Toscana Aeroporti Group

2021 FINANCIAL STATEMENTS

This report is available in the Investor Relations section
of Toscana Aeroporti's website at www.toscana-aeroporti.com

Toscana Aeroporti S.p.a.
Via del Termine, 11 – 50127 Florence (Italy) - www.toscana-aeroporti.com
R.E.A. [Economic-Administrative Index] FI-637708 - Fully paid-up Share Capital € 30,709,743.90
VAT Number and Tax Code: 00403110505

Summary

Dear Shareholders,

the Report on Operations for the Consolidated Financial Statements of Toscana Aeroporti S.p.A. (hereinafter also briefly referred to as "**TA**" or the "**Holding**"/"**Parent Company**" or simply the "**Company**") and its subsidiaries (hereinafter the "TA Group"), also relating to the Draft Financial Statements at 31 December 2021, approved by the Board of Directors on 16 March 2022, have been prepared in compliance with the provisions of CONSOB Resolution no. 11971 of 14 May 1999 and includes the accounting records and the Directors' comments on the operations and most significant events that took place throughout the year 2021 and after 31 December 2021.

The tables provided and commented below have been prepared based in the Consolidated Financial Statements at 31 Dec. 2021, to which we refer the readers of this document, since, pursuant to the applicable legislation, we considered it more appropriate to prepare a single Report on Operations and provide an analysis of the most significant economic-financial trends, i.e., consolidated data.

The Consolidated Financial Statements and Annual Report for the year ended 31 Dec. 2021 have been prepared in compliance with the International Financial Reporting Standards ("IFRS") issued by the International Accounting Standard Board ("IASB") and ratified by the European Union. The acronym "IFRS" also includes the International Accounting Standards (IAS) in force to date, as well as all the interpretation documents issued by the International Financial Reporting Interpretations Committee ("IFRIC"), previously called Standing Interpretations Committee ("SIC"), and in compliance with the measures issued to implement art. 9 of Leg. Dec. no. 38/2005 (CONSOB Resolution no. 15519 of 27 July 2006 concerning "Provisions on financial statements", CONSOB Resolution no. 15520 of 27 July 2006 concerning "Amendments and additions to the Issuers' Regulation adopted with Resolution no. 11971/99", CONSOB's Notice no. 6064293 of 28 July 2006 concerning "Company disclosures required by to art. 114, paragraph 5, of Leg. Dec. no. 58/98").

Toscana Aeroporti S.p.A. is a group incorporated to manage and develop the "Galileo Galilei" airport in Pisa and the "Amerigo Vespucci" airport in Florence in terms of air traffic, infrastructures and passenger services.

Accounting information as at 31 December 2021 includes data regarding the Holding Toscana Aeroporti S.p.A. and its subsidiaries Toscana Aeroporti Engineering S.r.l. (hereinafter "TAE"), Parcheggi Peretola S.r.l., Toscana Aeroporti Handling S.r.l. (hereinafter "TAH"), Jet Fuel Co. S.r.l., and Toscana Aeroporti Costruzioni S.r.l. (hereinafter "TAC"), consolidated using the full consolidation method.

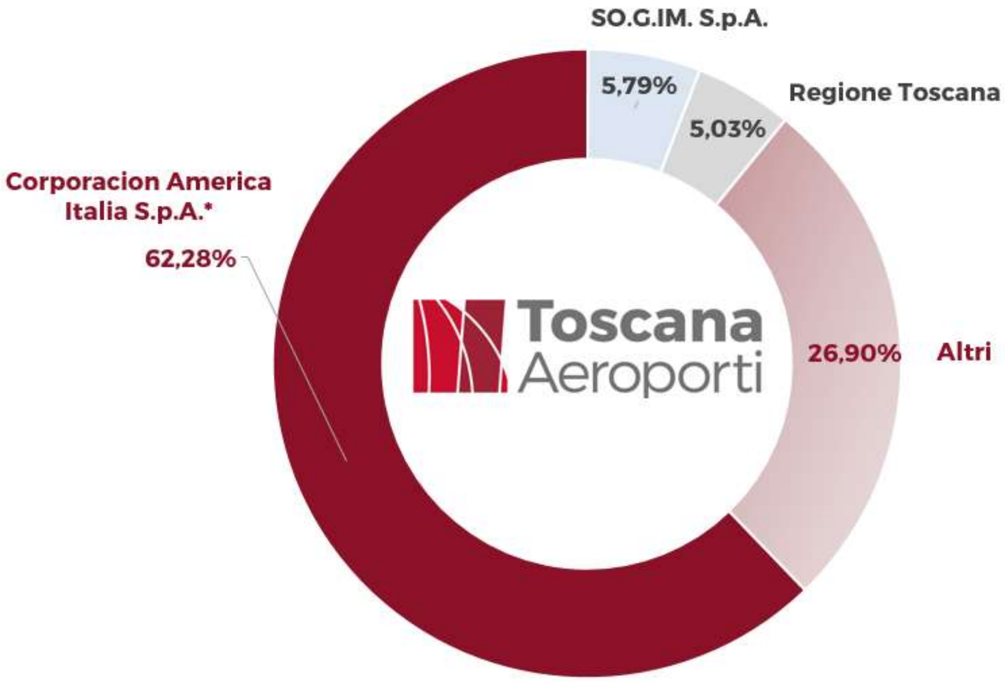
We inform readers that the subsidiary Vola S.r.l. was liquidated on 15 December 2021; consequently, this subsidiary contributed to the consolidated financial statements of the Group only until that date.

Finally, the company A.C.Quasarda S.c.a.r.l. was incorporated on 26 October 2021 through TAC, which owns a 72.42% share of it. The newly-incorporated company was not yet operating at 31 December 2021.

The Consolidated Financial Statements of the Group and the Annual Report of TA are audited by PricewaterhouseCoopers S.p.A. ("PwC").

1. COMPOSITION OF THE SHARE CAPITAL OF THE PARENT COMPANY

We are providing below a list of the names of the shareholders who, at 16 March 2022, directly or indirectly held an interest greater than 5% in the subscribed share capital of Toscana Aeroporti S.p.A., consisting of shares with voting rights, according to the Shareholders' Register, as supplemented by the information disclosed pursuant to Art. 120 of Legislative Decree 58/1998 and by any other information regarding the Company.



** Declarant, i.e. person positioned at the top of the control chain: Southern Cone Foundation*

The subscribed and fully paid-up share capital of Toscana Aeroporti S.p.A. is € 30,709.743,90 and consists of 18,611,966 ordinary shares without nominal value.

The whole of TA's shares owned by Corporación America Italy S.p.a. have been pledged until December 2024 as collateral to secure the debenture loan issued by the shareholder in question.

Shareholder Agreements

There are no Shareholder Agreements in place at the date of this Annual Report.

Further details and contents are available on the official website of the company: www.toscana-aeroporti.com, "Investor Relations /Corporate Governance/ Documents section.

2. THE TOSCANA AEROPORTI STOCK

The Toscana Aeroporti stock (ISIN code: IT0000214293 – Bloomberg ticker: TYA.MI) has been listed in the MTA, the Italian equity market, since June 1st, 2015, the effective date of the merger by incorporation of AdF S.p.A. into SAT S.p.A.

The most significant market information concerning the Toscana Aeroporti stock is provided below:

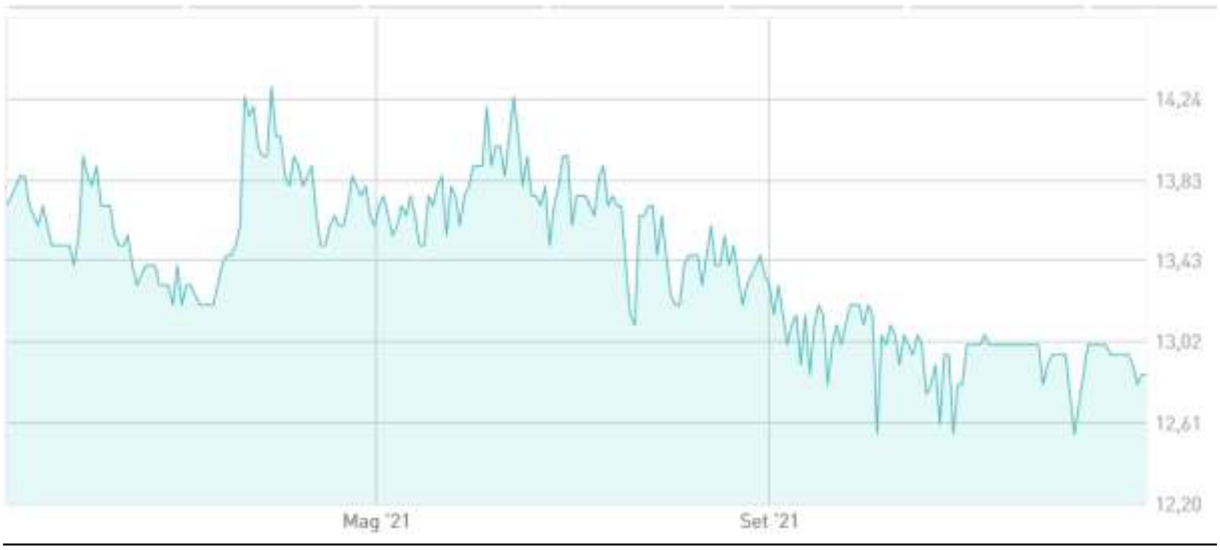
Key market data	2021	2020
Share Capital	€30,709,743.90	€30,709,743.90
Number of shares	18611966	18611966
Opening price	€ 13.70	€17.35
Minimum price	€ 12.55	€9.60
Maximum price	€ 14.30	€18.65
Year-end price	€ 12.85	€13.70
Average price	€ 13.41	€13.88
Average volumes	782	1361
Year-end market capitalization	€ 239.2 M	€ 255.0 M

<u>TYA stock trend in 2021:</u>

the Toscana Aeroporti S.p.A. stock closed 2021 at € 12.85, with a 6.2% decrease compared to € 13.7 at the beginning of the year.

During the financial year 2021, the stock performed at best from March to July, when it reached the high peak of € 14.3 on 26 March 2021, while the lowest trough of € 12.55 was reached on October 6 and 29, and December 7, 2021.

The capitalization of Toscana Aeroporti increased from Euro 255 million at the end of 2020 to Euro 239.2 million at the end of 2021. The performance of the Toscana Aeroporti stock continues to be impacted by the effects of the Covid-19 outbreak on the entire airport system and on air traffic.



3. CORPORATE GOVERNANCE

The Company adopted a Corporate Governance policy to implement the principles of the Voluntary Code of Conduct for the companies listed by Borsa Italiana S.p.A., in line with the recommendations issued by CONSOB and international best practices. A Control and Risk Committee and an Appointments and Remuneration Committee have been created some time ago and are regularly operating.

For further information, see the Report on Corporate Governance and Ownership that is prepared every year in compliance with regulatory requirements, which contains a general description of the corporate governance system adopted by TA and information on the ownership layout and Voluntary Code of Conduct, including the main governance practices and the main features of the risk management and internal control systems implemented for the financial disclosure process.

This Report is available for consultation in the website www.toscana-aeroporti.com, "Investor Relations" section.

Being an "EIPR" (Ente di Interesse Pubblico Rilevante, meaning an "entity of significant public interest"), Toscana Aeroporti S.p.A. is required to prepare and submit a Non-Financial Consolidated Statement [*Dichiarazione consolidata di carattere non finanziario*] in the form of a "separate report", as required by Art. 5 "*Collocazione della dichiarazione e regime di pubblicità*" (Disclosure requirements) of Legislative Decree 254/2016. This statement is published at the same dates and with the same procedures as the Annual Report and is available on the website of the Company.

4. MACROSTRUCTURE OF THE TOSCANA AEROPORTI GROUP

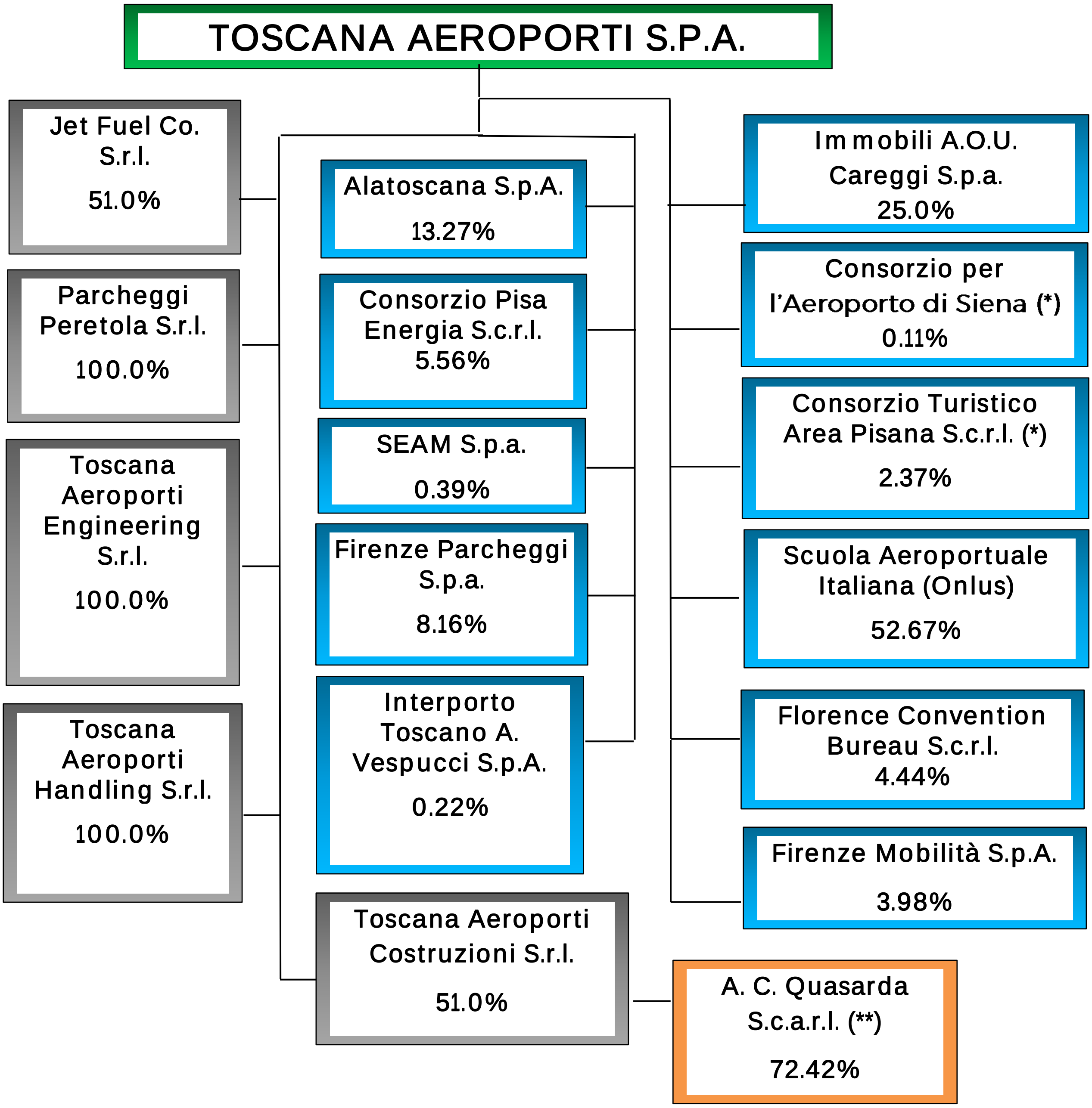
Legal details of the Holding

Company name: Toscana Aeroporti S.p.A., briefly "TA".

Registered office of the company: Firenze, Via del Termine n. 11 - Tax Code: 00403110505.

Company Register of Florence and R.E.A. [Economic and Administrative Index] no. FI 637708.

Share Capital: € 30,709,743.90 (fully paid-up).



Holding - Toscana Aeroporti

Controlled Companies: Jet Fuel Co, S.r.l., Parcheggi Peretola S.r.l., Toscana Aeroporti Engineering S.r.l., Toscana Aeroporti Handling S.r.l., Vola S.r.l., Toscana Aeroporti Costruzioni S.r.l. Within the framework of the consolidation, we inform readers that Toscana Aeroporti owns 33.33% of property and dividend rights and 51% of voting rights in the company Jet Fuel. For further details, see section on controlled companies. In addition, Vola S.r.l. was liquidated on 15 December 2021.

Third-Party Companies - (*) winding-up company.

Non-operating company - (**)

Line-by-line consolidation[1]

Company	Registered Office	Share Capital (€k)	Shareholders' Equity (€K)	%
Toscana Aeroporti S.p.a.	Florence	30,710	101,606	Holding
Toscana Aeroporti Engineering S.r.l.	Florence	80	536	100.00
Parcheggi Peretola S.r.l.	Florence	50	2,716	100.00
Toscana Aeroporti Handling S.r.l.	Florence	1,150	(1,935)	100.00
Jet Fuel Co. S.r.l.	Pisa	150	580	51.00
Toscana Aeroporti Costruzioni S.r.l.	Pisa	1,000	10,299	51.00
A.C. Quasarda S.c.ar.l.	Pisa	10	10	72.42

Full Consolidation[2]

Company	Registered Office	Share Capital (€k)	Shareholders' Equity (€K)	%
Immobili A.O.U. Careggi S.p.a.	Florence	200	1,253	25.00
Alatoscana S.p.a.	Marina di Campo	2,910	2,833	13.27

5. COMPOSITION OF CORPORATE GOVERNING BODIES

<u>Board of Directors</u>	<u>Title</u>
Marco CARRAI	President
Roberto NALDI	CEO / Managing Director
Stefano BOTTAI	Vice President
Mariano Andres MOBILIA SANTI	Board Member
Elisabetta FABRI	Board Member
Saverio PANERAI	Board Member
Ana Cristina SCHIRINIAN	Board Member
Giorgio DE LORENZI	Board Member
Antonella MANSI	Board Member
Patrizia PACINI	Board Member
Mirko ROMOLI FENU	Board Member
Gino MANNOCCI	Board Member
Claudio Bertolaccini	Board Member
Nicoletta DE FRANCESCO	Board Member
Cristina MARTELLI	Board Member

<u>Board of Auditors</u> **<u>Title</u>**

1 Data as of 31 December 2021

2 Data as at 31 December 2020.

Michele MOLINO	President
Silvia BRESCIANI	Statutory Auditor
Roberto GIACINTI	Statutory Auditor
Antonio MARTINI	Statutory Auditor
Raffaella FANTINI	Statutory Auditor

Secretary of the Board of Directors

Nico ILLIBERI[1]

Supervisory Board	**Title**
Edoardo MARRONI	President
Michele GIORDANO	Member
Nico ILLIBERI	Member

Financial Reporting Manager pursuant to Law 262/05

Marco GIALLETTI[2]

Independent Auditor

PricewaterhouseCoopers S.p.A.

6. HIGHLIGHTS

Consolidated financial and income results at 31 December 2021	**Revenues** totalled € 59,961 K, up by € 9,034 K (+17.7%) compared to € 50,947 K of the TA Group at 31 December 2020. **Operating Revenues** totalled € 46,525 K, up by € 6,085 K (+15.0%) compared to € 40,440 K of the TA Group at 31 December 2020. **Other income** totalled € 12,135 K, up by € 2,075 K (+20.6%) compared to € 10,060 K of the TA Group at 31 December 2020. The **EBITDA** is positive for € 6,535 K, up by € 7,337 K compared to the negative value of € 801 K reported by the TA Group in 2020. The **EBIT** is negative for € 9,765 K, up by € 4,884 K (-33.3%) compared to the TA Group's negative EBIT of € 14,469 K in 2020. **Profit Before Tax (PBT)** is negative for € 12,272 K compared to a PBT of € 15,886 K for the TA Group in 2020. The **Group's net profit for the period** shows a loss of € 5,256 K against a Group period loss of € 12,470 K in 2020. **Net borrowing** totalled € 98,677 K at 31 December 2021 compared to € 77,327 K at 31 December 2020. The **Net Adjusted Financial Position** (not including commitments for deferred payments for corporate acquisitions and financial liabilities for rights of use) totalled € 90,600 K at 31 December 2021 against € 72,696 K at 31 December 2020.

[1] Corporate Manager qualified as Director of the Legal Affairs and Compliance area.
[2] Corporate Manager qualified as Director of the Accounting, Finance and Control areas.

The Group's investments in 2021	Investments totalled **€ 15.1 million** at 31 December 2021, including approximately € 2.4 M for the purchase of X-ray equipment; € 11.8 M of intangibles, of which € 1.25 M for improvements of the flight infrastructure and expansion of strips in the Florence airport; € 2.05 M for the new Lighting & Visual Aids (LVA) for the runway of the Florence airport; € 5.38 M for the improvement of the BHS and baggage reclaim carousels in both TA airports (Pisa and Florence). We also point out that, within the framework of the works for the improvement of the runway in the Florence airport, carried out by the Company in 2021, an additional € 6.9 M have been spent for repairs, covered by the Provision for repair and replacement.
Traffic	With the suspension of Covid-19 restrictions on air travel at domestic level and the reduction of restrictions at European level, air traffic gradually restarted from June 2021. While still being well below 2019 levels, Toscana Aeroporti is reporting growing traffic levels, month after month. On the whole, the Tuscan airport system carried around **2.84 million passengers** in 2021, up by 43% for the passenger component, 27.3% for tonnage and 31.2% for the movement component compared to 2020. Cargo and mail traffic increased by +14.0%. During 2021, a total of approximately 44,000 flights have been cancelled in the two airports from the initial pre-pandemic program. Toscana Aeroporti estimated a loss of about 5.9 million passengers (ca. 3.6 MM on Pisa and 2.3 MM on Florence) caused by the Covid-19 outbreak.
Outlook	The consequences of the Covid-19 outbreak continued to disrupt the global economy, global transport networks, and particularly air transport, as well as domestic and international tourism, especially for Italy, throughout 2021. In February, Toscana Aeroporti reported a progressive +688% increase compared to 2021, still below the progressive values of January-February 2019 (-50.4%), but showing a definite improvement. Traffic is expected to recover from 2020 and 2021 levels in 2022, although it is still not comparable to 2019 pre-Covid levels, resulting in a significant negative impact on 2022 financial results. The gradual resumption of operations, supported by the progress of the vaccination campaign, is now accompanied by new international tensions due to the conflict between Russia and Ukraine, which are expected to affect passenger mobility both for security reasons and because of the increase in prices caused by the increase in energy prices (gas, power, oil).

7. PROFILE OF THE FINANCIAL YEAR 2021

7.1 MACROECONOMIC SCENARIO AND THE AIR TRANSPORT INDUSTRY

After the slowdown in the third quarter of 2021, the global economy has returned to a more sustained economic recovery. However, a number of bearish risk factors are lurking globally, such as a possible resurgence of the pandemic, a European energy crisis and a rising inflation environment, prevalently affected by the increase in energy prices.
One particularly worrisome factor is the strong geopolitical tensions between Ukraine and Russia, with possible global crisis scenarios, as well as the scale and scope of the sanctions imposed on Russia by the international community.
In the Euro area, economic growth has been robust in the third quarter, though with different intensities across the Countries, mainly due to the increase in household consumption. This increase slowed down in the last few months of the year, after two quarters of strong expansion, due to the increase in Covid cases caused by the Omicron variant and the consequent re-introduction of more stringent infection control measures.
As to the scope of recovery and resilience measures, within the framework of the so-called Euro 750 billion *Next Generation EU* fund created to support the revival of the economy of the European Union, the European Commission has so far disbursed Euro 56 billion as pre-financing for the countries of the Union.
Italy's GDP increased by 6.5% in 2021 with respect to the previous year. Italy's performance, apart from the higher growth of the French economy (+7.0%), was higher than the overall growth of the Euro Area (+5.2%), as well as of Spain (+5.0%) and Germany (+2.8%).
ACI Europe, the association representing over 500 airports in 55 countries, reported a 37% increase in European passenger traffic as of 31 December 2021 on 2020 and a 59% decrease on 2019, the last pre-Covid reference year.
On the other hand, according to data issued by Assaeroporti, Italian airport traffic totalled 80.7 million passengers in 2021, up by 52.4% on 2020 and down by 58.2% on 2019 data. Aircraft movements increased by 34.7% over 2020, while they decreased by 42.4% over 2019. The Cargo volume in Italian airports increased by 28.6% and 0.2% over 2020 and 2019, respectively.

7.2 TUSCAN AIRPORT SYSTEM TRAFFIC TRENDS

With the progress of the vaccination campaign and the easing of restrictions on people's mobility starting from the summer season, there have been good signs of recovery, even with numbers still distant from the pre-Covid 19 period. These signals, which continued in the autumn months, were negatively affected in December by the reintroduction of restrictions on passenger movements due to the spread of the Omicron variant.

The table below provides details of 2021 traffic by month and a comparison with the same period of 2020, which was only partly affected by the Covid-19 pandemic, and with 2019, when the airports were operating at full capacity.

Toscana Aeroporti - January-December 2021 Monthly Traffic

Airport	Month	2021	2020	2019	2021/20 Diff.	2021/20 % Diff.	2021/19 Diff.	2021/19 % Diff.
TA	Jan	36,704	480,816	460,725	-444,112	-92.4%	-424,021	-92.0%
TA	Feb	19,348	434,023	430,132	-414,675	-95.5%	-410,784	-95.5%
TA	Mar	19,373	90,813	532,312	-71,440	-78.7%	-512,939	-96.4%

TA	Apr	39,743	592	737,981	39,151	6613.3%	-698,238	-94.6%
TA	May	77,243	1,441	785,782	75,802	5260.4%	-708,539	-90.2%
TA	Jun	212,812	21,549	841,983	191,263	887.6%	-629,171	-74.7%
TA	Jul	399,747	185,447	891,732	214,300	115.6%	-491,985	-55.2%
TA	Aug	485,678	293,930	905,069	191,748	65.2%	-419,391	-46.3%
TA	Sep	453,781	243,060	865,173	210,721	86.7%	-411,392	-47.6%
TA	Oct	457,940	147,707	774,476	310,233	210.0%	-316,536	-40.9%
TA	Nov	339,335	40,170	519,076	299,165	744.7%	-179,741	-34.6%
TA	Dec	295,458	45,005	517,350	250,453	556.5%	-221,892	-42.9%
TA	**Total**	**2,837,162**	**1,984,553**	**8,261,791**	**852,609**	**43.0%**	**-5,424,629**	**-65.7%**

For a correct analysis of data, we remind readers that the Florence airport remained closed from February 1st to April 2nd, 2021 for the renovation of the runway pavement.

It should be remembered that, in 2020, the effects of the pandemic began at the end of February (with the reduction of the flight load factor and then with the cancellations imposed by the Presidential Decree, "DPR", of 9 March 2020 "Urgent measures for the containment and management of the Covid-19 epidemiological emergency".
In addition, Ministerial Decree no. 112 of 12 March 2020 limited the operation of the Florence airport, starting from 13 March and until 3 May 2020, only to State and emergency flights (including those for health-related reasons). As regards Pisa, although this airport continued its operations, only one Alitalia passenger flight to Rome Fiumicino and cargo couriers were operated during the period described.

Toscana Aeroporti reported a total of ca. 2.8 million passengers in 2021, which reflects a 43% increase and a 21.1% increase in commercial passenger movements compared to 2020. Compared to the pre-Covid 19 period, Toscana Aeroporti reported a 65.7% drop in passenger traffic, with a marked improvement from the high summer season - a -49.7% drop in the July-September period and a -39.7% drop in the October-December period.
The scheduled flight load factor was 68.41%, down by 6.9 percentage points compared to 2020 (61.52%). In 2019 the load factor was 83.9%.

The Toscana Aeroporti traffic at 31 December 2021, distinguished in its various components, and the related comparison with the same period of 2020 is detailed below.

TOSCANA AEROPORTI TRAFFIC

	YOY 31.12.21	YOY 31.12.20	2021/20 Diff.	2021/20 % Diff.
Commercial Passengers	**2,816,774**	**1,973,817**	**842,957**	**42.7%**
Domestic (Scheduled + Charter)	974,247	663,818	310,429	46.8%
International (Scheduled + Charter)	1,842,527	1,309,999	532,528	40.7%
General Flight Passengers	**20,388**	**10,736**	**9,652**	**89.9%**
TOTAL PASSENGERS	**2,837,162**	**1,984,553**	**852,609**	**43.0%**
	YOY 31.12.21	**YOY 31.12.20**	**2021/20 Diff.**	**2021/20 % Diff.**
Commercial Flights	**28,111**	**23,464**	**4,647**	**19.8%**
Domestic (Scheduled + Charter)	7,545	7,030	515	7.3%
International (Scheduled + Charter)	18,698	14,642	4,056	27.7%
Cargo	1,868	1,792	76	4.2%
General Flights	**11,462**	**6,694**	**4,768**	**71.2%**
TOTAL FLIGHTS	**39,573**	**30,158**	**9,415**	**31.2%**
	YOY 31.12.21	**YOY 31.12.20**	**2021/20 Diff.**	**2021/20 % Diff.**
Commercial Tonnage	**1,792,045**	**1,453,527**	**338,518**	**23.3%**
Domestic (Scheduled + Charter)	475,357	409,940	65,417	16.0%
International (Scheduled + Charter)	1,169,955	902,055	267,900	29.7%
Cargo	146,733	141,532	5,201	3.7%
General Aviation Tonnage	**157,897**	**77,997**	**79,900**	**102.4%**

TOTAL TONNAGE	1,949,942	1,531,524	418,418	27.3%
	YOY 31.12.21	YOY 31.12.20	2021/20 Diff.	2021/20 % Diff.
Air cargo (kg)	15,091,495	12,819,236	2,272,259	17.7%
Ground cargo (kg)	245,368	616,605	-371,236	-60.2%
Mail (kg)	19,244	31,557	-12,313	-39.0%
TOTAL CARGO AND MAIL	15,356,107	13,467,398	1,888,710	14.0%
	YOY 31.12.21	YOY 31.12.20	2021/20 Diff.	2021/20 % Diff.
TOTAL TRAFFIC UNITS	2,990,723	2,119,227	871,496	41.1%

Toscana Aeroporti estimated that about 44.000 flights have been cancelled in the period, with a loss of almost 5.9 million passengers.

The cargo and mail traffic had an overall growth of 14.0% in 2021 compared to 2020, mainly driven by a growth in cargo handled by courier flights, which counterbalanced the reduction in road transport of cargo.

The Coronavirus emergency is still impacting the Italian airport system, which recovered in the summer period, but with numbers still below the 2019 pre-Covid period. More specifically, Italian airports reported a 58.2% drop in 2021 compared to 2019 and a 52.4% increase compared to 2020.

7.2.1 Traffic trends in the Pisa "Galileo Galilei" airport

The table below provides 2021 traffic trends against 2020, broken down into the various components:

PISA AIRPORT TRAFFIC				
	YOY 31.12.21	YOY 31.12.20	2021/20 Diff.	2021/20 % DIFF.
Commercial Passengers	**1,988,180**	**1,309,154**	**679,026**	**51.9%**
Domestic (Scheduled + Charter)	890,003	548,834	341,169	62.2%
International (Scheduled + Charter)	1,098,177	760,320	337,857	44.4%
General Flight Passengers	**10,957**	**5,912**	**5,045**	**85.3%**
TOTAL PASSENGERS	1,999,137	1,315,066	684,071	52.0%
	YOY 31.12.21	YOY 31.12.20	2021/20 Diff.	2021/20 % DIFF.
Commercial Flights	**17,698**	**13,530**	**4,168**	**30.8%**
Domestic (Scheduled + Charter)	6,269	4,938	1,331	27.0%
International (Scheduled + Charter)	9,563	6,800	2,763	40.6%
Cargo	1,866	1,792	74	4.1%
General Flights	**5,698**	**3,220**	**2,478**	**77.0%**
TOTAL FLIGHTS	23,396	16,750	6,646	39.7%
	YOY 31.12.21	YOY 31.12.20	2021/20 Diff.	2021/20 % Diff.
Commercial Tonnage	**1,215,669**	**915,828**	**299,841**	**32.7%**
Domestic (Scheduled + Charter)	413,197	303,360	109,837	36.2%
International (Scheduled + Charter)	655,869	470,936	184,933	39.3%
Cargo	146,603	141,532	5,071	3.6%
General Aviation Tonnage	**88,480**	**44,825**	**43,655**	**97.4%**
TOTAL TONNAGE	1,304,149	960,653	343,496	35.76%
	YOY 31.12.21	YOY 31.12.20	2021/20 Diff.	2021/20 % Diff.
Air cargo (kg)	15,086,415	12,810,913	2,275,502	17.8%
Ground cargo (kg)	142,386	153,413	-11,027	-7.2%
Mail (kg)	19,219	31,552	-12,333	-39.1%

TOTAL CARGO AND MAIL	15,248,020	12,995,878	2,252,142	17.3%
	YOY 31.12.21	YOY 31.12.20	2021/20 Diff.	2021/20 % Diff.
TOTAL TRAFFIC UNITS	2,151,617	1,445,025	706,592	48.9%

In 2021, 2.0 million passengers transited through the Pisa airport, with a 52% increase compared to 2020 (with a difference of over +684,071 passengers), against a 34.9% increase in commercial passenger movements. The first signs of a recovery were observed starting from June, although still below 2019 values.

The load factor of flights operated in the period is 70% against 65.1% in 2020 (final value).

The table below shows 2021 traffic trends in the Pisa airport by month and compares them with the same period of 2020 and 2019, when the airport operated at full capacity.

As already pointed out earlier, 2020 was affected by the restrictions imposed to face the pandemic only starting from the end of February.

Pisa airport - January-December 2021 Monthly Traffic

Airport	Month	2021	2020	2019	2021/20 Diff.	2021/20 % Diff.	2021/19 Diff.	2021/19 % Diff.
PSA	Jan	24,659	295,676	288,569	-271,017	-91.7%	-263,910	-91.5%
PSA	Feb	19,348	265,782	275,797	-246,434	-92.7%	-256,449	-93.0%
PSA	Mar	19,373	58,023	329,614	-38,650	-66.6%	-310,241	-94.1%
PSA	Apr	26,273	592	485,081	25,681	4338.0%	-458,808	-94.6%
PSA	May	46,946	1,382	515,094	45,564	3297.0%	-468,148	-90.9%
PSA	Jun	156,442	10,003	555,404	146,439	1464.0%	-398,962	-71.8%
PSA	Jul	282,436	131,997	607,609	150,439	114.0%	-325,173	-53.5%
PSA	Aug	341,050	219,500	627,066	121,550	55.4%	-286,016	-45.6%
PSA	Sep	308,504	170,305	571,407	138,199	81.1%	-262,903	-46.0%
PSA	Oct	320,832	103,006	489,048	217,826	211.5%	-168,216	-34.4%
PSA	Nov	235,914	28,271	313,456	207,643	734.5%	-77,542	-24.7%
PSA	Dec	217,360	30,529	329,413	186,831	612.0%	-112,053	-34.0%
PSA	**Total**	**1,999,137**	**1,315,066**	**5,387,558**	**684,071**	**52.0%**	**-3,388,421**	**-62.9%**

Carriers that operated in the Pisa Galilei airport and the related destinations are listed below:

- The Irish carrier **Ryanair** continued operating flights to Brindisi, Cagliari, Catania and Palermo during the winter season. With the start of the summer season, the connection with Bari was also operated again, while flights to Alghero, Comiso, Lamezia and Trapani began in May. International flights, after a slight recovery in the first days of January (during the winter holiday season), were suspended until May, when the flight to Paris Beauvais was resumed. In June, 28 international destinations (37 in total) were served, while 44 destinations were served in the July-October period, including the new destinations of Malaga and Skiathos. During the winter, with the suspension of seasonal destinations, the destinations served dropped to 36. Please note that flights to/from Agadir (in November only), Lviv, Wroclaw and Vienna were operated starting from the winter, while Palma de Mallorca was served since December.
- **AirDolomiti** operated up to 8 flights per week to/from Frankfurt am Main since July.

- The carrier **Air Baltic** initiated operations in the Pisa airport with 2 weekly flights to/from Riga starting from 2 July 2021 until the end of the summer.
- The French carrier **Air France** operated a new Pisa-Paris Charles de Gaulle connection in July and August (with up to 3 flights per week).
- The Czech airline **Silver Air** kept ensuring territorial continuity flights to/from the Elba Island (3 flights per week).
- The Moroccan airline **AirArabia** operated a flight to Casablanca until the suspension of flights to and from Italy imposed by the Moroccan government at the end of February. Flights were resumed in mid-June 2021 (1 weekly flight since June and 2 weekly flights starting from August). In October and November the airline operated 1 weekly connection, while no flight was operated in December due to the suspension of flights to/from Italy by the Moroccan Government).
- **Air Albania** operated two/three flights per week to/from Tirana until June and then increased its flights in the high season up to 6 weekly flights. This flight is operated 4-5 times per week in the winter.
- **Albawings** flew to/from Tirana twice a week until June and increased its flights up to 3 per week in the high season, with 2 weekly connections starting from October.
- The Hungarian carrier **Wizzair** operated one weekly flight to/from Tirana until April. Since May, flights were increased up to 7 (in the August-October period) and then dropped to 4-5 weekly flights in November-December. In addition, the flight to/from Bucharest Otopeni (operated twice per week) was also operated since June.
  WizzAir also opened new national connections to/from Palermo (4 flights in the summer, 3 in the winter), Catania (4-5 flights) and Brindisi (only 3 flights in June-July).
- **British Airways** resumed operations at the end of May with direct flights to/from London Heathrow: 3 weekly flights until June and then 6 in August and 11 in September. Flights dropped to 9 in October and then the connection was interrupted in November due to new Covid-19 restrictions with the spread of the Omicron variant.
- **Transavia** resumed its flight to/from Amsterdam with up to 5 departures per week in June, increased up to 12 from July to October. The flight was also confirmed for the winter with the frequency of 3 flights per week.
- The carrier **SAS** operated 2 flights per week to Stockholm Arlanda from the end of June until the beginning of August, then added two more weekly flights to/from Copenhagen during the July-August period.
- **EasyJet** operated 2 weekly flights to Paris Orly from June, which increased up to 8 in July and August. In the winter, the weekly flights were reduced to 5. The connection with London Gatwick was also resumed from starting July, with up to 6 flights, dropped to 5 in the winter, and connections with Bristol also returned with 2 weekly flights from August to October, which however were suspended in the winter.
- The Spanish carrier **Volotea** resumed its service to Olbia with up to 5 flights per week from May to August, and flew to Nantes twice per week from July to November 14th.
- In the high summer season, **Aegean Airlines** flew to Athens twice per week.
- **Pobeda Airlines**: the Russian low-cost carrier resumed its operations with 1 weekly flight to Moscow Vnukovo since 4 July.
- **Norwegian Airlines** connected Pisa to Copenhagen with up to 2 weekly flights starting from July and resumed the flight to Stockholm Arlanda since 21 August and the flight to Oslo since September.

- **Eurowings**, the low-cost airline of the Lufthansa Group, re-operated its seasonal connection with Cologne/Bonn since July with 2 flights in June-July and 3 weekly flights in September-October.
- The Spanish **Vueling** flew to Barcelona-El Prat in July and August.

Scheduled passenger traffic by Country

A total of 24 markets have been connected with the Pisa airport with scheduled flights during 2021. Italy is the first market with about 885,000 passengers, accounting for 44.9% of the total number of passengers.

The international market was also resumed from June 2021, which brings the weight of non-domestic traffic to 55.1% over the total scheduled passenger traffic of the Galilei airport.

The table below shows the percentage incidence of each European country over the total number of scheduled passenger traffic recorded by the Galilei airport during 2021 and the difference, both in absolute and percentage terms, compared to 2020:

Passenger Scheduled Traffic	2021	2020	Diff.	% Diff.	% over TOT
Italy	885,113	546,109	339,004	62.1%	44.9%
Spain	181,346	116,297	65,049	55.9%	9.2%
United Kingdom	138,539	229,802	-91,263	-39.7%	7.0%
Albania	121,140	49,798	71,342	143.3%	6.1%
The Netherlands	112,416	64,896	47,520	73.2%	5.7%
France	100,251	44,619	55,632	124.7%	5.1%
Germany	85,760	32,226	53,534	166.1%	4.4%
Belgium	60,429	54,804	5,625	10.3%	3.1%
Morocco	35,502	22,778	12,724	55.9%	1.80%
Poland	33,411	14,408	19,003	131.9%	1.7%
Romania	32,129	19,696	12,433	63.1%	1.6%
Sweden	25,849	3,981	21,868	549.3%	1.31%
Ireland	25,198	12,982	12,216	94.1%	1.28%
Greece	24,127	4,546	19,581	430.7%	1.22%
Czech Republic	19,834	10,698	9,136	85.4%	1.01%
Denmark	17,869	5,983	11,886	198.7%	0.91%
Malta	17,143	11,797	5,346	45.3%	0.87%
Portugal	16,409	10,691	5,718	53.5%	0.83%
Hungary	15,811	9,466	6,345	67.0%	0.80%
Russian Federation	7,450	19,857	-12,407	-62.5%	0.38%
Latvia	6,301	0	6,301	100.0%	0.32%
Ukraine	3,290	0	3,290	100.0%	0.17%
Norway	3,114	0	3,114	100.0%	0.16%
Austria	2,738	68	2,670	3926.5%	0.14%
Qatar	0	11,941	-11,941	-100.0%	0.00%
TOTAL	**1,971,169**	**1,297,443**	**673,726**	**51.9%**	**100.0%**

Please note the presence of the new markets of Latvia (seasonal flight to Riga operated by AirBaltic), Ukraine (new flight for Lviv, operated by Ryanair since November), and Austria (new flight for Vienna, operated by Ryanair since November).

Cargo & Mail Traffic

Cargo traffic grew by 17.3% (with 2,200 tons of cargo and mail) compared to the same period of 2020. This growth was driven by cargo couriers, which increased their average cargo flights and, as in the case of DHL, even introduced larger freighter aircraft. In detail, cargo and mail traffic grew by 17.7% for the all-cargo component (courier and charter flights, +2,200 tons of goods) and thanks to a substantial stability of mixed flights and road transport traffic (in detail, +13% cargo and mail traffic on mixed flights and -7.2% of road cargo). Please note that in December 2021, a set of all-cargo charter flights (6 flights for over 160 tons of transported cargo) to New York JFK was operated by SmartLynx with an AB330-300 freighter, in collaboration with Poste Air Cargo, at the service of the main cargo operators in Tuscany.

The global cargo & mail traffic in the Pisa airport confirms the growth trend, with +17.2% compared to the same pre-Covid period of 2019.

7.2.2 Traffic trends in the Florence "Amerigo Vespucci" airport

The table below compares 2021 traffic trends against 2020, broken down into the various components:

FLORENCE AIRPORT TRAFFIC				
	YOY 31.12.21	YOY 31.12.20	2021/20 Diff.	2021/20 % Diff.
Commercial Passengers	**828,594**	**664,663**	**163,931**	**24.7%**
Domestic (Scheduled + Charter)	84,244	114,984	-30,740	-26.7%
International (Scheduled + Charter)	744,350	549,679	194,671	35.4%
General Flight Passengers	**9,431**	**4,824**	**4,607**	**95.5%**
TOTAL PASSENGERS	**838,025**	**669,487**	**168,538**	**25.2%**
	YOY 31.12.21	**YOY 31.12.20**	**2021/20 Diff.**	**2021/20 % Diff.**
Commercial Flights	**10,413**	**9,934**	**479**	**4.8%**
Domestic (Scheduled + Charter)	1,276	2,092	-816	-39.0%
International (Scheduled + Charter)	9,135	7,842	1,293	16.5%
Cargo	2	0	2	#DIV/0!
General Flights	**5,764**	**3,474**	**2,290**	**65.9%**
TOTAL FLIGHTS	**16,177**	**13,408**	**2,769**	**20.7%**
	YOY 31.12.21	**YOY 31.12.20**	**2021/20 Diff.**	**2021/20 % Diff.**
Commercial Tonnage	**576,376**	**537,699**	**38,677**	**7.2%**
Domestic (Scheduled + Charter)	62,160	106,580	-44,420	-41.7%
International (Scheduled + Charter)	514,086	431,119	82,967	19.2%
Cargo	130	0	130	#DIV/0!
General Aviation Tonnage	**69,417**	**33,172**	**36,245**	**109.3%**
TOTAL TONNAGE	**645,793**	**570,871**	**74,922**	**13.12%**
	YOY 31.12.21	**YOY 31.12.20**	**2021/20 Diff.**	**2021/20 % Diff.**
Air cargo (kg)	5,080	8,323	-3,243	-39.0%
Ground cargo (kg)	102,983	463,192	-360,210	-77.8%
Mail (kg)	25	5	20	400.0%
TOTAL CARGO AND MAIL	**108,088**	**471,520**	**-363,433**	**-77.1%**
	YOY 31.12.21	**YOY 31.12.20**	**2021/20 Diff.**	**2021/20 % Diff.**
TOTAL TRAFFIC UNITS	**839,106**	**674,202**	**164,904**	**24.5%**

A total of 838,025 passengers transited through the Florence airport in 2021, up by 25.2% compared to the same period of 2020 (+168,538 passengers), for a 4.8% increase in commercial passenger movements.

The load factor of flights operated in the period is 65.0%, up by 9.4 percentage points compared to 2020 (55.6% in 2020).

The table below shows 2021 traffic trends in the Florence airport by month and compares them with 2020 and 2019, when the airport operated at full capacity (pre-Covid).

We remind readers, as already pointed out above, that the Amerigo Vespucci airport remained closed for runway pavement renovation works from February 1st to April 2nd, 2021. Furthermore, 2020 was affected by the restrictions imposed by the Government to face the Covid-19 outbreak only starting from the end of February. Starting from 13 March 2020 and until 3 May 2020, the Florence airport, as ordered by decree, operated only State and emergency flights (including those for health-related purposes).

Florence airport - January-December 2021 Monthly Traffic

Airport	Month	2021	2020	2019	2021/20 Diff.	2021/20 % Diff.	2021/19 Diff.	2021/19 % Diff.
FLR	Jan	12,045	185,140	172,156	-173,095	-93.5%	-160,111	-93.0%
FLR	Feb	0	168,241	154,335	-168,241	-100.0%	-154,335	-100.0%
FLR	Mar	0	32,790	202,698	-32,790	-100.0%	-202,698	-100.0%
FLR	Apr	13,470	0	252,900	13,470	#DIV/0!	-239,430	-94.7%
FLR	May	30,297	59	270,688	30,238	51250.8%	-240,391	-88.8%
FLR	Jun	56,370	11,546	286,579	44,824	388.2%	-230,209	-80.3%
FLR	Jul	117,311	53,450	284,123	63,861	119.5%	-166,812	-58.7%
FLR	Aug	144,628	74,430	278,003	70,198	94.3%	-133,375	-48.0%
FLR	Sep	145,277	72,755	293,766	72,522	99.7%	-148,489	-50.5%
FLR	Oct	137,108	44,701	285,428	92,407	206.7%	-148,320	-52.0%
FLR	Nov	103,421	11,899	205,620	91,522	769.2%	-102,199	-49.7%
FLR	Dec	78,098	14,476	187,937	63,622	439.5%	-109,839	-58.4%
FLR	**Total**	**838,025**	**669,487**	**2,874,233**	**168,538**	**25.2%**	**-2,036,208**	**-70.8%**

The carriers that operated in the Florence Vespucci airport in 2021 and the related destinations are listed below:

- The Dutch carrier **KLM** operated 1 daily flight to Amsterdam in January and, Starting from the summer, this carrier increased its flights for the Dutch capital up to 2 daily flights in June and 4 daily flights in August. Daily flights returned to the 2 usual daily flights in the winter.
- The French carrier **AirFrance** operated one daily flight to Paris Charles de Gaulle in January. Starting from the summer, it increased its flights up to 4 daily flights starting from September, which were maintained in the winter.
- **AirDolomiti** operated 3 weekly flights to Frankfurt and 2 weekly flights to Catania in January. Starting from the summer, the airline increased its flights to Munich starting with 6 weekly flights in June and reaching up to 12-13 weekly flights since July. As to the Frankfurt route, the airline operated 11 flights in June and increased them up to 2 daily flights and more in July-October. It continued with 2 daily flights in the winter. Domestic flights to Catania (up to 3 weekly flights), Palermo and Cagliari (up to 2 weekly flights) were also resumed in the June-September period.

- **Blue Air** operated a direct flight to Bucharest until 17 January 2021. Since June, it operated 3 weekly flights to the Romanian capital and increased its flights up 4 per week from July. Flights were reduced to 2 starting from October.
- **Swiss Airlines** operated its flight to/from Zurich until 20 January. The connection was resumed from June, increasing the number of flights operated month after month (3 flights per week in June, 1 flight per day in July until 12-13 weekly flights from September).
- **Austrian Airlines** resumed its direct flight to Vienna from the summer starting with 4 weekly flights in June and up to a daily flight in the July-October period.
- **Brussels Airlines** resumed its operations with the seasonal flight to Brussels in June (3 weekly flights) to increase to 1 daily flight in the rest of the summer season.
- **Iberia** operated again its direct flight to Madrid in the summer, starting with 4 weekly flights, to increase to 1 daily flight from July.
- **Luxair** reconnected Florence with Luxembourg in June with 2 weekly flights.
- The Czech airline **Silver Air** continued operating territorial continuity flights to the Elba Island with 2 flights per week and up to 5 in the summer.
- Starting from June, **British Airways** operated up to 6 weekly flights to London City.
- The Albanian airline **Albawings** operated 2 direct weekly flights to Tirana from July 17th to September 11th.
- **TAP** resumed its 5 weekly direct flights to Lisbon.
- **SAS** operated 3 weekly flights to Copenhagen from September until the end of October.
- The Spanish carrier **Vueling Airlines** operated on the domestic (Catania and Palermo) and international market (Barcelona, London Gatwick, Madrid and Parigi Orly) in the first 15 days of January. With the start of the summer, domestic flights to Catania (up to 6 weekly flights) and Palermo (up to 4 weekly flights) were regularly resumed with one aircraft per base, and a new weekly connection with Olbia was also operated. As regards the international market, flights to Amsterdam (2-3 per week), Barcelona (up to 10-11 daily flights in the high summer season), London Gatwick (up to 7-8 flights per week in the high summer season) and Paris Orly (up to 8 weekly flights) were operated again in 2021. Starting from July, the Spanish carrier resumed summer connections with Bilbao, Copenhagen, Mykonos, Santorini, Munich and Prague, and increased its flights for the destinations already operated in the past. Always from July, a new weekly seasonal flight to Lampedusa was also operated, Since August, flights to Madrid were also resumed, with 15 destinations served against the 7 served in June. The destinations served dropped to 9 in the winter.

Scheduled passenger traffic by Country

A total of 16 markets have been connected with scheduled flights with the Florence airport in 2021.

The international market accounts for 90% of the total scheduled passenger traffic of the Vespucci airport, while domestic traffic accounts for 10.0%. France, Germany, the Netherlands, and Spain are the first four markets, accounting for 67.0% of the total scheduled traffic.

The table below shows the percentage incidence of each European country over the total number of scheduled passenger traffic recorded by the Vespucci airport in 2021 and the difference, both in absolute and percentage terms, compared to 2020:

Please note the recovery of the Danish and Greek markets thanks to seasonal flights to Copenhagen (SAS and Vueling), Mykonos and Santorini (Vueling).

Passenger Scheduled Traffic	2021	2020	Diff.	% Diff.	% over TOT
France	198,676	146,752	51,924	35.4%	24.1%
Germany	124,095	98,856	25,239	25.5%	15.0%
The Netherlands	118,250	75,815	42,435	56.0%	14.3%
Spain	110,945	66,493	44,452	66.9%	13.4%
Italy	82,738	114,357	-31,619	-27.6%	10.0%
Switzerland	46,399	37,599	8,800	23.4%	5.6%
United Kingdom	39,027	59,213	-20,186	-34.1%	4.7%
Austria	24,741	13,731	11,010	80.18%	3.0%
Belgium	22,062	6,986	15,076	215.8%	2.7%
Romania	20599	8717	11,882	136.3%	2.5%
Portugal	10,581	12,238	-1,657	-13.5%	1.3%
Denmark	9,417	0	9,417	100.0%	1.1%
Czech Republic	6,675	4,853	1,822	37.5%	0.8%
Luxembourg	4,525	2,827	1,698	60.1%	0.5%
Albania	4,192	14,681	-10,489	-71.4%	0.5%
Greece	2755	0	2755	100.0%	0.3%
TOTAL	**825,677**	**663,118**	**162,559**	**24.5%**	**100.0%**

Cargo traffic decreased by 77.1% in 2021, mainly due to a reduction in road cargo transport. We remind readers that many special road journeys were organized in 2020 to deliver medical equipment and devices necessary for the Covid-19 pandemic.

7.2.3 Acquisition of Toscana Aeroporti Costruzioni S.r.l.

On 26 January 2021, Toscana Aeroporti S.p.A. signed an agreement for the acquisition of 51% of Cemes Aeroporti S.r.l., a recently incorporated company (July 2020) operating in the building sector, which changed its name into Toscana Aeroporti Costruzioni S.r.l. (TAC).

The business purpose of this company is to build airports, roads, railways; perform river and maritime works; develop noise mitigation systems and prefabricate concrete elements for road, airport and railway facilities.

The acquisition is part of Ta's investment strategy aimed to the development of infrastructures for the Florence and Pisa airports through a subsidiary.

The price of the transaction was Euro 4.5 M. the amount will be paid in five annual instalments until 31 December 2025, with no borrowing or assignment of credit.

We also inform readers that, as specified in the acquisition agreement, Cemes S.p.A. guaranteed TA with an irrevocable option pursuant to Art. 1331 of the Civil Code, through which TA will have the right to purchase from Cemes, who will be obliged to sell, a share of 19% of the share capital of TAC for a price of Euro 2.2 M. This option may be exercised by TA during the period going from 1 January 2024 to 1 July 2024.

8. SIGNIFICANT EVENTS OCCURRED IN 2021

Due to the continuing health emergency and restrictions on the movements of people, air transport was adversely affected by this scenario even in 2021.

On 26 January 2021, Toscana Aeroporti S.p.A. signed an agreement for the acquisition of 51% of Cemes Aeroporti S.r.l., a company operating in the building industry since July 2020, which simultaneously took the name of Toscana Aeroporti Costruzioni S.r.l. ("TAC").

On 2 March 2021, the European Commission announced the compliance with the provisions of the Treaty on the Functioning of the European Union of the € 10 million subsidy allocated by the Region of Tuscany under Regional Law no. 75 of 4 August 2020 on regulatory measures connected with the budget adjustment law 2020-2022 and with Regional Law no. 95 of 3 December 2020 on the direct subsidy for the company Toscana Aeroporti S.p.A. Said subsidy was received by the Company on 16 August 2021.

The runway of the Vespucci airport was closed to air traffic from February 1st, 2021 to April 2nd, 2021 for the renovation of the runway pavement, safety strips, airfield markings and lighting, as part of the flight infrastructure scheduled maintenance plan, in compliance with EASA certification requirements. These works concerned the entire pavement of the runway of the airport and consisted in the replacement of all the lighting and signage; the introduction of new last-generation LED lights, which are more performing in environmental terms, have a greater durability and require less maintenance compared to the previous halogen lamps; the improvement of the electrical system with the replacement of some power lines, connectors, and all isolation transformers; all this to make the entire system more efficient and advanced.

On 20 May 2021, the Board of Directors of Toscana Aeroporti S.p.A., appointed by the Shareholders' Meeting held on 18 May 2021, met to elect the corporate officers and to appoint proxies for management, as required by the applicable Articles of Association and Code of Corporate Governance adopted by the Company.

On 8 September 2021, TA acknowledged the lack of the necessary conditions for the definition of an agreement for the sale of the subsidiary Toscana Aeroporti Handling (TAH). However, the will remains to pursue the strategic objective of transferring handling activities in order to concentrate resources on typical of airport management activities.

With regard to State Support to the Air Transport sector, we remind readers that, under paragraph 715 of Art. 1 of Law no. 178 dated 30 December 2020 (hereinafter also the "2021 Budget Law"), a Euro 500 million fund was created in the budget forecast of the Ministry of the Infrastructure and Transport (now Ministry of Sustainable Infrastructure and Mobility), for the year 2021, to mitigate the economic effects of the Covid-19 emergency on the entire airport sector, with a total compensation of Euro 450 million for the damage suffered by airport operators and Euro 50 million for ground handling airport service providers. Subsequently, Law Decree no. 73 of 25 May 2021, converted, with amendments, by Law no. 106 of 23 July 2021, laying down "Urgent measures related to the Covid-19 emergency for businesses, work, youth, health and territorial services" and, in particular, Art. 73, paragraphs 2 and 3, increased the fund referred to in Art. 1, paragraph 715, of the aforementioned Law no. 178 of 2020 by a further Euro 300 million for the year 2021, with an additional Euro 285 million for airport operators and an additional Euro 15 million for airport ground handling service providers. The total amount of funds made available is therefore Euro 735 million for airport operators and Euro 65 million for airport ground handling service providers. On 26 July 2021, by positive decision C(2021) 5702 final, the European Commission, pursuant to Art. 108, par. 3, of TFEU, authorized the implementation of the measure referred to in Art. 1, par. 715, of the 2021 Budget Law, as increased by Art. 73

of Law Decree no. 73 of 2021, only for the period going from 1 March 2020 to 30 June 2020/14 July 2020 and gave specific indications on the methodology to be used for the determination of the restorable damage. Lawmakers, therefore, considered it necessary to define the implementing rules and criteria for the determination and disbursement of the aid in compliance with the limits and indications provided for in the European Commission Decision, and this was done with the Decree of the Ministry of Sustainable Infrastructure and Mobility of 25 November 2021, in agreement with the Ministry of the Economy and Finance (hereinafter also referred to as the "Implementing Decree"). According to Art. 9 of the Implementing Decree, the same decree became effective on the same day of its publication in the Official Journal, i.e., 28 December 2021. The amount of the subsidy payable to the Group for the period going from 1 March 2020 to 30 June 2020, calculated in accordance with the applicable legislation and applied for by the application submitted on 27 January 2022, was Euro 9.5 million, of which approximately Euro 7.3 million related to the Parent Company TA (50% of which was received in the first days of March 2022) and approximately Euro 2.2 million related to the subsidiary TAH.

9. OPERATING RESULTS OF THE TOSCANA AEROPORTI GROUP

9.1 Consolidated Income Statement

The consolidated economic data of first half of 2021 are summarised below and compared with those of the same period of 2020.

TOSCANA AEROPORTI GROUP - CONSOLIDATED INCOME STATEMENT

Amounts shown in €K	2021	2020	2021/2020 abs. diff.	% Diff.
REVENUES				
Operating income				
Aviation revenues	38,661	30,371	8,290	27.3%
Non-Aviation revenues	14,525	14,666	-141	-1.0%
Network development expenses	-6,661	-4,597	-2,064	44.9%
Total operating revenues	**46,525**	**40,440**	**6,085**	**15.0%**
Other revenues	1,914	1,499	415	27.7%
Revenues from construction services	11,522	8,988	2,534	28.2%
TOTAL REVENUES (A)	**59,961**	**50,927**	**9,034**	**17.7%**
OTHER INCOME (B)	**12,135**	**10,060**	**2,075**	**20.6%**
COSTS				
Operating Costs				
Consumables	812	896	-84	-9.3%
Cost of personnel	27,408	26,239	1,169	4.5%
Costs for services	23,097	21,726	1,371	6.3%
Sundry operating expenses	1,753	2,800	-1,047	-37.4%
Airport fees	2,669	2,192	477	21.8%
Total operating costs	**55,738**	**53,853**	**1,886**	**3.5%**
Costs for construction services	9,822	7,935	1,887	23.8%
TOTAL COSTS (C)	**65,561**	**61,788**	**3,773**	**6.1%**
GROSS OPERATING MARGIN / EBIT (A+B-C)	**6,535**	**-801**	**7,337**	**N/S**
Amortization and impairment	10,706	10,444	262	2.5%

Provision for risks and repairs	4,453	1,736	2,717	156.5%
Value write-ups (write-downs) net of trade receivables and other receivables	1,141	1,668	-527	-31.6%
OPERATING EARNINGS	**-9,765**	**-14,649**	**4,884**	-33.3%
ASSET MANAGEMENT				
Financial income	8	8	-1	-6.8%
Financial expenses	-2,591	-1,347	-1,244	92.4%
Profit (loss) from equity investments	76	101	-25	-25.2%
TOTAL ASSET MANAGEMENT	**-2,507**	**-1,237**	**-1,270**	**102.7%**
PROFIT (LOSS) BEFORE TAX	**-12,272**	**-15,886**	**3,614**	**-22.8%**
Year's taxes	7,412	3,289	4,124	125.4%
PROFIT/(LOSS) FOR THE PERIOD	**-4,860**	**-12,598**	**7,738**	**-61.4%**
Minority Interest's loss (profit) for the period	-396	128	-524	N/S
GROUP'S PROFIT/(LOSS) FOR THE PERIOD	**-5,256**	**-12,470**	**7,214**	**-57.8%**
Profit (loss) per share (€)	-0.282	-0.670	0.388	-57.8%

In compliance with the content of CONSOB's Notice no. DEM/6064293 of 28 July 2006 and subsequent amendments and supplements (CONSOB's Notice no. 0092543 of 3 December 2015 implementing ESMA/2015/1415 guidelines), we specify that the summarised income statement details reported can be easily reconciled with those indicated in financial statements. As to alternative performance indicators, in this Condensed Consolidated Interim Financial Report, TA will provide, in addition to the financial measures prescribed by IFRS, some ratios derived from the latter, although not required by IFRS (Non-GAAP Measures).

These indicators are presented with the purpose of allowing for a better assessment of the Group's management trends and should not be considered as alternative to those required by IFRS. In detail:

- the interim EBIT (Earnings Before Interests and Taxes) coincides with the Operating profit shown in the Income Statement;
- the interim PBT (Profit Before Taxes) coincides with the Profit before taxes shown in the Income Statement.

As regards the EBITDA (Earnings Before Interests, Taxes, Depreciation, Amortization) or Gross Operating Margins, we point out that it reflects the EBIT before amortization and provisions.

In general terms, we point out that the interim profits indicated in this document are not defined as an accounting measure under IFRS and that, consequently, the criteria for the definition of said interim profits might not be consistent with those adopted by other companies.

The table below shows the main income statement results for the period examined.

REVENUES

Total consolidated revenues increased by 5.3%, passed from € 50.9 M in 2020 to approx. € 60 M in 2021. This difference is the main result of the approx. € 6.1 M increase in operating revenues (up by 15%) due to increased traffic (+43% of passengers, +27% of tonnage, +31% of movements) and of the simultaneous increase of about € 2.5 M in revenues from construction services.

We point out that, in compliance with IFRS 15, operating revenues have been booked net of network development expenses arising from marketing support agreements and show an increase of approximately € 2.1 M compared to 2020.

OPERATING INCOME

Consolidated operating revenues totalled € 46.5 M in 2021, up by approx. € 6.1 M, corresponding to +15%, compared to 2020.

Aviation revenues

Aviation revenues totalled € 38.7 M in 2021, up by 27.3% compared to 2020, when they totalled € 30.4 M.
More specifically, revenues from airport fees and charges increased by 30.5% as a direct consequence of the greater traffic managed in 2021 (+41% in terms of traffic units) compared to 2020.
Handling revenues totalled € 12.3 M, up by 20.9% for the same reason, i.e. more traffic managed in 2021 compared to 2020 (+31.2 of movements).

Non-Aviation revenues

The Non-Aviation business consisting in commercial and real estate operations in the two Florence and Pisa airports are carried out:

i. through subcontracting to third parties (Retail, Food, Car Rental, specific areas and other subconcessions);
ii. through direct control (Advertising, Parking Lots, Business Centre, Welcome Desk and VIP Lounge, Air Ticket Office and Cargo Agency).

In 2021, revenues deriving from subconcession activities accounted for 69.2% of Non-Aviation operating revenues, while those deriving from directly managed activities accounted for the remaining 30.8%. These percentages were aligned in 2020.

Year-on-year data at 31 December 2020 for Non-Aviation revenues is € 14.5 M, down by 1% compared to 2020, when they totalled € 14.7 M.

Non-aviation activities were positively affected by the increased traffic managed in 2021, including parking (€ 473 K, +25.6%), Food (€ 137 K, +12,2), Retail (€ 171 K, +6.2%) and Airport Ticket office (€ 84 K, +51.3%), but, at the same time, they were negatively impacted by the persisting consequences of the pandemic on air transport, including Advertising (€ 604 K, -34.6%) and other sub-concessions (€ 443 K, -27.4%).

Network development expenses

Network development expenses totalled € 6.7 M in 2021, up by € 2,064 K (+44.9%) compared to 2020, when they totalled € 4.6 M, consistently with traffic trends.

OTHER REVENUES

Year-on-year data for “Other revenues” show € 1,914 K at 31 December 2021, a greater amount compared to 2020, when the total was € 1,419 K. The difference of about € 415 K substantially derives from the greater recovery of utilities for the subconcessionaires of the two airports.

REVENUES FROM CONSTRUCTION SERVICES

In 2021, revenues from construction services totalled € 11.5 M, up by € 2,534 K (+28.2%) compared 2020 (€ 592 K) due to greater Group investments during the year.

OTHER INCOME

Year-on-year data for “Other income” show € 12,135 K at 31 Dec. 2021, up by € 2,075 K compared to 2020, when they totalled € 10,060 K. The difference substantially derives from income from concession value (€ 1,756 K), recognised according to the provisions of Art. 703 of the “Codice della Navigazione” (Navigation Code), i.e., the value the incoming concessionaire has to pay to the outgoing concessionaire upon the natural expiry of the concession, determined by using regulatory analytical accounting rules. In detail, the amount in question, recognised as a contraentry to concession rights, refers to the share of scheduled maintenance work that has been recognised in the accounts within the framework of the provision for repair, but which, in regulatory analytical accounting, reflects assets that will not be completely amortized at the concession expiry date.
The most important component of the item “Other income” is the public aids of approx. Euro 9.9 million received by the companies of the Group under several decrees issued by the Government to support enterprises during the pandemic (“Decreto Sostegni”, [support decree], Equalization Aid, etc.).
The main aid received in 2021, consisting of Euro 9.5 million, is the one provided with the equalization fund established by the 2021 Budget Law and implemented with a decree of the Ministry of Sustainable Infrastructure and Mobility on 25 November 2021, in agreement with the Ministry of Economic Affairs and Finance, to support airport operators (Euro 735 million) and airport handlers (Euro 65 million).
The aid recognized in 2021, related to the damage suffered by the parent company TA in the period going from 1 March 2020 to 30 June 2020, totalled approximately Euro 7.3 million (50% of which was received at the beginning of March 2022), while for the subsidiary Toscana Aeroporti Handling the aid totalled approx. Euro 2.2 million.
Finally, we remind readers that, during 2020, the parent company TA had received a public aid of Euro 10 million for Covid-19 from the Region of Tuscany.

COSTS

In 2021, costs totalled € 65.6 M, up by 6.1% compared to 2020, when they totalled € 61.8 M. This result was determined by a 3.5% increase in operating costs (from Euro 53.9 million in 2020 to Euro 55.7 million in 2021), directly related to the greater air traffic in 2021 and to the simultaneous increase of approximately Euro 1.9 million in construction services costs due to the greater investments made during the year.

OPERATING COSTS

Operating costs totalled € 55.7 M in 2021, up by 3.5% compared to € 53.9 M reported at the end of 2020. This increase, deriving from the increased operation of the airport for the management of the increased traffic in the two Tuscan airports, is to be compared with the 15% increase in operating revenues, which proves the continuous focus on cost mitigation, aimed at improving profits.

Consumables totalled € 812 K in 2021, down by € 84 K compared to 2020. The decrease is mainly due to the reduced purchase of personal protection equipment (PPE) and to the lower expense for sanitation required for the health emergency (€ -201 K) in 2020, partially mitigated by the increase in fuel costs (+30.4% - € 100 K).

The Group's cost of personnel totalled € 27.4 M in 2021, up by € 1.2 M compared to 2020 (+4.5%). The increase in personnel costs in 2021 compared to 2020 is mainly due to the acquisition of the employees of the new subsidiary TAC, to the renewal of the collective bargaining agreement of the air transport industry, and to a lower use of temporary unemployment benefits and holidays in the second part of 2021, due to the increased traffic managed.

Costs for services totalled € 23.1 M in 2021, up by 6.3% compared to 2020, when they totalled € 21.7 M (€ +1,371 K). The increase in costs for the period under consideration is mainly due to increases in costs for operating services (€ +288 K), which include porterage, cleaning and surveillance, and maintenance services (€ +891 K).

Sundry operating expenses totalled € 1.8 M in 2021, up by € 1,047 K (-37.4%) compared to 2020. The decrease is the result of a significant compensation of € 1.3 M, reported at the end of 2020 by a subsidiary as a result of the early termination of a multi-year supply agreement.

Airport fees totalled € 2.7 M in 2021, up by 21.8% compared to € 2.2 M in 2020. The increase was due to the higher traffic reported at the end of 2021 compared to 2020 (+43% in terms of passengers), which increased airport fees by € 533 K (+46%), partially mitigated by the decrease in the Fire Brigade fee, which was reduced by 5.4% (€ -55 K).

COSTS FOR CONSTRUCTION SERVICES

Costs for construction services totalled approximately € 9.8 M in 2021, up by € 477 K compared to 2020, for the same reasons indicated in the comment to the corresponding revenue item.

YEAR'S RESULT

The 2021 **EBITDA** (gross operating margin) is **positive for € 6,535 K**, up by approximately **€ 7.3 M** compared to 2020, when it was € 801 K. This margin includes public aids for Euro 9.9 million in 2021 and Euro 10 million in 2020.

Amortization and provisions for liabilities totalled € 16.3 M in 2021, up by € 2.5 M compared to 2020. This is mainly due to the higher amounts set aside in the provision for repair - € 2.7 M - and to greater amortization for € 262 K, partly mitigated by the higher amounts set aside in the provision for bad debt for € 527 K.

The 2021 **EBIT** (operating profit) is **negative** for approx. **€ 9.8 M**, down by € 4.9 M compared to 2020, when it was negative for ca. € 14.6 M.

Financial operations passed from a negative amount of € 1,237 K in 2020 to a negative value of € 2,507 K in 2021. The € 1,270 K difference is mainly the consequence of higher bank interests (€ +1,357 K) on the SAC E loan and lower interest expenses generated by the discounting of the provision for repair (€ -212 K).

Profit Before Tax (PBT) shows a **loss of approx. € 12.3 M** for 2021, down by approx. € 3.6 M compared to 2020, when it was negative for € 15.9 M.
The account showing the year's taxes mainly includes prepaid taxes relating to the tax losses reported at year-end, determined after assessing the recoverable portion of the related tax assets in the light of future taxable bases resulting from the economic and financial plans of the Group companies. The increase in cumulative tax losses at the end of 2021 is also due to the deduction of the Covid-19 subsidies accounted for in the previous year.

Therefore, based on the data disclosed above, the year 2021 was closed with a **net loss of € 5.2 M for the Group**, down by € 7.3 M compared to 2020, when the Group reported a negative result of € 12.5 M.

9.2 Consolidated Statement of Financial Position

The table below provides a comparison between the **Consolidated Statement of Financial Position** of the TA Group at 31 December 2021 and the same value at 31 December 2020.

ASSETS	31.12.2021	31.12.2020	DIFFERENCE
NON-CURRENT ASSETS			
Intangible assets	189,119	177,760	11,359
Property, plant and equipment	29,022	29,476	-453
Rights of use	4,583	4,542	41
Equity investments in other entities	2,953	2,945	7
Equity investments in associated companies	632	613	18
Other financial assets	3,211	3,202	8
Receivables from others due beyond the year	162	272	-110
Deferred tax assets	13,076	4,986	8,091
TOTAL NON-CURRENT ASSETS	242,757	223,796	18,961
CURRENT ASSETS			
Trade receivables	16,233	13,180	3,053
of which to Related Parties	*490*	*787*	*-297*
Current tax assets	637	1,026	-389
Other tax assets	2,342	3,194	-852
Receivables from others, due within the year	15,919	14,402	1,516
Cash and cash equivalents	54,147	76,344	-22,197
TOTAL CURRENT ASSETS	89,278	108,146	-18,868
TOTAL ASSETS	332,035	331,942	93

The difference in total assets, down by € 320 K compared to total assets at 31 December 2020, mainly reflects the increase in non-current assets (€ +19 M) and the simultaneous reduction in current assets for approx. € 19.3 M).

More specifically, the increased in non-current assets reflects the positive change in intangible assets as a result of the investments made during the year, after deducting amortization (€ +11.4 M) and the increased deferred tax assets (€ +8.1 M), the latter being mainly due to the effect of the higher tax loss reported at 31 December 2021 on the tax loss incurred during the period.

Current assets are mainly affected by the decrease in in cash and cash equivalents (€ -22.2 M), partly offset by the increase in current receivables (€ 2.9 M).

SHAREHOLDERS' EQUITY AND LIABILITIES	31.12.2021	31.12.2020	DIFFERENCE
CAPITAL AND RESERVES			

Share Capital	30,710	30,710	0
Capital reserves	79,833	87,678	-7,845
IAS adjustments reserve	-3,229	-3,229	0
Profit/(Loss) carried forward	-586	3,858	-4,444
Group's profit (loss) for the period	-5,256	-12,470	7,214
TOTAL GROUP SHAREHOLDERS' EQUITY	101,472	106,547	-5,076
MINORITY INTEREST	1,153	222	931
TOTAL SHAREHOLDERS' EQUITY	102,624	106,769	-4,145
NON-CURRENT LIABILITIES			
Provisions for risks and charges	2,213	2,016	196
Provisions for repair and replacement	16,987	13,920	3,067
Provisions for employee retirement and benefits	5,278	5,736	-458
Financial liabilities due beyond one year	94,037	103,014	-8,977
Financial liabilities for rights of use beyond one year	3,993	4,132	-139
Other payables due beyond the year	2,778	368	2,411
TOTAL NON-CURRENT LIABILITIES	125,285	129,185	-3,900
CURRENT LIABILITIES			
Financial liabilities due within one year	50,711	46,026	4,684
Financial liabilities for rights of use within one year	727	499	228
Current tax liabilities	32	5	27
Other tax liabilities	9,928	9,706	222
Trade payables	30,580	23,968	6,612
Payables to social security institutions	1,596	1,322	275
Other payables due within the year	8,404	6,219	2,185
Provisions for repair and replacement (current portion)	2,147	8,242	-6,095
TOTAL CURRENT LIABILITIES	104,126	95,988	8,138
TOTAL LIABILITIES	229,411	225,173	4,238
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	332,035	331,942	93

The net worth (Shareholders' equity) decreased by approximately € 4.1 M essentially due to the recognition of the Group's operating loss.

Non-current liabilities include a decrease in financial liabilities (€ 9 M) due to the reclassification in current liabilities of outstanding payables due within the following year, partly mitigated by the increase in the long-term share of the provisions for repair and replacement (€ 3.1 M).

Current liabilities (€ +7.7 M) include greater short-term bank loans obtained (€ +4.7 M), the reduction of trade payables (€ +8.9 M), and the reduction of the short-term share of the Provisions for repair and replacement (€ -6.1 M).

INVESTED CAPITAL

The table below compares the summarized data regarding the capital invested at 31 Dec. 2021 with those at 31 Dec. 2020, followed by the main comments on the reported differences.

Amounts shown in **€K**	CONSOLIDATED F.S. 31.12.2021	CONSOLIDATED F.S. 31.12.2020	2021/2020 abs. diff.
NON-CURRENT ASSETS	242,757	223,796	18,961
NET WORKING CAPITAL	-16,558	-17,660	1,102
MEDIUM/LONG-TERM LIABILITIES	-24,898	-22,039	-2,859
INVESTED CAPITAL	201,301	184,097	17,205
SHAREHOLDERS' EQUITY	102,624	106,769	-4,145
NET FINANCIAL INDEBTEDNESS	98,677	77,327	21,350

Fixed assets increased by € 19 M, mainly due to increased intangible assets (€ +11 M) obtained with the year's investments, after deducting the related amortization, and to increased deferred tax assets recognized on the year's tax losses (€ +8.1 M).

The net working capital, negative by € 16.6 M at 31 December 2021, was reduced by € 1.1 M at 31 December 2021 as a consequence of the decrease in current liabilities (€ -7.9 M), more than offset by the increase in the provisions for repair and replacement (€ +6.1 M) and in trade receivables (€ +2.9 M).

Medium/long-term non-financial liabilities increased mainly due to the increase in the provision for repair and replacement due beyond the following year (€ -3.1 M).

As a result of the movements described above, the invested capital of the TA Group at 31 December 2021 increased by € 17.2 M compared to 31 December 2020, with a balance of approx. € 201.3 M.

9.3 Cash flow analysis

The Consolidated Statement of Cash Flows provided below has been prepared by using the indirect method, as defined by IAS 7 which shows the main determinants of movements in cash and cash equivalents occurred during the reporting period.

CONSOLIDATED STATEMENT OF CASH FLOWS (amounts in €K)

Euro K	**Q1 2022**	**Q1 2021**
OPERATING ACTIVITY		
Net result for the period	**(4,860)**	**(12,598)**
Adjusted for:		
- Amortization of tangible, intangible assets, and rights of use	**10,391**	10,444
- Impairment of assets	315	0
- Profit / loss from equity investments	(76)	(101)
- Difference in provision for risks and charges	196	(442)
- Net difference in employee benefits	(635)	(317)
- Net difference in provisions for repair	(3,288)	(4,021)
- Other non-monetary differences	(1,756)	0
- Financial expenses for rights of use	132	137

- Other net financial expenses (income)	2,451	1,201
- Year's taxes	(155)	(67)
- (Increase)/decrease in trade receivables	(2,943)	4,381
- Increase/(decrease) in other receivables	(94)	(6,060)
- Increase/(decrease) in payables to suppliers	6,541	(7,674)
- Increase/(decrease) in other payables	1,730	(9,890)
Cash flow generated by operating activities	**693**	**(28,229)**
- Paid financial expenses	(1,631)	(819)
- Paid income taxes	-	(2,847)
Cash flow generated by operating activities	**(938)**	**(31,894)**
INVESTMENT ACTIVITIES		
- Investments in tangible assets	(3,250)	(2,777)
- Divestment of tangible assets	346	6
- Investments in intangible assets	(11,825)	(9,174)
- Investments in equity and other financial assets	(7)	0
- Dividends received	58	58
- Net acquisition of controlled companies	(992)	0
Cash flow generated (absorbed) by investments activities	**(15,671)**	**(11,887)**
FINANCIAL ASSETS		
- Short-/long-term loans taken out	57,200	105,543
- (Repayment of) short-/long-term loans	(61,924)	(4,660)
- (Repayment of) financial liabilities for rights of use	(863)	(621)
Cash flow generated (absorbed) by loans	**(5,587)**	**100,263**
Net increase/(decrease) in available cash and cash equivalents	**(22,197)**	**56,481**
Cash and cash equivalents at beginning of period	76,344	19,863
Cash and cash equivalents at end of period	**54,147**	**76,344**

At 31 December 2021, cash and cash equivalents were positive for approx. € 54.1 M, down by € 22.2 M compared to cash and cash equivalents at 31 December 2020, when they were approx. € 76.3 M.

The items of the Consolidated Statement of Cash Flows at 31 December 2021 specifically include:

- A greater outflow for about € 0.9 M due to the consequences of the Covid-19 outbreak;
- Investments for approx. € 15.1 M in airport infrastructures;
- net cash outflows of approx. € 5.6 M from financing activities.

9.4 Consolidated Net Financial Position

To complete the information given above, we are providing the Consolidated Net Financial Position as at 31 December 2021 and as at 31 December 2020, in compliance with the provisions laid down in CONSOB's Notice prot. no. 6064293 of 28 July 2006 (aggregated on the basis of the ESMA Guidelines published in 2021).

NET CONSOLIDATED FINANCIAL INDEBTEDNESS			
Euro K	**31.12.2021**	**31.12.2020**	**Abs. diff.**
A. Cash	54,147	76,344	(22,197)

B. Cash equivalents	-	-	-
C. Other current financial assets	-	-	-
D. Liquid assets (A) + (B) + (C)	**54,147**	**76,344**	**(22,197)**
E. Current financial liabilities	41,166	41,042	124
F. Current portion of non-current financial liabilities	11,272	5,484	5,788
G. Current financial liabilities (E) + (F)	**52,437**	**46,525**	**5,912**
H. Net current financial liabilities (G) - (D)	**(1,710)**	**(29,818)**	**28,109**
I. Non-current financial debt	94,037	103,014	(8,977)
J. Debt instruments	-	-	-
K. Trade payables and other non-current liabilities	6,350	4,132	2,218
L. Non-current financial liabilities (I) + (J) + (K)	**100,387**	**107,146**	**(6,759)**
M. Total financial liabilities (H) + (L) (NFP)	**98,677**	**77,327**	**21,350**

The Group's cash on hand as at 31 December 2021 is € 54.1 M. We point out that the "Cash and Banks" item includes a minimum amount of € 1 M, available and deposited in a current account pledged as collateral for the medium-/long-term Loan Agreement stipulated by the Florence airport with the Intesa-San Paolo-MPS bank pool.

Current financial liabilities totalled € 52,437 K at 31 December 2021 reflecting the use of short-term facilities (€ 41,166 K). The "Current portion of non-current liabilities" includes the portions of medium-long term loans due within the next 12 months (€ 9,545 K), financial liabilities for rights of use (€ 727 K) and other liabilities related to the equity investment made in TAC (€ 1 M).

These are to be added to non-current bank payables, totalling approx. € 100.4 M, mainly as non-current portion of the three outstanding loans obtained to make the investments foreseen in the Group's Business Plan and in anticipation of the need to meet cash requirements in the period due to the pandemic, with repercussions on the working capital.

The item "Trade payables and other non-current liabilities" includes the non-current portion of financial liabilities for rights of use (€ 4 M) and the other liabilities related to the purchase of the TAC shareholding (€ 2.4 M).

At 31 December 2021, the Parent Company obtained specific waivers in connection with the measurement of financial parameters, as required by the loan agreements in place with the banking pool Intesa San Paolo-MPS and with Banca Infrastrutture e Sviluppo (BIIS – Intesa San Paolo Group).

Based on the details given above, the new **debt-to-equity ratio** at 31 December 2021 is **0.96** (against 0.72 at 31 Dec. 2020).

The composition of the **Net Adjusted Financial Position** used by the Management for periodic monitoring, is given below. Compared to the financial liabilities described in the previous point, the item does not include the other payables for deferred payments for corporate acquisitions and financial liabilities for rights of use.

ADJUSTED NET FINANCIAL LIABILITIES ("Banks")

Euro K	31.12.2021	31.12.2020	Abs. diff.
Total Financial Liabilities	**98,677**	**77,327**	**21,350**
(Liabilities for deferred payment of acquisitions)	(3,357)	-	(3,357)
(Liabilities for payments to leasing companies)	(4,720)	(4,631)	(89)
Total Adjusted Financial Liabilities	**90,600**	**72,696**	**17,904**

Therefore, the **Adjusted Consolidated Financial Position** at the closing date (31 December 2021) is **€ 90.6 M**, up by € 17.9 M compared to 31 December 2020.

Consequently, the new **adjusted debt-to-equity ratio** at 31 December 2021 is **0.88** (against 0.68 at 31 Dec. 2020).

9.5 Consolidated key financial ratios

In compliance with CONSOB's Notice no. DEM/6064293 of 28 July 2006, and subsequent amendments and supplements (CONSOB's Notice no. 0092543 of 3 December 2015 implementing ESMA/2015/1415 guidelines) concerning alternative performance indicators, the TA Group is submitting, in its Report on Operations, not only the financial ratios required by the IFRS, but also alternative indicators derived, although not required, from IFRS (Non-GAAP Measures).

These indicators are presented with the purpose of allowing for a better assessment of the Group's management trends and should not be considered as alternative to those required by IFRS. More specifically, the alternative performance indicators used are described below (with the calculation method explained in a note for each indicator):

As exhaustively explained in the previous sections of this Report on Operations, the Covid-19 outbreak heavily impacted corporate profits and results in the financial years 2020 and 2021, and consequently also affected the main financial ratios set out below.

Profitability Ratios	Consolidated F.S. 31.12.2021	Consolidated F.S. 31.12.2020
ROE Net Income / Shareholders Equity	-4.74%	-11.68%
Gross ROE Profit Before Tax / Shareholders Equity	-11.96%	-14.88%
ROI Operating Income / Net Invested Capital (1)	-4.85%	-7.96%
ROS Operating Income / Revenues (2)	-13.54%	-24.02%
FINANCIAL EXPENSES / REVENUES RATIO Financial expenses/Revenues (2)	3.59%	2.21%
EBITDA / FINANCIAL EXPENSES RATIO EBITDA/Financial expenses	2.5	-0.6

Equity Ratios	Consolidated F.S. 31.12.2021	Consolidated F.S. 31.12.2020
STOCK TO LIABILITIES RATIO Current assets / Current liabilities	0.86	1.13

DEBT TO EQUITY RATIO Debt (NFP) / Shareholders Equity	0.96	0.72
NET DEBT TO EBITDA RATIO Debt (PFN) / EBITDA	15.10	-96.51
EQUITY TO NON-CURRENT ASSET RATIO Shareholders Equity / Non-current Assets	0.42	0.48

Notes:
(1) Net Invested Capital = Non-Current Assets + NWC (Net Working Capital) - Medium/long-term (non-financial) Liabilities
NWC = Current Assets - Cash and cash equivalents - Current Liabilities + Bank overdraft and short-term loans
(2) Revenues after deducting revenue from constructions.

10. THE GROUP'S INVESTMENTS

The Group's investments at the end of 2021 totalled **€ 15.1 M**, of which € 11.8 M regarding intangible assets and € 3.3 M regarding tangible assets.

Amounts shown in €K	*Airport*	*Sub-tot*	*Sub-tot*	*Sub-tot*	*TOTAL*
Toscana Aeroporti Group's investments at 31 December 2021					15,075
A) Amortization of intangible assets				11,825	
- Software			206		
SAP licenses	PSA/FLR	69			
Microsoft Office licenses	PSA/FLR	38			
Microsoft Windows Server licenses	PSA/FLR	39			
Other minor items	PSA/FLR	60			
- Concession rights			8,431		
BHS and baggage carousel improvement	PSA/FLR	5,380			
Expansion of flight infrastructure and strips	FLR	1,251			
New Lighting & Visual Aids (LVA)	FLR	1,298			
Change made to tramway canopy	FLR	235			
Installation of fixed GPU 400 Hz systems	PSA	170			
Other minor items	PSA/FLR	95			
- Assets under construction			3,091		
Design of new terminal	FLR	650			
New Lighting & Visual Aids (LVA)	FLR	756			
Terminal expansion	PSA	868			
First flush rainwater harvesting treatment system	FLR	225			
Other minor items	PSA/FLR	591			

- Current software:			98	
B) Tangible assets				3,250
- Land and Buildings			1	
- Industrial and commercial equipment			221	
- Plant and machinery			2,700	
Standard 3 EDS X-ray systems	PSA/FLR	2435		
Explosive Trace Detection (ETD)	PSA/FLR	147		
Other minor items	PSA/FLR	118		
- Assets under construction			170	
- Other assets			158	
electronic machines (HW)	PSA/FLR	142		
Other minor items	PSA/FLR	15		

Investment in **intangible assets** include € 1.251 K for the renovation of the flight infrastructure and the expansion of the strips at the Florence airport; € 2,054 K for the new Lighting & Visual Aids (LVA) system of the flight track of the Florence airport; and € 5,380 K for the improvement of the BHS and baggage reclaim carousels in both TA airports.

Investments in **tangible fixed assets** mainly consisted in the purchase of new X-ray equipment (EDS Standard 3) for approx. € 2.4 M.

11. HUMAN RESOURCES

The Group's Staff

In 2021, the average number of employees working for the TA Group has been 677.7 (FTEs), down by 24.4 FTEs (-3.5%) in absolute terms compared to 2020. This difference is affected by the lower traffic managed in the two airports after the Covid-19 outbreak that started in March 2020.

The mean number of employees of TA is 323.4 FTEs, down by 5.7 FTEs (-1.7%), in absolute terms compared to 2020, while TAH has an average number of 322.0 FTEs, down by 32.0 FTEs (-9.0%). TA' and TAH' employees used temporary unemployment benefits ("CIGS") until 23 March 2021 and then the wage guarantee fund (Cassa Integrazione in Deroga), extended until 28 December 2021, and temporary unemployment benefits again since 29 December 2021.

The number of employees of the subsidiary Jet Fuel, the company that manages the fuel storage facility in the Pisa airport, reached 11.3 FTEs. In 2021, Jet Fuel used the CIGS until 8 April and then the CID unemployment benefits.

The subsidiary TAE reduced its staff, reaching a total of 6.5 FTEs. We remind readers that, for infrastructure development, TAE also uses technical staff (engineers, land surveyors, etc.) seconded by the Parent Company TA. TAE is presently using the wage guarantee fund called "Fondo di Integrazione Salariale".

Finally, in January 2021 the Group acquired 51% of Cemes Aeroporti S.r.l., with a staff of 14.5 FTEs.

We remind readers that the subsidiary "Parcheggi Peretola S.r.l." has no staff.

FTE Table	2021	2020	Diff.	% Diff.
Toscana Aeroporti	323.4	329.1	-5.7	-1.7%
Toscana Aeroporti Handling	322.0	354.0	-32.0	-9.0%
Jet Fuel	11.3	10.8	0.4	3.8%
TAE	6.5	7.4	-0.9	-11.7%
TAC	14.5	0	14.5	N/S
VOLA	0.0	0.8	-0.8	-100.0%
GROUP	**677.7**	**702.1**	**-24.4**	**-3.5%**

NOTE: Part-time FTEs are determined proportionally to full-time units (1 FTE).

The Group's cost of personnel totalled € 27.42 M in 2021, up by € 1.18 M compared to 2020 (+4.5%).
The increase in personnel costs in 2021 compared to 2020 is mainly due to the acquisition of the employees of the new subsidiary TAC, to the renewal of the collective bargaining agreement of the air transport industry, and to a lower use of temporary unemployment benefits and holidays in the second part of 2021, due A the increased traffic managed.

Technical training and education

Despite the pandemic, anti-infection policies and the adoption of social "shock absorbers" that made it difficult to organize courses in the classroom, the Group provided a total of 12,409 hours of training, 42% of which followed by female staff and 58% by male staff through corporate e-learning and video-conferencing systems. Compared to 2020, 353 hours of training were delivered.

12. OCCUPATIONAL HEALTH & SAFETY

TA's Prevention and Protection Service (PPS) kept monitoring the main occupational health and safety issues in the Pisa and Florence airports throughout 2021.
Starting from the end of January 2020, PPS activities have been strongly affected by the Covid-19 outbreak for all the three companies.
The greater effort required to prevent, control and manage biological risks implied the overturning of the priorities and objectives that had been identified and planned at the end of 2020.
The primary effort of the H&S function was to establish an interface with the competent bodies (USMAF - Air, Maritime and Frontier Health Authority, ASL - Local Health Units,

Occupational Medicine, etc.) and support all the operating functions in the continuity of airport activities during the most critical phase, so as to ensure compliance with the various guidelines issued by the government ("DPCMs") and with the technical and regulatory prerequisite for a full resumption of activities in June.
"COVID-19 Infection Prevention Protocols" were developed and subsequently submitted to the Regional Government by May, and were certified by SGS Italia in July 2020.
The following are the main activities carried out to minimize virus transmission in the workplace:

- Implementation of measures to limit the spread of the virus in workplaces with "Infosicurezza" - appropriate information disseminated to inform and train the personnel on the correct behaviour and good practices to be adopted right from the beginning of the outbreak;
- Implementation of signage, voice announcements, distancing devices, new layout, smart working, protective plexiglas barriers, and so on;
- COVID-19 Infection Prevention Protocols submitted to the Regional Government by May 31, 2020 as required by the Regional Order;
- Certification of the COVID-19 Infection Prevention Protocols by SGS Italia (July);
- Control Committees met 5 times to date (company, trade unions and workers' representatives) according to the DPCM of 26 March 2020;
- Adjustment of workplace cleaning and sanitation plans;
- "Triage" project launched at the entrances of the Pisa and Florence airports, also for the airport personnel ("Aeroporto Sicuro" - safe airport - project);
- Constant procurement, distribution and management of PPE and Covid-19 protection devices (face masks, sanitizing gels and wipes);
- Day-by-day management of personnel and user infection cases.

The following information is recorded for each company:

- Employer
- Airport Safety Managers (only in TA)
- SPPM (Prevention and Protection Service Manager, in Italian "RSPP")
- Prevention and Protection Service (for the subsidiaries TAH and TAE, services provided by TA)
- Health surveillance facility (Competent Physician, etc.)
- Emergency management personnel

For the management company, Toscana Aeroporti S.p.A. ("TA"), the constant monitoring of specific security-related site issues has been delegated to two managers (pursuant to Art. 16 of Legislative Decree no. 81/08), one for each airport (Pisa and Florence), by TA's Employer.
In addition, each company has its own workers' health and safety representatives (in Italian "RLS", *rappresentanti dei lavoratori per la sicurezza*) for each site, who are involved by the SPPM to play an active role in inspections, in reporting events or aspects to be monitored, in risk assessments and in the related prevention measures, as well as in periodic meetings (Art. 35 of Leg. Dec. 81/08).
The Prevention and Protection Service directly provides training to all the personnel (employees, managers and executives) in accordance with Legislative Decree no. 81/08 and the relevant agreements between regional governments and the central government.

Maintenance of the ISO 45001:2018 certification

In December 2021, TA and TAH were audited the certification body DNV to maintain the ISO 45001:2018 certification. The audit was successful and the certificate is about to be issued. The implementation of this model allows the companies to be compliant with the provisions set forth in Art. 16, paragraph 3, and Art. 30 of Leg. Dec. no. 81/08, which require the adoption of an auditing model for the tasks of the Employer and Airport Safety Managers, with significant positive implications on the administrative responsibility of companies for occupational health and safety crimes, as provided for in the Organizational Model required by Leg. Dec. no. 231/2001.

Risk assessment and protection devices

For the reasons described above, the risk identification and assessment process is constantly being implemented, with continuous updates to the risk assessment and the respective reference documents ("DVR", *Documento di Valutazione dei Rischi*).
These documents may sometimes require an update or supplement to operating procedures or prevention and mitigation measures, which are formalized through the issuing of specific risk information (*INFO Sicurezza*) to focus on and address important aspects of occupational health and safety.
Risk identification criteria take into account the individual risk categories identified in the workplaces and those deriving from the activities carried out by employees, categorized in groups by role, also considering the simultaneous presence of third parties and the use of equipment and systems.
Collective or individual protection devices (PPE) are then adopted in line with the outcome of the aforesaid assessments.

Emergency and evacuation drills

Annual emergency and evacuation drills have been conducted in the two airports in November 2021, as required by Ministerial Decree (D.M.) no. 10/03/98, in cooperation with the Fire Brigade and the Prevention and Protection Service of the Border Police, and in the Pisa airport also with the subsidiary Jet Fuel.

More specifically, the following drills have been performed in the two airports:
1. Pisa airport (November 24th – starting fire in check-in A);
2. Florence airport (November 24th – check-in starting fire scenario).

Both fire drills have been conducted in compliance with the applicable COVID-19 infection prevention measures.

Labour accidents

The number of labour accidents and the consequent working days lost decreased significantly for both TA and TAH due to the impact of the outbreak on the airline industry. The incidents recorded were mainly caused by oversights or inexperience (the so-called "human factor") rather than to events related to vehicles, equipment or dysfunctional work processes.
Training programs focusing on the "human factor" have been organized by the PPS and generally included in TA/TAH training programmes.
For further details, please consult the Consolidated Non-Financial Statement 2021.

13. IT SECURITY AND PRIVACY LEGISLATION - EU Regulation no. 2016/679

Law Decree no. 5 of 9 February 2012 (converted by Law no. 35 of 4 April 2012) amended certain provisions concerning minimum security measures by deleting, in particular, the Safety Plan. However, the abolition of the obligation to draw up a Safety Plan does not exempt the company from the obligation to fulfil all the other privacy requirements.

In order to ensure that personal data are processed in compliance with the applicable privacy legislation, Toscana Aeroporti upgraded its facilities to comply with the requirements of EU Regulation 2016/679 (regarding the protection of the personal data of natural persons and the free movement of said information) and Leg. Dec. no. 196/2003 ("*Codice Privacy*" - Privacy Code) supplemented with the changes introduced by Leg. Dec. no. 101 of 1 August 2018.

14. RESEARCH & DEVELOPMENT

The Covid-19 outbreak imposed the need to quickly respond to new corporate needs in terms of remote work and the postponement of certain investments and projects initially scheduled to start under the ICT Strategic Plan 2020 – 2021.
Technological investments, the improvement of processes, standardization, the integration and consolidation of IT systems implemented in previous years enabled us to rapidly respond to the new requirements arising from the global health emergency, thus capitalizing on the work done in the past and exploiting the scalability obtained with past interventions.
In addition to managing the Covid-19 emergency, in 2020 TA was engaged in innovation and process improvement activities which consisted in the use of technologies to upgrade IT infrastructures and improve corporate applications.
More specifically, during 2020 TA:

- Started creating an internal and customized NOC (Network Operation Center) service to monitor the IT network and related equipment with a view to detecting potential cybersecurity events concerning the availability of network services;
- Standardized the mobile telephone service contract (with a technical upgrade for better efficiency and capacity and for greater savings on the costs of the service).
- Started a process for the adoption of an IT security management system including logical, physical and organizational security functionalities, with the objective of upgrading the company IT systems, where necessary, and checking their compliance with the ISO 27001 standard for a future certification;
- Implemented a software for the use of digital Kanban Boards to improve team performances with a tool for the visual management of design activities;
- Implemented additional tools for the tracking of System Administrators' activities, in compliance with the directives of the Corporación America Airports group;
- Started a project for the replacement of the corporate proxy(technical security upgrade for access to the Internet from the airports' workstations);
- Upgraded the RDBMS infrastructure by consolidating the enterprise databases;
- Extended the cargo management software to the Florence airport for its possible future activation.
-

15. RELATIONSHIPS WITH THE OTHER ENTITIES OF THE GROUP AND WITH RELATED PARTIES

Revenues, costs, receivables and payables at 31 December 2021 from/to parent companies, subsidiaries, associates and other related parties concern the sale of assets or services that consist of routine Group operations. Transactions are performed at an arm's length, based on the characteristics of the goods sold and the services delivered. Information on relationships with related parties, including the disclosures required by CONSOB's Notice no. DEM/6664293 of 28 July 2006, is provided in the Explanatory Notes to the Consolidated Financial Report.

At 31 December 2021, the TA Group holds interests in the following other associated companies:

- Immobili A.O.U. Careggi S.p.a.

A company incorporated to manage the retail area at the new entrance of the Careggi Hospital of Florence ("NIC"), whose share capital is 25% owned by TA (unchanged with respect to 31 December 2021), while the remaining 75% is owned by Azienda Ospedaliera Universitaria Careggi. Its registered office is at the address of the Careggi Hospital of Florence and the administrative office is located in the Pisa Galilei airport.
At 31 December 2021, TA has a service agreement in place with this associate for staff management activities, for a period value of approx. € 19 K and recognized a variable price based on revenues of € 107 K.

- Alatoscana S.p.a.

Company that manages the Elba Island airport. TA owns a 13.27% share in the share capital of this company (13.27% at 31 Dec. 2020), and the majority is owned by Regione Toscana (51.05%) and the Maremma and Tirreno Chamber of Commerce (34.36%).
A service level agreement has been in place for several years with this associate at 31 December 2021 for outsourced staff activities, for a global value of approx. € 63.2 K.

The main relationships with the other related parties at 31 December 2021 are:

- Delta Aerotaxi S.r.l.

A number of agreements are in force between the Holding and Delta Aerotaxi S.r.l.:
- the subconcession of office premises and other types of spaces in the Pisa airport for a value of € 150 K in revenues at 31 December 2021;
- Aviation revenues for € 242 K for the invoicing of airport fees, taxes and extra handling services concerning General Aviation in the Pisa airport.
- Additional revenues for about € 22 K from the aforesaid associate are recognized at 31 December 2021 and consist in the charge-back of common services and insurance expenses due under existing agreements, as well as for parking passes and airport permits in the two airports.
- Costs for services for € 16 K for travel services purchased by the Parent Company.

- Corporate Air Services S.r.l.

At 31 December 2021, the Parent Company had the following relationships with the related party Corporate Air Services S.r.l., the company that manages General Aviation at the Florence airport, indirectly connected with TA through SO.G.IM. S.p.a., a TA shareholder:
- Aviation revenues for € 492 K for the invoicing of airport fees, taxes, handling fees and centralized General Aviation infrastructure in the Florence airport, € 40 K for the same services provided in the Pisa airport;
- the subconcession of office premises and other types of spaces in the Pisa airport for a value of € 38 K in revenues for TA at 31 December 2021;
- Non-aviation revenues for € 139 K at 31 December 2021 regarding the subconcession of 130 square metres in the air-side area in the Florence airport.

Additional revenues of approx. € 2 K from said related party are recognized at 31 December 2021 for the charge-back of common services and insurance expenses due under existing agreements, as well as for parking passes and airport permits in the two airports.

- Delifly S.r.l.

On 13 September 2007, AdF (today TA) and Delifly S.r.l. (related party through SO.G.IM. S.p.A) signed an agreement by which AdF (today TA) committed to sub-lease Delifly an area of approx. 122 sq.m. that Delifly would use exclusively to install a removable object to be used for the delivery of General Aviation catering services in the Florence airport (€ 39 K of revenues for TA at 31 December 2021).
Lastly, the Group accrued a further € 7 K revenues from Delifly for the charge-back of common services, third-party liability insurance coverage expenses, and the assignment of parking passes and airport permits in the two airports.

- ICCAB S.r.l.

ICCAB S.r.l. is a related party of TA since the Member of TA's BoD, Mr. Saverio Panerai, has a significant influence on ICCAB S.r.l. pursuant to the regulation on related-party transactions adopted by CONSOB.
We point out that the Parent company has an agreement in place for the subconcession of premises located in an air-side area of the Pisa airport used by ICCAB for retail activities, for a value of approx. € 6 K in revenues at 31 December 2021.
Finally, during 2021, the Group accrued a further € 1.5 K in revenues from ICCAB S.r.l. for the charge-back of common services of the two airports.

- **Corporación America Italy S.p.A.**

Since 2016, the holding adopted the tax consolidation option provided for by Articles 117 to 129 of the Consolidated Text on Income Taxation ("*Testo Unico delle Imposte sui Redditi*" - T.U.I.R), whose consolidating entity is Corporación America Italia S.p.A. The consolidating entity calculates a single global income equalling the algebraic sum of the taxable bases (income or loss) realized by the individual entities that adopted this group taxation option. The consolidating entity recognised an account receivable from the consolidated entity that equals the IRES tax to be paid on the positive taxable base transferred by the latter. Instead, the consolidating entity recorded an account payable to the companies that contribute tax losses equalling the IRES tax to be paid on the loss actually used in the determination of the global aggregate income. Furthermore, as a result of participating in the National Tax Consolidation, pursuant to art. 96 of D.P.R. 917/86, companies can contribute the excessive interests payable that can no longer be deducted for one of them in order to reduce the global aggregate income of the Group until the Gross Operating Income amount produced in the same tax period by other consolidated entities is reached. At 31 December 2021, TA has no IRES payable to the parent company CAI, as a consequence of the negative result for the period.
Finally, we specify that no non-core transactions were performed with related parties in 2021 and that Toscana Aeroporti S.p.A. does not own and did not purchase or transfer treasury stock or stock of controlling companies, including through the intermediary of trust companies or another person.

Shareholdings of the members of the Board of Directors and of the Board of Auditors

At the date of this financial statement, the parent company TA is owned with the following shares:
- 6,345 shares owned by Statutory Auditor Roberto Giacinti;
- 2,403 shares owned by Board Member Saverio Panerai.

16. MAIN INFORMATION ON THE PARENT COMPANY, SUBSIDIARIES, AND THEIR RELATIONSHIPS

16.1 Toscana Aeroporti S.p.A.

For financial, economic, and equity information regarding the holding TA, and for a comparison between the Management Income Statement, Balance Sheet and Net Financial Position of 2021 against 2020, please refer to the Explanatory Notes to the financial statements.

16.2 Parcheggi Peretola S.r.l.

Parcheggi Peretola S.r.l. became a member of the TA Group in 2015 after the incorporation of AdF, which owned 100% of its shares. The prevalent activity of this company is the management of a 640-slot payment car parking lot for the public in front of the Departures Terminal of the Florence airport.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. The main accounts of this financial statement are summarized below.

For the consolidated financial statement, the financial statement of the subsidiary has been appropriately adjusted to take into account the impact deriving from the application of international accounting standards.

PARCHEGGI PERETOLA - INCOME STATEMENT

Amounts in €K	2021	2020	abs. diff.	% Diff.
REVENUES				
Non-Aviation revenues	525	564	-39	-7%
Other revenues	41	52	-11	-21%
TOTAL REVENUES (A)	566	616	-50	-8%
OTHER INCOME (B)	222	20	202	1019%
COSTS				
Costs for services	130	248	-118	-48%
Sundry operating expenses	55	1,356	-1,301	-96%
TOTAL COSTS (C)	186	1,605	-1,419	-88%
GROSS OPERATING MARGIN / EBIT (A+B-C)	603	-969	1,571	N/S
% incid. over total revenue	106.5%	6.6%		
Amortization and impairment	41	56	-15	-27%
OPERATING EARNINGS	561	-1,025	1,586	N/S
% incid. over total revenue	99.2%	5.0%		
PROFIT (LOSS) BEFORE TAX	561	-1,025	1,586	N/S

Year's taxes	-99	252	-351	N/S
PROFIT/(LOSS) FOR THE PERIOD	463	-773	1,236	N/S

The economic values of 2021 show revenues for € 566 K and € 222 K of Other Income for a total of € 788 K, up by € 152 K (+24%) compared to 2020 mainly attributable to public aids ("Decreto Sostegni" [Support Decree], Equalization Aid) received from the State (€ 220 K) to partially restore the losses caused by the pandemic.

Costs totalled € 186 K at 31 December 2021, strongly decreasing compared to € 1,605 K in 2020, the most significant component being the compensation recognized to a supplier for the early termination of a multi-year contract relating to the management and maintenance of parking lots (€ 1.3 M).

The 2021 Gross Operating Margin (EBITDA) is positive for € 603 K, up by € 1,571 compared to 2020, and the year's net profit is € 463 K, up by approx. € 1.2 M compared to the loss of € 773 K in 2020.

Parcheggi Peretola has a positive net financial position of € 730 K at 31 Dec. 2021 (€ 1,022 K at 31 Dec. 2020).

16.3 Toscana Aeroporti Engineering S.r.l.

Toscana Aeroporti Engineering Srl ("TAE"), incorporated on 15 January 2015, started operating in August 2015 as an engineering subsidiary 100% owned by Toscana Aeroporti with the mission of providing TA with the engineering services required for the implementation of the program for the development of the two Florence and Pisa airports.

For the engineering activities serving the design of the Master Plan, TAE uses its own staff and the support of:

1. detachment of technical/engineering staff by TA (11 units at 31 December 2021);
2. in-house staff (7 employees at 31 December 2021);
3. specialized service contractors.

In continuity with 2021, TAE has been planning infrastructure improvements in both airports, specifically:

- Architectural design of the new passenger terminal and of the facing and surrounding land-side areas of the Florence airport;
- Preparation of the documentation required for the airport noise abatement and mitigation plan ("PCAR") of the Florence airport;
- Executive planning and management of the requalification and improvement works concerning the strip and flooring of the flight track 05-23 of the Florence airport;
- Executive planning and management of works for the electrification of the hydraulic rainwater harvesting/treatment tanks of the Florence airport;
- Executive design of the improvement of airfield markings in aprons 100, 200 and 300;
- Executive planning of the works for the construction of a sewerage bypass as a preliminary work for the expansion of the Pisa passenger terminal;
- Project management for the improvement of the BHS and baggage carousel systems (Florence and Pisa);
- Executive planning of the expansion of the Pisa passenger terminal - Phase 1;
- Project management for construction of fixed GPU 400 Hz systems (Pisa).

At 31 December 2021, the company had 7 direct employees and, consistently with 2021, staff-related activities have been carried out by the Holding under a servicing agreement signed between the parties.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. The main accounts of this financial statement are summarized below.

For the consolidated financial statement, the financial statement of the subsidiary has been appropriately adjusted to take into account the impact deriving from the application of international accounting standards.

Toscana Aeroporti Engineering - Income Statement

Amounts in €K	2021	2020	Abs. diff.	% Diff.
REVENUES				
Other revenues	2,525	2,569	-44	-2%
TOTAL REVENUES (A)	2,525	2,569	-44	-2%
OTHER INCOME (B)	0	0	0	
COSTS				
Cost of personnel	442	332	110	33%
Costs for services	2,022	2,078	-57	-3%
Sundry operating expenses	4	2	2	105%
TOTAL COSTS (C)	2,468	2,412	56	2%
GROSS OPERATING MARGIN / EBIT (A+B-C)	57	156	-100	-64%
% incid. over total revenue	2.2%	6.6%		
Amortization and impairment	22	38	-16	-41%
OPERATING EARNINGS	35	118	-84	-71%
% incid. over total revenue	1.4%	5.0%		
ASSET MANAGEMENT	-4	0	-4	N/S
PROFIT (LOSS) BEFORE TAX	31	118	-88	-74%
Year's taxes	-16	-39	24	-60%
PROFIT/(LOSS) FOR THE PERIOD	15	79	-64	-81%

Revenues totalled € 2,525 K in 2021, reflecting the year's portion of the projects commissioned by TA, as better described above.

Costs totalled € 2,468 K in 2021, mainly including costs for in-house staff for € 442 K, outsourced survey and design costs for € 1,288 K, and TA seconded staff costs for € 420 K.

The EBITDA for the period is € 57 K and the net profit for the period is € 15 K.

TAE has a positive net financial position of € 356 K at 31 Dec. 2021 (against € 76 K at 31 Dec. 2020).

16.4 Jet Fuel Co. S.r.l.

Jet Fuel Co. s.r.l. is the entity that manages the centralized fuel storage facility of the Pisa airport. The share owned by TA equals 51.0% of voting rights, while property and dividend rights are exercised in equal portions with the other shareholders, Refuelling S.r.l. and Air BP Italy S.p.A. Therefore, for consolidation purposes, said equity and operating result share has been considered at 33% for the TA Group.

A total of 48,977 cubic metres of jet fuel passed through the storage facility during 2021, with a 46.3% volume increase compared to the 33,486 cubic metres of 2020. The company provided into-plane services for 47,110 cubic metres of fuel, with an 85.9% decrease compared to the 25,345 cubic metres of 2020.

At 31 December 2021, Jet Fuel had a sub-licensing agreement in place with TA for the management of the centralized fuel storage facility, for a global value of € 289 K (JF's airport fee) for 2021, supply of utilities for approx. € 11 K and other services (airport permits, parking lots, etc.) for a value of approx. € 1 K.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. The main accounts of this financial statement are summarized below.

For the sole purpose of the Consolidated Financial Statement, the Financial Statement of the Subsidiary has been adjusted to take into account the impact deriving from the application of international accounting standards.

JET FUEL - INCOME STATEMENT

Amounts in €K	2021	2020	Abs. diff.	% Diff.
REVENUES				
Aviation revenues	1,545	899	646	72%
Other revenues	4	3	0	14%
TOTAL REVENUES (A)	1,549	902	646	72%
OTHER INCOME (B)	154	15	139	903%
COSTS				
Consumables	51	32	18	56%
Cost of personnel	543	544	-1	0%
Costs for services	391	251	141	56%
Sundry operating expenses	17	20	-4	-18%
Airport fees	289	209	80	38%
TOTAL COSTS (C)	1,291	1,057	234	22%
GROSS OPERATING MARGIN / EBIT (A+B-C)	412	-139	551	N/S
% incid. over total revenue	26.6%	6.6%		
Amortization and impairment	152	139	14	10%
Provision for risks and repairs	60	0	60	N/S
Bad debt reserve	1	0	1	N/S
OPERATING EARNINGS	199	-278	477	N/S
% incid. over total revenue	12.8%	5.0%		
ASSET MANAGEMENT	-9	-6	-2	33%

PROFIT (LOSS) BEFORE TAX	190	-284	475	N/S
Year's taxes	-5	94	-100	N/S
PROFIT/(LOSS) FOR THE PERIOD	185	-190	375	N/S

Jet Fuel's 2021 total reached are € 1,703 K (€ 917 K at 31 Dec. 2020), mainly including the fuel storage service for € 694 K and the into-plane service for € 752 K. During 2021, the company received € 153 K of state aids ("Support Decree", equalization aid).

The main costs of 2021 are € 1,291 K (€ 1,057 K in 2020) and include the cost of personnel (€ 543 K), the airport subconcession fee (€ 289 K), tank truck maintenance and fuel (€ 74 K), professional services (€ 186 K), and industrial insurance (€ 68 K).

Consequently, the 2021 result is a negative EBITDA of € 412 K (negative for € 139 K in 2020) and a net operating profit of € 185 K for the period, compared to the € 190 K loss reported in 2020.

Jet Fuel's net financial position at year-end is negative for € 157 K (€ 325 K at 31 Dec. 2020).

16.5 Toscana Aeroporti Handling S.r.l.

Toscana Aeroporti Handling S.r.l., a 100% subsidiary of Toscana Aeroporti S.p.A., has been operating since 1 July 2020 with the business purpose of providing the services described in Legislative Decree no. 18 of 13 January 1999, and subsequent amendments and supplements, as well as of conducting additional and necessary activities related to handling. Handling activities include airport ground aircraft, passenger and cargo handling services.

During 2021, TAH managed a total of 25,869 commercial aviation movements in the two airports, which corresponds to a 92% market share (93.8% in 2020 with 22,522 movements). The +18.3% change in movements between the two financial years under examination is linked, as for the other companies of the Group, to the resumption of traffic in the two Tuscan airports.
In terms of assisted movements, the 2021 market share of each individual airport for commercial aviation traffic is 86.8% for Pisa (86.7% in 2020) and 96.1% for Florence (98.8% in 2020).

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. The main accounts of this financial statement are summarized below.

For the consolidated financial statement, the financial statement of the subsidiary has been appropriately adjusted to take into account the impact deriving from the application of international accounting standards.

TOSCANA AEROPORTI HANDLING - INCOME STATEMENT

Amounts in €K	2021	2020	Abs. diff.	% Diff.
REVENUES				
Aviation revenues	11,333	9,608	1,725	18%
Non-Aviation revenues	68	37	32	87%
Other revenues	735	668	67	10%
TOTAL REVENUES (A)	12,136	10,312	1,824	18%
OTHER INCOME (B)	2,373	20	2,354	N/S

COSTS				
Consumables	172	176	-4	-3%
Cost of personnel	9,763	9,686	77	1%
Costs for services	4,667	4,104	563	14%
Sundry operating expenses	215	148	67	45%
TOTAL COSTS (C)	14,817	14,114	703	5%
GROSS OPERATING MARGIN / EBIT (A+B-C)	-307	-3,782	3,475	-92%
% incid. over total revenue	-3%	7%		
Amortization and impairment	480	678	-198	-29%
Provision for risks and repairs	120	200	-80	-40%
Bad debt reserve	26	30	-4	-14%
OPERATING EARNINGS	-933	-4,691	3,758	-80%
% incid. over total revenue	-8%	5%		
ASSET MANAGEMENT	-58	-4	-54	N/S
PROFIT (LOSS) BEFORE TAX	-991	-4,695	3,704	-79%
Year's taxes	751	1,106	-355	-32%
PROFIT/(LOSS) FOR THE PERIOD	-240	-3,589	3,349	-93%

The main revenues of 2021 include € 11.3 M of handling services and € 735 K of other revenues and income, substantially related to the debiting of the required operating services to TA. The other 2021 revenues also include some € 2.2 M relating to the government aid given to airport handling companies under the 2021 Budget Law[1].

The main costs of 2021 were the cost of personnel (€ 9.8 M) and the cost of outsourced services (€ 4.7 M).

The EBITDA for the period is negative for € 307 K and the operating loss reported by the company in 2021 is approx. € 240 K.

The NFP of TAH at 31 Dec. 2020 is negative for € 3,017 K (€ 1,040 K at 31 Dec. 2020).

In any case, the parent company TA declared its intention and irrevocable commitment to keep financing and supporting TAH in order to ensure both the fulfilment of its obligations and the regular continuity of its operations.

16.6 Toscana Aeroporti Costruzioni S.r.l.

On 26 January 2021, Toscana Aeroporti S.p.A. signed an agreement for the acquisition of 51% of Cemes Aeroporti S.r.l., a recently incorporated company (July 2020) operating in the building sector, which changed its name into Toscana Aeroporti Costruzioni S.r.l. (TAC). The business purpose of this company is to build airports, roads, railways; perform river and maritime works; develop noise mitigation systems and prefabricate concrete elements for road, airport and railway facilities.

Throughout 2021, the company worked mainly on two job orders: the first, almost completed at 31 Dec. 2021, consisted in the maintenance and safety upgrade of the building where the Fire Brigade has its premises in the Pisa airport, and the second, which

1 State aid under Art. 1, par. 715, of Law no. 178 of 30 December 2020. See Section 8 for further details. Significant events occurred in 2021.

Toscana Aeroporti

was finally tested at 31 Dec. 2021, consisted in the completion of significant works in the Florence airport to renovate the flight infrastructure (runway 5-23) and the adjacent strips.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. For the consolidated financial statement, the financial statement of the subsidiary has been appropriately adjusted to take into account the impact deriving from the application of international accounting standards.

TOSCANA AEROPORTI COSTRUZIONI - INCOME STATEMENT

Amounts in €K	2021	2020	Abs. diff.	% Diff.
REVENUES				
Other revenues	10,785	1,538	9,247	601%
TOTAL REVENUES (A)	10,785	1,538	9,247	601%
OTHER INCOME (B)	4	0	4	N/S
COSTS				
Consumables	2,512	34	2,478	7295%
Cost of personnel	1,120	1,530	-410	-27%
Costs for services	6,649	104	6,545	6295%
Sundry operating expenses	72	75	-3	-4%
TOTAL COSTS (C)	10,352	1,743	8,609	494%
GROSS OPERATING MARGIN / EBIT (A+B-C)	437	-205	642	-313%
% incid. over total revenue	4.0%	6.6%		
Amortization and impairment	1,298	1,298	0	0%
OPERATING EARNINGS	-862	-1,503	641	-43%
% incid. over total revenue	-8.0%	5.0%		
ASSET MANAGEMENT	-0	0	-0	N/S
PROFIT (LOSS) BEFORE TAX	-862	-1,503	641	-43%
Year's taxes	142	43	99	228%
PROFIT/(LOSS) FOR THE PERIOD	-720	-1,460	740	-51%

The main revenues of 2021 mainly include approx. € 11.3 M of work completed within the framework of the projects ordered by the Parent Company.

On the cost side, the most significant component is the cost of services, approx. € 6.7 M. In detail, these consisted in outsourced work for approx. € 4 M, rental of machines and equipment for approx. € 1.7 M, professional services for € 334 K, seconded personnel for € 249 K, and industrial insurance for € 76 K.

Consequently, the 2021 EBITDA totalled € 437 K (negative for € 205 K in 2020) and loss for the year is € 720 K (loss of € 1.460 K in 2020).

The NFP of TAH at 31 Dec. 2020 is negative for € 315 K (€ 8 K at 31 Dec. 2020).

In any case, the parent company TA declared its intention and irrevocable commitment to keep financing and supporting TAC in order to ensure both the fulfilment of its obligations and the regular continuity of its operations.

17. MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

The main risk factors that may affect the Group's operations are described below.

- RISKS ASSOCIATED WITH THE GENERAL CONDITIONS OF THE ECONOMY AND THE INDUSTRY, ALSO DUE TO THE COVID-19 OUTBREAK

The main factors that may affect operations in the transport sector where the Group operates are, *inter alia*, the gross domestic product (GDP), the business and consumer confidence level, the unemployment rate and the oil price. In general, the international political unrest, the credit crunch, the high unemployment rate, the reduction in the available income for families in real terms, and the consequent decrease in consumption, as well as events like the Covid-19 outbreak, continue causing a significant reduction in the demand for air transport. Should the economic weakness persist, also in the light of the conflict between Ukraine and Russia that started at the end of February 2022 and of the economic sanctions against Moscow, it cannot be excluded that the situation may lead to the continued negative impact on the economic and financial situation of the Company and the Group.

A prolonged duration of the conflict and its possible extension to other geographical areas could lead to a significant decline in international demand and tourist flows even in markets not adjacent to Russia/Ukraine. Moreover, the rising cost of fuel for airlines and the re-routing of airplanes to avoid overflying Russian airspace to reach Asia are increasing costs that could result in an increase in the cost of passenger tickets. However, we point out that revenues from passenger traffic to and from Russia was limited in 2021.

As to the Covid-19 pandemic, taking into account the current situation related to the spread of the virus both in Italy and globally and the continuing infection trends, in the hope that the vaccination campaigns launched at the end of 2020 will confirm their effectiveness, there is still uncertainty as to the duration and geographical expansion of this health emergency and the potential future impact it may have on the development of air traffic and on the economic performance of the Group.

In fact, these effects could be a consequence of the extension of restrictive measures which limit the movement of people within and between countries and geographical areas, of economic criticalities and impacts on many business sectors, and finally also the psychological impact of the emergency on the propensity of individuals to travel by air, as well as the possible extension or further tightening of health protection measures (i.e. social distancing), which could eventually reduce the capacity of the airport infrastructure and aircraft compared to the pre-Covid-19 situation.

The persistence, over a medium-long time horizon, of lower traffic levels than those reported in the pre-Covid period could make it necessary to revise, even substantially, the business model and infrastructure development plan of the Florence and Pisa airports.

In any case, there are several countries in Europe and globally that are relaxing Covid-19 restriction at the moment. In addition to that, authoritative sector studies expect a return to pre-Covid traffic levels starting from 2024, also thanks to the vaccination campaign underway worldwide.

For further information and insights, see the "Liquidity risk" and "Impact of the Covid-19 outbreak" sections in the Explanatory Notes.

- RISKS ASSOCIATED WITH CLIMATE CHANGE

With regard to risks associated with climate change, to be considered exogenous for the Toscana Aeroporti Group, we are monitoring their potential implications on our business and we can say that these risks do not directly affect the core business of the Group. In addition, the criteria underlying our corporate environmental policies should allow the Group to adopt climate change resilient development pathways and implement actions that are consistent with the 17 Sustainable Development Goals (SDGs) developed by the United Nations.

- RISKS ASSOCIATED WITH CYBERSECURITY

The increasing pervasiveness and effectiveness of global cyber attacks, combined with the increased reliance on remote work required by the Covid-19 pandemic, may increase the risk of illegal intrusion into airport information and technology systems. Toscana Aeroporti pays great attention to the protection of its corporate information system and its infrastructure from unauthorized access and cyber attacks that could also cause the temporary suspension of operational services, the potential loss of sensitive and/or confidential data as well as reputational damage.
The main protection measures adopted against IT risks are periodic vulnerability assessments and system penetration tests that are conducted in accordance with the best practices of the industry, as well as the consequent remediation actions for the potential risks detected and the continuous updating of our IT systems linked to the periodic reports of the competent bodies and of the vendors of technological solutions.

- RISKS ASSOCIATED WITH AIRPORT HANDLING ACTIVITIES AND THE EXTREMELY COMPETITIVE LAYOUT OF THE RELATED MARKET

Airports with a traffic exceeding 2 million passengers or 50,000 tons of cargo are recognised free access to the ground assistance services market (Leg. Dec. 18/99). To date, these services are mostly provided by TAH, a subsidiary of TA, in the Pisa and Florence airports starting from July 1st, 2018.
Due to the limited operating spaces available both in the Pisa airport (ENAC Resolution of 4 June 2020) and in the Florence airport (ENAC Resolution of 30 November 2020), TA obtained a positive opinion concerning the request to restrict the number of ground handling operators for categories 3 and 5, as specified in Annex A to Leg. Dec. 18/99[1]. In both airports, the number of handlers for Commercial Aviation has been limited to 2, one being Toscana Aeroporti Handling.
Since June 2019, another competitor started operating as handler in the Pisa airport for Commercial Aviation, while, in the Florence airport, the same competitor obtained the handler certification from ENAC, but has not yet been operating.
Revenues generated by the handling business accounted for 20.6% over total revenues in 2021 (19.5% of the total, after deducting revenues from construction services). The market where the providers of handling services operate is typically characterized by a high level of competitiveness, as well as by a limited profitability in terms of operating income.
The increase in competitive pressure, on the one hand, and the reduced margins that characterise these activities, on the other, could adversely affect the TA Group's economic situation, equity and financial standing.
These effects were also amplified by market trends showing a significant decline due to the Covid-19 outbreak. Therefore, the Group is even more committed to taking all the possible countermeasures at managerial level to mitigate losses and take the handling company TA towards the much hoped-for recovery of the market. In this context, the Group started a process aimed at the disposal of the equity investment in TAH.

- REGULATORY RISK

The Group, within the framework of the two concessions for the global management of the Pisa and Florence airports, operates in a sector regulated by domestic and

[1] Baggage Assistance and runway operations.

international legislation. Any unpredictable change in the regulatory framework might adversely impact the bottom line of the Group.
A potential risk factor in the airport sector is the constant evolution of the specific legislative and regulatory scenario where the Group, like the other airport operators, operates. The Company's financial results are affected by developments in the regulatory framework, particularly as regards the regulation of airport service tariffs.
In this regard, we remind readers that, at the date of approval of this financial statement, consultations with airport users had been positively concluded according to the procedure established by the tariff models for the 2020-2022 period for both the Pisa and Florence airports. The Transport Regulation Authority issued Resolutions no. 50/2020 and no. 94/2020 for the final compliance with tariff models for the Pisa and Florence airport, respectively, for the 2020-2022 period.
Furthermore, on 16 July 2020, the Transport Regulation Authority "ART" published the new tariff models that, for the aforesaid reasons, will be applied in the TA Group only starting from 2023. TA is presently studying the situation, together with its trade association, to understand how any future condition might impact said new tariff models and how to mitigate any risks in their future application.

- RISKS ASSOCIATED TO DELAYS IN THE IMPLEMENTATION OF THE INVESTMENTS PLANNED

Toscana Aeroporti could find it hard to implement the investments announced in the Action Plan approved by ENAC within the expected time frame, due to unforeseeable or difficult to estimate events. External events such as, for example, delays in the authorization procedure or in the execution of the works, also resulting from the evolution of the Covid-19 outbreak or from legal disputes and petitions, may generate higher investment expenses, require a greater use of financial resources, and end up by negatively affecting the applicable tariffs, and consequently the Group's economic, equity and financial situation. The Investment Plans of the Florence and Pisa airports have been prepared on the basis of the actions planned in the Master Plans, according to a modular pattern related to air traffic trends. The health emergency due to COVID-19 forced the Group to redefine the timing of its main investments in infrastructure, including the construction of the new runway of the Florence airport. More generally, the entire time frame of the infrastructure development described in the master plans of the two airports had to be redefined in order to better respond to the new traffic requirements and to allow for an adequate return on the investment and financial sustainability.

- RISKS ASSOCIATED WITH AIR TRAFFIC TRENDS IN THE TWO AIRPORTS AND WITH THE CONCENTRATION ON CERTAIN CARRIERS

As for the other operators of the sector, the reduction or interruption of flights by one or more carriers also due to an economic/financial crisis in their business organizations might adversely impact the bottom line and traffic goals of the TA Group.
Due to the Coronavirus emergency and to the consequent national security regulations imposed in airports, including the closure of the Florence airport from February 1st, 2021 to April 2nd, 2021 for the execution of works consisting in the renovation of the pavement, safety strips, horizontal signage and lighting systems of the airport runway, in compliance with EASA certification requirements, the TA Group recorded about 400 K passengers against about 1 million in the same period of 2020. The total incidence of the first three carriers is 66.9%. In detail, the incidence of the first carrier is 52.6%, while the second and third carriers account for 8.7% and 5.6%, respectively.
The Group is working with the main carriers to lay the basis of a safe restarting of operations in the two airports managed, also leveraging on multi-year commercial agreements that

bind carriers to the conduction of marketing and advertising campaigns, as well as to achieve preset goals in terms of passengers and flights. At the same time, the Group will contribute to the related expenses and disburse economic incentives for the achievement of the aforesaid goals.
The attractiveness of the reference market where the Group operates, together with the constant consolidation of relations with the main carriers, is key to restarting operations, as the Group believes that the traffic risk caused by the pandemic may be considered as an event limited in time.

- ENVIRONMENTAL RISK

The operations of the Group are regulated by many European Union regulations and domestic, regional and local legislation on the protection of the environment. The priority of the Group is to conduct its core business in compliance with the applicable environmental legislation; however, since the risk of environmental liability is intrinsic to the activity of the Group, there can be no certainty that new future regulations may not involve further regulatory requirements for the Group. In this regard, we point out that the Company adopted an independently certified environmental management system (EMS) for compliance with the ISO 14001 standard in both Pisa and Florence airports.

- BUSINESS DISRUPTION RISK

Business activities and services may be interrupted by various kinds of events, which may last for shorter or longer periods of time, with impacts on the operation of the airports managed by Toscana Aeroporti and on the business and financial performance of the Group.
More specifically, disruptions of business activities generated by prolonged unusual events (e.g., wars, pandemics, volcanic eruptions, etc.) capable of causing long-lasting negative effects on air transport demand may critically impact the business activity of the Group. In addition, although no such event occurred in the past, since the Pisa airport is a military facility that was later opened to civil air traffic, civil aviation could be significantly limited or even suspended in case of a war or uncommon events of particular significance.
The activities of the Group may also be totally or partially disrupted by strikes of its own personnel or of the personnel of any airline, air traffic control service provider or third party operating in the two airports, or by the failure or operating difficulties of special providers who might be difficult to replace, as well as by natural, atmospheric or meteorological events.

- FINANCIAL RISK

As regards financial risks, see the specific section in the Explanatory Notes.

18. SIGNIFICANT EVENTS OCCURRED AFTER 31 DECEMBER 2021

With the easing of restrictions on transports, carriers are planning the summer season 2022 and increasing their operations compared to 2021 to further reduce the negative differential compared to the pre-Covid 19 situation of 2019.

New operations in the Florence airport

Volotea. The Spanish carrier returned to Florence to operate a flight to Bordeaux for the first time covering the entire airport system with its services (the flight will also be operated from Pisa).

Since June, **Austrian Airlines** planned to double their flights to Vienna passing from 1 to 2 daily flights.

New operations in the Pisa airport

The Irish carrier **Ryanair** announced a summer season in line with the pre-Covid levels in terms of movements and destinations. From the end of March, passengers have already been able to buy tickets for Paphos (Cyprus) and, from May, they will be able to buy tickets for Zadar (Croatia), too. The 2 weekly flights to Warsaw-WMI will be operated again from the end of March 2022 and in June passengers will also have 2 weekly flights to Kalamata and Chania available. The new two-weekly flight to Cork has been operating from June 3rd (with tickets on sale from February 19th) and tickets to Bordeaux (2 weekly flights from June to October) and Memmingen (2 weekly flights from April to October) have been on sale from March.

Flyr. This Norwegian airline will operate a direct seasonal flight to Oslo starting from May 6th, initially twice per week and then 3 times per week from July 1st to August 12th.

AirBaltic will be present again with its seasonal two-weekly flight to Riga, for a longer period of time: flights will start at the end of March rather than in June, as in 2021.

Aerlingus will re-operate its direct flight to Dublin, which had been suspended in 2021, from the end of March.

Edelweiss scheduled 2 weekly flights to Zurich, from June to September.

easyJet will connect Pisa to Manchester from March 28th, to London Luton from June 27th, after the suspension of these flights in 2021 due to Covid restrictions; the flight to Berlin Brandenburg, suspended in 2020 and 2021 (operated only in July-August in 2020), will be resumed from June 28th.

More news

Like other European Countries, Italy closed its airspace to Russian carriers from February 27th, so no Russian airline can land in Italy, take off from Italy or fly over the Italian national airspace. Consequently, Russia closed its airspace to airlines from 36 countries, including Italy.
So, the flights operated from Pisa by Ryanair to Lviv (2 weekly flights) and by Pobeda to Moscow Vnukovo (1 weekly flight) are currently cancelled. The consequences of the conflict, which cannot yet be estimated, will be linked to a number of factors, including the geographical extent and duration of sanctions and blocks.
Certainly, a prolonged duration and the possible expansion of the conflict could lead to a significant decline in international demand and tourist flows even in markets not adjacent to Russia/Ukraine.
Moreover, the rising cost of fuel for airlines and the redirection of routes to avoid overflying Russian airspace when reaching Asia are increasing costs, which could result in an increase in the cost of air tickets for passengers. The Group considers this traffic reduction to have limited effects and the relative reduction in revenues not to be significant.

On 8 March 2022, the Parent Company TA received Euro 3.64 million from ENAC as a partial payment (50%) of the aid for airport managers provided by Italian Decree no. 474/2021 ("Decreto Ristori").

19. OUTLOOK

The consequences of the Covid-19 outbreak continued to disrupt the global economy, global transport networks, and particularly air transport, as well as domestic and international tourism, especially for Italy, throughout 2021.

In February, Toscana Aeroporti reported a progressive +688% increase compared to 2021, still below the progressive values of January-February 2019 (-50.4%), but showing a definite improvement.

Traffic is expected to recover from 2020 and 2021 levels in 2022, although it is still not comparable to 2019 pre-Covid levels, resulting in a significant negative impact on 2022 financial results. The gradual resumption of operations, supported by the progress of the vaccination campaign, is now accompanied by new international tensions due to the conflict between Russia and Ukraine, which are expected to affect passenger mobility both for security reasons and because of the increase in prices caused by the increase in energy prices (gas, power, oil).

20. PROPOSED ALLOCATION OF THE YEAR'S PROFITS

We propose that the **operating loss of Euro 6,044,603** be covered by using available equity reserves for the amount.

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Dear Shareholders,

we invite you to approve the Financial Statement for the year 2021 prepared by Toscana Aeroporti S.p.a. based on the valuation criteria described in the Explanatory Notes.

For the Board of Directors
The Chairman
(Marco Carrai)

CONSOLIDATED FINANCIAL STATEMENTS AT 31 DEC. 2021

GRUPPO TOSCANA AEROPORTI - CONSOLIDATED INCOME STATEMENT

Amounts in €K	Notes	2021	of which Related Parties	2020 (*)	of which Related Parties
REVENUES					
Operating income		46,525	1,246	40,440	840
Other revenues		1,914	214	1,499	231
Revenues from construction services		11,522		8,988	
TOTAL REVENUES (A)	7.1	59,961	1,460	50,927	1,071
OTHER INCOME (B)	7.2	12,135		10,060	
COSTS	7.3				
Operating Costs					
Consumables	7.3.1	812		896	
Cost of personnel	7.3.2	27,408		26,239	
Costs for services	7.3.3	23,097	16	21,726	
Sundry operating expenses	7.3.4	1,753		2,800	
Airport fees	7.3.5	2,669		2,192	
Total operating costs		55,738	16	53,853	0
Costs for construction services	7.3.6	9,822		7,935	
TOTAL COSTS (C)		65,561	16	61,788	0
GROSS OPERATING MARGIN / EBIT (A+B-C)		6,535	1,444	-801	1,071
Amortization and impairment	7.3.7	10,706		10,444	
Provision for liabilities and repair	7.3.8	4,453		1,736	
Value write-ups (write-downs) net of trade receivables and other receivables	7.4	1,141		1,668	
OPERATING EARNINGS		-9,765	1,444	-14,649	1,071
ASSET MANAGEMENT					
Financial income	7.5	8		8	
Financial expenses	7.6	-2,591		-1,347	
Profit (loss) from equity investments	7.7	76		101	
TOTAL ASSET MANAGEMENT		-2,507	0	-1,237	0
PROFIT (LOSS) BEFORE TAX		-12,272	1,444	-15,886	1,071
Year's taxes	7.8	7,412	99	3,289	-101
PROFIT/(LOSS) FOR THE PERIOD		-4,860	1,543	-12,598	971
Minority Interest's loss (profit) for the period	7.9	-396		128	
GROUP'S PROFIT/(LOSS) FOR THE PERIOD		-5,256	1,543	-12,470	971
Profit (loss) per share (€)	7.10	(0.282)		(0.670)	
Profit (loss) diluted per share (€)		(0.282)		(0.670)	

(*) Please note that, in order to offer readers a better comparability of the information disclosed in consolidated **financial statements, the item "Other revenues" was presented in a different manner compared to 2020. This** change has been considered non-significant by the Company.

GRUPPO TOSCANA AEROPORTI - CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

Amounts in €K	Notes	2021	2020
PROFIT/(LOSS) FOR THE PERIOD (A)		-4,860	-12,598
Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:			
- Profit (loss) arising from the determination of the Termination Benefit after tax	8.14	193	-151
Total other profit (loss) before tax (B)		*193*	*-151*
COMPREHENSIVE PROFIT FOR THE PERIOD (LOSS) (A) + (B)		-4,667	-12,749
Comprehensive Minority Interest profit (loss) for the period	8.14	-409	140
GROUP'S COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD		-5,076	-12,609

CONSOLIDATED STATEMENT OF FINANCIAL POSITION (amounts in €K)

ASSETS	Notes	31.12.2021	31.12.2020
NON-CURRENT ASSETS			
Intangible assets	8.1	189,119	177,760
Property, plant and equipment	8.2	29,022	29,476
Rights of use	8.3	4,583	4,542
Equity investments in other entities	8.4	2,953	2,945
Equity investments in associated companies	8.5	632	613
Other financial assets	8.6	3,211	3,202
Receivables from others due beyond the year	8.7	162	272
of which to Related Parties		*162*	*109*
Deferred tax assets	8.8	13,076	4,986
TOTAL NON-CURRENT ASSETS		242,757	223,796
CURRENT ASSETS			
Trade receivables	8.9	16,233	13,180
of which to Related Parties		*490*	*787*
Current tax assets	8.10	637	1,026
Other tax assets	8.11	2,342	3,194
Receivables from others, due within the year	8.12	15,919	14,402
Cash and cash equivalents	8.13	54,147	76,344
TOTAL CURRENT ASSETS		89,278	108,146
TOTAL ASSETS		332,035	331,942

SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31.12.2021	31.12.2020
CAPITAL AND RESERVES			
Share Capital		30,710	30,710
Capital reserves		79,833	87,678
IAS adjustments reserve		-3,229	-3,229
Profit/(Loss) carried forward		-586	3,858
Group's profit (loss) for the period		-5,256	-12,470
TOTAL GROUP SHAREHOLDERS' EQUITY		101,472	106,547
Minority interest		1,153	222
TOTAL SHAREHOLDERS' EQUITY	8.14	102,624	106,769
NON-CURRENT LIABILITIES			
Provisions for risks and charges	8.15	2,213	2,016
Provisions for repair and replacement	8.16	16,987	13,920
Provisions for employee retirement and benefits	8.17	5,278	5,736
Financial liabilities due beyond one year	8.18	94,037	103,014
Financial liabilities for rights of use beyond one year	8.19	3,993	4,132
Other payables due beyond the year	8.20	2,778	368
TOTAL NON-CURRENT LIABILITIES		125,285	129,185
CURRENT LIABILITIES			
Financial liabilities due within one year	8.18	50,711	46,026
Financial liabilities for rights of use within one year	8.19	727	499
Current tax liabilities	8.21	32	5
Other tax liabilities	8.22	9,928	9,706
Trade payables	8.23	30,580	23,968
Payables to social security institutions	8.24	1,596	1,322
Other payables due within the year	8.25	8,404	6,219
Provisions for repair and replacement (current portion)	8.16	2,147	8,242
TOTAL CURRENT LIABILITIES		104,126	95,988
TOTAL LIABILITIES		229,411	225,173
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		332,035	331,942

Statement of changes in consolidated shareholders' equity

(amounts shown in €K)

	SHARE CAPITAL	SHARE PREMIUM RESERVE	LEGAL RESERVE	STATUTORY / EXTRAORDINARY RESERVES	OTHER RESERVES	IAS ADJUSTMENT RESERVE	TOTAL RESULT RESERVES	**TOTAL GROUP'S** S.E.	MINORITY INT. S.E.	TOTAL SHAREHOLDERS' EQUITY
S.E. AT 01 January 2020	30,710	18,941	4,691	25,906	24,585	(3,229)	17,552	119,156	361	119,518
NET YEAR'S PROFIT (LOSS)	-	-	-	-	-	-	(12,470)	(12,470)	(128)	(12,598)
OTHER COMPON. OF COMPREH. I.S.	-	-	-	-	-	-	(139)	(139)	(11)	(151)
TOTAL COMPREHENSIVE PROFIT (LOSS)	-	-	-	-	-	-	*(12,609)*	*(12,609)*	*(140)*	*(12,749)*
PROFIT ALLOCATION	-	-	678	12,877	-	-	(13,555)	-	-	-
TOTAL ITEMS DIRECTLY SHOWN IN S.E.	-	-	*678*	*12,877*	-	-	*(13,555)*	-	-	-
S.E. AT 31 December 2020	30,710	18,941	5,369	38,783	24,585	(3,229)	(8,612)	106,547	222	106,769
S.E. AT 01 January 2021	30,710	18,941	5,369	38,783	24,585	(3,229)	(8,612)	106,547	222	106,769
NET YEAR'S PROFIT (LOSS)	-	-	-	-	-	-	(5,256)	(5,256)	396	(4,860)
OTHER COMPON. OF COMPREH. I.S.	-	-	-	-	-	-	180	180	13	193
TOTAL COMPREHENSIVE PROFIT (LOSS)	-	-	-	-	-	-	*(5,076)*	*(5,076)*	*409*	*(4,667)*
PROFIT ALLOCATION	-	-	-	(7,845)	-	-	7,845	-	-	-
MINORITY **INTEREST'S NET** WORTH FROM CORPORATE COMBINATION TRANSACTIONS	-	-	-	-	-	-	-	-	522	522
TOTAL ITEMS DIRECTLY SHOWN IN S.E.	-	-	-	*(7,845)*	-	-	*7,845*	-	*522*	*522*
S.E. AT 31 December 2021	30,710	18,941	5,369	30,938	24,585	(3,229)	(5,842)	101,472	1,153	102,624

CONSOLIDATED STATEMENT OF CASH FLOWS (amounts in €K)

Euro K	**2021**	**2020**
OPERATING ACTIVITY		
Net result for the period	(4,860)	(12,598)
Adjusted for:		
- Amortization of tangible, intangible assets, and rights of use	10,391	10,444
- Impairment of assets	315	-
- Profit / loss from equity investments	(76)	(101)
- Difference in provision for risks and charges	196	(442)
- Net difference in employee benefits	(635)	(317)
- Net difference in provisions for repair	(3,288)	(4,021)
- Other non-monetary differences	(1,756)	-
- Financial expenses for rights of use	132	137
- Other net financial expenses (income)	2,451	1,201
- Net changes in (prepaid)/deferred taxes	(7,257)	(3,222)
- Year's taxes	(155)	(67)
- (Increase)/decrease in trade receivables	(2,943)	4,381
- Increase/(decrease) in other receivables	(94)	(6,060)
- Increase/(decrease) in payables to suppliers	6,541	(7,674)
- Increase/(decrease) in other payables	1,730	(9,890)
Cash flow generated by operating activities	**693**	**(28,229)**
- Paid financial expenses	(1,631)	(819)
- Paid income taxes	-	(2,847)
Cash flow generated by operating activities	**(938)**	**(31,894)**
INVESTMENT ACTIVITIES		
- Investments in tangible assets	(3,250)	(2,777)
- Divestment of tangible assets	346	6
- Investments in intangible assets	(11,825)	(9,174)
- Investments in equity and other financial assets	(7)	0
- Dividends received	58	58
- Net acquisition of controlled companies	(992)	-
Cash flow generated (absorbed) by investments activities	**(15,671)**	**(11,887)**
FINANCIAL ASSETS		
- Short-/long-term loans taken out	57,200	105,543
- (Repayment of) short-/long-term loans	(61,924)	(4,660)
- (Repayment of) financial liabilities for rights of use	(863)	(621)
Cash flow generated (absorbed) by loans	**(5,587)**	**100,263**
Increase / (decrease) in available cash and cash equivalents	(22,197)	56,481
Cash and cash equivalents at beginning of period	76,344	19,863
Cash and cash equivalents at end of period	**54,147**	**76,344**

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DEC. 2021

1. General information

The Toscana Aeroporti Group (hereinafter also the "Group" or the "TA Group") includes the parent company Toscana Aeroporti S.p.A. (hereinafter also the "Parent Company" or "TA"), a public limited company with registered office at the address of the Register of Companies of Florence, and its subsidiaries Toscana Aeroporti Handling S.r.l., Toscana Aeroporti Engineering S.r.l., Parcheggi Peretola S.r.l., Jet Fuel Co. S.r.l., and Toscana Aeroporti Costruzioni S.r.l. - the latter acquired in 2021 (for more details, see section 7.3 "Acquisition of Toscana Aeroporti Costruzioni S.r.l." of the Report on Operations. Finally, the company A.C. Quasarda S.c.a.r.l. (not yet operating as at 31 Dec. 2021) was incorporated on 26 October 2021 through TAC, which owns a 72.42% share of it.

In addition, the consolidation area reflects the liquidation of Vola S.r.l. effective from 15 December 2021.

The parent company is the result of the merger by incorporation of Aeroporto Toscana Galileo Galilei S.p.A. (Pisa airport) and Aeroporto di Firenze S.p.A. For completeness, we remind readers that the merger has been the result of a business combination between entities under the common control of Corporación America Italia S.p.A. Therefore, being a "business combination involving entities under common control", a transaction explicitly excluded from the scope of the international accounting standard IFRS 3 "Business combinations", the merger is reflected in the financial statements of the company that resulted from the merger with the assets and liabilities of the acquired company booked with the values resulting from the financial statements of the incorporated entity. This accounting treatment, in fact, allows the Management to provide relevant and reliable information in compliance with the requirements of section 10 of IAS 8 "Accounting Policies, Changes in Accounting Estimates and Errors".

The main operations of the Group are described in the Report on Operations.

This consolidated financial statement of the TA Group shows amounts in EURO thousands (€K), as this is the currency used by TA and its subsidiaries in most operations.

In addition, international accounting standards have been consistently applied for all the companies of the Group. The financial statements of the Subsidiaries, used for the consolidation, have been appropriately amended and reclassified, where necessary, for consistency with international accounting standards and classification criteria.

The limited auditing activity conducted on the 2021 Consolidated Financial Statement of the TA Group has been carried out by the auditor "PricewaterhouseCoopers S.p.A."

2. Form and content of the consolidated financial statements

The 2021 Consolidated Financial Statement of the TA Group has been prepared in compliance with the International Accounting Standards (IAS/IFRS) in force to date, issued by the International Accounting Standards Board and approved by the European Union, as well as in compliance with the measures issued to implement art. 9 of Leg. Dec. no. 38/2005 (CONSOB Resolution no. 15519 of 27 July 2006 concerning "Provisions on financial statements", CONSOB Resolution no. 15520 of 27 July 2006 concerning "Amendments and additions to the Issuers' Regulation adopted with Resolution no. 11971/99", CONSOB's Notice no. 6064293 of 28 July 2006 concerning "Company disclosures required by to art. 114, paragraph 5, of Leg. Dec. no. 58/98"). Furthermore, we considered the International

Financial Reporting Interpretations Committee ("IFRIC"), formerly Standing Interpretations Committee ("SIC").

Format of account statements

As regards the format of financial statements, the Company decided to present the following types of consolidated statements: Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in the Consolidated Shareholders' Equity, Statement of Cash Flows and Explanatory Notes. In their turn, Assets and Liabilities have been shown in the Balance Sheet based on their classifications as current and non-current.

Income Statement

The Income Statement is presented with classifications by nature, as this is considered to be the most significant classification method for the best disclosure of the earnings of the Company.
Furthermore, the Income Statement, pursuant to Consob's Resolution no. 15519 of 27 July 2006, breaks down all the relevant cost and revenue items referred to the relationships with related parties.

Statement of Comprehensive Income

In order to present additional information on its earnings, the Company chose to prepare two separated statements: the "Income Statement", which includes the operating result for the period, and the "Statement of Comprehensive Income" (hereinafter also briefly "SCI"), which includes both the operating result for the period and changes in the Shareholders' Equity relating to revenue and expense accounts, which, as specified in international accounting standards, are recognised among the components of the Shareholders' Equity. The Statement of Comprehensive Income is presented with details of Other Comprehensive Profits and Losses to distinguish between profits and losses that will be reclassified in the income statement in the future, and profits and losses that will never be reclassified in the income statement.

Statement of Cash Flows

The Statement of Cash Flows is presented subdivided into cash flow formation areas. It has been adopted by the TA Group and prepared by using the indirect method. Cash and cash equivalents included in the cash flow statement include the balance values of said items at the reference date. Income and expenses concerning interests, dividends received and income taxes are included in the financial flows generated by operations.
Pursuant to Consob Resolution no. 15519 of 27 July 2006, we specify that the cash flow statement does not show the financial flows regarding relationships with related parties, because they are not considered significant.

Statement of Changes in the Consolidated Shareholders' Equity

The statement of Changes in the Consolidated Shareholders' Equity is presented as required by international accounting standards, with separated items for the year's profit and each revenue, income, charge and expense not passed in the income statement or in the statement of comprehensive income, but directly recognised in the Shareholders' Equity based on specific IAS/IFRS accounting standards.

3. Consolidation area and criteria

The consolidation area includes the Parent Company and the companies directly or indirectly controlled by Toscana Aeroporti. A company is controlled when the Group is exposed to or is entitled to receive variable returns from investment in the company and

can influence such returns through the exercise of its decision-making power on the company. The subsidiaries are consolidated in full and are listed in section 1 of these Explanatory Notes 4 of the Report on Operations.
The structure of the Group changed with respect to 31 December 2020 with the acquisition of 51% of the capital of Toscana Aeroporti Costruzioni on 29 January 2021 by Cemes S.p.A., and the liquidation of Vola S.r.l., as well as the creation of A.C. Quasarda S.c.a.r.l. (not operational as of 31 December 2021). See section 7.3 of the Report on Operations for further details.

Companies are included in the consolidation area from the date on which the Group gains control over them, while they are excluded from the date on which the Group loses control over them, as defined above.

The main consolidation criteria used in preparing the financial statements for the year in compliance with IFRS at 31 Dec. 2010 are detailed below:

a. the book value of the investments made in subsidiaries was eliminated against the related Shareholders' equity, with the recognition of their assets and liabilities on a line-by-line basis. Control exists when the Group is exposed to or is entitled to receive variable returns from its involvement in the company and has the capacity to influence said variable returns with its power over the subsidiary. The acquisition of a subsidiary is booked with the acquisition method. The cost of the acquisition is determined by the sum of current entries at the date when control has been obtained on the assets given, on the liabilities incurred or undertaken, and on the financial instruments issued by the Group in exchange for the control of the acquiree.
b. The assets, liabilities and potential liabilities acquired and identifiable are recognized at their fair value at the acquisition date. The positive difference between the purchase cost and the share of the Group in the fair value of said assets and liabilities is classified as goodwill and booked as intangible asset in the balance sheet.
c. Should a negative difference arise, IFRS 3 “Business combinations” does not contemplate the recognition of a negative goodwill; so the excess of the interests of the purchaser in the fair value of the assets, liabilities and identifiable potential liabilities of the purchased entity compared to the cost of the acquisition is recognised to the Income Statement after redetermining the fair value of the assets, liabilities and identifiable potential liabilities of the acquiree.
d. Once control has been acquired on the acquiree, any acquisition of further shares is accounted for by recognising the difference between the price paid and the value of the corresponding share of booked Shareholders' equity of the acquiree directly to reduce the consolidated Shareholders' equity. Similarly, in the event of a transfer of shares that does not involve a loss of control, the capital gain or loss is recognised directly in an item of the Shareholders' Equity and subsequently transferred to the Income Statement only at the time of the transfer of the control of the acquiree.
e. The economic results of the subsidiaries acquired or transferred during the business year at issue are included in the Consolidated Income Statement since the effective acquisition date until the effective transfer date.
f. Investments in associated companies are valued with the equity method: if the TA share of the losses of the associated company exceeds the book value of the investment in the balance sheet, then the value of the investment is zeroed and the portion of the further loss is recognised to the extent that TA is responsible for it.
g. Significant transactions between consolidated entities are eliminated, together with the credit and debit entries, costs and revenues, and profits not yet realized deriving from transactions between companies of the Group, after deducting any tax.

h. Minority interest in the net assets of the consolidated subsidiaries is identified separately from the Group's Shareholders' Equity. Said interest is determined based on the percentage held in the assets and liabilities identified at the acquisition date and in the Shareholders' equity variations after that date. For the acquisitions completed before the date of first application of the IFRS, as permitted by IFRS 1, the consolidation is done according to the previously applicable standards.

4. Accounting standards and valuation criteria adopted

The accounting standards and valuation criteria adopted for the preparation of the financial statements for the business year closed on 31 Dec. 2020 are described below.
The Directors assessed whether it was appropriate to prepare the financial statement on a going-concern basis and concluded that the requirement for so doing is met, as there is no doubt concerning the Company's capacity to continue operations.

Goodwill

In the case of acquisition of business entities, the assets, liabilities and potential liabilities acquired and identifiable are recognized at their fair value at the acquisition date. The positive difference between the purchase cost and the share of the Group in the current value of the acquired assets and liabilities is classified as Goodwill and booked as an intangible asset in the balance sheet. Instead, any negative difference ("negative goodwill") is booked to the Income Statement at the date of acquisition.
Goodwill is not amortized, but is reviewed every year - or more frequently, if specific events or changed circumstances indicate the possibility of an impairment - to identify any impairment according to the criteria laid down by IAS 36 "Impairment of assets". After initial recognition, goodwill is valued at cost, after deducting any accumulated impairment loss.

Other Intangible Assets

A concession agreement falls within the scope of IFRIC 12 "Service concession arrangements" if the grantor (public entity) controls the infrastructure or a portion thereof, where "control" means that the grantor controls or regulates the services the operator must provide with the infrastructure, to whom it must provide them and at what price, and if the grantor also controls, through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the arrangement.
Concession rights represent the concessionaire's right to use the asset under concession, in consideration of the costs incurred for the design and construction of the asset, with the obligation to return it at the end of the concession. Concession rights are recognized using the so-called 'intangible asset method', where the concessionaire is entitled to charge a fee to the users of the public service it provides by using the infrastructure.
Concession rights are booked based on the fair value (estimated on the basis of the cost incurred, inclusive of interest expenses, in addition to the capitalization of internal costs for the general coordination activity required for the execution of works by TA) of the intangible assets relating to the construction and expansion activities carried out on the assets covered by the scope of IFRIC 12 "Service concession arrangements".
If the fair value of the services received (in this case, the right to use the infrastructure for business purposes) cannot be measured reliably, the revenue is determined on the basis of the fair value of the services provided (fair value of the construction services provided).
Assets from construction services in progress at year-end are measured on the basis of the progress of works and this valuation converges in the Income Statement item "Revenue from construction services".
Repair or replacement activities are not capitalized and converge in the estimate of the provision described below.

Concession rights are amortized over the entire duration of each individual concession - a method that reflects the assumption that the future economic benefits of the asset will be used by the concessionaire. Considering that the Pisa airport is a military airport that has been opened to civil traffic, the item "Assets under concession" also includes the investments made by the parent company for the flight infrastructure belonging to the *Aeronautica Militare* (Ministry of Defence), as provided for in the planning agreements signed with ENAC.
The provision for impairment and the provision for repair or replacement expenses, globally considered, ensure an adequate coverage of the following charges:

- free assignment to the State, upon the expiration of the concession, of revertible assets with a useful life exceeding the term of the concession;
- repair and replacement of the components subject to wear and tear of the assets under concession;
- recovery of the investment, even in connection with the new works contemplated in financial plans.

Should events take place that support the assumption of an impairment of the value of said Intangible assets, the difference between the book value and the related "recovery value" is recorded in the Income Statement.
An intangible asset purchased or produced internally is booked among Assets, as required by IAS 38 "Intangible assets", only if it can be identified and controlled, and if it is possible to predict the generation of future economic benefits, and if its cost can be determined reliably.
Intangible assets with finite lives are valued at purchase or production cost, after deducting accumulated amortization and impairment. Amortization is determined by making reference to the period of its estimated useful life and starts when the asset is available for use.
The amortization criteria adopted for the various intangible asset items are the following:

- Industrial patent and intellectual property rights: 2 years;
- Multi-year charges: 5 years or referring to the different useful life, if lower;
- Concession rights: based on the remaining years of the concession (expiry: December 2048 for the Pisa airport, February 2045 for the Florence airport - both terms extended for 24 months by Law no. 77 of 17 July 2020).

The Company elected to maintain the historical purchase cost, as an alternative to fair value, as valuation criterion for tangible assets after their initial recording.
Construction in Progress is valued at cost based on the progress reports defined by the contract with the supplier and are amortized starting from the business year when they start being used.
If, regardless of the amortization already accounted for, there is an impairment, the asset is written down accordingly; if, in subsequent years, the assumption of the impairment ceases to exist, the original value is restored, adjusted with the sole amortization.
Development costs can be capitalized provided that the cost is reliable, can be determined and the asset can be shown to be capable of producing future economic benefits.
Research costs are booked to the Income Statement in the period when they are incurred.
No intangibles with an indefinite useful life other than goodwill have been booked in the balance sheet.

Property, Plant and Equipment

Property, plant and equipment are booked at their purchase cost (more specifically, according to this principle, the value of land is separated from the value of the buildings built on said land and only the building is depreciated) and the cost includes incidental, direct and indirect costs for the portion reasonably attributable to the asset. For an asset

that justifies capitalization, the cost also includes the financial expenses that are directly attributable to the acquisition, construction or production of asset itself.
If the individual components of a complex tangible asset have different useful lives, they are booked separately to be depreciated consistently with their relative duration (so-called "Component Approach").
The costs incurred after the purchase are capitalized only if they increase the future economic benefits implied in the asset to which they refer. All the other costs are booked in the Income Statement when they are incurred. Tangible assets in progress are valued at cost and depreciated starting from the year when they start being used.
Fixed assets are systematically depreciated in each business year on a straight-line basis based on economic-technical rates determined in connection with the residual possibilities of use of the assets.
The rates applied are specified below:

- Land:	Not depreciated
- Property:	4% (25 years)
- Plant and machinery:	10% (10 years)
- Industrial and commercial equipment:	10% (10 years)
- Electronic machines:	20% (5 years)
- Office furniture and equipment:	12% (9 years)
- Trucks:	25% (4 years)
- Cars:	20% (5 years)

Investments in revertible assets made before 1997 have been depreciated based on the lower term between the duration of the concession and the useful life of each individual asset.
Ordinary maintenance costs are fully debited to the Income Statement. Incremental maintenance costs are attributed to the assets to which they refer and depreciated in connection with their residual possibility of use.
Profits and losses deriving from the sale or divestment of assets are determined as the difference between the sales revenue and the net book value of the asset and are booked in the Income Statement of the year.

Impairment

At each year-end date, the TA Group reviews the carrying value of its tangible and intangible assets to detect any impairment. Whenever any such indication exists, the recoverable amount of said assets is estimated to determine the amount of the write-down ("impairment test"). When it is impossible to estimate the recoverable value of each individual asset, the TA Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.
Intangible assets with indefinite useful life (goodwill) are tested for impairment every year in order to determine whether there have been losses of value, regardless of whether or not there are impairment indicators.
The recoverable amount is the greater between the net selling price and the value in use.
In determining the value in use, the estimated future cash flows are discounted at their current value by using a pre-tax rate that reflects the market's current valuation of the current value of money and the specific risks of the asset.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be lower than the relative book value, the book value of the asset is reduced to the lowest recoverable value. An impairment is immediately recognised in the Income Statement.
For the sake of completeness, we point out that the Group has identified the Florence and Pisa airports as CGUs.
When the circumstances requiring a write-down no longer exist, the carrying amount of the asset (or cash-generating unit), except for goodwill, is adjusted upward to its new

estimated recoverable amount, but without exceeding the net carrying value the asset would have had if the impairment had not been recognized. The reversal is recognized immediately in the income statement.

Leases (for the lessee)

For all the lease agreements to which it is a party, except for short-term leases (with a duration of 12 months or less and that do not contain a purchase option) and leases for low-value assets (with a unit value lower than € 5 K), the Group recognizes a use right to use at the start date of the lease, which corresponds to the date on which the underlying asset is available for use.

Short-term and low-value leases are recognized as costs in the income statement on a straight-line basis over the term of the lease.

Use rights are valued at cost, net of accumulated depreciation and impairment losses, and adjusted as a result of each remeasurement of lease liabilities. The value of use rights corresponds to the lease liabilities recognized, in addition to the initial direct costs incurred, leases adjusted at the commencement date or earlier, and restoration costs, net of any lease incentives received. The discounted value of the liability so determined increases the right of use of the underlying asset, with a contraentry recognized in a dedicated provision. Unless the Group is reasonably certain to obtain the ownership of the leased asset at the end of the lease term, use rights are depreciated on a straight-line basis on the basis of the estimated useful life or term of the lease, if less.

The term of the lease is determined by considering the non-cancellable period of the lease, together with the periods covered by an option to extend the agreement if it is reasonably certain that said option will be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain that the option will not be exercised. The Group assesses whether or not the exercise of the extension or termination options is reasonably certain, taking into account all the significant factors that create an economic incentive in connection with such decisions.

The lease liability is recognized at the commencement date of the arrangement for a global value equal to the current value of the leases to be paid during the term of the agreement, discounted by using the incremental borrowing rate (IBR), when the interest rate implicit in the lease is not easy to determine. Variable lease payments remain accounted for in the Income Statement as a cost of the period.

IFRS 16 requires the Management to develop estimates and assumptions which may affect the measurement of the right of use and of the finance lease liability, including the determination of: contracts for the implementation of the new rules for the measurement of assets/liabilities with the financial method; terms of the agreement; interest rate used for the discounting of future lease payments.

Leases (for the lessor)

Lease agreements where the Group is the lessor are classified as operating or finance leases. Subconcessions specifically belong to this category.

A lease is classified as a finance lease if it substantially transfers all the risks and rewards incidental to the ownership of an underlying asset. A lease is classified as an operating lease if it does not substantially transfer all the risks and rewards incidental to the ownership of an underlying asset.

For finance leases, the Group recognizes the assets associated with finance leases in the balance sheet at the commencement date and shows them as a receivable at a value corresponding to the net investment made on the lease. The net lease investment is measured by using the implicit interest rate of the lease.

For operating leases, the Group recognizes the lease payments as income on a straight-line basis or according to any other systematic criterion.

The costs incurred for the realization of the income, including amortization, are recognized as costs.

Non-current assets held for sale
Non-current assets (and disposal groups) classified as "held-for-sale" are valued at the lower of their previous carrying amount and fair value less costs to sell.
Non-current assets (and disposal groups) are classified as "held-for-sale" when their book value is expected to be recovered by means of a sale transaction rather than being used in the operating activity of the company. This condition is met only when the sale is highly probable, the asset (or group of assets) is immediately available for sale in its current conditions, the Management has already committed to sell it/them, and the sale is planned within twelve months from the classification date of this item.

Equity investments in associated companies
Associated companies or associates are those entities on which the Group exercises a considerable influence, but which the Group does not control as to their financial and operating policies.
The equity investment in an Associate is initially recognised at cost and the carrying value is increased or decreased to reflect the Group's share of its profits or losses realised by the investee after acquisition. The Group's share of profit (loss) for the year at issue realised by the investee is recognised in the consolidated income statement. Any dividends received by an investee will reduce the book value of the investment. The adjustments made to the book value of the investment may also be the result of changes in the other components of the investee's Statement of Comprehensive Income. The share of said changes, which refer to the Group, is recognised among the other components of the Statement of Comprehensive Income. If the share of the Group's losses in an associate is equal or greater than the Group's interest in that associate, the Group will suspend the recognition of its share of further losses. After deleting the investment, any further loss is set aside and recognised as a liability only to the extent that the Group has committed to fulfil legal or implicit obligations or has made payments on behalf of the Associate. If the Associate realises profits later, the Group will resume the recognition of its share of profits only when the Associate has reached its share of non-recognised loss.
Directors believe that the Group has a remarkable influence on Alatoscana S.p.a. (the Elba Island's airport operator), even if the share owned is lower than 20%. More specifically, that influence is due to the composition of the shareholding of the company and to the possibility of influencing its financial and operating policies.

Financial assets (including equity investments in other entities)
The classification and valuation of financial assets is done by considering both the related management model and the contractual characteristics of the cash flows that can be obtained by the asset. Depending on the characteristics of the instrument and on the business model adopted for its management, the following three categories are distinguished:
(i) financial assets measured at amortized cost; (ii) financial assets measured at fair value through other comprehensive income ("FVTOCI"); (iii) financial assets measured at fair value through profit or loss ("FVTPL").
The financial asset is measured by using the amortized cost method if both of the following conditions are met:
- the financial asset management model consists in holding the asset solely for the purpose of collecting the relevant cash flows; and
- the financial asset generates, at contractually predetermined dates, cash flows representing exclusively the return on the financial asset itself.

According to the amortized cost method, the initial entry value is subsequently adjusted to take into account capital repayments, any write-down and depreciation of the difference between the repayment value and the initial entry value.
Amortization is made on the basis of the effective internal interest rate, which represents the rate that makes the present value of the expected cash flows and the initial entry value equal at the time of initial recognition.
Receivables and other financial assets measured at amortized cost are presented in the balance sheet net of the related provision for bad debt.
Financial assets that represent debt instruments, whose business model includes both the possibility of cashing contractual cash flows and that of realizing capital gains from sale (the “hold to collect and sell” business model), are measured at fair value through other comprehensive income or OCI (“assets measured at FVTOCI”).
In this case, any changes in the fair value of the instrument are recognized in the balance sheet as OCI. The aggregate amount of fair value changes booked in the equity reserve, which also includes the other components of the OCI, is reversed to the profit and loss account or income statement when the instrument is derecognized. The income statement also includes any interest income determined by using the effective interest rate, exchange rate differences and impairments.
A financial asset that is not measured at amortized cost or FVTOCI is measured at fair value through profit or loss (assets measured at FVTPL).
Financial instruments are removed from the balance sheet when, as a result of their transfer or extinction, the Group is no longer involved in their management and the related risks and benefits no longer affect the Group.

Fair value hierarchy
For all transactions and (financial or non-financial) balances for which an accounting standard requires or permits fair value measurement, the Group applies the following criteria:

a. Identification of the unit of account, i.e., the level at which an asset or liability is aggregated or disaggregated for recognition under IFRS;
b. Identification of the main market (or of the most advantageous market) in which transactions could take place for the asset or liability to be valued; if there is no evidence to the contrary, the currently used market will be assumed to be the main market or the most advantageous market;
c. Definition of the highest and best use for non-financial assets: if there is no evidence to the contrary, the highest and best use will be the current use of the asset;
d. Definition of the most appropriate valuation methods for the estimation of fair value: these methods maximize the use of observable data, which market participants would use in determining the price of the asset or liability;
e. Determination of the fair value of assets as the price that would be perceived for their sale, and of liabilities and equity instruments as the price that would be paid for their transfer in a regular transaction between market participants at the valuation date;
f. Inclusion of non-performance risk in the valuation of assets and liabilities and, particularly for financial instruments, determination of an adjustment factor in the measurement of fair value to include, in addition to the counterparty credit risk (CVA, credit valuation adjustment), the own credit risk of the entity (DVA, debit valuation adjustment).

Based on the data used for fair value valuation, a fair value hierarchy has been identified to classify assets and liabilities measured at fair value or for which the fair value is disclosed in the financial statements:

a. Level 1 – includes the prices quoted in active markets for assets or liabilities that are identical to those to be valued;
b. Level 2 – includes observable data, different from those included in Level 1, such as: (i) prices quoted in active markets for similar assets or liabilities; (ii) prices quoted in non-active markets for similar or identical assets or liabilities; (iii) other observable data (interest rate curves, implicit volatility, credit spreads);
c. Level 3 – uses non-observable data, which can be used when no observable input data is available. Non-observable data used for fair value valuation reflect the assumptions market participants would assume in price fixing for the assets and liabilities to be valued.

Trade and sundry receivables
Trade receivables and the other receivables are initially recognised at fair value and subsequently valued by using the amortized cost method, less the provision for bad debt. The Group measures any impairment/write-down of receivables by adopting an expected loss approach. For trade receivables, the Group has adopted a 'simplified approach' to valuation that does not require the recognition of periodic changes in credit risk, but rather the recognition of an expected credit loss ("ECL") calculated over the lifetime of the receivable ("lifetime ECL"). In detail, the policy implemented by the Group consists in stratifying trade receivables into categories based on the number of days that a trade receivable is past due and the allocation is defined on the basis of the historical experience of credit losses, adjusted to take into account specific forecasting factors referred to creditors and the economic environment.
Trade receivables are fully impaired in the absence of a reasonable expectation of their collection, i.e. in the presence of insolvent business counterparties.
The carrying amount of the asset is reduced through the use of a provision for bad debt and the amount of the loss is recognized in the P&L statement.
When the collection of money is deferred beyond the normal commercial terms agreed with customers, receivables are discounted back.

Derivative instruments and hedge accounting
No such items are recognized in this consolidated financial statement.

Cash and cash equivalents
The "Cash and cash equivalents" item includes cash, bank current accounts and deposits repayable on demand (postal current accounts held with post offices) that, due to their nature, are not subject to significant changes in value. It does not include repayable bank overdraft.

Financial liabilities
Financial liabilities include debt payable, which in its turn includes liabilities for advance payments made on the assignment of receivables, as well as other financial liabilities that include derivative financial instruments and liabilities for assets recognized under finance leases.
They also include trade and miscellaneous payables.
Financial liabilities are recognized at fair value, net of any ancillary transaction costs. After the initial recognition, loans are recognized with the amortized cost method, by using the effective interest method. In the event of a renegotiation of a financial liability that does not qualify as "settlement of the original debt", the difference between (i) the carrying amount of the pre-change liability and (ii) the present value of the cash flows of the changed debt, discounted at the internal rate of return (IRR), is booked in the income statement.

Provisions for risks and charges

The TA Group recognizes provisions for risks and charges when it has a legal or implicit obligation towards third parties and the use of the resources of the Group is likely to be necessary to fulfil that obligation, and when the amount of that obligation can be reliably estimated.

Changes in these estimates are reflected in the income statement of the period when the change occurred.

If the effect is significant, provisions are determined by discounting back future estimated financial flows at a discount rate that also includes taxes, so as to reflect current market valuations of the current value of money and specific risks connected with liabilities.

Provisions for repair and replacement

As described above, in accordance with the requirements introduced by IFRIC 12, the concessionaire is not entitled to recognize the infrastructure as property, plant and equipment and the accounting of the work done on the infrastructure differs depending on its nature. More specifically, they are distinguished into two categories:

- work that can be classified as normal maintenance of the infrastructure; and
- replacement, scheduled maintenance and repair of the infrastructure at a future date.

The former refers to the ordinary maintenance of the infrastructure, which is recognized in the income statement when incurred.

The latter, considering that IFRIC 12 "Service Concession Arrangements" does not require the recognition of the physical infrastructure/asset, but of a right, should be recognized in accordance with IAS 37 "Provisions, Contingent Liabilities and Contingent Assets", which requires:

- on the one hand, recognition to the income statement of a provision consisting of an operating component (which includes any effects deriving from changes in the discount rate) and a financial component;
- on the other hand, the recognition of a provision for charges in the balance sheet.

The "Provision for repair or replacement", consistently with the obligations established by the individual concession agreements, includes the best estimate of the present value of the expenses accrued at year-end for maintenance scheduled in future years and aimed at ensuring the required functioning, operation and safety of all the assets under concession based on the information available at year-end.

Provisions for employee retirement and benefits

Liabilities consisting in benefits due to employees during and after their employment under defined-benefit plans are determined separately for each plan based on actuarial assumptions by estimating the amount of the future benefits employees have matured at the reference date (so-called "Projected Unit Credit Method"). The liabilities booked net of any assets for plan benefits are recognised on an accrual basis throughout the period of accrual of the right. Liabilities are valued by independent actuaries.

The components of the cost of defined benefits are recognised as follows:

- costs for the performance of the service are recognised in the income statement among personnel costs;
- net financial expenses on defined benefits liabilities or assets are recognised in the income statement as financial income/(expenses) and determined by multiplying the value of the net liability/(asset) for the rate used to discount obligations, keeping into account the contributions and benefits paid during the period;
- the items reflecting the re-measurement of the net liability, which include actuarial profits and losses, the yield of assets (not including interests receivable, which are

recognised in the income statement), and any change in the limit of the assets are recognised immediately in the other comprehensive profits (losses). Said components must not be reclassified in the income statement in subsequent periods.

Tax assets and liabilities

Deferred taxes are determined on the basis of the temporary taxable differences existing between the value of assets and liabilities and their tax value. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profit will be available in the future against which they can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that a sufficient taxable income capable of fully or partly recovering such assets is no longer probable.
Deferred taxes are determined on the basis of the taxable rates expected to be used during the business year in which said deferments will be realized, considering the applicable or future known applicable tax rates. Deferred taxes are directly recognized in the profit and loss account, except for those relating to items booked directly in the statement of comprehensive Income, in which case the related deferred taxes are also booked in the statement of comprehensive Income.
Current and deferred tax assets and liabilities are offset when the income taxes are applied by the same tax authority and there is a legal right to offset them. Deferred tax assets and liabilities are calculated using the tax rates that are expected to be applied in the country in which the Company operates, in the financial years in which the temporary differences will be realized or paid off.

Recognition of revenues

Based on five-step model described in IFRS 15 “Revenues from Contracts with Customers”, the Group recognizes revenues after identifying contracts with its customers and the related performance obligations (transfer of promised goods or services), determining the appropriate consideration to which it expects to be entitled in exchange for those goods or services, as well as assessing how said performance obligations should be satisfied (“at a point in time” versus “over time”).
In particular, the Group recognizes revenues only if the following requirements are met (identification of the contract with the customer):
a) the parties to the contract approved the contract (in writing, orally or in accordance with other customary commercial practices) and have committed to fulfil their obligations; therefore, an agreement is in place between the parties that creates enforceable rights and obligations regardless of the form in which said agreement is made;
b) the Group may identify the rights of each party in respect of the goods or services to be transferred;
c) the Group may identify the conditions for the payment of the goods or services to be transferred;
d) the contract has commercial substance; and
e) it is probable that the Group will receive the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.
If the above requirements are not met, the related revenues are recognized when: (i) the Group has already transferred the control of the goods/services to the customer and all or almost all the consideration promised by the customer has been received and is non-refundable; or (ii) the contract has been terminated and the consideration received by the Group from the customer is non-refundable.
If the above requirements are met, the Group applies the recognition rules described below.

Aviation revenues

The Group fulfils its obligations to do in relation to airport fees by making the airport infrastructure available to carriers for landing, take-off, lighting and parking of aircraft, boarding and landing of passengers and goods, and for the use of centralized infrastructures. In addition, as to handling activities, the Group fulfils its obligations to do by providing ground handling services to passengers and aircraft.
Revenues from the performance of the services described above are recognized when they are performed with reference to their progress, considering that the Group provides services to carriers and passengers over a given period of time, as a function of the use of the infrastructure.

Non-Aviation revenues
- Revenues from commercial and non-commercial subconcession/leases consist in the fees paid for the use of retail and operating spaces and areas within and outside the airport site. This category includes subconcessions/leases with commercial pricing (retail, car parking, etc.) and with administered pricing (prices for the use of goods for exclusive use or for the use of airport infrastructure dedicated to individual carriers or operators, such as check-in desks, offices, operating rooms, etc.). Revenues deriving from this category are recognized on a straight-line basis throughout the term of the contract or based on the maturity period, according to contractual provisions, as required by IFRS 16 “Leases”.
- Revenues from parking lots consist in the price received for the offering of parking slots inside and outside the airport site, based on a public rate table that is defined for all the sales made. The Group fulfils its obligations to do in connection with this service by making parking spaces available to its customers. Revenues deriving from the performance obligations in question are recognized when they are fulfilled based on their progress, considering that the Group provides the service to customers over a given period of time (the time of parking).

Revenues are shown net of discounts, including, but not limited to, sales incentive programs and customer bonuses, network development expenses (in this case, the prices paid to customers regulated by IFRS 15), as well as taxes directly connected with the sale of goods or the performance of services.

Revenues from construction services
Revenues from construction services refer to the construction services performed by the Group in favour of the Grantor for the implementation of the investments related to concession rights and are recognized on the basis of their fair value. The fair value of the price of construction and expansion services regarding the assets under concession performed by the Group is determined on the basis of the fair value of the price of the construction and expansion services provided by third parties, internal and external design costs and internal costs incurred for the planning and coordination of the works carried out by a special internal facility. These revenues are recognized when the progress of the related works is presented, considering that the Grantor simultaneously receives and uses the benefits deriving from the performance of the entity, as the entity performs it.

Other revenues
Revenues from other services provided by the Group (administrative services, consulting, etc.) are recognized when they are performed based on their progress.
Revenues from the sale of goods are recognized when the control of the asset sold is transferred to the buyer, that is when the customer acquires the full capacity to decide on the use of the asset and substantially enjoys all the consequent benefits.

Grants

Grants for systems and equipment are recognized in the balance sheet when there is reasonable certainty that the prerequirements for their disbursement are met and that the company is entitled to collect them; they are recognized in the income statement based on the useful life of the asset against which they are disbursed.
Working capital grants are recognized when there is reasonable certainty that the prerequirements for their disbursement are met and that the company is entitled to collect them, and are credited to the income statement in connection with the costs against which they are disbursed.

Costs

Costs are recognized in the income statement when they are actually incurred, if their amount can be objectively determined, and when it is possible to verify that the company has incurred such costs on an accrual basis.

Financial expenses

Financial expenses are recorded on an accrual basis and include interests payable on financial debts determined by using the effective interest rate method and exchange rate differences payable. Financial expenses also include the financial component of the annual contribution to the provision for repairs.
Financial expenses incurred for investments in assets for which a given period of time normally elapses to make the asset ready for use are capitalized and amortized along the useful life of the related class of assets.

Financial income

Financial income is recognized on an accrual basis. They include interest receivable on invested funds, exchange-rate differences receivable and income from financial instruments, when not offset within the framework of hedging operations. Interest income is booked in the income statement when accrued, taking into account its actual return.

Dividends

Dividends from minority investments recognised in the year's income statement are booked on an accrual basis, i.e. when the related right to receive them has arisen after the passing of a related resolution by the Associate.

Income taxes

Taxes are the sum of current and deferred taxes.
Taxes are booked based on the estimate of the taxable income determined in compliance with the applicable national legislation at the accounts closing date, keeping into account any applicable exemption and tax credit. Income taxes are recognised in the income statement, except for those regarding items directly debited or credited to the shareholders' equity, in which cases taxation is directly recognised in the Shareholders' Equity.
We remind readers that the Parent Company adopted the Tax Consolidation option provided for by Articles 117 to 129 of the Consolidated Text on Income Taxation ("Testo Unico delle Imposte sui Redditi" - T.U.I.R), where the Consolidating Entity is Corporación America Italia S.p.A. The consolidating entity calculates a single global income equalling the algebraic sum of the taxable bases (income or loss) realized by the individual entities that adopted this group taxation option.
The consolidating entity recognised an account receivable from the consolidated entity that equals the IRES tax to be paid on the positive taxable base transferred by the latter. Instead, the consolidating entity recorded an account payable to the companies that

contribute tax losses equalling the IRES tax to be paid on the loss actually used in the determination of the global aggregate income.

Foreign currency translation criteria

Receivables, payables and any short-term provisions denominated in foreign currency are initially recognized by using the exchange rates ruling at the date of their inception and, if existing at December 31st, they are appropriately stated in the financial statement at the exchange rate ruling at the end of the period by posting the exchange gains/losses to the income statement.
Exchange rate differences are of a financial nature, so they are classified in the income statement as finance income because they are not strictly linked to the sale transaction, but express the fluctuation over time of the currency chosen for the transaction, when the transaction has been concluded.

Use of estimates

We are now going to summarize the critical valuation processes and key assumptions used by the Group in the application of IFRS, which may significantly affect the values recorded in the financial statement or for which there is a risk that significant differences may emerge compared to the book values of future assets and liabilities.
As already indicated in the Report on Operations, in this context we point out that the situation caused by the global economic and financial crisis required the expression of rather uncertain assumptions concerning future trends. Consequently, we cannot exclude that the results actually achieved next year will differ from estimated amounts and could therefore require adjustments to book items that might even be rather significant and that cannot clearly be predicted or estimated at present.

Recoverable value of non-current assets

Non-current assets include Property, Plant and Equipment, Intangible Assets (including Goodwill), Equity Investments, and Other Financial Assets. The Group periodically reviews the book value of its held and used non-current assets and of the assets to be dismissed when events and circumstances so require. When the book value of a non-current asset has been impaired, the Group recognises an impairment corresponding to the excess between the book value of the asset and its value that can be recovered through its use or sale, determined by making reference to the cash flows of the most recent corporate plans.

Provisions for repair and replacement

For the assets held under concession, a special provision has been allocated for the maintenance and any refurbishment/repair work that will be required for said assets over time. Said provision has been booked in the Assets, as they must be returned to the State in perfect operating conditions at the end of the concession term.
The provision for repair and replacement is reviewed annually based on a technical assessment and estimate of the future expenses that will be incurred for the scheduled maintenance required to keep the assets in good conditions before returning them for free at the end of the concession term and used during the period for the actual maintenance required. Estimates are prepared with the support of external technical consultants.

Recoverability of deferred tax assets

The Group has deferred tax assets on deductible temporary differences and theoretical tax benefits for losses that can be carried forward. In the estimate of the recoverable value, the Group took into account the results of the business plan, in line with those used for the impairment tests. The net prepaid taxes so allocated refer to temporary differences and tax losses that can be recovered to a significant extent over an indefinite period of time;

this is compatible with a context in which the exit from the current difficult and uncertain situation and the economic recovery might extend beyond a short/medium time horizon.

Current taxes
The determination of tax liabilities requires the Management to value amounts referred to transactions that have uncertain tax implications at year-end. The Group recognizes the liabilities that could derive from future inspections by the tax authority based on the estimate of due taxes. Any result of a tax assessment that differs from the Management's estimates may significantly affect current and deferred taxes.

Pension schemes and other post-employment benefits
Employee termination benefits or indemnities and net financial expenses are valued by using an actuarial method that requires the use of estimates and assumptions for the determination of the net value of the obligation. The actuarial method considers financial parameters such as, for example, the discount rate and salary growth rates, and considers the probability of occurrence of potential future events through the use of demographic parameters like mortality rates or employee resignation or retirement rates. The assumptions used for the measurement are detailed in the section "Termination Benefits and other personnel provisions".

Provision for bad debt
The provision for bad debt reflects the Management's estimate of the expected losses connected with the customer portfolio. The Group has adopted the simplified approach provided for in IFRS 9 "Financial Instruments" and recognizes expected losses on all trade receivables based on the residual term and defines the allocation based on the historical credit loss experience, adjusted to take into account the specific forecasting factors related to creditors and to the economic environment - the expected credit loss (ECL) notion.

Potential liabilities
The Group recognises liabilities for pending litigation and legal actions when it deems it likely to face a financial disbursement and when the amount of the deriving loss can be reasonably estimated. If a financial disbursement becomes possible but its amount cannot be determined, this fact is disclosed in the Notes. The Group is a party in legal actions and tax assessments concerning complex and difficult legal issues that are characterized by a different degree of uncertainty, including facts and circumstances regarding each case, jurisdiction and different applicable law. Considering the uncertainty of these issues, it is difficult to predict the disbursement that will derive from said disputes, so the value of provisions for litigation and legal actions may vary after future developments in ongoing proceedings. The Group monitors the status of ongoing legal actions and is supported by legal counsels and tax advisors.

New accounting standards and interpretations, changes to accounting standards and interpretations in force since 1 January 2021

At the date of these financial statements, the competent bodies of the European Union approved the adoption of the following accounting standards and amendments applicable for the Group at 1 January 2021.

- On 31 March 2021, the IASB published an amendment called "Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)" to extend by one year the period of application of the amendment issued in 2020, which allowed lessees to account for reductions in leases related to Covid-19 without having to analyse contracts to check if the 'lease modification' definition of IFRS 16 was fulfilled or not. Therefore, the lessees who used this option in the financial year 2020 accounted for the effects of the reductions in leases directly to the income statement at the effective date of the reduction. The 2021 amendment, which is only available to entities that have already adopted the 2020 amendment, applies from 1 April 2021 and can be adopted in advance. Considering that the Group had already adopted the 2020 amendment, no further effects on the consolidated financial statements of the Group at 31 December 2021 are reported.

- On 27 August 2020, the IASB, within the framework of the reform of interest rate benchmarks, such as interbank offered rates (IBORs), published the document "Interest Rate Benchmark Reform—Phase 2" which contains amendments to the following standards:
    - IFRS 9 Financial Instruments;
    - IAS 39 Financial Instruments: Recognition and Measurement;
    - IFRS 7 Financial Instruments: Disclosures;
    - IFRS 4 Insurance Contracts; e
    - IFRS 16 Leases.

  All the amendments became effective on 1 January 2021. The adoption of these amendments did not affect the Group's consolidated financial statements.

- On 25 June 2020, the IASB published an amendment called "Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)". The amendments allow the temporary exemption from IFRS 9 to be extended until 1 January 2023 for insurance companies. The adoption of this amendment did not affect the consolidated financial statements of the Group.

<u>Newly-issued accounting standards and interpretations, amends to existing standards and interpretations not yet applicable or not yet approved</u>

At the date of these financial statements, the competent bodies of the European Union approved the adoption of the following accounting standards and amendments, not yet applied by the Group:

- In May 2017, the IASB issued the new principle IFRS 17 "Insurance contracts". The new standard, which will replace IFRS 4 and will be effective from 1 January 2023, was amended in June 2020.

- In January 2020, the IASB published some amendments to IAS 1 that clarify that the classification of 'current' or 'non-current' liability is based on the contractual arrangements in place at the reporting date. The amendments will apply from 1 January 2023.

- In May 2020, the IASB published a number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37, and some annual revisions to IFRS 1, IFRS 9, IAS 41, and IFRS 16. The amendments will apply from 1 January 2022.

- In February 2021, the IASB published some narrow-scope amendments to IAS 1, Practice Statement 2, and IAS 8. The amendments aim to improve information on accounting standards and help readers of financial statements distinguish between changes in accounting estimates and changes in accounting standards. The amendments will apply from 1 January 2023. However, the IASB is planning to publish a draft in the fourth quarter of 2021, with a proposal for the deferment of the effective date until 1 January 2024.

- In May 2021, the IASB published amendments to IAS 12 as regards deferred taxes on assets and liabilities arising from a single transaction. The amends will require companies to recognize deferred taxes in the event of initial recognition of an asset or liability in a transaction that generates deductible and taxable temporary differences of the same amount. The amendments will apply from 1 January 2023.

The Group will adopt said new standards, amendments and interpretations based on the effectiveness date specified and will assess their potential impact when they will be ratified by the European Union.

5. Concessions

The core business of the Group is the operation of the Concession given to the Parent Company Toscana Aeroporti for the management of the Amerigo Vespucci airport in Florence and the Galileo Galilei airport in Pisa, consisting in the operation and development of the infrastructure of the two airports in Tuscany.
Essential information relating to the concession contracts of the companies of the Group is given below.
Under the concessions in force, airport concessionaires are entitled to collect boarding fees from airport users, which are annually updated on the basis of a special tariff formula provided by the Italian transport regulatory authority "Autorità di Regolazione dei Trasporti" ("ART"), against the obligation to pay the concession leases, carry out the necessary expansion and modernization works in the airports under concession, and maintain and manage the airport plot of land under concession. Upon expiry, concessions are not automatically renewed, but are awarded again through a public call for tenders, as required by the applicable legislation; all the airport infrastructure developed (which are called "transferable assets") by the concessionaire must be transferred in a good state of maintenance to the Grantor, and the incoming concessionaire will pay the residual carrying amount of transferable assets, called the "step-in value"[1]).

6. Corporate events and transactions

6.1 Update on the impact of the Covid-19 outbreak

The year 2021 was still impacted by the global health crisis caused by the SARS-COV-2 virus outbreak (hereinafter also "Covid-19" or "Coronavirus").
Toscana Aeroporti reported a total of ca. 2.8 million passengers in 2021, which reflects a 43% increase and a 21.1% increase in commercial passenger movements compared to 2020. Compared to the pre-Covid period (2019), Toscana Aeroporti reported a 65.7% drop in passenger traffic, with a marked improvement from the high summer season; then a 49.7% drop in the July-September period and a 39.7% drop in the October-December period.
This scenario required the use of cash from operations even in 2021, although for significantly lower amounts compared to 2020. This situation was tackled by the Group by using available credit facilities and the cash generated in November 2020, namely the € 85 M loan secured by SACE ("SACE Loan") under Law Decree 23/2020 ("Decreto Liquidità"). These resources allowed the Group to make significant investments even in the year under examination.

[1] Art. 703 of the Navigation Code: .... "The outgoing concessionaire shall continue managing the ordinary operations of the airport under the same conditions as those laid down in the concession agreement until the new concessionaire takes over, after paying the related "Step-In Value" due, unless ENAC determines otherwise, specifying the reason(s), concerning the correct performance of the service".

As regards the actions implemented in 2021 following the outbreak of the COVID-19 pandemic, in view of the reduction in the number of passengers, the Group also maintained a series of countermeasures throughout 2021 aimed at adapting costs to the reduced traffic demand, including, *inter alia*, the use of temporary unemployment benefits ("CIG") and the mitigation of service costs in the case of non-strategic activities, as well as additional initiatives with suppliers.

Furthermore, as already happened at 31 December 2020, in 2021 the Company obtained a specific waiver from MPS Capital Services concerning the measurement of financial ratios, as required in the loan agreement signed by the Parent Company with that Bank, with an outstanding debt of € 1 M at 31 Dec. 2021 (expiry 2022), as well as a waiver from the measurement of parameters at 31 December 2021 regarding the loan obtained from Banca Infrastrutture Innovazione e Sviluppo (BIIS - Intesa San Paolo Group) (with a debt of € 17.3 M at 31 Dec. 2021, of which € 2.9 M due in 2022).

In such a context, in view of the significant losses suffered by the airport sector, a fund of € 800 M was created under paragraph 715 of Art. 1 of Law no. 178 of 30 December 2020 (hereinafter briefly the "2021 Budget Law") for the year 2021, with the aim to mitigate the economic effects of the Covid-19 emergency on the entire airport sector, to be used by airport operators for € 735 M and by ground handling service providers for € 65 M. The amount of the subsidy to which the Group was entitled for the period going from 1 March 2020 to 30 June 2020, determined with the calculation recommended by the applicable legislation and applied for on 27 January 2022, was Euro 9.5 million, of which approximately € 7.3 M for the Parent Company TA (€ 3.6 M of which were cashed in the first days of March 2022) and approximately € 2.2 M for the subsidiary TAH.

This measure was in addition to the specific subsidy of € 10 M disbursed by the Region of Tuscany for Tuscan airports in 2020 with a specific Regional Law.

In consideration of the context just described, Toscana Aeroporti therefore updated its economic and financial forecasts also based on information obtained from external sources, such as independent surveys conducted by the main players of the industry, and these surveys confirmed that the air transport industry is not expected to return to pre-Covid-19 traffic levels before 2024. However, these estimated times could still be affected by the effectiveness of vaccination campaigns or by a possible resurgence of infections.

Adopting a short/medium-term time horizon, and based on the aforesaid traffic level recovery assumptions, volumes do not seem to be expected to compare to pre-pandemic levels even in 2022, although the growth trend reported at the end of 2021, compared to 2020, seems to continue. Consequently, the Group confirmed that the actions implemented in 2020 and 2021 to face the health emergency will be continued in 2022 as well, namely: reduce costs and protect cash consistently with the necessary service levels, while ensuring the maintenance of infrastructure development plans to allow Toscana Aeroporti to resume its developments in the medium term after overcoming the emergency situation.

As the phenomenon evolves, 2022 financial results are not yet it expected to be comparable with those reported in the years before the pandemic. In addition to this, the current gradual recovery of operations, facilitated by the progress of the vaccination campaign, is nevertheless accompanied by new international tensions. This is particularly the case since February 2022, when the conflict between Russia and Ukraine began, affecting passenger mobility both for safety reasons and because of the increase in prices due to higher energy prices (gas, electricity, oil). As regards these last issues, the effect of air traffic reduction due to the Russian-Ukrainian conflict in 2022 is considered to be a limited phenomenon by the Group, and the related decrease in revenues should not be significant.

Therefore, the Management estimates that traffic levels will continue to recover in 2022 with respect to 2020 and 2021 levels, even though they are still significantly lower than pre-

Covid-19 levels. This growth trend will allow the Group to recover earnings that, together with the available cash and non-revolving credit and with the cost reduction measures adopted consistently with the volumes to be managed, may allow the Group to meet its short-term obligations and keep operating as a going concern in the foreseeable future.

6.2 Business combinations

On 26 January 2021, Toscana Aeroporti S.p.A. signed an agreement for the acquisition of 51% of Cemes Aeroporti S.r.l., a recently incorporated company (July 2020) operating in the building sector, which changed its name into Toscana Aeroporti Costruzioni S.r.l. (TAC). The business purpose of this company is to build airports, roads, railways; perform river and maritime works; develop noise mitigation systems and prefabricate concrete elements for road, airport and railway facilities.

The acquisition is part of Ta's investment strategy aimed to the development of infrastructures for the Florence and Pisa airports through a subsidiary.

The price of the transaction was Euro 4.5 M. with annual deferred payment in 5 instalments until 31 December 2025 (one of which was made in December 2021 for € 1 M), with no borrowing or assignment of credit. The fair value of consideration has been identified with the current net value of the price to be paid according to the aforesaid payment plan, and corresponds to € 4.3 M. A goodwill of € 3.7 M has been recognised after the transaction.

The goodwill refers to the experience in the industry of the acquired company and to the possibility to streamline the infrastructure development strategy of the Florence and Pisa airports through the subsidiary.

We also inform readers that, as specified in the acquisition agreement, Cemes S.p.A. guaranteed TA with an irrevocable option pursuant to Art. 1331 of the Civil Code, through which TA will have the right to purchase from Cemes, who will be obliged to sell, a share of 19% of the share capital of TAC for a price of Euro 2.2 M. This option may be exercised by TA during the period going from 1 January 2024 to 1 July 2024.

The net assets identified, deriving from the acquisition, totalled approx. € 1 M, as detailed below. TA purchased the shares of minority shareholders proportionally to the nett assets that could be identified upon the acquisition.
As to the net assets acquired, we are providing below details of the fair values of the assets and liabilities acquired with the business combination transaction in question.

In December 2021, the first instalment of Euro 1 million was paid, so the net effect on cash flows reported in 2021 was Euro 992 K.

The acquired NFP exclusively includes € 8 K of cash available.

Description	*Fair value (€K)*
Assets	
Intangible assets	550
Property, plant and equipment	62
Rights of use	41
Deferred tax assets	1,047
Inventories	99
Trade receivables	219
Cash and cash equivalents	8
Liabilities	
Deferred tax liabilities	(153)
Provision for employee benefits	(378)

Trade payables	(389)
Financial liabilities for rights of use	(41)
Net acquired assets	**1,065**
Net acquired assets	1,065
- Minority interest	(522)
+ Goodwill	3,735
Fair value of consideration	**4,278**

7. Information on the items in the Consolidated Income Statement

The analysis of the main balances of the Consolidated Income Statement is developed below.
For details of the balances of the items of the Consolidated Income Statement resulting from relations with related parties, see Annex C to these Explanatory Notes.

Summary of the impacts of the Covid-19 epidemic on the Income Statement

The following main changes occurred in 2021, compared to 2020, due to the gradual resumption of operations towards pre-Covid-19 levels.

1. The recovery of air traffic (+43% of passengers compared to 2020, equalling ca. +853 K);
2. The consequent increase in operating revenues, which totalled a € 6.1 M increase (+15%) reflecting traffic trends;
3. The continuation of cost reduction actions throughout the year, implemented by the Group commencing from January, such as the use of temporary unemployment benefits ("CIGS"), the revision of goods and services supply agreements, etc., which led to a € +1.9 M mitigation of higher operating costs in 2021 (+3.5%) compared to 2020;
4. Higher revenues (Euro +2.5 M) and costs (Euro +1.9 M) for construction services incurred in 2021 for major infrastructure investments in the two Tuscan airports.

7.1 REVENUES

Total consolidated revenues increased by 17.7%, passing from € 50.9 M in 2019 to € 60 M in 2021. This difference is the result of the € 6 M increase in operating revenues and of the simultaneous € 415 K increase in other revenues and € 2.5 M of revenues from construction services.

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
REVENUES				
Operating income				
Aviation revenues	38,661	30,371	8,290	27.3%
Non-Aviation revenues	14,525	14,666	-141	-1.0%
Network development expenses	-6,661	-4,597	-2,064	44.9%
Total operating revenues	**46,525**	**40,440**	**6,085**	**15.0%**
Other revenues	1,914	1,499	415	27.7%
Revenues from construction services	11,522	8,988	2,534	28.2%
TOTAL REVENUES (A)	**59,961**	**50,927**	**9,034**	**17.7%**

Consolidated operating revenues totalled € 46.5 M in 2021, up by 15% compared to 2020. The analysis of the Group's operating revenue trends for the two business units - Aviation and Non-Aviation - is given below.

7.1.1 Aviation revenues

Aviation revenues totalled € 38.7 M in 2021, up by 27.3% compared to 2020, when they totalled € 30.4 M.
The table below breaks down 2021 aviation revenue items and the related differences, both in absolute and percentage terms, compared to 2020:

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
AVIATION REVENUES				
Passenger boarding fees	10,375	7,465	2,910	39.0%
Landing/departure fees	7,348	5,888	1,459	24.8%
Stopover fees	1,415	1,587	-172	-10.9%
PRM assistance fees	1,769	1,202	567	47.2%
Cargo fees	347	323	24	7.5%
Passenger security fees	2,977	2,125	852	40.1%
Baggage security fees	1,020	716	304	42.4%
Handling	12,272	10,148	2,123	20.9%
Centralised infrastructures	1,139	916	222	24.3%
TOTAL AVIATION REVENUES	38,661	30,371	8,290	27.3%

For the analysis of the main deviations of the two periods examined, see section 9.1 of the Report on Operations.

7.1.2 Non-Aviation revenues

Non-Aviation revenues totalled € 14.5 M in 2021, down by 1% compared to 2020, when they totalled € 14.7 M.
The table below provides details on Revenues from Non-Aviation business referred to 2021 and to 2020:

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
NON-AVIATION REVENUES				
Parcheggi	2,319	1,846	473	25.6%
Food	1,268	1,130	137	12.2%
Retail	2,917	2,747	171	6.2%
Advertising	1,142	1,746	-604	-34.6%
Real Estate	1,681	1,766	-85	-4.8%
Car rental	3,006	2,890	115	4.0%
Other subconcessions	1,176	1,619	-443	-27.4%
VIP Lounges	417	414	3	0.7%
Air tickets	248	164	84	51.3%
Cargo agency	352	344	7	2.1%
TOTAL NON-AVIATION REVENUES	14,525	14,666	-141	-1.0%

For further details, see section 9.1 in the Report on Operations.

7.1.3 Network development expenses

The main objective of the TA Group is to encourage the development of passenger scheduled and cargo traffic in the Tuscan airports of Pisa (PSA-Galileo Galilei) and Florence (FLR-Amerigo Vespucci), consistently with the characteristics of the Tuscan market and of the airport Infrastructure available, as well as to increase the number of scheduled flight connections to and from the airports, in order to support the consolidation and development of air traffic and thus contribute to the economic growth of the airport manager and meet the demand of the territory for better accessibility.
To pursue said objectives, TA has developed an action plan with incentives based on marketing contributions (the so-called "network development expenses") of differing amounts based on the extent of the air services provided by the carriers in the airports and on the extent of the strategic interest of the operation for the reference airport and territory, in consideration of free business initiative.
Network development expenses totalled € 6.7 M in 2021, up by € 2.1 M (+44.9%) compared to 2020, when they totalled € 4.6 M. The difference is substantially in line with the increased traffic managed during the year and with aviation revenue trends.

7.1.4 Other revenues

The table below provides details on the "Other revenues" of 2021 against those of 2020:

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
OTHER REVENUES				
Utilities and others	1,685	1,220	465	38.1%
Services and consulting	103	121	-18	-14.9%
Minors	126	158	-32	-20.2%
TOTAL OTHER REVENUES	1,914	1,499	415	27.7%

7.1.5 Revenues from construction services

Revenues from construction services totalled € 11.5 M, against € 9 M in 2020 (+28.2%).
For further details, see section 10 "The Group's investments" in the Report on Operations.

Additional information on revenues
Revenues are recognized below based on whether the services have been provided at a given Point In Time or Over Time.

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
Revenues not included in the scope of IFRS 15 (*)	11,110	11,778	-668	-5.7%
"Over time" revenues	48,852	39,149	9,702	24.8%
"**Point in time**" revenues	-	-	-	0.0%
TOTAL REVENUES	59,961	50,927	9,034	17.7%

(*) These are revenues from operating leases (subconcessions) where the Group plays the role of lessor.

Details of revenues not included within the scope of IFRS 15 are given below, distinguished between the fixed revenue component related to the agreement and the variable revenue component related to indices and rates or other variables.
The revenue details given below mainly refer to subconcessions for retail spaces (food, shops), advertising spaces and areas used for car rental. These are multi-year agreements, for which, upon renewal, the Group defines provisions considering any possible changes occurred in the airport infrastructure. Payments can be made on a monthly or quarterly basis and some agreements also include annual adjustments based on the customer's turnover. Where deemed necessary to reduce the credit risk, bank/insurance guarantees are required for the term of the lease.

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
Fixed	1,638	2,429	-791	-32.6%
Variable depending on an index or rate	8,599	8,685	-86	-1.0%
Variable not depending on an index or rate	873	664	209	31.4%
Total revenues not included in the scope of IFRS 15	11,110	11,778	-668	-5.7%

An estimate of the minimum payments expected from subconcessions (operating leases in which the Group is the lessor) for the coming financial years is given below.

Amounts in €K	2021	2020
Within the year	9,348	12,872
Included between 1 and 2 years	6,730	7,391
Included between 2 and 3 years	3,081	5,411
Included between 3 and 4 years	2,289	2,620
Included between 4 and 5 years	733	1,957
Beyond 5 years	446	980
Total	22,627	31,232

7.2 OTHER INCOME

The table below details the “Other income” of 2021 against the same item of 2020:

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
OTHER INCOME				
Grants	9,860	10,035	-176	-1.7%
Capital gains from disposal of fixed assets	277	24	253	N/S
Compensation and reimbursements	242	-	242	N/S
Proceeds from concession value	1,756	-	1,756	N/S
TOTAL OTHER INCOME	12,135	10,060	2,075	20.6%

In particular, aids received in 2021 also include the following non-refundable subsidies received from the State/Regions as support during the health emergency:

- € 9.5 M from the equalization fund established by Art. 1, paragraph 715, of Law no. 178 of 30 December 2020 ("2021 Budget Law"), implemented as specified in the Implementing Decree of 25 November 2021 of the Ministry of Sustainable Infrastructure and Mobility, in agreement with the Ministry of Economic Affairs and Finance, to support airport operators (€ 735 M) and airport handlers (€ 65 M). The amount of the subsidy to which the Group was entitled for the damages suffered in the period going from 1 March 2020 to 30 June 2020, determined as required by the applicable legislation and applied for on 27 January 2022, was of € 9.5 M, of which € 7.3 M for the Parent Company TA (50% of which was cashed in the first days of March 2022) and € 2.2 M for the subsidiary TAH. The subsidy was recognized as income for the financial year 2021 because the Management considered that, as at 31 December 2021, there was a reasonable certainty that the Group would be able to meet the specified conditions and that the subsidy would be received. In addition, this form of public aid can be received as compensation for costs or losses already incurred. These conclusions have also been reached taking into account the experience gained in the procedure for obtaining the subsidy disbursed by the Region of Tuscany in 2020, where the amount of damage was based on the same criteria laid down in the 2021 Budget Law, as well as on the exchanges of information that took place with the relevant trade association in 2021.
- € 220 K to the subsidiary Parcheggi Peretola from the Revenue Agency under the special laws called "Decreto Sostegni" and Decreto Sostegni[bis", and Law Decree no. 73/2021 (Equalization Aid);
- € 154 K to the subsidiary Jet Fuel from the Revenue Agency under the special laws called "Decreto Sostegni" and Decreto Sostegni[bis", and Law Decree no. 73/2021 (Equalization Aid).

The 2020 subsidy [1] refers to the Euro 10 million aid granted by the Region of Tuscany to the Parent Company TA, which was cashed on 16 August 2021.

Income from the Step-In Value of approx. € 1.8 M received has been recognised as required by the provisions of Art. 703 of the "Codice della Navigazione" (Navigation Code), in terms of the value that the incoming concessionaire has to pay to the outgoing concessionaire, which is determined by using regulatory analytical accounting rules. In detail, the amount in question, recognised as a contraentry to concession rights, refers to the share of scheduled maintenance work that has been recognised in the accounts within the framework of the provision for repair, but which, in regulatory analytical accounting, reflects assets that will not be completely amortized at the concession expiry date.

7.3 COSTS

Costs totalled € 65.6 M in 2021, up by 6.1% compared to 2020, when they totalled € 61.8 M. This result reflects the simultaneous 3.5% increase in operating costs, which passed from € 53.9 M in 2020 to € 55.7 M in 2021, and in costs for construction services, which passed from € 7.9 M in 2020 to € 9.8 M in 2021 (+23.8%).

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.

[1] For completeness of information, we remind readers that Subsidies were reported in the "Other revenues" item in 2020; so, to provide readers with a greater comparability of the information reported in the consolidated financial statements, the item "Other income" was presented in a different manner with respect to 2020. This change is not considered significant by the Company.

COSTS				
Operating Costs				
Consumables	812	896	-84	-9.3%
Cost of personnel	27,408	26,239	1,169	4.5%
Costs for services	23,097	21,726	1,371	6.3%
Sundry operating expenses	1,753	2,800	-1,047	-37.4%
Airport fees	2,669	2,192	477	21.8%
Total operating costs	**55,738**	**53,853**	**1,886**	**3.5%**
Costs for construction services	9,822	7,935	1,887	23.8%
TOTAL COSTS (C)	**65,561**	**61,788**	**3,773**	**6.1%**

OPERATING COSTS

Operating costs, which totalled € 55.7 M, increased by 3.5% compared to € 53.9 M reported at the end of 2020.

7.2.1 Consumables

This item refers to the cost of consumables, a total of € 812 K (€ 896 K in 2020), and includes:

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
CONSUMABLES				
Stationery	22	15	6	41.4%
Fuels, lubricants	428	328	100	30.4%
Materials for car parking lots	5	12	-7	-58.3%
Other consumables	0	201	-201	N/S
Safety Serv. Contr. (mat.)	44	32	12	39.0%
Clothing	123	161	-38	-23.7%
Mat. for operating services	190	147	44	29.7%
TOTAL CONSUMABLES	812	896	-84	-9.3%

The decrease is mainly due to the reduced purchase of personal protection equipment (PPE) and to the lower sanitation expense linked to the health emergency (€ -201 K) compared to 2020, which are partially mitigated by the increase in fuel costs (+30.4%, equalling € 100 K).

7.2.2 Cost of personnel

The Group's cost of personnel totalled € 27.4 M in 2021, up by € 1.2 M compared to 2020 (+4.5%). The increase in personnel costs in 2021 compared to 2020 is mainly due to the acquisition of the employees of the new subsidiary TAC, to the renewal of the collective bargaining agreement of the air transport industry, and to a lower use of temporary unemployment benefits and holidays in the second part of 2021, due to the increased traffic managed.

This cost item is broken down below:

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
STAFF COST				

Remuneration	27,127	25,896	1,232	4.8%
of which:				
Wages	14,945	14,547	398	2.7%
Salaries	4,211	3,397	814	24.0%
Social security contributions	6,013	5,780	233	4.0%
ETB	1,958	2,172	-214	-9.8%
Other labour costs	280	343	-63	-18.3%
of which:				
Contributions to CRAL	8	9	0	-5.6%
Benefits to personnel	271	296	-26	-8.7%
Administered and sundry	2	38	-37	-96.0%
TOTAL COST OF STAFF	27,408	26,239	1,169	4.5%

The table below provides details on the average annual staff (expressed in Full-Time Equivalents, FTEs) existing in 2021 and any difference compared to 2020:

FTE Table	2021	2020	Diff.	% Diff.
Toscana Aeroporti	323.4	329.1	-5.7	-1.7%
Toscana Aeroporti Handling	322.0	354.0	-32.0	-9.0%
Jet Fuel	11.25	10.83	0.4	3.8%
TAE	6.52	7.39	-0.9	-11.7%
TAC	14.53		14.5	
VOLA	0.00	0.81	-0.8	-100.0%
Group	**677.7**	**702.1**	**-24.4**	**-3.5%**

Please, note that in the table above 2 part-time units are considered as 1 full-time unit. The table below provides details on the staff existing at 31 December 2021 and any difference compared to 2020.

No. of employees	31 DEC 21	31 DEC 20	Diff.	% Diff.
Toscana Aeroporti	353	358	-5	-1.4%
Toscana Aeroporti Handling	439	456	-17	-3.7%
Jet Fuel	13	10	3	30.0%
TAE	7	6	1	16.7%
TAC	14	0	14	N/S
Vola	0	1	-1	-100.0%
Group	**826**	**831**	**-5**	**-0.6%**

7.2.3 Costs for services

On the whole, costs for services in 2021 and 2020 consist of:

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Commercial services	159	71	88	123.8%
Institutional expenses	1,375	1,209	166	13.8%
Other services	3,614	3,627	-13	-0.4%
Personnel services	931	995	-64	-6.5%
Maintenance services	5,337	4,446	891	20.1%
Utilities	2,855	2,840	14	0.5%
Operating services	8,827	8,539	288	3.4%
TOTAL COSTS FOR SERVICES	23,097	21,726	1,371	6.3%

The amount of "Commercial services" - € 159 K in 2021 - (€ 71 K in 2020) includes the following costs:

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Commercial services	159	71	88	123.8%
of which:				
Advertising commissions	9	21	-12	-57.9%
Management of advertising systems	27	32	-5	-16.1%
Retail promotions	63	18	45	253.7%
Dry cleaning service	60	0	60	N/S

Institutional expenses totalled € 1.4 M in 2021 (€ 1.2 M in 2020), mainly including the cost of the Board of Directors and Board of Auditors.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Institutional expenses	1,375	1,209	166	13.8%
of which:				
Directors' fees	929	860	69	8.0%
Auditors' fees	236	205	31	15.2%
Directors' business travels	168	125	43	34.3%
Legal, notarial, meeting expenses	34	19	15	78.5%
Participation in conferences	8	0	8	N/S

Other services, which totalled € 3.6 M (€ 3.6 M in 2020), mainly include professional services, industrial insurance and communication costs.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.

COSTS FOR SERVICES				
Other services	3,614	3,627	-13	-0.4%
of which:				
Professional services	2,666	2,473	193	7.8%
Industrial insurance	673	609	64	10.5%
Communication	252	532	-280	-52.6%
Other minors	22	12	10	81.9%

Other personnel services", which totalled € 931 K (€ 995 K in 2020), mainly include canteen, payroll service, transfers and employee training costs.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Personnel services	931	995	-64	-6.5%
of which:				
Canteen	513	576	-64	-11.1%
Insurance	173	190	-17	-9.0%
Preventive medicine and med. examinations	24	23	2	6.7%
Training	90	62	28	45.6%
Staff recruitment	13	19	-7	-35.6%
Payroll services	84	85	-1	-0.6%
Transfers and other minor entries	33	39	-6	-14.6%

Maintenance services totalled € 5.3 M (€ 4.4 M in 2020) and include airport infrastructure, system and installation, equipment and vehicle maintenance.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Maintenance services	5,337	4,446	891	20.1%
of which:				
Equipm./Truck Maint.	841	661	181	27.3%
BHS system maint.	794	668	125	18.7%
Maint. of infrastructures	1,854	1,714	140	8.2%
IT maintenance	1,849	1,403	445	31.8%

Utility services, which totalled € 2.86 M (€ 2.84 M in 2020), mainly include costs for electricity, gas, water and telephone services.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Utilities	2,855	2,840	14	0.5%
of which:				
Electricity	1,395	1,381	15	1.1%
Water	268	215	53	24.8%
Telephones	210	189	21	11.2%
Mobile phones	215	187	28	15.0%

Gas	710	761	-51	-6.7%
Minors	55	107	-51.6	-48.2%

Operating services, which totalled € 8.8 M (€ 8.5 M in 2020), mainly include external costs for porters, surveillance, cleaning, rentals, first aid care and other services typically associated with airport operations.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Operating services	8,827	8,539	288	3.4%
of which:				
Porterage	2,452	1,690	762	45.1%
Aircraft and vehicle cleaning	494	378	116	30.7%
Agency/Wareh. service	254	746	-491	-65.9%
Cleaning	912	967	-55	-5.7%
PRM Support	580	523	57	10.8%
Surveillance service	2,153	1,822	331	18.2%
Services Centre	139	186	-47	-25.3%
Connection to AZ ARCO system	69	66	3	4.6%
Rental of machines and equipment	344	363	-19	-5.3%
Management of parking lots	122	218	-96	-43.9%
Gardening	76	90	-14	-15.1%
VIP Lounge	103	179	-76	-42.4%
First Aid Service	362	334	28	8.4%
Shuttle bus	172	272	-100	-36.8%
Other operating services	10	6	4	73.0%
Emergency management services	584	647	-63	-9.8%
Trolley collection	0	52	-52	-100.0%

7.2.4 Sundry operating expenses

Sundry operating expenses, which totalled € 1.8 M (€ 2.8 M in 2020), mainly include taxes and levies, membership fees, sundry administrative costs, non-recurring costs and other minor entries.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
SUNDRY OPERATING EXPENSES				
Publications	15	15	0	-1.0%
Ins. entities and sundry institutions	301	348	-47	-13.5%
Taxes and levies	730	669	61	9.1%
Entertainment	37	109	-72	-65.9%
Sundry administrative costs	251	270	-20	-7.4%
Others	420	1,389	-969	-69.8%
SUNDRY OPERATING EXPENSES	1,753	2,800	-1,047	-37.4%

Other minor entries include a significant compensation of € 1.3 M, reported at the end of 2020 by the subsidiary Parcheggi Peretola, for the early termination of a multi-year supply agreement. For further details, see section 16.2 of the Report on Operations.

7.2.5 Airport fees

Airport fees, which totalled € 2.7 M (€ 2.2 M in 2020), include concession fees and the fee paid to the Fire Protection Fund.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
AIRPORT FEES				
Concession and security fees	1,696	1,163	533	45.8%
Fire Brigade fee	973	1,029	-55	-5.4%
TOTAL AIRPORT FEES	2,669	2,192	477	21.8%

The increase is due to the greater traffic reported in 2021 compared to 2020 (+43% in terms of passengers, corresponding to approximately € +533 K of fees), partly mitigated by the lower amount set aside in the airport fire protection fund, € 55 K.

7.2.6 Costs for construction services

Costs for construction services, which totalled € 9.8 M (€ 7.9 M in 2020), reflect the investments made in the airport infrastructure under concession in 2021.
The higher costs of € 1.9 M reported at year-end arise from the same reasons indicated in the comments to the corresponding revenue item.

7.2.7 Depreciation/amortization and impairment

This item totalled € 10.7 M in 2021 (€ 10.4 M in 2020) and includes amortization of intangible assets for € 6.2 M (€ 6.3 M in 2020), depreciation of tangible assets for € 3.4 M (€ 3.6 M in 2020), and amortization of rights of use for € 779 K (€ 544 K in 2020).

7.2.8 Provision for liabilities and repair

This item, which totalled approx. € 4.5 M (€ 1.7 M in 2020), includes the additions made to the provision for liabilities (€ 424 K) and to the provision for repairs (€ 4 M), which consist of the year's provision required for future maintenance expenses relating to repair work and replacements necessary to keep the assets used under the two ENAC concessions in good operating and functional conditions.

7.3 Net revaluation (impairment) of trade and other receivables

This item amounts to € 1,141 K (€ 1,668 K in 2020) and consists of the addition made to the provision for bad debt.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
Provision for bad debt	1,140	1,668	-528	-31.6%
Credit loss	1	-	1	
Use of provision for bad debt	-	-	-	
TOTAL ADDITION TO PROVISION FOR BAD DEBT	1,141	1,668	-527	-31.6%

The addition made to the provision in 2021 is affected by the deterioration of receivables due to ongoing insolvency procedures for some customers and to the general lack of liquidity linked to the collapse of the tourism sector as a result of the global health emergency.

7.4 Financial income

This item totalled approx. € 8 K (€ 8 K in 2020) and mainly includes interests receivable accrued on non-bank loans (€ 4 K) and actuarial income (€ 3 K).

7.5 Financial expenses

This item totalled € 2,591 K (€ 1,347 K in 2020) and mainly includes interests payable and commissions on bank current accounts for € 2,062 K (€ 684 K in 2020), financial expenses on employees' defined-benefit liabilities for € 52 K (€ 65 K in 2020), financial expenses relating to the discounting of the provision for repair and replacements for € 260 K (€ 472 K in 2020), and financial expenses on financial liabilities for rights of use for € 132 K (€ 104 K in 2020).

7.6 Profit (loss) from equity investments

This item totalled € 76 K (€ 101 K in 2020) and includes the difference in the valuation to Shareholders' Equity of the investments made in associates (Immobili A.O.U. Careggi S.p.a. and Alatoscana S.p.a.).

7.7 Year's income taxes

The credit balance of this item for 2021 - a total of € 7,412 K (€ 3,289 K in 2020) - mainly includes the recognition of prepaid taxes relating to the tax loss reported during the financial year by the Group companies, recognized after valuing the recoverability of the related tax assets in the light of future taxable income resulting from the economic and financial plans of the companies of the Group.
The increased cumulative tax loss at the end of 2021 also results from the deduction of taxes on Covid-19 subsidies recognised in the previous year.
In particular, this amount includes:

- negative current taxes of € 56 K deriving from taxable income for the financial year 2021 for € 40 K of the subsidiaries, with a profit result offset by a € 96 K credit on current taxes ("Super ACE" benefit) by the subsidiary TAC;
- deferred tax assets of € 7,258 K (of which € 6,759 K of the Parent Company TA and € 729 K of TAH);
- income from tax consolidation with the controlling company Corporación America Italia S.p.A. for € 99 K.

The reconciliation with the theoretical tax rate is provided In Annex "E".

7.8 Minority Interest's loss (profit) for the period

This item shows the minority interest of the subsidiaries Jet Fuel and TAC.
Based on property rights existing in 2021, the year's profit of the subsidiary Jet Fuel - approx. € 223 K (loss of € 192 K in 2020) is a minority interest to the extent of 66.67%, which corresponds to approx. € 149 K (loss of € 128 K in 2020).
Based on property rights existing in 2021, the year's profit of the subsidiary TAC - € 505 K - is a minority interest to the extent of 49%, which corresponds to € 247 K.
The overall minority interest's profit for the period is € 396 K (€ 140 K in 2020).

7.9 Earnings (loss) per share / Diluted earnings (loss) per share

The earnings (loss) per share and the diluted earnings (loss) per share of 2021 - € -0.282 (€ -0.67 in 2020) - was calculated by dividing the Group's loss for the period (€ -5,256 K) by the weighted average of the ordinary shares outstanding in the period (18,611,966 shares), as no dilution factor applied.

8. Information on the items of the Consolidated Statement of Financial Position

The items of the Consolidated Statement of Financial Position as at 31 December 2021 are commented below, indicating the comparison with balances as at 31 December 2020.
For the details of the balances of the items of the Consolidated Statement of Financial Position arising from relations with related parties, please refer to note no. 10.4 in "Relations with related parties".

8.1 Intangible assets

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Goodwill	3,735	0	3,735
Concession rights (royalties)	159,241	149,153	10,088
Patents and intellectual property rights	673	358	314
Construction in progress and advance payments (intang.)	25,245	27,991	-2,745
Other fixed assets	225	258	-33
Intangible assets	189,119	177,760	11,359

In addition to the information provided in the introduction, aggregate investments for approximately € 11.8 M in intangible assets were made in 2021, consisting of:

(amounts in €K)	
Concession rights (royalties)	8,431
Construction in progress (Conc. rights)	3,091
Construction in progress (SW)	98
Software	206
Total	**11,826**

For a detailed analysis of the investments made in 2021, see section 10 of the Report on Operations.
No divestiture of assets was done in 2021.
Movements of intangible assets are detailed in Annex A and information on the various categories of intangible assets is given below.

a. Goodwill

The value of goodwill at 31 December 2021 is € 3.7 M (€ 0 at 31 Dec. 2020), accounted for in 2021 after the acquisition of 51% of Cemes Aeroporti S.r.l., a company that has been operating since July 2020 in the construction sector, which simultaneously took the name of Toscana Aeroporti Costruzioni S.r.l. ("TAC"). The business purpose of this company is to build airports, roads, railways; perform river and maritime works; develop noise mitigation systems and prefabricate concrete elements for road, airport and railway facilities. The acquisition is part of Ta's investment strategy aimed to the development of infrastructures for the Florence and Pisa airports through a subsidiary.
The goodwill refers to the experience in the industry of the acquired company and to the possibility to streamline the infrastructure development strategy of the Florence and Pisa airports through the subsidiary.
Goodwill is annually tested for impairment using the method described in the dedicated section below.
For further details concerning the acquisition, see section 6.2 "Business combinations".

b. Concession rights (royalties)

This item totalled € 159.2 M at 31 December 2021 (€ 149.2 M at 31 December 2020), up by € 10.1 M as a result of the significant infrastructure investments made by the Group in 2021. For further details, see section 10 in the Report on Operations.
The total amount of concession rights, including the related construction in progress, is € 184.5 M.

c. Industrial patent rights

This item totalled € 673 K at 31 December 2021 (€ 358 K at 31 December 2020), up by € 314 K as a result of the year's investments.

d. Construction in progress

This item totalled € 25.2 M at 31 December 2021 (€ 28 M at 31 December 2020), an amount almost exclusively referred to concession rights, which reflects a € 2.5 M decrease resulting from new ongoing investments for € 3.2 M. The difference is offset by the € 5.7 K giro account in "Concession rights" item recognised after the conclusion of the related projects.

Please note that the value of construction in progress includes approx. € 14.2 M of investments made for the development of the Florence airport Master Plan and approx. € 1.7 M of investment made for the design of the new Florence terminal.

Concerning these investments, we remind readers that the decisions of the Italian Regional Administrative Court ("TAR") and of the Council of State, pronounced in 2019 and February 2020, respectively, which required TA to restart the VIA procedure in order to overcome some weaknesses in the preliminary documentation, do not question the technical validity of the project and do not identify any regulatory or environmental impediment to its implementation; in fact, TA can reuse the specialist analyses and design work developed until now for the new work approval procedure.
During 2020 and 2021, the Company continued to cooperate with ENAC in order to restart of the approval process, also in the light of the provisions of Law Decree 76/2020 (so-called "Decreto Semplificazioni" or Simplification Decree), which may help reducing the necessary authorization timeframe.
The amount of construction in progress relating to the Florence airport Master Plan was also tested for impairment as described below.

Impairment test

On 31 December 2021, due to the persisting impact of the Covid-19 pandemic on the national and global macroeconomic scenario, including air traffic, the impairment test was performed, as required by IAS 36 "Impairment of Assets", to measure the effects of the economic situation as indicators of loss of value. The impairment test, performed on accounting data as at 31 December 2021 and approved by the Board of Directors, together with the Group's Business Plan, on 9 March 2022, considered both the CGUs of the Florence and Pisa airports.
These CGUs include, in addition to Concession rights (including, for the Florence airport, assets under construction for Master Plan developments), the goodwill of all the other assets that make up the net invested capital of the respective airports, identified by Directors and dedicated to the development of the airports, both as regards air traffic, the infrastructure and passenger services.
More specifically, the expected cash flows of the two airports estimated for the residual duration of the respective concessions (2048 for Pisa and 2045 for Florence - conventionally defined as 2044 in view of the expiry of the concession in February 2045), having acknowledged the postponement of the completion of the new Florence airport until the new approval process is completed, have been approved by the Board of Directors of the

holding TA on 9 March 2022 and discounted by determining the recoverable value in use of the respective CGUs, which value was compared with the related book value.
The time horizon of the economic-financial forecasts (hereinafter also the "Plan") will therefore take into account the 24-month extension, established by Law no. 77 of 17 July 2020, of the expiry of the airport concessions, which were initially set at 2043 for the Florence airport and 2046 for the Pisa airport.
The objectives and assumptions of the Plan have been determined by taking into account the historical results of operations and have been processed based on accurate estimates of passenger traffic and of the related revenues, also by using industry-related growth factors and especially considering the significant reduction in the demand determined at the end of the years 2020 and 2021 due to the impact of the Covid-19 pandemic.
The definition of the main drivers of the Plan, particularly as regards future traffic development forecasts, has also been based on external information, such as independent surveys conducted by primary operators of the sector. In the light of the information acquired from internal and external sources, the Plan forecasts are based on a possible recovery of pre-Covid passenger traffic levels not earlier than 2024, with levels still significantly below those reported before the pandemic in 2022 as well.
In the period following the pre-Covid level recovery period, revenue growth has been defined based on the following percentages, which are also in line with the forecasts developed by external sources on long-term traffic trends and with reported historical trends:
- Growth rate of operating revenues for the Florence airport: 3.6% CAGR for 2024-2045 (against 3.5% in 2020)
- Growth rate of operating revenues for the Pisa airport: 2.8% CAGR for 2024-2048 (against 2.8% in 2020)
As to the discounting of cash flows, the Group adopted a WACC (weighted average cost of capital) that reflects the current market valuation of interest rates and takes into account the specific risks of the business activity and geographical area in which the CGUs operate, therefore establishing a WACC of 7.53%.

The Group then conducted a sensitivity analysis on the results of the test against the variations expected in basic assumptions (use of revenue growth rate and discount rate) that affect the value in use of the CGUs. Even in the event of a 1% increase in the WACC used, the analyses would not show an impairment.
Based on Consob requirements indicated in resolution no. 1/21 of 16 February 2021 and on the recommendations issued by ESMA in the Public Statement "European common enforcement priorities for 2020 annual financial reports", as well as considering the basic scenario described above, also supported by external studies, the new resulting scenario is still characterized by the negative impacts of the pandemic. The envisaged scenario, developed by applying the EBITDA reported by the respective CGUs in 2021 to the years 2022 and 2023, describes a further two-year deferment of the expected recovery of pre-Covid-19 traffic levels, and the assumption is that only in 2024 will the profit levels envisaged in the basic 2022 plan be possibly achieved. Despite this further significantly negative impact, the value of use of the CGUs examined is still higher than their net carrying amounts.
In all the cases processed, the current value of expected cash flows generated by the CGUs is higher than the net book value tested for impairment.
In addition, the Group conducted a further simulation aimed at defining the reduction of revenues and, for the same amount, of the profits expected in the plan, which would determine a recoverable amount not lower than the carrying amount of the CGUs. The reduction in revenues, which, without any reduction in the amount of costs, would result in a recoverable amount not lower than the carrying amount of the CGUs, would be about 15.2% for Florence airport and about 13.6% for Pisa airport.

Considering that the recoverable value is determined based on estimates, the Group cannot ensure that an impairment may appear in future periods. In the current market context, the various factors used for the processing of the estimates could be reviewed. The Group will constantly monitor these factors and any possible impairment.

8.2 Property, plant and equipment

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Land, Buildings	17,082	17,329	-247
Other assets	2,233	3,135	-902
Ind. and comm. equipment	974	884	90
Plant and machinery:	8,440	6,793	1,647
Construction in progress and advance payments (tang.)	293	1,334	-1,041
Property, plant and equipment	29,022	29,476	-453

On the whole, approximately € 3.1 M were invested in 2021, as broken down below:

(amounts in €K)	
Land and buildings	1
Plant and machinery	2,700
Industrial and commercial equipment	221
motor vehicles	4
Furniture and fittings	12
Hardware	142
Construction in progress	170
Total	**3,250**

For a detailed analysis of the main investments made in 2021, see section 10 of the Report on Operations.
Disposal of assets for € 346 K were made during 2021.
Movements regarding property, plant and equipment is given in Annex B.

8.3 Rights of use

At 31 December 2021, the Company had Rights of Use for € 4.6 M, including:

1. rights of use on property, buildings and improvements for € 3.9 M, relating to long-term contracts signed for the concession of car park areas, with terms ranging from 9 to 20 years;
2. rights of use on vehicles for € 649 K, related to long-term contracts signed for corporate cars, with terms ranging from 3 to 4 years.

The details of the year are provided below.

Data in €K	31.12.2021	31.12.2020
Values at January 1st	4,542	4,619
Acquisitions	821	466
Disposals	0	0
Depreciation	-779	-544
Year-end rights of use	4,583	4,542

8.4 Investments in other entities

At 31 December 2021, the TA Group owns shares in other investments for € 2,953 K (€ 2,945 K at 31 Dec. 2020), consisting in:

- I.T. Amerigo Vespucci S.p.a. (0.22% of the share capital): € 40.6 K
- Consorzio Turistico Area Pisana S.c.a.r.l. (2.4% of the share capital): €420
- Scuola Aeroportuale Italiana Onlus (52.7% of the share capital): € 13.2 K
- Consorzio Pisa Energia S.c.r.l. (5,26 % of the share capital): €831
- Consorzio per l'Aeroporto di Siena (0.11% of the share capital): € 8.5 K
- Firenze Convention Bureau S.c.r.l. (4,44 % of the share capital): € 6.3 K
- Firenze Mobilità S.p.a. (3.98% of the share capital): € 42.5 K
- Società Esercizio Aeroporto della Maremma S.p.a. (0.39% of the share capital): € 10.2 K
- Firenze Parcheggi S.p.A. (8.16% of the share capital): € 2,823 K
- A. C. Quasarda S.c.a.r.l. (72.42% of the share capital): € 7.2 K

The valuation of the investment in Firenze Parcheggi S.p.A. was done by using a methodology that takes into account expected future cash flows, called the discounted cash flow method, based on which the book value has been confirmed.

Scuola Aeroportuale Italiana Onlus has been classified among "Other entities" because it is a non-profit organization. The tourist consortium "Consorzio Turistico Area Pisana" and the Siena airport consortium "Consorzio per l'Aeroporto di Siena" are winding up at the closing date of this report.

No significant change in the fair value of investments in other entities is recognized at 31 December 2021.

8.5 Investments in associated companies

At 31 December 2021, the value of TA's equity interests in associates and related entities is € 632 K (€ 613 K at 31 Dec. 2020), as shown in the table below.

- Alatoscana for € 376 K (€ 375 K at 31 Dec. 2020);
- Immobili AOU Careggi for € 256 K (€ 239 K at 31 Dec. 2020).

For further considerations on the characteristics of the entities in question, see the section "Relationships with associated companies and related parties" of the Report on Operations. No impairment indicator applies to Equity Investments in related entities.

8.6 Other financial assets

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Guarantee deposits	193	185	8
Receivables from others due beyond the year	3,017	3,017	0
Other financial assets	3,211	3,202	0

Guarantee deposits

These mainly refer to guarantee deposits issued in favour of utility providers (for connections), tobacco products, cash floats given to ticket offices and parking operators.

Receivables from others, due beyond the year

The receivable mainly consists in the confirmatory deposit paid on the of € 3 M price in June 2018 upon signing the preliminary agreement for the purchase from NIT – Nuove Iniziative Toscane S.r.l. (a real property subsidiary of the Unipol Group) of the "Piana di Castello" area in the vicinity of the Florence airport for Master Plan development purposes. See also the further considerations in section 8.1.d "Construction in Progress".

8.7 Trade receivables due beyond the year

These refer to trade receivables for agreed repayment plans. At 31 December 2021, the item totalled € 162 K (€ 272 K at 31 December 2020).

8.8 Deferred tax assets

Deferred tax assets and liabilities have been posted in their net amount when they could be offset in the same jurisdiction. The net balance is € 13,076 K (€ 4,986 K at 31 December 2020). This amount mainly includes tax effects determined on the 2021 tax loss of the Parent Company and its main subsidiaries, on the temporary differences determined on taxed provisions (for repair, for bad debt, etc.), and the accounting of intangible assets (concession rights) under IFRIC 12. For details regarding the composition of the item and the related details, see Annex D.

Deferred and prepaid taxes have been determined by applying the tax rate in force during the year when the temporary differences will be reversed.

The increased cumulative tax loss at the end of 2021 also results from the deduction of taxes on Covid-19 subsidies recognised in the previous year.

The recoverability of deferred tax assets relating to tax losses is reflected in the capacity to produce tax profits in future financial years, as can be inferred from the multi-year plan approved by the Board of Directors of the parent company on 9 March 2022, also considering that applicable tax laws allow companies to use past tax losses along an unlimited time horizon.

CURRENT ASSETS

The composition of current assets at 31 December 2021 and a comparison against 31 December 2019 are given below.

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
CURRENT ASSETS	89,278	108,146	-18,868

8.9 Trade receivables

The main item includes receivables from customers at 31 December 2021, net of the provision for bad debt, which totalled € 13,180 K (€ 17,525 K at 31 December 2020), as detailed in the table below:

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Toscana Aeroporti S.p.A.	17,345	15,711	1,634
Toscana Aeroporti Handling S.r.l.	3,431	1,403	2,027
Parcheggi Peretola S.r.l.	1	0	1
Jet Fuel Co. S.r.l.	293	90	203
TAC S.r.l.	315	0	315
Receivables from associated companies	138	162	-23
- Provision for bad debt	-5,291	-4,187	-1,104
Trade receivables	16,233	13,180	3,053

The provision for bad debt (trade receivables) was increased during the year by the addition of € 1,141 K and decreased for the use of € 37 K.

Data in €K	
Provision for bad debt at 31 Dec. 2020	4,187
Addition	1,141

Use	-37
Provision for bad debt at 31 Dec. 2021	5,291

The composition of trade receivables by category of overdue account is detailed in the table below.

Data in €K	Aggregate Total	Receivables due	Overdue receivables				
			0-30 days	30-60 days	60-90 days	90-180 days	> 180 days
Current receivables	21,524	8,163	4,143	1,339	333	743	6,804
Expected loss rate		0.0%	-0.3%	-1.3%	-5.5%	-8.3%	-76.2%
Provision for bad debt	-5,291	0	-11	-18	-18	-61	-5,182
Total at 31.12.2021	**16,233**	**8,163**	**4,132**	**1,321**	**314**	**681**	**1,622**

Data in €K	Aggregate Total	Receivables due	Overdue receivables				
			0-30 days	30-60 days	60-90 days	90-180 days	> 180 days
Current receivables	17,367	4,927	1,461	1,335	1,206	1,807	6,630
Expected loss rate		-0.1%	0.0%	-1.0%	-1.9%	-3.2%	-61.7%
Provision for bad debt	-4,187	-4	0	-13	-22	-59	-4,089
Total at 31.12.2020	**13,180**	**4,923**	**1,461**	**1,323**	**1,184**	**1,749**	**2,541**

Trade receivables also include receivables from related entities shown in the following table.

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Alatoscana	32	63	-32
Immobili AOU Careggi	107	99	8
Receivables from associated companies	138	162	-23

8.10 Current tax assets

This item, equal to € 637 K at 31 December 2021 (€ 1,026 K at 31 December 2020) mainly refers to receivables for current taxes of which € 398 K of TA (IRAP for € 198 K and taxes receivable from Corporación America Italia S.p.A. for € 200 K, relating to the income deriving from the tax consolidation), € 122 K of TAC (referred to the "Super ACE" credit), € 82 K of TAH (referred to IRAP), and € 35 K of other subsidiaries (related to IRES/IRAP receivable).

8.11 Other taxes receivable

This item, approx. € 2.3 M (€ 3.2 M at 31 Dec. 2020), mainly consists of:

- VAT receivable from the Parent Company for € 729 K;
- VAT receivable from Subsidiaries for € 827 K;
- IRES receivable for an additional payment made by the Parent Company TA for € 605 K, already offset in January 2022;
- Receivables for investments in operating assets made by the Parent Company for € 46 K;
- Parent Company's ART bonus for € 43 K.

8.12 Receivables from others due within the year

Data in €K	31.12.2021	31.12.2020	DIFFERENCE

Public subsidies (State, Region)	9,552	10,035	-483
Receiv. fm carriers for Municipal addit. tax pass. boarding fees	4,299	2,507	1,792
Advance payments made to suppliers	819	362	456
Accrued income & Prepaid expenses	366	467	-101
Monopoly products receivables	56	53	3
Other minor receivables	827	978	-151
Receivables from others, due within the year	15,919	14,402	1,516

The "Public subsidies" item includes the aids received from the State and Region, which are described in detail in section 7.2 "Other income".
The Additional Municipal Tax on passenger boarding fees receivable, a tax established with Art. 2, par. 11, of Law no. 350 of 24 December 2003, shows the same trend as the item "Other taxes due" of the current liabilities because the amount collected is paid to the State.
The item "Prepaid expenses" mainly concerns supplies with advanced billing, membership fees, insurance.

8.13 Cash and cash equivalents

At 31 December 2021, this item consisted of € 54,147 K (€ 76,344 K at 31 December 2020).
The reduced cash mainly reflects:
- A greater outflow for about € 0.9 M due to the consequences of the Covid-19 outbreak;
- Investments for approx. € 15.1 M in airport infrastructures;
- net cash outflows of approx. € 5.6 M from financing activities.

We point out that the "Cash and Banks" item includes a minimum amount of € 1 M, available and deposited in a current account pledged as collateral for the medium-/long-term Loan Agreement stipulated with the Intesa-San Paolo-MPS bank pool.
For more details, see the Statement of Cash Flows in the Report on Operations.

8.14 SHAREHOLDERS' EQUITY

The Shareholders' equity decreased by € 4.1 M after the recognition of the Group's loss for the period.
More specifically, the Shareholders' equity consists of the following items:

Share Capital

At 31 December 2021, the fully paid-up share capital of the Parent Company consists of 18,611,966 ordinary shares without nominal value (18,611,966 shares at 31 Dec. 2020).
For details on Shareholders, see the table and section "Shareholders of the Parent Company" in the Report on Operations.

Capital reserves

Capital reserves consist of:
- a share premium reserve for € 18,941 K created with the paid capital increase determined upon listing SAT (Società Aeroporto Toscano Galileo Galilei S.p.a.) on the Stock Exchange in July 2007;
- a legal reserve for an amount of € 5,369 K (€ 5,369 K at 31 December 2020);
- statutory reserves for € 30,938 K (€ 38,783 K at 31 December 2020). The € 7,845 K decrease is the consequence of the covering of the 2020 loss, as proposed by the Board of Directors of the Parent Company on 11 March 2021, as approved by the Shareholders' Meeting of the Parent Company held on 18 May 2021;

- other reserves mainly consisting of the reserve deriving from the merger by incorporation of AdF, for € 24,585 K. Pursuant to point 5 of the first paragraph of Art. 2426 of the Civil Code, we specify that there is no restriction on available reserves.

IAS adjustments reserve

This reserve is negative by € 3,229 K, and included:

- the first-time adopted IAS/IFRS reserve (negative for € 711 K) after deducting the theoretical tax burden created at 1 Jan. 2005 upon First Time Adoption, so as to include the impact of international accounting standards on the Shareholders' Equity;
- the IAS/IFRS reserve (negative for € 2,618 K) created as a consequence of the adoption of the new international standard IFRIC 12 "Service Concession Agreements" since 1 January 2011.

Profit/(Loss) carried forward

This item includes € 587 K of profit carried forward (€ 3,858 K at 31 December 2020). The difference derives from the allocation of the 2020 result and from the actuarial effect of the recalculation of employee benefits according to IAS 19 "Employee Benefits".

Other components of the Statement of Comprehensive Income

The value at 31 December 2021 is broken down below:

SITUATION AT 31 Dec. 2021	PROFIT/(LOSS) CARRIED FORWARD	GROUP TOTAL	MINORITY INT. S.E.	TOT. OTHER COMPON. OF COMPREH. I.S.
Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:				
GROUP'S COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	180	180	13	**193**

SITUATION AT 31 Dec. 2020	PROFIT/(LOSS) CARRIED FORWARD	GROUP TOTAL	MINORITY INT. S.E.	TOT. OTHER COMPON. OF COMPREH. I.S.
Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:				
GROUP'S COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD	-139	-139	-11	**-151**

The tax effect regarding the other components of the Statement of Comprehensive Income is broken down below:

SITUATION AT 31 Dec. 2021	Gross value	Tax (charge)/benefit	Net Value
Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:	254	-61	**193**

SITUATION AT 31 Dec. 2020	Gross value	Tax (charge)/benefit	Net Value

Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:	-198	48	-151

Group's profit (loss) for the period
This item includes the Group's result for the year ended 31 December 2021, consisting of a loss of € 5,256 K (loss of € 12,470 K at 31 December 2020).

Minority interest
Based on the existing equity relations in 2021, minority shareholders' interest totals € 1,153 K (€ 222 K at 31 December 2020). The difference is due to:
- the recognition of third-party interests in the business combination effected by TAC;
- the result for the period of the subsidiaries Jet Fuel and TAC.

8.15 Provisions for risks and charges
The Provisions for risks and charges consists of € 2,213 K (€ 2,016 K at 31 December 2020). The details of the year are provided below.

	Data in €K
Provisions for risks and charges at 1 Jan. 2021	2,016
Addition	424
Use	-228
Provisions for risks and charges at 31 Dec. 2021	2,213

At 31 December 2021, the provision mainly includes the following amounts:
1) € 351 K of provisions set aside in connection with the Fire Brigade Protection Service dispute, which is described in detail in the section "Information on the main items of the Provision for risks and expenses at 30 Dec. 2020";
2) € 1,115 K set aside in connection with potential labour dispute liabilities , better described in the section "Additional information";
3) € 215 K set aside for a dispute where TA has been sued by a private citizen for the construction of a road on property in the vicinity of the Pisa airport;
4) € 328 K set aside for disputes on local taxes concerning the different classification of airport areas for IMU (municipal property tax) determination purposes.

For further information, see the section 10.7 "Information on the main items of the Provisions for risks and charges at 31 December 2020".
The amounts set aside by the Company to face potential risks deriving from ongoing disputes are deemed appropriate for the predictable outcome of the legal proceedings.

8.16 Provisions for repair and replacement
This provision (valued according to the best estimate of the expense currently required to fulfil the obligation at the closing date of the report) includes the amounts spent for the maintenance and repair of infrastructures in the Florence and Pisa airports, to be returned in perfect maintenance conditions to the Grantor at the end of the concession period. The global value of this item at 31 December 2021 is € 19,134 K, down by € 3,028 K with respect to 31 December 2020 as a result of the year's uses, mainly referred to the works completed on the Florence airport runway, partially offset by the additions to the provision made in 2021. Details are given below:

	Data in €K

Provisions for repair and replacement at 1 Jan. 2021	22,162
Addition	4,029
Use	-7,317
Financial expenses	260
Provisions for repair and replacement at 31 Dec. 2021	19,134

This provision has been allocated to non-current liabilities for € 16,987 K and to current liabilities for € 2,147 K depending on the estimated time of its use.
The potential impact on this provision in terms of increase, as a consequence of a hypothetical reduction of 50 basis points in discount rates, would be approximately € 675 K. The potential impact on the provision in terms of decrease, as a consequence of a hypothetical increase of 50 basis points in discount rates, would be approximately € 626 K.

8.17 Provisions for employee benefits

The item includes the value of the provision for employee benefits, which is considered as a defined benefit obligation to be recognised as recommended by IAS 19 "Employee Benefits".
The parameters used for the valuation of the Pisa and Florence airport staffs at 31 December 2021 are:
- annual technical discount rate: 0.97%
- Annual inflation rate: 1.20%
- annual ETB increase rate: 2.40%

As far as the discount rate is concerned, the Corporate AA iBoxx 10+ index has been selected as criterion for the valuation of this parameter, as its duration is suitable for the average time of permanence of the two staff groups being considered.
There is no defined benefit scheme for the executive staff of the company.
The liability is € 5,278 K (€ 5,736 K at 31 December 2020). This provision is booked net of the advance payments and settlements made during the period examined, and shows a € 458 K reduction compared to 31 Dec. 2020, as detailed below:

	Data in €K
Provisions for employee benefits at 1 Jan. 2021	5,736
Change in consolidation area	378
IAS Fin. charg.	52
Use	-635
Actuarial (gain)/loss	-254
Provisions for employee benefits at 31 Dec. 2021	5,278

The difference introduced in the Statement of Comprehensive Income (€ 193 K) corresponds to the actuarial gain of € 254 K, after a taxation of € 61 K.
The valuation of future benefits is obviously affected by all the assumptions required for its identification; therefore, in order to obtain the sensitivity shown by the actual value as determined above compared to said assumptions, some tests have been conducted to provide the difference in the actual value against a given difference in some of the assumptions adopted, which may mostly affect that value. The table below provides the sensitivity analysis of the Provision (in €K).

	Annual technical discount rate		Annual inflation rate		Annual turnover rate	
	+ 0.50 %	- 0.50 %	+ 0.25 %	- 0.25 %	+ 2.50 %	- 2.50 %
Provision (data in €K)	5,045	5,526	5,346	5,210	5,204	5,310

Finally, the table below provides a prediction of disbursement of the provision.

Future Cash Flows (€)

Year	TA Group
0 – 1	283,603
1 – 2	179,704
2 – 3	200,175
3 – 4	212,191
4 – 5	294,724
5 – 6	497,088
6 – 7	438,492
7 – 8	437,904
8 – 9	346,046
9 – 10	483,328

8.18 Financial liabilities

The details of non-current and current financial liabilities are given below:

Data in €K	31 December 2020	New loans (principal)	Payments (principal)	Reclassification	Other movements	31 December 2021
Non-current liabilities	**103,014**	101	-	-9,398	321	**94,037**
Current financial liabilities						
Bank overdrafts (short-term credit facility)	41,042	57,000	-57,000		124	41,166
Current portion of medium/long-term indebtedness	4,985	99	-4,924	9,398	-14	9,545
Total current financial liabilities	**46,026**	**57,099**	**-61,924**	**9,398**	**110**	**50,711**
Total financial liabilities	**149,040**	**57,200**	**-61,924**	**0**	**431**	**144,747**

Other non-monetary movements mainly include the effect of the recognition of the interest share not yet settled for the period.

The amount of € 50.7 M, consisting of the current financial liabilities existing at 31 December 2021, refers to the current portion of the medium-long term debt relating to the loans described below in these Notes for € 9,545 K and to short-term loans ("Hot Money") for € 41.2 M.

The € 9 M decrease in non-current financial liabilities refers to the short-term reclassification of the shares of capital due in the subsequent financial year.

The total amount of non-current financial liabilities and the related current share of medium-term debt relates to:

1) the loan agreement signed on 30 October 2020 with a pool of primary financial institutions consisting of Intesa Sanpaolo and BNL-BNP Paribas Group for a total amount of € 85 M secured by a SACE collateral in accordance with the provisions of the "Liquidity Decree" for an equal amount 90% of the sums paid in principal, plus interest and ancillary costs (hereinafter also the "SACE loan"). This SACE loan was disbursed on 6 November 2020 and has a term of 6 years, with a pre-amortization of 24 months (first instalment due in December 2022), and requires the company to comply a financial parameter, to be measured at the time of the annual consolidated financial statement, which consists in the value of the consolidated net financial position (NFP), as conventionally defined in the same agreement, not exceeding € 100 M. This financial parameter was met at 31 December 2021. According to the provisions of the loan agreement and of the "Liquidity Decree", this facility can be used to support the Group's cash requirements in connection with the payment of personnel costs, rents or leases, investments and working capital, with an interest rate indexed to the EURIBOR rate plus a margin. In addition, annual commissions are determined in the agreement, to be calculated in connection with the SACE guaranteed component on the share of principal paid out and not repaid, with a fixed percentage increasing over the term of the loan - For additional details, see the "Liquidity risk" section of these Explanatory Notes;

2) Two long-term loans granted by bank "Banca Infrastrutture Innovazione e Sviluppo" ("BIIS" - Intesa San Paolo Group) and MPS Capital Service to support infrastructure investments, with initial amounts of € 12 M and € 40 M, respectively. The interest rates of these loans are indexed to the 6-month EURIBOR rate plus a spread. The loan obtained from MPS Capital Services is due in June 2022, with an outstanding debt of approx. € 1 M at 31 December 2021; the loan obtained from BIIS – Intesa San Paolo Group is due in September 2027, with an outstanding debt of € 17.2 M at 31 December 2021 (of which € 2.9 M due within the next 12 months).
3) Three loans received in 2017, 2018 and 2021 by the subsidiary Jet Fuel have a residual debt of € 606 K at 31 December 2021 (of which € 301 K within the next 12 months).

The financial liabilities arising from the loans granted to the parent company by BIIS - Intesa San Paolo Group and MPS Capital Service require compliance with preset financial ratios that are defined in the related agreement, such as the Net Financial Position/EBITDA and the Net Financial Position/Shareholders' Equity ratios, as defined in mutual agreement with the lending banks and measured on the book values of the parent company, for the € 40 M loan, and of the Group, for the € 20 M loan.

We finally point out that, in addition to the aforesaid parameters, the € 12 M loan agreement requires a minimum amount of € 1 M to be made available and deposited in a current account pledged as security for the same loan and requires that no non-recurring transaction be performed with third parties (entities that are not members of the Group) without the previous written consent of the lending banks.

Failure to comply with the covenants and the other contractual commitments undertaken with the loan in question may lead, if the default is not remedied within the terms agreed, to the early repayment of the outstanding debt and/or to a restriction in the distribution of dividends.

At 31 December 2021, the Parent Company, for the loan granted by BIIS - Intesa San Paolo Group and MPS Capital Services, obtained specific exemptions from the measurement of the financial ratios provided for in the respective agreements at 31 December 2021.

The SACE loan agreement also requires compliance with a financial parameter to be measured when the annual consolidated financial statements are adopted, which consists of the value of the consolidated net financial position, as conventionally defined in the same agreement, not exceeding € 100 M. This financial parameter was met at 31 December 2021.

Finally, we point out that, in line with market practice, the aforesaid loans may include: negative pledge commitments under which the company cannot create real warranty rights or other constraints on company assets; *pari passu* clauses, under which the loans will have the same degree of priority in repayment as the other financial liabilities; and "change of control" clauses, that are activated in the event that the majority shareholder loses control over the company; limitations to the non-recurring transactions the parent company may perform.

Details of the loans existing at 31 December 2021 are shown below.

Amounts in €K	Capital share	Interest share	Total
Within the year	50,506	1,639	52,145
Included between 1 and 2 years	24,372	1,536	25,908
Included between 2 and 3 years	24,169	1,049	25,218

Included between 3 and 4 years	24,118	507	24,625
Included between 4 and 5 years	18,805	111	18,916
Included between 5 and 6 years	2,868	20	2,888
Beyond 6 years	-		-
Total	144,838	4,862	149,700

Non-current financial liabilities due beyond five years totalled € 2.9 M at 31 December 2021.

Details of the credit facilities existing at 31 December 2021 are shown below.

Data in €K	31.12.2021	31.12.2020	DIFF.
Credit lines granted	**52,550**	**57,550**	**-5,000**
of which TA	*52,150*	*57,150*	*-5,000*
of which subsidiaries	*400*	*400*	*-*
Credit lines used	**41,000**	**41,000**	**-**
% used	*78%*	*71%*	
Residual facilities	**11,550**	**16,550**	**-5,000**

The lines of credit existing at 31 December 2021 refer to non-revolving lines of credit for € 40 M and the residual lines of credit at that date include non-revolving lines of credit for 11,550 K.

Financial liabilities outstanding at 31 December 2021 are reported below, distinguished into fixed and variable interest rate categories.

Banking institution	Expiry	type of interest	Interest rate	Debt at 31 December 2021 (in €K)
MONTE DEI PASCHI DI SIENA	June 2022	variable	6-Month Euribor + 250 bp	1,016
INTESA SAN PAOLO - 1st tranche	September 2027	variable	6-Month Euribor + 96 bp	7,475
INTESA SAN PAOLO - 2nd tranche	September 2027	variable	6-Month Euribor + 180 bp	9,867
BPM - I Jet Fuel loan	June 2023	variable	3-Month Euribor + 110 bp	153
BPM - II Jet Fuel loan	June 2024	variable	3-Month Euribor + 110 bp	254
BPM - III Jet Fuel loan	December 2023	fixed	1.65%	200
ISP-SACE	September 2026	variable	3-Month Euribor + 115 bp	84,617
a)			**Total medium/long**	**103,581**

				term lines of credit	
BPM	January 2022	fixed	0.50%		3,513
Bank Intesa San Paolo	March 2022	fixed	1.20%		11,105
BNL	April 2022	fixed	0.60%		5,020
UniCredit	March 2022	fixed	0.75%		2,505
UniCredit	March 2022	fixed	0.75%		2,505
UniCredit	March 2022	fixed	0.75%		1,002
UniCredit	March 2022	fixed	0.75%		2,505
UniCredit	May 2022	fixed	0.75%		1,001
Credem	January 2022	fixed	0.09%		1,000
MPS	March 2022	fixed	0.38%		11,010
	b)			**Total non-revolving lines of credit (Hot Money)**	**41,166**
	a) + b)			**Total lines of credit**	**144,747**

Bank loans at 31 December 2021 are shown below, carried at their book value and at fair value.

Banking institution	Company	notional	fair value
Intesa San Paolo	TA	17,208	17,558
Monte dei Paschi di Siena	TA	1,024	1,036
Intesa San Paolo - SACE	TA	85,000	85,068
Banco Popolare di Milano	Jet Fuel	606	612
Short-term loans ("hot money")	TA	41,000	41,166
	Total	**144,838**	**145,440**

The **Net Financial Position** at 31 December 2021, as shown in the Report on Operations in compliance with CONSOB Resolution prot. no. 6064293 of 28 July 2006, is specified in the following table:

NET CONSOLIDATED FINANCIAL INDEBTEDNESS			
Euro K	**31.12.2021**	**31.12.2020**	**Abs. diff.**
A. Cash	54,147	76,344	(22,197)
B. Cash equivalents	-	-	-
C. Other current financial assets	-	-	-
D. Liquid assets (A) + (B) + (C)	**54,147**	**76,344**	**(22,197)**
E. Current financial liabilities	41,166	41,042	124

F. Current portion of non-current financial liabilities	11,272	5,484	5,788
G. Current financial liabilities (E) + (F)	**52,437**	**46,525**	**5,912**
H. Net current financial liabilities (G) - (D)	**(1,710)**	**(29,818)**	**28,109**
I. Non-current financial debt	94,037	103,014	(8,977)
J. Debt instruments	-	-	-
K. Trade payables and other non-current liabilities	6,350	4,132	2,218
L. Non-current financial liabilities (I) + (J) + (K)	**100,387**	**107,146**	**(6,759)**
M. Total financial liabilities (H) + (L) (NFP)	**98,677**	**77,327**	**21,350**

See comments in the Report on Operations and to the "Statement of Cash Flows" for a more in-depth analysis of this item.

8.19 Financial liabilities for rights of use

At 31 December 2021, financial liabilities for rights of use, determined by discounting the value of the lease rentals due, total € 4.7 M, of which € 4 M classified as non-current liabilities and € 0.7 M as current liabilities.

Data in €K	31.12.2021	31.12.2020
Values at January 1st	4,631	4,648
Acquisitions	821	466
Payment / Other reductions	-863	-621
Financial expenses	132	137
Financial liabilities for rights of use at year-end	4,720	4,631

The details of the year are provided below. The Group adopted the practical expedient introduced by the amendment to IFRS 16 "Leasing" for the valuation of lease agreements, applicable when leases have been renegotiated as a result of Covid-19. The Group, as lessee, elected to account for the concession as a variable lease over the period in which a lower payment is recognized: the amount of these lower payments, € 152.5 K, is reported in the "Payments / Other reductions" line of the table below.

Data in €K	31.12.2021	31.12.2020
Financial liabilities for rights of use beyond one year	3,993	4,132
Financial liabilities for rights of use within one year	727	499
Total	4,720	4,631

Lease agreements contain no covenants.
The accrual of the financial liability is shown below.

	€K
< 1 year	888

1-2 years	678
2-3 years	563
3-4 years	485
4-5 years	448
5-6 years	309
Beyond 6 years	2,084
Total	5,454

The margin interest rates defined by the Group are reviewed on a recurring basis and applied to all the contracts with similar characteristics, which have been considered as a single contract portfolio. Rates are determined starting from the average effective borrowing rate of the parent company, appropriately adjusted to simulate a theoretical marginal interest rate, consistent with the contracts to be recognised. The most significant items considered for the adjustment of the rate are the credit risk spread of each country that can be observed in the market and the different duration of lease agreements.

The rates used for contracts signed in 2020 are:
- 0.69% for car rental agreements
- 1.67% for long-term lease agreements
- 1.10% for short/medium-term lease agreements

The rates used for contracts signed in 2021 are:
- 0.56% for car rental agreements
- 1.18% for long-term lease agreements
- 0.93% for short/medium-term lease agreements

8.20 Other payables due beyond the year

Accounts payable beyond the subsequent year (entirely of the Parent Company TA) consist of € 2,778 K (€ 368 K at 31 December 2020) and are broken down below:
- non-current component of the account payable to Cemes for the acquisition of 51% of the shares of Cemes Aeroporti's capital (today Toscana Aeroporti Costruzioni) for € 2,357 K;
- guarantee deposits received from customers as a guarantee of the services performed in their favour for € 421 K.

Payables due beyond 5 years

The Company has loans of a duration exceeding 5 years, whose details are given in Note 42 to Financial Liabilities and Note 43 of Financial liabilities for rights of use.

8.21 Current tax liabilities

This item totalled € 32 K (€ 5 K at 31 December 2020) and includes the current taxes (IRES, IRAP) of a company of the Group, calculated on 2021 final results before tax (RBT), if positive.

8.22 Other tax liabilities

The aggregate amount of € 9,928 K (€ 9,706 K at 31 December 2020) is broken down below:

Data in €K	31.12.2021	31.12.2020	DIFFERENCE

Due to Rev. Ag. for Munic. add. tax on pass. boarding fees	8,789	8,312	477
IRPEF due for employees and self-employed prof.	758	1,016	-258
Higher fees due for private flights	249	246	3
Local taxes	132	132	0
Other tax liabilities	9,928	9,706	222

In particular, the amount due to the Revenue Agency for the additional municipal tax on boarding fees decreased as a consequence of the same movements associated with the increase in receivables from others due within the year.

8.23 Trade payables

Trade payables to suppliers totalled € 30.6 M (€ 24 M at 31 December 2020), up by € 6.6 M.

8.24 Payables to social security institutions

This item includes accounts payable to social security and pension institutions (INPS, INAIL) for € 1,596 K (€ 1,322 K at 31 December 2020).

8.25 Other payables due within the year

The other payables due within the year consist of € 8.4 M (€ 6.2 M at 31 December 2020) and include the following debit items:

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Employees/contractors fees	2,274	1,363	911
Concession fees	1,170	1,204	-34
Accrued income & Prepaid expenses	699	634	65
Fire-protection service	1,039	1,002	37
Air/bus/train ticket office receipts	545	479	65
Institutional bodies fees	128	164	-36
Advances from customers	677	684	-7
Payable to CEMES for purchase of TAC shares	1,000	0	1,000
Other minor payables due within the year	873	689	184
Other payables due within the year	8,404	6,219	2,185

In detail:

- the Fire Protection Service is the account payable to the Revenue Agency introduced by the 2007 Finance Law. For further considerations, see details in the annex "Provisions for risks and charges".
- The account payable to Cemes for the purchase of TAC shares is the liability due within the next twelve months, arising as a result of the related business combination;
- Prepaid expenses mainly refer to non-aviation revenues invoiced in advance.

9. Additional financial information

9. Management of financial risks

The main risk factors that may affect the Group's operations are described below.

1) Credit risk

The effects of the Covid-19 crisis and the consequent economic recession produced in the main industrialized Countries have negatively impacted the financial statements of the airlines, which are the main clients of the Group. Hence, the risk of a partial non-collection of receivables accrued from airlines.
The Group believes that it has suitably controlled said risk through its constant monitoring of accounts receivable, also sometimes promptly initiating legal actions to protect said receivables, which are reflected in the allocation of a specific provision for bad debt, currently deemed to be adequate in connection with the amounts of the existing receivables. Always with the purpose of facing credit risk, the Parent Company usually asks for sureties as guarantee (e.g., from sub-licensees) or pre-payments (e.g., from unknown airlines).
The ongoing economic and financial crisis caused by the reduction in traffic has increased the credit risk due to the general shortage of cash for the companies of the sector. To tackle these challenges, the Group appropriately took into account the increased risk in the provision for bad debt, which has been determined also in connection with the specific solvency situations of the counterparties. The Group will continue to monitor the situation and adjust its assessments of customers' performances also in the light of the economic trends that will develop in the coming months and of the timing of the recovery, also in the light of the conflict between Russia and Ukraine and of the economic sanctions introduced against Moscow. No significant exposure to receivables from customers based in these countries is reported at 31 December 2021.
However, no specific criticality has been detected to date.

2) Liquidity risk

At 31 December 2021, the net financial position (NFP) of the Group is negative for € 98.7 M (€ 77.3 M at 31 December 2020). This is the result of a positive current NFP of € 1.7 M (€ 29.8 K at 31 December 2020) and a negative non-current NFP of € 100.4 M (€ 107.1 M at 31 December 2020). Non-current liabilities mainly include two loans (expiring in 2027 and 2022, respectively) granted to the parent company by the banks "Banca Infrastrutture Innovazione e Sviluppo" ("BIIS", a bank of the Intesa San Paolo Group) and MPS Capital Services, for the development of the infrastructure of the two airports, and a SACE Loan (expiring in 2026) obtained in October 2020. For the sake of completeness, we remind readers that the aforesaid NFP includes € 4.7 M of financial liabilities for rights of use and € 3.4 M of deferred payments for business acquisitions.
These loans that the parent company obtained from BIIS and MPS Capital Services have interest rates based on three- and six-month EURIBOR rates and several commitments such as financial covenants, i.e. NFP/EBITDA and NFP/Shareholders' Equity, according to the definitions agreed with the lending banks and measured at 30 June (only for the loan granted by MPS Capital Services) and at 31 December of each business year. For two of the loans in question, the parent company obtained, by the end of 2021, specific exemptions from the obligation to measure financial ratios as required by the loan agreements as at 31 December 2021.
The SACE loan signed on 30 October 2020 with a pool of primary financial institutions consisting of Intesa Sanpaolo and BNL-BNP Paribas Group for an amount of € 85 M is secured by a SACE guarantees as laid down by the so-called "Decreto Liquidità" for an amount equal to 90% of the principal paid, plus interest and ancillary costs. This loan was disbursed on 6 November 2020 and will be repaid in 6 years with 24 monthly pre-amortization instalments (first instalment due in December 2022). The loan agreement also requires compliance with a financial parameter, or ratio, to be measured upon the approval of the annual consolidated financial statements of the Group, which consists in the value of the consolidated net financial position, as defined in the applicable

agreement, not exceeding 100 million euro. This financial ratio was met at 31 December 2021.
According to the provisions of the SACE loan agreement and of the Liquidity Decree, this facility can be used to support the Group's cash requirements needs arising from the obligation to pay personnel costs, rents or leases, investments and working capital; the interest rate applied is indexed to the EURIBOR rate plus a margin. In addition, the agreement requires the calculation of annual commissions related to the SACE guaranteed component of the loan on the share of principal paid out and not repaid, with a fixed increasing percentage for the entire term of the loan.
For the sake of completeness, we remind readers that three medium-long-term loans were also granted by Banco Popolare di Milano to the subsidiary Jet Fuel Srl, two of which for a nominal principal of € 500 K disbursed in 2017 and 2018, and a further loan granted in the second half of 2021 for a nominal principal of € 200 K to support the purchase of eight tank trucks necessary for in-plane activities in the Pisa airport.
In addition, the Group makes use of short-term bank loans aimed to meet short-term requirements, the amount of which at 31 December 2021 is € 41 M in principal, with non-revolving lines of credit of € 40 M.
As to the effects of the spread of Covid-19, assuming a gradual resumption of operations in the two airports, we may reasonably expect that the next 12 months will still be impacted by the effects of the pandemic; however, the phenomenon is expected to be reduced compared with 2020 and 2021, when the global health emergency broke out, so we may estimate that the net cash flows generated by operating activities will be positive again in 2022, benefiting from the countermeasures adopted to improve our cost structure in view of the reduced traffic demand (use of temporary unemployment benefits for our employees, amendments to non-strategic service agreements, etc.).
Based on these assumptions, the Management expects a constant recovery of traffic levels throughout 2022, compared to 2020 and 2021, even though still significantly below pre-Covid levels. This growth trend will allow the Group to recover margins which, together with the available cash and non-revolving lines of credit, and with the cost reduction measures adopted consistently with the volumes to be managed, should enable the Group to fulfil its short-term obligations and continue operating as a going concern in the foreseeable future.
For this purpose, sensitivity analyses were carried out, assuming a further reduction in inflows compared to the basic scenario. In such a context, considering that the traffic and revenue levels expected for 2022 are still lower than those of the pre-Covid period, the Company and the Group will reasonably have margin levels that will not yet comply with the financial ratios defined in the loan agreements signed before 2020, namely the loan obtained from BIIS – Intesa Sanpaolo Group, due within 2027 and with a residual debt of € 17.2 M at 31 December 2021 (of which € 2.9 M due within the next twelve months).
As already happened in 2021 with reference to the above-mentioned loans, the Company and the Group will promptly initiate appropriate discussions with the banks concerned in order to obtain specific exemptions from the measurement of financial parameters at 31 December 2022. In any case, based on traffic recovery assumptions for the next 12 months and on the cash flows expected at the end of the financial year 2022, TA should be able to fulfil a possible request for an early repayment of the outstanding debt on that date.
With regard to compliance with the financial parameters provided for in the SACE loan, on the basis of the financial forecasts defined for the financial year 2022 in the basic scenario with the assumptions described above, there should be no problem with the relative conformity.

3) Interest rate risk

Exposure to the interest rate risk arises from the need to finance both industrial and financial operations, as well as use the available cash. Changes in market interest rates may have a negative or positive impact on the Group's EBIT, thereby indirectly influencing the costs and returns of loans and investments.
The Net Financial Indebtedness is € 98.7 M at 31 Dec. 2021 (€ 77.3 M at 31 Dec. 2020) and the debt-to-equity ratio (NFP/Shareholders' Equity) is 0.96 (0.72 at 31 Dec. 2020), which confirms the financial soundness of the Group.
Considering the NFP at 31 December 2021, the potential impact in terms of annual growth/reduction in interest expense connected with interest rate trends, as a result of a hypothetical growth/reduction of 100 bp, would be approximately € +/-1,450 K.
In addition, the potential impact on the Provision for repairs in terms of growth, as a consequence of a hypothetical annual reduction of 50 bp in interest rates, would correspond to approx. € +675 K. Instead, the potential impact on the Provision in terms of reduction as a consequence of a hypothetical annual growth of 50 b.p. in interest rates would correspond to € -626 K.
No further sensitivity analysis is provided, as it is considered immaterial.

4) Exchange rate risk

The TA Group is not subject to risks linked to fluctuations in exchange rates because it prevalently operates in a European context where transactions are made in Euro.

10. Additional information

10.1 Information by geographical area and operating sector

Information regarding the main operating sectors of the Group is given below as required by IFRS 8. First of all, it is important to highlight that the type of business activity carried out by TA Group does not allow for the identification of business segments related to completely independent activities in terms of market/customer combinations. Currently, the "traffic" component affects the results of all the company's operations.
However, we may identify two significant operating segments characterized by the independent nature of their products/services and production processes, for which - for the aforesaid reasons - we propose a disclosure relating to the information directly made available by the company's analytical accounting system used by Chief Operating Decision Makers (as defined in IFRS 8).

The currently available information regarding the main operating segments identified are provided below: Aviation, Non-Aviation and Corporate.

- ***Aviation Business***: this segment includes airside operations (after security gates), which are the core business of an airport. They include: passenger and aircraft ground handling, landing, aircraft departure and stopover, security and safety activities, passenger boarding and disembarkation, cargo loading and unloading.
Revenues for the Aviation segment are represented by the prices paid for airline assistance services and are generated by airport fees such as: landing, take-off and stopover fees, freight revenue taxes, passenger boarding fees, passenger and baggage security fees.

- ***Non-Aviation business***: this segment includes operations normally carried out in the landside area (before security gates), which are not directly associated with the core business (Aviation). They include retail activities, catering, car parking, car rental, advertising, ticket office, VIP Lounge.

Non-Aviation Business revenues consist in the royalties earned from activities conducted under a sub-concession, in the direct management of certain activities (i.e. car parking, ticket office and advertising) and in the rents paid by sub-concessionaires.
The table below provides the main information regarding the operating segments described above by highlighting, in unallocated items, (corporate) revenues, costs, assets and investments not directly attributable to the two segments. More specifically, the main types of unallocated costs refer to the cost of labour/staff (staff), professional services rendered, insurance and industry association membership fees, pro-rata portion of utilities, maintenance and depreciation, administrative costs, provisions for liabilities, Directors' and Auditors' fees.

- ***Corporate business***: the values indicated in unallocated items mainly refer to revenues and costs not directly attributable to the two business segments, such as, for example, other revenues and income, the cost of labour, professional services rendered for the Management, general insurance and industry association membership fees, pro-rata portion of utilities, general maintenance and unallocated depreciation of infrastructure, administrative costs, provisions for liabilities, Directors' and Auditors' fees, etc.

Operating segment reporting: CONSOLIDATED FINANCIAL STATEMENT

(Amounts in €K)	Aviation		Non-Aviation		Unallocated assets (Corporate)		Total	
TA Group - Income Statement	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*
Operating income, other revenue and other income	40,213	29,349	11,454	10,562	8,907	12,089	60,574	51,999
of which Pisa	*24,258*	*16,643*	*3,515*	*5,036*	*5,364*	*5,836*	*33,136*	*27,515*
of which Florence	*15,956*	*12,706*	*7,939*	*5,525*	*3,544*	*6,253*	*27,438*	*24,484*
Revenues from construct. serv.	11,202	8,354	193	299	127	334	11,522	8,988
of which Pisa	*4,238*	*3,994*	*11*	*98*	*4*	*0*	*4,253*	*4,092*
of which Florence	*6,964*	*4,360*	*182*	*202*	*122*	*334*	*7,269*	*4,896*
Total Segment Income	**51,415**	**37,703**	**11,647**	**10,861**	**9,034**	**12,424**	**72,096**	**60,987**
Operating Costs (*)	37,110	36,717	3,407	5,345	15,221	11,793	55,738	53,854
of which Pisa	*22,299*	*21,696*	*1,777*	*1,988*	*7,479*	*5,781*	*31,554*	*29,465*
of which Florence	*14,812*	*15,020*	*1,630*	*3,357*	*7,742*	*6,011*	*24,184*	*24,387*
Cost of construct. serv.	8,816	7,364	2	269	1,004	303	9,822	7,935
of which Pisa	*3,750*	*3,554*	*2*	*87*	*42*	*0*	*3,795*	*3,641*
of which Florence	*5,065*	*3,809*	*0*	*183*	*962*	*303*	*6,027*	*4,294*
Amortization and provisions	7,520	7,573	1,329	1,505	7,451	4,769	16,300	13,848
of which Pisa	*3,858*	*3,963*	*944*	*953*	*3,232*	*-19*	*8,034*	*4,897*
of which Florence	*3,662*	*3,611*	*385*	*553*	*4,219*	*4,788*	*8,266*	*8,951*
Operating Earnings	**-2,032**	**-13,951**	**6,909**	**3,741**	**-14,642**	**-4,440**	**-9,765**	**-14,649**
of which Pisa	*-1,412*	*-8,577*	*802*	*2,106*	*-5,385*	*73*	*-5,994*	*-6,397*

of which Florence	*-620*	*-5,373*	*6,106*	*1,635*	*-9,257*	*-4,514*	*-3,771*	*-8,252*
Asset management	*0*	*0*	*0*	*0*	*-2,507*	*-1,237*	*-2,507*	-1,237
Profit before tax	**-2,032**	**-13,951**	**6,909**	**3,742**	**-17,149**	**-5,678**	**-12,272**	**-15,886**
Year's taxes	*0*	*0*	*0*	*0*	*7,412*	*3,289*	*7,412*	3,289
Net year's result	**-2,032**	**-13,951**	**6,909**	**3,742**	**-9,737**	**-2,389**	**-4,860**	**-12,598**
Loss (profit) of minority interest	*-149*	*128*	*0*	*0*	*-247*	*0*	*-396*	*128*
Net Group result	**-2,180**	**-13,823**	**6,909**	**3,742**	**-9,984**	**-2,389**	**-5,256**	**-12,470**
TA Group - Statement of financial position	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*
Current assets	*16,903*	*15,152*	*6,441*	*4,925*	*65,521*	*88,069*	*88,865*	*108,146*
Non-current assets	*152,185*	*141,909*	*40,535*	*39,450*	*50,037*	*42,437*	*242,757*	*223,796*
TA Group - Additional information	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*
Investments	*14,231*	*10,807*	*497*	*711*	*347*	434	*15,075*	11,951

(*) including airport fees for € 2,669 K in 2021 (€ 2,192 K in 2020).

Information on the main customers

During 2021, TA recorded approx. 2.8 million passengers. The total incidence of the first three carriers is 66.9%. More specifically, the incidence of the first carrier (Ryanair) is 52.6%, while the incidences of the second (Vueling) and third (Air France) carriers are 8.7% and 5.6%, respectively.

10.2 Commitments and guarantees

At 31 December 2021, commitments and guarantees include € 7,821 K of third-party suretyships in favour of the TA Group and € 8,287 K of suretyships given by third parties on behalf of the TA Group.

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Third-party guarantees in favour of Group	7,821	15,498	-7,677
Guarantees given to third-parties on behalf of Group	9,946	10,925	-979

Suretyships provided by third parties in the favour of the TA Group mainly refer to performance bonds for contract works, for compliance with agreements by sub-concessionaires, air carriers and other customers.

The suretyships provided to third parties on behalf of the TA Group mainly refer to performance bonds in favour of ENAC to ensure full and exact fulfilment of the obligations established with the two 40-year Conventions signed with the Municipalities of Pisa and Florence as a guarantee of TA's compliance with municipal regulations in the expansion works for the airport infrastructures. The € 9.9 M amount includes approximately € 1.7 M in guarantees in favour of ANAS (the national road construction agency) for works managed by the subsidiary TAC.

10.3 Remuneration of Directors, Auditors and Executives with strategic responsibilities

For details see the special table in the Report on Remuneration specified in art. 123-ter of Leg. Dec. no. 58/98 (published in the Company's website).
We point out that Directors and Statutory Auditors have no interest in non-recurring transactions performed during 2021 or in similar transactions initiated during previous years and not yet concluded.
At the closing date of this financial statement, no loan existed in the favour of any member of the Board of Directors or Board of Statutory Auditors.

10.4 Relationships with related parties

See the specific section in the Report and Annex C to this financial statement at 31 December 2021 for a summary of the main effects of transactions with related parties on the financial statement.

10.5 Allocation of financial instruments by valuation category applied

31 December 2021 (amounts in €K)	Assets valued at fair value	Assets valued at amortized cost	Total
Assets			
Trade receivables	-	16,395	16,395
Other financial assets	2,953		2,953
Other accounts receivable	-	15,552	15,552
Cash and cash equivalents	-	54,147	54,147
Total	2,953	86,095	89,047

31 December 2021 (amounts in €K)	Liabilities valued at fair value	Assets valued at amortized cost	Total
Liabilities			
Financial liabilities	-	144,747	144,747
Financial liabilities for rights of use	-	4,720	4,720
Trade payables and other liabilities	-	38,790	38,790
Total	-	188,257	188,257

As regards the classification of financial instruments according to the hierarchy levels that reflect the significance of the input used for the determination of fair value, we point out that the "Assets measured at fair value" in the table above belong to Level 3, which uses input that is not based on observable market data.

In addition, there are no derivative financial instruments in consolidated financial statements.

10.6 Disclosure on public aids and subsidies, and other economic benefits received (under Law 142/2020, Art. 1, paragraph 125)

Under the aforesaid law, the TA Group recognized income for the following subsidies in 2021:

Data in €K	Holding	Subsidiaries
Decree of 25 November 2021 of the Ministry of Sustainable Infrastructure and Mobility in agreement with the Ministry of Economy and Finance	7,286	2,195
Article 1 of Law Decree no. 41/2021 ("Decreto Sostegni" - Support Decree)	-	79
Article 1, paragraphs 1 to 4, of Law Decree no. 73/2021 ("Decreto Sostegni bis" - Second Support Decree)	-	79
Article 1, paragraphs 16 to 27, of Law Decree no. 73/2021 ("Contributo Perequativo" - Equalization Aid)	-	221
Article 1, paragraph 1, of Law Decree no. 83 of 31 May 2014, converted, with amendments, by Law no. 106 of 29 July 2014, and subsequent amendments ("Art Bonus")	33	-
Article 1, paragraphs 1051 to 1063, of Law no. 178 of 30 December 2020	15	-

In addition, in 2021 the Parent Company, TA, received the subsidy granted under Regional Law of Regione Toscana no. 95/2020 of € 10 M.

10.7 Information on the main items of the provision for risks and charges

<u>Provision for potential liabilities connected with the dispute on the Fire Brigade airport service (€ 351 K)</u>

As regards the contribution to be paid for the Fund created by the 2007 Finance Law to reduce the cost for the State of the organization and implementation of the Fire Protection Service in Italian airports ("Fondo Antincendi"), the Parent Company TA (then AdF) in 2012 brought a specific legal action before the Civil Court of Rome to ask the Judge to ascertain and declare the termination of the obligation to pay said contribution after a change in the purposes of said Fund, starting from 1st January 2009. In fact, since that date, the resources contributed to the Fund had been used to provide general public rescue and civil defence services, as well as to finance the national collective labour agreements of the Fire Brigades.

A harsh legal dispute arose on the issue, with confirmed decisions expressed by the finance and civil courts, with a specific legislative instrument, and lastly with specific judgements issued by our highest jurisdictional bodies, the Constitutional Court and the Court of Cassation, with united sections.

In such a context, we remind readers that the lawmaker (with paragraph 478, Art. 1, of Law no. 208/2015, the so-called "Stability Law" - *Legge di Stabilità 2016*), had retroactively amended the regulation of the Fire-Prevention Fund in order to affect all the ongoing disputes in favour of the Administrations and thus imposing the nature of a consideration and the jurisdiction of the Ordinary Court. After the legislative amendment introduced by the Stability Law 2016 on the matter, a specific petition had been filed to raise the question of the constitutional legitimacy of the provision at issue. The Constitutional Court, with judgement no. 167/2018, deposited on 20 July 2018, confirmed TA's thesis and declares the lack of constitutional legitimacy for Art. 1, paragraph 478, of Law no. 208 of 28 December 2015.

This having been said, several positive decisions have been pronounced in favour of TA in the first semester of 2020, which established that the Fire-Prevention Fund was a purpose tax, therefore no longer due, which allowed the Company to assess the liability associated with this dispute with a different attitude.

More specifically, decision no. 2517/19 issued by the Rome Provincial Tax Commission [Commissione Tributaria Provinciale di Roma] became final on 10 May 2020, admitting and approving the entire defence raised by the Company over the last few years concerning the Fire Protection Fund and, together with the other recent judgements of the Constitutional Court and Court of Cassation, overturned the outcome of all the ongoing disputes in favour of the Company.

More positive decisions were made in 2020, i.e. the decision of the United Sections of the Court of Cassation no. 3162/19 of 1st February 2020 and the decision of the Provincial Tax Commission of Rome no. 4874/8/19 of 2 April 2020.
For the sake of completeness, we should highlight that, on 19 February 2020, the *Avvocatura Generale dello Stato* (Attorney General), acting in the name and on behalf of the Administrations, notified TA with the appeal to the Court of Cassation against CTR Lazio's decision no. 7164/2020 of 20 December 2020.

In general, Toscana Aeroporti has already obtained two final decisions that cancelled 2009 and 2014 annuities and a second-instance decision that cancelled 2007, 2008 and 2010 annuities, in respect of which the aforementioned appeal to the Court of Cassation instituted by the Administrations is pending. Moreover, the appeal for the 2012 annuity can be validly brought forward. As regards the other eight annuities, Toscana Aeroporti instituted the appropriate negative assessment actions before the Civil Judge (i.e. the Judge has been asked to ascertain that those annuities and other sums never formally requested are not due).
Pursuant to the positive judgements obtained to date, Toscana Aeroporti can enforce these final decisions externally also concerning the additional annuities for which the same legal decision applies. On the other hand, the Court of Cassation itself established the rule of law of the validity of external judgement in connection with all the annuities of the Fire Protection Fund after 1 January 2009.

In this global framework, the Provision for risks and liabilities booked in the balance sheet at 31 December 2021, also measured with the help of external independent professionals, is consistent, if we also take into account all the updated of the period.

1. <u>Provision for potential labour dispute liabilities (€K)</u>

The Holding TA booked a Provisions for risks of € 115 K at 31 December 2021, in view of the probable persistence of the risk of liabilities arising from disputes with employees and labour disputes with a possible unfavourable outcome.
For the same reasons, the subsidiary TAH, at 31 December 2021, booked a provision for potential liabilities of € 940 K, of which € 335 K for labour disputes and € 605 K for the estimate of potential liabilities deriving from the non-renewal of the CCNL (collective labour agreement), which expired, for the economic part, on 30 June 2017.
The amounts set aside by the company, including with the support of independent advisors, are consistent with the predictable outcome of the dispute.

2. Additional liabilities with a possible unfavourable outcome

We finally report risks for potential liabilities, also assessed as "possible" with the support of independent professionals, concerning the following disputes:

a) Litigation initiated by NIT - Nuove Iniziative Toscane with a writ of summons on 10 September 2021 relating to the obligations laid down in the preliminary agreement signed for the acquisition of a plot of land called "Piana di Castello" in the metropolitan area of Florence. TA entered an appearance on 20 January 2022 and, during the hearing of 9 February 2022, the Judge adjourned the hearing to 20 June 2022;
b) Dispute for the return of the fuel supply fees requested by certain airlines from oil companies, where the Company has been summoned as third party.

10.8 Table showing connection between the Parent Company's operating result and equity, and the same values for the TA Group

As required by CONSOB's Notice of 28 July 2006, we are providing below a reconciliation table that connects 2021 operating result and Shareholders' equity at 31 December (for the portion attributable to the Group) with the parallel values of the Parent Company.

Description	Shareholders' equity at 31.12.2021	Net 2021 earnings
S.E. and Holding "SAT Spa" earnings	**101,606**	**(6,045)**
S.E. and Group's Subsidiary' earnings	2,174	451
Elimination of the carrying value of investments	(8,416)	374
Earnings of entities consolidated in SE	252	18
After-tax consolidation difference (royalties)	2,237	(49)
Goodwill	3,735	-
Other minor consolidation accounts	(115)	(7)
SE and Group earnings	**101,472**	**(5,256)**
Shareholders' Equity and Minority Interest's earnings	1,153	396
SE and Group and Minority Interest's earnings	**102,624**	**(4,860)**

Amounts shown in €K

10.9 Atypical or unusual transactions

According to Consob's Notice no. 6064293 of 28 July 2006, no atypical or unusual transaction was performed during 2021.

10.10 Significant events and non-recurring transactions

Pursuant to CONSOB's Notice of 28 July 2006, we point out that, in the financial year 2021, the TA Group reported the € 9.5 M aid received from the State under Decree 25/11/21 of the Ministry for Sustainable Infrastructure and Mobility in agreement with the Ministry for Economy and Finance as income.

10.11 Events occurred after 31 December 2021

Like other European Countries, Italy closed its airspace to Russian carriers from February 27th, so no Russian airline can land in Italy, take off from Italy or fly over the Italian national airspace. Consequently, Russia closed its airspace to airlines from 36 countries, including Italy. So, the flights operated from Pisa by Ryanair to Lviv (2 weekly flights) and by Pobeda to Moscow Vnukovo (1 weekly flight) are currently cancelled. This conflict broke out in the context of long-lasting geopolitical tensions between Russia and Ukraine. However, there was no threat of an invasion as of 31 December 2021, so the escalation between Russia and Ukraine is a non-adjusting event for the financial statement as at 31 December 2021. The consequences of the conflict, which cannot yet be estimated, will be linked to a number of factors, including the geographical extent and duration of sanctions and blocks. Certainly, a prolonged duration and the possible expansion of the conflict could lead to a significant decline in international demand and tourist flows even in markets not adjacent to Russia/Ukraine. Moreover, the rising cost of fuel for airlines and the redirection of routes to avoid overflying Russian airspace when reaching Asia are increasing costs, which could result in an increase in the cost of air tickets for passengers. The Group considers the air traffic reduction to have limited effects and the relative reduction in revenues not to be significant.

On 8 March 2022, the Parent Company TA received € 3.64 M from ENAC as a partial disbursement (50%) of the aid for airport managers provided for by the 2021 Budget Law and the related Implementing Decree of 25 November 2021.

In February 2022, Toscana Aeroporti reported a progressive growth for the period, compared to 2021, of +688%, still below the progressive values of January-February 2019 (-50.4%), but still showing a clear improvement.

Authorization to publication

This document was approved by the Board of Directors on 16 March 2022 and made available to the public on 5 April 2017 upon the Chairman's authorization.

For the Board of Directors

The Chairman

(Marco Carrai)

ANNEXES CONSOLIDATED FINANCIAL STATEMENTS AT 31 DEC. 2021

ANNEX "A"
TABLE OF CHANGES IN INTANGIBLE ASSETS OCCURRED IN 2021
(amounts shown in €K)

	CONCESSION RIGHTS (ROYALTIES)	GOODWILL	PATENT AND INTELLECTUAL PROPERTY RIGHTS	ASSETS UNDER CONSTRUCTION	OTHER FIXED ASSETS	TOTAL
Historical cost	205,432	-	15,300	27,991	1,396	**250,119**
Accumulated depreciation	(56,279)	-	(14,942)	-	(1,138)	**(72,359)**
A - Value as at 31-12-20	149,153	-	358	27,991	258	**177,760**
CHANGES FOR THE PERIOD						
Acquisition of new business	-	3,735	550	-	-	**4,285**
Purchases	8,431		206	3,188	-	**11,825**
Reclassification	5,598		63	(5,661)	-	**-**
Impairment			(42)	(273)		**(315)**
Other movements	1,756		(0)	-		**1,756**
Acquisition of new business		-	-			
Depreciation	(5,697)	-	(463)	-	(33)	**(6,192)**
B - Balance of changes	10,088	3,735	314	(2,745)	(33)	**11,359**
Historical cost	221,216	3,735	16,077	25,245	1,396	**267,670**
Accumulated depreciation	(61,975)	-	(15,404)	-	(1,171)	**(78,551)**
Value at 30.12.2021 (A+B)	**159,241**	**3,735**	**673**	**25,245**	**225**	**189,119**

ANNEX "B"
TABLE OF CHANGES IN TANGIBLE ASSETS OCCURRED IN 2021
(amounts shown in €K)

	LAND, BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	ASSETS UNDER CONSTRUCTION	OTHER ASSETS	TOTAL
Historical cost	25,451	39,785	1,697	1,334	19,268	**87,534**
Accumulated depreciation	(8,122)	(32,992)	(813)	-	(16,133)	**(58,059)**
A - Value as at 31-12-20	17,329	6,793	884	1,334	3,135	**29,476**
CHANGES FOR THE PERIOD						
Acquisition of new business (historical cost)	-	77	-	-	3	**80**
Purchases	1	2,700	221	170	158	**3,250**
Reclassification	12	1,199	-	(1,211)	-	**-**
Disinvestments	-	(5,292)	-	-	(58)	**(5,349)**
Other movements	-	(1)	-	-	(0)	**(1)**
Acquisition of new business (provision)		(17)			(1)	**(18)**
Depreciation	(260)	(2,009)	(131)	-	(1,019)	**(3,419)**
Reversal of previous years' accum. depr.	-	4,989	-	-	15	**5,004**
Other movements	-	1	-	-		**1**
B - Balance of changes	(247)	1,647	90	(1,041)	(902)	**(453)**
Historical cost	25,463	38,469	1,918	293	19,371	**85,514**
Accumulated depreciation	(8,381)	(30,029)	(944)	-	(17,138)	**(56,492)**
Value at 30.12.2021 (A+B)	**17,082**	**8,440**	**974**	**293**	**2,233**	**29,022**

ANNEX "C"
RELATIONSHIPS WITH RELATED PARTIES

balance sheet item	31 December 2021 Amounts in €K	% incidence on balance sheet item	Book item (€K)	31 December 2020 Amounts in €K	% incidence on balance sheet item	Book item (€K)
<u>Associated companies</u>						
Immobili A.O.U. Careggi Spa						
Investments in Associated Companies	255.7	0.3%	89,278	239.1	39.0%	613
Trade receivables	106.9	0.1%	102,624	98.6	0.7%	13,180
Non-Aviation revenues	106.9	0.7%	14,525	98.6	0.7%	14,666
Other revenues and income	19.0	1.0%	1,914	31.5	0.3%	11,559
Alatoscana Spa						
Investments in Associated Companies	375.8	0.4%	89,278	374.4	61.0%	613
Trade receivables	31.6	0.0%	102,624	63.2	0.5%	13,180
Other revenues and income	63.2	3.3%	1,914	63.2	0.5%	11,559
<u>Other related parties</u>						
Delta Aerotaxi srl						
Aviation revenues	242.3	0.6%	38,661	134.9	0.4%	30,371
Non-Aviation revenues	150.3	1.0%	14,525	224.2	1.5%	14,666
Other revenues	21.6	1.1%	1,914	17.3	0.1%	11,559
Costs for services	16.0	0.9%	1,753	-	0.0%	15,943
Trade receivables	255.7	1.6%	16,233	395.5	3.0%	13,180
Receivables from others due beyond the year	162.2	100.0%	162	109.5	40.3%	272
Corporate Air Services srl						
Aviation revenues	531.3	1.4%	38,661	246.2	0.8%	30,371
Non-Aviation revenues	176.8	1.2%	14,525	64.6	0.4%	14,666
Other revenues	2.4	0.1%	1,914	3.6	0.0%	11,559
Trade receivables	65.5	0.4%	16,233	71.6	0.5%	13,180

Delifly srl						
Non-Aviation revenues	38.9	0.3%	14,525	38.5	0.3%	14,666
Other revenues	7.3	0.4%	1,914	7.7	0.1%	11,559
Receivables from customers	20.6	0.1%	16,233	38.5	0.3%	13,180
ICCAB srl						
Non-Aviation revenues	0.0	0.0%	14,525	33.3	0.2%	14,666
Other revenues	1.5	0.1%	1,914	7.0	0.1%	11,559
Trade receivables	9.1	0.1%	16,233	118.6	0.9%	13,180
Corporación America Italy srl						
Trade receivables	0.9	0.0%	16,233	0.9	0.0%	13,180
Taxes for the period	99.1	-1.34%	- 7,412.5	100.8	-3.07%	- 3,288.6

ANNEX "D"
TABLE OF DEFERRED AND PREPAID TAXES AND CONSEQUENT EFFECTS
(amounts shown in €K)

ACCOUNTS		PREPAID / DEFERRED TAXES 31/12/2020		2021 REABSORPTION		2021 INCREASES		PREPAID / DEFERRED TAXES 31/12/2021	
		TAXABLE BASE	TAX	TAXABLE BASE	TAX	TAXABLE BASE	TAX	TAXABLE BASE	TAX
PROVISION FOR BAD DEBT AND OTHER RECEIVABLES	IRES	4,430,506	1,063,321		-	1,002,417	240,580	5,432,923	1,303,901
IFRIC12 / EXCEEDING PROVISION FOR REPAIRS AND MAINTENANCE	IRES / IRAP	1,027,670	345,181	2,374,545	691,468	5,841,688	1,701,100	4,494,814	1,354,814
ACTUARIAL GAIN / LOSS (O.C.I.)	IRES	1,002,571	240,617	253,966	60,952		-	748,605	179,665
SUNDRY MINORS	IRES / IRAP	170,578	48,552	374,083	108,933	405,192	117,992	201,687	57,611
PROVISION FOR FUTURE RISKS AND CHARGES	IRES / IRAP	1,628,553	419,058	228,083	64,980	420,000	111,808	1,820,470	465,886
ETB IAS APPLIC. DIFFERENCES	IRES	319,416	76,660	165,305	39,673	-	-	154,111	36,987
PARCHEGGI PERETOLA CONSOLIDATION	IRES / IRAP	-3,284,868	-960,184			69,979	20,168	-3,214,888	-940,016
OTHER DIFFERENCES	IRES / IRAP	708,610	166,000	815,663	195,579	3,468,892	940,534	3,361,839	910,955
TAX LOSSES	IRES	14,944,204	3,586,609	340,358	81,686	25,840,702	6,201,769	40,444,548	9,706,691
Aggregate Total		20,947,240	**4,985,815**	4,552,003	**1,243,270**	37,048,870	**9,333,950**	53,444,107	**13,076,494**

ANNEX "E"
TABLE OF RECONCILIATION BETWEEN YEAR'S RESULT AND TAXABLE BASE
(amounts shown in €K)

	TA Group		TA Group	
	31 December 2021		31 December 2020	
	IRES	IRAP*	IRES	IRAP*
Profit before tax according to law tax	**- 12,272**	**23,414**	**- 15,886**	**14,316**
Ordinary applicable tax rate	24.00%	5.12%	24.00%	5.12%
Theoretical tax burden	**- 2,945**	**1,154**	**- 3,813**	**730**
Main final differences				
- dividends collected (95% exempt)	- 55		- 55	
- analytical and lump-sum IRAP deductions			-	
- ACE			-	
- labour costs of permanent employees		- 24,323		- 22,543
- other deductible labour costs		- 1,526		- 1,423
Sundry final variations (balance)	- 8,047	- 7,610	1,082	1,555
Sundry temporary variations (balance)	5,296	- 7,345	- 83	- 5,609
Taxable base	**- 15,078**	**- 17,390**	**- 14,942**	**- 8,319**
Current taxes	- 87	31	-	-
Prepaid taxes on tax losses recoverable in subsequent years	- 6,202	-	- 3,586	-
Concessionaires' 3.5% additional IRES			-	-
Deferred/prepaid taxes	- 1,294	238	283	184
Income from consolidation	- 99	-	- 99	-
Other minor effects	-	-	- 50	- 20
Total taxes booked	**- 7,682**	**269**	**- 3,452**	**164**

* The prevailing IRAP rate is 5.12%, for the parent company.
Other companies apply different tax rates in relation to their ATECO codes.

ANNEX “F”
2021 AUDITING FEES
(ART. 149 *DUODECIES* OF CONSOB ISSUERS REGULATION)

Service type	Entity that provided the service	Beneficiary	Notes	2021 fees (€)
Auditing	PwC SpA	Parent Company TA SpA	(1)	109,000
	PwC SpA	Subsidiaries	(2)	44,800
Certification services	PwC SpA	Parent Company TA SpA	(3)	91,500
	PwC SpA	Parent Company TA SpA	(4)	17,700
	PwC SpA	Parent Company TA SpA	(5)	19,000
			Total	282,000

Notes

(1) Fees paid to the auditors for the auditing of the consolidated financial statements and year's financial statement of the Parent Company (including periodic audits), as well as for the limited audit of the condensed consolidated interim financial statements of the Group.

(2) Fees paid for the statutory auditing of the financial statements of the subsidiaries Toscana Aeroporti Handling Srl, Parcheggi Peretola Srl, Jet Fuel Co. Srl, Toscana Aeroporti Costruzioni Srl, and related periodic audits.

(3) Fees paid for the auditing of the consolidation files of the Corporación America Airports Group.

(4) Fees for the auditing of accounting reports pursuant to the CIPE Resolution no. 38/2007 of the Pisa and Florence airports and to the performance of agreed audit procedures.

(5) Fees for the limited auditing of Consolidated Non-Financial Statement prepared pursuant to Leg. Dec. no. 254/2016.

CERTIFICATION OF THE 2021 CONSOLIDATED FINANCIAL STATEMENT PURSUANT TO ART. 81-TER OF CONSOB'S REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND SUPPLEMENTS

1. The undersigned Roberto Naldi (Chief Executive Officer) and Marco Gialletti (Financial Reporting Manager) of Toscana Aeroporti S.p.a., also considering the provisions contained in art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, hereby certify:

- the appropriateness in connection with the distinguishing features of the company, and
- the actual implementation

of the administrative and accounting procedures for the preparation of the 2021 Consolidated Financial Statement.

2. Furthermore, it is hereby certified that the 2021 Consolidated Financial Statement:

- has been prepared in accordance with applicable accounting standards recognized within the European Community pursuant to EC Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- reflects the contents of accounting books and records;
- provides a true and fair view of the assets, liabilities, and financial situation of the issuer and of the issuer.

3. The Report on Operations includes a reliable analysis of operating performance and income, as well as the situation of the issuer, along with a description of the primary risks and uncertainties to which it is exposed.

Florence, 16 March 2022

For the Board of Directors

Chief Executive Officer

Roberto Naldi

Financial Reporting Manager

Marco Gialletti

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Toscana Aeroporti SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of the Toscana Aeroporti Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2021, the consolidated income statement, consolidated statement of comprehensive income, statement of changes in consolidated shareholders' equity, consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Toscana Aeroporti SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Key Audit Matters	*Auditing procedures performed in response to key audit matters*
Capitalised concession rights *Explanatory notes to the consolidated financial statements as of 31 December 2021: note 8.1 "Intangible assets".* Concession rights were recognised in the consolidated financial statements as of 31 December 2021 for an amount of Euro 184.5 million, of which Euro 25.2 million related to intangible assets under development, representing a total of 55.6 per cent the Group's assets. Considering the significance of the item under analysis and use of estimates that the Company's management made to verify the compliance with the requirements of IFRIC interpretations *"IFRIC 12 – Service concession arrangements"* and of international accounting standards *"IAS 38 – Intangible assets"* and *"IAS 36 – Impairment of assets"* adopted by the European Union, we specifically focused our attention on the valuations performed by the directors. The estimates prepared by them were mainly related to the verification of the identifiability of capitalised costs and the existence of future economic benefits deriving from the investments made and the verification of impairment indicators, if any. To determine the recoverable value of the single cash generating units (CGU) to which such concession rights belong, management calculated the value in use utilizing the discounted cash flows method; the value in use was determined as the current value of the cash flows over the residual duration of the concession. The recoverable value of each CGU was compared with its book value, corresponding to the sum of the assets and liabilities attributable to the CGU. Moreover, also considering the current context of	We conducted an understanding, evaluation and validation of the capitalisation procedure of the concession rights adopted by the Group. In particular, we conducted an understanding and verification of the key controls underlying the capitalisation of such intangible assets. We obtained a detail of the amounts of capitalised costs by project, analysing, on a sample basis, increases and decreases occurred during the year. During our audit we paid special attention to the compliance with the requirements of IFRIC interpretations *"IFRIC 12 – Service concession agreements"* and of international accounting standards *"IAS 38 – Intangible assets"* and *"IAS 36 - Impairment of assets"* adopted by the European Union for the capitalisation of such intangible assets, with particular reference to the identifiability of capitalised costs and the existence of future economic benefits deriving from the investment, and to the assessment of impairment indicators, if any. To this end, we verified the reasonableness of the assumptions used by the directors to estimate the cash flows expected in the relevant time horizon and resulting from the long-term plans. We also checked the mathematical accuracy of the calculations made by management. We reviewed the calculation method of the discount rate of the cash flows deriving from the long-term plans approved by the Company's directors on 9 March 2022, together with the assessment of any impairment loss (impairment test). Furthermore, we analysed the alternative scenarios prepared by the directors (sensitivity analysis) within the context of uncertainty deriving from the health

uncertainty due to the Covid-19 (Coronavirus) health emergency, the directors deemed it proper to assume alternative scenarios that take into account a possible drop in revenues and profitability deriving from a possible decrease in traffic demand.	emergency due to Coronavirus. As part of our audit procedures we also carried out discussions with management and the technical managers with the aim of understanding the characteristics of the projects. In our audit procedures we also involved PwC network experts in valuation. Finally, our audit included the analysis of the explanatory notes to the consolidated financial statements in order to evaluate the adequacy and completeness of the disclosures therein.
Valuation of provisions for risks and charges and provisions for repair and replacement *Explanatory notes to the consolidated financial statements at 31 December 2021: note 8.15 "Provisions for risks and charges", note 8.16 "Provisions for repair and replacement" and note 10.7 "Information on the main items of the provision for risks and charges"* The value of the provisions for risks and charges and of the provisions for repair and replacement recorded within the liabilities in the statement of financial position of the consolidated financial statements at 31 December 2021 amounted to Euro 2.2 million and Euro 19.1 million respectively, which represent 0.7% and 5.8% of the Group's liabilities. Given the significance of the amounts at issue and the use of estimates that management made to verify the compliance with the requirements under IFRIC interpretations *"IFRIC 12 – Service concession arrangements"* and under the international accounting standard *"IAS 37 - Provisions, Contingent Liabilities and Contingent Assets"* adopted by the European Union, we paid special attention to verifying the liabilities at issue.	We conducted an understanding, evaluation and validation of the procedure adopted by the Group in order to determine the accruals to provisions for risks and charges and to the provisions for repair and replacement and to evaluate the adequacy of the liabilities recognised within the liabilities of the statement of financial position at 31 December 2021. In particular, we conducted an understanding and validation of the key controls underlying the determination of such provisions and the evaluation of the adequacy of the liabilities recognised. In this respect, we highlight that in relation to the more significant issues the Group is supported by independent external professionals who keep management abreast of the status of the litigation and of the potential impacts on the financial statements. We also obtained a detail of the amounts provisioned and we analysed, on a sample basis, the reasonableness of the assumptions adopted by management to quantify the liability amount to recognise in the financial statements. With reference to the external professionals who support the Group in the evaluation of the provisions for risks and charges we also sent requests for information to them and we analysed the replies obtained.

The main analyses performed by management consisted in the verification of the ongoing obligations, the estimated likelihood to be required to fulfil such obligations and the relevant estimated amount.	Moreover, in order to comprehend the characteristics of the pending lawsuits and of the repairs and replacements to be carried out on assets under concession, we held discussions with management, the internal legal affairs office, the management control function, the internal technical managers and with the external professionals.

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

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.
The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Toscana Aeroporti SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the Group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 3 November 2014, the shareholders of Toscana Aeroporti SpA in general meeting engaged us to perform the statutory audit of the Company's and the consolidated financial statements for the years ending 31 December 2014 to 31 December 2022.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the consolidated financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Toscana Aeroporti SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the consolidated financial statements, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the consolidated financial statements with the provisions of the Commission Delegated Regulation.

In our opinion, the consolidated financial statements have been prepared in XHTML format and have been marked up, in all significant respects, in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/1998

The directors of Toscana Aeroporti SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of the Toscana Aeroporti Group as of 31 December 2021, including their consistency with the relevant consolidated financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/1998, with the consolidated financial statements of the Toscana Aeroporti Group as of 31 December 2020 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the consolidated financial statements of the Toscana Aeroporti Group as of 31 December 2021 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Statement in accordance with article 4 of Consob's Regulation implementing Legislative Decree No. 254 of 30 December 2016

The directors of Toscana Aeroporti SpA are responsible for the preparation of the non-financial statement pursuant to Legislative Decree No. 254 of 30 December 2016.

We have verified that the directors approved the non-financial statement.

Pursuant to article 3, paragraph 10, of Legislative Decree No. 254 of 30 December 2016, the non-financial statement is the subject of a separate statement of compliance issued by ourselves.

Florence, 5 April 2022

PricewaterhouseCoopers SpA

Signed by

Francesco Forzoni
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers. We have not examined the translation of the financial statements referred to in this report.

Toscana Aeroporti

ANNUAL REPORT FOR THE YEAR ENDED 31 DEC. 2021

TOSCANA AEROPORTI - INCOME STATEMENT

Amounts in €K	Notes	2021	of which Related Parties	2020 (*)	of which Related Parties
REVENUES					
Operating income		33,658	1,246	29,851	840
Other revenues		2,859	214	2,759	231
Revenues from construction services		11,522		8,988	
TOTAL REVENUES (A)	6.1	48,039	1,460	41,598	1,071
OTHER INCOME (B)	6.2	9,381	0	10,005	0
COSTS	6.3				
Operating Costs					
Consumables	6.3.1	643		778	
Cost of personnel	6.3.2	15,841		15,711	
Costs for services	6.3.3	19,179	16	18,678	
Sundry operating expenses	6.3.4	1,443		1,259	
Airport fees	6.3.5	2,669		2,192	
Total operating costs		39,775	16	38,618	0
Costs for construction services	6.3.6	11,309		8,769	
TOTAL COSTS (C)		51,084	16	47,387	0
GROSS OPERATING MARGIN / EBIT (A+B-C)		6,336	1,444	4,216	1,071
Amortization and impairment	6.3.7	9,602		9,463	
Provision for liabilities and repair	6.3.8	5,737		1,532	
Value write-ups (write-downs) net of trade receivables and other receivables	6.4	1,289		1,638	
OPERATING EARNINGS		-10,291	1,444	-8,417	1,071
ASSET MANAGEMENT					
Financial income	6.5	65		13	
Financial expenses	6.6	-2,534		-1,275	
Profit (loss) from equity investments	6.7	-143		58	
TOTAL ASSET MANAGEMENT		-2,611	0	-1,205	0
PROFIT (LOSS) BEFORE TAX		-12,903	1,444	-9,622	1,071
Year's taxes	6.8	6,858	-99	1,776	-101
PROFIT/(LOSS) FOR THE PERIOD		-6,045	1,345	-7,845	971
Profit (loss) per share (€)	6.9	(0.3248)		(0.4215)	
Profit (loss) diluted per share (€)	6.9	(0.3248)		(0.4215)	

(*) Please note that, in order to offer readers a better comparability of the information disclosed in consolidated financial statements, the item "Other income" was presented in a different manner compared to 2020. This change is not considered significant by the Company.

TOSCANA AEROPORTI - STATEMENT OF COMPREHENSIVE INCOME

Amounts in €K	Notes	2021	2020
PROFIT/(LOSS) FOR THE PERIOD (A)		-6,045	-7,845
Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:			
- Profit (loss) arising from the determination of the Termination Benefit after tax	7.15	74	-24
Total other profit (loss) before tax (B)		*74*	*-24*
COMPREHENSIVE PROFIT FOR THE PERIOD (LOSS) (A) + (B)		-5,970	-7,870

STATEMENT OF FINANCIAL POSITION (amounts **in €K)**			
ASSETS	Notes	31.12.2021	31.12.2020
NON-CURRENT ASSETS			
Intangible assets	7.1	179,687	172,463
Property, plant and equipment	7.2	26,946	26,942
Rights of use	7.3	4,353	4,615
Equity investments in other entities	7.4	2,945	2,945
Investments in Subsidiaries	7.5	8,416	4,338
Equity investments in associated companies	7.6	380	380
Other financial assets	7.7	8,419	8,611
Receivables from others due beyond the year	7.8	162	272
of which to Related Parties		*159*	*109*
Deferred tax assets	7.9	10,700	3,965
TOTAL NON-CURRENT ASSETS		242,008	224,532
CURRENT ASSETS			
Trade receivables	7.10	17,740	15,608
of which to Related Parties		*490*	*787*
Current tax assets	7.11	398	903
Other tax assets	7.12	1,499	2,083
Receivables from others, due within the year	7.13	14,027	14,202
Cash and cash equivalents	7.14	50,419	70,763
TOTAL CURRENT ASSETS		84,083	103,559
TOTAL ASSETS		326,091	328,091
SHAREHOLDERS' EQUITY AND LIABILITIES	Notes	31.12.2021	31.12.2020
CAPITAL AND RESERVES			
Share Capital		30,710	30,710
Capital reserves		79,833	87,678
IAS adjustments reserve		-3,229	-3,229
Profit/(Loss) carried forward		337	262
Group's profit (loss) for the period		-6,045	-7,845
TOTAL SHAREHOLDERS' EQUITY	7.15	101,606	107,576
NON-CURRENT LIABILITIES			
Provisions for risks and charges	7.16	1,020	1,005
Provisions for repair and replacement	7.17	16,987	13,920
Provisions for employee retirement and benefits	7.18	2,281	2,529
Financial liabilities due beyond one year	7.19	93,731	102,607
Financial liabilities for rights of use beyond one year	7.20	3,932	4,202
Other payables due beyond the year	7.21	2,768	365
TOTAL NON-CURRENT LIABILITIES		120,719	124,627
CURRENT LIABILITIES			
Financial liabilities due within one year	7.19	50,409	45,825
Financial liabilities for rights of use within one year	7.20	559	505
Other tax liabilities	7.23	9,840	9,693
Trade payables	7.24	32,519	24,686
Payables to social security institutions	7.25	1,081	1,328
Other payables due within the year	7.26	7,211	5,610
Provisions for repair and replacement (current portion)	7.17	2,147	8,242
TOTAL CURRENT LIABILITIES		103,766	95,888

TOTAL LIABILITIES		224,485	220,515
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		326,091	328,091

Statement of changes in shareholders' equity
(amounts shown in €K)

	SHARE CAPITAL	SHARE PREMIUM RESERVE	LEGAL RESERVE	STATUTORY / EXTRAORDINARY RESERVES	OTHER RESERVES	IAS ADJUSTMENTS RESERVE	TOTAL RESULT RESERVES	TOTAL S.E.
S.E. AT 01 January 2020	30,710	18,941	4,691	25,907	24,585	**(3,229)**	**13,884**	**115,489**
NET YEAR'S PROFIT (LOSS)	-	-	-	-	-	-	(7,845)	(7,845)
OTHER COMPON. OF COMPREH. I.S.	-	-	-	-	-	-	(67)	(67)
TOTAL COMPREHENSIVE PROFIT (LOSS)	-	-	-	-	-	-	**(7,912)**	**(7,912)**
PROFIT ALLOCATION	-	-	678	12,877	-	-	(13,555)	0
TOTAL ITEMS DIRECTLY SHOWN IN S.E.	-	-	*678*	*12,877*	-	-	**(13,555)**	-
S.E. AT 31 December 2020	30,710	18,941	5,368	38,784	24,585	**(3,229)**	- 7,583	107,576
S.E. AT 01 January 2021	30,710	18,941	5,368	38,784	24,585	**(3,229)**	- 7,583	107,576
NET YEAR'S PROFIT (LOSS)	-	-	-	-	-	-	(6,045)	(6,045)
OTHER COMPON. OF COMPREH. I.S.	-	-	-	-	-	-	74	74
TOTAL COMPREHENSIVE PROFIT (LOSS)	-	-	-	-	-	-	*- 5,970*	**(5,970)**
PROFIT ALLOCATION	-	-	-	- 7,845	-	-	7,845	0
TOTAL ITEMS DIRECTLY SHOWN IN S.E.	-	-	-	*- 7,845*	-	-	*7,845*	*0*
S.E. AT 31 December 2021	30,710	18,941	5,368	30,938	24,585	- 3,229	- 5,708	101,606

STATEMENT OF CASH FLOWS (amounts in €K)

Euro K	FY 2021	FY 2020
OPERATING ACTIVITY		
Net result for the period	**(6,045)**	**(7,845)**
Adjusted for:		
- Amortization of tangible, intangible assets, and rights of use	9,499	9,463
- Impairment of assets	273	0
- Profit / loss from equity investments	143	(101)
- Difference in provision for risks and charges	15	(444)
- Net difference in employee benefits	(158)	(125)
- Net difference in provisions for repair	(3,288)	(4,021)
- Other non-monetary differences	(1,756)	0
- Financial expenses for rights of use	132	140
- Net changes in (prepaid)/deferred taxes	(6,759)	(1,677)
- Year's taxes	(99)	(99)
- (Increase)/decrease in trade receivables	(2,023)	1,185
- Increase/(decrease) in other receivables	1,621	(11,703)
- Increase/(decrease) in payables to suppliers	7,832	(7,602)
- Increase/(decrease) in other payables	547	(6,348)
Cash flow generated by operating activities	**2,272**	**(28,057)**
- Paid financial expenses	(1,621)	(814)
- Paid income taxes	-	(2,684)
Cash flow generated by operating activities	**651**	**(31,555)**
INVESTMENT ACTIVITIES		
- Investments in tangible assets	(2,992)	(2,614)
- Divestment of tangible assets	211	1
- Investments in intangible assets	(11,684)	(9,096)
- Dividends received	58	101
- Acquisition of controlled companies	(1,000)	0
Cash flow generated (absorbed) by investments activities	**(15,408)**	**(11,608)**
FINANCIAL ASSETS		
- Short-/long-term loans taken out	57,000	105,543
- (Repayment of) short-/long-term loans	(61,724)	(4,660)
- (Repayment of) financial liabilities for rights of use	(863)	(622)
Cash flow generated (absorbed) by loans	**(5,587)**	**100,261**
Net increase/(decrease) in available cash and cash equivalents	**(20,344)**	**57,098**
Cash and cash equivalents at beginning of period	70,763	13,665
Cash and cash equivalents at end of period	**50,419**	**70,763**

EXPLANATORY NOTES TO THE FINANCIAL STATEMENT AT 31.DEC. 2021

1. General information

Toscana Aeroporti S.p.a.(hereinafter the "Company" or "TA") is joint-stock company with registered office at the address of the Office of the Register of Companies of Florence since 1st June 2015 created with a merger by incorporation between Società Aeroporto Toscana Galileo Galilei S.p.A. (Pisa Airport) and Aeroporto di Florence S.p.A.
We remind readers that the merger has been the result of a business combination between entities under common control by Corporación America Italia S.p.A. Therefore, being a "business combination involving entities under common control", a transaction explicitly excluded from the scope of the international accounting standard IFRS 3 "Business combinations", the merger is reflected in the financial statements of the company that resulted from the merger with the assets and liabilities of the acquired company booked with the values resulting from the financial statements of the incorporated entity. This accounting treatment, in fact, allows the Management to provide relevant and reliable information in compliance with the requirements of section 10 of IAS 8.

The main activities of the Group are described in the Report on Operations.

The annual report of TA shows amounts in Euro thousands (€K), as this is the currency used by TA for most of its transactions.

The limited auditing activity conducted on the 2021 Financial Statement of TA has been carried out by PricewaterhouseCoopers S.p.A.

2. Form and content of the report

TA's 2021 Financial Statement has been prepared in compliance with the International Accounting Standards (IAS/IFRS) in force to date, issued by the International Accounting Standards Board and approved by the European Union, as well as in compliance with the measures issued to implement art. 9 of Leg. Dec. no. 38/2005 (CONSOB Resolution no. 15519 of 27 July 2006 concerning "Provisions on financial statements", CONSOB Resolution no. 15520 of 27 July 2006 concerning "Amendments and additions to the Issuers' Regulation adopted with Resolution no. 11971/99", CONSOB's Notice no. 6064293 of 28 July 2006 concerning "Company disclosures required by to art. 114, paragraph 5, of Leg. Dec. no. 58/98"). Furthermore, we considered the International Financial Reporting Interpretations Committee ("IFRIC"), formerly Standing Interpretations Committee ("SIC").

Format of account statements

As regards the format of financial statements, the Company decided to present the following types of consolidated statements: Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in the Consolidated Shareholders' Equity, Statement of Cash Flows and Explanatory Notes. In their turn, Assets and Liabilities have been shown in the Balance Sheet based on their classifications as current and non-current.

Income Statement

The Income Statement is presented with classifications by nature, as this is considered to be the most significant classification method for the best disclosure of the earnings of the Company.
Furthermore, the Income Statement, pursuant to Consob's Resolution no. 15519 of 27 July 2006, breaks down all the relevant cost and revenue items referred to the relationships with related parties.

Statement of Comprehensive Income
In order to present additional information on its earnings, the Company chose to prepare two separated statements: the "Income Statement", which includes the operating result for the period, and the "Statement of Comprehensive Income" (hereinafter also briefly "SCI"), which includes both the operating result for the period and changes in the Shareholders' Equity relating to revenue and expense accounts, which, as specified in international accounting standards, are recognised among the components of the Shareholders' Equity. The Statement of Comprehensive Income is presented with details of Other Comprehensive Profits and Losses to distinguish between profits and losses that will be reclassified in the income statement in the future, and profits and losses that will never be reclassified in the income statement.

Statement of Cash Flows
The Statement of Cash Flows is presented subdivided into cash flow formation areas. The Statement of Cash Flows adopted by TA has been prepared by using the indirect method. Cash and cash equivalents included in the cash flow statement include the balance values of said items at the reference date. Income and expenses concerning interests, dividends received and income taxes are included in the financial flows generated by operations.
Pursuant to Consob Resolution no. 15519 of 27 July 2006, we specify that the cash flow statement does not show the financial flows regarding relationships with related parties, because they are not considered significant.

Statement of Changes in the Consolidated Shareholders' Equity
The statement of Changes in the Consolidated Shareholders' Equity is presented as required by international accounting standards, with separated items for the year's profit and each revenue, income, charge and expense not passed in the income statement or in the statement of comprehensive income, but directly recognised in the Shareholders' Equity based on specific IAS/IFRS accounting standards.

3. Accounting standards and valuation criteria adopted

The accounting standards and valuation criteria adopted for the preparation of the financial statement for the business year closed on 31 Dec. 2021 are described below.
The Directors assessed whether it was appropriate to prepare the financial statement on a going-concern basis and concluded that the requirement for so doing is met, as there is no doubt concerning the Company's capacity to continue operations.

Goodwill
In the case of acquisition of business entities, the assets, liabilities and potential liabilities acquired and identifiable are recognized at their fair value at the acquisition date. The positive difference between the purchase cost and the share of the Company in the fair value of said assets and liabilities is classified as goodwill and booked as intangible asset in the balance sheet. Instead, any negative difference ("negative goodwill") is booked to the Income Statement at the date of acquisition.
Goodwill is not amortized, but is reviewed every year - or more frequently, if specific events or changed circumstances indicate the possibility of an impairment - to identify any

impairment according to the criteria laid down by IAS 36 "Impairment of assets". After initial recognition, goodwill is valued at cost, after deducting any accumulated impairment loss.

Other Intangible Assets

Concession rights (royalties) represent the Concessionaire's right to use the asset (the so-called "Intangible Asset Method") under concession, in consideration of the costs incurred for the design and construction of the same asset, with the obligation to return it at the end of the concession. Concession rights (royalties) are booked at the fair value (estimated on the basis of the cost incurred, inclusive of financial expenses, in addition to the capitalization of internal costs for the general coordination activity required for the works carried out by TA) of the intangible assets consisting in the construction and expansion of assets included within the framework of IFRIC 12.

If the fair value of the services received (in this case, the right to use the infrastructure for business purposes) cannot be measured reliably, the revenue is determined on the basis of the fair value of the services provided (fair value of the construction services provided).

Assets from construction services in progress at year-end are measured on the basis of the progress of works and this valuation converges in the Income Statement item "Revenue from construction services".

Repair or replacement activities are not capitalized and converge in the estimate of the provision described below.

Concession rights are amortized over the entire duration of each individual concession - a method that reflects the assumption that the future economic benefits of the asset will be used by the concessionaire. Considering that the Pisa airport is a military airport that has been opened to civil traffic, the item "Assets under concession" also includes the investments made by the parent company for the flight infrastructure belonging to the *Aeronautica Militare* (Ministry of Defence), as provided for in the planning agreements signed with ENAC.

The provision for impairment and the provision for repair or replacement expenses, globally considered, ensure an adequate coverage of the following charges:

- free assignment to the State, upon the expiration of the concession, of revertible assets with a useful life exceeding the term of the concession;
- repair and replacement of the components subject to wear and tear of the assets under concession;
- recovery of the investment, even in connection with the new works contemplated in financial plans.

Should events take place that support the assumption of an impairment of the value of said Intangible assets, the difference between the book value and the related "recovery value" is recorded in the Income Statement.

An intangible asset purchased or produced internally is booked among Assets, as required by IAS 38, only if it can be identified and controlled, and if it is possible to predict the generation of future economic benefits and if its cost can be determined reliably.

Intangible assets with finite lives are valued at purchase or production cost, after deducting accumulated amortization and impairment. Amortization is determined by making reference to the period of its estimated useful life and starts when the asset is available for use.

The amortization criteria adopted for the various intangible asset items are the following:

- Industrial patent and intellectual property rights: 2 years;
- Multi-year charges: 5 years or referring to the different useful life, if lower;
- Concession rights (royalties): based on the remaining years of the concession (expiry 2048 for the Pisa airport, expiry 2045 for the Florence airport).

The Company elected to maintain the historical purchase cost, as an alternative to fair value, as valuation criterion for tangible assets after their initial recording.
Construction in Progress is valued at cost based on the progress reports defined by the contract with the supplier and are amortized starting from the business year when they start being used.
If, regardless of the amortization already accounted for, there is an impairment, the asset is written down accordingly; if, in subsequent years, the assumption of the impairment ceases to exist, the original value is restored, adjusted with the sole amortization.
Development costs can be capitalized provided that the cost is reliable, can be determined and the asset can be shown to be capable of producing future economic benefits.
Research costs are booked to the Income Statement in the period when they are incurred.
No intangible assets with an indefinite useful life other than goodwill have been booked in the balance sheet.

Property, Plant and Equipment

Property, plant and equipment are booked at their purchase cost (more specifically, according to this principle, the value of land is separated from the value of the buildings built on said land and only the building is depreciated) and the cost includes incidental, direct and indirect costs for the portion reasonably attributable to the asset. For an asset that justifies capitalization, the cost also includes the financial expenses that are directly attributable to the acquisition, construction or production of asset itself.
If the individual components of a complex tangible asset have different useful lives, they are booked separately to be depreciated consistently with their relative duration ("Component Approach").
The costs incurred after the purchase are capitalized only if they increase the future economic benefits implied in the asset to which they refer. All the other costs are booked in the Income Statement when they are incurred. Tangible assets in progress are valued at cost and depreciated starting from the year when they start being used.
Fixed assets are systematically depreciated in each business year on a straight-line basis based on economic-technical rates determined in connection with the residual possibilities of use of the assets.
The rates applied are specified below:

- Land: Not depreciated
- Property: 4% (25 years)
- Plant and machinery: 10% (10 years)
- Industrial and commercial equipment: 10% (10 years)
- Electronic machines: 20% (5 years)
- Office furniture and equipment: 12% (9 years)
- Trucks: 25% (4 years)
- Cars: 20% (5 years)

Investments in revertible assets made before 1997 have been depreciated based on the lower term between the duration of the concession and the useful life of each individual asset.
Ordinary maintenance costs are fully debited to the Income Statement. Incremental maintenance costs are attributed to the assets to which they refer and depreciated in connection with their residual possibility of use.
Profits and losses deriving from the sale or divestment of assets are determined as the difference between the sales revenue and the net book value of the asset and are booked in the Income Statement of the year.

Impairment

TA reviews the carrying value of its non-financial assets at each year-end in order to identify any impairment in these assets. Whenever any such indication exists, the recoverable amount of said assets is estimated to determine the amount of the write-down ("impairment test"). When it is impossible to estimate the recoverable value of each individual asset, TA estimates the recoverable amount of the cash-generating unit to which the asset belongs.
Intangible assets with indefinite useful life (goodwill) are tested for impairment every year in order to determine whether there have been losses of value, regardless of whether or not there are impairment indicators.
The recoverable amount is the greater between the net selling price and the value in use. In determining the value in use, the estimated future cash flows are discounted at their current value by using a pre-tax rate that reflects the market's current valuation of the current value of money and the specific risks of the asset.
If the recoverable amount of an asset (or cash-generating unit) is estimated to be lower than the relative book value, the book value of the asset is reduced to the lowest recoverable value. An impairment is immediately recognised in the Income Statement.
For the sake of completeness, we point out that the Company identified the Florence and Pisa airports as CGUs.
When the circumstances requiring a write-down no longer exist, the carrying amount of the asset (or cash-generating unit), except for goodwill, is adjusted upward to its new estimated recoverable amount, but without exceeding the net carrying value the asset would have had if the impairment had not been recognized. The reversal is recognized immediately in the income statement.

Leases (for the lessee)
For all the lease agreements to which it is a party, except for short-term leases (with a duration of 12 months or less and that do not contain a purchase option) and leases for low-value assets (with a unit value lower than € 5 K), the Company recognizes a right of use at the start date of the lease, which corresponds to the date on which the underlying asset is available for use.
Short-term and low-value leases are recognized as costs in the income statement on a straight-line basis over the term of the lease.
Use rights are valued at cost, net of accumulated depreciation and impairment losses, and adjusted as a result of each remeasurement of lease liabilities. The value of use rights corresponds to the lease liabilities recognized, in addition to the initial direct costs incurred, leases adjusted at the commencement date or earlier, and restoration costs, net of any lease incentives received. The discounted value of the liability so determined increases the right of use of the underlying asset, with a contraentry recognized in a dedicated provision. Unless the Company is reasonably certain to obtain the ownership of the leased asset at the end of the lease term, use rights are depreciated on a straight-line basis on the basis of the estimated useful life or term of the lease, if less.
The term of the lease is determined by considering the non-cancellable period of the lease, together with the periods covered by an option to extend the agreement if it is reasonably certain that said option will be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain that the option will not be exercised. The Company assesses whether or not the exercise of the extension or termination options is reasonably certain, taking into account all the significant factors that create an economic incentive in connection with such decisions.
The lease liability is recognized at the commencement date of the arrangement for a global value equal to the current value of the leases to be paid during the term of the agreement, discounted by using the incremental borrowing rate (IBR), when the interest

rate implicit in the lease is not easy to determine. Variable lease payments remain accounted for in the Income Statement as a cost of the period.
IFRS 16 requires the Management to develop estimates and assumptions which may affect the measurement of the right of use and of the finance lease liability, including the determination of: contracts for the implementation of the new rules for the measurement of assets/liabilities with the financial method; terms of the agreement; interest rate used for the discounting of future lease payments.

Leases (for the lessor)
Lease agreements where TA is the lessor are classified as operating or finance leases. Subconcessions specifically belong to this category.
A lease is classified as a finance lease if it substantially transfers all the risks and rewards incidental to the ownership of an underlying asset. A lease is classified as an operating lease if it does not substantially transfer all the risks and rewards incidental to the ownership of an underlying asset.
For finance leases, the Company recognizes the assets associated with finance leases in the balance sheet at the commencement date and shows them as a receivable at a value corresponding to the net investment made on the lease. The net lease investment is measured by using the implicit interest rate of the lease.
For operating leases, the Company recognizes the lease payments as income on a straight-line basis or according to any other systematic criterion.
The costs incurred for the realization of the income, including amortization, are recognized as costs.

Investments in subsidiaries and associates
Equity investments in subsidiaries (controlled by TA) and in associated companies (on which TA has a remarkable influence) are booked at their cost adjusted for any impairment.
Investments are tested for impairment on an annual basis or more frequently, if necessary. If there is evidence that said equity investments have been impaired, their impaired value is recognized in the Income Statement as impairment. If, subsequently, the impairment ceases to apply or is reduced, the recovered value is posted in the Income Statement within the limits of the cost.
Directors believe that TA has a remarkable influence on Alatoscana S.p.a. (the Elba Island's airport operator), even if the share owned is lower than 20%. More specifically, that influence is due to the composition of the shareholding of the company and to the possibility of influencing its financial and operating policies.

Non-current assets held for sale
Non-current assets (and disposal groups) classified as "held-for-sale" are valued at the lower of their previous carrying amount and fair value less costs to sell.
Non-current assets (and disposal groups) are classified as "held-for-sale" when their book value is expected to be recovered by means of a sale transaction rather than being used in the operating activity of the company. This condition is met only when the sale is highly probable, the asset (or group of assets) is immediately available for sale in its current conditions, the Management has already committed to sell it/them, and the sale is planned within twelve months from the classification date of this item.

Financial assets (including equity investments in other entities)
The classification and related valuation of financial assets is done by considering both the related management model and the contractual characteristics of the cash flows that can be obtained by the asset. Depending on the characteristics of the instrument and on the

business model adopted for its management, the following three categories are distinguished:
(i) financial assets measured at amortized cost; (ii) financial assets measured at fair value through other comprehensive income ("FVTOCI"); (iii) financial assets measured at fair value through profit or loss ("FVTPL").
The financial asset is measured by using the amortized cost method if both of the following conditions are met:
- the financial asset management model consists in holding the asset solely for the purpose of collecting the relevant cash flows; and
- the financial asset generates, at contractually predetermined dates, cash flows representing exclusively the return on the financial asset itself.
According to the amortized cost method, the initial entry value is subsequently adjusted to take into account capital repayments, any write-down and depreciation of the difference between the repayment value and the initial entry value.
Amortization is made on the basis of the effective internal interest rate, which represents the rate that makes the present value of the expected cash flows and the initial entry value equal at the time of initial recognition.
Receivables and other financial assets measured at amortized cost are presented in the balance sheet net of the related provision for bad debt.
Financial assets that represent debt instruments, whose business model includes both the possibility of cashing contractual cash flows and that of realizing capital gains from sale (the "hold to collect and sell" business model), are measured at fair value through other comprehensive income or OCI ("assets measured at FVTOCI").
In this case, any changes in the fair value of the instrument are recognized in the balance sheet as OCI. The aggregate amount of fair value changes booked in the equity reserve, which also includes the other components of the OCI, is reversed to the profit and loss account or income statement when the instrument is derecognized. The income statement also includes any interest income determined by using the effective interest rate, exchange rate differences and impairments.
A financial asset that is not measured at amortized cost or FVTOCI is measured at fair value through profit or loss (assets measured at FVTPL).
Financial instruments are removed from the balance sheet when, as a result of their transfer or extinction, the Company is no longer involved in their management and the related risks and benefits no longer affect the Company.

Fair value hierarchy
For all transactions and (financial or non-financial) balances for which an accounting standard requires or permits fair value measurement, TA applies the following criteria:

a. Identification of the unit of account, i.e., the level at which an asset or liability is aggregated or disaggregated for recognition under IFRS;
b. Identification of the main market (or of the most advantageous market) in which transactions could take place for the asset or liability to be valued; if there is no evidence to the contrary, the currently used market will be assumed to be the main market or the most advantageous market;
c. Definition of the highest and best use for non-financial assets: if there is no evidence to the contrary, the highest and best use will be the current use of the asset;
d. Definition of the most appropriate valuation methods for the estimation of fair value: these methods maximize the use of observable data, which market participants would use in determining the price of the asset or liability;
e. Determination of the fair value of assets as the price that would be perceived for their sale, and of liabilities and equity instruments as the price that would be paid for their transfer in a regular transaction between market participants at the valuation date;

f. Inclusion of non-performance risk in the valuation of assets and liabilities and, particularly for financial instruments, determination of an adjustment factor in the measurement of fair value to include, in addition to the counterparty credit risk (CVA, credit valuation adjustment), the own credit risk of the entity (DVA, debit valuation adjustment).

Based on the data used for fair value valuation, a fair value hierarchy has been identified to classify assets and liabilities measured at fair value or for which the fair value is disclosed in the financial statements:

a) Level 1 – includes the prices quoted in active markets for assets or liabilities that are identical to those to be valued;
b) Level 2 – includes observable data, different from those included in Level 1, such as: (i) prices quoted in active markets for similar assets or liabilities; (ii) prices quoted in non-active markets for similar or identical assets or liabilities; (iii) other observable data (interest rate curves, implicit volatility, credit spreads);
c) Level 3 – uses non-observable data, which can be used when no observable input data is available. Non-observable data used for fair value valuation reflect the assumptions market participants would assume in price fixing for the assets and liabilities to be valued.

Trade and sundry receivables
Trade receivables and the other receivables are initially recognised at fair value and subsequently valued by using the amortized cost method, less the provision for bad debt. TA measures any impairment/write-down of receivables by adopting an expected loss approach. For trade receivables, TA has adopted a 'simplified approach' to valuation that does not require the recognition of periodic changes in credit risk, but rather the recognition of an expected credit loss ("ECL") calculated over the lifetime of the receivable ("lifetime ECL"). In detail, the policy implemented by TA consists in stratifying trade receivables into categories based on the number of days that a trade receivable is past due and the allocation is defined on the basis of the historical experience of credit losses, adjusted to take into account specific forecasting factors referred to creditors and the economic environment.
Trade receivables are fully impaired in the absence of a reasonable expectation of their collection, i.e. in the presence of insolvent business counterparties.
The carrying amount of the asset is reduced through the use of a provision for bad debt and the amount of the loss is recognized in the P&L statement.
When the collection of money is deferred beyond the normal commercial terms agreed with customers, receivables are discounted back.

Derivative instruments and hedge accounting
No such items are recognized in this consolidated financial statement.

Cash and cash equivalents
The "Cash and cash equivalents" item includes cash, bank current accounts and deposits repayable on demand (postal current accounts held with post offices) that, due to their nature, are not subject to significant changes in value. It does not include repayable bank overdraft.

Financial liabilities
Financial liabilities include debt payable, which in its turn includes liabilities for advance payments made on the assignment of receivables, as well as other financial liabilities that include derivative financial instruments and liabilities for assets recognized under finance leases.

They also include trade and miscellaneous payables.
Financial liabilities are recognized at fair value, net of any ancillary transaction costs. After the initial recognition, loans are recognized with the amortized cost method, by using the effective interest method. In the event of a renegotiation of a financial liability that does not qualify as "settlement of the original debt", the difference between (i) the carrying amount of the pre-change liability and (ii) the present value of the cash flows of the changed debt, discounted at the internal rate of return (IRR), is booked in the income statement.

Provisions for risks and charges

TA recognizes Provisions for risks and charges when it has a legal or implicit obligation to third parties and the use of corporate resources is likely to be used to fulfil that obligation, and when the amount of that obligation can be reliably estimated.
Changes in these estimates are reflected in the income statement of the period when the change occurred.
If the effect is significant, provisions are determined by discounting back future estimated financial flows at a discount rate that also includes taxes, so as to reflect current market valuations of the current value of money and specific risks connected with liabilities.

Provisions for repair and replacement

As described above, in accordance with the requirements introduced by IFRIC 12, the concessionaire is not entitled to recognize the infrastructure as property, plant and equipment and the accounting of the work done on the infrastructure differs depending on its nature. More specifically, they are distinguished into two categories:

- work that can be classified as normal maintenance of the infrastructure; and
- replacement and maintenance of the infrastructure scheduled in a future date.

The former refers to the ordinary maintenance of the infrastructure, which is recognized in the income statement when incurred.
The latter, considering that IFRIC 12 does not require the recognition of the physical infrastructure asset, but of a right, should be recognized in accordance with IAS 37 - Provisions, Contingent Liabilities and Assets, which requires:

- on the one hand, recognition to the income statement of a provision consisting of an operating component (which includes any effects deriving from changes in the discount rate) and a financial component;
- on the other hand, the recognition of a provision for charges in the balance sheet.

The "Provision for repair or replacement", consistently with the obligations established by the individual concession agreements, includes the best estimate of the present value of the expenses accrued at year-end for maintenance scheduled in future years and aimed at ensuring the required functioning, operation and safety of all the assets under concession based on the information available at year-end.

Provisions for employee retirement and benefits

Liabilities consisting in benefits due to employees during and after their employment under defined-benefit plans are determined separately for each plan based on actuarial assumptions by estimating the amount of the future benefits employees have matured at the reference date (so-called "Projected Unit Credit Method"). The liabilities booked net of any assets for plan benefits are recognised on an accrual basis throughout the period of accrual of the right. Liabilities are valued by independent actuaries.
The components of the cost of defined benefits are recognised as follows:
- costs for the performance of the service are recognised in the income statement among personnel costs;

- net financial expenses on defined benefits liabilities or assets are recognised in the income statement as financial income/(expenses) and determined by multiplying the value of the net liability/(asset) for the rate used to discount obligations, keeping into account the contributions and benefits paid during the period;
- the items reflecting the re-measurement of the net liability, which include actuarial profits and losses, the yield of assets (not including interests receivable, which are recognised in the income statement), and any change in the limit of the assets are recognised immediately in the other comprehensive profits (losses). Said components must not be reclassified in the income statement in subsequent periods.

Tax assets and liabilities
Deferred taxes are determined on the basis of the temporary taxable differences existing between the value of assets and liabilities and their tax value, and are classified among non-current assets. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profit will be available in the future against which they can be utilized. The value of deferred taxes to be recognised in the financial statement is audited on an annual basis.
Deferred tax liabilities are determined based on the taxable rates expected to be used during the business year in which said deferments are expected, considering the applicable or future known applicability tax rates.
Current and deferred tax assets and liabilities are offset when the income taxes are applied by the same tax authority and there is a legal right to offset them. Deferred tax assets and liabilities are calculated using the tax rates that are expected to be applied in the country in which the Company operates, in the financial years in which the temporary differences will be realized or paid off.

Recognition of revenues
Based on five-step model described in IFRS 15, TA recognizes revenues after identifying contracts with its customers and the related performance obligations (transfer of promised goods or services), determining the appropriate consideration to which it expects to be entitled in exchange for those goods or services, as well as assessing how said performance obligations should be satisfied ("at a point in time" versus "over time").
In detail, TA recognizes revenues only if the following requirements are met (identification of the contract with the customer):
a) the parties to the contract approved the contract (in writing, orally or in accordance with other customary commercial practices) and have committed to fulfil their obligations; therefore, an agreement is in place between the parties that creates enforceable rights and obligations regardless of the form in which said agreement is made;
b) TA may identify the rights of each party in respect of the goods or services to be transferred;
c) TA may identify the conditions for the payment of the goods or services to be transferred;
d) the contract has commercial substance; and
e) it is probable that TA will receive the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.
If the above requirements are not met, the related revenues are recognized when: (i) TA has already transferred the control of the goods/services to the customer and all or almost all the consideration promised by the customer has been received and is non-refundable; or (ii) the contract has been terminated and the consideration received by TA from the customer is non-refundable.
If the above requirements are met, TA applies the recognition rules described below.

Aviation revenues

TA fulfils its obligations to do in relation to airport fees by making the airport infrastructure available to carriers for landing, take-off, lighting and parking of aircraft, boarding and landing of passengers and goods, and for the use of centralized infrastructures. In addition, as to handling activities, TA fulfils its obligations to do by providing ground handling services to passengers and aircraft.
Revenues from the performance of the services described above are recognized when they are performed with reference to their progress, considering that TA provides services to carriers and passengers over a given period of time, as a function of the use of the infrastructure.

Non-Aviation revenues
Revenues from commercial and non-commercial subconcession/leases consist in the fees paid for the use of retail and operating spaces and areas within and outside the airport site. This category includes subconcessions/leases with commercial pricing (retail, car parking, etc.) and with administered pricing (prices for the use of goods for exclusive use or for the use of airport infrastructure dedicated to individual carriers or operators, such as check-in desks, offices, operating rooms, etc.). Revenues deriving from this category are recognized on a straight-line basis throughout the term of the contract or based on the maturity period, according to contractual provisions, as required by IFRS 16.
Revenues from parking lots consist in the price received for the offering of parking slots inside and outside the airport site, based on a public rate table that is defined for all the sales made. TA fulfils its obligations to do in connection with this service by making parking spaces available to its customers. Revenues deriving from the performance obligations in question are recognized when they are fulfilled based on their progress, considering that TA provides the service to customers over a given period of time (the time of parking).

Revenues from construction services
Revenues for construction services are related to value added construction services provided by
TA in favour of the Grantor for the implementation of the investments in connection with concession rights and are recognized at their fair value. The fair value of the price of construction and expansion services regarding the assets under concession performed by TA is determined on the basis of the fair value of the price of the construction and expansion services provided by third parties, internal and external design costs and internal costs incurred for the planning and coordination of the works carried out by a special internal facility. These revenues are recognized when the progress of the related works is presented, considering that the Grantor simultaneously receives and uses the benefits deriving from the performance of the entity, as the entity performs it.

Other revenues
Revenues from other services provided by the Company (administrative services, consulting, etc.) are recognized when they are performed based on their progress.

Grants
Grants for systems and equipment are recognized in the balance sheet when there is reasonable certainty that the prerequirements for their disbursement are met and that the company is entitled to collect them; they are recognized in the income statement based on the useful life of the asset against which they are disbursed.
Working capital grants are recognized when there is reasonable certainty that the prerequirements for their disbursement are met and that the company is entitled to collect them, and are credited to the income statement in connection with the costs against which they are disbursed.

Costs
Costs are recognized in the income statement when they are actually incurred, if their amount can be objectively determined, and when it is possible to verify that the company has incurred such costs on an accrual basis.

Financial expenses
Financial expenses are recorded on an accrual basis and include interests payable on financial debts determined by using the effective interest rate method and exchange rate differences payable. Financial expenses also include the financial component of the annual contribution to the provision for repairs.
Financial expenses incurred for investments in assets for which a given period of time normally elapses to make the asset ready for use are capitalized and amortized along the useful life of the related class of assets.

Financial income
Financial income is recognized on an accrual basis. They include interest receivable on invested funds, exchange-rate differences receivable and income from financial instruments, when not offset within the framework of hedging operations. Interest income is booked in the income statement when accrued, taking into account its actual return.

Dividends
Dividends from minority investments recognised in the year's income statement are booked on an accrual basis, i.e. when the related right to receive them has arisen after the passing of a related resolution by the Associate.

Income taxes
Taxes are the sum of current and deferred taxes.
Taxes are booked based on the estimate of the taxable income determined in compliance with the applicable national legislation at the accounts closing date, keeping into account any applicable exemption and tax credit. Income taxes are recognised in the income statement, except for those regarding items directly debited or credited to the shareholders' equity, in which cases taxation is directly recognised in the Shareholders' Equity.
We remind readers that TA adopted the national tax consolidation option provided for by Articles 117 to 129 of the Consolidated Text on Income Taxation ("Testo Unico delle Imposte sui Redditi" - T.U.I.R), where the Consolidating Entity is Corporación America Italia S.p.A. The consolidating entity calculates a single global income equalling the algebraic sum of the taxable bases (income or loss) realized by the individual entities that adopted this group taxation option.
The consolidating entity recognised an account receivable from the consolidated entity that equals the IRES tax to be paid on the positive taxable base transferred by the latter. Instead, the consolidating entity recorded an account payable to the companies that contribute tax losses equalling the IRES tax to be paid on the loss actually used in the determination of the global aggregate income.

Foreign currency translation criteria
Receivables, payables and any short-term provisions denominated in foreign currency are initially recognized by using the exchange rates ruling at the date of their inception and, if existing at December 31st, they are appropriately stated in the financial statement at the exchange rate ruling at the end of the period by posting the exchange gains/losses to the income statement.

Exchange rate differences are of a financial nature, so they are classified in the income statement as finance income because they are not strictly linked to the sale transaction, but express the fluctuation over time of the currency chosen for the transaction, when the transaction has been concluded.

Use of estimates

We are now going to summarize the critical valuation processes and key assumptions used by TA in the application of IFRS, which may significantly affect the values recorded in the financial statement or for which there is a risk that significant differences may emerge compared to the book values of future assets and liabilities.

As already indicated in the Report on Operations, in this context we point out that the situation caused by the global economic and financial crisis required the expression of rather uncertain assumptions concerning future trends. Consequently, we cannot exclude that the results actually achieved next year will differ from estimated amounts and could therefore require adjustments to book items that might even be rather significant and that cannot clearly be predicted or estimated at present.

Recoverable value of non-current assets

Non-current assets include Property, Plant and Equipment, Other Intangible Assets (including goodwill), Equity Investments, and Other Financial Assets. TA periodically reviews the book value of its held and used non-current assets and of the assets to be dismissed when events and circumstances so require. When the book value of a non-current asset has been impaired, the Group recognises an impairment corresponding to the excess between the book value of the asset and its value that can be recovered through its use or sale, determined by making reference to the cash flows of the most recent corporate plans.

Provisions for repair and replacement

For the assets held under concession, a special provision has been allocated for the maintenance and any refurbishment/repair work that will be required for said assets over time. Said provision has been booked in the Assets, as they must be returned to the State in perfect operating conditions at the end of the concession term.

The Provision for Repair is annually reviewed based on a technical assessment and estimate of the future expenses that will be incurred for the scheduled maintenance required to keep the assets in good conditions before returning them for free at the end of the concession term and used during the period for the actual maintenance required. Estimates are prepared with the support of external technical consultants.

Recoverability of deferred tax assets

TA has deferred tax assets on deductible temporary differences and theoretical tax benefits for losses that can be carried forward. In determining the estimate of the recoverable amount, Toscana Aeroporti took into account the results of the business plan in line with those used for the impairment tests. The net prepaid taxes so allocated refer to temporary differences and tax losses that can be recovered to a significant extent over an indefinite period of time; this is compatible with a context in which the exit from the current difficult and uncertain situation and the economic recovery might extend beyond a short/medium time horizon.

Current taxes

The determination of tax liabilities requires the Management to value amounts referred to transactions that have uncertain tax implications at year-end. TA recognizes the liabilities that could derive from future inspections by the tax authority based on the estimate of due taxes. Any result of a tax assessment that differs from the Management's estimates may significantly affect current and deferred taxes.

Pension schemes and other post-employment benefits
Employee termination benefits or indemnities and net financial expenses are valued by using an actuarial method that requires the use of estimates and assumptions for the determination of the net value of the obligation. The actuarial method considers financial parameters such as, for example, the discount rate and salary growth rates, and considers the probability of occurrence of potential future events through the use of demographic parameters like mortality rates or employee resignation or retirement rates. The assumptions used for the measurement are detailed in the section "Termination Benefits and other personnel provisions".

Provision for bad debt
The provision for bad debt reflects the Management's estimate of the expected losses connected with the customer portfolio. TA applies the simplified approach described in IFRS 9 and recognizes expected losses on all trade receivables on the basis of their residual maturity, defining the allocation on the basis of the historical experience with credit losses, adjusted to take into account specific forecasting factors related to creditors and to the economic environment (Concept of Expected Credit Loss – ECL).

Potential liabilities
TA ascertains liabilities from pending litigation and legal actions when it deems it likely to face a financial disbursement and when the amount of the deriving loss can be reasonably estimated. If a financial disbursement becomes possible but its amount cannot be determined, this fact is disclosed in the Notes. The Company is a party in legal actions and tax assessments concerning complex and difficult legal issues that are characterized by a different degree of uncertainty, including facts and circumstances regarding each case, jurisdiction and different applicable law. Considering the uncertainty of these issues, it is difficult to predict the disbursement that will derive from said disputes, so the value of provisions for litigation and legal actions may vary after future developments in ongoing proceedings. TA monitors the status of ongoing legal actions and litigation with the aid of legal consultants and tax advisors.

New accounting standards and interpretations, changes to accounting standards and interpretations in force since 1 January 2021

At the date of this report, the competent bodies of the European Union approved the adoption of the following accounting standards and amendments applicable for the Company from 1st January 2021.

- On 31 March 2021, the IASB published an amendment called "Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendments to IFRS 16)" to extend by one year the period of application of the amendment issued in 2020, which allowed lessees to account for reductions in leases related to Covid-19 without having to analyse contracts to check if the 'lease modification' definition of IFRS 16 was fulfilled or not. Therefore, the lessees who used this option in the financial year 2020 accounted for the effects of the reductions in leases directly to the income statement at the effective date of the reduction. The 2021 amendment, which is only available to entities that have already adopted the 2020 amendment, applies from 1 April 2021 and can be adopted in advance. Considering that the Company had already adopted the 2020 amendment, no further effects on the consolidated financial statements are to be reported at 31 December 2021.

- On 27 August 2020, the IASB, within the framework of the reform of interest rate benchmarks, such as interbank offered rates (IBORs), published the document "Interest Rate Benchmark Reform—Phase 2" which contains amendments to the following standards:
    - IFRS 9 Financial Instruments;
    - IAS 39 Financial Instruments: Recognition and Measurement;
    - IFRS 7 Financial Instruments: Disclosures;
    - IFRS 4 Insurance Contracts; e
    - IFRS 16 Leases.

  All the amendments became effective on 1 January 2021. The adoption of these amendments did not affect the Company's financial statements.

- On 25 June 2020, the IASB published an amendment called "Extension of the Temporary Exemption from Applying IFRS 9 (Amendments to IFRS 4)". The amendments allow the temporary exemption from IFRS 9 to be extended until 1 January 2023 for insurance companies. The adoption of these amendments did not affect the Company's financial statements.

Newly-issued accounting standards and interpretations, amends to existing standards and interpretations not yet applicable or not yet approved

At the date of this report, the competent bodies of the European Union approved the adoption of the following accounting standards and amendments, not yet applied by the Company.

- In May 2017, the IASB issued the new principle IFRS 17 "Insurance contracts". The new standard, which will replace IFRS 4 and will be effective from 1 January 2023, was amended in June 2020.

- In January 2020, the IASB published some amendments to IAS 1 that clarify that the classification of 'current' or 'non-current' liability is based on the contractual arrangements in place at the reporting date. The amendments will apply from 1 January 2023.

- In May 2020, the IASB published a number of narrow-scope amendments to IFRS 3, IAS 16, IAS 37, and some annual revisions to IFRS 1, IFRS 9, IAS 41, and IFRS 16. The amendments will apply from 1 January 2022.

- In February 2021, the IASB published some narrow-scope amendments to IAS 1, Practice Statement 2, and IAS 8. The amendments aim to improve information on accounting standards and help readers of financial statements distinguish between changes in accounting estimates and changes in accounting standards. The amendments will apply from 1 January 2023. However, the IASB is planning to publish a draft in the fourth quarter of 2021, with a proposal for the deferment of the effective date until 1 January 2024.

- In May 2021, the IASB published amendments to IAS 12 as regards deferred taxes on assets and liabilities arising from a single transaction. The amends will require companies to recognize deferred taxes in the event of initial recognition of an asset or liability in a transaction that generates deductible and taxable temporary differences of the same amount. The amendments will apply from 1 January 2023.

The Company will adopt said new principles, amendments and interpretations based on the effectiveness date specified and will assess their potential impact when these will be ratified by the European Union.

4. Concessions

The core business of the Company is the operation of the Concession given to Toscana Aeroporti for the management of the Amerigo Vespucci airport in Florence and the Galileo Galilei airport in Pisa, consisting in the operation and development of the infrastructure of the two Tuscan airports.
Essential information relating to the concession contracts of the Company is given below.
Under the concessions in force, airport concessionaires are entitled to collect boarding fees from airport users, which are annually updated on the basis of a special tariff formula provided by the Italian transport regulatory authority "Autorità di Regolazione dei Trasporti" ("ART"), against the obligation to pay the concession leases, carry out the necessary expansion and modernization works in the airports under concession, and maintain and manage the airport plot of land under concession. Upon expiry, concessions are not automatically renewed, but are awarded again through a public call for tenders, as required by the applicable legislation; all the airport infrastructure developed (which are called "transferable assets") by the concessionaire must be transferred in a good state of maintenance to the Grantor, and the incoming concessionaire will pay the residual carrying amount of transferable assets, called the "step-in value"[1]).

5. Corporate events and transactions

5.1 Update on the impact of the Covid-19 outbreak

The year 2021 was still impacted by the global health crisis caused by the SARS-COV-2 virus outbreak (hereinafter also "Covid-19" or "Coronavirus").
Toscana Aeroporti reported a total of ca. 2.8 million passengers in 2021, which reflects a 43% increase and a 21.1% increase in commercial passenger movements compared to 2020. Compared to the pre-Covid period (2019), Toscana Aeroporti reported a 65.7% drop in passenger traffic, with a marked improvement from the high summer season; then a 49.7% drop in the July-September period and a 39.7% drop in the October-December period.
This scenario required the use of cash from operations even in 2021, although for significantly lower amounts compared to 2020. This situation was tackled by the Company and the Group by using the available credit facilities and cash generated in November 2020, namely the € 85 M loan secured by SACE ("SACE Loan") under Law Decree 23/2020 ("Decreto Liquidità"). These resources allowed the Company and the Group to make significant investments even in the year under examination.
As regards the actions implemented in 2021 following the outbreak of the COVID-19 pandemic, in view of the reduction in the number of passengers, the Company and the Group also maintained a series of countermeasures throughout 2021 aimed at adapting costs to the reduced traffic demand, including, *inter alia*, the use of temporary unemployment benefits ("CIG") and the mitigation of service costs in the case of non-strategic activities, as well as additional initiatives with suppliers.
Furthermore, as already happened at 31 December 2020, in 2021 the Company obtained a specific waiver from MPS Capital Services concerning the measurement of financial ratios,

[1] Art. 703 of the Navigation Code: .... "The outgoing concessionaire shall continue managing the ordinary operations of the airport under the same conditions as those laid down in the concession agreement until the new concessionaire takes over, after paying the related "Step-In Value" due, unless ENAC determines otherwise, specifying the reason(s), concerning the correct performance of the service".

as required in the loan agreement signed by the Parent Company with that Bank, with an outstanding debt of € 1 M at 31 Dec. 2021 (expiry 2022), as well as a waiver from the measurement of parameters at 31 December 2021 regarding the loan obtained from Banca Infrastrutture Innovazione e Sviluppo (BIIS - Intesa San Paolo Group) (with a debt of € 17.3 M at 31 Dec. 2021, of which € 2.9 M due in 2022).

In such a context, in view of the significant losses suffered by the airport sector, a fund of € 800 M was created under paragraph 715 of Art. 1 of Law no. 178 of 30 December 2020 (hereinafter briefly the “2021 Budget Law”) for the year 2021, with the aim to mitigate the economic effects of the Covid-19 emergency on the entire airport sector, to be used by airport operators for € 735 M and by ground handling service providers for € 65 M. The amount of the subsidy to which the Company was entitled for the damages suffered in the period going from 1 March 2020 to 30 June 2020, determined as required by the applicable legislation and applied for on 27 January 2022, was of € 7.3 M, of which € 3.6 M were cashed in the first days of March 2022.

This measure was in addition to the specific subsidy of € 10 M disbursed by the Region of Tuscany for Tuscan airports in 2020 with a specific Regional Law.

In consideration of the context just described, Toscana Aeroporti therefore updated its economic and financial forecasts also based on information obtained from external sources, such as independent surveys conducted by the main players of the industry, and these surveys confirmed that the air transport industry is not expected to return to pre-Covid-19 traffic levels before 2024. However, these estimated times could still be affected by the effectiveness of vaccination campaigns or by a possible resurgence of infections.

Adopting a short/medium-term time horizon, and based on the aforesaid traffic level recovery assumptions, volumes do not seem to be expected to compare to pre-pandemic levels even in 2022, although the growth trend reported at the end of 2021, compared to 2020, seems to continue. Consequently, the Company and the Group confirmed that the actions implemented in 2020 and 2021 to face the health emergency will be continued in 2022 as well, namely: reduce costs and protect cash consistently with the necessary service levels, while ensuring the maintenance of infrastructure development plans to allow Toscana Aeroporti to resume its developments in the medium term after overcoming the emergency situation.

As the phenomenon evolves, 2022 financial results are not yet it expected to be comparable with those reported in the years before the pandemic. In addition to this, the current gradual recovery of operations, facilitated by the progress of the vaccination campaign, is nevertheless accompanied by new international tensions. This is particularly the case since February 2022, when the conflict between Russia and Ukraine began, affecting passenger mobility both for safety reasons and because of the increase in prices due to higher energy prices (gas, electricity, oil). As regards these last issues, the effect of air traffic reduction due to the Russian-Ukrainian conflict in 2022 is considered to be a limited phenomenon by the Group, and the related decrease in revenues should not be significant.

Therefore, the Management estimates that traffic levels will continue to recover in 2022 with respect to 2020 and 2021 levels, even though they are still significantly lower than pre-Covid-19 levels. This growth trend will allow the Group to recover earnings that, together with the available cash and non-revolving credit and with the cost reduction measures adopted consistently with the volumes to be managed, may allow the Group to meet its short-term obligations and keep operating as a going concern in the foreseeable future.

5.2 Acquisition of Toscana Aeroporti Costruzioni S.r.l.

On 26 January 2021, Toscana Aeroporti S.p.A. signed an agreement for the acquisition of 51% of Cemes Aeroporti S.r.l., a recently incorporated company (July 2020) operating in the building sector, which changed its name into Toscana Aeroporti Costruzioni S.r.l. (TAC). The business purpose of this company is to build airports, roads, railways; perform river and maritime works; develop noise mitigation systems and prefabricate concrete elements for road, airport and railway facilities.

The acquisition is part of Ta's investment strategy aimed to the development of infrastructures for the Florence and Pisa airports through a subsidiary.

The price of the transaction was Euro 4.5 M. with annual deferred payment in 5 instalments until 31 December 2025 (one of which was made in December 2021 for € 1 M), with no borrowing or assignment of credit.

We also inform readers that, as specified in the acquisition agreement, Cemes S.p.A. guaranteed TA with an irrevocable option pursuant to Art. 1331 of the Civil Code, through which TA will have the right to purchase from Cemes, who will be obliged to sell, a share of 19% of the share capital of TAC for a price of Euro 2.2 M. This option may be exercised by TA during the period going from 1 January 2024 to 1 July 2024.

The first instalment of € 1 M was paid in December 2021.

6. Information on the items in the Income Statement

The analysis of the main balances of the Income Statement is given below.
For details on the balances of the Income Statement items resulting from relations with related parties, see Annex C of the Explanatory Notes of the Consolidated Financial Statements.

Update on the impact of the Covid-19 epidemic on the Income Statement

The following main changes occurred in 2021, compared to 2020, due to the gradual resumption of operations towards pre-Covid-19 levels.

1. The recovery of air traffic (+43% of passengers compared to 2020, equalling ca. +853 K);
2. The consequent increase in operating revenues, approx. € 3.8 M (+12.8%), reflects traffic trends;
3. The continuation of cost reduction actions throughout the year, implemented by the Group commencing from January, such as the use of temporary unemployment benefits ("CIGS"), the revision of goods and services supply agreements, etc., which led to a € +1.2 M mitigation of higher operating costs in 2021 (+3%) compared to 2020;
4. Higher revenues (Euro +2.5 M) and costs for construction services incurred in 2021 for major infrastructure investments in the two Tuscan airports.

6.1 REVENUES

The total revenues of the period increased by 15.5%, passing from € 41.6 M in 2019 to € 48 M in 2021. This difference is the result of the € 3.8 M increase in operating revenues and the simultaneous € 2.5 M increase in revenues from construction services.

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.

REVENUES				
Operating income				
Aviation revenues	26,095	20,099	5,996	29.8%
Non-Aviation revenues	14,224	14,349	-125	-0.9%
Network development expenses	-6,661	-4,597	-2,064	44.9%
Total operating revenues	**33,658**	**29,851**	**3,807**	**12.8%**
Other revenues	2,859	2,759	100	3.6%
Revenues from construction services	11,522	8,988	2,534	28.2%
TOTAL REVENUES (A)	**48,039**	**41,598**	**6,441**	**15.5%**

6.1.1 Aviation revenues

Aviation revenues totalled € 26.1 M in 2021, up by 29.8% compared to 2020, when they totalled € 20.1 M.
The table below breaks down 2021 aviation revenue items and the related differences, both in absolute and percentage terms, compared to 2020:

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
AVIATION REVENUES				
Passenger boarding fees	10,375	7,465	2,910	39.0%
Landing/departure fees	7,348	5,888	1,459	24.8%
Stopover fees	1,415	1,587	-172	-10.9%
PRM assistance fees	1,769	1,202	567	47.2%
Cargo fees	347	323	24	7.5%
Passenger security fees	2,977	2,125	852	40.1%
Baggage security fees	1,020	716	304	42.4%
Handling	110	142	-32	-22.6%
Centralised infrastructures	734	650	84	12.9%
TOTAL AVIATION REVENUES	26,095	20,099	5,996	29.8%

For the analysis of the main deviations of the two periods examined, see section 9.1 of the Report on Operations.

6.1.2 Non-Aviation revenues

Non-Aviation revenues totalled € 14.2 M in 2021, down by 0.9% compared to 2020, when they totalled € 14.3 M.
The table below provides details on non-aviation operating revenues of the two years considered:

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
NON-AVIATION REVENUES				
Parcheggi	1,847	1,379	468	33.9%
Food	1,268	1,130	137	12.2%
Retail	2,917	2,747	171	6.2%
Advertising	1,131	1,715	-584	-34.0%

Real Estate	1,932	1,984	-52	-2.6%
Car rental	3,006	2,890	115	4.0%
Other subconcessions	1,176	1,619	-443	-27.4%
VIP Lounges	417	414	3	0.7%
Air tickets	180	127	53	41.2%
Cargo agency	351	344	7	2.1%
TOTAL NON-AVIATION REVENUES	14,224	14,349	-125	-0.9%

For further details, see section 9.1 in the Report on Operations.

6.1.3 Network development expenses

The main objective of TA is to encourage the development of passenger scheduled and cargo traffic in the Tuscan airports of Pisa (PSA-Galileo Galilei) and Florence (FLR-Amerigo Vespucci), consistently with the characteristics of the Tuscan market and of the airport Infrastructure available, as well as to increase the number of scheduled flight connections to and from the airports, in order to support the consolidation and development of air traffic and thus contribute to the economic growth of the airport manager and meet the demand of the territory for better accessibility.
To pursue said objectives, TA developed an action plan with incentives based on marketing contributions (the so-called "network development expenses") of differing amounts based on the extent of the air services provided by the carriers in the airports and on the extent of the strategic interest of the operation for the reference airport and territory, in consideration of free business initiative.
Network development expenses totalled € 6.7 M in 2021, up by € 2,064 K (+44.9%) compared to 2020, when they totalled € 4.6 M.
The difference is substantially in line with the increase in air traffic reported at year-end.

6.1.4 Other revenues

The table below provides details on 2021 "Other revenues and income" against those of 2020:

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
OTHER REVENUES				
Utilities and others	2,333	2,216	117	5.3%
Services and consulting	390	402	-12	-3.0%
Minors	136	140	-4	-3.1%
TOTAL OTHER REVENUES	2,859	2,759	100	3.6%

6.1.4 Revenues from construction services

Revenues for construction services totalled € 11.5 M in 2021, against € 9 M in 2020.
For further details, see the section "The Group's investments" in the Report on Operations.

Additional information on revenues

Revenues are recognized below based on whether the services have been provided at a given Point In Time or Over Time.

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
Revenues not included in the scope of IFRS 15 (*)	11,349	11,965	-616	-5.1%
"Over time" revenues	36,690	29,633	7,057	23.8%
"Point in time" revenues	-	-	-	N/S
TOTAL REVENUES	48,039	41,598	6,441	15.5%

(*) These are revenues from operating leases (subconcessions) where TA plays the role of lessor.

Details of revenues for operating leases, distinguished between the fixed revenue component related to the agreement and the variable revenue component related to ratios and rates or other variables, are given below.

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
Fixed	1,627	2,429	-802	-33.0%
Variable depending on an index or rate	8,599	8,685	-86	-1.0%
Variable not depending on an index or rate	1,124	851	272	32.0%
Total revenues not included in the scope of IFRS 15	11,349	11,965	-616	-5.1%

The aforesaid revenues mainly refer to the sub-concession of retail spaces (food, shops), advertising spaces and areas used for car rental. These are multi-year agreements, for which, upon renewal, TA defines provisions considering any possible changes occurred in the airport infrastructure. Payments can be made on a monthly or quarterly basis and some agreements also include annual adjustments based on the customer's turnover. Where deemed necessary to reduce the credit risk, bank/insurance guarantees are required for the term of the lease.

An estimate of the minimum payments expected from subconcessions / operating leases for the coming business years is given below.

Amounts in €K	2021	2020
Within the year	9,325	12,872
Included between 1 and 2 years	6,720	7,391
Included between 2 and 3 years	3,070	5,411
Included between 3 and 4 years	2,289	2,620
Included between 4 and 5 years	733	1,957
Beyond 5 years	446	980
Total	22,583	31,232

6.2 OTHER INCOME

The table below details the "Other income" of 2021 against the same item of 2020:

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
OTHER INCOME				
Grants	7,286	10,000	-2,714	-27.1%
Capital gains from disposal of fixed assets	98	5	94	N/S
Compensation and reimbursements	241	-	241	N/S
Proceeds from concession value	1,756	-	1,756	N/S
TOTAL OTHER INCOME	9,381	10,005	-623	-6.2%

We specifically point out that the subsidies received from the State/Region as support during the health emergency caused by the pandemic have been reported as follows: Euro 7.3 million from the Equalisation Fund set up under Art. 1, par. 715, of Law no. 178 of 30 December 2020 ("2021 Budget Law"), implemented as specified in the implementing decree of the Ministry of Sustainable Infrastructure and Mobility of 25 November 2021, in agreement with the Ministry of Economy and Finance, in favour of airport managers (Euro 735 million). The amount of the subsidy to which TA was entitled for the damages suffered in the period going from 1 March 2020 to 30 June 2020, determined as required by the applicable legislation and applied for on 27 January 2022, was of € 7.3 M (50% of which was cashed in the first days of March 2022). The subsidy was recognized as income for the financial year 2021 because the Management considered that, as at 31 December 2021, there was a reasonable certainty that the Group would be able to meet the specified conditions and that the subsidy would be received. In addition, this form of public aid can be received as compensation for costs or losses already incurred. These considerations have also been developed taking into account the experience gained in the procedure for obtaining the subsidy disbursed by the Region of Tuscany in 2020, where the amount of damage was based on the same criteria laid down in the 2021 Budget Law, as well as on the exchanges of information that took place with the relevant trade association in 2021.
The 2020 subsidy[1] refers to the € 10 M aid granted by the Region of Tuscany to the Parent Company TA, which was cashed on 16 August 2021.
Income from the Step-In Value of approx. € 1.8 M received has been recognised as required by the provisions of Art. 703 of the "Codice della Navigazione" (Navigation Code), in terms of the value that the incoming concessionaire has to pay to the outgoing concessionaire, which is determined by using regulatory analytical accounting rules. In detail, the amount in question, recognised as a contraentry to concession rights, refers to the share of scheduled maintenance work that has been recognised in the accounts within the framework of the provision for repair, but which, in regulatory analytical accounting, reflects assets that will not be completely amortized at the concession expiry date.

6.3 COSTS

In 2021, costs totalled € 51.1 M, up by 7.8% compared to 2020, when they totalled € 47.4 M. This result is mainly due to the 3% increase in operating costs (which passed from € 38.6

[1] For completeness of information, we remind readers that Subsidies were reported in the "Other revenues" item in 2020; so, to provide readers with a greater comparability of the information reported in the consolidated financial statements, the item "Other income" was presented in a different manner with respect to 2020. This change is not considered significant by the Company.

M in 2020 to € 39.8 M in 2021) and to the increase in costs for construction services, which passed from € 8.8 M in 2019 to € 11.3 M in 2021 (+29%).

Amounts in €K	2021	2020	2021/2020 abs. diff.	% Diff.
COSTS				
Operating Costs				
Consumables	643	778	-135	-17.3%
Cost of personnel	15,841	15,711	130	0.8%
Costs for services	19,179	18,678	501	2.7%
Sundry operating expenses	1,443	1,259	184	14.6%
Airport fees	2,669	2,192	477	21.8%
Total operating costs	**39,775**	**38,618**	**1,157**	**3.0%**
Costs for construction services	11,309	8,769	2,540	29.0%
TOTAL COSTS (C)	**51,084**	**47,387**	**3,697**	**7.8%**

OPERATING COSTS

Operating costs totalled € 39.8 M, up by 3% compared to the € 38.6 M reported at the end of 2020.

6.3.1 Consumables

This item contains the cost of consumables, € 643 K (€ 778 K in 2020). and includes:

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
CONSUMABLES				
Stationery	17	12	5	41.7%
Fuels, lubricants	363	307	56	18.2%
Materials for car parking lots	5	12	-7	-58.3%
Other consumables	0	200	-200	N/S
Safety Serv. Contr. (mat.)	44	32	12	39.0%
Clothing	55	109	-54	-49.7%
Mat. for operating services	159	105	54	51.1%
TOTAL CONSUMABLES	643	778	-135	-17.3%

6.3.2 Cost of personnel

TA reported € 15.8 M of costs for personnel, up by € 130 K compared to 2020 (+0.8%). The increase in costs for personnel in 2021, compared to 2020, is mainly due to the renewal of collective labour agreements ("CCNL") and a lower use of temporary unemployment benefits and holidays in the second part of 2021, due to the increased traffic managed. This cost item is broken down below:

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
STAFF COST				
Remuneration	15,677	15,512	165	1.1%
of which:				
Wages	10,253	9,989	264	2.6%
Salaries	885	969	-84	-8.7%
Social security contributions	3,348	3,361	-13	-0.4%

	2021	2020	abs. diff.	% Diff.
ETB	1,190	1,193	-3	-0.2%
Other labour costs	164	199	-35	-17.5%
of which:				
Contributions to CRAL	4	4	0	-3.3%
Benefits to personnel	160	174	-14	-7.9%
Administered and sundry	0	21	-21	-100.0%
TOTAL COST OF STAFF	15,841	15,711	130	0.8%

The table below provides details on the **average annual staff** (expressed in Full-Time Equivalents, FTEs) existing in 2021 and any difference compared to 2020:

FTE Table	2021	2020	Diff.	% Diff.
Executives	14.8	14.2	0.6	4.4%
Managers / Employees	276.03	279.8	-3.8	-1.3%
Workers	32.54	35.10	-2.6	-7.3%
Total	**323.4**	**329.1**	**-5.7**	**-1.7%**

Please, note that in the table above 2 part-time units are considered as 1 full-time unit.

6.3.3 Costs for services

On the whole, costs for services in 2021 and 2020 consist of:

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Commercial services	163	76	86	113.1%
Institutional expenses	1,038	1,114	-76	-6.9%
Other services	3,176	3,142	34	1.1%
Personnel services	584	642	-57	-8.9%
Maintenance services	4,699	3,966	733	18.5%
Utilities	2,809	2,821	-11	-0.4%
Operating services	6,711	6,917	-207	-3.0%
TOTAL COSTS FOR SERVICES	19,179	18,678	501	2.7%

Commercial Services, which totalled € 163 K in 2021 (€ 76 K in 2020), include the following costs:

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Commercial services	163	76	86	113.1%
of which:				
Advertising commissions	13	27	-14	-51.5%
Management of advertising systems	27	32	-5	-16.1%
Retail promotions	63	18	45	253.7%

Dry cleaning service	60	0	60

Institutional expenses totalled € 1 M in 2021 (€ 1.1 M in 2020) and mainly include Board of Directors' and Board of Auditors' fees.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Institutional expenses	1,038	1,114	-76	-6.9%
of which:				
Directors' fees	651	777	-126	-16.3%
Auditors' fees	188	195	-6	-3.2%
Directors' business travels	167	126	41	32.2%
Legal, notarial, meeting expenses	24	16	8	47.2%
Participation in conferences	8	0	8	

Other Services totalled € 3.2 M (€ 3.1 M in 2020) and mainly include professional services, industrial insurance and communication costs.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Other services	3,176	3,142	34	1.1%
of which:				
Professional services	2,473	2,187	286	13.1%
Industrial insurance	428	412	17	4.0%
Communication	252	531	-279	-52.5%
Other minors	22	12	10	N/S

Other personnel services totalled € 584 K (€ 642 K in 2020) and mainly include canteen, payroll service, transfers and employee training costs.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Personnel services	584	642	-57	-8.9%
of which:				
Canteen	317	333	-17	-5.0%
Insurance	148	164	-16	-9.8%
Preventive medicine and med. examinations	7	17	-10	-57.8%
Training	56	34	22	63.8%
Staff recruitment	13	19	-7	-35.6%
Payroll services	35	35	0	0.0%
Journeys	9	39	-30	-76.2%

Maintenance Services totalled € 4.7 M (€ 3.9 M in 2020) and include airport infrastructure, system and installation, equipment and vehicle maintenance.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Maintenance services	4,699	3,966	733	18.5%
of which:				

Equipm./Truck Maint.	288	262	26	9.8%
BHS system maint.	794	668	125	18.7%
Maint. of infrastructures	1,841	1,697	144	8.5%
IT maintenance	1,777	1,338	439	32.8%

Utility Services totalled € 2.8 M (€ 2.8 M in 2020) and mainly include costs for electricity, gas, water and telephone services.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Utilities	2,809	2,821	-11	-0.4%
of which:				
Electricity	1,379	1,369	11	0.8%
Water	265	213	52	24.2%
Telephones	208	185	23	12.2%
Mobile phones	195	187	8	4.5%
Gas	710	761	-51	-6.7%
Minors	51	105	-54.0	-51.2%

Operating Services totalled € 6.7 M (€ 6.9 M in 2020) and mainly include external costs for porters, surveillance, cleaning, rentals, first aid care and other services typically associated with airport operations.
Costs for emergency management services are linked with external health control services for the airport personnel and passengers, introduced by TA in the two Tuscan airports to tackle the Covid-19 pandemic.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
COSTS FOR SERVICES				
Operating services	6,711	6,917	-207	-3.0%
of which:				
Porterage	570	322	248	76.8%
Aircraft and vehicle cleaning	42	27	16	58.7%
Agency/Wareh. service	293	785	-491	-62.6%
Cleaning	794	926	-132	-14.2%
PRM Support	884	769	115	15.0%
Surveillance service	2,153	1,822	331	18.2%
Services Centre	139	186	-47	-25.3%
Connection arco az	21	47	-26	-54.7%
Rental of machines and equipment	103	99	3	3.4%
Management of parking lots	95	97	-2	-1.8%
Gardening	76	79	-3	-3.5%
VIP Lounge	103	179	-76	-42.4%
First Aid Service	362	334	28	8.4%
Shuttle bus	172	272	-100	-36.8%
Other operating services	32	59	-27	-45.3%
Emergency management services	869	862	7	0.8%
Trolley collection	0	52	-52	-100.0%

6.3.4 Sundry operating expenses

Sundry operating expenses totalled € 1.4 M (€ 1.3 M in 2020) and mainly include taxes and levies, membership fees, sundry administrative costs, non-recurring costs and other minor entries.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
SUNDRY OPERATING EXPENSES				
Publications	10	9	0	5.5%
Ins. entities and sundry institutions	286	332	-45	-13.7%
Taxes and levies	635	585	50	8.5%
Entertainment	33	105	-71	-68.1%
Sundry administrative costs	180	149	30	20.3%
Others	299	79	220	280.5%
SUNDRY OPERATING EXPENSES	1,443	1,259	184	14.6%

6.3.5 Airport fees

Airport fees, which totalled € 2.7 M (€ 2.2 M in 2020), include concession fees and the fee paid to the Fire Protection Fund.

Amounts in €K	2021	2020	2021/2020 abs. diff.	2021/2020 % Diff.
AIRPORT FEES				
Concession and security fees	1,696	1,163	533	45.8%
Fire Brigade fee	973	1,029	-55	-5.4%
TOTAL AIRPORT FEES	2,669	2,192	477	21.8%

The increase is due to the greater traffic reported in 2021 compared to 2020 (+43% in terms of passengers, corresponding to approximately € +533 K of fees), partly mitigated by the lower amount set aside in the airport fire protection fund, € 55 K.

6.3.6 Costs for construction services

Costs for construction services, which totalled € 11.3 M (€ 8.8 M at 31 December 2020), reflect the investments made in the airport infrastructure under concession in 2021. The higher costs of € 2,540 K reported at year-end arise from the same reasons indicated in the comments to the corresponding revenue item.

6.3.7 Depreciation/amortization and impairment

This item totalled € 9.6 M in 2021 (€ 9.5 M in 2020) and includes amortization of intangible assets for € 5.9 M (€ 6.2 M in 2020), depreciation of tangible assets for € 2.8 M (€ 2.8 M in 2020), amortization of rights of use for € 609 K (€ 544 K in 2020), and impairment of intangibles for € 273 K (€ 2 K in 2020).

6.3.8 Provision for liabilities and repair

This item, which totals € 5.7 M (€ 1.5 M in 2020), includes the amounts set aside in the provision for liabilities (€ 240 K) and in the provision for repairs (€ 1.5 M), which reflect the year's addition set aside for future maintenance expenses relating to repair work and replacements required to keep the assets operated under the two ENAC concessions in good operating, functional and safe conditions.

6.4 Net revaluation (impairment) of trade and other receivables

This item totalled € 1,289 K (€ 1,638 K in 2020) and consists of the provision set aside for bad debt.

Amounts in €K	2021	2020

Bad debt reserve	1,115	1,638
Credit loss	174	-
Total	1,289	1,638

6.5 Financial income

This item totalled approx. € 65 K (€ 13 K in 2020) and mainly includes interest receivable (€ 62 K) on intercompany loans.

6.6 Financial expenses

This item totalled € 2,534 K (€ 1,275 K in 2020) and mainly includes interest payable and commissions on bank current accounts for € 2,054 K, interest cost on employees' defined-benefit liabilities for € 8 K, financial expenses relating to the discounting of the Provision for repair and replacements for € 260 K, and interest under IFRS 16 for € 132 K.

6.7 Profit (loss) from equity investments

This item shows a loss of € 143 K (€ 58 K in 2020) and refers to the amortization of the investment in the subsidiary Vola (which was liquidated on 15 December 2021) for € 200 K, partly offset by the dividends of the associates received during 2020.

6.8 Year's income taxes

The credit balance recognised in 2021 for a total of € 6,858 K (€ 1,776 K in 2020) is mainly the consequence of the recognition of the tax loss reported by TA at year-end.
The increased cumulative tax loss at the end of 2021 also results from the deduction of taxes on Covid-19 subsidies recognised in the previous year.
In detail:

- prepaid/deferred taxes for € 6,759 K;
- income from tax consolidation with the controlling company "CAI" for € 99 K.

The reconciliation with the theoretical tax rate is provided In Annex "E".

6.9 Earnings (loss) per share / Diluted earnings (loss) per share

Earnings per share and diluted earnings per share, equalling € -0.325 in 2021 (€ 0.422 in 2020), have been determined by dividing the loss for the period (€ 6,044 K) by the weighted average of the ordinary shares outstanding during the period (18,611,966), as there was no diluting factor.

7. Information on the items of the Statement of Financial Position

The items of the Consolidated Statement of Financial Position as at 31 December 2021 are commented below, indicating the comparison with balances as at 31 December 2020.
For the details of the balances of the items of the Consolidated Statement of Financial Position arising from relations with related parties, please refer to note no. 10.4 in "Relations with related parties".

7.1 Intangible assets

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Concession rights (royalties)	154,153	143,954	10,199
Patents and intellectual property rights	162	345	-182
Construction in progress and advance payments (intang.)	25,164	27,928	-2,763
Other fixed assets	208	237	-29

Intangible assets	179,687	172,463	7,225

Investments in intangible assets were made for € 9.1 M during 2021, specifically for:

(amounts in €K)	
Concession rights (royalties)	8,431
Construction in progress (concession rights)	3,009
Construction in progress (SW)	98
Software	146
Total	**9,096**

For a detailed analysis of the investments made in 2021, see section 10 of the Report on Operations.
No divestiture of assets was done in 2021.
Movements of intangible assets are detailed in Annex A and information on the various categories of intangible assets is given below.

a. Concession rights (royalties)
This item totalled € 154.2 K at 31 December 2021 (€ 144 K at 31 December 2020), up by € 10.2 M mainly as a result of the year's investments. For further details, see section 10 in the Report on Operations.
The total amount of concession rights, including the related construction in progress, is € 179.3 M.

b. Industrial patent rights
This item totalled € 162 K at 31 December 2021 (€ 345 K at 31 December 2020), down by € 182 K due to the higher value of the year's amortization compared to investments.

c. Construction in progress
As at 31 December 2021, this item totalled € 25.2 M (€ 27.9 M at 31 December 2020); it is almost exclusively referred to concession rights and shows a decrease of € 2.8 M due to the year's investments, which are more than offset by the completion of projects and the related allocation to assets.
Please note that the value of construction in progress includes the investment of approx. € 14.2 M in the development of the Florence airport Master Plan and the investment of € 1.7 M in the design of the new Florence terminal.
For further details, see section 10 "The Group's investments" and section 8.1 of the Explanatory Notes to the Consolidated Financial Statements.

Impairment test
On 31 December 2021, due to the persisting impact of the Covid-19 pandemic on the national and global macroeconomic scenario, including air traffic, the impairment test was performed, as required by IAS 36 "Impairment of Assets", to measure the effects of the economic situation as indicators of loss of value. The impairment test, performed on accounting data as at 31 December 2021 and approved by the Board of Directors, together with the Group's Business Plan, on 9 March 2022, considered both the CGUs of the Florence and Pisa airports.
These CGUs include, in addition to concession rights (including construction in progress for the Florence airport masterplan developments), all the other assets that make up the net invested capital of the respective airports identified by the Directors and dedicated to

the development of the same airports, both as regards air traffic and the infrastructure and passenger services.
More specifically, the expected cash flows of the two airports estimated for the residual duration of the respective concessions (2048 for Pisa and 2045 for Florence - conventionally defined as 2044 in view of the expiry of the concession in February 2045), having acknowledged the postponement of the completion of the new Florence airport until the new approval process is completed, have been approved by the Board of Directors of the holding TA on 9 March 2022 and discounted by determining the recoverable value in use of the respective CGUs, which value was compared with the related book value.
The time horizon of the economic-financial forecasts (hereinafter also the "Plan") will therefore take into account the 24-month extension, established by Law no. 77 of 17 July 2020, of the expiry of the airport concessions, which were initially set at 2043 for the Florence airport and 2046 for the Pisa airport.
The objectives and assumptions of the Plan have been determined by taking into account the historical results of operations and have been processed based on accurate estimates of passenger traffic and of the related revenues, also by using industry-related growth factors and especially considering the significant reduction in the demand determined at the end of the years 2020 and 2021 due to the impact of the Covid-19 pandemic.
The definition of the main drivers of the Plan, particularly as regards future traffic development forecasts, has also been based on external information, such as independent surveys conducted by primary operators of the sector. In the light of the information acquired from internal and external sources, the Plan forecasts are based on a possible recovery of pre-Covid passenger traffic levels not earlier than 2024, with levels still significantly below those reported before the pandemic in 2022 as well.
In the period following the pre-Covid level recovery period, revenue growth has been defined based on the following percentages, which are also in line with the forecasts developed by external sources on long-term traffic trends and with reported historical trends:
- Growth rate of operating revenues for the Florence airport: 3.5% CAGR for 2024-2045 (against 3.4% in 2020)
- Growth rate of operating revenues for the Pisa airport: 2.7% CAGR for 2024-2048 (against 2.8% in 2020)
As to the discounting of cash flows, the Group adopted a WACC (weighted average cost of capital) that reflects the current market valuation of interest rates and takes into account the specific risks of the business activity and geographical area in which the CGUs operate, therefore establishing a WACC of 7.53%.

The Company also conducted a sensitivity analysis on the results of the test against the changes expected in basic assumptions (use of revenue growth rate and discount rate) that affect the value in use of the CGUs. Even in the event of a 1% increase in the WACC used, the analyses would not show an impairment.
Based on Consob requirements indicated in resolution no. 1/21 of 16 February 2021 and on the recommendations issued by ESMA in the Public Statement "European common enforcement priorities for 2020 annual financial reports", as well as considering the basic scenario described above, also supported by external studies, the new resulting scenario is still characterized by the negative impacts of the pandemic. The envisaged scenario, developed by applying the EBITDA reported by the respective CGUs in 2021 to the years 2022 and 2023, describes a further two-year deferment of the expected recovery of pre-Covid-19 traffic levels, and the assumption is that only in 2024 will the profit levels envisaged in the basic 2022 plan be possibly achieved. Despite this further significantly negative impact, the value of use of the CGUs examined is still higher than their net carrying amounts.

In all the cases processed, the current value of expected cash flows generated by the CGUs is higher than the net book value tested for impairment.
In addition, TA conducted a further simulation aimed at defining the reduction of revenues and, for the same amount, of the profits expected in the plan, which would determine a recoverable amount not lower than the carrying amount of the CGUs. The reduction in revenues, which, without any reduction in the amount of costs, would result in a recoverable amount not lower than the carrying amount of the CGUs, would be about 11.9% for Florence airport and about 12% for Pisa airport.
Considering that the recoverable value has been determined on the basis of estimates, TA cannot exclude a possible impairment of the assets in future periods. In the current market context, the various factors used for the estimates could be reviewed. The Company will constantly monitor these factors and any possible impairment.

7.2 Property, plant and equipment

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Land, Buildings	17,082	17,329	-247
Other assets	2,147	2,966	-819
Ind. and comm. equipment	104	113	-9
Plant and machinery:	7,320	5,200	2,119
Construction in progress and advance payments (tang.)	293	1,334	-1,041
Property, plant and equipment	26,946	26,942	3

On the whole, approximately € 3 M were invested in 2021 for:

(amounts in €K)	
Land and buildings	1
Plant and machinery	2,675
motor vehicles	3
Furniture and fittings	4
Hardware	140
Construction in progress	170
Total	**2,992**

For a detailed analysis of the main investments made in 2021, see section 10 of the Report on Operations.
Divestments / decreases of assets have been made during 2021 for € 723 K.
Movements regarding property, plant and equipment is given in Annex B.

7.3 Rights of use

At 31 December 2021, the Company had rights of use for € 4.4 M, including:
1. Rights of use of parking lots for € 3.9 M, relating to long-term contracts signed for the concession of car park areas with terms ranging from 9 to 20 years;
2. Rights of use of vehicles for € 453 K, relating to long-term contracts signed for corporate cars with terms ranging from 3 to 4 years.

The details of the year are provided below.

Data in €K	31.12.2021	31.12.2020
Values at January 1st	4,615	4,736
Acquisitions	346	423
Disposals	0	0

Depreciation		-609	-544
	Year-end rights of use	4,353	4,615

7.4 Investments in other entities

At 31 December 2021, TA owns shares and other shareholdings for € 2,953 K (€ 2,945 K at 31 Dec. 2020), consisting in:
- I.T. Amerigo Vespucci S.p.a. (0.22% of the share capital): € 40.6 K
- Consorzio Turistico Area Pisana S.c.a.r.l. (2.4% of the share capital): €420
- Scuola Aeroportuale Italiana Onlus (52.7% of the share capital): € 13.2 K
- Consorzio Pisa Energia S.c.r.l. (5,26 % of the share capital): €831
- Consorzio per l'Aeroporto di Siena (0.11% of the share capital): € 8.5 K
- Firenze Convention Bureau S.c.r.l. (4,44 % of the share capital): € 6.3 K
- Firenze Mobilità S.p.a. (3.98% of the share capital): € 42.5 K
- Società Esercizio Aeroporto della Maremma S.p.a. (0.39% of the share capital): € 10.2 K
- Firenze Parcheggi S.p.A. (8.16% of the share capital): € 2,823 K

The valuation of the investment in Firenze Parcheggi S.p.A. was done by using a methodology that takes into account expected future cash flows, called the discounted cash flow method, based on which the book value has been confirmed.
Scuola Aeroportuale Italiana Onlus has been classified among "Other entities" because it is a non-profit organization. The tourist consortium "Consorzio Turistico Area Pisana" and the Siena airport consortium "Consorzio per l'Aeroporto di Siena" are winding up at the closing date of this report.
No significant change in the fair value of investments in other entities is recognized at 31 December 2021.

7.5 Investments in associated companies

At 31 December 2020, the value of TA's investments in subsidiaries is € 8,416 K (€ 4,338 K at 31 Dec. 2020), as shown in the table below.

Data in €K	31.12.2021	31.12.2020
Toscana Aeroporti Costruzioni S.r.l.	4,278	0
Parcheggi Peretola S.r.l.	3,251	3,251
Toscana Aeroporti Handling S.r.l.	750	750
Vola S.r.l.	0	200
Toscana Aeroporti Engineering S.r.l.	80	80
Jet Fuel Co. S.r.l.	57	57
Total	8,416	4,338

The increase reported for the year derives from the acquisition of 51% of the shares of Toscana Aeroporti Costruzioni S.r.l. - for details, see section 5.2 of these Explanatory Notes.

For detailed information on these investments, see section 16 "Main information on the Parent Company, its Subsidiaries and their Relationships" of the Report on Operations.

As regards the shareholding in Toscana Aeroporti Handling Srl, in the light of the loss reported by this subsidiary, the parent company TA tested this investment for impairment, as described below.
According to the methodology laid down in IAS 36, the Company checked the recoverability of the book values recognized in the financial statements by comparing the carrying amount with the recoverable value (value in use), which is the present value of the future cash flows estimated to derive from the continued use of the assets and from the terminal value of the Company.

The main assumptions used by the Company for the determination of future cash flows, and of the resulting recoverable amount (value in use), refer to:

- projected cash flows relating to the 2022-2025 time horizon that can be inferred from forecast data relating to Toscana Aeroporti Handling S.r.l. approved by the Board of Directors of the parent company TA, together with the impairment test performed on 9 March 2022; the assumptions underlying the above forecast data are the same as those used in the impairment test on concession rights;
- a discount rate (WACC) of 6.78%;
- in addition to the explicit plan period, a 1.4% growth rate has been estimated.

in detail, for the discounting of cash flows, the Company adopted a WACC that reflects the current market values, the cost of money, and that takes into account the specific risks of the asset and of the geographical area in which the CGU operates. In the future cash flow discounting model adopted, a terminal value is added at the end of the cash flow projection period to reflect the residual value that each CGU should generate. This terminal value represents the present value, at the last year of the projection, of all subsequent cash flows calculated as a perpetual annuity, and was determined using a growth rate ("g rate") to reflect the future growth potential.

The analyses conducted showed no impairment, so there is no write-down at 31 December 2021.

Moreover, also based on the indications set out in the joint document produced by the Bank of Italy with Consob and Isvap no. 2 of 6 February 2009, the parent company TA carried out a sensitivity analysis on the results of the impairment test against the different basic assumptions (use of the growth rate in the determination of the terminal value and discount rate) that affect the value of use of the CGU. In the event of a 1% positive or negative change in the WACC and g-rate, and in the event of a significant reduction in the cash flows used in the calculation of the terminal value, the analyses do not show any impairment. In all the cases studied, the current value of expected cash flows generated by the CGU is higher than the net book value tested for impairment.

In view of the loss reported by the subsidiary, we point out that the parent company TA committed to irrevocably keep financing and supporting TAH to ensure both the fulfilment of its obligations and the regular operation of its business.

Considering that the recoverable value has been determined on the basis of estimates, the Company cannot exclude a possible impairment of the investments in future periods. In the current market context, the various factors used for the processing of the estimates could be reviewed. TA will constantly monitor these factors and any possible impairment.

For the sake of completeness, we also point out that the parent company TA declared its intention and irrevocable commitment to keep financing and supporting TAC in order to ensure both the fulfilment of its obligations and the regular continuity of its operations.

7.6 Investments in associated companies

At 31 December 2021, the value of TA's investments in associates and related entities was € 380 K (€ 380 K at 31 December 2020), as shown in the table below:

- Alatoscana for € 330 K (€ 330 K at 31 December 2020);
- Immobili AOU Careggi for € 50 K (€ 50 K at 31 December 2020).

For further considerations on the characteristics of the entities in question, see the section "Relationships with associated companies and related parties" of the Report on Operations.

No impairment indicator applies to Equity Investments in related entities.

7.7 Other financial assets

Data in €K	31.12.2021	31.12.2020	DIFFERENCE

Financial receivables due beyond the year	5,211	5,411	-200
Guarantee deposits	190	183	7
Receivables from others due beyond the year	3,017	3,017	0
Other financial assets	8,419	8,611	-200

a) Financial receivables due beyond the year

New financial receivables reported at 31 December 2021 derive from two interest-bearing loans granted to subsidiaries for the long-term portion, as detailed below:

Data in €K	31.12.2021	31.12.2020
TAH loan	4,711	5,030
TAC loan	500	0
Vola loan	0	381
Total	5,211	5,411

b) Receivables from others, due beyond the year

The receivable mainly consists in the confirmatory deposit paid on the € 3 M price in June 2018 upon signing the preliminary agreement for the purchase from NIT – Nuove Iniziative Toscane S.r.l. (a real property subsidiary of the Unipol TA) of the “Piana di Castello” area in the vicinity of the Florence airport for Master Plan development purposes. See also the further considerations developed in section 8.1.d “Construction in Progress” of the Explanator Notes to the Consolidated Financial Statements.

c) Guarantee deposits

These mainly refer to guarantee deposits issued in favour of utility providers (for connections), tobacco products, cash floats given to ticket offices and parking operators.

7.8 Trade receivables due beyond the year

These refer to trade receivables for agreed repayment plans.

7.9 Deferred tax assets

This amount - € 10,700 K (€ 3,965 K at 31 Dec. 2020) - mainly includes the taxes determined on the tax loss of the Company for 2020 and 2021, on the temporary differences determined on taxed provisions (for repair, bad debt, etc.), and the recognition of intangible assets (concession rights) under IFRIC 12. For details regarding the composition of the item and the related details, see Annex D.

Deferred and prepaid taxes have been determined by applying the tax rate in force during the year when the temporary differences will be reversed.

The increased cumulative tax loss at the end of 2021 also results from the deduction of taxes on Covid-19 subsidies recognised in the previous year.

The recoverability of deferred tax assets relating to tax losses is reflected in the capacity to produce tax profits in future financial years, as can be inferred from the multi-year plan approved by the Board of Directors of the parent company on 9 March 2022, also considering that applicable tax laws allow companies to use past tax losses along an unlimited time horizon.

7.10 Trade receivables

The main item includes the Company's receivables from customers which, at 31 December 2021, net of the provision for bad debt, totalled € 17,740 K (€ 15,608 K at 31 December 2020), as detailed in the table below:

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Other receivables from customers	12,346	11,790	556
Receivables from associated companies	138	162	-23
Receivables from subsidiaries	5,256	3,656	1,600
Trade receivables	17,740	15,608	2,133

The provision for bad debt was increased during the year with the addition of € 1,115 K and decreased for the use of € 211 K.

	Data in €K
Provision for bad debt at 1 Jan.	3,921
Addition	1,115
Use	-36
Provision for bad debt at 31 Dec. 2021	4,999

The composition of <u>receivables from customers</u> by due date is detailed in the table below:

Data in €K	Aggregate Total	Receivables due	Overdue receivables				
			0-30 days	30-60 days	60-90 days	90-180 days	> 180 days
Current receivables	17,346	6,302	3,146	547	246	613	6,491
Expected loss rate		0.0%	-0.3%	-1.6%	-6.3%	-9.0%	-75.6%
Provision for bad debt	-4,999	0	-11	-9	-15	-55	-4,909
Total at 31.12.2021	**12,346**	**6,302**	**3,135**	**538**	**230**	**558**	**1,582**

Data in €K	Aggregate Total	Receivables due	Overdue receivables				
			0-30 days	30-60 days	60-90 days	90-180 days	> 180 days
Current receivables	15,711	4,255	1,122	1,256	1,154	1,673	6,252
Expected loss rate		-0.1%	0.0%	-1.0%	-1.9%	-3.4%	-61.2%
Provision for bad debt	-3,921	-4	0	-12	-22	-57	-3,826
Total at 31.12.2020	**11,790**	**4,251**	**1,122**	**1,244**	**1,132**	**1,616**	**2,426**

Trade receivables also include receivables from related entities, as shown in the following table:

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Alatoscana	32	63	-32
Immobili AOU Careggi	107	99	8
Receivables from associated companies	138	162	-23

Trade receivables also include receivables from Subsidiaries, as shown in the following table:

Data in €K	31.12.2021	31.12.2020
Toscana Aeroporti Handling S.r.l.	2,793	1,748
Toscana Aeroporti Engineering S.r.l.	2,311	1,848
Jet Fuel Co. S.r.l.	114	45
Toscana Aeroporti Costruzioni S.r.l.	23	0
Parcheggi Peretola S.r.l.	15	15
Total	5,256	3,656

7.11 Current tax assets

This item consists of € 398 K (€ 903 K at 31 Dec. 2020) and includes current tax assets (IRAP) for € 198 K and tax consolidation income receivable from CAI for € 200 K.

7.12 Other tax assets

This item consists mainly of the following credits for € 1,499 K (€ 2,083 K at 31 December 2020):

- 2019 ART bonus: € 10.8 K
- 2021 ART bonus: € 32.5 K
- Credit for investments in operating assets: € 46 K
- Subsidiary Vola VAT credit: € 72.9 K
- 2021 VAT credit: € 729.2 K
- Miscellaneous and minor items: € 2.7 K
- Credit on payment of IRES surtax: € 604,7 K already offset in January 2022

7.13 Receivables from others due within the year

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Financial receivables due within the year	314	69	245
Public subsidies (State, Region)	7,286	10,000	-2,714
Receiv. fm carriers for Municipal addit. tax pass. boarding fees	4,299	2,507	1,792
Advance payments made to suppliers	1,023	362	661
Accrued income & Prepaid expenses	284	467	-184
Monopoly products receivables	56	53	3
Other minor receivables	765	744	21
Receivables from others, due within the year	14,027	14,202	-175

The "Public subsidies" item includes the aids received from the State and Region, which are described in detail in section 6.2 "Other income".
The Additional Municipal Tax receivable on passenger boarding fees, established with Art. 2, par. 11, of Law no. 350 of 24 December 2003, reflects the item "Tax liabilities" of the current liabilities (Note #46), because the amount collected is paid to the State.
The "Prepaid expenses" item mainly includes supplies with advanced billing, membership fees, and insurance.

7.14 Cash and cash equivalents

This item totalled € 50,419 K in 2021 (€ 70,763 K at 31 Dec. 2020). The reduced cash mainly reflects:

- investments in airport infrastructure for approx. € 14.5 M;
- net cash outflows of approx. € 5.6 M from financing activities;
- the payment of the first instalment of the debt relating to the acquisition of TACs for € 1 M.

We point out that the "Cash and Banks" item includes a minimum amount of € 1 M, available and deposited in a current account pledged as collateral for the medium-/long-term Loan Agreement stipulated with the Intesa-San Paolo-MPS bank pool.
For more details, see the Statement of Cash Flows in the Report on Operations.

7.15 SHAREHOLDERS' EQUITY AND LIABILITIES

The Shareholders' equity decreased by € 5,970 K due to the recognition of the year's loss (€ -6,045 K). For information regarding the origins, distributability and uses of the equity items, please refer to Annex C.
The Shareholders' equity consists of the following items:

Share Capital
At 31 December 2021, the fully paid-up share capital of the Parent Company consists of 18,611,966 ordinary shares without nominal value (18,611,966 shares at 31 Dec. 2020).
For details on Shareholders, see the table and section "Shareholders of the Parent Company" in the Report on Operations.

Capital reserves
Capital reserves consist of:
- a share premium reserve for € 18,941 K created with the paid capital increase determined upon listing SAT (Società Aeroporto Toscano Galileo Galilei S.p.a.) on the Stock Exchange in July 2007;
- a legal reserve of € 5,369 K.
- statutory reserves for € 30,938 K. The € 7,845 K decrease was caused by the need to cover the 2020 loss, as proposed by the Board of Directors of the Parent Company on 12 March 2020 and approved by the Shareholders' Meeting of the Parent Company held on 18 May 2020.
- Other reserves for € 24,585 K, mainly consisting of the reserve deriving from the merger by incorporation of AdF for € 24,084 K. Pursuant to point 5 of the first paragraph of Art. 2426 of the Civil Code, we specify that there is no restriction on available reserves.

IAS adjustments reserve
This reserve is negative by € 3,229 K, and included:
(i) the IAS reserve (negative for € 712 K) after deducting the theoretical tax burden created at 1st Jan. 2005 upon First Time Adoption, so as to include the impact of international accounting standards on the Shareholders' Equity;
(ii) the IAS reserve (negative for € 2,517 K) created after adopting the new international standard IFRIC 12 from 1st January 2011.

Profit/(Loss) carried forward
This item includes profit carried forward for € 337 K (€ 262 K at 31 December 2020). The difference derives from the actuarial effect of the recalculation of the T.I. Provision according to IAS 19.

Other components of the Statement of Comprehensive Income
The value at 31 December 2021 is broken down below:

SITUATION AT 31 December	2,021	2,020

Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:		
COMPREHENSIVE PROFIT (LOSS) FOR THE PERIOD	74	-24

The tax effect regarding the other components of the Statement of Comprehensive Income is broken down below:

SITUATION AT 31 Dec. 2021	Gross value	Tax (charge)/benefit	Net Value
Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:	98	-23	**74**

SITUATION AT 31 Dec. 2020	Gross value	Tax (charge)/benefit	Net Value
Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:	-32	8	**-24**

Profit/(loss) for the year

This item includes TA's result for the period at 31 December 2021, which is a loss of € 6,045 K (loss of € 7,845 K in 2020).

7.16 Provisions for risks and charges

The Provisions for risks and charges consists of € 1,020 K (€ 1,005 K at 31 December 2020). The details of the year are provided below.

Data in €K	
Provisions for risks and charges at 1 Jan. 2021	1,005
Addition	240
Use	-225
Provisions for risks and charges at 31 Dec. 2021	1,020

At 31 December 2021, the provision mainly includes the following amounts:

- € 351 K of provisions set aside in connection with the Fire Brigade Protection Service dispute, which is described in detail in the section “Information on the main items of the Provision for risks and expenses at 30 Dec. 2020”;
- € 115 K of provisions set aside in connection with potential labour dispute risks, better described in the section “Additional information”;
- € 215 K relating to a dispute where TA has been sued by the owner of a plot of land close to the Pisa airport area which has been occupied without title for the construction of a road;
- € 328 K set aside for disputes on local taxes concerning the different classification of airport areas for IMU (municipal property tax) determination purposes.

For further details, see the section “Information on the main items of the Provisions for risks and charges at 31 December 2021”.
The amounts set aside by the Company to face potential risks deriving from ongoing disputes are deemed appropriate for the predictable outcome of the legal proceedings.

7.17 Provisions for repair and replacement

This provision (valued according to the best estimate of the expense currently required to fulfil the obligation at the closing date of the report) includes the amounts spent for the maintenance and repair of infrastructures in the Florence and Pisa airports, to be returned in perfect maintenance conditions to the Grantor at the end of the concession period. The global value of this item at 31 December 2021 is € 19,134 K, down by € 3,028 K compared to 31 December 2020, as a result of the year's uses, mainly required for the works that have been completed in the Florence airport runway, partially offset by the additions made to the provision in 2021. Details are given below:

Data in €K	
Provisions for repair and replacement at 1 Jan. 2021	22,162
Provision (costs net of uses)	5,497
Use (net of uses)	-8,785
Fin. charg.	260
Provisions for repair and replacement at 31 Dec. 2021	19,134

This provision has been allocated to non-current liabilities for € 16,987 K and to current liabilities for € 2,147 K depending on the estimated time of its use.
The potential impact on this provision in terms of increase, as a consequence of a hypothetical reduction of 50 basis points in discount rates, would be approximately € 675 K. The potential impact on the provision in terms of decrease, as a consequence of a hypothetical increase of 50 basis points in discount rates, would be approximately € 626 K.

7.18 Provisions for employee benefits

The item includes the value of the provision for employee benefits, which is considered as a defined benefit obligation to be recognised as recommended by IAS 19 "Employee Benefits".
The parameters used for the valuation of the Pisa and Florence airport staffs at 31 December 2021 are:
- annual technical discount rate: 0.97%
- Annual inflation rate: 1.20%
- annual ETB increase rate: 2.40%

As far as the discount rate is concerned, the Corporate AA iBoxx 10+ index has been selected as criterion for the valuation of this parameter, as its duration is suitable for the average time of permanence of the two staff groups being considered.
There is no defined benefit scheme for the executive staff of the company.
The value of the liability is € 2,281 K (€ 2,529 K at 31 December 2020). This provision is booked net of the advance payments and settlements made during the period examined, and shows a € 248 K reduction compared to 31 Dec. 2020, as detailed below:

Data in €K	
Provisions for employee benefits at 1 Jan. 2021	2,529
IAS Fin. charg.	8
Use	-158
Actuarial (gain)/loss	-98
Provisions for employee benefits at 31 Dec. 2021	2,281

The difference introduced in the Statement of Comprehensive Income (€ 74 K) corresponds to the actuarial gain of € 98 K, after a taxation of € 24 K.
The valuation of future benefits is obviously affected by all the assumptions required for its identification; therefore, in order to obtain the sensitivity shown by the actual value as determined above compared to said assumptions, some tests have been conducted to provide the difference in the actual value against a given difference in some of the assumptions adopted, which may mostly affect that value.
The table below provides the sensitivity analysis of the Provision (in €K).

	Annual technical discount rate		Annual technical inflation rate		Annual turnover rate	
	+ 0.50 %	- 0.50 %	+ 0.25 %	- 0.25 %	+ 2.50 %	- 2.50 %
TA	2,175	2,396	2,314	2,249	2,249	2,296

Finally, the table below provides a prediction of disbursement of the provision.

Year	TA
0 – 1	212,517
1 – 2	49,952
2 – 3	99,389
3 – 4	50,786
4 – 5	91,236
5 – 6	163,872
6 – 7	132,633
7 – 8	183,062
8 – 9	144,370
9 – 10	193,210

7.19 Financial liabilities

The details of non-current and current financial liabilities are given below:

Data in €K	31 December 2020	New loans (principal)	Payments (principal)	Reclassification	Other movements	31 December 2021
Non-current liabilities	**102,607**	-	-	- 9,196	321	**93,731**
Current financial liabilities						
Bank overdrafts (short-term credit facility)	41,042	57,000	- 57,000		124	41,166
Current portion of medium/long-term indebtedness	4,783		- 4,724	9,196	- 12	9,243

Total current financial liabilities	45,825	57,000	- 61,724	9,196	112	50,409
Total financial liabilities	148,432	57,000	-61,724	0	433	144,141

Other non-monetary movements mainly include the effect of the recognition of the interest share not yet settled for the period.

The amount of € 50.4 M, relating to the current financial liabilities existing at 31 December 2021, refers to the current portion of the medium-long term debt relating to the loans described below in these Notes for € 9,244 K and to short-term loans ("Hot Money") for € 41.2 M.

The € 8.9 M decrease in non-current financial liabilities refers to the short-term reclassification of the capital shares expiring in the subsequent business year.

The total amount of non-current financial liabilities and the related current share of medium-term debt relates to:

1) the loan agreement signed on 30 October 2020 with a pool of primary financial institutions consisting of Intesa Sanpaolo and BNL-BNP Paribas Group for a total amount of € 85 M secured by a SACE collateral in accordance with the provisions of the "Liquidity Decree" for an equal amount 90% of the sums paid in principal, plus interest and ancillary costs (hereinafter also the "SACE loan"). This SACE loan was disbursed on 6 November 2020 and has a term of 6 years, with a pre-amortization of 24 months (first instalment due in December 2022), and requires the company to comply a financial parameter, to be measured at the time of the annual consolidated financial statement, which consists in the value of the consolidated net financial position (NFP), as conventionally defined in the same agreement, not exceeding € 100 M. This financial parameter was met at 31 December 2021. According to the provisions of the loan agreement and of the "Liquidity Decree", this facility can be used to support the Group's cash requirements in connection with the payment of personnel costs, rents or leases, investments and working capital, with an interest rate indexed to the EURIBOR rate plus a margin. In addition, annual commissions are determined in the agreement, to be calculated in connection with the SACE guaranteed component on the share of principal paid out and not repaid, with a fixed percentage increasing over the term of the loan - For additional details, see the "Liquidity risk" section of these Explanatory Notes;
2) Two long-term loans granted by bank "Banca Infrastrutture Innovazione e Sviluppo" ("BIIS" - Intesa San Paolo Group) and MPS Capital Service to support infrastructure investments, with initial amounts of € 12 M and € 40 M, respectively. The interest rates of these loans are indexed to the 6-month EURIBOR rate plus a spread. The loan obtained from MPS Capital Services is due in June 2022, with an outstanding debt of approx. € 1 M at 31 December 2021; the loan obtained from BIIS – Intesa San Paolo Group is due in September 2027, with an outstanding debt of € 17.2 M at 31 December 2021 (of which € 2.9 M due within the next 12 months).

Financial liabilities arising from the loans granted to the parent company by BIIS - Intesa San Paolo Group and MPS Capital Service require compliance with preset financial ratios that are defined in the related agreement, such as the Net Financial Position/EBITDA and the Net Financial Position/Shareholders' Equity ratios, as defined in mutual agreement with the lending banks and measured on book values, for the € 40 M and € 12 M loans.

We finally point out that, in addition to the aforesaid parameters, the € 12 M loan agreement requires a minimum amount of € 1 M to be made available and deposited in a current account pledged as security for that loan and requires that no non-recurring transaction be performed with third parties (entities that are not members of TA) without the previous written consent of the lending banks.

Failure to comply with the covenants and the other contractual commitments undertaken with the loan in question may lead, if the default is not remedied within the terms agreed, to the early repayment of the outstanding debt and/or to a restriction in the distribution of dividends.

At 31 December 2021, the Company, for the loans granted by BIIS - Intesa San Paolo Group and MPS Capital Services, obtained specific exemptions from the measurement of the financial ratios provided for in the respective agreements at 31 December 2021.

The SACE loan agreement also requires compliance with a financial parameter to be measured when the annual consolidated financial statements are adopted, which consists of the value of the Net Financial Position, as conventionally defined in the same agreement, not exceeding € 100 M. This financial parameter was met at 31 December 2021.

Finally, we point out that, in line with market practice, the aforesaid loans may include: negative pledge commitments under which the company cannot create real warranty rights or other constraints on company assets; *pari passu* clauses, under which the loans will have the same degree of priority in repayment as the other financial liabilities; and "change of control" clauses, that are activated in the event that the majority shareholder loses control over the company; limitations to the non-recurring transactions the Company may perform.

Details of the loans existing at 31 December 2021 are shown below.

Amounts in €K	Capital share	Interest share	Total
Within the year	50,204	1,633	51,837
Included between 1 and 2 years	24,118	1,534	25,651
Included between 2 and 3 years	24,118	1,048	25,166
Included between 3 and 4 years	24,118	507	24,625
Included between 4 and 5 years	18,805	111	18,916
Included between 5 and 6 years	2,868	20	2,888
Beyond 6 years	-		-
Total	144,232	4,852	149,084

Non-current financial liabilities due beyond five years totalled € 2.9 M at 31 December 2021.

Details of the credit facilities existing at 31 December 2021 are shown below.

Data in €K	31.12.2021	31.12.2020	DIFF.
Credit lines granted	**52,150**	**57,150**	**-5,000**
of which TA	*52,150*	*57,150*	*-5,000*

Credit lines used	**41,000**	**41,000**	**-**
% used	*79%*	*72%*	
Residual facilities	**11,150**	**16,150**	**-5,000**

The lines of credit existing at 31 December 2021 refer to non-revolving lines of credit for € 40 M and the residual lines of credit at that date include non-revolving lines of credit for 11,150 K.

Financial liabilities outstanding at 31 December 2021 are reported below, distinguished into fixed and variable interest rate categories.

Banking institution	Expiry	type of interest	Interest rate		Debt at 31 December 2021
MONTE DEI PASCHI DI SIENA	June 2022	variable	6-Month Euribor + 250 bp		1,016
INTESA SAN PAOLO - 1st tranche	September 2027	variable	6-Month Euribor + 96 bp		7,475
INTESA SAN PAOLO - 2nd tranche	September 2027	variable	6-Month Euribor + 180 bp		9,867
ISP-SACE	September 2026	variable	3-Month Euribor + 115 bp		84,617
a)				**Total medium/long term lines of credit**	**102,975**
BPM	January 2022	fixed	0.50 %		3,513
Bank Intesa San Paolo	March 2022	fixed	1.20%		11,105
BNL	April 2022	fixed	0.60 %		5,020
UniCredit	March 2022	fixed	0.75%		2,505
UniCredit	March 2022	fixed	0.75%		2,505
UniCredit	March 2022	fixed	0.75%		1,002
UniCredit	March 2022	fixed	0.75%		2,505
UniCredit	May 2022	fixed	0.75%		1,001
CREDEM	January 2022	fixed	0.09 %		1,000
MPS	March 2022	fixed	0.38 %		11,010
b)				**Total non-revolving lines of credit (Hot Money)**	**41,166**
a) + b)				**Total lines of credit**	**144,141**

Bank loans at 31 December 2021 are shown below, carried at their book value and at fair value.

Banking institution	Company	notional	fair value
Intesa San Paolo	TA	17,208	17,558
Monte dei Paschi di Siena	TA	1,024	1,036
Intesa San Paolo - SACE	TA	85,000	85,068
Short-term loans ("hot money")	TA	41,000	41,166
	Total	**144,232**	**144,828**

The **Net Financial Position** at 31 December 2021, as shown in the Report on Operations in compliance with CONSOB Resolution prot. no. 6064293 of 28 July 2006, is specified in the following table:

NET CONSOLIDATED FINANCIAL INDEBTEDNESS			
Euro K	**31.12.2021**	**31.12.2020**	**Abs. diff.**
A. Cash	50,419	70,763	(20,344)
B. Cash equivalents	-	-	-
C. Other current financial assets	-	-	-
D. Liquid assets (A) + (B) + (C)	**50,419**	**70,763**	**(20,344)**
E. Current financial liabilities	41,166	41,042	124
F. Current portion of non-current financial liabilities	10,803	5,288	5,515
G. Current financial liabilities (E) + (F)	**51,969**	**46,330**	**5,639**
H. Net current financial liabilities (G) - (D)	**1,550**	**(24,433)**	**25,983**
I. Non-current financial debt	93,731	102,607	(8,876)
J. Debt instruments	-	-	-
K. Trade payables and other non-current liabilities	6,289	4,202	2,088
L. Non-current financial liabilities (I) + (J) + (K)	**100,020**	**106,809**	**(6,788)**
M. Total financial liabilities (H) + (L) (NFP)	**101,570**	**82,375**	**19,195**

See comments in the Report on Operations and to the “Statement of Cash Flows” for a more in-depth analysis of this item.

7.20 Financial liabilities for rights of use

At 31 December 2021, financial liabilities for rights of use, determined by discounting the value of the leases due, totalled € 4.5 M, of which € 3.9 M are classified as non-current liabilities and € 0.6 M as current liabilities.

Data in €K	31.12.2021	31.12.2020
Financial liabilities due beyond one year	3,932	4,202

Financial liabilities for rights of use within one year	559	505
Total	4,492	4,707

The details of the year are provided below. We point out that TA adopted the practical expedient introduced by the amendment to IFRS 16 "Leases" for the valuation of lease agreements, applicable when leases have been renegotiated as a result of Covid-19. TA, as lessee, elected to book the concession as a variable lease over the period in which a lower payment is recognized: the amount of these lower payments, € 152.5 K, is reported in the "Payments/Other reductions" line of the table below.

Data in €K	31.12.2021	31.12.2020
Values at January 1st	4,707	4,766
Acquisitions	346	423
Payment / Other reductions	-693	-622
Financial expenses	132	140
Financial liabilities for rights of use at year-end	4,492	4,707

Lease agreements contain no covenants.
The accrual of the financial liability is shown below.

	€K
< 1 year	721
1-2 years	651
2-3 years	555
3-4 years	483
4-5 years	425
5-6 years	307
Beyond 6 years	2,084
Total	5,225

The margin interest rates defined by the Group are reviewed on a recurring basis and applied to all the contracts with similar characteristics, which have been considered as a single contract portfolio. Rates are determined starting from the average effective borrowing rate of the Company, appropriately adjusted to simulate a theoretical marginal interest rate, consistent with the contracts to be recognised. The most significant items considered for the adjustment of the rate are the credit risk spread of each country that can be observed in the market and the different duration of lease agreements.

The rates used for contracts signed in 2020 are:
- 0.69% for car rental agreements
- 1.67% for long-term lease agreements
- 1.10% for short/medium-term lease agreements

The rates used for contracts signed in 2021 are:
- 0.56% for car rental agreements
- 1.18% for long-term lease agreements

- 0.93% for short/medium-term lease agreements

7.21 Other payables due beyond the year

Payables due beyond the subsequent year consist of € 2,768 K (€ 365 K at 31 December 2020) and include:

- non-current component of the account payable to Cemes for the acquisition of 51% of the shares of Cemes Aeroporti's capital (today Toscana Aeroporti Costruzioni) for € 2,357 K;
- guarantee deposits received from customers as a guarantee of the services performed in their favour for € 411 K.

Payables due beyond 5 years

The Company has loans of a duration exceeding 5 years, whose details are given in Note 42 to Financial Liabilities and Note 43 of Financial liabilities for rights of use.

7.23 Other tax liabilities

The aggregate amount of this item is € 9,840 K (€ 9,693 K at 31 December 2020), as broken down below:

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Due to Rev. Ag. for Munic. add. tax on pass. boarding fees	8,789	8,312	477
IRPEF due for employees and self-employed prof.	670	1,003	-333
Higher fees due for private flights	249	246	3
VAT due	0	132	-132
Local taxes	132	0	132
Other tax liabilities	9,840	9,693	147

In particular, the amount due to the Revenue Agency for the additional municipal tax on boarding fees has decreased in connection with the same trends associated with the decrease in receivables from others due within the year.

7.24 Trade payables

Payables to suppliers totalled € 32.5 M (€ 24.7 M at 31 December 2020), down by € 7.8 K.

7.25 Payables to social security institutions

This item includes accounts payable to social security and pension institutions (INPS, INAIL) at 31 December 2021, for a total amount of € 1,081 K (€ 1,328 K at 31 December 2020).

7.26 Other payables due within the year

Other payables due within the year at 31 December 2021 consist of € 7.2 M (€ 5.6 M at 31 December 2020), and include the following debit items:

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Employees/contractors fees	1,299	972	327
Concession fees	1,170	1,204	-34
Accrued income & Prepaid expenses	698	634	65
Fire-protection service	1,039	1,002	37
Air/bus/train ticket office receipts	545	479	65
Institutional bodies fees	110	131	-21
Advances from customers	592	655	-62

Payable to CEMES for purchase of TAC shares	1,000	0	1,000
Other minor payables due within the year	758	533	225
Other payables due within the year	7,211	5,610	1,601

In detail:

- the Fire Protection Service is the account payable to the Revenue Agency introduced by the 2007 Finance Law. For further considerations, see the specific detailed annex on "Provisions for risks and charges".
- The account payable to Cemes for the purchase of TAC shares is the liability due within the next twelve months, arising as a result of the related business combination.
- Prepaid expenses mainly refer to Non-Aviation revenues invoiced in advance.

8. Additional financial information

8.1 Management of financial risks

The main risk factors that may affect the Group's operations are described below.

1) Credit risk

The effects of the Covid-19 outbreak and the consequent economic recession produced in the main industrialized Countries have negatively impacted the financial statements of the airlines, the main clients of the Company. Hence, the risk of a partial non-collection of receivables accrued from airlines.
TA believes that it has suitably controlled said risk through its constant monitoring of accounts receivable, also sometimes promptly initiating legal actions to protect said receivables, which are reflected in the allocation of a specific provision for bad debt, currently deemed to be adequate in connection with the amounts of the existing receivables. Always with the purpose of facing credit risk, TA usually asks for sureties as guarantee (e.g., from sub-licensees) or pre-payments (e.g., from unknown airlines).
The ongoing economic and financial crisis caused by the reduction in traffic has increased the credit risk due to the general shortage of cash for the companies of the sector. To tackle these challenges, the Company appropriately took into account the increased risk in the provision for bad debt, which has been determined also in connection with the specific solvency situations of the counterparties. The Company will continue to monitor the situation and adjust its assessments of customers' performances also in the light of the economic trends that will develop in the coming months and of the timing of the recovery, also in the light of the conflict between Russia and Ukraine and of the economic sanctions introduced against Moscow. No significant exposure to receivables from customers based in these countries is reported at 31 December 2021.
However, no specific criticality has been detected to date.

2) Liquidity risk

At 31 December 2021, the Company had a negative Net Financial Position for € 101.6 M (€ 82.4 M at 31 December 2020). This is the result of a current negative NFP of € 1.6 M (€ 24.4 M at 31 December 2020) and a of non-current negative NFP of € 100 M (€ 106.8 M at 31 December 2020). Non-current liabilities mainly include two loans (expiring in 2027 and 2022, respectively) granted to the parent company by the banks "Banca Infrastrutture Innovazione e Sviluppo" ("BIIS", a bank of the Intesa San Paolo Group) and MPS Capital Services, for the development of the infrastructure of the two airports, and a SACE Loan (expiring in 2026) obtained in October 2020. For the sake of completeness, we remind

readers that the aforesaid NFP includes financial liabilities for rights of use for € 4.5 M and deferred payments for business acquisitions for € 3.4 M.
These loans that the parent company obtained from BIIS and MPS Capital Services have interest rates based on three- and six-month EURIBOR rates and several commitments such as financial covenants, i.e. NFP/EBITDA and NFP/Shareholders' Equity, according to the definitions agreed with the lending banks and measured at 30 June (only for the loan granted by MPS Capital Services) and at 31 December of each business year. For the two loans in question, the Company, by the end of 2021, obtained specific exemptions from the obligation to measure financial ratios as required by the related loan agreements at 31 December 2021.
The SACE loan signed on 30 October 2020 with a pool of primary financial institutions consisting of Intesa Sanpaolo and BNL-BNP Paribas Group for an amount of € 85 M is secured by a SACE guarantees as laid down by the so-called "Decreto Liquidità" for an amount equal to 90% of the principal paid, plus interest and ancillary costs. This loan was disbursed on 6 November 2020 and will be repaid in 6 years with 24 monthly pre-amortization instalments (first instalment due in December 2022). The loan agreement also requires compliance with a financial parameter, or ratio, to be measured upon the approval of the annual consolidated financial statements of the Group, which consists in the value of the consolidated net financial position, as defined in the applicable agreement, not exceeding 100 million euro. This financial ratio was met at 31 December 2021.
According to the provisions of the SACE loan agreement and of the Liquidity Decree, this facility can be used to support the Group's cash requirements needs arising from the obligation to pay personnel costs, rents or leases, investments and working capital; the interest rate applied is indexed to the EURIBOR rate plus a margin. In addition, the agreement requires the calculation of annual commissions related to the SACE guaranteed component of the loan on the share of principal paid out and not repaid, with a fixed increasing percentage for the entire term of the loan.
In addition, the Company makes use of short-term bank loans aimed to meet short-term requirements, the amount of which at 31 December 2021 is € 40 M in principal, with non-revolving lines of credit of € 52.2 M.
As to the effects of the spread of Covid-19, assuming a gradual resumption of operations in the two airports, we may reasonably expect that the next 12 months will still be impacted by the effects of the pandemic; however, the phenomenon is expected to be reduced compared with 2020 and 2021, when the global health emergency broke out, so we may estimate that the net cash flows generated by operating activities will be positive again in 2022, benefiting from the countermeasures adopted to improve our cost structure in view of the reduced traffic demand (use of temporary unemployment benefits for our employees, amendments to non-strategic service agreements, etc.).
Based on these assumptions, the Management expects a constant recovery of traffic levels throughout 2022, compared to 2020 and 2021, even though still significantly below pre-Covid levels. This growth trend will allow the Group to recover margins which, together with the available cash and non-revolving lines of credit, and with the cost reduction measures adopted consistently with the volumes to be managed, should enable the Company to fulfil its short-term obligations and continue operating as a going concern in the foreseeable future.
For this purpose, sensitivity analyses were carried out, assuming a further reduction in inflows compared to the basic scenario. In such a context, considering that the traffic and revenue levels expected for 2022 are still lower than those of the pre-Covid period, the Company will reasonably have margin levels that will not yet comply with the financial ratios defined in the loan agreements signed before 2020, namely the loan obtained from

BIIS – Intesa Sanpaolo Group, due within 2027 and with a residual debt of € 17.2 M at 31 December 2021 (of which € 2.9 M due within the next twelve months).
Even in this case, the Company and, as already happened in 2021 with reference to the above-mentioned loans, will promptly initiate appropriate discussions with the banks concerned in order to obtain specific exemptions from the measurement of financial parameters at 31 December 2022. In any case, based on traffic recovery assumptions for the next 12 months and on the cash flows expected at the end of the financial year 2022, TA should be able to fulfil a possible request for an early repayment of the outstanding debt on that date.
With regard to compliance with the financial parameters provided for in the SACE loan, on the basis of the financial forecasts defined for the financial year 2022 in the basic scenario with the assumptions described above, there should be no problem with the relative conformity.

3) Interest rate risk

Exposure to the interest rate risk arises from the need to finance both industrial and financial operations, as well as use the available cash. Changes in market interest rates may have a negative or positive impact on the Group's EBIT, thereby indirectly influencing the costs and returns of loans and investments.
At 31 December 2020, the NFP is € 101.6 M (€ 82.4 M at 31 Dec. 2020) and the debt-to-equity ratio (NFP/Shareholders' equity) is 1 (vs 0.77 at 31 Dec. 2020), which confirms the financial soundness of the Company.
Based on the NFP at 31 December 2021, the potential impact in terms of annual growth/reduction in interest expense connected with interest rate trends, as a result of a hypothetical growth/reduction of 100 bp, would be approximately € +/-1,440 K.
In addition, the potential impact on the Provision for repairs in terms of growth, as a consequence of a hypothetical annual reduction of 50 bp in interest rates, would correspond to approx. € +675 K. Instead, the potential impact on the Provision in terms of reduction as a consequence of a hypothetical annual growth of 50 b.p. in interest rates would correspond to € -626 K.
No further sensitivity analysis is provided, as it is considered immaterial.

4) Exchange rate risk

TA is not subject to risks linked to fluctuations in exchange rates because it prevalently operates in a European context, where transactions are made in Euro.

8.2 Information by geographical area and operating sector

Information regarding the main operating sectors of the Group is given below as required by IFRS 8. First of all, it is important to highlight that the type of business activity carried out by TA does not allow for the identification of business segments related to completely independent activities in terms of market/customer combinations. Currently, the "traffic" component affects the results of all the company's operations.

However, we may identify two significant operating segments characterized by the independent nature of their products/services and production processes, for which - for the aforesaid reasons - we propose a disclosure relating to the information directly made available by the company's analytical accounting system used by Chief Operating Decision Makers (as defined in IFRS 8).

The currently available information regarding the main operating segments identified are provided below: Aviation, Non-Aviation and Corporate.

- ***Aviation Business***: this segment includes airside operations (after security gates), which are the core business of an airport. They include: passenger and aircraft ground handling, landing, aircraft departure and stopover, security and safety activities, passenger boarding and disembarkation, cargo loading and unloading.
Revenues for the Aviation segment are represented by the prices paid for airline assistance services and are generated by airport fees such as: landing, take-off and stopover fees, freight revenue taxes, passenger boarding fees, passenger and baggage security fees.

- ***Non-Aviation business***: this segment includes operations normally carried out in the landside area (before security gates), which are not directly associated with the core business (Aviation). They include retail activities, catering, car parking, car rental, advertising, ticket office, VIP Lounge.
Non-Aviation Business revenues consist in the royalties earned from activities conducted under a sub-concession, in the direct management of certain activities (i.e. car parking, ticket office and advertising) and in the rents paid by sub-concessionaires.

The table below provides the main information regarding the operating segments described above by highlighting, in unallocated items, (corporate) revenues, costs, assets and investments not directly attributable to the two segments. More specifically, the main types of unallocated costs refer to the cost of labour/staff (staff), professional services rendered, insurance and industry association membership fees, pro-rata portion of utilities, maintenance and depreciation, administrative costs, provisions for liabilities, Directors' and Auditors' fees.

- ***Corporate business***: the values indicated in unallocated items mainly refer to revenues and costs not directly attributable to the two business segments, such as, for example, other revenues and income, the cost of labour, professional services rendered for the Management, general insurance and industry association membership fees, pro-rata portion of utilities, general maintenance and unallocated depreciation of infrastructure, administrative costs, provisions for liabilities, Directors' and Auditors' fees, etc.

Operating segment reporting: ANNUAL REPORT

(Amounts in €K)	Aviation		Non-Aviation		Unallocated assets (Corporate)		Total	
TA - Income Statement	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*
Operating income, other revenue and other income	26,095	20,099	10,726	10,010	9,078	12,507	45,899	42,614
of which Pisa	*15,683*	*11,408*	*3,515*	*5,036*	*5,248*	*6,068*	*24,446*	*22,512*
of which Florence	*10,412*	*8,690*	*7,211*	*4,973*	*3,830*	*6,439*	*21,452*	*20,103*
Revenues from construct. serv.	11,202	8,354	193	299	127	334	11,522	8,988
of which Pisa	*4,238*	*3,994*	*11*	*98*	*4*	*0*	*4,253*	*4,092*
of which Florence	*6,964*	*4,360*	*182*	*202*	*122*	*334*	*7,269*	*4,896*
Total Segment Income	**37,297**	**28,452**	**10,918**	**10,309**	**9,205**	**12,841**	***57,420***	***51,603***
Operating Costs (*)	23,293	23,585	3,257	3,471	13,225	11,562	39,775	38,618
of which Pisa	*14,056*	*14,159*	*1,777*	*1,988*	*6,779*	*5,653*	*22,613*	*21,800*
of which Florence	*9,236*	*9,426*	*1,480*	*1,483*	*6,446*	*5,909*	*17,162*	*16,818*
Cost of construct. serv.	10,303	8,137	2	298	1,004	334	11,309	8,769

of which Pisa	*4,155*	*3,928*	*2*	*96*	*42*	*0*	*4,200*	*4,024*
of which Florence	*6,147*	*4,209*	*0*	*202*	*962*	*334*	*7,109*	*4,745*
Amortization and provisions	6,547	6,518	1,365	1,395	8,715	4,720	16,627	12,632
of which Pisa	*3,222*	*3,377*	*923*	*953*	*3,879*	*-46*	*8,024*	*4,283*
of which Florence	*3,324*	*3,141*	*442*	*442*	*4,836*	*4,766*	*8,603*	*8,349*
Operating Earnings	**-2,845**	**-9,787**	**6,294**	**5,146**	**-13,740**	**-3,775**	***-10,291***	***-8,417***
of which Pisa	*-1,513*	*-6,061*	*823*	*2,097*	*-5,448*	*461*	*-6,138*	*-3,503*
of which Florence	*-1,332*	*-3,726*	*5,470*	*3,048*	*-8,292*	*-4,236*	*-4,154*	*-4,914*
Asset management	0	0	0	0	-2,611	-1,205	-2,611	-1,205
Profit before tax	**-2,845**	**-9,787**	**6,294**	**5,146**	**-16,351**	**-4,980**	***-12,903***	***-9,622***
Year's taxes	0	0	0	0	6,858	1,776	6,858	*1,776*
Net year's result	**-2,845**	**-9,787**	**6,294**	**5,146**	**-9,493**	**-3,204**	***-6,045***	***-7,845***
TA - Statement of Financial Position	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*
Current assets	14,045	10,506	5,545	3,590	64,080	89,463	83,669	103,559
Non-current assets	154,201	144,153	39,539	38,184	48,269	42,195	242,008	224,532
TA - Additional information	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*	*31 December 2021*	*31 December 2020*
Investments	13,913	10,610	455	666	308	433	14,676	11,710

(*) including airport fees for € 2,669 K in 2021 (€ 2,192 K in 2020).

Information on the main customers

During 2021, TA recorded approx. 2.8 million passengers. The total incidence of the first three carriers is 66.9%. More specifically, the incidence of the first carrier (Ryanair) is 52.6%, while the incidences of the second (Vueling) and third (Air France) carriers are 8.7% and 5.6%, respectively.

8.2 Commitments and guarantees

As at 31 December 2021, commitments and guarantees include € 7,821 K of third-party suretyships in favour of TA and € 8,287 K of suretyships given by third parties on behalf of TA.

Data in €K	31.12.2021	31.12.2020	DIFFERENCE
Third-party guarantees in favour of TA	7,821	15,498	-7,677
Guarantees given to third-parties on behalf of TA	8,287	10,925	-2,638

Suretyships provided by third parties in the favour of TA mainly refer to performance bonds for contract works, for compliance with agreements by subconcessionaires, air carriers and other customers.

Suretyships provided to third parties on behalf of the Company mainly refer to performance bonds in favour of ENAC to ensure full and exact fulfilment of the obligations established with the two 40-year Conventions signed with the Municipalities of Pisa and Florence as a guarantee of TA's compliance with municipal regulations in the expansion works for the airport infrastructures.

8.3 Allocation of financial instruments by valuation category applied

31 December 2021 (amounts in €K)	Assets valued at fair value	Assets valued at amortized cost	Total
Assets			
Trade receivables	-	17,903	17,903
Other financial assets	2,945		2,945
Other accounts receivable	-	13,743	13,743
Cash and cash equivalents	-	50,419	50,419
Total	2,945	82,065	85,010

31 December 2021 (amounts in €K)	Assets valued at fair value	Assets valued at amortized cost	Total
Liabilities			
Financial liabilities	-	144,141	144,141
Financial liabilities for rights of use	-	4,492	4,492
Trade payables and other liabilities	-	40,500	40,500
Total	-	189,132	189,132

As regards the classification of financial instruments according to the hierarchy levels that reflect the significance of the input used for the determination of fair value, we point out that the "Assets measured at fair value" in the table above belong to Level 3, which uses input that is not based on observable market data.

8.4 Remuneration of Directors, Auditors and Executives with strategic responsibilities

For details see the special table in the Report on Remuneration specified in art. 123-ter of Leg. Dec. no. 58/98 (published in the Company's website).
We point out that Directors and Statutory Auditors have no interest in non-recurring transactions performed during 2021 or in similar transactions initiated during previous years and not yet concluded.
At the closing date of this financial statement, no loan existed in the favour of any member of the Board of Directors or Board of Statutory Auditors.

8.5 Relationships with related parties

See the specific section in the Report and Annex C to the Consolidated Financial Statement at 31 December 2021 for a summary of the main effects of transactions with related parties on the financial statement.

8.6 Disclosure on public aids and subsidies, and other economic benefits received (under Law 142/2020, Art. 1, paragraph 125)

According to the aforesaid law, TA recognized income for the following subsidies in 2021:

Data in €K	Holding
Decree of 25 November 2021 of the Ministry of Sustainable Infrastructure and Mobility in agreement with the Ministry of Economy and Finance	7,286
Article 1, paragraph 1, of Law Decree no. 83 of 31 May 2014, converted, with amendments, by Law no. 106 of 29 July 2014, and subsequent amendments ("Art Bonus")	33
Article 1, paragraphs 1051 to 1063, of Law no. 178 of 30 December 2020	15

In addition, in 2021 the Parent Company, TA, received the subsidy granted under Regional Law of Regione Toscana no. 95/2020 of € 10 M.

8.7 Information on the main items of the provision for risks and charge

For a detailed description of pending disputes, see the relevant section in the Explanatory Notes to the Consolidated Financial Statement.

8.8 Atypical or unusual transactions

According to Consob's Notice no. 6064293 of 28 July 2006, no atypical or unusual transaction was performed during 2021.

8.9 Significant events and non-recurring transactions

Pursuant to CONSOB's Notice of 28 July 2006, we point out that, in the financial year 2021, TA reported the € 7.3 M subsidy received from the State under Decree 25/11/21 of the Ministry for Sustainable Infrastructure and Mobility in agreement with the Ministry for Economy and Finance as income.

8.10 Significant events occurred after 31 Dec. 2021

Like other European Countries, Italy closed its airspace to Russian carriers from February 27th, so no Russian airline can land in Italy, take off from Italy or fly over the Italian national airspace. Consequently, Russia closed its airspace to airlines from 36 countries, including Italy. So, the flights operated from Pisa by Ryanair to Lviv (2 weekly flights) and by Pobeda to Moscow Vnukovo (1 weekly flight) are currently cancelled. The consequences of the conflict, which cannot yet be estimated, will be linked to a number of factors, including the geographical extent and duration of sanctions and blocks. Certainly, a prolonged duration and the possible expansion of the conflict could lead to a significant decline in international demand and tourist flows even in markets not adjacent to Russia/Ukraine. Moreover, the rising cost of fuel for airlines and the redirection of routes to avoid overflying Russian airspace when reaching Asia are increasing costs, which could result in an increase in the cost of air tickets for passengers. The Company considers this traffic reduction to have limited effects and the relative reduction in revenues not to be significant.

On 8 March 2022, TA received € 3.64 M from ENAC as a partial disbursement (50%) of the aid for airport managers provided for by the 2021 Budget Law and the related Implementing Decree of 25 November 2021.

In February 2022, Toscana Aeroporti reported a progressive growth for the period, compared to 2021, of +688%, still below the progressive values of January-February 2019 (-50.4%), but still showing a clear improvement.

9. PROPOSAL ON HOW TO COVER THE OPERATING LOSS PUT FORWARD BY THE SHAREHOLDERS' MEETING OF TOSCANA AEROPORTI S.P.A.

We propose that the **operating loss of Euro 6,044,603** be covered by using available equity reserves for the amount.

Authorization to publication

This document was approved by the Board of Directors on 16 March 2022 and made available to the public on 5 April 2017 upon the Chairman's authorization.

For the Board of Directors
The Chairman
(Marco Carrai)

ANNEXES TO THE 2021 ANNUAL REPORT

ANNEX "A"
TABLE OF CHANGES IN INTANGIBLE ASSETS IN 2021 (€K)

	CONCESSION RIGHTS (ROYALTIES)	PATENT AND INTELLECTUAL PROPERTY RIGHTS	ASSETS UNDER CONSTRUCTION	OTHER FIXED ASSETS	TOTAL
Historical cost	200,233	15,064	27,928	1,307	**244,531**
Accumulated depreciation	- 56,279	- 14,720	-	- 1,070	**- 72,068**
A - Value as at 31-12-20	143,954	345	27,928	237	**172,463**
CHANGES FOR THE PERIOD					
Purchases	8,431	146	3,107	-	**11,684**
Reclassification	5,598	-	(5,598)	-	**-**
Impairment			(273)		**- 273**
Other movements	1,756	-	-	-	**1,756**
Depreciation	(5,586)	(328)	-	(29)	**- 5,942**
B - Balance of changes	10,199	(182)	(2,763)	(29)	**7,225**
Historical cost	216,017	15,210	25,164	1,307	**257,698**
Accumulated depreciation	(61,865)	(15,048)	-	(1,099)	**- 78,011**
Value at 30.12.2021 (A+B)	**154,153**	**162**	**25,164**	**208**	**179,687**

ANNEX "B"
TABLE OF CHANGES IN TANGIBLE ASSETS OCCURRED IN 2021
(amounts shown in €K)

	LAND, BUILDINGS	PLANT AND MACHINERY	INDUSTRIAL AND COMMERCIAL EQUIPMENT	ASSETS UNDER CONSTRUCTION	OTHER ASSETS	TOTAL
Historical cost	25,451	23,635	587	1,334	18,461	**69,468**
Accumulated depreciation	(8,122)	(18,435)	(474)	0	(15,495)	**(42,526)**
A - Value as at 31-12-20	17,329	5,200	113	1,334	2,966	**26,942**
CHANGES FOR THE PERIOD						
Purchases	1	2,675	0	170	147	**2,992**
Reclassification	12	1,199	0	(1,211)	0	**0**
Disinvestments	0	(723)	0	0	(0)	**(723)**
Other movements	0	0	0	0	(0)	**(0.24)**
Amortization and impairment	(260)	(1,543)	(9)	0	(966)	**(2,777)**
Reversal of previous years' accum. depr.	0	511	0	0	0	511
B - Balance of changes	(247)	2,119	(9)	(1,041)	(819)	3
Historical cost	25,463	26,786	587	293	18,608	71,737
Accumulated depreciation	(8,381)	(19,467)	(483)	0	(16,461)	**(44,792)**
Value at 30.12.2021 (A+B)	**17,082**	**7,320**	**104**	**293**	**2,147**	**26,946**

ANNEX "C"
SHAREHOLDERS' EQUITY AT 31.12.2021: ORIGIN, DISTRIBUTABILITY AND PREVIOUS YEARS' USES (€K)

NATURE	AMOUNT	POSSIBILITY OF USE (*)	SHARE AVAILABLE	SUMMARY OF USES MADE IN 3 PREVIOUS YEARS	
				TO COVER LOSSES	FOR OTHER REASONS
SHARE CAPITAL	30,710				
CAPITAL RESERVES:					
Share premium reserve	18,941	A, B	18,941		
Other reserves	24,585	A, B	24,585		
of which:					
Exchange surplus reserve (AdF incorporation) (***)	*24,084*		*24,084*		
Revaluation reserves purs. to Law 413/91	*435*		*435*		
Other reserves for capital contributions purs. to art. 55 of DPR 917	*66*		*66*		
RETAINED EARNINGS:					
Legal Reserve	5,368	B	5,368		
Extraordinary statutory reserve	30,938	A, B, C	30,938	7,845	
IAS ADJUSTMENT RESERVE (**)	(3,229)				
Profit (Loss) carried forward	337				
Year's profit (loss)	(6,045)	A, B, C	(6,045)		
Total	**101,606**		**73,788**		

of which:

Non-distributable reserve	*48,895*
Residual distributable portion	*24,894*

(*) Possibility of use
A = capital increase
B = to cover losses
C = distribution to shareholders

(**) The IAS reserve deriving from AdF's S.E., which totals € 1,025 K, is not available, as per Art. 6 of Leg. Dec. no. 38/2005.

ANNEX "D"
TABLE OF DEFERRED AND PREPAID TAXES AND CONSEQUENT EFFECTS (€K)

ACCOUNTS		PREPAID / DEFERRED TAXES 31/12/2020		2021 REABSORPTION		2021 INCREASES		PREPAID / DEFERRED TAXES 31/12/2021	
		TAXABLE BASE	TAX	TAXABLE BASE	TAX	TAXABLE BASE	TAX	TAXABLE BASE	TAX
PROVISION FOR BAD DEBT AND OTHER RECEIVABLES	IRES	4,212,942	1,011,106			1,000,871	240,209	5,213,813	1,251,315
IFRIC12 / EXCEEDING PROVISION FOR REPAIRS AND MAINTENANCE	IRES / IRAP	1,027,670	345,181	2,374,545	691,468	5,841,688	1,701,100	4,494,814	1,354,814
ACTUARIAL GAIN / LOSS (O.C.I.)	IRES	685,070	164,417	97,872	23,489	-	-	587,198	140,928
SUNDRY MINORS	IRES / IRAP	181,038	32,506	103,802	24,912	386,200	92,688	463,436	100,282
PROVISION FOR FUTURE RISKS AND CHARGES	IRES / IRAP	676,315	190,522	225,057	64,254	240,000	68,608	691,258	194,877
ETB IAS APPLIC. DIFFERENCES	IRES	319,416	76,660	165,305	39,673	-	-	154,111	36,987
TAX LOSSES	IRES	8,933,985	2,144,156	-	-	22,819,207	5,476,610	31,753,192	7,620,766
Aggregate Total		16,036,436	**3,964,550**	2,966,580	**843,796**	30,287,966	**7,579,214**	43,357,822	**10,699,968**

ANNEX "E"
TABLE OF RECONCILIATION BETWEEN YEAR'S RESULT AND TAXABLE BASE
(€K)

	T.A. S.p.A.				T.A. S.p.A.			
	31 December 2021				31 December 2020			
	IRES		IRAP		IRES		IRAP	
Profit before tax according to law tax	-	**12,903**		**12,575**	-	**9,622**		**10,464**
Ordinary applicable tax rate		24.00%		5.12%		24.00%		5.12%
Theoretical tax burden	-	**3,097**		**644**	-	**2,309**		**536**
Main final differences								
- dividends collected (95% exempt)	-	55			-	55		
- labour costs of permanent employees			-	14,655			-	14,229
- other deductible labour costs			-	469			-	500
Sundry final variations (balance)	-	5,852	-	5,415		825		1,555
Sundry temporary variations (balance)		5,891	-	8,985	-	83	-	5,609
Taxable base	-	**12,919**	-	**16,949**	-	**8,934**	-	**8,319**
Prepaid taxes on tax losses recoverable in subsequent years	-	5,477		-	-	2,144		-
Deferred/prepaid taxes	-	1,437		154		283		184
Income from consolidation	-	99			-	99		
Total taxes booked	-	**7,012**		**154**	-	**1,960**		**184**

CERTIFICATION OF THE 2021 FINANCIAL STATEMENT PURSUANT TO ART. 81-TER OF CONSOB'S REGULATION NO. 11971 OF 14 MAY 1999 AND SUBSEQUENT AMENDMENTS AND SUPPLEMENTS

1. The undersigned Roberto Naldi (Chief Executive Officer) and Marco Gialletti (Financial Reporting Manager) of Toscana Aeroporti S.p.a., also considering the provisions contained in art. 154-bis, paragraphs 3 and 4, of Legislative Decree no. 58 of 24 February 1998, hereby certify:

- the appropriateness in connection with the distinguishing features of the company, and
- the actual implementation

of the administrative and accounting procedures for the preparation of the 2021 Financial Statement.

2. Furthermore, it is hereby certified that the 2021 Financial Statement:

- has been prepared in accordance with applicable accounting standards recognized within the European Community pursuant to EC Regulation no. 1606/2002 of the European Parliament and of the Council of 19 July 2002;
- reflects the contents of accounting books and records;
- provides a true and fair view of the assets, liabilities, and financial situation of the issuer and of the issuer.

3. The Report on Operations includes a reliable analysis of operating performance and income, as well as the situation of the issuer, along with a description of the primary risks and uncertainties to which it is exposed.

Florence, 16 March 2022

For the Board of Directors

Chief Executive Officer
Roberto Naldi

Financial Reporting Manager
Marco Gialletti

Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010 and article 10 of Regulation (EU) No. 537/2014

To the shareholders of Toscana Aeroporti SpA

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Toscana Aeroporti SpA (the Company), which comprise the statement of financial position as of 31 December 2021, the income statement, statement of comprehensive income, statement of changes in shareholders' equity, statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2021, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of this report. We are independent of the Company pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

PricewaterhouseCoopers SpA

Sede legale: **Milano** 20145 Piazza Tre Torri 2 Tel. 02 77851 Fax 02 7785240 Capitale Sociale Euro 6.890.000,00 i.v. C.F. e P.IVA e Reg. Imprese Milano Monza Brianza Lodi 12979880155 Iscritta al n° 119644 del Registro dei Revisori Legali - Altri Uffici: **Ancona** 60131 Via Sandro Totti 1 Tel. 071 2132311 - **Bari** 70122 Via Abate Gimma 72 Tel. 080 5640211 - **Bergamo** 24121 Largo Belotti 5 Tel. 035 229691 - **Bologna** 40126 Via Angelo Finelli 8 Tel. 051 6186211 - **Brescia** 25121 Viale Duca d'Aosta 28 Tel. 030 3697501 - **Catania** 95129 Corso Italia 302 Tel. 095 7532311 - **Firenze** 50121 Viale Gramsci 15 Tel. 055 2482811 - **Genova** 16121 Piazza Piccapietra 9 Tel. 010 29041 - **Napoli** 80121 Via dei Mille 16 Tel. 081 36181 - **Padova** 35138 Via Vicenza 4 Tel. 049 873481 - **Palermo** 90141 Via Marchese Ugo 60 Tel. 091 349737 - **Parma** 43121 Viale Tanara 20/A Tel. 0521 275911 - **Pescara** 65127 Piazza Ettore Troilo 8 Tel. 085 4545711 - **Roma** 00154 Largo Fochetti 29 Tel. 06 570251 - **Torino** 10122 Corso Palestro 10 Tel. 011 556771 - **Trento** 38122 Viale della Costituzione 33 Tel. 0461 237004 - **Treviso** 31100 Viale Felissent 90 Tel. 0422 696911 - **Trieste** 34125 Via Cesare Battisti 18 Tel. 040 3480781 - **Udine** 33100 Via Poscolle 43 Tel. 0432 25789 - **Varese** 21100 Via Albuzzi 43 Tel. 0332 285039 - **Verona** 37135 Via Francia 21/C Tel. 045 8263001 - **Vicenza** 36100 Piazza Pontelandolfo 9 Tel. 0444 393311

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Key audit matters	*Auditing procedures performed in response to key audit matters*
Capitalised concession rights *Explanatory notes to the financial statements as of 31 December 2021: note 7.1 "Intangible assets".* Concession rights were recognised in the financial statements as of 31 December 2021 for an amount of Euro 179.3 million, of which Euro 25.2 million related to intangible assets under development, representing a total of 55 per cent the Company's assets. Considering the significance of the item under analysis and use of estimates that the Company's management made to verify the compliance with the requirements of IFRIC interpretations *"IFRIC 12 – Service concession arrangements"* and of international accounting standards *"IAS 38 – Intangible assets"* and *"IAS 36 – Impairment of assets"* adopted by the European Union, we specifically focused our attention on the valuations performed by the directors. The estimates prepared by them were mainly related to the verification of the identifiability of capitalised costs and the existence of future economic benefits deriving from the investments made and the verification of impairment indicators, if any. To determine the recoverable value of the single cash generating units (CGU) to which such concession rights belong, management calculated the value in use utilizing the discounted cash flows method; the value in use was determined as the current value of the cash flows over the residual duration of the concession. The recoverable value of each CGU was compared with its book value, corresponding to the sum of the assets and liabilities attributable to the CGU. Moreover, also considering the current context of uncertainty due to the Covid-19 (Coronavirus) health emergency, the directors deemed it proper to assume alternative scenarios that take into account a possible drop in revenues and	We conducted an understanding, evaluation and validation of the capitalisation procedure of the concession rights adopted by the Company. In particular, we conducted an understanding and verification of the key controls underlying the capitalisation of such intangible assets. We obtained a detail of the amounts of capitalised costs by project, analysing, on a sample basis, increases and decreases occurred during the year. During our audit we paid special attention to the compliance with the requirements of IFRIC interpretations *"IFRIC 12 – Service concession agreements"* and of international accounting standards *"IAS 38 – Intangible assets"* and *"IAS 36 - Impairment of assets"* adopted by the European Union for the capitalisation of such intangible assets, with particular reference to the identifiability of capitalised costs and the existence of future economic benefits deriving from the investment, and to the assessment of impairment indicators, if any. To this end, we verified the reasonableness of the assumptions used by the directors to estimate the cash flows expected in the relevant time horizon and resulting from the long-term plans. We also checked the mathematical accuracy of the calculations made by management. We reviewed the calculation method of the discount rate of the cash flows deriving from the long-term plans approved by the Company's directors on 9 March 2022, together with the assessment of any impairment loss (impairment test). Furthermore, we analysed the alternative scenarios prepared by the directors (sensitivity analysis) within the context of uncertainty deriving from the health emergency due to Coronavirus.

profitability deriving from a possible decrease in traffic demand.	As part of our audit procedures we also carried out discussions with management and the technical managers with the aim of understanding the characteristics of the projects. In our audit procedures we also involved PwC network experts in valuation. Finally, our audit included the analysis of the explanatory notes to the financial statements in order to evaluate the adequacy and completeness of the disclosures therein.
Valuation of provisions for risks and charges and provisions for repair and replacement *Explanatory notes to the financial statements at 31 December 2021: note 7.16 "Provisions for risks and charges", note 7.17 "Provisions for repair and replacement" and note 8.7 "Information on the main items of the provision for risks and charges"* The value of the provisions for risks and charges and of the provisions for repair and replacement recorded within the liabilities in the statement of financial position of the financial statements at 31 December 2021 amounted to Euro 1 million and Euro 19.1 million respectively, which represent 0.3% and 5.9% of the Company's liabilities. Given the significance of the amounts at issue and the use of estimates that management made to verify the compliance with the requirements under IFRIC interpretations *"IFRIC 12 – Service concession arrangements"* and under the international accounting standard *"IAS 37 - Provisions, Contingent Liabilities and Contingent Assets"* adopted by the European Union, we paid special attention to verifying the liabilities at issue. The main analyses performed by management consisted in the verification of the ongoing obligations, the estimated likelihood to be	We conducted an understanding, evaluation and validation of the procedure adopted by the Company in order to determine the accruals to provisions for risks and charges and to the provisions for repair and replacement and to evaluate the adequacy of the liabilities recognised within the liabilities of the statement of financial position at 31 December 2021. In particular, we conducted an understanding and validation of the key controls underlying the determination of such provisions and the evaluation of the adequacy of the liabilities recognised. In this respect, we highlight that in relation to the more significant issues the Company is supported by independent external professionals who keep management abreast of the status of the litigation and of the potential impacts on the financial statements. We also obtained a detail of the amounts provisioned and we analysed, on a sample basis, the reasonableness of the assumptions adopted by management to quantify the liability amount to recognise in the financial statements. With reference to the external professionals who support the Company in the evaluation of the provisions for risks and charges we also sent requests for information to them and we analysed the replies obtained.

required to fulfil such obligations and the relevant estimated amount.	Moreover, in order to comprehend the characteristics of the pending lawsuits and of the repairs and replacements to be carried out on assets under concession, we held discussions with management, the internal legal affairs office, the management control function, the internal technical managers and with the external professionals.

Responsibilities of the Directors and the Board of Statutory Auditors for the Financial Statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union, as well as with the regulations issued to implement article 9 of Legislative Decree No. 38/05 and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Company's ability to continue as a going concern and, in preparing the financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised our professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;

- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia, regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

We also provided those charged with governance with a statement that we complied with the regulations and standards on ethics and independence applicable under Italian law and communicated with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We described these matters in our auditor's report.

Additional Disclosures required by Article 10 of Regulation (EU) No. 537/2014

On 3 November 2014, the shareholders of Toscana Aeroporti SpA in general meeting engaged us to perform the statutory audit of the Company's and consolidated financial statements for the years ending 31 December 2014 to 31 December 2022.

We declare that we did not provide any prohibited non-audit services referred to in article 5, paragraph 1, of Regulation (EU) No. 537/2014 and that we remained independent of the Company in conducting the statutory audit.

We confirm that the opinion on the financial statements expressed in this report is consistent with the additional report to the board of statutory auditors, in its capacity as audit committee, prepared pursuant to article 11 of the aforementioned Regulation.

Report on Compliance with other Laws and Regulations

Opinion on compliance with the provisions of Commission Delegated Regulation (EU) 2019/815

The directors of Toscana Aeroporti SpA are responsible for the application of the provisions of Commission Delegated Regulation (EU) 2019/815 concerning regulatory technical standards on the specification of a single electronic reporting format (ESEF - European Single Electronic Format) (hereinafter, the "Commission Delegated Regulation") to the financial statements, to be included in the annual report.

We have performed the procedures specified in auditing standard (SA Italia) No. 700B in order to express an opinion on the compliance of the financial statements with the provisions of the Commission Delegated Regulation

In our opinion, the financial statements have been prepared in XHTML format in compliance with the provisions of the Commission Delegated Regulation.

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010 and Article 123-bis, paragraph 4, of Legislative Decree No. 58/1998

The directors of Toscana Aeroporti SpA are responsible for preparing a report on operations and a report on the corporate governance and ownership structure of Toscana Aeroporti SpA as of 31 December 2021, including their consistency with the relevant financial statements and their compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations and of the specific information included in the report on corporate governance and ownership structure referred to in article 123-bis, paragraph 4, of Legislative Decree No. 58/98, with the financial statements of Toscana Aeroporti SpA as of 31 December 2021 and on their compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations and the specific information included in the report on corporate governance and ownership structure mentioned above are consistent with the financial statements of Toscana Aeroporti SpA as of 31 December 2021 and are prepared in compliance with the law.

With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/2010, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Florence, 5 April 2022

PricewaterhouseCoopers SpA

Signed by

Francesco Forzoni
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers. We have not examined the translation of the financial statements referred to in this report

Toscana Aeroporti S.p.A.
Via del Termine, 11 – 50127 Florence
R.E.A. FI-637708 - Fully paid-up Share Capital € 30,709,743.90
VAT Number and Tax Code: 00403110505

BOARD OF AUDITORS' REPORT ON THE 2021 FINANCIAL STATEMENT AND 2021 CONSOLIDATED FINANCIAL STATEMENT TO THE SHAREHOLDERS (PURSUANT TO ART.153 OF LEG.DEC. 58/1998 AND ART. 2429, PAR. 2, OF THE ITALIAN CIVIL CODE)

To the Shareholders of Toscana Aeroporti S.p.A.

Dear Shareholders,

during the business year ended 31 December 2021, our Board audited your accounts as required by the applicable legislation and in compliance with the Code of Conduct recommended by the Italian *Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili* (the national Association of Chartered Accountants and Business Advisers), as well as with CONSOB provisions, supplemented with the instructions specified in the Code of Corporate Governance concerning corporate control and statutory auditing activities.

The Board of Auditors checked their members' compliance with the applicable honourability and professional qualification requirements and checked that there was no reason for ineligibility, incompatibility or forfeiture under the applicable legislation, and that the members of the BoA met the independence requirements specified by articles 2382 and 2399 of the Civil Code and Rule Q.1.5 of the *"Standards of Conduct for the Boards of Auditors of listed companies"* issued by the Italian National Association of Chartered Accountants and Business Advisers and by Art. 8 of the applicable Code of Corporate Governance, in order to be enabled to carry out our task in a fair and honest manner, with no conflict of interests that may compromise our independence. We also carried out the self-assessment process required by Rule Q.1.1., which revealed no failure by our Board to either fulfil member eligibility or composition requirements. Our Self-Assessment Report was presented to the Board of Directors (BoD) during the meeting held on 16 March 2022.

The work of the Board of Statutory Auditors was again affected by the Covid-19 outbreak, which required the meetings to be held through video-conferencing systems for most of the year, so as not to reduce supervision activities. The Board of Statutory Auditors systematically monitored the adoption by the company of the appropriate PPE to protect the health and safety of employees throughout the year.

Based on the information received, the documentation acquired and the reviews carried out, we report the following:

Significant transactions

In 2021, Your Company operated in a context that was strongly impacted by the global health emergency caused by the Covid–19 outbreak.

In this respect, please see the in-depth discussion provided in the dedicated section of the Report on Operations on the 2021 Financial Statements. Key highlights in 2021 include:

- On 26 January 2021, Toscana Aeroporti S.p.A. signed an agreement for the acquisition of 51% of Cemes Aeroporti S.r.l., a company operating in the building industry since July 2020, which simultaneously took the name of Toscana Aeroporti Costruzioni S.r.l. ("TAC").
- On 2 March 2021, the European Commission announced the compliance with the provisions of the Treaty on the Functioning of the European Union of the € 10 million subsidy allocated by the Region of Tuscany under Regional Law no. 75 of 4 August 2020 on regulatory measures connected with the budget adjustment law 2020–2022 and with Regional Law no. 95 of 3 December 2020 on the direct subsidy for the company Toscana Aeroporti S.p.A. Said subsidy was received by the Company on 16 August 2021.
- On 26 July 2021, the European Commission approved, under EU Regulations on State Aids, a financial package of € 800 million for Italy to be used to indemnify airports and ground handling service providers for the damages suffered due to the health crisis and the consequent travel restrictions imposed to contain the spreading of the virus. Therefore, the 2021 Budget Law and the implementing Decree of 25 November 2021 of the Ministry for Sustainable Infrastructure and Mobility, in agreement with the Ministry for Economy and Finance, established that a subsidy be given to airport managers and handlers for 2021 as compensation for the damage suffered during the period going from 1 March 2020 to 30 June 2020. This aid totalled approximately Euro 7.3 million for the parent company TA (50% of which was received at the beginning of March 2022), while it totalled approximately Euro 2.2 million for the subsidiary TAH.
- The runway of the Florence airport was closed to air traffic from February 1st to April 2nd, 2021 for the renovation of the runway pavement, safety strips, airfield markings and lighting, as part of the flight infrastructure scheduled maintenance plan, in compliance with EASA certification requirements. These works concerned the entire pavement of the runway of the airport and
- On 20 May 2021, the Board of Directors of Toscana Aeroporti S.p.A., appointed by the Shareholders' Meeting held on 18 May 2021, met to elect the corporate officers and to appoint proxies for management, as required by the applicable Articles of Association and Code of Corporate Governance adopted by the Company.
- In spring 2021, the Company started negotiations for the sale of the subsidiary Toscana Aeroporti Handling (TAH); on 8 September 2021, TA acknowledged the lack of the necessary conditions for the definition of an agreement to sell the subsidiary TAH with the counterparty.

Auditing of compliance with statutory requirements and the Articles of Association

The Board of Statutory Auditors monitored compliance with the legislation, Articles of Incorporation and Bylaws. More specifically, the Board met 18 times throughout 2021 and took part in 1 Shareholders' meeting, 11 Board of Directors' meetings, 1 Executive Committee's meeting, 4 Remuneration and Appointment Committee's meetings, and 9 Control and Risk Committee's meetings.

We acknowledge that the applicable disclosure obligations set forth by supervisory authorities have been met and we are not aware of any violation or complaint filed by any shareholder.

Auditing of compliance with correct management principles

On a quarterly basis, the Board obtained information from the Directors on the operations of the Company and on expected trends, as well as on the most significant economic, financial and equity transactions performed by the Company, including those conducted through its subsidiaries, so we can reasonably ensure, based on the information received, that the Company's business operations are compliant with the applicable legislation and the Articles of Association/Bylaws, have not been unwary, risky or in conflict of interest or in contrast with the resolutions made by the Shareholders' Meeting, nor such as to jeopardise the integrity of the corporate equity.

Within the scope of our task, we collected information and audited the compliance of the activities carried out by the Company with correct management principles, primarily by taking part in the meetings of the Board of Directors and corporate Committees, but also by collecting information from the Chief Finance Officer and the managers of the Accounting Department and other corporate functions, as well as by exchanging significant data and information pursuant to art. 150 of Legislative Decree no. 58/1998 with the Auditor. More specifically, as regards the resolution procedures of the Board of Directors and Executive Committee, we supervised the Company's compliance with the applicable legislation and Articles of Incorporation in connection with the operating and management decisions made by Directors.

Based on the information received from Directors and on the conversations we had with the representatives of the Auditor, no non-typical or unusual transaction seems to have been conducted during 2021.

Auditing of the appropriateness of the ownership structure

Our auditing activity revealed the existence of an appropriate ownership structure in terms of layout, procedures, competencies, and responsibilities for the size of the Company and for the nature and method of pursuing the business purpose.

We reviewed the operation of the Board of Directors and Committees, particularly as regards the applicable requirements for independent Directors, the determination of their fees, and the responsibilities connected with corporate functions.

Auditing of compliance with the internal control system

Also in our role as Internal Audit Committee, we collected information and monitored the compliance of the ownership structure of the Company and its internal control system, also by taking part in the meetings of the Control and Risk Committee. That Committee promptly disclosed all the necessary information on their activities to the Board of Auditors during the meeting and explained the contents of their interim reports, which confirmed the compliance of the internal control system and risk management activity.

The Board also monitored the activities carried out by the Internal Audit Manager, in compliance with the 2021 Audit Plan approved by the Board of Directors on 12 February 2021, with the proposal examined by the Control and Risk Committee during the meeting held on 12 February 2019, and we listened to their discussions during the meetings held to review the contents of the interim reports, which show that the internal control and risk management systems are appropriate.

We inform Shareholders that we normally exchanged significant data and information with the various control boards of the Company.

With regard to risk assessment, we acknowledge that the present Supervisory Board of the Company was appointed on 1 June 2018 and the Board of Directors approved the Organization, Management and Control Model of the Company on 12 May 2016 in compliance with Legislative Decree no. 231/2001. The Model was subsequently updated by the Board of Directors during the meetings held on 20 December 2017, 6 August 2019, and 23 December 2021.

Furthermore, in order to strengthen the Internal Control and Risk Management system, an Enterprise Risk Management (ERM) project was completed in 2019, the results of which have been approved, with the favourable opinion of the Control and Risk Committee, by the Board of Directors on 19 December 2019. On 23 December 2020, the BoD, after receiving a positive opinion from the Control and Risk Committee on the same date, approved the updating of the Risk Assessment process as an ERM-related process.

Auditing of the compliance of the accounting system and the related statutory auditing of accounts

We audited the compliance of the accounting system and its reliability and capacity to correctly reflect and describe corporate operations by obtaining information from the responsible executive, the managers of the various competent functions, through meetings with the Auditor and through the auditing reports produced by the Auditor concerning the year's and consolidated financial statements, which have been proved to be compliant with international accounting standards.

The certification required by Art. 154-bis, paragraph 5, of TUF, signed by the CEO and CFO, has been enclosed to the year's and consolidated financial statements.

We monitored the independence of the Auditor pursuant to Art. 6, par. 2, lett. A), of European Regulation no. 537/2014 and pursuant to paragraph 17 of ISA Italia 260. During the financial year 2021, as set out in Annex F to the Consolidated Financial Statements pursuant to Art. 149 *duodecies* of CONSOB Issuers Regulation, the parent company Toscana Aeroporti S.p.A. paid PwC S.p.A. the following fees: Euro 109,000 for the auditing of the consolidated financial statements and year's financial statement of the Parent Company (including the conduction of periodic audits), and for the limited audit of the condensed consolidated interim financial statements of the Group; Euro 91,500 for the auditing of the consolidation files of the Corporación America Airports Group; Euro 17,700 for the certification of accounting reports as required by CIPE Resolution no. 38/2007; Euro 19,000 for the limited audit of the consolidated non-financial statement submitted pursuant to Leg. Dec. no. 254/2016 for the financial year 2021.

The subsidiaries Toscana Aeroporti Handling Srl, Jet Fuel S.r.l. and Parcheggi Peretola Srl paid PwC S.p.A. auditing fees of Euro 44,800.
The auditing firm was not entitled with any other task.

Corporate Governance implementation

We audited the compliance of the Company with the Corporate Governance principles specified in the self-adopted Voluntary Code of Conduct for Listed Companies. On 16 March 2022, the Board of Directors approved the Report on Corporate Governance and Ownership prepared pursuant to Art. 123-Bis-bis of TUF (traditional control and management model).

Remuneration policies

The Board of Statutory Auditors audited the corporate processes that led to the definition of the Company's remuneration policies, with a special focus on the remuneration criteria adopted for the Chief Executive Officer and Executives with strategic responsibilities, and provided opinions in this regard, as required by the law. The Board of Directors met on 16 March 2022 and, based on a proposal of the Appointment and Remuneration Committee, approved the "Annual Report on Remuneration", prepared in accordance with Art. 123-ter of the TUF and in compliance with the provisions of Art. 5 of the Code of Corporate Governance. The balance sheet contains variable emoluments.

Diversity policies

Subject to compliance with the applicable legislation, the Company did not consider it useful to adopt any diversity policy under Art. 123-Bis, par. 2, lett. d-bis, of Leg. Dec. no. 58/1998 during 2021 because the current composition of its management and control boards offers an appropriate combination of competencies and also considering that the information disclosed to Directors and Statutory Auditors is characterized by such contents and frequency as to enable them to acquire adequate knowledge of the business sector in which the company operates, its trends, and the associated corporate processes.

Auditing of relationships with subsidiaries and parent companies

We have monitored the nature of relationships with subsidiaries and parent companies, which have been promptly presented to the Committees and Board of Directors, thus confirming their compliance with the instructions given by the Company to its subsidiaries.

The characteristics of the intra-group transactions conducted during the business year considered, the parties involved and the related economic effects are adequately described in the Explanatory Notes to the year's and consolidated Financial Statements of the Company, where all the related credit/debt and cost/revenue relationships are also highlighted.

Impairment test

As regards impairment testing, as required by IAS 36, the Board of Directors, during its meeting of 9 March 2022, and therefore before the approval of the draft financial statements, approved the impairment test criteria and the tests conducted by Toscana Aeroporti on the consolidated financial statements and on the annual report relating to the Cash Generating Units (CGUs) corresponding to the Florence and Pisa airports.

The results of the process performed confirmed the recoverability of TA's and its subsidiaries' assets.

Auditing of related parties

As required by Consob Regulation no. 17221 of 12 March 2010, subsequently amended with Consob Resolution no. 17389 of 27 April 2017, we acknowledged that the Company adopted measures to ensure that its transactions with related parties, conducted either directly or through subsidiaries, be inspired to transparency and compliance with substantial and procedural correctness criteria.

Intra-group transactions and transactions with other related parties referred to the financial year 2021 have been examined during the meetings of the Monitoring and Risk Committees and no issue is raised about them. These items, including the adoption of tax consolidation, are extensively described in the year's financial statement of TA S.p.A. and in the Group's consolidated financial statements.

Omissions and reprehensible actions detected, opinions and initiatives undertaken

During the financial year 2021, the Board of Auditors did not receive any report or complaint filed under Art. 2408 of the Civil Code and no complaint has been filed by third parties.

The Board expressed the specific opinions required by the individual legal provisions.

No significant data or information, omissions, reprehensible actions or irregularities or other significant events worthwhile mentioning in this report have been detected during our supervisory activity and based on the information obtained by the Auditor pursuant to Art. 150, par. 3, of Leg Decree no. 58/1998, including during the periodic meetings held with the Auditor.

Proposals regarding the year's financial statement and the consolidated financial statement

The Board of Statutory Auditors carried out the necessary audits relating to compliance with the reporting legislation regarding the preparation of the annual report and consolidated financial statements at 31 December 2021, approved by the Board of Directors on 16 March 2022. More specifically, we acknowledge that that the year's and consolidated financial statements have been prepared in compliance with the International Accounting Standards (IFRS) adopted by the European Union and that the Company has adopted Consob's recommendations in the preparation of its financial statements and corporate disclosures.

We audited the Company's compliance with the legislation concerning the preparation of the Report on Operations, as well as, pursuant to Legislative Decree no. 254/2016 implementing EU Directive 2014/95, the preparation of the Consolidated Non-Financial Statement ("DNF") for the business year ended 31 December 2020, approved by the Board of Directors on 16 March 2022.

The Auditor issued its reports on the Company's and the Group's financial statements pursuant to Art. 14 of Legislative Decree no. 39/2010 and Art. 10 of Regulation (EU) 537/2014 without raising any issue.

The Auditor hereby declares that, in their opinion, the Report on Operations and the information contained in the Report on Operations and the corporate layouts described above are consistent with the annual report and with the consolidated financial statements of the Toscana Aeroporti Group at 31 December 2021.

Today, the Auditor also produced and submitted to the Board of Statutory Auditors, acting as Internal Control and Audit Committee, the Additional Report referred to in Art. 11 of EU Regulation no. 537/2014, which contains no significant remark as to potential weaknesses in the internal control system as regards the financial reporting process.

As specifically required by Toscana Aeroporti S.p.A., the Auditor produced a specific Compliance Report under Legislative Decree no. 254/2016 and CONSOB's Regulation no. 20267 concerning the Consolidated Non-Financial Statement (in Italian "DNF", for *Dichiarazione non finanziaria*) of Toscana Aeroporti S.p.A. for the financial year ended 31 December 2021.

For the areas falling under their competence, the Board of Auditors hereby declares that there is no impediment to the approval of the year's financial statements and of the related proposals put forward by the Board of Directors.

Finally, it should be noted that the BoD met on 16 March 2022 and fixed the date of 28 April 2022, at h 11:00 as first call, or 29 April 2022, same time, as second call, for the Ordinary Shareholders' Meeting for the approval of the Financial Statements for 2021.

Conclusions and proposal for the Meeting

Now, therefore, the Board of Statutory Auditors, after reviewing the reports prepared by the Auditor, having acknowledged the certifications jointly issued by the CEO and by the manager in charge of the preparation of the company's accounting documents, believes that there are no reasons to reject the approval by the Shareholders' Meeting of the draft financial statements for the year ended 31 December 2021, together with the proposal to cover the year's loss of Euro 6,044,603 through the use of the statutory reserve available, as proposed by the Board of Directors.

Florence, 05 April 2022

BOARD OF AUDITORS

Mr. Michele Molino, Chairman

Ms. Silvia Bresciani, Statutory Auditor

Ms. Raffaella Fantini, Statutory Auditor

Mr. Roberto Giacinti, Statutory Auditor

Mr. Antonio Martini, Statutory Auditor