGAT Handling S.p.A. On March 18, 2021, Alitalia in administration filed an appeal with the Court of Cassation, challenging the aforementioned ruling. SAGAT Handling S.p.A duly entered an appearance.

Revocatory action - Alitalia Società Aerea Italiana S.p.A. in administration

On May 2, 2017 Alitalia - Società Aerea Italiana S.p.A. - entered the extraordinary administration procedure pursuant to Decree-Law No. 347/2003, converted with amendments into law by Law No. 39/2004 and subsequent amendments.

On May 4, 2020, a writ of summons was served against SAGAT S.p.A. by Alitalia Società Aerea Italiana S.p.A. in administration, seeking a declaration of ineffectiveness of the payments made by the air carrier in the six-month period prior to the date of the order opening insolvency proceedings (May 2, 2017) against Alitalia Società Aerea Italiana S.p.A. amounting to Euro 4,181,511.90.
On February 11, 2021, SAGAT S.p.A. duly appeared before the court, first of all contesting the lack of passive legitimacy in relation to the request to revoke the payments made by Alitalia by way of surcharges, as well as the lack of both subjective and objective requirements provided for under Article 67 of the Italian Bankruptcy Law to proceed with revocation of the payments.
The case is still pending.
Similar proceedings have also been brought against the subsidiary SAGAT Handling S.p.A., whose payments subject to revocation amount to Euro 623,384.28. SAGAT Handling S.p.A. also filed a legal challenge to the revocation.

Inflation

In 2006, SAGAT S.p.A. took legal action against the Ministry for Infrastructure and Transport to obtain compensation for damages deriving from the failure to adjust airport fees in line with inflation, as provided for annually by law pursuant to Article 2, paragraph 190, of Law No. 662 of December 23, 1996.
With the judgement of September 15, 2011, the judge ruled against the Ministry and accepted

SAGAT S.p.A.'s request regarding the period 1999-2005, ordering the Government to pay SAGAT S.p.A. the amount of Euro 2,650 thousand plus monetary revaluation and interest as provided for by law. The judge did not, however, accept the further request for compensation for damages relating to subsequent years (2006-2008), declaring that there was no jurisdiction over this request.
In confirming the first instance judgement No. 3996/2019 of June 14, 2019, the Rome Court of Appeal also ordered the Ministry for Transport to pay SAGAT S.p.A. damages resulting from the failure to adjust airport fees to inflation in the period 2006-2008, for a further Euro 2,723 thousand plus interest and revaluation.

On December 6, 2019, the Attorney General's Office gave notice of an appeal to the Court of Cassation against this judgement. SAGAT S.p.A. duly entered an appearance on January 14, 2020, also submitting its own cross-appeal. The ruling is still pending.

Annual fee as per Article 7 City of Turin agreement – SAGAT S.p.A.

Following the signature of the Convention for the governance of relations regarding the management and development of the airport activity of Turin Airport by SAGAT and ENAC-Ente Nazionale per l'Aviazione Civile on October 8, 2015, the SAGAT S.p.A. Board of Directors requested a legal investigation into the company's continuing obligation to pay the City of Turin the annual fee set out in Article 7 of the Convention signed between the City and SAGAT S.p.A. on September 30, 2002.
Legal investigations carried out with the assistance of an external legal firm revealed that the company was no longer obliged to pay the fee set out in the 2002 Agreement.
SAGAT S.p.A. notified the City of Turin of the above by letter in October 2016. SAGAT S.p.A. rejected subsequent requests from the City of Turin for payment of the fee for 2016 and 2017, citing the legal justifications.
On December 15, 2017, SAGAT S.p.A. received notification from the City of Turin of an injunction for payment in the amount of Euro 832,239, relating to unpaid fees for the years 2016 and 2017 plus legal interest.
In January 2018, SAGAT S.p.A. appealed against the injunction in question before the Court of Turin, also requesting that the injunction be suspended.
The City of Turin appeared before the Court and at simultaneously brought an action before the Court of Cassation.
The Court of Turin took note of the jurisdiction proposed by the City and, by order of May 2018, suspended the judgement pending the decision of the Court of Cassation. In the meantime, judging itself to be without jurisdiction and deeming the jurisdiction to be administrative, the Court rejected SAGAT S.p.A.'s appeal to suspend the injunction sought by SAGAT S.p.A., which duly filed a complaint against said order, also rejected.
By order issued on May 13, 2019, the Court of Cassation ruled on the aforementioned jurisdiction regulation, rejecting it and referring the case -

resumed by SAGAT S.p.A. on June 14, 2019 - to the Court of Turin.
With a ruling dated February 17, 2021 (not yet final) the Court of Turin rejected SAGAT S.p.A.'s challenge to the injunction against the City of Turin, and on May 12, 2021 SAGAT S.p.A. appealed that judgement. The appeal ruling is currently pending.

Revocation action Blue Panorama in administration

By means of a summons served on March 20, 2017, Blue Panorama in administration requested the revocation, pursuant to the combined provisions of Article 67, paragraph 2 and Article 67, paragraph 3 sub A) of the Bankruptcy Law, of the payments made to SAGAT S.p.A. in the six months prior to the publication in the Companies' Register of the application for pre-arrangement pursuant to Article 161, paragraph 6 of the Bankruptcy Law. The payments subject to revocation amount to Euro 1,063 thousand.
SAGAT appeared before the court and raised objections on the basis of:

- an incorrect calculation of the so-called "suspect period", due to the fact that the counterparty deemed the principle of the so-called "continuation of procedures" to be applicable;
- the absence of *scientia decoctionis*;
- the fact that the payments were made within the "terms of use", and are consequently exempt from revocation;
- the failure to allege and prove the *eventus damni*.

On January 23, 2021, the Court of Rome upheld the defences of Blue Panorama Airlines, declaring the ineffectiveness of the payments made in favour of SAGAT S.p.A. and sentencing the latter company to repayment of the sum of Euro 1,063,150.04 plus interest and court costs.
On October 25, 2021, SAGAT S.p.A. appealed this ruling and judgement is pending.
A similar case was also brought by Blue Panorama in administration against SAGAT Handling S.p.A.; the payments subject to revocation in this case total Euro 517 thousand.

Litigation over ICEP Resolution of November 28, 2018 on ENAC Regulatory Agreement

With Resolution of November 28, 2018, published in the Official Gazette No. 87 of 12/4/2019, the Interministerial Committee for Economic Planning (hereinafter ICEP) expressed a favourable opinion on the outline Regulatory Agreement entered into between ENAC-Ente Nazionale per l'Aviazione Civile and SAGAT S.p.A., pursuant to Article 1, paragraph 11, of Legislative Decree No. 133/2014, as converted by Law 164/2014, for the period 2016-2019.
In expressing a favourable opinion, the ICEP endorsed the recommendations of the Consultative Nucleus for the Implementation of Guidelines for the Regulation of Public Utilities Services No. 4 of November 26, 2018 and, in particular, those:
"to insert a specific litigation waiver clause, the proposed wording of which is as follows: 'With this Regulatory Agreement, the company waives all rights and/or claims, including those relating to tariffs, connected with the sector legislative and regulatory framework, the concession, and/or the contract and those previously stipulated, as well as pending litigation actions relating to any of the areas mentioned".
With Resolution No. 20 of October 2, 2018, ENAC approved the new outline of the Model Contract, which saw the addition to Article 19 of a clause that waived the right to disputes, and which was very similar to that drafted by NARS and ICEP in their Resolution.
On August 8, 2019, SAGAT S.p.A. lodged an extraordinary appeal with the Italian President as per Article 8 of Presidential Decree No. 1199/1971, requesting cancellation:

- of ICEP Resolution No. 64/2018 of November 28, 2018;
- of ENAC Board of Directors Resolution No. 20/2018 of October 2, 2018, which approved the new model outline of the Regulatory Agreement which proposed the insertion into said model outline of Article 19 regarding the "litigation waiver";
- of the new model outline approved by ENAC Resolution No. 20/2018, with specific reference to the provision in Article 19 relating to the "litigation waiver".

The appeal focuses particularly on the clause waiving the right to litigation, the illegality of which is contested on various bases. Chief among these is the violation of the right to defence which is enshrined in Articles 24 and 113 of the Constitution.
On November 20, 2020 the Council of State expressed a favourable opinion, deeming the appeal brought by SAGAT S.p.A. justified and therefore admissible. The contested act, limited to the clause in question, was consequently annulled. The Council of State tasked the Administration with revising the clause in question after directly involving SAGAT S.p.A. and in accordance with the justifications set out in the aforementioned opinion.
By Presidential Decree dated April 28, 2021, the appeal was upheld, with the consequent annulment of the impugned deed limited to the contested clause.

Appeal against airport fee regulation models - A.R.T. (Transport Regulation Authority) Resolution No. 136 of July 16, 2020

With an appeal filed on October 14, 2020, SAGAT S.p.A. brought an action before the Piedmont Regional Administrative Court for annulment:

1) of Transport Regulation Authority Resolution No. 136/2020 approving the update of the "Airport fee regulation models" and in particular the *"Offices investigation report. Conclusion of the procedure begun with Resolution No.*

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84/2018. Approval of airport fee regulation models" and Annex A, which contains the aforementioned models;
2) any other act that is prerequisite, connected and/or consequential to them.

This appeal challenged these acts in relation to the Transport Regulation Authority's introduction of an asymmetrical mechanism for compensating for traffic risk and a parameter (which was unpublished and not submitted for consultation) in the formula for determining the amount of remuneration for invested capital, which has led to a reformatio in pejus of the same. The decision is currently pending.

Appeal against Interdirectorial Decree No. 3010/2020 for the transfer to State property of assets no longer functional for ENAV's statutory purposes

In January 2021 SAGAT S.p.A. filed an appeal before the Piedmont Regional Administrative Court requesting the annulment of Interdirectorial Decree No. 3010 of April 3, 2020 of the Ministry for the Economy and Finance in agreement with the Ministry for Infrastructure and Transport concerning the *"Transfer to State property of the assets no longer functional to ENAV's statutory purposes and subsequent reallocation thereof to ENAC, pursuant to the combined provisions of Articles 692 and 693 of the Navigation Code for subsequent concession to the airport operator"*.
In its defence, SAGAT S.p.A. challenged, in particular, the breach, to the detriment of airport operators, of the guarantees of participation set forth in Law No. 241/1990, as well as the abuse of power due to the absence of preliminary enquiries, with the consequent illogicality and contradictory nature of the provision.
The opposing parties ENAC, ENAV, the Ministry for the Economy and Finance and the Ministry for Infrastructure and Transport duly entered an appearance, which is currently pending.

SAGAT HANDLING S.P.A.

Revocatory action - Alitalia Linee Aeree Italiane S.p.A. in administration

As extensively disclosed in the reports relating to previous financial years, with a writ of summons served on August 11, 2011, Alitalia in administration brought a revocatory action against SAGAT Handling S.p.A. pursuant to Article 67, paragraph 2 of the Italian Bankruptcy Law in order to obtain a declaration of ineffectiveness of the payments made by Alitalia in the six-month period preceding the date of its entry into administration and the consequent reimbursement of the sums received for that purpose. Similar actions have been taken against all major airport operators and handlers.
The payments subject to revocation amount to Euro 956,458.
In relation to the legitimacy of Alitalia's requests, SAGAT Handling S.p.A. appeared before the court contesting both the existence of the objective and subjective requisites for the action, arguing the applicability to the case in question of the exemption provided for under Article 67, paragraph 3, letter a) of the Italian Bankruptcy Law (irrevocability of payments for goods and services made in the performance of business activities within the terms of use) and challenging the irrevocability of the payments made after April 24, 2008 by virtue of the express provision to that effect contained in Legislative Decree No. 80/2008 (bridge loan to Alitalia).
In a ruling filed on July 1, 2014, the Court of Rome upheld SAGAT Handling S.p.A.'s arguments and rejected the claims of Alitalia in administration.
With a ruling of December 10, 2020, filed on December 23, 2020, the Rome Court of Appeal also entirely rejected the appeal lodged by Alitalia.
On March 18, 2021, Alitalia in administration notified SAGAT Handling S.p.A. of an appeal to the Court of Cassation. SAGAT Handling S.p.A. duly entered an appearance.

Revocatory action - Alitalia Società Aerea Italiana S.p.A. in administration

On May 4, 2020, Alitalia Società Aerea Italiana S.p.A. in administration filed a new revocatory action against SAGAT Handling S.p.A. requesting a declaration of ineffectiveness of the payments made by the air carrier in favour of said company for a total of Euro 623,384.28.
On February 11, 2021, SAGAT Handling S.p.A. duly entered an appearance, objecting that both the subjective and objective requisites provided for under Article 67 of the Italian Bankruptcy Law to proceed with revocation of the payments do not exist.
The case is still pending.

Revocation action Blue Panorama in administration

By means of a summons served on March 22, 2017, Blue Panorama in administration requested the revocation, pursuant to the combined provisions of Article 67, paragraph 2 and Article 67, paragraph 3 sub A) of the Bankruptcy Law, of the payments made to SAGAT Handling S.p.A. in the six months prior to the publication in the Companies' Register of the application for pre-arrangement pursuant to Article 161, paragraph 6 of the Bankruptcy Law.
The payments subject to revocation amount to Euro 517,020.
SAGAT Handling S.p.A. appeared before the court and raised objections on the following grounds:

- incorrect calculation of the so-called "suspect period", due to the fact that the counterparty deemed the principle of the so-called "continuation of procedures" to be applicable;
- the absence of *scientia decoctionis* (knowledge of insolvency);
- the fact that the payments were made within the "terms of use", and are consequently exempt from revocation;

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- the failure to allege and prove the *eventus damni.*

At present, the pre-trial proceedings have been completed and the ruling is pending.

Labour law litigation

In February 2017, SAGAT Handling S.p.A. temporarily insourced the cargo and mail loading and unloading service on the aircraft apron. Said insourcing was implemented through the use of temporary staff made available by the employment agency Adecco Italia S.p.A., pending the launch of a new tender procedure to award a contract that would include loading, unloading and aircraft cleaning services. The new tender included a special labour clause to ensure that workers would be transferred to the new contractor, thus guaranteeing absolute job security.
Of the 24 resources employed by Alpina Service, only 9 accepted the transfer to Adecco, which therefore had to supplement the team with external resources.
As a result of the tender described above, on October 16, 2017 SAGAT Handling S.p.A. entered into a new contract with National Cleanness S.r.l. which, as agreed, hired the staff previously employed by Adecco.
On June 8, 2018, SAGAT Handling S.p.A. was served with an action pursuant to Article 414 of the Italian Code of Civil Procedure on behalf of 8 of the former employees of Alpina Service who had not accepted the transfer to Adecco. The complainants, who in the meantime had continued to work for several months on behalf of Alpina Service for another Handler operating at the airport, and who had only subsequently been dismissed by Alpina Service, requested recognition of their right to be transferred to SAGAT Handling S.p.A., and subsequently to National Cleanness, pursuant to Article 2112 of the Civil Code or, alternatively, of their right to be employed by National Cleanness pursuant to Article 4 of the national collective bargaining agreements or, as a final alternative, of their right to compensation for damages.
In a ruling dated January 24, 2019, the court upheld the preliminary objection made by SAGAT Handling S.p.A. on the matter of the complainants' forfeiture of the right to challenge the non-transfer, and consequently dismissed the workers' complaint.
In October of the same year, the workers filed an appeal, which concluded positively for SAGAT Handling S.p.A. with a ruling handed down on March 16 and filed on May 10, 2021, by which said appeal was rejected.

Blue Air

On August 6, 2020 SAGAT S.p.A. and SAGAT Handling S.p.A. were informed by the company KPMG Restructuring - appointed extraordinary commissioner by the Court of Bucharest - that, as of July 6, 2020, Blue Air Aviation S.A. had entered the "preventive moratorium" procedure, a bankruptcy procedure governed by Romanian law No. 85/2014 that is similar in practice to the procedure of arrangement with creditors with business continuity governed by Italian law.
The same communication stated that, for creditors with registered offices in Italy, the Company would also file a special application for arrangement with creditors in that country, as a secondary procedure to the process underway in Romania, pursuant to the combined provisions of Article 3, paragraph 2 of EU Regulation 2015/848 and Article 161, paragraph 6 of the Bankruptcy Law.
On October 3, 2020, Blue Air therefore lodged secondary proceedings before the Court of Rome, applying for admission to the arrangement with creditors on a going- concern basis, which is therefore mainly financed with the proceeds of the ongoing business activity. According to the provisions of the proposed arrangement, preferential creditors are downgraded to the unsecured creditor status and, if the procedure is successful, will receive a payment equal to 31% of their respective claims, while claims already originally in the unsecured creditor status will be satisfied to the extent of 30%, again subject to the successful outcome of the procedure.
SAGAT S.p.A.'s claim admitted to the procedure amounts to Euro 11,610,317.78, of which Euro 11,599,481.29 on a privileged creditor basis (downgraded to unsecured creditor status), which will be paid at the rate of 31%, and Euro 10,836.49 on an unsecured creditor basis, which will be paid at the rate of 30%. Conversely, the claim of SAGAT Handling S.p.A. admitted to the procedure amounts to Euro 812,577.53 on an unsecured basis and, according to the provisions of the composition with creditors, will be paid at a rate of 30%.
At the meeting of creditors held on November 22, 2021, the companies of the SAGAT Group expressed their favourable opinion on the composition with creditors and on February 9, 2022, the Court of Rome issued the relative order of approval.

1.19
Privacy

The SAGAT Group, in accordance with the "Accountability Principle" as per Regulation EC 2016/679, has adopted a company Personal Data Protection Manual identifying the specific technical and organisational measures put in place by the Group companies for the processing of personal data and has appointed a Data Protection Officer (DPO). The companies of the Group periodically update the manual to enact new security measures, and internal audits are conducted by the DPO to verify proper compliance with relevant regulations.

1.20
Risk factors

In its Global Risks Report published in January 2022, the World Economic Forum highlighted four areas of emerging global risk: cyber security, competition in space, a disorderly climate transition and migration pressures.
Although some of these risks had already been highlighted in previous years as major global threats (e.g. cyber security), the report emphasises their increased magnitude. Among these, climate risk is considered to be the single most potentially serious threat over the next ten years.

With respect to the COVID-19 pandemic, the report emphasises that it continues to pose serious global threats two years after its outbreak. Specifically, the marked inequality between the poorest and richest countries with regard to access to vaccines makes the recovery uneven, and consequently exacerbates the economic disparities already present in the pre-pandemic period, leading to social tensions and increased migration flows.

Although the SAGAT Group had already included the risk arising from pandemics in its external context risk mapping, it had to reconsider its relevance from scratch.
The description of the risk factors identified outlines the possible impact from the current pandemic and other health emergencies, together with the mitigation measures adopted (where possible). In addition, reference should be made to the "COVID-19 Highlights" section for all of the specific and main oversight and mitigation actions taken against the pandemic, in addition to the "Outlook" section for the relative considerations.

Management method and internal oversight

The management of risk requires appropriate corporate governance mechanisms, an organisational structure with well-defined lines of responsibility and effective internal control systems. The creation of sustainable value for stakeholders cannot exclude taking risks, which is a fundamental component of doing business.

SAGAT S.p.A., as an airport manager and SAGAT Handling S.p.A., as the main airport handler at Turin airport, are subject to potential risks which may impede the achievement of the strategic objectives. In order to mitigate exposure to these events, the Group has established an organisational structure and processes and procedures which protect airport safety, the quality of services, operations and ensure the creation of value over the long-term.

The SAGAT Group's risk governance centres on:
- first level controls carried out by the operating structures, formalised in procedures, or digitally-based;
- specialist second level company control functions - Quality, EASA Compliance Monitoring, Security Manager, Safety Manager, Protection and Prevention Manager (RSPP), DPO, who ensure the adequacy of the processes within the relative scopes;

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- third level controls - Internal Audit - to guarantee the effective running of operations and risk development and to assess the completeness, adequacy, functionality and reliability of the organisational structure and of the other internal control system components.

The model put in place establishes that risk management involves the entire organisation and management is ultimately responsible for the individual risks which it handles on a daily basis and the related mitigation actions, in line with the strategic indications set by the Board of Directors.
Management discusses and works on a continual basis with the second and third level controls to agree the risk containment actions.

SAGAT Group main risk factors

The SAGAT Group's risk assessment model covers five typical sector risk drivers:

- strategic and external environment risks;
- operating risks;
- financial risks;
- legal and compliance risks;
- reputational risks.

These drivers, which categorise the main risks to which the SAGAT Group is potentially exposed to and which may impact the objectives set out in the strategic plan, are described below.

• Strategic and external environment risks

The SAGAT Group operates in a regulated environment as an airport operator, whereby results may be affected by socio-political, macro-economic, competitive and global health events, which represent "external" risks.
2021 saw heightened global geopolitical tensions that surfaced and are still ongoing on the European continent due to the crisis in relations between Russia and Ukraine. In early 2022, these tensions escalated into an armed conflict with consequences that are currently difficult to assess. This in particular may represent both a direct risk factor (due to the cancellation of flights to destinations within the area affected by the conflict, as well as the possible reduction in demand to destinations in areas bordering the war zone) and an indirect risk factor (as a consequence of market volatility due to the application of sanctions against Russia and the resulting disruption of pre-war trade relations between states).

Risks stemming from the UK's departure from the EU (Brexit)
As noted, following the 2016 Referendum, the United Kingdom left the European Union. Although the transition period concluded at the end of December 2020, due to the pandemic it has not yet been possible to observe fully the dynamics of post-Brexit passenger flows.

• Health risks

The global health situation has demonstrated how it can dramatically shape the airline industry in terms of traffic volumes and type/nationality of travelling passengers.
As highlighted by the measures adopted to tackle the COVID-19 pandemic, a large-scale disease outbreak may lead to the adoption by the authorities of individual governments of severe limitations or indeed prohibitions on the movement of individuals, not just beyond - but also within - national borders, with sharp and unmitigable effects on air traffic.
This risk, materialising in 2020 with the COVID-19 pandemic and continuing throughout 2021 on an unprecedented scale in terms of the impact on air traffic, has not yet seen effective mitigation measures that can be adopted independently by the airport management companies and therefore also by SAGAT.
Infection prevention measures at the airport were adopted promptly and proactively, according to the health protocols as issued by the competent domestic authorities. These costs impact upon the operating result.

• Climate change risk

The Climate Change risk for SAGAT relates to the aviation industry's significant environmental impact. The increased and more widespread awareness of Climate Change impacts may result in a drop in air traffic, particularly over short distances where convenient alternative solutions are available.
SAGAT is committed, together with its supply chain, to the fight against Climate Change, adopting emission containment measures.
During 2021, the SAGAT Group launched the "Turin Green Airport" programme containing precise action plans and objectives aimed at limiting the impact of its activities on the environment.
These include a commitment to continue the ACA (Airport Carbon Accreditation) sustainability certification pathway promoted in 2022 by Airports Council International (ACI) Europe, the association grouping European airport management companies, with the achievement of Level 3-"Optimisation" certification of the ACA environmental sustainability programme, the joint protocol promoted by ACI Europe for the active management through measurable results of emissions at airports. This certification attests to the commitment to involve third parties and to measure the emissions of the Airport's partner companies.
For the 2021-2023 three-year period, SAGAT has set the target of halving CO2 emissions on the 2017 base year, with investments focused on boosting the efficiency of the most energy-intensive systems and the purchase of electricity only from certified renewable sources.

• Market risks

The review of strategies by the leading airlines for the SAGAT Group may result in changes to flights resulting in reduced traffic, with a consequent impact on the Group's operations and results. This risk materialised in 2021 following the crisis of the carrier Alitalia.

The performance of the two largest aircraft manufacturers, Airbus and Boeing, can have repercussions on the development of air traffic, as was the case, for example, with Boeing's delayed delivery of the new 737-MAX model, which is being overhauled after the now well-known catastrophic accidents.

The development strategies of airlines can also be influenced by the impact of trade sanctions applied in certain crisis areas and the effects on aircraft availability arising from the consequences of such sanctions on the activities of companies operating in the aircraft leasing market.

The development of fast and alternative rail transport has reduced travel times from Turin to Italy's major population centres - Rome in particular - and has made it easier to reach even more distant destinations by rail. The increase in frequency of high-speed trains along these routes may lead to a reduction in air traffic through Turin airport, as the proximity of other internationally-focused airports may hinder the development of Turin air traffic volumes.

• Regulatory development risks

The Group operates in a sector regulated at a national, EU and international level. SAGAT Group activities, as is the case for all Italian Airport Managers, are subject to a high level of regulation which impacts in particular the establishment of fees concerning services offered (airport fees, security control, etc.), the allocation of slots and the control of air traffic. Developments in the regulatory framework could therefore affect the Group's results.

SAGAT S.p.A. constantly monitors the activities of Authorities in the national and European aviation field and actively participates in technical round tables set up by industry associations in order to remain firmly in line with any legislative and regulatory changes.

• Operating risks

The operating risk factors are related to the carrying out of airport activities and may impact Group performance.

• Safety & security

Passenger and employee safety is a central concern for the Group, which places maximum priority and focus on daily operating and management activities. The Group has adopted specific health and safety policies requiring, a) compliance with all applicable regulations, b) ongoing staff training, c) the achievement and maintenance of specific certifications.

With regards to the actions taken to fight the COVID-19 pandemic to protect employee and traveller safety, reference should be made to the "COVID-19 Highlights" Section.

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In addition, in view of the specific company activities, the Group has for some time put in place a Safety Management System (SMS) to ensure that airport operations are carried out in conditions of established safety, periodically assessing its efficacy to correct any deviations and pursue improvements.

The SAGAT Group regularly undertakes compliance verification, change management and the identification of dangers processes and monitors, assesses and mitigates on an ongoing basis operational risk in order to contain the risk as much as possible (ALARP - as low as reasonably practicable).

Through reviewing performances, reports, auditing and monitoring programmes, accidents recorded internationally, in addition to the relative literature, the applicable safety standards are constantly assessed, with dangers identified and risk mitigation systems drawn up, identifying also possible areas for improvement.

The compliance of the organisation, the infrastructure, the systems and the procedures and the proper functioning of the management system are reflected in the Airport certificate.

• Activity and service interruptions

SAGAT Group activities may be interrupted through: a) strikes by airline personnel, by air traffic control services and public emergency service operators, and by SAGAT Group personnel; b) the incorrect and non-punctual provision of services by third parties; c) adverse weather conditions and d) the impossibility of using the runway due to events caused by aircraft taking off and landing.

Natural events may result in the temporary interruption to airport operations, with repercussions on the airport's ordinary operations.

The infrastructural systems are designed and constantly maintained to minimise disruptions from such circumstances and the company procedures cover also the management of these events.

2021 saw strong development in the consumer market for drones, misuse of which can lead to the risk of interference with aviation operations.

2021 also witnessed an abnormally sharp increase in energy and fuel prices. As a result, the risk of possible unavailability, uncertainty and/or unsustainability in the procurement of energy sources necessary for business operations was underscored.

• Risks related to the loss of key suppliers

Any bankruptcy or even temporary difficulties of strategic suppliers may have an impact on the SAGAT Group in operational and economic-financial terms. The COVID-19 pandemic resulted in financial difficulties for many sectors, which are particularly critical for businesses working exclusively and principally in the hardest hit sectors, such as air transport.

In order to reduce the exposure to this type of risk to a minimum, the Group has introduced a supplier selection and monitoring system. Specifically, for tenders and contractor selection procedures, prior certification of an absence of situations not complying with Article 80 of Legislative Decree No. 50/2016 (Procurement Code) is required and - in view of the importance of procurement - the holding of ISO certifications (quality, environment, safety, etc.) is scored positively. Where considered necessary, potential suppliers participating in the selection process are required to provide appropriate bank references.

• Industrial relations risk

Human resources and relations with employees are key factors contributing to the achievement of the SAGAT Group's objectives.
A structured employee selection process, together with talent development plans and continuous cooperation and dialogue with the trade union representatives, support a conducive corporate environment which minimises the risks related to human resource conflict management and rewards good workplace conduct.

• Ethical standards violation risks

The unethical or inappropriate conduct of employees or of Group companies may have legal and financial consequences for business activities, and may also cause significant reputational damage. The SAGAT Group therefore has a system of rules and controls suited to the environment in which it operates:

- a comprehensive set of procedures, which all employees are required to comply with in the undertaking of their duties;
- a 231 Model as per Legislative Decree No. 231/01, in relation to which specific training is provided to employees;
- an Ethics Code, which is extensively circulated both internally and externally;
- Supervisory Boards for the Group companies;
- a system, overseen by the Supervisory Boards, for reports (including anonymous ones) on the company's website;
- third level control activities by Internal Audit.

• Information Technology risk

The increasing aggressiveness and pervasiveness of cyber attacks on a global level and new Digital Transformation/Innovation technology initiatives involving the airport sector may increase the risk of vulnerability of information and technology systems.
The SAGAT Group pays great attention to the protection of its IT systems from unauthorised access and cyber attacks that may cause the temporary suspension or hindering of operational services.
The initiatives put in place comprise vulnerability assessment, geared towards preventing possible gaps in the Group's IT systems, and the implementation of risk reduction activities, also targeted at ensuring continuous compliance with international best practices in this area.

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• Financial risks

• Commercial credit risk

Credit risk represents the exposure of the SAGAT Group to potential losses deriving from the non-compliance of obligations by counterparties. The Company continuously monitors the main credit positions and protection against this risk, issuing reminders and involving the relevant internal structures. Where required, solicitation is pursued through outside legal firms, up to and including the deployment of forced recovery actions.
Any residual non-collection risk on the conclusion of the periodic recovery actions requires the accrual in the financial statements of a doubtful debt provision considered adequate in view of the estimates of relative non-recoverability.

• Liquidity risk

The liquidity risk of the SAGAT Group may arise from the difficulty to obtain loans to support operating activities in a timely manner. This risk is directly influenced by the respective overall economic situation within the sector and the contingent point at which the financial need arises.
The cash flows, funding needs and liquidity of the Company are monitored and managed centrally on a continuous basis under the control of the Treasury Department, with the objective of guaranteeing the efficient management of financial resources for the entire Group.

• Currency and interest rate risk

The Group is not subject to market risk deriving from fluctuations in exchange rates as it does not operate in an international marketplace in which transactions are undertaken in currencies other than the Euro and with differing interest rates.
At December 31, the SAGAT Group had no liquidity commitments on the markets. However, it has received loans for which the interest charges are linked to the 6-month Euribor rate. Any increase in this index could therefore generate additional expenses for the company.

• Legal and compliance risks

The Companies of the SAGAT Group undertake their own contractual relationships, maximising the protection of their interests and clarifying reciprocal rights and duties as transparently as possible. The process of drafting and signing contracts involves background checks by the relevant units and the assistance of the internal Legal Department and, where necessary, external legal firms and consultants. The risk of any legal disputes with contractual partners is therefore systematically contained through preventative actions. In the event of disputes, the exposure to the risk of loss is constantly monitored, also through outside consultants and lawyers. Where this risk is considered to exist, the company as a precaution accrues the estimated amounts for coverage to specific provisions.
The compliance of processes and procedures with domestic and international standards, the

certifications obtained and mapped over time, as well as the numerous audits to which internal processes are subject, ensure that the risk of non-compliance with directives and voluntary regulations is low.

• Reputational risks

The SAGAT Group has always placed a particular focus on its reputation, considering it a key factor for success. All activities require in fact the confidence of investors, the control bodies, of employees and of the customers using the services - to view them as excellent and recommend them to third parties.

Errors, certain events and regulatory violations may generate a "media storm", causing reputational damage - in certain cases of such severity as to threaten the Group's going concern.

The Group has therefore decided to consider reputational risk as a first level risk, although it is connected to other risk categories and in particular strategic risk. This underlines the Group's sensitivity to reputational protection, which

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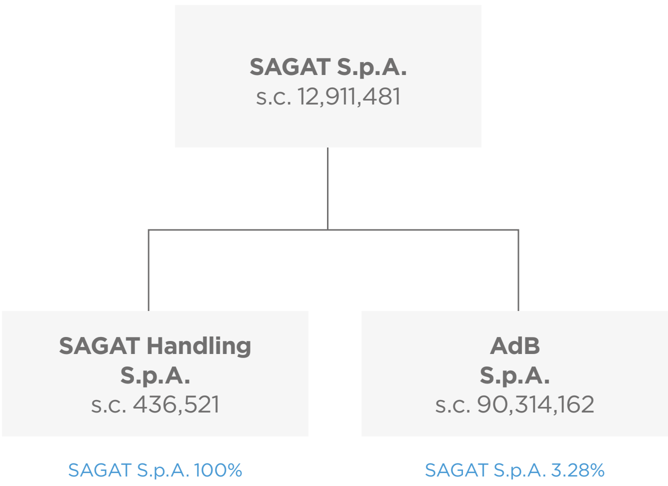
1.21
Equity investment

The following table presents the equity investments held by SAGAT (with the relative Share Capital):

(in Euro)



The investment in SAGAT Handling S.p.A. was recognised at December 31, 2021 at a value of Euro 4,344 thousand, in excess of its Shareholders' Equity, which at the same date was Euro 1,328 thousand, due to the loss for the year of Euro 609 thousand and losses from previous years. The impairment test performed in 2020 by independent third parties nevertheless demonstrated the sustainability of the value the investment in the subsidiary.

The company managing G. Marconi Airport of Bologna (hereafter AdB) was admitted to trading on the STAR segment of the Italian Stock Exchange in July 2015.
At December 31, 2021 SAGAT S.p.A. held 1,183,643 ordinary AdB shares, at a carrying amount of Euro 8.26 per share. The market value of the share at December 31, 2021 was Euro 8.80 and was in excess of the carrying amount, as has historically been the case.

1.22
Additional information

- Financial and operating transactions between the parent company SAGAT S.p.A. and its subsidiaries, associates, parent companies and companies subject to control of the parent companies, are reported in the following table:

Euro thousands

Company	Revenues	Costs	Receivables at 31/12/2021	Payables at 31/12/2021
SAGAT Handling S.p.A.	939	1,583	1,506	1,029
Total subsidiaries	**939**	**1,583**	**1,506**	**1,029**
2i Aeroporti S.p.A.	0	0	4,173	0
Total parent companies	**0**	**0**	**4,173**	**0**
TOTAL	**939**	**1,583**	**5,679**	**1,029**

- SAGAT S.p.A. is subject to the management and co-ordination of 2i Aeroporti S.p.A., as per Articles 2497 – 2497-sexies of the Civil Code.
- In accordance with Article 2428 of the Civil Code, the Company does not have secondary offices.
- During the year, the Company did not incur any research and development expenses.

1.23
2022 Outlook

In the first two months of 2022, the SAGAT Group reported significant growth on the same period of 2021, with a total of 469,926 passengers (+625%) and 5,666 movements (+189%). However, the spread of the Omicron COVID-19 variant and the actions introduced by the competent domestic and overseas authorities to contain its impact on the population resulted in a further impact on passenger traffic, which in the first two months of 2022 was down 25% on 2019.

In consideration of the conclusion on March 31, 2022 of the pandemic state of emergency in Italy, a significant increase in volumes for the summer may be expected, both for domestic and international destinations, driven by the Ryanair base, with 2 operative aircraft from November 2021.

However, these strong prospects for the coming two months may be hampered by the ongoing conflict in Ukraine, whose development is currently highly uncertain both in terms of its duration and its social and economic consequences. Although to date the impact on traffic volumes has not been significant, as flight cancellations have only affected connections to Ukraine (Kyiv and Lviv) and Moldova (Chisinau), which together accounted for 1.6% of the projected passenger traffic in the first quarter of 2022, impacts on passenger mobility may not be ruled out - for example for security reasons or the effect of price increases from higher energy costs.

According to the IATA[1], long-term growth in air transport will not be significantly impacted by the conflict, but negative short-term consequences are still considered likely. ACI Europe[2] estimates for 2022 a possible recovery ranging from 61% to 80% of annual pre-COVID19 traffic volumes, with a stronger recovery for the second half of the year.

On March 7, 2022, ENAC announced the disbursement of Euro 300 million to the airport management companies in Italy, as an advance of 50% with respect to the requests for compensation, due to the damage caused by the COVID-19 health emergency, in accordance with the 2021 Budget Law , Legislative Decree No. 73/2021 and the inter-ministerial decree of December 28, 2021. On March 8, 2022, SAGAT S.p.A. received payment of Euro 5.02 million as a 50% advance of the amount requested. The grant will be recognised as revenue in the 2022 financial statements upon the conclusion by the Head Office of the Ministry of Sustainable Infrastructure and Mobility of the assessment of the applications made by SAGAT S.p.A.

1 Source IATA: Press release of March 1, 2022 https://www.iata.org/en/pressroom/2022-releases/2022-03-01-01/
2 Source ACI Europe: Economic Forecast of October 13, 2021 https://www.aci-europe.org/economic-forecasts.html

A similar contribution was also arranged by ENAC for handling companies. SAGAT Handling S.p.A. therefore on March 31, 2022 received Euro 509,686.50 as an upfront payment on the compensation.

In addition, to protect its economic and social sustainability, the Group will continue to implement all possible variable and cost containment actions that are compatible with maintaining the airport's full operations.

1.24 Proposal for the allocation of the result for the year

Dear Shareholders,

the Separate Financial Statements at December 31, 2021 of the parent company SAGAT S.p.A. outlined above, which were subject to the legally-required audit of the independent audit firm EY S.p.A., report a net loss of Euro 7,814,590.89, which we propose to allocate entirely to accumulated losses.

Caselle Torinese, March 30, 2022

Original copy, signed by:
The Chairwoman
Elisabetta Oliveri

2

Financial statements of SAGAT Group

at December 31, 2021

Consolidated balance sheet: Assets

amounts in Euro

Consolidated balance sheet: Assets	Financial statements at 31/12/2021	Financial statements at 31/12/2020
A) RECEIVABLES FOR UNPAID SHARE CAPITAL		
B) FIXED ASSETS		
I. Intangible assets		
4) Concessions, licenses, trademarks & sim. rights	154,777	371,103
6) Assets in progress and advances	244,657	510,394
7) Other assets	8,649,291	8,083,946
Total intangible assets	**9,048,726**	**8,965,443**
II. Property, plant and equipment		
1) Land and buildings	3,515,794	3,515,794
3) Industrial and commercial equipment	5,805,026	2,811,471
4) Other assets	1,046,643	1,226,190
5) Assets in progress and advances	1,261,681	2,568,091
II.bis Transferable assets		
1) Land and buildings	23,007,277	25,201,788
1-bis) Runways and related land	281,419	301,520
2) Plant and machinery	7,815,275	8,278,025
Total property, plant & equipment	**42,733,114**	**43,902,879**
III. Financial assets		
1) Investments in:		
d-bis) Other companies	9,781,870	9,781,870
2) Receivables:		
d-bis) Other:		
within 1 year	0	0
beyond 1 year	63,228	65,236
Total receivables		
within 1 year	0	0
beyond 1 year	63,228	65,236
Total Receivables	**63,228**	**65,236**
Total Financial Assets	**9,845,098**	**9,847,106**
TOTAL FIXED ASSETS (B)	**61,626,938**	**62,715,428**

amounts in Euro

Consolidated balance sheet: Assets	Financial statements at 31/12/2021	Financial statements at 31/12/2020
C) CURRENT ASSETS		
I. Inventories		
1) Raw materials, ancillaries and consumables	353,451	510,537
Total Inventories	**353,451**	**510,537**
II. Receivables		
1) Trade receivables:		
within 1 year	11,212,360	4,928,332
beyond 1 year	0	0
4) Parent companies:		
within 1 year	793,602	3,462
beyond 1 year	4,169,353	2,338,092
5) Companies subject to control of parent companies:		
within 1 year	0	0
beyond 1 year	0	0
5-bis) Tax receivables:		
within 1 year	815,116	1,108,163
beyond 1 year	216,869	3,352,081
5-ter) Deferred tax assets:		
within 1 year	540,042	535,006
beyond 1 year	8,525,458	8,295,970
5-quater) Others:		
within 1 year	10,074,306	8,517,911
beyond 1 year	39,752	88,330
Total Receivables		
within 1 year	23,435,426	15,092,874
beyond 1 year	12,951,431	14,074,473
Total Receivables	**36,386,857**	**29,167,347**
IV. Cash and cash equivalents		
1) Bank deposits	11,481,754	17,805,048
2) Cheques on hand	0	467
3) Cash & cash equivalents on hand	42,997	39,260
Total	**11,524,750**	**17,844,775**
TOTAL CURRENT ASSETS (C)	**48,265,058**	**47,522,659**
D) ACCRUED INCOME & PREPAYMENTS		
Accrued income	0	0
Prepayments	280,345	175,244
TOTAL ACCRUED INCOME & PREPAYMENTS (D)	**280,345**	**175,244**
TOTAL ASSETS	**110,172,341**	**110,413,331**

Consolidated balance sheet: Liabilities

amounts in Euro

Consolidated balance sheet: Liabilities	Financial statements at 31/12/2021	Financial statements at 31/12/2020
A) Shareholders' equity		
I. Share capital	12,911,481	12,911,481
II. Share premium reserve	6,104,521	6,104,521
III. Revaluation reserve		
Revaluation reserve as per Law 342/2000	7,362,627	7,362,627
IV. Legal reserve	2,582,296	2,582,296
V. Statutory reserves	0	0
VI. Other reserves, as follows:		
Extraordinary reserve	4,140,862	4,140,862
Reserve for extraordinary investments	4,906,340	4,906,340
Consolidation reserves	1,671,760	4,196,575
VII. Cash flow hedge reserves	0	0
VIII. Retained Earn-ings/(Accum. Losses)	(6,536,500)	9,503,588
IX. Profit/(loss) for the year	(8,407,224)	(18,564,901)
X. Negative reserve for treasury shares in portfolio	(4,823,612)	(4,823,612)
Group shareholders' equity	19,912,552	28,319,777
Non-controlling interest share. equity	0	0
TOTAL SHAREHOLDERS' EQUITY (A)	**19,912,552**	**28,319,777**
B) Provisions for risks and charges		
4) Other provisions:		
Provision for future charges	10,409,806	10,181,801
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	**10,409,806**	**10,181,801**
C) Post-employment benefits	3,173,496	3,019,621
TOTAL (C)	**3,173,496**	**3,019,621**

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amounts in Euro

Consolidated balance sheet: Liabilities	Financial statements at 31/12/2021	Financial statements at 31/12/2020
D) Payables		
4) Bank payables:		
within 1 year	2,656,699	0
beyond 1 year	25,609,978	25,164,227
7) Trade payables:		
within 1 year	19,947,630	16,140,271
beyond 1 year	331,112	6,823
11) Parent companies:		
within 1 year	0	0
beyond 1 year	0	0
12) Tax payables:		
within 1 year	1,109,177	1,477,199
beyond 1 year	1,069,880	1,550,962
13) Payables to social security institutions:		
within 1 year	1,186,961	1,071,033
beyond 1 year	0	0
14) Other payables:		
within 1 year	17,756,611	15,932,970
beyond 1 year	784,571	784,909
Total		
within 1 year	**40,000,378**	**34,621,472**
beyond 1 year	**30,452,240**	**27,506,921**
TOTAL PAYABLES (D)	**70,452,619**	**62,128,393**
E) Accrued expenses and deferred income		
Accrued expenses	8,648	821
Deferred income	6,215,221	6,762,917
TOTAL (E)	**6,223,869**	**6,763,738**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**110,172,341**	**110,413,331**

Consolidated income statement

amounts in Euro

Consolidated income statement	Financial statements at 31/12/2021	Financial statements at 31/12/2020
A) Value of production		
1) Revenues from sales and services	35,331,394	25,472,077
5) Other revenue and income showing sepa-rately operating grants:		
Other revenues and income	2,528,163	1,768,268
Operating grants	14,311	14,311
Total other revenues and income	**2,542,474**	**1,782,579**
TOTAL VALUE OF PRODUCTION (A)	**37,873,868**	**27,254,656**
B) Costs of production		
6) Raw materials, ancillary, consumables and goods	886,195	1,060,638
7) Services	19,733,039	13,758,453
8) Rent, leasing and similar costs	1,913,159	1,490,787
9) Personnel costs:		
a) salaries and wages	11,539,235	11,326,660
b) social security charges	3,484,251	3,457,528
c) post-employment benefits	1,120,070	923,009
d) pension and similar rights	0	0
e) other costs	321,598	499,916
Total personnel costs	**16,465,155**	**16,207,113**
10) Amortisation, depreciation and write-downs:		
(a) amortisation of intangible assets	1,059,060	1,048,254
(b) depreciation of property, plant and equipment	5,146,945	4,882,650
c) write-down of fixed assets	0	0
d) write-downs of current receivables and cash and cash equivalents	1,063,539	9,039,778
Total amortisation, depreciation and write-downs	**7,269,544**	**14,970,682**
11) Change in inventories of raw materials, ancillaries, consumables and goods	157,086	(49,148)
12) Provisions for risks	386,337	1,885,707
13) Other provisions	0	0
14) Other operating costs	1,710,159	2,295,081
TOTAL COST OF PRODUCTION (B)	**48,520,673**	**51,619,313**
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	**(10,646,805)**	**(24,364,657)**

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2021

amounts in Euro

Consolidated income statement	Financial statements at 31/12/2021	Financial statements at 31/12/2020
C) Financial income and charges		
15) Investment income:		
e) dividends and other income	0	0
16) Other financial income:		
d) other income		
other	258	3,423
Total	**258**	**3,423**
17) Interest and other financial charges:		
other	(616,539)	(208,984)
17-bis) Exchange gains and losses	4	(179)
TOTAL FINANCIAL INCOME AND CHARGES (C)	**(616,277)**	**(205,740)**
D) Adjustments to financial assets	**0**	**0**
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS (D)	**0**	**0**
RESULT BEFORE TAXES (A-B+/-C+/-D)	**(11,263,082)**	**(24,570,397)**
20) Income taxes for the year:		
a) Current taxes	2,622,692	3,564,036
b) Deferred tax (charges) & income	233,166	2,441,460
21. GROUP AND MINORITY INTEREST RESULT FOR THE YEAR	**(8,407,224)**	**(18,564,901)**
GROUP PROFIT/(LOSS)	**(8,407,224)**	**(18,564,901)**
MINORITY INTEREST PROFIT/(LOSS)	**0**	**0**

SAGAT Group cash flow statement

amounts in Euro

SAGAT Group cash flow statement	2021	2020
A) Cash flow from operating activities		
Group profit/(loss) for the year	(8,407,224)	(18,564,901)
Income taxes	(2,855,858)	(6,005,496)
Interest charges/(income)	616,278	205,561
(Dividends)	0	0
(Gains)/losses on sale of assets	(28,204)	(25,500)
1) Profit/(loss) for the year before taxes, interest, divi-dends and gains/losses from disposals	**(10,675,008)**	**(24,390,336)**
Non-cash adjustments not impacting working capital:		
Provisions	386,337	1,885,707
Amortisation & depreciation	6,206,005	5,930,904
Impairments	23,853	643,019
Other non-cash increases/(decreases)	0	606,470
2) Total non-cash adjustments not impacting working capital	**6,616,195**	**9,066,100**
Cash flow before working capital changes	**(4,058,813)**	**(15,324,236)**
Changes in net working capital:		
Decrease/(Increase) in inventories	157,086	(49,148)
Decrease/(Increase) in trade receivables	(6,284,057)	10,342,562
Increase/(Decrease) in trade payables	3,818,951	(3,288,983)
Decrease/(Increase) in prepayments and accrued income	(105,101)	(25,016)
Increase/(Decrease) in accrued expenses and deferred in-come	(539,869)	(564,153)
Other Decreases/(Other Increases) in working capital	4,360,845	(2,994,282)
Total changes in working capital	**1,407,855**	**3,420,980**
Cash flow after changes in net working capital	**(2,650,958)**	**(11,903,256)**
Other adjustments:		
Interest received/(paid)	(616,753)	(212,406)
(Income taxes paid)	(481,082)	(482,979)
Dividends received	0	0
(Utilisation of provisions)	(487,537)	(392,346)
Other receipts/(payments)	0	0
Total other adjustments	**(1,585,372)**	**(1,087,731)**
CASH FLOW FROM OPERATING ACTIVITIES (A)	**(4,236,330)**	**(12,990,987)**

amounts in Euro

SAGAT Group cash flow statement	2021	2020
B) Cash flow from investing activities		
Property, plant & equipment:		
(Cash flows from investments)	(4,092,760)	(2,929,770)
Cash flows from divestments	0	0
Intangible assets:		
(Cash flows from investments)	(990,935)	(1,223,123)
Cash flows from divestments	0	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(5,083,695)**	**(4,152,893)**
C) Cash flow from financing activities		
Third-party funds:		
Increase/(Decrease) in short-term bank payables	0	0
New loans	3,000,000	25,500,000
(Repayment of loans)	0	0
Own funds:		
Reimbursement of paid-in capital	0	0
Dividends and advances on dividends paid	0	0
CASH FLOW FROM FINANCING ACTIVITIES (C)	**3,000,000**	**25,500,000**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	**(6,320,025)**	**8,356,120**
OPENING CASH AND CASH EQUIVALENTS	**17,844,775**	**9,488,655**
CLOSING CASH AND CASH EQUIVALENTS	**11,524,750**	**17,844,775**

The undersigned herewith declares that the financial statements shown above reflect the underlying accounting entries

On behalf of the Board of Directors
The Chairwoman

Notes to the consolidated financial statements

General principles and basis of presentation of the consolidated financial statements

SECTION I

Form and content of the consolidated financial statements

1. The Consolidated Financial Statements comprise the Balance Sheet, the Income Statement, the Cash Flow Statement, and the Explanatory Notes, together with the Directors' Report. They have been prepared in accordance with the provisions of Legislative Decree No. 127/1991 (implementing Directives IV and VII of the European Community) and Italy's generally accepted accounting principles.

2. These financial statements have been prepared so as to provide sufficient information to give a true and fair view of the financial performance and standing of the Group as a whole.

3. The layout and content of the balance sheet and income statement comply with the principles defined by the Italian civil code as applicable to the Parent Company so as to provide a true and fair view of the Group.

4. The consolidated financial statements have been prepared with reference to the close of the financial year of the Parent Company, which is the same closing date as for the other consolidated companies.

5. Even though the information required by Italian law as concerns the layout and content of the consolidated financial statements is deemed sufficient in providing a true and fair view of the Group, the following supplemental information is also provided:
   - a reconciliation of shareholders' equity and net profit for the Parent Company and for the Group as shown in the consolidated financial statements;
   - an analysis of financial position – included in the Group Directors' Report;
   - cash flow statement;
   - other material information based on the size and characteristics of the Group.

6. The consolidated financial statements were audited, in accordance with Article 2409-bis of the Italian civil code, by the independent audit firm EY S.p.A..

7. The Balance Sheet, Income Statement and Cash Flow Statement were prepared in units of Euro, while the Explanatory Notes are expressed in thousands of Euro, except where otherwise stated.

SECTION II

Consolidation scope

1. Subsidiaries, i.e. those companies in which the Parent Company directly or indirectly holds a controlling interest as defined by Article 26 of Legislative Decree No. 127/91, have been consolidated on a line-by-line basis. The companies included in the consolidation scope are as follows:

euro thousands

Company	Registered office	Share capital	Shareholders' equity	Holding %
SAGAT S.p.A.	Strada San Maurizio, 12 Caselle Torinese	12,911	22,944	Parent
SAGAT Handling S.p.A.	Strada San Maurizio, 12 Caselle Torinese	436	1,328	100%

No companies have been consolidated at equity.
The following equity investments are measured at cost:

euro thousands

Company	Registered office	Share capital(1)	Shareholders' equit(1)	Holding at al 31/12/19
Aeroporto G. Marconi di Bologna S.p.A.	Via Triumvirato, 84 Bologna	90,314	159,918	3.28%

(1) Figures relating to last financial statements available at 31/12/2020.

It should be noted that the consolidation scope has not changed from the previous year.

SECTION III

Consolidation procedures

1. The balance sheets and income statements of the subsidiaries have been consolidated on a line-by-line basis. When preparing the consolidated financial statements, the carrying amount of equity investments has been eliminated along with the share of equity held directly or indirectly by the Parent Company. Any differences resulting from the elimination of equity investments against the carrying amount of equity as at the acquisition date are recognised as assets and liabilities of the consolidated companies within the limit of their fair values. Any residual values are, if positive, recognised as goodwill and amortised on a straight-line basis based on their expected recoverability and, if negative, recognised among shareholders' equity as applicable on a case-by-case basis.
2. Minority interests in equity and earnings of the consolidated subsidiaries are shown separately.
3. Receivables and payables, in addition to inter-company transactions between subsidiaries are fully eliminated. No profits or losses not yet realised by the Group in their entirety are recognised to the consolidated financial statements as deriving from inter-company transactions.
4. For the subsidiaries, we have used, for the consolidation, the financial statements for the financial year ended December 31, 2021, as prepared by their respective Boards of Directors for approval by the companies' shareholders.
5. The consolidated financial statements have been prepared using uniform accounting policies for similar transactions

SECTION IV

Accounting policies

1. The accounts have been measured on a prudent and going concern basis, while also taking account of the substance of the transaction or the contract (Article 2423 bis, para. I, No. 1, of the Civil Code.).
2. The profits realised at the closing date of the fiscal year were exclusively included.
3. Income and charges were considered on an accruals basis, independently of the date of receipt or payment. Costs have been matched with related revenues recognised during the year.
4. Account is taken of risks and losses in the year even if known after the year-end.
5. Dissimilar components of individual items are valued separately.
6. No assets and liability accounts are recorded under more than one line item of the balance sheet (Article 2424, para. II, of the Civil Code.).
7. Group core operating items have been added for the sake of greater clarity.
8. In accordance with Article 2423-ter of the Italian civil code, it should be noted that all figures are comparable.
9. The accounting policies utilised in the preparation of these financial statements were adjusted to the amendments, supplements and new provisions introduced to the Civil Code by Legislative Decree No. 139/2015, which transposed into Italian Law the 34/2013/EC accounting directive. In particular, Italian GAAP issued by the OIC were adopted for the preparation of these financial statements.
10. In relation to the contents of the notes to the financial statements as per Article 2427 of the Civil Code:
    - the Company did not enter into any financing transactions with the temporary transfer of assets during the year;
    - the Company does not have any off-balance sheet arrangements beyond that reported both in these Notes and in the Directors' Report, whose knowledge would be useful in assessing the Company's equity and financial position;
    - no atypical or unusual transactions were carried out, i.e., outside the normal course of business or capable of materially affecting the Company's financial position and performance;
    - the Company does not have any separate indicated assets or any financing indicated for a specific business as per Art. 2447-bis of the Civil Code and subsequent;
    - the Company has not subscribed to derivative financial instruments under Article 2427-bis of the Civil Code.

Criteria applied in the measurement of the accounts in the consolidated financial statements, value adjustments and translation of amounts in foreign currencies

Assets

Assets to be used over the long-term are classified under fixed assets

Intangible assets

Intangible assets are recorded at purchase or production cost, including direct accessory charges, and are amortised on a straight-line basis based on their remaining useful lives. The amortisation schedule, in accordance with this principle, is shown below.

Intangible assets	
Type of asset	**Rate**
Industrial patents and intellectual property rights	33%
Concessions, licenses, trademarks and similar rights	33%
Other intangible assets	Between 5.88% and 33%

The amortisation criteria and ratios applied have not been amended on the previous year.
In light of company programmes, at the balance sheet date, no intangible assets were found to have a permanent value of less than their (adjusted) purchase cost, including direct accessory charges and net of amortisation, and therefore the need for any write-downs did not emerge (Article 2426, first paragraph, No. 3 of the Civil Code).

Tangible fixed assets

Property, plant and equipment are measured at purchase or construction cost, including direct accessory charges, with the exception of assets subject to revaluation in accordance with Law No. 72/83, as specified in Part III of these Explanatory Notes.
The cost of an asset includes the financial charges incurred for their production up to the moment in which the asset is ready for use and for the portion reasonably attributed to said asset. The amount of the financial charges capitalised during the year is shown in Part III of these Explanatory Notes.

The cost of property, plant and equipment, whose utilisation is limited in time, are depreciated on a straight-line basis each year based on their residual future utility.
The depreciation schedule, in accordance with the principles described above, is shown below:

Property, plant & equipment	
Type of asset	**Rate**
Buildings and related property	4%
Runways and aircraft apron	5.88%
Flight-assistance systems	31.5%
Other plant	10%
Runway and ramp equipment	10%
Equipment for other uses	20%
Specific equipment	12.5%
Motor vehicles	25%
Transport vehicles	10%
Furniture & fittings	12%
EDP	20%
Other property, plant and equipment	20%
Sundry property, plant and equipment	100%

It should be noted that, following the amendment to Article 104 of the Consolidated Income Tax Act introduced by Legislative Decree No. 669 of December 31, 1996, which allows financial depreciation solely as an alternative to technical depreciation (and no longer in addition to it), the Parent Company has, since 1997, adopted technical depreciation and has recognised previously accumulated financial depreciation from the historical cost of the related assets. The only exceptions are the categories "Runways and aircraft aprons" and "Other intangible assets", for which the Parent Company has adopted financial depreciation and amortisation, which is on a straight-line basis and is calculated so that the useful lives of the assets ends in 2037, i.e. the end of the airport concession agreement, which was extended by way of Article 202, paragraph 1-bis, of Legislative Decree No. 34 of May 19, 2020, as amended by Law No. 77 of July 17, 2020.

Assets which went into use during the year are amortised or depreciated for a half year in order to take account of their reduced use for the year.
In light of company programmes, at the balance sheet date, no property, plant and equipment were found to have a permanent value of less than their (adjusted) purchase cost, including direct accessory charges and net of depreciation, and therefore the need for any write-downs did not emerge (Article 2426, first paragraph, No. 3 of the Civil Code).

Financial assets

This aggregate reflects the amount of non-current uses of funds of a financial nature.
Equity investments in companies other than subsidiaries or associates are recognised at cost and adjusted in the event of any permanent losses in value. These impairment losses are reversed when the reasons underlying then cease to exist.
Receivables are recorded at their estimated realisable value.
Treasury shares are recorded at their purchase cost in the negative equity reserve for any treasury shares held.
For non-current financial receivables, we have assessed adopting the amortised cost approach as defined under Article 2426, paragraph 2, of the Civil Code, while also taking account of time value and presumed realisable value in accordance with the point 8 of Article 2426, paragraph 1, of the civil code.

The immateriality of the application of the amortised cost method was verified for all non-current receivables, or where the settlement costs, commissions paid between the parties and any other difference between the initial value and the value on maturity is immaterial or where the receivables are short-term (i.e. with maturity of less than 12 months).

Inventories

Inventories of raw materials, ancillaries, consumables and goods, which mainly concern materials and replacement parts, have been recognised at purchase cost plus accessory charges. As in previous years, this cost has been calculated as a weighted average.
Assets that do not have a real possibility of being used in production are recognised at their realisable value when less than their purchase cost. In any event, the carrying amount of inventories is not greater than their presumed market value taking account of the utility of the goods within the scope of the production process.
The value of inventories is not significantly different from their fair value at year-end.

Receivables

For current financial receivables, we have assessed adopting the amortised cost approach as defined under Article 2426, paragraph 2, of the Civil Code, while also taking account of time value and presumed realisable value in accordance with the point 8 of Article 2426, paragraph 1, of the civil code, net of adjustments and a provision for credit risk of a suitable amount to take account of the risk of default on all trade receivables as a whole. The immateriality of the application of the amortised cost method was verified for all receivables, or where the settlement costs, commissions paid between the parties and any other difference between the initial value and the value on maturity is immaterial or where the receivables are short-term (i.e. with maturity of less than 12 months).
Receivables for interest on arrears have been fully written down in the years in which they accrued.

There are no receivables for which payment terms have been deferred by contract, for which it would be appropriate to recognise their present value at current rates in accordance with applicable accounting standards.

Cash and cash equivalents

Cash and cash equivalents are recorded at their nominal value.

Prepayments and accrued income and accrued liabilities and deferred income

Prepayments and accruals include the income/charges of the year applicable in future periods and charges /income sustained in the period relating to future periods. Only amounts relating to two or more periods are recorded in these accounts, the amount of which varies depending on the time period involved.

Shareholders' Equity

This item includes all transactions of an equity nature carried out between the Company and parties exercising their rights and duties as shareholders. The increase in share capital is recognised in the accounts only subsequent to the transaction's registration at the companies office, as governed by Article 2444, paragraph 2 of the Civil Code. In this case, the corresponding amount is recognised in a special equity item (other than "Share Capital"), which includes the amounts of share capital subscribed by shareholders, which will subsequently be reclassified on meeting the conditions above.

Provisions for risks and charges

Provisions for risks and charges only include provisions to cover known or likely losses or liabilities of a specific nature, the timing and extent of which cannot be determined at year-end.
These provisions have been measured in accordance with the prudence and accruals concepts and no provision has been made for matters without any economic justification.
Any risks for which the occurrence of a liability is only possible or for which no objective forecast of the resulting charge is possible are disclosed in the Notes to the Financial Statements without making provisions for risks and charges.
No account is taken of risks whose possibility of manifestation appears remote.

Post-employment benefits

Law No. 296 of December 27, 2006 (2007 Finance Act) introduced amendments for the Post-employment benefits maturing from January 1, 2007. These rules apply to Group companies with more than 50 employees.
As a result of the reform in supplemental pension benefits, for the Parent Company and for SAGAT Handling:

- the post-employment benefits matured until December 31, 2006 remain within the company;

- the post-employment benefits matured from January 1, 2007 accumulate by the method expressly or tacitly selected by the employee as follows:
  a) allocated to a supplementary pension fund;
  b) held in the company, which must transfer the relative quota to the Treasury Fund managed by INPS.

Since January 1, 2007, amounts matured during the year continue to be recognised as post-employment benefits (item B.9 c) in the income statement).
Under the balance sheet, post-employment benefits (account C) represent the residual provision at the reporting date, while the accounts D.13 "Payables to social security institutions" and D.14 "Other payables" refer to the payable matured at December 31 relating to post-employment benefits still to be paid to the INPS treasury fund and to the pension funds.

Payables

For payables, we have assessed adopting the amortised cost approach as defined under Article 2426, paragraph 2, of the Civil Code, while also taking account of time value and their nominal value in accordance with the point 8 of Article 2426, paragraph 1, of the civil code, which applies to when transaction costs, fees paid by the parties, and any differences between the starting value and the value when due are not insignificant and the payable is due beyond 12 months.
Therefore, payables are recognised at their nominal value, with the exception of the Euro 25 million bank loan as described in the related section herein.

Risks, commitments and guarantees

Risks that are likely to give rise to a liability are described in the Explanatory Notes and the related provisions recorded under Risk Provisions.
Risks that will only possibly give rise to a liability are described in the Explanatory Notes without making a provision.
Commitments are recognised at their contractual value, whereas guarantees are recognised based on the risk assessed at year-end. Both of these are discussed in the Explanatory Notes.

Revenues and costs

Revenues, costs and other income and charges are recognised on a prudent basis and in line with the matching of revenue and expenses and are shown net of discounts, rebates, and other incentives and subsidies. Service revenues are recognized in the period in which the services are performed.

Grants

Grants are recognised as other revenue and income in the period in which there is a reasonable certainty concerning eligibility for their receipt and recognised as deferred income when related to future periods. This deferred income is then reduced at the end of each financial year and recognised as income at the same rate as for the depreciation of the asset to which the grant refers.

Income taxes

Beginning with the 2017 financial year, the Company, as a subsidiary of the Group, adhered to the National Tax Consolidation scheme in accordance with Articles 117 et seq. of Italy's Income Tax Law. The other subsidiaries also adhering to the scheme are SAGAT S.p.A., GESAC S.p.A., 2i S.A.C., and Aeroporto Friuli Venezia Giulia S.p.A., while 2i Aeroporti S.p.A. is the parent company.
The current National Tax Consolidation scheme concerns the three-year period 2020-2022. This option was exercised in order to take advantage of the benefits allowed under the law, including the ability for the parent company to offset the earnings of the individual companies involved.
Notification of the renewal of this option, as envisaged under Article 5, paragraph 1, of the Decree of the Ministry for the Economy and Finance of June 9, 2004, was filed electronically with Italy's Tax Agency on October 31, 2020, by 2i Aeroporti S.p.A.

The relevant aspects of the group rules on tax consolidation are described below:
a) if, and to the extent that, in one of the fiscal years within the tax consolidation scheme, one of the parties contributes a surplus of interest expense and similar charges (in accordance with Article 96, paragraph 2, of the Income Tax Law), this party shall have the right to receive compensation for such charges;
b) in the event the taxable income of a subsidiary, net of fiscal losses as per Article 84 of the Income Tax Law, prior to the start of tax consolidation, this subsidiary shall pay the parent company an amount equal to the related taxes due, calculated as if the tax consolidation were not in effect;
c) in the event of a loss recognised by a subsidiary in one or more fiscal years within the scope of the tax consolidation scheme, the parent company shall pay the subsidiary an amount equal to either 1) the tax expense actually saved as a result of this recognised fiscal loss, or 2) the receivable due to the subsidiary for surpluses transferred to the parent company in accordance with point b) above;
d) if one of the parties transfers a surplus of interest to the consolidation scheme, the parent company shall, within the limits allowed by law, use this surplus to reduce global total earnings;
e) in the cases described under point d) above, the party that transferred the surplus interest to the consolidation scheme is to be paid an amount equal to 100% of the theoretical income tax calculated by applying to the surplus transferred the prevailing tax rate for the period in which the surplus was used.

Tax consolidation enables the parent company, 2i Aeroporti S.p.A., to aggregate the taxable earnings of the parent company with those of the domestic subsidiaries adhering to the

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scheme. The taxable income and fiscal losses of the companies involved in the tax consolidation are considered in their full amount, regardless of the interest held by the parent company (line--by-line consolidation). The parent company is responsible for calculating total income tax expense and for making the related payments to the Tax Agency. Nonetheless, the subsidiaries are still considered to be tax-paying entities.

The accounting principles applicable to this tax consolidation are described below:

• Current income taxes
Income taxes — both company income tax (IRES) and the regional production tax (IRAP) — are calculated based on estimated taxable income and applicable tax laws.

Income tax expense is recognised as current income taxes, and the related payable to (or receivable from) the parent company is recognised on the balance sheet. Consolidation adjustments that lead to a benefit on the consolidated tax return are recognised as tax gains from tax consolidation among current taxes and as a receivable to the parent company.

• Deferred taxes
Receivables for IRES advance payments and deferred taxes attributable to both the parent company and the subsidiaries and related to operations arising during the period of tax consolidation remain on the accounts of the company that generated them. Therefore, in accordance with the tax consolidation scheme, they are not recognised by the parent company. Observance of the conditions for recognising deferred taxes is assessed in relation to forecasts of future taxable income for the companies involved in the tax consolidation. Conversely, should the deferred tax asset or liability be related to transactions occurring outside of the tax-consolidation period, the assessment is made based on the circumstances of the individual company.
The Company has recognised deferred taxes in relation to temporary fiscal differences arising during the year. More specifically, temporary deductible differences determined by expenses which are partially or totally deferred to future years, generate deferred tax assets recorded in the account C.II.5-ter of the assets; the temporary differences determined by income assessable in a future year compared to that recorded for statutory purposes, or of expenses deducted in a year prior to their recognition on the income statement, generate deferred tax liabilities.
Deferred tax assets and liabilities are measured based on the currently applicable tax rate and taking account of expected tax rates for future years.
The income taxes recorded for the year are the sum of current and deferred income taxes, which appropriately express the fiscal charge for the period.

Deferred tax assets are not recognised when there is not a reasonable certainty of their future recovery. In the same way, deferred tax

liabilities are not recognised where there is little probability that such a payable will arise.
Descriptions of the temporary differences that led to the recognition of deferred tax assets and liabilities, specification of the related tax rate, a description of changes from the previous year, amounts debited and credited to the income statement and to equity, and deferred tax assets related to losses incurred are provided in the statement of deferred tax assets and liabilities found in the section related to income taxes for the year (as per Article 2427, paragraph 1, point 14, of the Civil Code).

• Remuneration of subsidiaries for financial benefits
Remuneration for fiscal losses paid to companies involved in the tax consolidation takes place at the moment of the actual use of the losses themselves for tax consolidation purposes (and is not, therefore, subordinate to the achievement of future taxable income by the given subsidiary) at the IRES tax rate in effect for the fiscal year in which the loss is used to lower the consolidated taxable income. The financial benefits resulting from the consolidated adjustments by the parent company, but related to the subsidiary, are to go to the subsidiary.

Translation of balances in foreign currencies

In accordance with Article 2426, paragraph 1, No. 8-bis of the Civil Code, cash assets and liabilities in currencies other than the functional currency ("reporting currency"), subsequent to initial recognition, are recorded at the exchange rate at the reporting date. The consequent exchange gains or losses are recognised to account C17-bis) "Exchange gains and losses" in the income statement and any net gain, contributing to the net result, is provisioned to a specific non-distributable reserve until realisation.
Non-cash assets and liabilities in currencies other than the reporting currency are recognised at the exchange rate applicable on acquisition. Where the exchange rate applicable at year-end significantly differs from that at the acquisition date, the altered exchange rate is one of the elements taken into consideration in assessing the carrying amount of the individual non-cash assets. In this case therefore, any exchange differences (positive or negative) are considered in calculating the recoverable value.

Analysis of the main consolidated financial statement accounts

The additional information required by Article 38 of Legislative Decree 127/1991 is provided below in the order dictated by the mandatory statement layouts.

BALANCE SHEET – ASSETS

Intangible assets

Intangible assets represent long-term costs of production not related to physical assets, net of amortisation. They concern long-term property rights and rights-of-use (and similar assets), licences, leasehold improvements, or deferred costs for which the actual utility is related to future periods.

Intangible assets, totalling Euro 9,049 thousand, increased by Euro 840 thousand during the year.
The tables below summarise and detail the changes in the various components of intangible assets for the year.

euro thousands

	01/01/2021			Changes in year					31/12/2021
	Historical cost	Acc. Amort.	Carrying value	Purch./ capital.	Reclass. + (-)	Disposals / Eliminations	Impair./ Writebacks	Amort.	Carrying value
B.I.4 Concessions, licenc-es and trademarks	4,796	4,425	371	102	47			(365)	155
B.I.6 Assets in progress and advances	510	0	510	121	(386)				245
B.I.7 Other intangible assets	38,967	30,883	8,084	768	491			(694)	8,649
Total intangible assets	**44,273**	**35,308**	**8,965**	**991**	**152**	**0**	**0**	**(1,059)**	**9,049**

The change in B.I.4 Concessions, licences and trademarks, net of amortisation for the year of Euro 365 thousand, is essentially attributable to the installation, by the Parent Company, of new software or the implementation of existing software for Euro 102 thousand, as detailed in the section of the Directors' Report concerning investments.
Assets in progress and advances (B.I.6) decreased by Euro 265 thousand from the previous year, due mainly to assets purchased in previous years being put into production and, to a lesser extent, to the incremental impact of new purchases during the year.

Other intangible assets (B.I.7) are almost entirely related to costs incurred by the Parent Company for leasehold improvements to the passenger terminal and various buildings and work to develop airport grounds. On the whole, this aggregate increased by Euro 565 thousand and posted amortisation of Euro 694 thousand.

Property, plant & equipment

Property, plant and equipment include the long-term, physical assets used in production by the companies of the Group, including those that are to be freely transferred at the end of the concession agreement, net of technical and financial depreciation.
Property, plant and equipment, totalling Euro 42,733 thousand, decreased on the whole by Euro 1,169 thousand during the year.
The tables below summarise and detail the changes in the various components of property, plant and equipment for the year (amounts in thousands of Euro).

	01/01/2021				Changes in year						31/12/2021			
	Historical cost	Writebacks (Laws 72/1983 & 342/2000)	(Accumulated deprec.)	Carrying value	Acquisitions	Reclassi-fications	(Divest. Historical cost)	Divest. Uses Provision	(Change for revaluations)	(Deprec.)	Historical cost	Writebacks (Laws 72/1983 & 342/2000)	(Accumulated deprec.)	Carrying value
B.II.1 Land	3,516			3,516							3,516			3,516
B.II.bis 1 & B.II.bis 1bis Buildings and related property [1]	83,613	282	(58,392)	25,503	7					(2,222)	83,620	282	(60,614)	23,288
B.II.bis 2 Plant and machinery [1]	69,406	6,567	(67,695)	8,278	1,053					(1,516)	70,459	6,567	(69,211)	7,815
B.II.3 Indust. & commercial equip.	15,855	182	(13,226)	2,811	134	3,837	(477)	477		(977)	19,349	182	(13,726)	5,805
B.II.4 Other assets	35,311	1,958	(36,043)	1,226	252		(1,811)	1,811		(431)	33,752	1,958	(34,663)	1,047
B.II.5 Assets in progress and advances	2,568			2,568	2,646	(3,952)					1,262			1,262
Total property, plant & equipment	**210,269**	**8,989**	**(175,356)**	**43,902**	**4,092**	**(115)**	**(2,288)**	**2,288**	**0**	**(5,146)**	**211,958**	**8,989**	**(178,214)**	**42,733**

(1) Transferable assets.

Buildings and related property (B.II.bis 1 and 1 bis) decreased by a total of Euro 2,215 thousand. This reduction was due to the combined effect of Euro 7 thousand in purchases and Euro 2,222 thousand in amortisation for the year. Of particular note is the capitalisation by the Parent Company of construction work related to other airport buildings. No obsolete assets of this category were decommissioned during the year.

Plant and machinery (B.II.bis 2) decreased Euro 463 thousand. The movement, entirely concerning the parent company, concerns acquisitions of Euro 1,053 thousand and depreciation of Euro 1,516 thousand.
The increases mainly concern the execution of works to upgrade the smoke extraction fire protection system on the Upper Departures Level (+10.93) and the development of the thermal hydraulic and air conditioning systems of the General Aviation building. A new water supply line serving the Finance Police and State Police barracks on the east side of the site was also built.
No obsolete assets of this category were decommissioned during the year.

Industrial and commercial equipment (B.II.3) increased by a total of Euro 2,994 thousand as a result of new purchases for Euro 134 thousand, capitalisations for Euro 3,837 thousand of equipment previously classified to assets in progress and depreciation in the year of Euro 977 thousand.
The largest investment concerned the completion of the BHS (Baggage Handling System), which needed to be completed before three Standard 3 EDS (Explosive Detection System) machines could be installed to comply with ECAC mandates.
Obsolete assets of this category were decommissioned during the year and fully depreciated for Euro 477 thousand.

Other assets (B.II.4) decreased overall by a total of Euro 179 thousand as a result of depreciation of Euro 431 thousand and new purchases totalling Euro 252 thousand.
Also of note were purchases of hardware for Euro 98 thousand and of vehicles used in operations for Euro 94 thousand.
Obsolete assets of this category were decommissioned during the year that had a total historical cost of Euro 1,811 thousand.

Assets in progress and advances (B.II.5) decreased by Euro 1,306 thousand due to acquisitions of Euro 2,646 thousand and the reclassification of capitalised assets in the year for Euro 3,952 thousand.

Revaluations recognised in accordance with Law No.72 of March 19, 1983, and Law No. 342 of November 21, 2000, remained unchanged from the previous year. The details of these revaluations are shown in the table below.

euro thousands

Item	Net value Revaluations	Revaluations Law 72/83	Revaluations Law 342/2000	Total
B.II.1 Land	3,516	0	0	3,516
B.II.1 Buildings and re-lated property	82,751	282	0	83,033
B.II.2 Plant & machinery	69,979	50	6,517	76,546
B.II.3 Indust. & commer-cial equip.	16,582	182	0	16,764
B.II.4 Other assets	35,151	52	1,906	37,109
B.II.5 Assets in progress and advances	2,488	0	0	2,488
Total property, plant & equipment	**210,467**	**566**	**8,423**	**219,456**

Capitalised financial charges from past years are shown in the table below and are unchanged from the previous year (Article 2427, para. 1, No. 8, of the Civil Code):

euro thousands

Item	Gross value
B.II.1 Buildings and related property	2,323
B.II.2 Plant & machinery	792
Total property, plant & equipment	**3,115**

Financial assets

Non-current financial assets totalled Euro 9,782 thousand.

Equity investments are related entirely to investments in Other companies, specifically in Aeroporto Guglielmo Marconi di Bologna S.p.A. for Euro 9,782 thousand, equal to a 3.28% interest in the company's capital.

The company managing G. Marconi Airport of Bologna (hereafter AdB) was admitted to trading on the STAR segment of the Italian Stock Exchange in July 2015.

At December 31, 2021 SAGAT S.p.A. held 1,183,643 ordinary AdB shares, at a carrying amount of Euro 8.26 per share.

The market value of the share at December 31, 2021 was Euro 8.80. The share in subsequent months was impacted by the uncertainties stemming from the conflict in Ukraine and at March 4 stood at a price of Euro 8.30.

The greater value of the investment compared to corresponding share of equity held is due to the positive assessment of the company's ability to generate greater earnings in the future, as demonstrated by historical trends of the share on the stock market, which has remained well above its book value since it began public trading, with the exception of this extraordinary period in 2020.

On March 14, 2022, the AdB Board of Directors approved the 2021 financial statements, reporting a consolidated net loss of Euro 6.7 million, a 50.5% improvement on the 2020 loss.

The figures in the following table concern the financial statements at 31/12/2020 and are in compliance with Article 2427, paragraph 1, No. 5 of the Civil Code:

euro thousands

Company	Registered office	Share capitale	Shareholders' equity at 31/12/2020	Holding at 31/12/2021
Aeroporto G.Marconi di Bologna S.p.A.	Bologna	90,314	159,918	3.28%

Non-current financial receivables, totalling Euro 63 thousand, are entirely related to security deposits paid in cash.

Finally, it should be noted that the Parent Company SAGAT holds 74,178 treasury shares. From 2016, with the entry into force of Legislative Decree No. 139/15, in implementation of Directive 2013/34 concerning separate and consolidated financial statements and related reports, SAGAT eliminated the carrying value from non-current assets.

These shares were purchased by the Company following a shareholder resolution on December 10, 2002, authorising the purchase of up to 58,400 treasury shares, fully paid, in March 2003. The number of treasury shares increased in 2009 to the same number due to the free share capital increase approved that year.

The value of the shares held was Euro 4,824 thousand in 2008 following the closure of the stock-option incentives plan for the Company's management.

Inventories

Inventories, totalling Euro 353 thousand, concerns raw materials, ancillaries, consumables and goods for maintenance mainly attributable to the Parent Company. The balance of the account decreased Euro 157 thousand on 2020.

At year-end, inventories did not include components with a carrying value that could be deemed to be less than their presumed realisable value.

Receivables

Current Assets were recognised for Euro 36,387 thousand (Euro 29,167 thousand in 2020). The total mainly concerns customers within Italy or the European Union and is net of the receivable for surtaxes, which is shown among other receivables.

Trade Receivables increased from Euro 4,928 thousand at December 31, 2020 to Euro 11,212 thousand at December 31, 2021, with a significant increase of Euro 6,284 thousand, mainly due to the partial recovery of revenues, net of the write-downs made in 2021.

The item includes receivables with a nominal value of Euro 26,422 thousand (Euro 19,424 thousand for the previous year), gross of doubtful debt provisions of Euro 15,209 thousand. During the year, the doubtful debt provision increased by a total of Euro 714 thousand against uses needed in order to cancel receivables that could no longer be collected for Euro 330 thousand, releases to the income statement for Euro 19 thousand for allocations from previous years that were no longer necessary, and additions of Euro 1,064 thousand calculated based on real needs due almost entirely to the desire to limit the increased collection risk in relation to two of the Company's main customers.

As a result, the balance of the provision has been adjusted to take account of the default risk on receivables at year-end.

There are no receivables from subsidiaries, and this is unchanged from the previous year.

Amounts receivable from parent companies mainly include the receivable from the parent company 2i Aeroporti as part of the tax consolidation scheme.

Tax receivables

Tax receivables totalled Euro 1,032 thousand, compared to Euro 4,460 thousand at December 31, 2020, with those due beyond 12 months totalling Euro 217 thousand. Tax receivables are detailed in the table below:

Detail	2021	2020
IRES receivable	30	30
IRAP receivable	13	20
IRES reimbursement receivable	23	23
VAT receivables	751	1,086
Other	215	3,300
TOTAL	**1,032**	**4,460**

VAT receivables decreased Euro 335 thousand to Euro 751 thousand at December 31, 2021 on the basis of the normal development of the relative debit and credit components.

Other tax receivables decreased Euro 3,085 thousand due to the collection in June 2021 of the receivable of Euro 3,135 thousand of the company from the Ministry for Infrastructure and Transport, which was ordered in June 2019 to reimburse damages due to its failure to update airport fees in line with inflation in the 2006-2008 period. As outlined in the dispute section, the Ministry has appealed this ruling to the Supreme Court. SAGAT therefore last year allocated an appropriate risks provision in view of the risk of having to return all or a portion of the amount in the case of an unfavourable final instance ruling.

The receivable for the reimbursement of IRES, in the amount of Euro 23 thousand and unchanged from the previous year, representing the residual to be settled from the request for reimbursement of the excess taxes paid over the period 2007-2011 as a result of not deducting the portion of IRAP related to personnel costs and similar costs. The refund application, presented on February 18, 2013 by SAGAT S.p.A. for all of the Group companies under the then applicable tax consolidation, concerned for Euro 724 thousand SAGAT S.p.A. and for Euro 302 thousand SAGAT Handling S.p.A.

Deferred tax assets amounted to Euro 9,066 thousand, as detailed in the following table:

	IRES	IRAP	TOTAL
A) Temporary differences			
Total deductible temporary differences	35,223,565	16,126,268	
Total assessable temporary differences	271,695	0	
Temporary net differences	(34,951,870)	(16,126,268)	
B) Tax effects			
Deferred tax liability (asset) at beginning of the year	(8,139,415)	(691,560)	(8,830,975)
Deferred tax liability (asset) in the year	(249,034)	14,508	(234,526)
Deferred tax liability (asset) at end of the year	**(8,388,449)**	**(677,052)**	**(9,065,501)**

The table below details the deductible temporary differences in accordance with Article 2427, para. 1, letter a, of the Civil Code:

DEDUCTIBLE TEMPORARY DIFFERENCES							
Description	Amount at end of previous year	Changes in the year	Amount at end of year	IRES rate	Tax effect IRES	IRAP rate	Tax effect IRAP
Doubtful debt pro-vision	15,579,975	869,076	16,449,051	24%	3,947,772	0	0
Provisions for risks & charges	8,340,330	263,094	8,603,424	24%	2,064,822	4.2%	361,344
Other receivables doubtful debt pro-vision	727,239	0	727,239	24%	174,537	4.2%	30,544
Fiscal amnesty de-preciation	7,302,730	(590,741)	6,711,989	24%	1,610,877	4.2%	281,904
Fire Prevention Service fee	1,947,336	649,112	2,596,448	24%	623,148	0	0
Provision for risks and charges IRAP 3.9%	102,772	(46,772)	56,000	24%	13,440	3.9%	2,184
Other minor	98,031	(46,233)	51,798	24%	12,432	0	0
Other minor IRAP 3.9%	0	27,616	27,616	24%	6,628	3.9%	1,077

The table below details the temporary assessable differences in accordance with Article 2427, para. 1, letter a, of the Civil Code:

TEMPORARY ASSESSABLE DIFFERENCES							
Description	Amount at end of previous year	Changes in the year	Amount at end of year	IRES rate	Tax effect IRES	IRAP rate	Tax effect IRAP
Gains 24%	41,978	(11,415)	30,563	24%	7,335	0	0
Increased tax depreciation	241,132	0	241,132	24%	57,872	0	0

Other receivables, totalling Euro 10,114 thousand, increased Euro 1,508 thousand on the previous year.

euro thousands

Detail	31/12/2021	Of which beyond 12 months	31/12/2020	Of which beyond 12 months	Change
Receivable from the City of Turin	893	682	893	682	0
Other receivables from the Public Sector	40	0	33	0	7
Advances to suppliers	331	0	563	11	(232)
Receivable from airlines for municipal surtax	8,989	0	7,231	0	1,758
Other receivables	588	74	613	123	(24)
Other receivables doubtful debt provision	(727)	(727)	(727)	(727)	0
TOTAL	**10,114**	**29**	**8,606**	**89**	**1,508**

This change is essentially due to:

- the increase in receivables from airlines for municipal surtax for Euro 1,758 thousand. For full disclosure, it should be noted that this receivable coincides with the payable of the Parent Company SAGAT to the Tax Agency for the same reason;
- decrease in advances to suppliers and of Other receivables for Euro 256 thousand, relating to normal operations.

The receivable from the City of Turin, which is unchanged from the previous year and is shown among receivable due beyond one year, is related to the pending dispute as described in the Directors' Report.

The receivable from the City of Turin also includes Euro 211 thousand, also unchanged from previous years, for the remaining balance of an advance payment made by SAGAT in 1992 upon completion of the control tower in order to make up for the insufficient funds allocated by the City of Turin following the winding up of the construction firm ICEM and of the compulsory administrative liquidation of the insurance company FIRS, both of which failed to honour their significant commitments concerning repayment of the

contractually required advance payments. In relation to the ICEM closure and compulsory liquidation of FIRS, the Company claimed the right to repayment. No progress towards resolving this issue was made during the year.

The doubtful debt provision, which is unchanged from the previous year, is justified by the need to account for the risk of non-payment of receivables that are more than 12 months old, the collectability of which is doubtful given the pending disputes and insolvency proceedings under way.

Cash and cash equivalents

This account includes:

- on demand or readily liquid deposits in bank and postal accounts as shown on deposit or current account statements with banks and the post office;
- cash on hand held by the companies of the Group as at December 31, 2020;
- cheques received from third parties as security.

The items, compared with the previous year, are broken down as follows:

euro thousands

Detail	2021	2020	Change
Bank and postal deposits	11,482	17,805	(6,323)
Cash in hand and similar	43	39	4
Cheques	0	0	0
TOTAL	**11,525**	**17,844**	**(6,319)**

The decrease in the year relates to the net loss, the investments made and the drawdown of the Euro 3,000 thousand loan, as outlined in the Directors' Report and in the payables section of the Explanatory Notes.

Prepayments and accrued income

These total Euro 280 thousand (Euro 175 thousand at December 31, 2020), as outlined below:

euro thousands

	2021	2020
Accrued income	0	0
Total accrued income	**0**	**0**
Prepayments		
Insurance	179	72
Other	101	103
Employees	0	0
Total prepayments	**280**	**175**
TOTAL	**280**	**175**

BALANCE SHEET – LIABILITIES

Shareholders' Equity

The movements in the individual Group Shareholders' Equity accounts are presented below, which at 31/12/2021 amounted to Euro 19,912,552.

The parent company's share capital of Euro 12,911,481 is unchanged on the previous year, comprising 2,502,225 ordinary shares of a nominal value of Euro 5.16 at year-end and breaks down among the shareholders as follows:

2i Aeroporti S.p.A.	90.28%
Tecno Holding S.p.A.	6.76%
Own shares	2.96%
TOTAL	**100%**

The share premium reserve, exempt from taxes upon distribution and unchanged on the previous year, is recognised for Euro 6,104 thousand.

The revaluation reserve of Euro 7,363 thousand was recognised against the revaluation of assets by the company in accordance with Law No. 342/2000. There were no movements in the reserve in 2021.

The legal reserve, totalling Euro 2,582 thousand, was also unchanged on the previous year, having reached one-fifth of the share capital as per paragraph 1 of Article 2430 of the Civil Code.

The other reserves are comprised as follows:

1) extraordinary reserve of Euro 4,141 thousand, entirely comprising the net profits and unchanged on the previous year;

2) extraordinary investments reserve of Euro 4,906 thousand, entirely comprising provisions subject to ordinary taxation and unchanged on the previous year;

3) consolidation reserve of Euro 1,671 thousand, decreasing on 2020 due to the change in the shareholders' equity of the subsidiary SAGAT Handling S.p.A. in comparison to the carrying amount

Retained earnings/(accumulated losses) presented accumulated losses of Euro 6,536 thousand, reducing on the previous year due to the incorporation of the prior year losses.

The negative reserve for treasury shares in portfolio amounting Euro -4,824 thousand is unchanged on the previous year and was recognised by the parent company in 2016 in accordance with the above-stated provisions of Legislative Decree No. 139/15 following the elimination, for the same amount, of the asset recognised to the Financial Statements of the treasury shares held by the company.
Minority interest shareholders' equity amounts to zero.

No deferred taxes have been recorded on reserves in suspension of taxes as currently no transactions are planned which could give rise to tax liabilities.

The reconciliation between the Shareholders' equity and the Net result of the parent company and the Shareholders' equity and Consolidated net result is presented below, in Euro thousands:

euro thousands

	Shareholders' equity	Net result
SAGAT parent company SE and result	**22,944**	**(7,815)**
Difference between the carrying amount of the consolidated companies and the related SE	(3,016)	(609)
Consolidation adjustments	(16)	16
GROUP SE and result	**19,913**	**(8,407)**

Provision for risks and charges

The breakdown of the account (in Euro thousands) is as follows:

	Provision for taxation, including deferred tax liabilities	Other provisions	Total provisions for risks and charges
Opening balance	**0**	**10,182**	**10,182**
Changes in the year:			
Provisions in the year	0	386	**386**
Utilisation in the year	0	(28)	**(28)**
Other changes	0	(131)	**(131)**
Total changes	**0**	**228**	**228**
Closing balance	**0**	**10,410**	**10,410**

The Provision for risks and future charges of Euro 10,410 thousand is recognised according to the prudency principle against possible charges related to pending or only potential civil and administrative disputes. A decrease of Euro 228 thousand is reported in the year as a result of the following movements:

- increase of Euro 386 thousand through provisions and Euro 37 thousand through the recognition of costs, directly identifiable by their nature, to the Income Statement. In particular, the adjustments to contingent liabilities at December 31, 2020 amounts to Euro 268 thousand, while the accruals against risks arising in 2021 totalled Euro 155 thousand, almost entirely due to the coverage of the risk of losing various disputes involving SAGAT against third parties, as outlined in the relative sections of the Directors' Report.
- utilisations, for Euro 28 thousand, due to the incurring of expenses during the year, whose related costs had been provisioned in previous years and releases for Euro 168 thousand, due to the absence in 2021 of risks arising in previous years.

Post-employment benefit provision

Post-employment benefits were calculated at individual level and on the basis of the applicable regulations for each of the Group companies, as outlined in greater detail in the consolidation principles section of the Consolidated Financial Statements.
The Provisions account includes the portion of the provisions revaluation, calculated in accordance with the statutory provisions and the portion of post-employment benefits matured between January 1 and December 31, 2021, transferred to Pension funds and allocated to the INPS's treasury fund.
The Utilisation account mainly includes the portion of Post-employment benefits matured allocated to Pension funds and the Treasury fund, as described above, in addition to Post-employment benefit settlements for advances and the conclusion of employment in the year.
The following table presents the changes in the year:

euro thousands

	Post-employment benefit provision
Opening balance	**3,020**
Changes in the year:	
Provisions in the year	1,120
Utilisation in the year	(966)
Other changes	0
Total changes	**154**
Closing balance	**3,173**

Payables

Payables are recognised for Euro 70,453 thousand, compared to Euro 62,128 thousand at the end of the previous year, increasing therefore by Euro 8,334 thousand.
In both this and the previous year, payables for bonds, convertible bonds and amounts due to shareholders were zero.

Their breakdown and an analysis of the main changes during the year are presented below.

Bank payables totalled Euro 28,267 thousand due to the opening in 2021 of the loan with Banca del Piemonte for Euro 3,000 thousand.
In accordance with OIC 15, the original Euro 25,000 thousand loan is recognised according the amortised cost method, which stipulates the presentation of the payable net of the total charges related to its signing, which are recognised under financial charges in the income statement over its duration. The amortised cost criterion was however not applied to the above Euro 3,000 thousand loan and the third existing loan of Euro 5,500 thousand, as its effects were immaterial in view of the low transaction costs, and in any case recognised taking account of the time factor, i.e. on the basis of the contract's duration.
The Euro 25,000 thousand loan has a grace period until June 30, 2022, upon which the first Euro 1,000 thousand instalment shall mature, with settlement through increasing instalments and the final payment on June 30, 2025.
The Euro 5,500 thousand loan has a grace period until December 31, 2022, upon which the first Euro 594 thousand instalment shall mature, with settlement through increasing instalments and the final payment on December 31, 2026.
The Euro 3,000 thousand loan has a grace period until July 1, 2023, upon which the first Euro 362 thousand instalment shall mature, with settlement through equal instalments and the final payment on January 1, 2027.

At December 31, 2021, the portion of bank payables with maturity beyond 12 months was Euro 2,657 thousand.

Trade payables include commercial payables to parties other than the Group companies. They amount to Euro 20,279 thousand, compared to Euro 16,147 thousand in the previous year, increasing Euro 4,132 thousand, mainly as a result of the increase in core business related purchases. These payables concern principally suppliers located in Italy or the European Union.

As was the case last year, there are no payables to subsidiaries, nor to associates or to the parent company 2i Aeroporti.

Tax payables totalling Euro 2,179 thousand broke down as follows:

euro thousands

	31/12/2021	31/12/2020
IRES payables	0	0
IRAP payables	0	0
Employee withholding tax payables	370	756
Fee surcharge tax payables	735	717
Prior year tax payables	1,070	1,551
Other	5	4
TOTAL	**2,180**	**3,028**

Tax payables include all amounts due to the Tax agency as a result of participation in the "Tax Amnesty", whose accounting effects are comprehensively outlined in the tax receivables section of the SAGAT S.p.A. explanatory notes, to which reference should be made. At December 31, 2021, the residual amount of the tax payable for the Tax Amnesty was Euro 1,070 thousand, decreasing on the previous year due to the settlement of the quarterly instalments arising in 2021, for a total of Euro 481 thousand.

Payables to social security institutions, all with maturity within one year and totalling Euro 1,187 thousand, break down as follows:

euro thousands

	31/12/2021	31/12/2020
INPS/INAIL payables	1,150	1,034
Other	37	37
TOTAL	**1,187**	**1,071**

Other payables totalling Euro 18,542 thousand concern:

euro thousands

	31/12/2021	31/12/2020
ENAC/Fee	757	654
Employee payables	852	597
Tax payables for boarding fee surtaxes	9,280	7,736
Other payables	7,653	7,731
TOTAL	**18,542**	**16,718**

As per the applicable regulation, the entire amount of the parent company payable to ENAC regarding the airport fee shall be settled in the subsequent year.

The parent company's tax payable concerning the municipal surtaxes of Euro 9,280 thousand increased during the year by Euro 1,544 thousand and concerns the balancing entry for the receivable due from carriers of SAGAT for the same reason. It is underlined that SAGAT's obligation is limited to settling payments as and when it receives payment of the amounts due from carriers.

Other payables, which increased Euro 77 thousand on 2020, includes the payable to the Fire Brigade for a total amount of Euro 5,390 thousand.

Accrued expenses and deferred income

At December 31, 2021, these totalled Euro 6,224 thousand, compared to Euro 6,764 thousand at December 31, 2020 and are broken down as follows (in Euro):

	Accrued expenses	Discount on loans issued	Deferred income	Total accrued expenses and deferred income
Opening balance	**821**	**0**	**6,762,917**	**6,763,739**
Changes in the year	7,827	0	(547,696)	(539,869)
Closing balance	**8,648**	**0**	**6,215,221**	**6,223,869**

It should be noted that Deferred income mainly refers to the portion of capital grants deferred by the Parent Company as not accruing to the year. The above-mentioned grants have been recorded in the Financial Statements on the basis of the specific accounting criteria outlined above. The decrease in the year mainly concerns the portion released to the Income statement of the same grants accruing to fiscal year 2021.

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Payables, accrued expenses and deferred income by maturity and nature

Payables and accrued expenses and deferred income are shown below, broken down by maturity and type:

	Bank payables	Trade payables	Tax payables	Payables to social security institutions	Other payables	Total payables
Opening balance	**25,164,227**	**16,147,093**	**3,028,161**	**1,071,033**	**16,717,880**	**62,128,393**
Changes in the year	3,102,450	4,131,648	(849,104)	115,928	1,823,302	8,324,224
Closing balance	**28,266,677**	**20,278,741**	**2,179,057**	**1,186,961**	**18,541,182**	**70,452,618**
Balance due within 12 months	2,656,699	19,947,629	1,109,177	1,186,961	17,756,611	42,657,077
Balance due beyond 12 months	25,609,978	331,112	1,069,880		784,571	27,795,541
Of which beyond 5 years	0	0	0	0	0	0

Risks, commitments and guarantees

Their composition and nature are presented below, in thousands of Euro:

Nature	31/12/2021	31/12/2020
Third party assets received under concession	59,654	59,654
Unsecured guarantees received from third parties	11,993	13,865
TOTAL	**71,647**	**73,519**
Unsecured guarantees given to third parties	0	0
TOTAL	**0**	**0**

Third party assets received under concession consist of fixed assets received under concession by SAGAT, limited to investments made by the grantor from the 1980's until the present day, as the values of assets previously made, including aircraft movement areas, are not known.

They in addition include the value of the expansion works at the Airport undertaken for the Olympics by the City of Turin and funded by the latter.
The unsecured guarantees received from third parties concern sureties received from the airlines and from third parties in general.

INCOME STATEMENT

The key 2021 consolidated income statement accounts are presented below.

Revenues from sales and services

The Group's revenues from sales and services, entirely generated in Italy and mainly from Italian or European Union clients, are broken down as follows (Article 2427, paragraph I, No. 10 of the Civil Code):

euro thousands

	2021	2020
Air traffic revenues	15,313	10,237
Security	4,120	2,806
Assistance and air traffic accessory revenues	7,516	5,529
Car parking services	2,742	1,913
Subconcession of services	1,682	1,252
Subconcession of airport activities and spaces	2,740	2,288
Centralised infrastructure	698	789
Exclusive use assets	477	629
Other revenues	43	29
TOTAL	**35,331**	**25,472**

Other revenues and income

Other income comprises:

euro thousands

	2021	2020
Recovery of common utilities and miscellaneous expenses	182	114
Other prior year income	404	419
Other income	1,285	572
Capital grants	671	671
TOTAL	**2,542**	**1,783**

Other revenues and income, totalling Euro 2,542 thousand, increased on 2020, mainly due to the presence in 2021 of greater extraordinary income components.
Capital grants include, among other items, the portion of grants in the year from the Piedmont Region for the execution of the extension works at the Passengers and General Aviation terminals and the baggage logistics building, received under the Regulatory Agreement for the development of airport infrastructure ahead of the XX Turin 2006 Winter Olympic Games (Convention No. 9313 of July 12, 2004), recognised to the financial statements on an accruals basis for an amount of Euro 665 thousand.

COSTS OF PRODUCTION

Costs of production overall totalled Euro 48,521 thousand and are broken down in the following paragraphs.

Raw materials, ancillaries, consumables and goods

These costs, totalling Euro 886 thousand in 2021, are comprised as follows:

euro thousands

	2021	2020
Maintenance materials	241	240
Various materials	380	149
Materials held-for-resale	0	0
Fuel and lubricants	210	438
De-icing	22	203
Stationary and printing	33	31
TOTAL	**886**	**1,061**

Services

Service costs, amounting to Euro 19,733 thousand, comprise:

euro thousands

	2021	2020
Other services	2,186	1,871
Support services, warehousing and PRM	456	550
Electricity and other utilities	3,215	2,056
Technical, management and commercial consultancy	589	504
Security	1,666	1,621
Cleaning and waste disposal collection	869	858
Miscellaneous maintenance/repair and contractual expenses	1,418	1,464
Maintenance/repair expenses on third party assets	144	210
Industrial insurance, general	417	374
Miscellaneous personnel costs (canteen, training, travel, etc.)	472	338
Others	8,300	3,913
TOTAL	**19,733**	**13,758**

Rent, leasing and similar costs

Rent, leasing and similar costs of Euro 1,913 thousand comprise:

Euro thousands

	2021	2020
Airport fee	1,141	749
City of Turin fee	352	348
Municipality of San Maurizio fees	25	25
Other concession fees (radio)	91	90
Hire and leases	304	280
TOTAL	**1,913**	**1,491**

The increase in the account of Euro 422 thousand substantially concerns the increase in the airport fee.

Personnel costs

Personnel costs, including the cost of temporary staff, amounted to Euro 16,465 thousand (increasing Euro 258 thousand on the previous year). The main movements are outlined in the personnel section of the Group's Directors' Report.

The average annual number of Group employees was 344.4 FTE, decreasing on the previous year (348.9).

The average Group workforce for financial years 2019 and 2020, broken down by category, is presented below.

Category	Average 2021	Average 2020	Absolute change	Percentage change
Executives	6.6	6	+0.6	9.7%
White-collar	244.2	246.6	-2.4	-1%
Blue-collar	93.6	96.3	-2.7	-2.7%
TOTAL	**344.4**	**348.9**	**-4.5**	**-1.3%**

Depreciation and amortization

Amortisation, depreciation and write-downs of Euro 7,270 thousand break down as follows:

Euro thousands

	2021	2020
Depreciation	5,147	4,883
Amortisation	1,059	1,048
Write-down of assets	0	0
Write-down of receivables	1,064	9,040
TOTAL	**7,270**	**14,971**

Amortisation and depreciation, totalling Euro 6,206 thousand, increased on the previous year by Euro 275 thousand.
There were no write-downs of assets during the year.

The doubtful debt provision increased in the year through the accrual of Euro 1,064 thousand to correctly represent the exposure to non-collection risk of the Group company trade receivables, and in particular from two major clients.

Changes in inventories of raw materials and goods

During the year, raw materials, ancillaries, consumables and goods inventories decreased by Euro 157 thousand, with a corresponding reduction in the relative purchase costs. In the prior year financial statements, Group inventories decreased Euro 49 thousand.

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Provisions for risks

An accrual was made in the year to the Group Other risks provision for Euro 386 thousand in order to ensure its sufficiency in respect to certain or probable risks and charges, whose amount or due date however could not be established at year-end. For a breakdown of the nature of the provisions reference should be made to the section on the movements in the risks and charges provision.

Other operating charges

Other operating charges, totalling Euro 1,710 thousand, concern:

Euro thousands

	2021	2020
Representation/hospitality expenses	15	14
Prior year charges / non-existent assets	379	949
Membership fees	88	136
Damage compensation to third parties	1	0
Fire Prevention Service fee	649	649
IMU Property tax	225	225
Others	354	322
TOTAL	**1,710**	**2,295**

The account reports a decrease of Euro 585 thousand on the previous year.

Financial income and charges

The account reports a net charge of Euro 617 thousand (while in the previous year presenting a net charge of Euro 206 thousand) and is broken down as follows:

	2021	2020
Interest expense and other financial charges	(617)	(209)
Investment income	0	0
Other income	0	3
TOTAL	**(617)**	**(206)**

Investment income amounted to zero as the investee AdB also in 2021 did not issue dividends. Interest expense rose due to the recognition of interest on the loans drawn down by the parent company, with a total value of Euro 28,267 thousand.

Adjustments on financial assets

No adjustments were made to the value of financial assets during the year.

Income taxes

The account, totalling Euro 2,856 thousand, comprises income taxes and deferred tax income and charges, as follows

	2021	2020
IRES	0	0
IRAP	0	0
Income from tax consolidation	(2,623)	(3,564)
Prior year taxes	0	5
Deferred tax assets and liabilities	(233)	(2,446)
TOTAL	**(2,856)**	**(6,005)**

A reconciliation at December 31, 2021 between the theoretical tax charge and the effective tax charge stated in the Financial Statements of the consolidated companies is presented below:

	SAGAT	SAGAT HANDLING
Loss before taxes	(10,450,755)	(828,327)
Theoretical IRES tax %	27.5%	24%
Theoretical income taxes	(2,873,958)	(198,798)
Tax effect from IRES changes	462,612	(12,548)
Deferred tax effect	(224,818)	(8,348)
IRAP	0	0
Total income taxes for the year (current and deferred)	**(2,636,164)**	**(219,694)**

LThe theoretical taxes were calculated applying to the pre-tax statutory result the IRES tax rate, which in 2021 for SAGAT was 27.5%, while for Sagat Handling was 24%.
It is noted that the consolidated pre-tax result is based on the results of the Group companies, although net of consolidation adjustments.
In addition, the IRAP rate, amounting to 4.2% for SAGAT and 3.9% for Sagat Handling

Net result for the year

The Consolidated result for the year, which coincides with the Group Net Result as there is no longer any Minority interest, was a loss of Euro 8,407,224.

Other information

Operating, equity and earnings impacts of the COVID pandemic

Turin Airport in 2021 served 2,066,106 passengers, an increase of 678,734 (+46.8%) on 2020, although down 47.7% on 2019 (a year not affected by the COVID-19 pandemic). The impact on traffic data from the COVID-19 outbreak is therefore confirmed.

The traffic performance is naturally reflected in the consolidated operating results which, although improving 55% on 2020, remain in negative territory.

The SAGAT Group companies have therefore continued to adopt measures to ensure the airport's safe operation, introducing all possible levers to offset the impacts on operating results, including through introducing variable elements to certain fixed costs, through reviewing contracts with suppliers and the scope of action of these contracts, the use of the Extraordinary Temporary Lay-Off Scheme, the introduction of remote working, the drawdown of addition loans and the postponement of deferrable investments by nature and functionality.

Subsequent events

In the first two months of 2022, the SAGAT Group reported significant growth on the same period of 2021, with a total of 469,926 passengers (+625%) and 5,666 movements (+189%). However, the spread of the Omicron COVID-19 variant and the actions introduced by the competent domestic and overseas authorities to contain its impact on the population resulted in a further impact on passenger traffic, which in the first two months of 2022 was down 25% on 2019.

In consideration of the conclusion on March 31, 2022 of the pandemic state of emergency in Italy, a significant increase in volumes for the summer may be expected, both for domestic and international destinations, driven by the Ryanair base, with 2 operative aircraft from November 2021.
However, these strong prospects for the coming two months may be hampered by the ongoing conflict in Ukraine, whose development is currently highly uncertain both in terms of its duration and its social and economic consequences. Although to date the impact on traffic volumes has not been significant, as flight cancellations have only affected connections to Ukraine (Kyiv and Lviv) and Moldova (Chisinau), which together accounted for 1.6% of the projected passenger traffic in the first quarter of 2022, impacts on passenger mobility may not be ruled out - for example for security reasons or the effect of price increases from higher energy costs.
ACI Europe[1] estimates for 2022 a possible recovery ranging from 61% to 80% of annual pre-COVID19 traffic volumes, with a stronger recovery for the second half of the year.

SAGAT S.p.A., on March 8, 2022 received the payment of Euro 5.02 million as a 50% advance on the amount requested as compensation for damages caused by the COVID-19 health emergency, as per the 2021 Budget Law, Legislative Decree No. 73/2021 and the Interministerial Decree of December 28, 2021. The grant will be recognised as revenue in the 2022 financial statements upon the conclusion by the Head Office of the Ministry of Sustainable Infrastructure and Mobility of the assessment of the application made by SAGAT S.p.A. for a total amount of Euro 10,036,342.
A similar contribution was also arranged by ENAC for handling companies. SAGAT Handling S.p.A. therefore on March 31, 2022 received Euro 509,686.50 as an advance on the application with a total value of Euro 1,019,373.

Transactions with subsidiaries and other related parties

For detailed analysis, references should be made to the specific section of the parent company Directors' Report, while it should be noted that these transactions were concluded at normal market conditions.

Directors and statutory auditors remuneration

The total amount of remuneration of directors and statutory auditors of the companies included in the consolidation scope was as follows:

Euro thousands

	2021
Directors	207
Statutory Auditors	95
TOTAL	**302**

The above remuneration was recognised to Service costs and takes account of all parties who in the course of the financial year were engaged in directorship and statutory auditor roles, including for a portion of the year.

1 Source ACI Europe: Economic Forecast of October 13, 2021 https://www.aci-europe.org/economic-forecasts.html

Independent audit firm fees

The total amount of fees due to the independent audit firm for the legally-required audit of the annual accounts, in addition to other services provided in the year, were as follows:

Euro thousands

Activities	2021		
	SAGAT	SAGAT Handling	Group total SAGAT
Legally-required audit of the annual accounts	15	9	24
Other audit services	6	5	11
Other services	10	0	10
TOTAL	**30**	**14**	**45**

Original copy, signed by:

The Chairwoman
Elisabetta Oliveri

Auditors' report on the consolidated financial statements

Building a better working world

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Auditors' Report
as per Article 14 of Legislative Decree No. 39 of January 27, 2010

To the Shareholders of
SAGAT S.p.A.

Auditors' Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the SAGAT Group (the Group), comprising the balance sheet at December 31, 2021, the income statement and cash flow statement for the year and the Explanatory Notes.

In our opinion, the consolidated financial statements provide a true and fair view of the balance sheet and financial position of the Group at December 31, 2021, and of the results and cash flows for the year in compliance with Italian rules governing the basis of preparation.

Basis for the opinion

We have carried out the audit in compliance with international audit standards (ISA Italy). Our responsibilities in accordance with these standards are described in greater detail in the "Responsibility of the independent audit firm for the audit of the consolidated financial statements" section of this report. We are independent from SAGAT S.p.A., in compliance with the ethical and independence rules and principles applicable under Italian law for the auditing of financial statements.
We acquired sufficient and appropriate evidence for the expression of our opinion.

Responsibility of the directors and board of statutory auditors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements which provide a true and fair view in accordance with Italian regulations and law and for the internal control considered necessary by it for the preparation of a set of financial statements which do not contain significant errors due to fraud or unintentional conduct or events.
The Directors are responsible for assessing the capacity of the Group to pursue operating activities and, in preparing the consolidated financial statements, the appropriateness of applying the going concern principle, in addition to the provision of adequate disclosure.

The Directors apply the going concern principle in preparing the consolidated financial statements unless they have assessed that the conditions for the winding up of the parent company SAGAT S.p.A. or for the interruption of operations exist or that they have no realistic alternatives to these options.

The Board of Statutory Auditors has the responsibility to supervise, in accordance with law, the Group's financial disclosure preparation process.

EY S.p.A.
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Sede Secondaria: Via Lombardia, 31 - 00187 Roma Capitale Sociale Euro 2.525.000,00 i.v.
Iscritta alla S.O. del Registro delle Imprese presso la CCIAA di Milano Monza Brianza Lodi
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Responsibility of the Independent Audit Firm for the audit of the consolidated financial statements

Our objectives are to acquire reasonable certainty that the consolidated financial statements overall do not contain significant errors, due to fraud or unintentional conduct or events, and to issue an Auditors' Report which includes our opinion.
Reasonable certainty indicates a high level of certainty which, however, does not guarantee that an audit carried out in accordance with international audit standards (ISA Italy) always identifies a significant error, where existing.
Errors may derive from fraud or unintentional conduct or events and are considered significant where it may reasonably be expected that they are, individually or collectively, capable of influencing the economic decisions of users taken on the basis of the consolidated financial statements.

As part of the audit carried out in compliance with international audit standards (ISA Italy), we exercised our professional opinion and maintained a professional degree of scepticism for the duration of the audit. Furthermore:

- we identified and assessed the risk of significant errors in the consolidated financial statements, due to fraud or to unintentional conducts or events; we drew up and implemented audit procedures reflective of these risks; we acquired sufficient and appropriate evidence on which to base our opinion. The risk of not identifying a significant error due to fraud is higher than the risk of not identifying a significant error due to unintentional conduct or events, as fraud may imply the existence of collusion, falsifications, intentional omissions, misleading representations or distortions concerning internal control;
- we acquired an understanding of the internal controls in order to define appropriate audit procedures to the circumstances and not to express an opinion on the efficacy of the internal control of the Group;
- we assessed the appropriateness of the accounting policies utilised, in addition to the reasonableness of the accounting estimates made by the Directors and the relative disclosure;
- we reached a conclusion on the appropriateness of the use by the Directors of the going concern principle and, on the basis of the evidence acquired, on any significant uncertainty concerning events or circumstances which may give rise to significant doubts on the capacity of the Group to continue to operate on an ongoing basis. In the presence of a significant uncertainty, we are required to highlight in the Auditors' Report the relative disclosure in the financial statements or, where this disclosure is inadequate, reflect this circumstance in drawing up our opinion. Our conclusions are based on evidence acquired until the date of this report. However, subsequent events or circumstances may require the Group to cease operating as a continuing entity;
- we assessed the presentation, the structure and the content of the consolidated financial statements as a whole, including the disclosure, and whether the consolidated financial statements reflect the underlying operations and events so as to provide a fair representation;
- we acquired sufficient and appropriate evidence on the financial disclosure of the companies and the different economic activities carried out by the Group to express an opinion on the consolidated financial statements. We are responsible for the supervision and execution of the Group audit. We are the only party responsible for the audit opinion on the consolidated financial statements.

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2021

We communicated to the governance activity managers, identified at an appropriate level as required by the international accounting (ISA Italy) standards, among other aspects, the extent and timing scheduled for the audit and the significant results emerging, including any significant deficiencies in the internal control identified during the audit.

Report on other statutory and regulatory provisions

Opinion as per Article 14, paragraph 2, letter e) of Legislative Decree No. 39 of January 27, 2010

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

We have executed the procedures indicated in audit standard (SA Italy) 720B to express an opinion on the consistency of the Directors' Report with the consolidated financial statements of the SAGAT Group at December 31, 2021 and its compliance with law, in addition to issuing the statement on any significant errors.

In our opinion, the Directors' Report is consistent with the SAGAT Group consolidated financial statements at December 31, 2021 and complies with statutory requirements.

With regards to the statement as per Article 14, paragraph 2, letter e) of Legislative Decree No. 39 of January 27, 2010, issued on the basis of its knowledge and understanding of the company and the relative overview acquired during the audit activities, we do not have any matters to report.

Rome, April 13, 2022

EY S.p.A.

Roberto Tabarrini
(Auditor)

Board of Statutory Auditors'Report

ANNEX 1 to the minutes of April 13, 2022,

SAGAT S.p.A.
Board of Statutory Auditors

Report to the Shareholders' Meeting
Individual and consolidated financial statements for the year ended 31.12.2021
(Article 2429, paragraph 2, of the Civil Code)

Dear *Shareholders,*

during the year ended December 31, 2021, this Board of Statutory Auditors has carried out the Supervisory Activities set out in Article 2403 of the Civil Code, as reported herein.

This Board of Statutory Auditors preliminarily indicates that it was appointed by the Shareholders' Meeting of May 17, 2019, taking office at the meeting of June 7, 2019 and with its mandate concluding with the approval of the 2021 Annual Accounts.

The performance of accounting controls and statutory audit activities has been entrusted to the audit firm EY S.p.A., whose appointment for the financial years 2019-2021 has been conferred, upon the reasoned proposal of the pro tempore Board of Statutory Auditors, by the Shareholders' Meeting of May 17, 2019

With regards to the means with which it executed its duties, the Board of Statutory Auditors notes that it:

- *duly held the meetings required by Article 2404 of the Civil Code;*
- *participated at all Shareholders' Meetings and the meetings of the Board of Directors, obtaining from this latter, also in accordance with Article 2381, paragraph 5 of the Civil Code, prompt and suitable disclosure on the general operating performance and on the outlook, in addition to the most significant transactions, in terms of their size and characteristics, carried out by the company and by its subsidiary;*
- *exchanged, in accordance with Article 2409-septies of the Civil Code, with the independent audit firm the information required to carry out the respective duties; no issues which require reporting herein emerged during these meetings, other than those related to the COVID-19 pandemic impacts;*

- carried out its audit activity on the adequacy of the organisational structure, through meetings with the competent boards and offices of the company; the Board of Statutory Auditors does not report any critical aspects emerging during these meetings regarding the suitability of the organisational structure, also to satisfy the company's operational needs;
- ascertained the adequacy of the administrative and accounting structure to correctly record and represent the operating events. On the basis of the work carried out, no particular issues were encountered regarding the adequacy of the administrative and accounting structure;
- noted, in terms of internal control and the rules presented in Legislative Decree No. 231/2001, the periodic reports of the Internal Auditor and of the Supervisory Board, which do not indicate critical issues, also on the measures adopted for the protection of the health of workers as a result of the COVID-19 outbreak.

The participation, as a member of the body, of a Statutory Auditor on the Supervisory Board supported the exchange of dialogue between the two bodies.

The Board of Statutory Auditors acquired adequate information on the main operating, financial and equity transactions carried out by the company and by its subsidiaries, which permitted the declaration of compliance with statutory law and the company By-Laws.

The Board of Statutory Auditors does not report the existence of any atypical or unusual transactions.

In terms of related party transactions, it should be noted that such transactions are summarised in the notes to the financial statements and in the directors' report pursuant to articles 2427 and 2428 of the Civil Code. The Board of Statutory Auditors also notes the information provided by the Directors in the notes to the financial statements regarding the recapitalisation of the subsidiary SAGAT Handling in 2021.

On the basis of the findings with the direct participation of the members of the Board of Statutory Auditors, the motions adopted by the Board of Directors appear in compliance with law and the By-Laws, in addition to the principles of correct administration.

No petitions or complaints were presented to the Board of Statutory Auditors during the year, as per Article 2408 of the Civil Code.

Similarly, no delays or omissions are reported in accordance with Article 2406 of the Civil Code.

The financial statements reported a net loss of Euro 7,814,591, compared to a loss of Euro 16,056,087 in 2020.

The shareholders' equity, considering the loss for the year, amounted to Euro 22,944,262, compared to Euro 30,758,853 in the 2020 financial statements.

With regards to the activities within the scope of the Board of Statutory Auditors regarding the drawing up of the separate financial statements, it is again recalled that the independent audit firm is assigned the legal audit of accounts, with the following reported.

- to the extent of the Board of Statutory Auditors' remit, compliance with the legal regulations for the formation and drafting of the financial statements has been verified; in particular, it is acknowledged that in their preparation, the following principles provided for in Article 2423 bis of the Civil Code have been followed. It is also declared that the balance sheet and income statement set out in the Civil Code have been complied with and that the directors have not utilised the exceptions provided for in Articles 2423, para. IV and 2423 bis, para. II of the Civil Code;

- the Explanatory Notes present the accounting policies followed for the preparation of the financial statements and the information required by the applicable rules.

The Board has verified that the Company has provided sufficient disclosure on the financial and operating effects of the Covid-19 emergency, continuing "to take measures geared toward ensuring the safe operation of the airport and to introduce every possible lever to mitigate the financial impacts" and finally referring to the measures taken to ensure the levels of liquidity needed to manage the airport's operations.

In addition, the Board considers it appropriate to report below what the Directors have indicated in the Notes to the Financial Statements and the Directors' Report concerning the events related to the Russian-Ukrainian conflict: " However, these strong prospects for the coming two months may be hampered by the ongoing conflict in Ukraine, whose development is currently highly uncertain both in terms of its duration and its social and economic consequences. Although to date the impact on traffic volumes has not been significant, as flight cancellations have only affected connections to Ukraine (Kyiv and Lviv) and Moldova (Chisinau), which together accounted for 1.6% of the projected passenger traffic in the first quarter of 2022, impacts on passenger mobility may not be ruled out - for example for security reasons or the effect of price increases from higher energy costs."

The Board of Statutory Auditors notes that, as ascertained by the Audit Firm, the directors' report complies with the applicable laws and is consistent with the motions adopted by the Board of Directors, with the facts contained in the financial statements and with the information available to the Board of Statutory Auditors. It is therefore considered that the disclosure complies with applicable provisions and allows for a clear and comprehensive outline of the Company's situation, operating performance and outlook.

Finally, it is noted that the auditor has issued today its report pursuant to Article 14 of Legislative Decree No. 39/2010 without qualification and requests for information.
The Board of Statutory Auditors, on the basis of that outlined in this report, expresses a favourable opinion on the approval of the 2021 Annual Accounts and does not indicate any obstacles to the proposal for the allocation of the loss, as drawn up by the directors.

** * **

With reference to the consolidated financial statements, the Board of Statutory Auditors reports that it has supervised the general approach applied and its general legal compliance with regard to its formation and structure and that, as declared by the Audit Firm, the directors' report contains the information required by law and is consistent with the financial statements.
Also for it consolidated financial statements the auditor has issued today its report pursuant to Article 14 of Legislative Decree No. 39/2010 without qualification and requests for information.

The Board, in expressing thanks for the confidence given, reminds the Shareholders' Meeting to undertake the appointment of the new Control Body,

The afore-mentioned report is agreed upon by all statutory auditors undersigned.

Read, confirmed and signed.
Turin, April 13, 2022

The Board of Statutory Auditors
- Mr. Roberto NICOLO', Chairperson.
- Ms. Piera BRAJA, Statutory Auditor;
- Mr. Ernesto CARRERA., Statutory Auditor;
- Mr. Lorenzo GINISIO, Alternate Auditor;
- Mr. Egidio RANGONE, Alternate Auditor.

3

Financial statements of SAGAT S.p.A.

at December 31, 2021

Balance sheet: Assets

amounts in Euro

Balance sheet: Assets	Financial statements at 31/12/2021	Financial statements at 31/12/2020
A) RECEIVABLES FOR UNPAID SHARE CAPITAL		
B) FIXED ASSETS		
I. Intangible assets		
4) Concessions, licenses, trademarks & sim. rights	154,777	371,103
6) Assets in progress and advances	228,571	510,394
7) Other assets	8,625,084	8,063,245
Total	**9,008,432**	**8,944,742**
II. Property, plant and equipment		
1) Land and buildings	3,515,794	3,515,794
2) Plant and machinery	0	0
3) Industrial and commercial equipment	5,786,605	2,796,756
4) Other assets	902,069	1,094,379
5) Assets in progress and advances	1,261,681	2,568,091
II.bis Transferable assets		
1) Land and buildings	23,007,277	25,201,789
1-bis) Runways and related land	281,419	301,520
2) Plant and machinery	7,815,274	8,278,025
Total	**42,570,119**	**43,756,355**
III. Financial assets		
1) Investments in:		
a) subsidiaries	4,343,598	2,843,598
d-bis) Other companies	9,718,870	9,718,870
2) Receivables:		
d-bis) Other:		
within 1 year	0	0
beyond 1 year	63,228	65,236
Total receivables:		
within 1 year	0	0
beyond 1 year	63,228	65,236
Total	**14,188,696**	**12,690,704**
TOTAL FIXED ASSETS (B)	**65,767,247**	**65,391,800**

amounts in Euro

Balance sheet: Assets	Financial statements at 31/12/2021	Financial statements at 31/12/2020
C) CURRENT ASSETS		
I. Inventories		
1) Raw materials, ancillaries and consumables	290,817	446,523
Total	**290,817**	**446,523**
II. Receivables		
1) Trade receivables:		
within 1 year	9,506,835	4,361,913
beyond 1 year	0	0
2) Subsidiaries:		
within 1 year	1,506,481	1,565,848
beyond 1 year	0	0
4) Parent companies:		
within 1 year	3,462	3,462
beyond 1 year	4,169,353	1,757,940
5) Companies subject to control of parent companies:		
within 1 year	0	0
beyond 1 year	0	0
5-bis) Tax receivables:		
within 1 year	601,880	915,363
beyond 1 year	58,340	3,193,553
5-ter) Deferred tax assets:		
within 1 year	0	0
beyond 1 year	8,529,479	8,304,662
5-quater) Others:		
within 1 year	10,051,465	8,422,599
beyond 1 year	39,752	88,330
Total Receivables:		
within 1 year	**21,673,122**	**15,269,185**
beyond 1 year	**12,796,925**	**13,344,485**
Total	**34,470,047**	**28,613,670**
IV. Cash and cash equivalents		
1) Bank deposits	10,376,525	16,688,141
2) Cheques on hand	0	467
3) Cash & cash equivalents on hand	41,020	37,112
Total	**10,417,545**	**16,725,720**
TOTAL CURRENT ASSETS (C)	**45,178,409**	**45,785,913**
D) ACCRUED INCOME & PREPAYMENTS		
Accrued income	0	0
Prepayments	261,526	158,427
TOTAL ACCRUED INCOME & PREPAYMENTS (D)	**261,526**	**158,427**
TOTAL ASSETS	**111,207,182**	**111,336,140**

Balance sheet: Liabilities

amounts in Euro

Balance sheet: Liabilities	Financial statements at 31/12/2021	Financial statements at 31/12/2020
A) shareholders' equity		
I. Share capital	12,911,481	12,911,481
II. Share premium reserve	6,104,521	6,104,521
III. Revaluation reserve	7,362,627	7,362,627
IV. Legal reserve	2,582,296	2,582,296
VI. Other reserves, as follows:		
Extraordinary investment fund	4,906,340	4,906,340
Extraordinary reserve	4,140,862	4,140,862
AH spin-off surplus reserve	4,078,837	4,078,837
VIII. Retained earnings/(accumulated losses)	(6,504,499)	9,551,588
IX. Net Profit (or Loss)	(7,814,591)	(16,056,087)
X. Negative reserve for treasury shares in portfolio	(4,823,612)	(4,823,612)
TOTAL SHAREHOLDERS' EQUITY (A)	**22,944,262**	**30,758,853**
B) Provisions for risks and charges		
4) Other provisions:		
Provision for future charges	9,678,206	9,403,481
Maintenance expenses on third party assets under concession provision	0	0
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	**9,678,206**	**9,403,481**
C) Post-employment benefits	2,350,553	2,218,061
TOTAL (C)	**2,350,553**	**2,218,061**

amounts in Euro

Balance sheet: Liabilities	Financial statements at 31/12/2021	Financial statements at 31/12/2020
D) Payables		
4) Bank payables:		
within 1 year	2,656,699	0
beyond 1 year	25,609,978	25,164,227
7) Trade payables:		
within 1 year	19,120,565	15,425,208
beyond 1 year	331,112	6,822
9) Subsidiaries:		
within 1 year	1,016,806	1,451,554
beyond 1 year	0	0
11) Parent companies:		
within 1 year	0	0
beyond 1 year	0	0
12) Tax payables:		
within 1 year	1,060,329	1,293,726
beyond 1 year	1,069,880	1,550,962
13) Payables to social security institutions:		
within 1 year	786,840	821,835
beyond 1 year	0	0
14) Other payables:		
within 1 year	17,560,984	15,692,484
beyond 1 year	784,572	784,909
Total		
within 1 year	**42,202,224**	**34,684,807**
beyond 1 year	**27,795,541**	**27,506,920**
TOTAL PAYABLES (D)	**69,997,765**	**62,191,727**
E) Accrued expenses and deferred income		
Accrued expenses	8,648	821
Deferred income	6,227,748	6,763,197
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME (E)	**6,236,396**	**6,764,018**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**111,207,182**	**111,336,140**

Income statement

amounts in Euro

Income statement	Financial statements at 31/12/2021	Financial statements at 31/12/2020
A) Value of production		
1) Revenues from sales and services	30,549,861	22,254,724
5) Other revenue and income showing separately operating grants:		
Other revenues and income	2,810,694	2,049,833
Operating grants	14,311	14,311
Total other revenues and income	**2,825,005**	**2,064,144**
TOTAL VALUE OF PRODUCTION (A)	**33,374,866**	**24,318,868**
B) Costs of production		
6) Raw materials, ancillary, consumables and goods	698,332	932,095
7) Services	19,777,938	14,082,449
8) Rent, leasing and similar costs	1,768,436	1,352,944
9) Personnel costs:		
a) salaries and wages	8,185,230	8,161,528
b) social security charges	2,456,681	2,459,197
c) post-employment benefits	804,423	642,367
d) pension and similar rights	0	0
e) other costs	229,618	339,517
Total personnel costs	**11,675,952**	**11,602,609**
10) Amortisation, depreciation and write-downs:		
a) amortisation	1,041,280	1,023,536
b) depreciation	5,112,255	4,836,768
c) write-down of fixed assets	0	0
d) write-downs of current receivables and cash and cash equivalents	970,385	8,213,386
Total amortisation, depreciation and write-downs	**7,123,920**	**14,073,690**
11) Change in inventories of raw materials, ancillaries, consumables and goods	155,706	(43,382)
12) Provisions for risks	368,285	1,225,279
13) Other provisions	0	0
14) Other operating costs	1,640,729	2,188,654
TOTAL COST OF PRODUCTION (B)	**43,209,298**	**45,414,338**
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	**(9,834,432)**	**(21,095,470)**

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amounts in Euro

Income statement	Financial statements at 31/12/2021	Financial statements at 31/12/2020
C) Financial income and charges		
15) Investment income:		
dividends and other income	0	0
16) Other financial income:		
d) other income:		
other	257	3,423
Total	**257**	**3,423**
17) Interest and other financial charges:		
other	(616,539)	(208,985)
17-bis) Exchange gains and losses	(41)	(107)
TOTAL FINANCIAL INCOME AND CHARGES (C)	**(616,323)**	**(205,669)**
D) adjustments to financial assets		
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS (D)	**0**	**0**
RESULT BEFORE TAXES (A-B+/-C+/-D)	**(10,450,755)**	**(21,301,139)**
20) Income taxes for the year:		
a) Current taxes	2,411,346	3,133,370
b) Deferred tax income/charges:	224,818	2,111,682
21) NET PROFIT/(LOSS)	**(7,814,591)**	**(16,056,087)**

Cash flow statement

amounts in Euro

Cash flow statement	Financial statements at 31/12/2021	Financial statements at 31/12/2020
A) Cash flow from operating activities		
Net profit/(loss)	(7,814,591)	(16,056,087)
Income taxes	(2,636,164)	(5,245,052)
Interest expenses/(income)	616,323	205,562
(Dividends)	0	0
(Gains)/losses on sale of assets	(17,250)	(7,500)
1) Profit (loss) for the year before taxes, interest, dividends and gains/losses from disposals	**(9,851,682)**	**(21,103,077)**
Non-cash adjustments not impacting working capital:		
Provisions	368,285	1,225,279
Amortisation & depreciation	6,153,535	5,860,304
Impairments	13,853	643,019
Other non-cash increases/(decreases)	0	606,470
2) Total non-cash adjustments not impacting working capital	**6,535,673**	**8,335,072**
Cash flow before working capital changes	(3,316,009)	(12,768,005)
Change in net working capital:		
Decrease/(Increase) in inventories	155,706	(43,382)
Decrease/(Increase) in trade receivables	(5,147,951)	9,307,666
Increase/(Decrease) in trade payables	3,706,949	(3,059,199)
Decrease/(Increase) in prepayments and accrued income	(103,100)	(29,614)
Increase/(Decrease) in accrued expenses and deferred income	(527,622)	(567,709)
Other Decreases/(Other Increases) in working capital	3,976,824	(4,589,619)
Total changes in working capital	**2,060,806**	**1,018,143**
Cash flow after working capital changes	**(1,255,203)**	**(11,749,862)**
Other adjustments:		
Interest received/(paid)	(616,754)	(212,407)
(Income taxes paid)	(481,082)	(482,979)
Dividends received	0	0
(Utilisation of provisions)	(459,973)	(322,256)
Other receipts/(payments)	0	0
Total other adjustments	**(1,557,809)**	**(1,017,642)**
CASH FLOW FROM OPERATING ACTIVITIES (A)	**(2,813,012)**	**(12,767,504)**

amounts in Euro

Cash flow statement	Financial statements at 31/12/2021	Financial statements at 31/12/2020
B) Cash flow from investing activities		
Property, plant & equipment:		
(Cash flows from investments)	(4,041,601)	(2,917,349)
Cash flows from divestments	0	0
Intangible assets:		
(Cash flows from investments)	(953,562)	(1,193,059)
Cash flows from divestments	0	0
Financial assets:		
(Cash flows from investments)	(1,500,000)	0
Cash flows from divestments	0	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(6,495,163)**	**(4,110,408)**
C) Cash flow from financing activities		
Third-party funds:		
Increase/(Decrease) in short-term bank payables	0	0
New loans	3,000,000	25,500,000
(Repayment of loans)	0	0
Own funds:		
Dividends and advances on dividends paid	0	0
CASH FLOW FROM FINANCING ACTIVITIES (C)	**3,000,000**	**25,500,000**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A 3 B 3 C)	**(6,308,175)**	**8,622,089**
OPENING CASH AND CASH EQUIVALENTS	**16,725,720**	**8,103,632**
CLOSING CASH AND CASH EQUIVALENTS	**10,417,545**	**16,725,720**

The undersigned herewith declares that the financial statements shown above reflect the underlying accounting entries.

For the Board of Directors
The Chairwoman

Explanatory notes to the financial statements of SAGAT S.p.A.

Introduction

Financial statements - introduction

The Financial Statements comprise the Balance Sheet, the Income Statement, the Cash Flow Statement and these Explanatory Notes (Article 2423, paragraph I, Civil Code). The tables annexed to the Explanatory Notes are an integral part thereof and, therefore, of the Financial Statements.

The Company prepares the Consolidated financial statements as per Legislative Decree No. 127 of 09/04/91.

The separate and consolidated financial statements were audited, in accordance with Article 2409-bis of the Civil Code, by the independent audit firm EY S.p.A.

General principles

1. These Financial Statements have been prepared with clarity in order to provide a true and fair view of the company's Balance Sheet and of the Net result for the year (Article 2423, paragraph II, Civil Code). In their preparation, Articles 2423 and subsequent of the Civil Code were in particular applied and account was also taken of Italian GAAP issued by the Italian Accounting Body (Organismo Italiano di Contabilità) and, where necessary and compatible, were supplemented with international accounting standards.
2. The information required by the specific legal provisions governing the preparation of the Financial Statements has been deemed sufficient to provide a true and fair view. The complementary information considered beneficial for complete and detailed disclosure has however been provided.. This includes, in particular, in the Directors' Report:
    - the cash flow statement with the changes in net working capital (NWC) and the Net Financial Position;
    - balance sheet analysis according to the financial criteria;
    - additional significant information in consideration of the characteristics and size of the Enterprise (Article 2423, paragraph III, Civil Code).
3. A true and fair view of the company's Balance Sheet and Net Result was ensured without the need to apply the exceptions to the above standards, as no exceptional cases of incompatibility were encountered which would require application of the provisions of Article 2423, paragraph IV, Civil Code.
4. The Financial Statements were prepared in Euro; in these Explanatory Notes, the figures are reported in Euro, except where otherwise indicated (Article 2423, paragraph V, Civil Code).

Basis of preparation

The following policies were applied in preparing the Financial Statements.

1. The accounts have been measured on a prudent and going concern basis, while also taking account of the substance of the transaction or the contract (Article 2423 bis, para. I, paragraph I, No. 1, Civil Code.).

2. The profits realised in the fiscal year were exclusively included (Article 2423 bis, paragraph I, No. 2, Civil Code).

All income and charges for the year, regardless of when they were received or incurred, are reported in the financial statements.

3. All income and charges accruing to the year, regardless of when they were received or settled, are reported in the financial statements (Article 2423 bis, paragraph I, No. 3, Civil Code). Costs have been matched with related revenues recognised during the year.

4. Account is taken of risks and losses in the year even if known subsequent to year-end (Article 2423 bis, paragraph I, No. 4, Civil Code). Dissimilar components of individual items are valued separately (Article 2423 bis, paragraph I, No. 5, Civil Code).

5. In accordance with Article 2423-ter of the Italian civil code, it should be noted that all figures are comparable.

6. The following criteria were applied in structuring the Balance Sheet and Income Statement:
6.a. in the Balance Sheet and Income Statement the items covered by Articles 2424 and 2425 of the Civil Code have been recognised separately, and in the order indicated, even where they amount to zero (Article 2423 ter, paragraph I, Civil Code);

6.b. the items preceded by Arabic numerals have been subdivided further, where required by the accounting standards or considered necessary for the clarity of the Financial Statements;

6.c. in relation to the nature of the activities carried out by the Enterprise, item B.II. *bis* has been added to the assets section of the balance sheet concerning those assets that may be transferred at the end of the concession, in addition to item B.II *bis* 1 bis) regarding runways and related land, as previously indicated at item B.II.2);

6.d. the items preceded by Arabic numerals have not been adjusted, as not required in view of the nature of the activity carried out (Article 2423 ter, paragraph IV, Civil Code);

6.e. for each item of the Balance Sheet and Income Statement, the amount of the corresponding item for the previous year was indicated;

6.f. no offsetting of items was undertaken (Article 2423 ter, paragraph VI, Civil Code).

7. No assets and liability accounts are recorded under more than one line item of the balance sheet (Article 2424, paragraph II, Civil Code.).

8. In assessing the company's going concern, no significant uncertainties emerged as the health emergency has not compromised its capacity to operate as a continuing entity.

9. The Financial Statements for the year ended December 31, 2021 have been prepared in accordance with the Civil Code, as amended by Legislative Decree No. 139/2015, interpreted and supplemented by the Italian accounting standards issued by the Italian Accounting Organisation ("OIC") in the version in force for financial statements ending December 31, 2021.

10. In relation to the contents of the notes to the financial statements as per Article 2427 of the Civil Code:
    - the Company did not enter into any financing transactions with the temporary transfer of assets during the year;
    - the Company does not have any off-balance sheet arrangements beyond that reported both in these Notes and in the Directors' Report, whose knowledge would be useful in assessing the Company's equity and financial position;
    - no atypical or unusual transactions were carried out, i.e., outside the normal course of business or capable of materially affecting the Company's financial position and performance;
    - the Company has not subscribed to derivative financial instruments under Article 2427-bis of the Civil Code.

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Criteria applied in the measurement of the accounts in the financial statements, value adjustments and translation of amounts in foreign currencies

The accounting policies adopted for the preparation of the financial statements at December 31, 2019, in accordance with Article 2426 of the Civil Code and the above-stated accounting standards, are described below.

Fixed assets

Assets to be used over the long-term are classified under fixed assets.

Intangible assets

Intangible assets are recorded at purchase or production cost, including direct accessory charges, and are amortised on a straight-line basis based on their remaining useful lives. The amortisation schedule, in accordance with this principle, is presented below:

Intangible assets	
Type of asset	**Rate**
Industrial patents and intellectual property rights	33%
Concessions, licenses, trademarks and similar rights	33%
Other intangible assets	Between 5.88% and 33%

The amortisation criteria and ratios applied have not been amended on the previous year (Article 2426, paragraph I, No. 2. Civil Code).
Extraordinary maintenance expenses on third party assets included in Other Fixed Assets were amortised over a period from the tax period in which the investments were made to 2037.
At the balance sheet date, no intangible assets were found to have a permanent value of less than their purchase cost, including direct accessory charges and net of amortisation; therefore, no write-downs have been recognised (Article 2426, paragraph I, No. 3, Civil Code).

Property, plant & equipment

Property, plant and equipment are measured at purchase or construction cost, including direct accessory charges, with the exception of assets subject to revaluation in accordance with Law No. 72/83 and Law No. 342/2000.
The cost of an asset includes the financial charges incurred for their production up to the moment in which the asset is ready for use and for the portion reasonably attributed to said asset. The amount of the financial charges capitalised during the year is shown in Part IV of these Explanatory Notes (Article 2427, paragraph I, No. 8, Civil Code).
The cost of property, plant and equipment, whose utilisation is limited in time, are depreciated on a straight-line basis each year based on their residual future utility.

The depreciation schedule, in accordance with the principles described above, is shown below:

Property, plant & equipment	
Type of asset	**Rate**
Buildings and related property	4%
Runways and aircraft apron	5.88%
Flight-assistance systems	31.5%
Other plant	10%
Runway and ramp equipment	10%
Equipment for other uses	20%
Specific equipment	12.5%
Motor vehicles	25%
Transport vehicles	20%
Furniture and fittings	12%
EDP	20%
Other property, plant and equipment	20%
Sundry property, plant and equipment	100%

In previous years, for certain categories of assets, where required on the basis of the particular functional obsolescence of such assets, the above rates were doubled in the first three years subsequent to their entry into service.
Assets which went into use during the year are amortised or depreciated for a half year in order to take account of their reduced use for the year.

It should be noted that, following the amendment to Article 104 of the Consolidated Income Tax Act introduced by Legislative Decree No. 669 of 31/12/1996, which allows financial depreciation solely as an alternative to technical depreciation (and no longer in addition to it), the Company has in previous years opted for this latter, deducting the previously accumulated financial depreciation from the historical cost of the related assets, with the exception of the runways and aircraft stands category.
Ordinary maintenance and repair costs are expensed as incurred, while those which increase the value of the assets are capitalised.

In light of company programmes, at the balance sheet date, no property, plant or equipment was found to have a permanent value of less than their (adjusted) purchase cost, including direct accessory charges and net of depreciation (Article 2426, paragraph I, No. 3, Civil Code) and therefore the need to apply write-downs did not emerge.

Financial assets

Equity investments and other financial assets represent long-term investments and are recognised in the financial statements on the basis of the costs incurred or the subscription values. Where the investee companies suffers losses considered to be permanent, the carrying amount of the investments are written down accordingly.
These write-downs are reversed when the reasons underlying then cease to exist.
Treasury shares are recorded at their purchase cost in the negative reserve for treasury shares in portfolio.

For non-current financial receivables, we have assessed adopting the amortised cost approach as defined under Article 2426 of the Civil Code, while also taking account of time value and presumed realisable value in accordance with the point 8 of Article 2426, paragraph 1, of the Civil Code.
The immateriality of the application of the amortised cost method was verified for all non-current receivables, or where the settlement costs, commissions paid between the parties and any other difference between the initial value and the value on maturity is immaterial or where the receivables are short-term (i.e. with maturity of less than 12 months).

Inventories

Inventories of raw materials, ancillaries, consumables and goods have been recognised at purchase cost, plus accessory charges. As in previous years, this cost has been calculated as a weighted average.
Assets that do not have a real possibility of being used in production are recognised at their realisable value when less than their purchase cost.In any event, the carrying amount of inventories is not greater than their presumed market value taking account of the utility of the goods within the scope of the production process.
The value of inventories is not significantly different from their fair value at year-end.

Receivables

For current financial receivables, we have assessed adopting the amortised cost approach as defined under Article 2426 of the Civil Code, while also taking account of time value and presumed realisable value in accordance with the point 8 of Article 2426, paragraph 1, of the civil code, net of adjustments and a provision for credit risk of a suitable amount to take account of the risk of default on all trade receivables as a whole.
The immateriality of the application of the amortised cost method was verified for all receivables, or where the settlement costs, commissions paid between the parties and any other difference between the initial value and the value on maturity is immaterial or where the receivables are short-term (i.e. with maturity of less than 12 months).

Receivables for interest on arrears have been fully written down in the previous years in which they accrued. There are no receivables for which payment terms have been deferred by contract, for which it would be appropriate to recognise their present value at current rates in accordance with applicable accounting standards.

Cash and cash equivalents

Cash and cash equivalents are recorded at their nominal value.

Prepayments and accruals

Prepayments and accruals include the income/charges of the year applicable in future periods and charges/income sustained in the period relating to future periods. Only amounts relating to two or more periods are recorded in these accounts, the amount of which varies depending on the time period involved.

Shareholders' Equity

This item includes all transactions of an equity nature carried out between the Company and parties exercising their rights and duties as shareholders. The increase in share capital is recognised in the accounts only subsequent to the transaction's registration at the companies office, as governed by Article 2444, paragraph 2 of the Civil Code. In this case, the corresponding amount is recognised in a special equity item (other than "Share Capital"), which includes the amounts of share capital subscribed by shareholders, which will subsequently be reclassified on meeting the conditions above.

Provisions for risks and charges

Provisions for risks and charges only include provisions to cover known or likely losses or liabilities of a specific nature, the timing and extent of which cannot be determined at year-end.
These provisions have been measured in accordance with the prudence and accruals concepts and no provision has been made for matters without any economic justification.
Any risks for which the occurrence of a liability is only possible or for which no objective forecast of the resulting charge is possible are disclosed in the Notes to the Financial Statements without making provisions for risks and charges.
No account is taken of risks whose possibility of manifestation appears remote.

Post-employment benefit provision

Law No. 296 of December 27, 2006 (2007 Finance Act) introduced new rules for the Post-employment benefits maturing from January 1, 2007.

As a result of the supplementary pension reform:
- the post-employment benefits matured until December 31, 2006 remain within the company;
- the post-employment benefits matured from January 1, 2007, accumulate by the method expressly or tacitly selected by the employee as follows:
  a) allocated to a supplementary pension fund;
  b) held in the company, which must transfer the relative quota to the Treasury Fund managed by INPS.

Since January 1, 2007, amounts matured during the year continue to be recognised as post-employment benefits (item B9 c) in the income statement). Under the balance sheet, post-employment benefits (account C) represent the residual provision at December 31 of the present year, while the accounts D.13 "Payables to social security institutions" and D.14 "Other payables" refer to the payable matured at December 31 relating to post-employment benefits still to be paid to the INPS treasury fund and to the pension funds.

Payables

For all payables, any need to apply the amortised cost approach was verified, as defined under Article 2426 of the Civil Code, while also taking account of time value and their nominal value in accordance with the point 8 of Article 2426, paragraph 1, of the civil code, which applies to when transaction costs, fees paid by the parties, and any differences between the starting value and the value when due are not insignificant and the payable is due beyond 12 months.

Payables are recognised at their nominal value, with the exception of the Euro 25 million bank loan as described in the related section herein.

Risks, commitments and guarantees

Risks that are likely to give rise to a liability are described in the Explanatory Notes and the related provisions recorded under Risk Provisions. Risks that will only possibly give rise to a liability are described in the Explanatory Notes without making a provision.

Commitments are recognised at their contractual value, whereas guarantees are recognised based on the risk assessed at year end. Both of these are discussed in the Explanatory Notes.

Revenues and costs

Revenue, costs and other gains and charges are recognised on a prudent basis and in line with the matching of revenue and expenses and are shown net of discounts, rebates, and other incentives and subsidies. Service revenues are recognized in the period in which the services are performed.

Grants

Grants are recognised as other revenue and income in the period in which there is a reasonable certainty concerning eligibility for their receipt and recognised as deferred income when related to future periods. This deferred income is then reduced at the end of each financial year and recognised as income at the same rate as for the depreciation of the asset to which the grant refers.

Dividends

The dividends distributed by the subsidiaries are recognised in the year in which the related profits accrue, where the date of the dividend distribution proposal by the subsidiary's Board of Directors is prior to the date of approval of the financial statements by the parent company's Board of Directors. They are recorded as financial income independently of the nature of the distributable reserves.

Income taxes

Income taxes - both company income tax (IRES) and the regional production tax (IRAP) recognised to item E.20 - are calculated based on estimated taxable income and applicable tax laws.

Beginning with the 2017 financial year, the Company, as a subsidiary of the Group, adhered to the National Tax Consolidation scheme in accordance with Articles 117 et seq. of Italy's Income Tax Law. The other subsidiaries also adhering to the scheme are SAGAT S.p.A., GESAC S.p.A., Software Design S.p.A., 2i S.A.C., and Aeroporto Friuli Venezia Giulia S.p.A., while 2i Aeroporti S.p.A. is the parent company.

The current National Tax Consolidation scheme concerns the three-year period 2020-2022. This option was exercised in order to take advantage of the benefits allowed under the law, including the ability for the parent company to offset the earnings of the individual companies involved.

Notification of the renewal of this option, as envisaged under Article 5, paragraph 1, of the Decree of the Ministry for the Economy and Finance of June 9, 2004, was filed electronically with Italy's Tax Agency on October 31, 2020, by 2i Aeroporti S.p.A.
The key points of the above-mentioned group regulation are as follows: a) where, and to the extent that, in one of the tax periods in which the group taxation option is valid, a party contributes to the tax consolidation, as per Article 96, paragraph 7 of the Consolidated Income Tax Law, an excess of interest expense and similar charges, this party shall be granted the right to corresponding remuneration; b) in the event that the taxable income of the subsidiary, net of the tax losses referred to in Article 84 of the Consolidated Income Tax Law, prior to the commencement of tax consolidation, is positive, the consolidated company shall pay to the consolidating company an amount equal to the corresponding net tax payable, calculated as if the option for tax consolidation were not operating; c) in the event that the taxable income produced by the subsidiary in one or more taxable periods covered by the option for tax consolidation is negative, the parent company shall pay to the subsidiaries a sum equal to either 1) the taxes actually saved as a result of the use of the tax losses thus realized or 2) the credits due to the subsidiaries for the surpluses transferred to the consolidating company pursuant to item b) above; (d) if one of the parties transfers to the consolidating company an interest surplus, the consolidating company shall, to the extent permitted, carry this surplus as a reduction of the total comprehensive income; (e) in the case referred to in (d) above, the party that transferred the interest surplus to the consolidating company shall be paid compensation in an amount equal to 100% of the notional IRES calculated by applying to the transferred surpluses the IRES rate in force during the period of utilisation of these surpluses. Tax consolidation enables the parent company, 2i Aeroporti S.p.A., to aggregate the taxable earnings of the parent company with those of the domestic subsidiaries adhering to the scheme. The taxable income and fiscal losses of the companies involved in the tax consolidation are considered in their full amount, regardless of the

interest held by the parent company (line--by-line consolidation). The parent company is responsible for calculating total income tax expense and for making the related payments to the Tax Agency. Nonetheless, the subsidiaries are still considered to be tax-paying entities.

The accounting principles applicable to this tax consolidation are described below:

Current income tax

Income tax expense is recognised as current income taxes, and the related payable to (or receivable from) the parent company is recognised on the balance sheet. Consolidation adjustments that lead to a benefit on the consolidated tax return are recognised as tax gains from tax consolidation among current taxes and as a receivable to the parent company.

Deferred taxes

Receivables for IRES advance payments and deferred taxes attributable to both the parent company and the subsidiaries and related to operations arising during the period of tax consolidation remain on the accounts of the company that generated them. Therefore, in accordance with the tax consolidation scheme, they are not recognised by the parent company. Observance of the conditions for recognising deferred taxes is assessed in relation to forecasts of future taxable income for the companies involved in the tax consolidation. Conversely, should the deferred tax asset or liability be related to transactions occurring outside of the tax-consolidation period, the assessment is made based on the circumstances of the individual company. The Company has recognised deferred taxes in relation to temporary fiscal differences arising

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during the year. More specifically, temporary deductible differences determined by expenses which are partially or totally deferred to future years, generate deferred tax assets recorded in the account C.II.5-ter of the assets; the temporary differences determined by income assessable in a future year compared to that recorded for statutory purposes, or of expenses deducted in a year prior to their recognition on the income statement, generate deferred tax liabilities.
Deferred tax assets and liabilities are measured based on the currently applicable tax rate and taking account of expected tax rates for future years. The income taxes recorded for the year are the sum of current and deferred income taxes, which appropriately express the fiscal charge for the period.
Deferred tax assets are not recognised when there is not a reasonable certainty of their future recovery. In the same way, deferred tax liabilities are not recognised where there is little probability that such a payable will arise.
Descriptions of the temporary differences that led to the recognition of deferred tax assets and liabilities, specification of the related tax rate, a description of changes from the previous year, amounts debited and credited to the income statement and to equity, and deferred tax assets related to losses incurred are provided in the statement of deferred tax assets and liabilities found in the section related to income taxes for the year (as per Article 2427, paragraph 1, point 14, of the Italian civil code).

Remuneration of subsidiaries for financial benefits

Remuneration for fiscal losses paid to companies involved in the tax consolidation takes place at the moment of the actual use of the losses themselves for tax consolidation purposes (and is not, therefore, subordinate to the achievement of future taxable income by the given subsidiary) at the IRES tax rate in effect for the fiscal year in which the loss is used to lower the consolidated taxable income. The financial benefits resulting from the consolidated adjustments by the parent company, but related to the subsidiary, are to go to the subsidiary.

Translation of balances in foreign currencies

In accordance with Article 2426, paragraph 1, No. 8-bis of the Civil Code, cash assets and liabilities in currencies other than the functional currency ("reporting currency"), subsequent to initial recognition, are recorded at the exchange rate at the reporting date. The consequent exchange gains or losses are recognised to account C17-bis) "Exchange gains and losses" in the income statement and any net gain, contributing to the net result, is provisioned to a specific non-distributable reserve until realisation.

Non-cash assets and liabilities in currencies other than the reporting currency are recognised at the exchange rate applicable on acquisition. Where the exchange rate applicable at year-end significantly differs from that at the acquisition date, the altered exchange rate is one of the elements taken into consideration in assessing the carrying amount of the individual non-cash assets. In this case therefore, any exchange differences (positive or negative) are considered in calculating the recoverable value.

Notes on the balance sheet

The additional information required by Articles 2426 and 2427 of the Civil Code, in addition to any information required by Article 2423, paragraph III of the Civil Code is provided below in the order dictated by the mandatory statement layouts.

BALANCE SHEET – ASSETS

Intangible assets

Intangible assets represent long-term costs of production not related to physical assets, net of amortisation. They concern long-term property rights and rights-of-use (and similar assets), licences, leasehold improvements, or deferred costs for which the actual utility is related to future periods.
Intangible assets, totalling Euro 9,008 thousand, increased on the whole by Euro 64 thousand during the year.

The tables below summarise and detail the changes in the various components of intangible assets for the year.

	Concessions, licenses, trademarks and similar rights	Assets in progress and advances	Other intangible assets	Total intangible assets
Opening balance				
Cost	1,158,909	510,394	9,208,547	10,877,850
Amortisation (Accumulated amortisation)	787,806	0	1,145,302	1,933,108
Carrying amount	**371,103**	**510,394**	**8,063,245**	**8,944,742**
Changes in the year				
Increases for acquisitions	102,036	104,438	747,088	953,562
Reclassifications (at carrying amount)	46,800	(386,262)	448,300	108,840
Decreases for sales and disposals (at carrying amount)				
Amortisation for the year	365,161		676,119	1,041,280
Other changes			42,569	42,569
Total changes	(216,325)	(281,823)	561,839	836,213
Closing balance				
Cost	1,307,745	228,571	10,446,505	11,982,820
Amortisation (Accumulated amortisation)	1,152,967		1,821,421	2,974,388
Book value	**154,778**	**228,571**	**8,625,084**	**9,008,432**

The decrease in the item B.I.43 Concessions, licenses and trademarks is due to the higher value of amortisation in the period of Euro 216 thousand, compared to the acquisition costs of licenses and new software in the year of Euro 102 thousand, the capitalisation of assets recognised to assets in progress in the previous year, which began amortisation in 2021 and reclassifications for a value of Euro 47 thousand.

Assets in progress and advances (B.I.6) decreased by Euro 282 thousand compared to the previous year, net of reclassifications, due to the capitalisation of assets beginning amortisation in 2021 and the closure of work-in-progress from previous years related to the Master Plan.

Other intangible assets (B.I.7) increased by Euro 562 thousand, mainly due to the completion of works initiated in 2020. This item includes the construction works required to set up the operational environments necessary for the start-up of the new Ryanair carrier base, including ramp offices and dedicated support rooms. Works were also carried out on the new offices of the Border Police. We indicate also the upgrades to the ground floor of the state entities airport building to complete new offices for the ENAC Operations Department.
In addition to the above-cited interventions were other minor extraordinary maintenance investments on various buildings.
Regarding the aircraft movement area, in 2021 the upgrade of the landing area from line 36 was completed. On the apron however, we highlight the work carried out on the construction of the boarding/disembarking walkway.
Overall, Other intangible assets which includes, among others, improvements and investments in assets not owned by the company, reported amortisation of Euro 676 thousand.

The amortisation criteria and ratios applied have not been amended from the previous year (Article 2426, paragraph I, No. 2, Civil Code). Other intangible assets are amortised through applying the financial criterion, i.e. over a period of time between the tax period in which the investments are made and 2037, the final year of the concession in force.

Property, plant & equipment

Property, plant and equipment include the long-term, physical assets used in production by the company, including those that are to be transferred at the end of the concession agreement, net of technical and financial depreciation.

Property, plant and equipment, totalling Euro 42,570 thousand, decreased overall by Euro 1,186 thousand during the year.
The tables below summarise and detail the changes in the various components of property, plant and equipment for the year.

	Land and buildings	Plant and machinery	Commercial and industrial equipment	Other tangible fixed assets	Other assets in progress and advances	Total property, plant and equipment
Opening balance						
Cost	87,499,346	76,039,656	14,066,130	30,683,492	2,568,091	210,856,714
Depreciation (Accumulated depreciation)	58,480,243	67,761,630	11,269,374	29,589,113	0	167,100,360
Book value	**29,019,103**	**8,278,025**	**2,796,756**	**1,094,379**	**2,568,091**	**43,756,354**
Changes in the year						
Increases for acquisitions	7,676	1,053,065	119,782	215,060	2,646,020	4,041,603
Reclassifications (at carrying amount)			3,836,848		(3,952,430)	(115,582)
Decreases for disposals (at carrying amount)						
Depreciation for the year	2,222,288	1,515,816	966,781	407,370		5,112,255
Total changes	(2,214,612)	(462,751)	2,989,849	(192,310)	(1,306,410)	(1,186,234)
Closing balance						
Cost	87,507,021	77,092,720	18,022,760	30,898,552	1,261,681	214,782,734
Depreciation (Accumulated depreciation)	60,702,531	69,277,446	12,236,155	29,996,483		172,212,615
Book value	**26,804,490**	**7,815,274**	**5,786,605**	**902,069**	**1,261,681**	**42,570,119**

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It should be noted that categories B.II.1, B.II. bis 1 and 1 bis) - Land and buildings - include transferable assets for an amount net of the related accumulated depreciation of Euro 26,805 thousand, of which Euro 281 thousand refers to the runway and the related land.

Plant and Machinery entirely comprises transferable assets and at December 31, 2021, net of the relative Accumulated depreciation, amounts to Euro 7,815 thousand.

Land and Buildings (B.II.bis 1 and 1 bis) reduced overall by Euro 2,215 thousand, following acquisitions for Euro 8 thousand and depreciation of Euro 2,222 thousand. No obsolete assets of this category were decommissioned during the year.

Plant and machinery (B.II.bis 2) increased by a total of Euro 1,053 thousand due to new acquisitions. Depreciation was in addition recognised in the year of Euro 1,516 thousand.
Among the main works we highlight the upgrade the smoke extraction fire protection system on the Upper Departures Level (+10.93) and the development of the thermal hydraulic and air conditioning systems of the General Aviation building. A new water supply line serving the Finance Police and State Police barracks on the east side of the site was also built.
No obsolete assets of this category were decommissioned during the year.

Industrial and commercial equipment (B.II.3) increased overall by Euro 2,990 thousand, following acquisitions of Euro 120 thousand, capitalisations of Euro 3,837 thousand, equal to the value of plant entering into service in the year, previously classified to assets in progress, and depreciation in the year of Euro 967 thousand.
The largest investment concerned the completion of the BHS (Baggage Handling System), which needed to be completed before three Standard 3 EDS (Explosive Detection System) machines could be installed to comply with ECAC mandates.
Obsolete assets of this category were decommissioned during the year and fully depreciated for Euro 477 thousand.

Other assets (B.II.4) decreased overall by a total of Euro 192 thousand, as a result of depreciation of Euro 407 thousand and increases for Euro 215 thousand. Also of note were purchases of hardware for Euro 96 thousand and of vehicles used in operations for Euro 62 thousand.
Obsolete assets of this category were decommissioned during the year that had a total historical cost of Euro 1,722 thousand.

Assets in progress and advances (B.II.5) decreased by Euro 1,306 thousand. We highlight in particular the acquisitions of assets which have not yet been depreciated, for a total amount of Euro 2,646 thousand and decreases relating to works-in-progress in previous years starting depreciation in the year for an amount of Euro 3,952 thousand.

Revaluations recognised in accordance with Law No. 72 of March 19, 1983 for Euro 566 thousand and Law No. 342 of November 21, 2000 for Euro 8,423 thousand remained unchanged from the previous year. The details of these revaluations are shown in the table below.

	Legal revaluations	Economic revaluations	Total revaluations
Land and buildings	282,000	0	282,000
Plant and machinery	6,567,000	0	6,567,000
Industrial and commercial equipment	182,000	0	182,000
Other assets	1,958,000	0	1,958,000
Total	**8,989,000**	**0**	**8,989,000**

Financial assets

This aggregate reflects the amount of non-current uses of funds of a financial nature.

The investment in Sagat Handling is carried at a value of Euro 4,344 thousand at December 31, 2021, increasing on last year due to the capital increase of Euro 1,500 thousand in 2021. The carrying amount of Sagat Handling under Investments in subsidiaries, determined on the basis of the cost incurred for its acquisition and the value of the above-stated recapitalisation, was higher at December 31 than the value of its Shareholders' Equity, which, as of the same date, was Euro 1,328 thousand due to the loss for the year of Euro 608 thousand and prior year losses. The impairment test carried out by independent third parties in 2020 indicates that the value of the equity investment is representative of the value in use of the subsidiary, calculated as the present value of future cash flows prudently forecast from operations over a time period to 2037. No write-down was consequently applied to the equity investment.

The Investments in Associates item did not report any changes.

The company managing G. Marconi Airport of Bologna (hereafter AdB) was admitted to trading on the STAR segment of the Italian Stock Exchange in July 2015. At December 31, 2021 SAGAT S.p.A. held 1,183,643 ordinary AdB shares, at a carrying amount of Euro 8.26 per share. The market value of the share at December 31, 2021, was Euro 8.80, and, since then, the share has increased in value to reach Euro 8.30 at March 4.

The greater value of the investment compared to corresponding share of equity held is due to the positive assessment of the company's ability to generate greater earnings in the future, as demonstrated by historical trends of the share on the stock market, which has remained well above its book value since it began public trading, with the exception of this extraordinary period in 2020. On March 14, 2022, the AdB Board of Directors approved the 2021 financial statements, reporting a consolidated net loss of Euro 6.7 million, a 50.5% improvement on the 2020 loss.

The figures relating to equity investments, other securities and derivative financial instruments are summarised in the following table drawn up as per Article 2427, paragraph 1, No. 2.

	Investments in subsidiaries	Investments in other companies	Total equity investments
Opening balance	**2,843,598**	**9,781,870**	**12,625,468**
Carrying amount	2,843,598	9,781,870	12,625,468
Changes in the year			
Increases for acquisitions			
Decrease for disposals			
Other changes	1,500,000		1,500,000
Total changes	1,500,000		1,500,000
Closing balance	**4,343,598**	**9,781,870**	**14,125,468**
Carrying amount	**4,343,598**	**9,781,870**	**14,125,468**

It should also be noted that the Company holds 74,178 treasury shares: in accordance with Legislative Decree No. 139/15 implementing Directive 2013/34 on separate financial statements, consolidated financial statements and the related reports, from January 1, 2016 the Company has eliminated their carrying value from fixed assets. These shares were purchased by the Company following a shareholder resolution on December 10, 2002, authorising the purchase of up to 58,400 treasury shares, fully paid, in March 2003. The number of treasury shares increased in 2009 to the same number due to the free share capital increase approved that year.
The value of the shares held was Euro 4,824 thousand in 2008 following the closure of the stock-option incentives plan for the Company's management.

List of equity investments in subsidiaries

The details of equity investments in subsidiaries are reported below, as per Article 2427, paragraph 1, No. 5 of the Civil Code, referring to the last approved financial statements.

Company Name	SAGAT Handling S.p.A.	Total
Country	Italy	
Tax. No. (for Italian businesses)	5025470013	
Share capital in Euro	3,900,000	
Last year profit/(loss) in Euro	(2,524,814)	
Shareholders' equity in Euro	436,521	
Holding in Euro	436,521	
Holding in percentage	100%	
Carrying amount or corresponding receivable	2,843,598	**2,843,598**

List of equity investments in other companies

The details of equity investments in other companies are reported below, as per Article 2427, paragraph 1, No. 5 of the Civil Code, based on the last approved financial statements.

	Company Name	Bologna Airport	Total
Investments in other companies	Country	Italy	
	Tax. No. (for Italian businesses)	03145140376	
	Share capital in Euro	90,314,162	
	Last year profit/(loss) in Euro	(13,963,341)	
	Shareholders' equity in Euro	159,918,302	
	Holding in Euro	2,962,305	
	Holding in percentage	3.28%	
	Carrying amount or corresponding receivable	**9,781,870**	**9,781,870**

List of equity investments in associates

In accordance with Article 2427, paragraph 1, No. 5 of the Civil Code, the Company does not hold equity investments in associates.

Non-current receivables

Non-current financial receivables totalled Euro 63 thousand, with a movement on the previous year of Euro 2 thousand. The breakdown by type and maturity of non-current financial receivables is summarised in the following table, as per Article 2427, paragraph 1, No. 2 and No. 6 of the Civil Code:

Euro thousands

	Non-current receivables from others	Total non-current receivables
Opening balance	**65,236**	**65,236**
Changes in the year	-2,008	-2,008
Closing balance	**63,228**	**63,228**
Balance due within 12 months	0	0
Balance due beyond 12 months	63,228	63,228
Of which residual amount beyond 5 years	0	0

Non-current receivables - Breakdown by region

Non-current receivables by region are reported below, in accordance with Article 2427, paragraph 1, No. 6 of the Civil Code:

Euro thousands

	1	Total
Non-current receivables by region		
Region	**Italia**	
Non-current receivables from subsidiaries	0	0
Non-current receivables from associates	0	0
Non-current receivables from parent companies	0	0
Non-current receivables from subsidiaries of parent companies	0	0
Non-current receivables from others	63,228	63,228
TOTAL NON-CURRENT RECEIVABLES	**63,228**	**63,228**

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Analysis on the value of financial assets

Financial fixed assets are presented below as per Article 2427 bis, paragraph 1, No. 2, letter a of the Civil Code:

Euro thousands

	Other receivables
Carrying amount	63,228
Fair value	63,228

Other non-current receivables are presented below as per Article 2427 bis, paragraph 1, No. 2, letter a of the Civil Code:

Euro thousands

Breakdown of other receivables				
Description	**1 Cash deposits**	**2 Supplier guarantee deposits**	**3 Supplier restricted deposits Intesa S.Paolo**	**Total**
Book value	12,239	30,221	20,768	63,228
Fair value	12,239	30,221	20,768	63,228

CURRENT ASSETS

Inventories

Inventories of Euro 447 thousand concern raw materials, consumables, ancillaries and goods for maintenance. They decreased by Euro 156 thousand on the previous year.
At year-end, inventories did not include components with a carrying value that could be deemed to be less than their presumed realisable value.

The breakdown and movements of the individual accounts is presented below:

Euro thousands

	Raw, ancillary and consumables	Total inventories
Opening balance	446,523	446,523
Changes in the year	-155,706	-155,706
Closing balance	290,817	290,817

Receivables

These amounted to Euro 34,470 thousand, compared to Euro 28,614 thousand in the previous year. The total mainly concerns clients within Italy or the European Union and does not include the value of trade receivable for surtaxes, which is shown among Other receivables.

Trade receivables increased from Euro 4,362 thousand at December 31, 2020 to Euro 9,510 thousand at December 31, 2021, increasing Euro 5,148 thousand as a result of the increase in sales volumes and a reduction in the write-downs acquired, also as a consequence of the air transport sector crisis.

The total includes receivables with a nominal value of Euro 23,054 thousand, before write-downs of Euro 13,544 thousand based on the doubtful debt provision.
During the year, the doubtful debt provision increased by Euro 639 thousand against uses needed in order to cancel receivables that could no longer be collected for Euro 316 thousand, releases to the income statement for Euro 15 thousand for allocations from previous years that were no longer necessary, and additions of Euro 971 thousand, due almost entirely to the desire to limit the increased collection risk in relation to one of the Company's main customers.
As a result, the total amount of the Doubtful debt provision was adjusted to take account of the default risk on receivables at year-end. In any case, SAGAT S.p.A. promptly undertook all initiatives required for the recognition of its credit positions and to protect its rights. For further details, reference should be made to the Disputes section of the Directors' Report.

Receivables from subsidiaries, entirely comprising receivables due within 12 months and amounting to Euro 1,506 thousand, decreased by Euro 59 thousand compared to the previous year, relating to the management of receivables and payables with the subsidiary SAGAT Handling S.p.A..

These receivables are broken down in the following table (in Euro thousands):

Euro thousands

Receivables from subsidiaries	31/12/2021	31/12/2020
SAGAT Handling S.p.A.	1,506	1,566
TOTAL	**1,506**	**1,566**

Tax receivables

Tax receivables were recognised for Euro 660 thousand, decreasing Euro 3,448 thousand on Euro 4,108 thousand at December 31, 2020.
These receivables are due within 12 months for Euro 602 thousand and beyond 12 months for Euro 58 thousand. They are broken down in the following table (in Euro thousands):

Euro thousands

Breakdown	31/12/2021	31/12/2020
IRES reimbursement receivable	53	53
IRAP receivable	0	3
VAT receivables	605	911
Other receivables	2	6
Receivable from the Ministry for Infrastructure and Transport	0	3,135
TOTAL	**660**	**4,108**

The IRES reimbursement receivable was unchanged on the previous year. The IRAP receivable at December 31, 2021 was zero.
VAT receivables decreased compared to December 31, 2020 by Euro 306 thousand due to changes in the respective tax payable and receivable.
Other receivables of Euro 2 thousand decreased by Euro 4 thousand on the previous year, due to the utilisation of the Art Bonus credit.
The receivable from the Ministry of Infrastructure and Transport is zero as a result of its collection in 2021, in compliance with the provisions of ruling No. 3996/2019 of June 14, 2019 issued by the Rome Court of Appeal.

Deferred tax assets

Deferred tax assets increased from a value of Euro 8,305 thousand in 2020 to Euro 8,529 thousand at December 31, 2021. Were the Company to have considered an unlimited time horizon for their repayment, the balance would have been Euro 76 thousand higher.
The increase in this Item of Euro 224 thousand is due to an increase of Euro 412 thousand relating to the tax effects of ordinary operations and a reduction of Euro 187 thousand from the effects of the utilisation of the deferred tax asset concerning the 2020-2037 period that arose in fiscal year 2019 as a result of participation in the Tax Amnesty. The company therefore in 2021 benefited from the tax deduction from the IRES and IRAP assessable base of the depreciation that would have been obtained by using, for certain assets, a time period to 2037 rather than, as undertaken by SAGAT for the statutory accounts, over 5 years.

In this regard, it should be noted that Article 1, Civil Code, 716 - 718, Law No. 160/2019 (Budget Law 2020) introduced an IRES surcharge of 3.5% on income deriving from activities based on concessions in the transport sector, including airport management, for the tax periods 2019, 2020 and 2021. Therefore, the component of deferred tax assets indicated above, which at December 31, 2021 amounts to Euro 1,893 thousand, for the year 2021 was calculated applying the IRES rate of 27.5%, while for the years from 2022 to 2037 was calculated using the IRES rate of 24%, in addition to the IRAP rate of 4.2% for the entire period.

Tax payables however included the amounts still due to the tax authorities, net of the payments made in 2018 for the provisional collection of the assessment notices for 2012 and 2013 totalling Euro 635 thousand and net of the instalments settled by the company in 2019 and 2020, the former having been paid on 31/05/2019, as required by law. At 31/12/2021, the residual amount of the tax payable for the Tax Amnesty was Euro 1,070 thousand, decreasing Euro 481 thousand compared to Euro 1,551 thousand in the previous year.

Details of deferred tax assets are provided in the specific table in the relative section of the Income Statement.

Other receivables

Other receivables, totalling Euro 10,091 thousand, increased by Euro 1,580 thousand on the previous year, substantially due to the combined effect of the increase in Receivables from carriers for municipal surtaxes for Euro 1,758 thousand and the increase in other receivables.

The following table breaks down Other receivables (in Euro thousands):

Euro thousands

Details	31/12/2021	Of which beyond 12 months	31/12/2020	Of which beyond 12 months	Change
Receivable from the City of Turin	893	682	893		-
Other receivables from Public Sector	33		33		-
Advances from suppliers and credit notes to be received	329	11	564	11	(235)
Receivable from airlines for municipal surtax	8,989	0	7,231		1,758
Other receivables	574	74	517	74	57
Other receivables doubtful debt provision	(727)	(727)	(727)	-	-
TOTAL	**10,091**	**40**	**8,511**	**85**	**1,580**

The receivable from the City of Turin of Euro 682 thousand, which is unchanged from the previous year and shown among receivables due beyond one year, is related to the pending dispute as described in the Directors' Report.

The receivable from the City of Turin also includes Euro 211 thousand, also unchanged from previous years, for the remaining balance of an advance payment made by SAGAT in 1992 upon completion of the control tower in order to make up for the insufficient funds allocated by the City of Turin following the winding up of the construction firm ICEM and of the compulsory administrative liquidation of the insurance company FIRS, both of which failed to honour their significant commitments concerning repayment of the contractually required advance payments. In relation to the ICEM closure and compulsory liquidation of FIRS, the Company claimed the right to repayment. No progress towards resolving this issue was made during the year.

The receivable from carriers for municipal surtaxes increased in the year by Euro 1,758 thousand and coincides with the payable of the Company SAGAT to the Tax Agency for the same reason.

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Receivables - Breakdown by maturity

Receivables by maturity are reported below, in accordance with Article 2427, paragraph 1, No. 4 and No. 6 of the Civil Code:

	Current receivables from customers	Current receivables from subsidiaries	Current receivables from parent companies
Opening balance	4,361,913	1,565,848	1,761,402
Changes in the year	5,147,922	-59,367	2,411,413
Closing balance	**9,509,835**	**1,506,481**	**4,172,815**
Balance due within 12 months	9,509,835	1,506,481	3,462
Balance due beyond 12 months	0	0	4,169,353

	Current tax receivables	Current deferred tax assets	Current other receivables	Total current receivables
Opening balance	4,108,916	8,304,662	8,510,929	28,613,670
Changes in the year	-3,448,696	224,817	1,580,288	5,856,377
Closing balance	**660,220**	**8,529,479**	**10,091,217**	**34,470,047**
Balance due within 12 months	601,880	0	10,051,465	21,673,123
Balance due beyond 12 months	58,340	0	39,752	4,267,445

Current receivables - Breakdown by region

Current receivables by region are reported below, in accordance with Article 2427, paragraph 1, No. 6 of the Civil Code:

	1	2	Total
Breakdown of current receivables by region			
Region	**Italy**	**Overseas**	
Current trade receivables	3,532,743	5,977,092	9,509,835
Current receivables from subsidiaries	1,506,481	0	1,506,481
Current receivables from associates	0	0	0
Current receivables from parent companies	4,172,815	0	4,172,815
Current receivables from companies subject to control of parent companies	0	0	0
Current tax receivables	660,220	0	660,220
Current deferred tax assets	8,529,479	0	8,529,479
Current other receivables	5,561,360	4,529,857	10,091,217
Total current receivables	**23,963,098**	**10,506,949**	**34,470,047**

Cash and cash equivalents

This account includes:

- on demand or readily liquid deposits in bank and postal accounts as shown on deposit or current account statements with banks and the post office;
- cash on hand held by the company as at December 31, 2021;
- cheques received by the end of the year and deposited with credit institutions for collection in the initial days of the following year.

An analysis of changes in cash and cash equivalents is provided below, as per Article 2427, paragraph 1, number 4 of the Civil Code:

	Bank and post office deposits	Cheques	Cash on hand and similar	Total cash and equivalents
Opening balance	16,688,141	467	37,112	16,725,720
Changes in the year	(6,311,616)	(467)	3,908	(6,308,175)
Closing balance	**10,376,525**	**0**	**41,020**	**10,417,545**

As mentioned in the balance sheet overview in the Directors' Report, the movements in liquidity in the year mainly concern the still negative operating result, the investments for the period, the recapitalisation of the subsidiary SAGAT Handling S.p.A., and the signing of a new Euro 3,000 thousand loan.

Accrued income and prepayments

At 31/12/2021, these amounted to Euro 158 thousand (Euro 158 thousand at 31/12/2020). The following table analyses the changes in prepayments and accrued income, as per Article 2427, paragraph 1, number 4 of the Civil Code:

	Accrued income	Other prepayments	Total accrued income and prepayments
Opening balance	0	158,427	158,427
Changes in the year	0	103,099	103,099
Closing balance	**0**	**261,526**	**261,526**

Breakdown of prepayments

Other prepayments are broken down in the following table:

	Amount
Insurance	161,397
Other	100,129
TOTAL	**261,526**

Insurance concerns the insurance premiums paid in 2021 accruing to the subsequent year.

Financial charges capitalised

The financial charges recognised in previous years to the asset accounts in the Balance Sheet are presented below as per Article 2427, point 8 of the Civil Code, which are unchanged compared to the previous year:

	Financial charges recognised to assets
Intangible assets	**0**
Property, plant & equipment	**0**
Land and buildings	2,322,607
Plant and machinery	792,245
Inventories	**0**
TOTAL	**3,114,852**

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY

Shareholders' equity

The company's Shareholders' equity at 31/12/2021 amounted to Euro 22,944,262.

In accordance with Article 2427, paragraph 7 bis of the Civil Code, the movements in the individual Shareholders' Equity accounts are analysed below.

The share capital of Euro 12,911,481 is unchanged on the previous year, comprising 2,502,225 ordinary shares of a nominal value of Euro 5.16 at year-end and breaks down among the shareholders as follows:

2i Aeroporti S.p.A.	90.28%
Tecno Holding S.p.A.	6.76%
Own shares	2.96%
TOTAL	**100%**

The share premium reserve is recognised for Euro 6,105 thousand; This reserve is exempt from taxes upon distribution and is unchanged on the previous year.

The revaluation reserve of Euro 7,363 thousand was recognised against the revaluation of assets by the company in accordance with Law No. 342/2000. There were no movements in the reserve in 2021.

The legal reserve, totalling Euro 2,582 thousand, was unchanged on the previous year, having reached one-fifth of the share capital as per paragraph 1 of Article 2430 of the Civil Code.

The other reserves are comprised as follows:

- extraordinary reserve of Euro 4,141 thousand, entirely comprising the net profits and unchanged on the previous year.
- Extraordinary investments reserve of Euro 4,906 thousand, entirely comprising provisions subject to ordinary taxation and unchanged on the previous year.
- Reserve for Aeroporti Holding spin-off surplus amounting to Euro 4,079 thousand, also unchanged on the previous year.

The negative reserve for treasury shares in portfolio amounted to Euro -4,824 thousand. These shares were purchased by the Company following a shareholder resolution on December 10, 2002, authorising the purchase of up to 58,400 treasury shares, fully paid, in March 2003. The number of treasury shares increased in 2009 to the same number due to the free share capital increase approved that year.
The value of the shares held was Euro 4,824 thousand in 2008 following the closure of the stock-option incentives plan for the Company's management.

The tables below presents the movements in the year of the individual shareholders' equity accounts and the breakdown of Other reserves.

	Share capital	Share premium reserve	Revaluation reserve	Legal reserve	Other reserves			Retained earnings/ (accum. losses)	Net profit/ (loss) for the year	Negative reserve for treasury shares in portfolio	Total Shareholders' Equity
					Extraordinary reserve	Misc. other reserves	AH spin-off reserve				
Opening balance	**12,911,481**	**6,104,521**	**7,362,627**	**2,582,296**	**4,140,862**	**4,906,340**	**4,078,837**	**9,551,588**	**(16,056,087)**	**(4,823,612)**	**30,758,853**
Dividends allocated											
Allocation of previous year result								(16,056,087)	16,056,087		
Net profit/ (loss)									(7,814,591)		
Closing balance	**12,911,481**	**6,104,521**	**7,362,627**	**2,582,296**	**4,140,862**	**4,906,340**	**4,078,837**	**(6,504,499)**	**(7,814,591)**	**(4,823,612)**	**22,944,262**

Misc. other reserves	
Description	**Total**
Extraordinary investment	4,906,340
Total	**4,906,340**

Statement of availability and usage of the Shareholders' Equity accounts

The following table provides the disclosures required by Article 2427, point 7-bis of the Civil Code relating to their possibility of utilisation and distribution, and any utilisation in the previous three years:

	Amount	Origin/ Nature	Possibility of use	Quota available	Summary of utilisations made in the three previous years	
					To cover losses	For other reasons
Share capital	12,911,481	Share capital				
Share premium reserve	6,104,521	Share capital	A , B , C	6,104,521		
Revaluation reserve	7,362,627	Share capital	A , B , C	7,362,627		
Legal reserve	2,582,296	Profits	B			
Other reserves						
Extraordinary reserve	4,140,862	Profits	A , B , C	4,140,862		3,039,784
Misc. other reserves	8,985,177	Profits	A , B , C	8,985,177		
Total other reserves	13,126,039			13,126,039		
Retained earnings/ (accumulated losses)	(6,504,499)	Profits	A , B , C	(6,504,499)	16,056,087	
Negative reserve for treasury shares in portfolio	(4,823,612)			(4,823,612)		
Total	**30,758,853**			**15,265,076**	**16,056,087**	**13,038,684**
Non-distributable quota				**7,814,591**		
Residual quota distributable				**7,450,484**		

Key: A: for share capital increase, B: for coverage of losses and C: for distribution to shareholders.

The utilisations reported in the Other reasons column refer to the distribution of the extraordinary dividend on the approval of the 2019 Annual Accounts, amounting to Euro 3,039,784.

In completion of the information provided on Shareholders' Equity below, the following is reported.

Revaluation reserve

The revaluation reserves are broken down as follows:

	Opening balance	Utilisation to cover losses	Other movements	Closing balance
Law No. 342/2000	7,362,627	0	0	7,362,627
TOTAL	**7,362,627**	**0**	**0**	**7,362,627**

Provisions for risks and charges

The account is broken down as follows:

	Provision for taxation, including deferred tax liabilities	Other provisions	Total provisions for risks and charges
Opening balance	**0**	**9,403,481**	**9,403,481**
Changes in the year			
Provisions in the year	0	368,285	368,285
Utilisation in the year	0	0	0
Other changes	0	(93,560)	(93,560)
Total changes	0	274,725	274,725
Closing balance	**0**	**9,678,206**	**9,678,206**

The Provision for risks and future charges of Euro 9,678 thousand is recognised according to the prudency principle against possible charges related to pending or only potential civil and administrative disputes which the Company may face. It increased by Euro 275 thousand in the year as a result of the following movements:

- provisions to the income statement of Euro 368 thousand,
- increase through the recognition of costs of Euro 37 thousand and decrease of Euro 131 thousand due to the absence during the present year of the risks for which these sums had been allocated in previous years.

The total increase in the Provision, amounting to Euro 406 thousand, is attributable to adjustments to contingent liabilities already in place as of December 31, 2020 in the amount of Euro 251 thousand and provisions for new risks that became apparent during 2021 in the amount of Euro 155 thousand.

Post-employment benefit provision

The following table presents the changes in the item in the year (in Euro thousands):

	Post-employment benefit provision
Opening balance	**2,218,061**
Changes in the year	
Provisions in the year	804,423
Utilisation in the year	(676,731)
Other changes	4,800
Total changes	132,492
Closing balance	**2,350,553**

In particular, the Provision increased as a result of new accruals of Euro 804 thousand and decreased for Euro 677 thousand, principally due to the payments made to Pension funds and to the INPS Treasury Fund, in addition to the utilisations deriving from post-employment benefits and the issue of advances requested by workers.

The Provisions account includes the portion of the provisions revaluation, calculated in accordance with the statutory provisions and the portion of post-employment benefits matured in the year, transferred to Pension funds and allocated to the INPS's treasury fund.

Other changes include the portions of Post-employment benefits concerning personnel transferred from or to other SAGAT Group companies.

PAYABLES

Payables are recognised for Euro 71,295 thousand, compared to Euro 62,192 thousand at the end of the previous year and concern mainly Italian or European Union counterparties.
Their breakdown and an analysis of the main changes during the year are presented below.

Bank payables amounted to Euro 28,267 thousand, increasing from last year due to the opening during 2021 of the loan with Banca del Piemonte of Euro 3,000 thousand. In 2020, the Company agreed a loan with Intesa San Paolo for Euro 25,000 thousand and a loan with Medio Credito Centrale for Euro 5,500 thousand, supported by the Guarantee fund for small and medium-sized enterprises, set up as per Article 2, paragraph 100, letter a) of Law No. 662/96.
In accordance with OIC 15, the Euro 25,500 thousand loan is recognised according the amortised cost method, which stipulates the presentation of the payable net of the total charges related to its signing, which are recognised under financial charges in the income statement over its duration. The amortised cost criterion was however not applied to the lesser Euro 5,500 thousand and Euro 3,000 thousand loans, as its effects were immaterial in view of the low transaction costs, and in any case recognised taking account of the time factor, i.e. on the basis of the contract's duration.
The Euro 25,000 thousand loan has a grace period until June 30, 2022, upon which the first Euro 1,000 thousand instalment shall mature, with settlement through increasing instalments and the final payment on June 30, 2025.
The Euro 5,500 thousand loan has a grace period until December 31, 2022, upon which the first Euro 594 thousand instalment shall mature, with settlement through increasing instalments and the final payment on December 31, 2026.
The Euro 3,000 thousand loan has a grace period until July 1, 2023, upon which the first Euro 362 thousand instalment shall mature, with settlement through equal instalments and the final payment on January 1, 2027.

Bank payables due within 12 months amount to Euro 2,657 thousand, while the portion due beyond one year amounts to Euro 25,610 thousand.

Trade payables include commercial payables to parties other than the subsidiaries, associates and subsidiaries of parent companies. They amount to Euro 19,452 thousand, compared to Euro 15,432 thousand in the previous year, increasing Euro 4,020 thousand, mainly due to the increase in costs, as commented upon in the Directors' Report. The item includes guarantee deposits maturing beyond 12 months totalling Euro 331 thousand arising from normal business relations between the parties.

Payables to subsidiaries are due within 12 months and are recognised for Euro 1,017 thousand, decreasing in the year by Euro 435 thousand.
Payables to subsidiaries are broken down in the following table:

Euro thousand

	31/12/2021	31/12/2020
SAGAT Handling S.p.A.	1,017	1,452
TOTAL	**1,017**	**1,452**

There are no payables to associates or parent companies.

Tax payables, increasing Euro 583 thousand on the previous year, totalled Euro 3,428 thousand and break down as follows:

Euro thousand

	31/12/2021	31/12/2020
IRAP payables	0	0
Employee withholding tax payables	323	574
Fee surcharge tax payables	735	717
Other	3	3
Prior year tax payables	1,070	1,551
TOTAL	**2,131**	**2,845**

Tax payables include all amounts due to the Tax agency as a result of participation in the "Tax Amnesty", whose accounting effects are comprehensively outlined in the tax receivables section of these explanatory notes, to which reference should be made. At December 31, 2021, the residual amount of the tax payable for the Tax Amnesty was Euro 1,070 thousand, decreasing on the previous year due to the settlement of the quarterly instalments arising in 2021, for a total of Euro 481 thousand.

Payables to social security institutions, totalling Euro 787 thousand, are broken down as follows (in Euro thousands):

Euro thousand

	31/12/2021	31/12/2020
Grants	750	786
Other	37	36
TOTAL	**787**	**822**

Other payables, totalling Euro 18,346 thousand, concern the following categories and are presented in thousands of Euro:

Euro thousand

	31/12/2021	31/12/2020
ENAC for airport fee	757	654
Employee payables	607	452
Tax payables for boarding fee surtaxes	9,280	7,736
Other payables	7,702	7,635
TOTAL	**18,346**	**16,477**

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As per the applicable regulation, the entire amount payable to ENAC regarding the airport fee is settled in the subsequent year, reducing the payable in question to zero.

The tax payable concerning the municipal surtaxes of Euro 9,280 thousand increased during the year by Euro 1,545 thousand and concerns the balancing entry for the receivable due from carriers of SAGAT for the same reason. It is underlined that SAGAT's obligation is limited to settling payments as and when it receives payment of the amounts due from carriers.

Other payables includes the recognition of the liability for Fire Prevention Service fees, which at December 31, 2021 totalled Euro 5,390 thousand.

Payables - Analysis of movements and maturities

The breakdown of payables by maturity is reported below in accordance with Article 2427, paragraph 1, No. 6 of the Civil Code:

	Bank liabilities	Trade payables	Payables to subsidiaries	Payables to parent companies	Tax payables	Payables to social security institutions	Other payables	Total payables
Opening balance	**25,164,227**	**15,432,030**	**1,451,554**	**0**	**2,844,688**	**821,835**	**16,477,393**	**62,191,727**
Changes in the year	3,102,450	4,019,647	-434,748	0	-714,479	-34,995	1,868,163	**7,806,038**
Closing balance	**28,266,677**	**19,451,677**	**1,016,806**	**0**	**2,130,209**	**786,840**	**18,345,556**	**69,997,765**
Balance due within 12 months	2,656,699	19,120,565	1,016,806	0	1,060,329	786,840	17,560,984	**42,202,223**
Balance due beyond 12 months	25,609,978	331,112	0	0	1,069,880	0	784,572	**27,795,542**
Of which beyond 5 years	0	0	0	0	0	0	0	**0**

Payables - Breakdown by region

The breakdown of payables by region is reported below in accordance with Article 2427, paragraph 1, No. 6 of the Civil Code:

	1	2	Total
Payables by Region			
Region	**Italy**	**Overseas**	
Bank payables	28,266,677		28,266,677
Advances			
Trade payables	17,770,293	1,681,384	19,451,677
Payable to subsidiaries	1,016,806		1,016,806
Payables to parent companies			
Tax payables	2,130,209		2,130,209
Payables to social security institutions	786,840		786,840
Other payables	18,345,556		18,345,556
TOTAL PAYABLES	**68,316,381**	**1,681,384**	**69,997,765**

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Payables with secured guarantees on company assets

The following table outlines the secured guarantees on company assets, as per Article 2427, paragraph 1, No. 6 of the Civil Code:

	Payables without secured guarantees	Payables with secured guarantees	Total payables
Bank payables	28,266,677	0	28,266,677
Trade payables	19,451,677	0	19,451,677
Payable to subsidiaries	1,016,806	0	1,016,806
Tax payables	2,130,209	0	2,130,209
Payables due to social security institutions	786,840	0	786,840
Other payables	18,345,556	0	18,345,556
TOTAL	**69,997,765**	**0**	**69,997,765**

Accrued expenses and deferred income

These overall amount to Euro 6,236 thousand, decreasing Euro 528 thousand on December 31, 2020, as follows:

	Accrued expenses	Deferred income	Total accrued expenses and deferred income
Opening balance	821	6,763,197	6,764,018
Changes in the year	7,827	(535,449)	(527,622)
Closing balance	**8,648**	**6,227,748**	**6,236,396**

Deferred income of Euro 6,228 thousand concerns for Euro 5,804 thousand the portion of capital grants accruing to future years. The above grants were recognised to the Financial Statements according to the specific accounting criteria previously highlighted, and their decrease in the year derives from the portion released to the Income Statement accruing to 2021.

Commitments and nature of memorandum accounts

In accordance with OIC 22, the memorandum accounts are no longer presented at the end of the Balance Sheet, but are detailed in the Explanatory Notes as considered useful to assess the balance sheet and financial position of the company (Article 2425, paragraph II, Civil Code).

Their composition and nature are presented below (in thousands of Euro):

Nature	2021	2020
Third party assets received under concession	59,654	59,654
Unsecured guarantees received from third parties	11,832	13,719

The company has not released secured guarantees for its own obligations or those of others.

Third party assets received under concession consist of fixed assets received under concession, limited to investments made by the grantor from the 1980's until the present day, as the values of assets previously made, including aircraft movement areas, are not known.
These assets include the expansion works at the Airport undertaken for the Olympics by the City of Turin and funded by the latter.
The unsecured guarantees received from third parties concern sureties received from the airlines and from third parties in general. There are no unsecured guarantees released to third parties.

Notes to the income statement

The key 2021 operating highlights are presented below.

VALUE OF PRODUCTION

Revenues from sales and services

The Company's revenues from sales and services, entirely generated in Italy and mainly from Italian or European Union clients, totalled Euro 30,550 thousand and are broken down as follows (Article 2427, paragraph I, No. 10 of the Civil Code):

		2021	2020
1	Air traffic	15,312,807	10,236,584
2	Security	4,120,132	2,806,006
3	Assistance and air traffic accessory revenues	2,207,402	1,724,420
4	Car parking services	2,742,268	1,913,241
5	Subconcession of services	1,682,245	1,251,599
6	Subconcession of airport activities and spaces	2,846,755	2,396,962
7	Centralised infrastructure	698,249	789,441
8	Exclusive use assets	826,715	1,039,747
9	Other revenues	113,286	96,725
	TOTAL	**30,549,861**	**22,254,724**

Revenues from sales and services by region
In relation to Article 2427, paragraph I, No. 10 of the Civil Code, the following breakdown of revenues by region is presented:

	1	2	Total
Region	Italy	Overseas	
Present year	**11,333,998**	**19,215,863**	**30,549,861**

Other revenues and income

Other income breaks down as follow:

Euro thousands

	2021	2020
Recovery of common utilities and miscellaneous expenses	208	123
Other income	1,974	1,271
Capital grants	671	671
TOTAL	**2,825**	**2,064**

This item, totalling Euro 2,825 thousand, increased Euro 761 thousand on the previous year. This stemmed from normal income component movements and not from specific developments.

Capital grants include, among other items, the portion of grants in the year from the Piedmont Region for the execution of the extension works at the Passengers and General Aviation terminals and the baggage logistics building, under the Regulatory Agreement for the development of airport infrastructure ahead of the XX Turin 2006 Winter Olympic Games (Convention No. 9313 of July 12, 2004), on an accruals basis for an amount of Euro 665 thousand.

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COSTS OF PRODUCTION

The costs of production totalled Euro 43,209 thousand, reducing Euro 2,205 thousand on the previous year and are broken down in the following tables by category.

Raw materials, ancillaries, consumables and goods

The relative costs are broken down:

Euro thousands

	2021	2020
Maintenance materials	160	194
Various materials	65	118
Materials held-for-resale	0	118
Fuel and lubricants	427	392
De-icing	22	85
Stationary and printing	24	25
TOTAL	**698**	**932**

For services

The relative costs are broken down:

Euro thousands

	2021	2020
Other services	1,247	1,167
Support services, warehousing and PRM	219	1,106
Electricity and other utilities	3,215	2,045
Technical, management and commercial consultancy	529	459
Security	1,666	1,620
Cleaning and waste disposal collection	868	857
Miscellaneous maintenance/repair and contractual expenses	1,401	1,427
Maintenance/repair expenses on third party assets	121	193
Industrial insurance, general	355	315
Miscellaneous personnel costs (canteen, training, travel, etc.)	390	267
Services from subsidiaries	1,552	405
Others	8,214	4,221
TOTAL	**19,778**	**14,082**

Rent, leasing and similar costs

The relative costs are broken down:

Euro thousands

	2021	2020
Airport fee	1,141	749
City of Turin fee	352	348
Other concession fees	91	90
Hire and leases	159	142
TOTAL	**1,768**	**1,353**

Personnel costs

Personnel costs in 2021, including the cost of temporary workers, amounted to Euro 11,676 thousand, increasing Euro 73 thousand on the previous year. The item is broken down in the following table.
The item is broken down in the following table:

Euro thousands

	2021	2020
Salaries and wages	8,185	8,161
Social security charges	2,457	2,459
Severance provisions	804	642
Other costs	230	340
TOTAL	**11,676**	**11,603**

Amortisation, depreciation and write-downs

They are broken down as follows:

Euro thousands

	2021	2020
Depreciation	5,112	4,837
Amortisation	1,041	1,024
Write-down of receivables	970	8,213
TOTAL	**7,123**	**14,074**

Amortisation and depreciation, totalling Euro 5,112 thousand, increased on the previous year by Euro 275 thousand, due to the normal life cycle and replacement of fixed assets.
There were no write-downs of assets during the year.

The write-down of current receivables was Euro 970 thousand, due - as outlined in the trade receivables section of the Notes - to the decision to represent the effects of non-collection of receivable risks against one of the company's main clients.

Change in inventory of raw materials, ancillaries, consumables and goods

During the year, raw materials, ancillaries, consumables and goods inventories decreased by Euro 156 thousand, with a corresponding increase in the relative purchase costs.

Risks provisions

An accrual was made in the year to the Other risks provision for Euro 368 thousand in order to ensure its sufficiency in respect to certain or probable risks and charges, whose amount or due date however could not be established at year-end.
For a breakdown of the nature of the provisions reference should be made to the section on the movements in the risks and charges provision.

Other operating charges

The relative costs are broken down in thousands of Euro, as follows:

	2021	2020
Representation/ hospitality expenses	12	14
Prior year charges / non-existent assets	369	876
Membership fees	72	113
Fire Prevention Service fee	649	649
IMU Property tax	225	225
Others	314	311
TOTAL	**1,641**	**2,188**

Financial income and charges

The item overall reports a net charge of Euro 616 thousand, as follows:

Investment income
In compliance with the provisions of Article 2427, Paragraph 1, Number 11 of the Civil Code, it should be noted that the Company did not realise any investment income as the investee company SAB during 2021 did not in fact make any dividend distribution from the 2020 profit.

Financial income
The company's financial income amounted to Euro 257 thousand and almost entirely comprised interest income on liquidity at Credit Institutions.

Breakdown of interest and other financial charges by type of payables
Interest and other financial charges of Euro 616 thousand almost entirely comprised interest expense on loans at Credit Institutions.
The table presents the breakdown of interest expense and other financial charges by type of debt, as per Article 2427, paragraph 1, No. 12 of the Civil Code:

	Bond loans	Bank payables	Other	Total
Interest and other financial charges	0	(617)	0	(617)

Adjustments to financial assets

No adjustments were made to the value of financial assets during the year.

Income taxes

The item, totalling -Euro 2,636 thousand (net income rather than a charge), comprises the income taxes in the year, the income from participation, as a consolidated company, in the National Tax Consolidation of 2i Aeroporti Group and the deferred tax effect. The following table presents income taxes:

Euro thousands

	2021	2020
IRES	0	0
IRAP	0	0
Income from tax consolidation	(2,411)	(3,133)
Deferred tax income and charges	(225)	(2,112)
TOTAL	**(2,636)**	**(5,245)**

Current income taxes reflect the negative assessable amount and include income from participation in the tax consolidation contract with the parent company 2i Aeroporti, from whom the corresponding receivable was recognised.

The reconciliation between the theoretical tax charge and the tax charge stated in the financial statements at December 31, 2021 is reported below, compared with the corresponding period of 2020.

	2021	2020
Profit/(loss) before taxes	(10,450,755)	(21,301,139)
Theoretical IRES tax %	27.5%	27.5%
Theoretical income taxes	(2,873,958)	(5,857,813)
Tax effect from IRES changes	462,612	2,724,443
Deferred tax effect	(224,818)	(2,111,682)
IRAP	0	0
Total income taxes for the year (current and deferred)	**(2,636,164)**	**(5,245,052)**

The theoretical tax charges were calculated applying to the statutory pre-tax result the IRES tax rate for fiscal year 2021 of 27.5%, as Article 1, Civil Code 716 – 718, Law No. 160/2019 (2020 Budget Law) introduced an additional 3.5% of IRES tax on income from activities regarding transport sector concessions, including for the management of airports, for the 2019, 2020 and 2021 tax periods.
This has also directly influenced the calculation of deferred tax assets and liabilities since, for each category of negative/positive income component generating deductible/assessable temporary differences, the IRES rates for provisions and adjustments to pre-existing amounts for deferred tax assets and liabilities have been adopted on the basis of an estimate of the expected timing for the realisation of the conditions for their deduction/assessment.

The impact deriving from the IRAP rate is determined separately, as this tax is not calculated on the same assessable base used to calculate IRES

The table below details the temporary assessable differences in deferred tax assets and liabilities in accordance with Article 2427, paragraph 1, No. 14, letter a of the Civil Code.

	IRES	IRAP	TOTAL
A) Temporary differences			
Total deductible temporary differences	32,986,977	16,042,652	
Total assessable temporary differences	254,932	0	
Temporary net differences	(32,732,045)	(16,042,652)	
B) Tax effects			
Deferred tax liability (asset) at beginning of the year	(7,617,110)	(687,552)	**(8,304,662)**
Deferred tax liability (asset) in the year	(238,580)	13,762	
Deferred tax liability (asset) at end of the year	(7,855,690)	(673,790)	**(8,529,480)**

The table below details the deductible temporary differences in accordance with Article 2427, para. 1 , letter a, of the Civil Code.

Deductible temporary differences							
Description	Amount at end of previous year	Changes in the year	Amount at end of year	IRES rate	Tax effect IRES	IRAP rate	Tax effect IRAP
Provisions for risks & charges	8,304,331	168,792	8,473,123	24%	2,033,550	4.2%	355,871
Doubtful debt & other risks provision	13,510,922	797,953	14,308,875	24%	3,434,130	0	0
Other receivables doubtful debt provision	727,239	0	727,239	24%	174,537	4.2%	30,544
Provisions for risks & charges	35,999	(35,999)	0	24%	0	4.2%	0
Fiscal amnesty depreciation	6,711,989	0	6,711,989	24%	1,610,877	4.2%	281,904
Fiscal amnesty depreciation	590,741	(590,741)	0	24%	0	4.2%	0
Fire Prevention Service fee	1,947,336	649,112	2,596,448	24%	623,148	0	0
Other minor	0	130,301	130,301	24%	31,272	4.2%	5,473
Other minor	57,364	(18,362)	39,002	24%	9,360	0	0

The table below details the temporary assessable differences in accordance with Article 2427, para. 1 , letter a, of the Civil Code:

Temporary assessable differences							
Description	Amount at end of previous year	Changes in the year	Amount at end of year	IRES rate	Tax effect IRES	IRAP rate	Tax effect IRAP
Gains	5,758	8,042	13,800	24%	3,312	0	0
Increased tax depreciation	241,132	0	241,132	24%	57,872	0	0

Other information

Operating, equity and earnings impacts of the Covid pandemic

Turin Airport in 2021 served 2,066,106 passengers, an increase of 658,734 (+46.8%) on 2020, although down 47.7% on 2019 (a year not affected by the COVID-19 pandemic). The impact on traffic data from the COVID-19 outbreak is therefore confirmed.

The traffic performance is naturally reflected in the SAGAT S.p.A. operating results which, although improving 51% on 2020, remain in negative territory.

SAGAT S.p.A. has therefore continued to adopt measures to ensure the airport's safe operation, introducing all possible levers to offset the impacts on operating results, including through introducing variable elements to certain fixed costs, through reviewing contracts with suppliers and the scope of action of these contracts, the use of the Extraordinary Temporary Lay-Off Scheme, the introduction of remote working, the drawdown of addition loans and the postponement of deferrable investments by nature and functionality.

Subsequent events

No events subsequent to year-end occurred requiring amendments to the operating, equity and financial position presented in the financial statements at December 31, 2021.

In the first two months of 2022, the SAGAT Group reported significant growth on the same period of 2021, with a total of 469,926 passengers (+625%) and 5,666 movements (+189%). However, the spread of the Omicron COVID-19 variant and the actions introduced by the competent domestic and overseas authorities to contain its impact on the population resulted in a further impact on passenger traffic, which in the first two months of 2022 was down 25% on 2019.

In consideration of the conclusion on March 31, 2022 of the pandemic state of emergency in Italy, a significant increase in volumes for the summer may be expected, both for domestic and international destinations, driven by the Ryanair base, with 2 operative aircraft from November 2021.

However, these strong prospects for the coming two months may be hampered by the ongoing conflict in Ukraine, whose development is currently highly uncertain both in terms of its duration and its social and economic consequences. Although to date the impact on traffic volumes has not been significant, as flight cancellations have only affected connections to Ukraine (Kyiv and Lviv) and Moldova (Chisinau), which together accounted for 1.6% of the projected passenger traffic in the first quarter of 2022, impacts on passenger mobility may not be ruled out - for example for security reasons or the effect of price increases from higher energy costs.

ACI Europe[1] estimates for 2022 a possible recovery ranging from 61% to 80% of annual pre-COVID19 traffic volumes, with a stronger recovery for the second half of the year.

SAGAT S.p.A., on March 8, 2022 received the payment of Euro 5.02 million as a 50% advance on the amount requested as compensation for damages caused by the COVID-19 health emergency, as per the 2021 Budget Law, Legislative Decree No. 73/2021 and the Interministerial Decree of December 28, 2021. The grant will be recognised as revenue in the

1 Source ACI Europe: Economic Forecast del 13 ottobre 2021 https://www.aci-europe.org/economic-forecasts.html

2022 financial statements upon the conclusion by the Head Office of the Ministry of Sustainable Infrastructure and Mobility of the assessment of the application made by SAGAT S.p.A. for a total amount of Euro 10,036,342.
ENAC has approved a similar payment for handling companies and therefore SAGAT Handling S.p.A. on March 31, 2022 received Euro 509,686.50 as an advance on the application submitted, having a total value of Euro 1,019,373.

Related party transactions

Related party transactions are concluded at normal market conditions.

Workforce

The following table presents the average number of employees broken down by category, as per Article 2427, paragraph 1, No. 15 of the Civil Code.

	Executives	Managers	White-collar	Blue-collar	Other employees	Total employees
Average number	6	24	133.5	67.8	0	231

Directors and statutory auditors remuneration

The total amount of remuneration of the directors and statutory auditors is reported in the following table, while noting that this remuneration was recognised to Service costs and includes the emoluments for the duties of all parties who in the course of the financial year were engaged in directorship and statutory auditor roles, including for a portion of the year:

	Amount
Director fees	206,853
Statutory auditor fees	80,320
Total Director and Statutory Auditor fees	**287,173**

Independent audit firm fees

The total amount of fees due to the independent audit firm for the legally-required audit of the annual accounts, in addition to other services provided in the year, were as follows:

	Amount
Annual accounts audit	15,120
Other audit services	5,700
Other services	9,520
Total fees of the auditor or the independent audit firm	**30,240**

Classes of shares issued by the company

The information required by Article 2427, point 17 of the Civil Code concerning details of the shares comprising the company's share capital and the amount and the nominal value of the shares subscribed in the year is presented in the following tables:

	1	Total
Shares issued by the Company by class		
Description	**Ordinary**	
Initial amount, number	2,502,225	2,502,225
Initial amount, nominal value	12,911,481	12,911,481
Closing amount, number	2,502,225	2,502,225
Closing amount, nominal value	12,911,481	12,911,481

Information on the companies or entities exercising co-ordination activities - Article 2497 bis of the Civil Code

The company is subject to the management and co-ordination of the company 2i Aeroporti S.p.A., in accordance with Articles 2497 – 2497-sexies of the Civil Code. In particular, in application of Article 2497-bis of the Civil Code, the key financial highlights from the latest financial statements of the company 2i Aeroporti S.p.A. are annexed. This company prepares the Consolidated Financial Statements.

	Present period	Previous period
Latest approved financial statements figures	**31/12/2020**	**31/12/2019**
B) Fixed assets	807,348,078	811,853,656
C) Current assets	67,312,347	64,140,093
D) Prepayments and accrued income	27,642	24,219
TOTAL ASSETS	**874,688,067**	**876,017,968**
A) Shareholders' Equity		
Share capital	2,620,000	2,620,000
Reserves	675,851,789	534,813,343
Net profit/(loss)	(9,680,467)	140,724,372
Total shareholders' equity	**668,791,322**	**678,157,715**
B) Provisions for risks and charges	1,919,785	2,356,842
C) Post-employment benefit provision	0	0
D) Payables	201,325,438	193,063,060
E) Accrued expenses and deferred income	2,651,522	2,440,351
TOTAL NET LIABILITIES	**874,688,067**	**876,017,968**

	Present period	Previous period
Latest approved financial statements figures	**31/12/2020**	**31/12/2019**
A) Value of production	0	0
B) Costs of production	432,609	344,376
C) Financial income and charges	(6,360,203)	141,130,461
D) Adjustment to financial assets	(4,517,778)	0
Income taxes	(1,630,123)	61,713
Income/(loss) for the year	**(9,680,467)**	**140,724,372**

Earnings per share

The result per each share with a nominal value of Euro 5.16 was calculated by dividing the operating result, the gross result and the net result by the total number of shares, including treasury shares in portfolio. The share capital, totalling Euro 12,911,481, comprises 2,502,225 shares.

	2021	2020
Operating earnings/(loss) per share	-3.93	-8.43
Gross earnings/(loss) per share	-4.18	-8.51
Net earnings/(loss) per share	-3.12	-6.42

Proposal for the allocation of the result for the year

Dear Shareholders,

the Financial Statements at December 31, 2021 outlined above, which were subject to the legally-required audit of the independent audit firm EY S.p.A., report a net loss of Euro 7,814,590.89, which we propose to allocate entirely to accumulated losses.

Original copy, signed by:

The Chairwoman

Elisabetta Oliveri

Auditor's report on the financial statements of SAGAT S.p.A.

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2021

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Building a better working world

Auditors' Report
as per Article 14 of Legislative Decree No. 39 of January 27, 2010

To the Shareholders of
SAGAT S.p.A.

Auditors' Report on the statutory financial statements

Opinion

We have audited the statutory financial statements of SAGAT S.p.A. (the company), comprising the balance sheet at December 31, 2021, the income statement and cash flow statement for the year and the Explanatory Notes.

In our opinion, the statutory financial statements provide a true and fair view of the balance sheet and financial position of the company at December 31, 2021, and of the results and cash flows for the year in compliance with Italian rules governing the basis of preparation.

Basis for the opinion

We have carried out the audit in compliance with international audit standards (ISA Italy). Our responsibilities in accordance with these standards are described in greater detail in the "Responsibility of the independent audit firm for the audit of the statutory financial statements" section of this report. We are independent from the company in compliance with the ethical and independence rules and principles applicable under Italian law for the auditing of financial statements. We acquired sufficient and appropriate evidence for the expression of our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the financial statements

The directors are responsible for the preparation of the financial statements which provide a true and fair view in accordance with Italian regulations and law and for the internal control considered necessary by it for the preparation of a set of financial statements which do not contain significant errors due to fraud or unintentional conduct or events. The directors are responsible for assessing the capacity of the company to pursue operating activities and, in preparing the financial statements, the appropriateness of applying the going concern principle, in addition to the provision of adequate disclosure.

The Directors apply the going concern principle in preparing the financial statements unless they have assessed that the conditions for the winding up of the company or for the interruption of operations exist or that they have no realistic alternatives to these options.

The Board of Statutory Auditors has the responsibility to supervise, in accordance with law, the company's financial disclosure preparation process.

Responsibility of the Independent Audit Firm for the audit of the statutory financial statements

Our objectives are to acquire reasonable certainty that the statutory financial statements overall do not contain significant errors, due to fraud or unintentional conduct or events, and to issue an Auditors' Report which includes our opinion. Reasonable certainty indicates a high level of certainty which, however, does not guarantee that an audit carried out in accordance with international audit standards (ISA Italy) always identifies a significant error, where existing. Errors may derive from fraud or unintentional conduct or events and are considered significant where it may reasonably be expected that they are, individually or collectively, capable of influencing the economic decisions of users taken on the basis of the statutory financial statements.

As part of the audit carried out in compliance with international audit standards (ISA Italy), we exercised our professional opinion and maintained a professional degree of scepticism for the duration of the audit. Furthermore:

- we identified and assessed the risk of significant errors in the statutory financial statements, due to fraud or to unintentional conducts or events; we drew up and implemented audit procedures reflective of these risks; we acquired sufficient and appropriate evidence on which to base our opinion. The risk of not identifying a significant error due to fraud is higher than the risk of not identifying a significant error due to unintentional conduct or events, as fraud may imply the existence of collusion, falsifications, intentional omissions, misleading representations or distortions concerning internal control;
- we acquired an understanding of the internal controls in order to define appropriate audit procedures to the circumstances and not to express an opinion on the efficacy of the internal control of the company;
- we assessed the appropriateness of the accounting policies utilised, in addition to the reasonableness of the accounting estimates made by the Directors and the relative disclosure;
- we reached a conclusion on the appropriateness of the use by the directors of the going concern principle and, on the basis of the evidence acquired, on any significant uncertainty concerning events or circumstances which may give rise to significant doubts on the capacity of the company to continue to operate on an ongoing basis. In the presence of a significant uncertainty, we are required to highlight in the Auditors' Report the relative disclosure in the financial statements or, where this disclosure is inadequate, reflect this circumstance in drawing up our opinion. Our conclusions are based on the evidence acquired up to the date of this report. However, subsequent events or circumstances may result in the Company ceasing to operate as a going concern;
- we assessed the presentation, the structure and the content of the financial statements as a whole, including the disclosure, and whether the financial statements reflect the underlying operations and events so as to provide a fair representation.

We communicated to the governance activity managers, identified at an appropriate level as required by the international accounting (ISA Italy) standards, among other aspects, the extent and timing scheduled for the audit and the significant results emerging, including any significant deficiencies in the internal control identified during the audit.

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2021

Report on other statutory and regulatory provisions

Opinion as per Article 14, paragraph 2, letter e) of Legislative Decree No. 39 of January 27, 2010

The Directors of SAGAT S.p.A. are responsible for the preparation of the Directors' Report of SAGAT S.p.A. at December 31, 2021, including its consistency with the statutory financial statements and its compliance with law.

We have executed the procedures indicated in audit standard (SA Italy) 720B to express an opinion on the consistency of the Directors' Report with the statutory financial statements of SAGAT S.p.A. at December 31, 2021 and its compliance with law, in addition to issuing the statement on any significant errors.

In our opinion, the Directors' Report is consistent with the SAGAT S.p.A. financial statements at December 31, 2021 and complies with statutory requirements.
With regards to the statement as per Article 14, paragraph 2, letter e) of Legislative Decree

No. 39 of January 27, 2010, issued on the basis of its knowledge and understanding of the company and the relative overview acquired during the audit activities, we do not have any matters to report.

Rome, April 13, 2022

EY S.p.A.

Roberto Tabarrini
(Auditor)

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SAGAT Handling S.p.A.

at December 31, 2021

Balance Sheet and Income Statement

amounts in Euro

Balance sheet: Assets	Financial statements at 31/12/2021	Financial statements at 31/12/2020
B) FIXED ASSETS		
I. Intangible assets		
6) Assets in progress and advances	16,087	0
7) Other assets	24,207	20,700
Total	**40,294**	**20,700**
II. Property, plant and equipment		
3) Industrial and commercial equipment	18,421	14,715
4) Other assets	160,574	163,811
5) Assets in progress and advances	0	0
Total	**178,995**	**178,526**
TOTAL FIXED ASSETS (B)	**219,289**	**199,226**

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2021

amounts in Euro

Balance sheet: Assets	Financial statements at 31/12/2021	Financial statements at 31/12/2020
C) CURRENT ASSETS		
I. Inventories		
1) Raw materials, ancillaries and consumables	62,634	64,014
Total	**62,634**	**64,014**
II. Receivables		
1) Trade receivables:		
within 1 year	1,702,525	566,419
4) Parent companies:		
within 1 year	1,055,375	1,451,568
beyond 1 year	790,141	580,152
5-bis) Tax receivables:		
within 1 year	159,236	192,799
beyond 1 year	212,528	158,528
5-ter) Deferred tax assets:		
within 1 year	540,042	535,006
beyond 1 year	0	0
5-quater) Others:		
within 1 year	22,841	95,312
beyond 1 year	0	0
Total receivables		
within 1 year	**3,480,019**	**2,841,104**
beyond 1 year	**1,002,669**	**738,680**
Total	**4,482,688**	**3,579,784**
IV. Cash and cash equivalents		
1) Bank deposits	1,105,228	1,116,907
3) Cash & cash equivalents on hand	1,977	2,148
Total	**1,107,205**	**1,119,055**
TOTAL CURRENT ASSETS (C)	**5,652,527**	**4,762,853**
D) ACCRUED INCOME & PREPAYMENTS		
Accrued income	0	0
Prepayments	31,346	17,097
TOTAL ACCRUED INCOME & PREPAYMENTS (D)	**31,346**	**17,097**
TOTAL ASSETS	**5,903,162**	**4,979,176**

SAGAT Handling S.p.A.

amounts in Euro

Balance sheet: liabilities	Financial statements at 31/12/2021	Financial statements at 31/12/2020
A) Shareholders' equity		
I. Share capital	436,521	3,900,000
IV. Legal reserve	0	192,761
VI. Other reserves, as follows:		
Extraordinary reserve	0	149,403
Coverage of losses reserve	1,500,000	0
VIII. Losses carried forward	0	(1,280,829)
IX. Net Profit (or Loss)	(608,633)	(2,524,814)
TOTAL SHAREHOLDERS' EQUITY (A)	**1,327,888**	**436,521**
B) Provisions For Risks And Charges		
2) Deferred tax liabilities	4,022	8,692
4) Other provisions:		
Provision for future charges	731,600	778,320
TOTAL PROVISION FOR RISKS AND CHARGES (B)	**735,622**	**787,012**

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2021

amounts in Euro

Balance sheet: liabilities	Financial statements at 31/12/2021	Financial statements at 31/12/2020
C) Post-employment benefits	822,943	801,561
D) Payables		
7) Trade payables:		
within 1 year	827,064	715,062
11) Parent companies:		
within 1 year	1,428,933	1,565,619
12) Tax payables:		
within 1 year	48,848	183,474
13) Payables to social security institutions:		
within 1 year	400,120	249,198
14) Other payables:		
within 1 year	311,744	240,729
Total		
within 1 year	**3,016,709**	**2,954,082**
beyond 1 year	**0**	**0**
TOTAL PAYABLES (D)	**3,016,709**	**2,954,082**
E) Accrued expenses and deferred income		
Accrued expenses	0	0
Deferred income	0	0
TOTAL LIABILITIES	**5,903,162**	**4,979,176**

amounts in Euro

Income statement	Financial statement 2021	Financial statement 2020
A) Value of production		
1) Revenues from sales and services	5,261,362	3,758,233
5) Other revenue and income showing separately operating grants	1,760,385	1,660,801
TOTAL VALUE OF PRODUCTION (A)	**7,021,747**	**5,419,034**
B) Costs of production		
6) Raw materials, ancillary, consumables and goods	353,374	217,933
7) Services	1,831,494	1,526,259
8) Rent, leasing and similar costs	620,190	677,028
9) Personnel costs:		
a) salaries and wages	3,354,006	3,165,132
b) social security charges	1,027,570	998,330
c) post-employment benefits	315,647	280,642
d) pension and similar rights		
e) other costs	91,981	160,400
Total personnel costs	**4,789,203**	**4,604,504**
10) Amortisation, depreciation and write-downs:		
a) amortisation	17,780	24,717
b) depreciation	50,690	61,882
d) write-downs of current receivables and cash and cash equivalents	93,153	826,393
Total amortisation, depreciation and write-downs	**161,623**	**912,992**
11) Change in inventories of raw materials, ancillaries, consumables and goods	1,380	(5,765)
12) Provisions for risks	18,052	660,428
14) Other operating costs	74,805	110,843
TOTAL COSTS OF PRODUCTION (B)	**7,850,120**	**8,704,222**
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	**(828,373)**	**(3,285,188)**

amounts in Euro

Income statement	Financial statement 31/12/2021	Financial statement 31/12/2020
C) financial income and charges		
16) Other financial income:		
d) other income:		
from parent companies	0	0
other	1	1
Total	**1**	**1**
17) Interest and other financial charges	0	0
17bis) Exchange gains and losses	45	(71)
TOTAL FINANCIAL INCOME AND CHARGES (C)	**46**	**(70)**
D) Adjustments to financial assets	**0**	**0**
PRE-TAX PROFIT/(LOSS) (A-B+/-C+/-D+/-E)	**(828,327)**	**(3,285,258)**
20) Income taxes for the year:		
a) Current taxes	211,346	430,666
b) Deferred tax (charges) & income	8,348	329,778
21) NET PROFIT/(LOSS)	**(608,633)**	**(2,524,814)**

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Annex

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2021

Italian Government provisions to tackle the COVID-19 emergency impacting airport operations

The main Italian regulations that have directly and indirectly shaped airport operations are listed below. The EU Council adopted -Recommendations (EU) 2020/1052, (EU) 2020/1144, (EU) 2020/1186, (EU) 2020/1551, (EU) 2020/2169, (EU) 2021/89, (EU) 2021/132, (EU) 2021/767, (EU) 2021/892, (EU) 2021/992, (EU) 2021/1085 amending Recommendation (EU) 2020/912 on the temporary restriction of non-essential travel to the EU and the possible lifting of such restrictions;

- the resolutions of the Council of Ministers of January 13, 2021, and April 21, 2021, which declared and extended the state of emergency in Italy related to the health risk associated with the outbreak of diseases resulting from transmissible viral agents;
- Legislative Decree No. 172 of December 18, 2021, on "Further Urgent Provisions on the Containment and Management of the COVID-19 Epidemiological Emergency," by which travel restrictions were imposed from December 24, 2020 to January 6, 2021;
- Legislative Decree No. 1 of January 5, 2021, on "Further Urgent Provisions on the Containment and Management of the COVID-19 Epidemiological Emergency," by which travel restrictions were imposed from January 16, 2021 to February 15, 2021;
- Legislative Decree No. 2 of January 14, 2021, converted, with amendments, by Law No. 29 of March 12, 2021, on "Further Urgent Provisions on the Containment and Prevention of the COVID-19 Epidemiological Emergency and the Holding of Elections for the Year 2021," by which travel restrictions were imposed from January 16, 2021 to February 15, 2021;
- Legislative Decree No. 12 of February 12, 2021, on "Further Urgent Provisions on Domestic Travel for the Containment of the Covid-19 Epidemiological Emergency." by which travel restrictions were imposed from February 16 to February 25, 2021;
- Legislative Decree No. 15 of February 23, 2021, on "Additional urgent provisions on domestic travel for the containment of the Covid-19 epidemiological emergency." by which travel restrictions were imposed until March 27, 2021;
- the Prime Minister's Decree of March 2, 2021, by which urgent measures were adopted to cope with the COVID-19 emergency involving restrictions on domestic and international travel period from March 6 to April 6, 2021;
- Legislative Decree No. 30 of March 13, 2021 on "Urgent Measures to Cope with the Spread of COVID-19 and Support Interventions for Workers with Minor Children in Distance Education or Quarantine." by which travel restrictions were imposed from March 15 to April 6, 2021;
- Legislative Decree No. 15 of April 1, 2021 on "Urgent measures for the containment of the COVID-19 epidemic, SARS-CoV-2 vaccination, justice and public competitions," by which travel restrictions were imposed from April 7 to April 30, 2021;
- Legislative Decree No. 52 of April 22, 2021, converted, with amendments, by Law No. 87 of June 17, 2021, on "Urgent measures for the gradual resumption of economic and social activities in compliance with the needs to contain the spread of the COVID-19 epidemic," by which travel restrictions were imposed from May 1 to July 31, 2021;
- the Prime Minister's Decree of December 3, 2020, by which urgent measures were adopted to cope with the COVID-19 emergency that resulted in travel restrictions from December 4, 2020 to January 15, 2021;
- the Prime Minister's Decree of January 14, 2021 by which urgent measures were adopted to deal with the COVID-19 emergency involving travel restrictions and organisational measures for air transportation from January 16 to March 5, 2021;
- the Ministry of Health Order of April 2, 2021 on "Further Urgent Measures on the Containment and Management of the COVID-19 Epidemiological Emergency." by which the restrictions inherent in international travel were extended from April 7 to April 30, 2021;
- the Ministry of Health Order of May 14, 2021 on "Further Urgent Measures on the Containment and Management of the COVID-19 Epidemiological Emergency." by which international travel and related arrangements were regulated from May 16 to July 30, 2021;
- the Ministry of Health Order of June 2, 2021 on "Further Urgent Measures on the Containment and Management of the COVID-19 Epidemiological Emergency." by which domestic and international travel was further regulated from June 2 to July 30, 2021;
- the Order of the Minister of Health of June 18, 2021 on the requirement for the presentation at the time of boarding of one of the COVID-19 green certifications for anyone who enters Italy for any duration from states or territories in List C of Annex 20 of the Prime Minister's Decree of March 2, 2021;
- Legislative Decree No. 221 of December 24, 2021, which extended the national state of emergency until March 31, 2022, and provided for additional measures to contain the spread of the COVID-19 epidemic, including the requirement to wear FFP2-type respiratory protective equipment for access to and use at transportation facilities.

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PHOTOGRAPHS: ARCHIVIO SAGAT

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