

# Green bond investor presentation



# Key investment highlights



**#1 airport system in Italy with long term concession (recently extended to 2046), consistent leadership in quality**



**Robust traffic growth drivers: strategic location, compelling destination  
“one city, two capitals”**



**Protective regulatory/concession agreement supporting predictable cashflows**



**Flexible capex plan adaptable to traffic evolution**



**Sound financial and liquidity profile**



**ADR is at the forefront of the ESG effort in the aviation sector,  
with constantly increasing focus towards a green agenda**

# 1. Company profile





# Overview of ADR airport system

1

## FIUMICINO



### Traffic

- 43.5 mpax in 2019, short haul & long haul
- C. 100 Airlines, full service and low cost
- C. 200 destinations

### Well connected to Rome and other cities

- Linked to main motorways and downtown by train (intermodal high speed rail to/from Florence/Venice) and shuttle bus
- Expansion of rail and road accessibility expected in the next years
- Close to the cruise terminal of Civitavecchia

### Close to the sea and to non-urbanized areas

- Noise efficient take-offs and major potential to support the traffic growth with a limited environmental impact

2

## CIAMPINO



### Traffic

- 5.9 mpax in 2019
- 2 Low Cost Airlines and General Aviation
- C. 60 Destinations short haul

### Secondary airport positioning

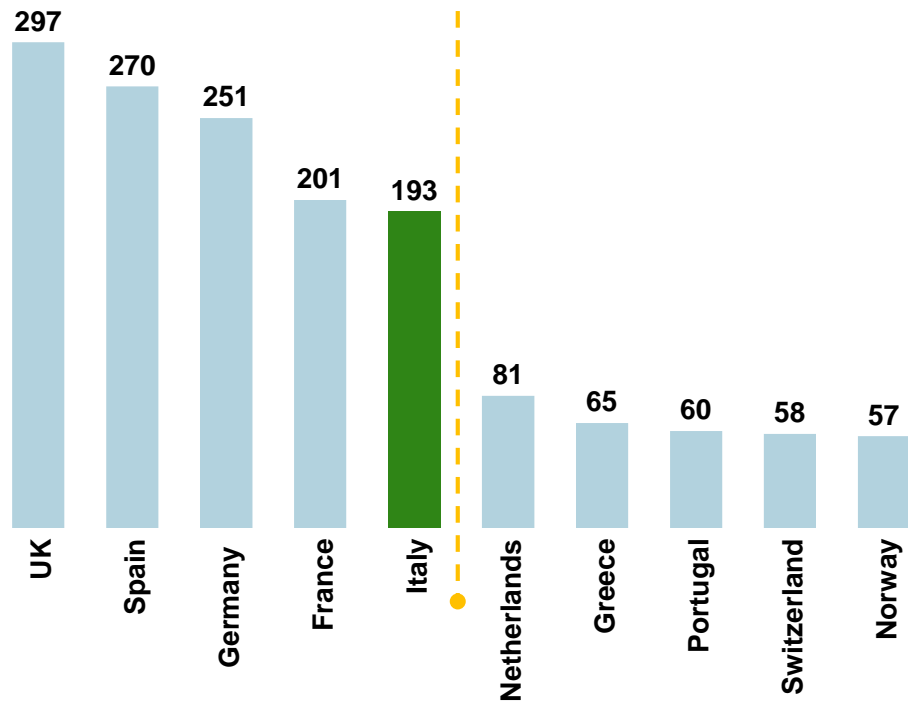
- 14 km from the city center
- Connected by local transport and shuttle bus



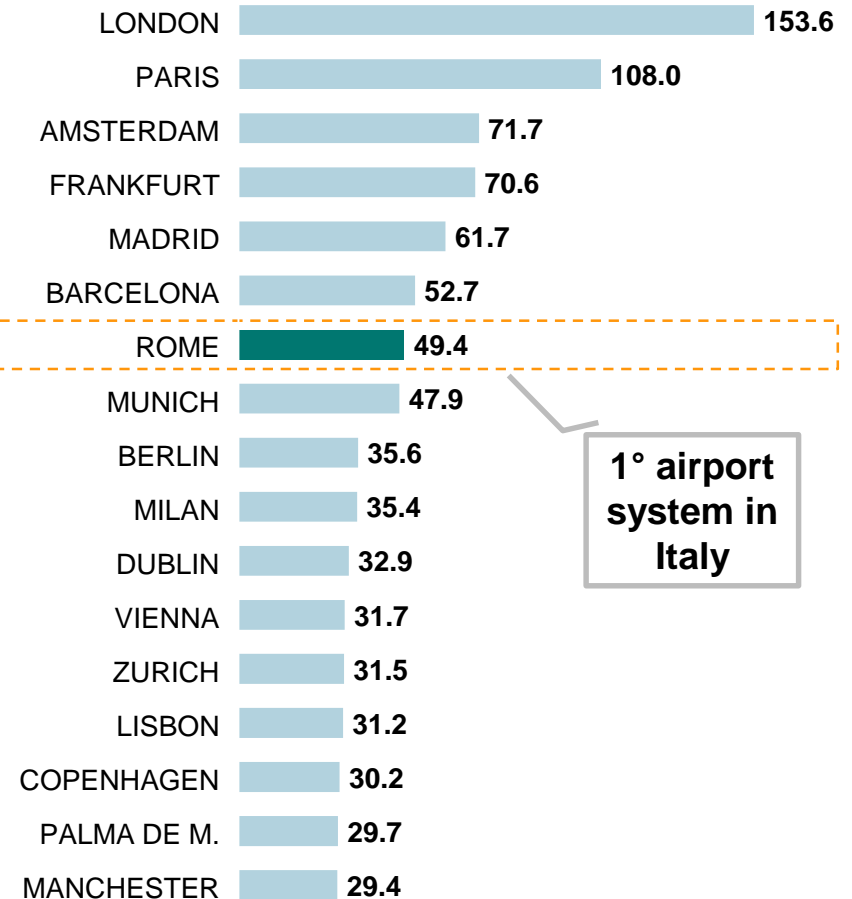
# ADR operates in one of the leading European markets for traffic volumes, 7<sup>th</sup> European airport system in 2019

Passenger traffic volumes in main European countries (mpax)

Italy ranks as the 5<sup>th</sup> market in EU



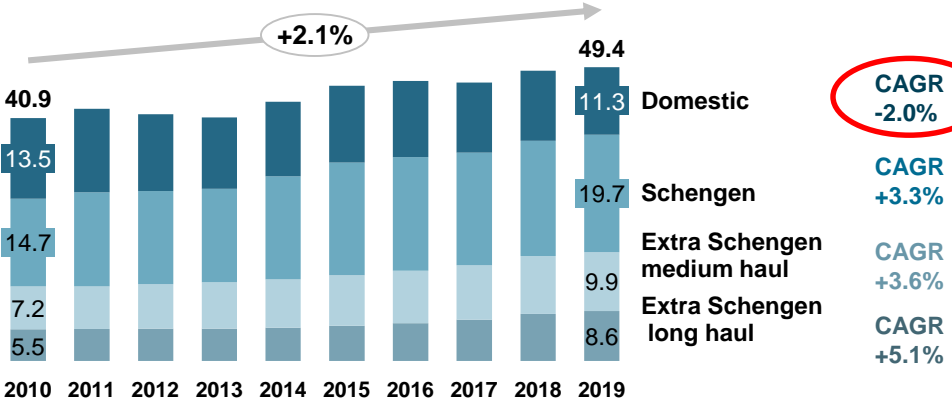
Rome 7<sup>th</sup> overall airport system in Europe (mpax)



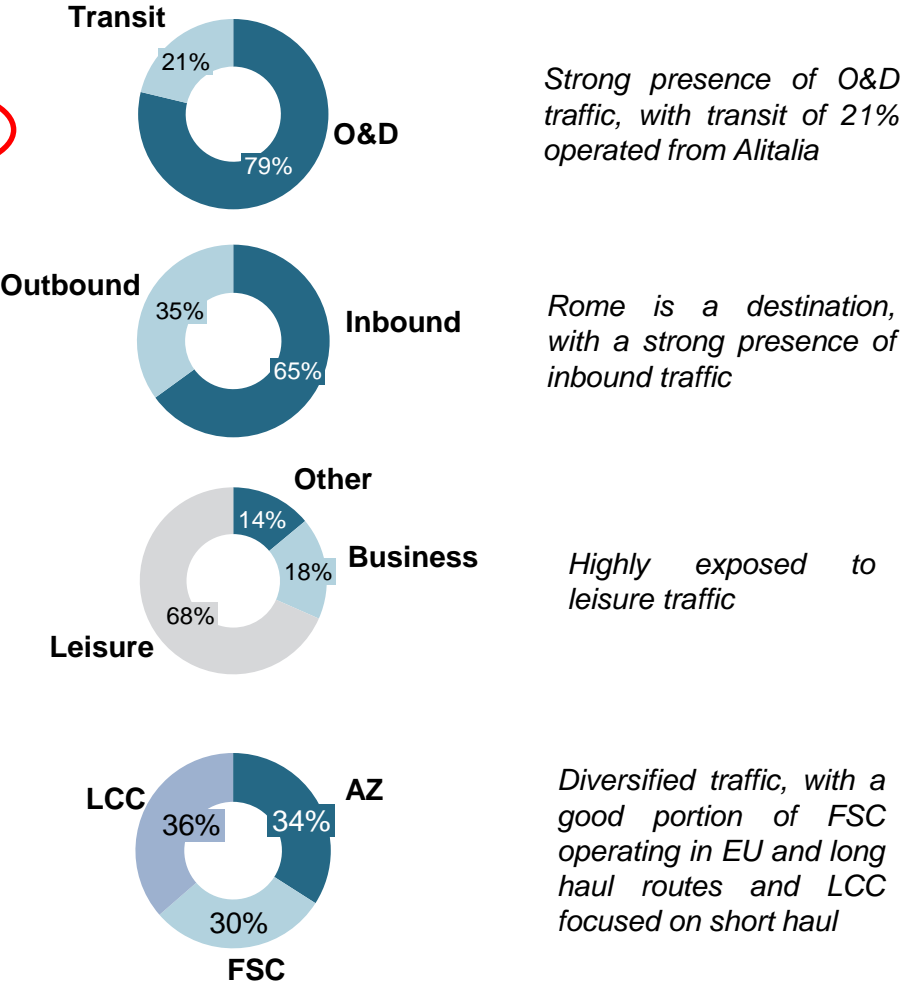
1° airport system in Italy

# Rome confirmed as a robust Origin and compelling Destination with sustainable traffic growth driven by high-density Int'l routes

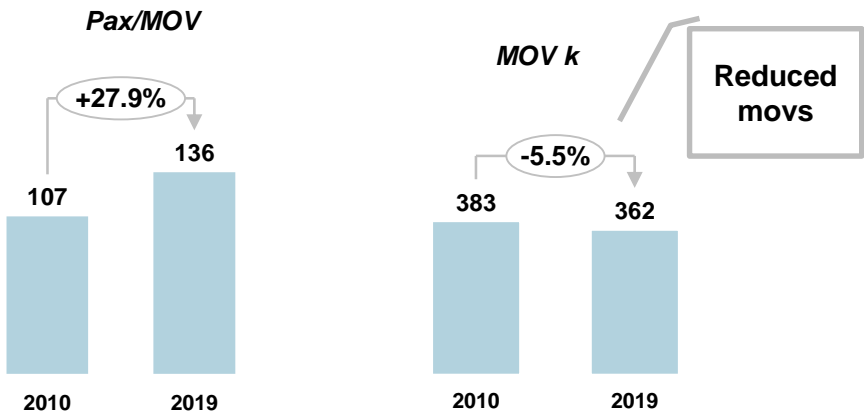
## Historical traffic (Rome Airport System, mpax)



## Passengers Profile (Rome Airport System, mpax)



## Pax / MOV and MOV (Rome Airport System)



Source: ADR internal data

# Stable and protective concession agreement

## Key Facts on Economic Regulation

### Dual-Till Price Cap

- “Price cap” method (“RAB-based”) with respect to the regulated aeronautical activities in a pure “Dual-Till” regime
- Aligned with new ART model (applicable regulation to ADR is provided for in the Concession Agreement signed with ENAC, which in its role as Grantor is to ensure adequate consistency with ART model)

### RAB and Capex Plan

- Initial RAB 2020 of ca. €2.3bn
- Capex plan adaptable to expected traffic evolution

### WACC

- Robust and predictable WACC
  - Real pre-tax WACC 2017-2021 at 8.52% (“base” WACC)
  - Incremental WACC for strategic capex (+2-4% premium)
- Periodic refresh (every 5y) of WACC components based on actual mkt / company data

### Green-Quality bonus / malus

- Quality and environmental targets embedded into concession
- Annual bonus/malus mechanism worth  $\pm 0.6/0.7\%$  of allowed revenues

### Traffic Risks Protections

- Annual variations of  $\pm 6\%$  vs. plan entitle to the rebalancing of the tariff for the remaining regulatory period
- Cumulated 5-year traffic changes within  $\pm 5\%$  range vs. plan will not impact tariffs
- Cumulated 5-year traffic changes in excess of  $\pm 5\%$  vs. plan will allow for clawback of 50% of deficit/surplus in the following period

## Cost-relatedness in regulatory period

Opex allowance



Depreciation allowance



Return on RAB



Green-Quality bonus/malus



Allowed revenues



Volumes



AVG REGULATED CHARGE

Within a 5-yr reg period opex and D&A under regulated perimeter are covered by allowed revenues

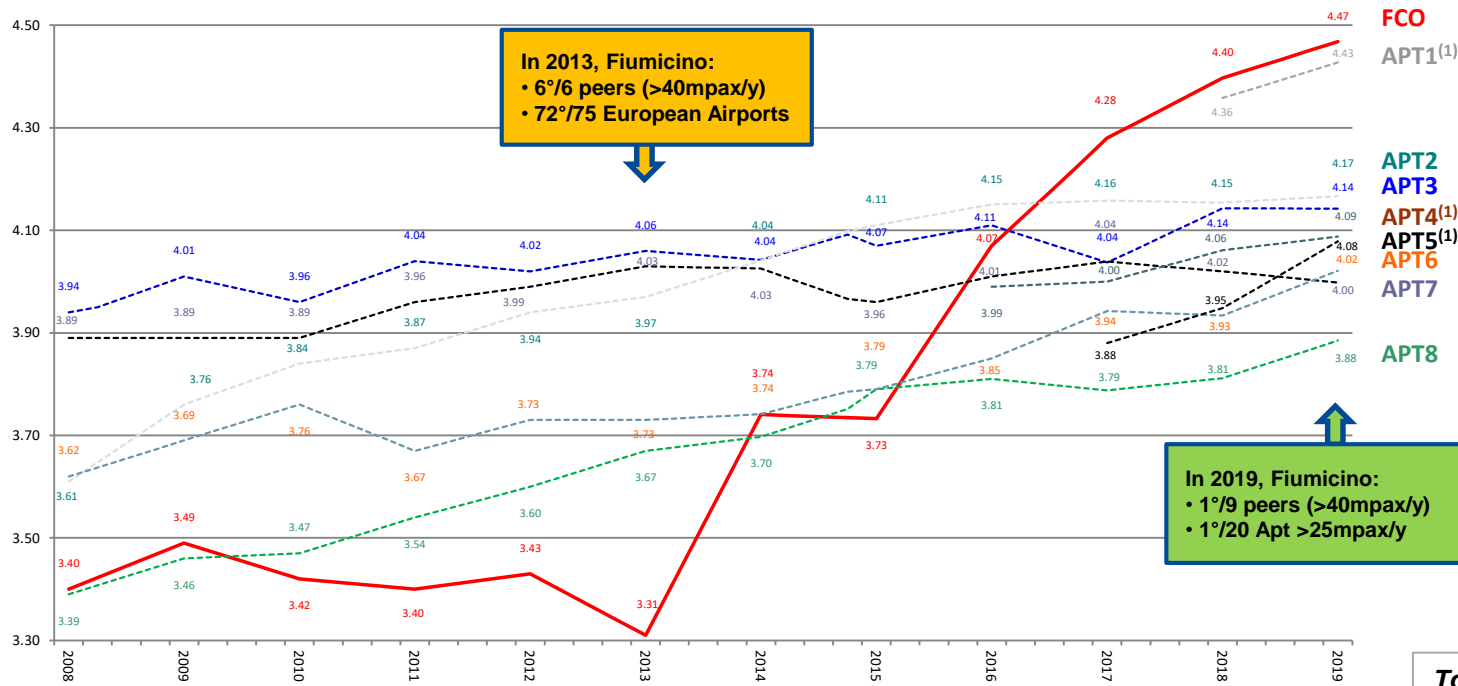
Allowed revenues include fair remuneration on invested capital in the regulated perimeter (WACC\*RAB)



# ADR – a leader in customer service

## Survey ACI World – "Airport Service Quality": European Airports Panel >40mpax "Overall Satisfaction" Index 2008-2019 FY

Scale: from 1 ("Poor") to 5 ("Excellent")



To date, the sole airport globally rated 5 stars

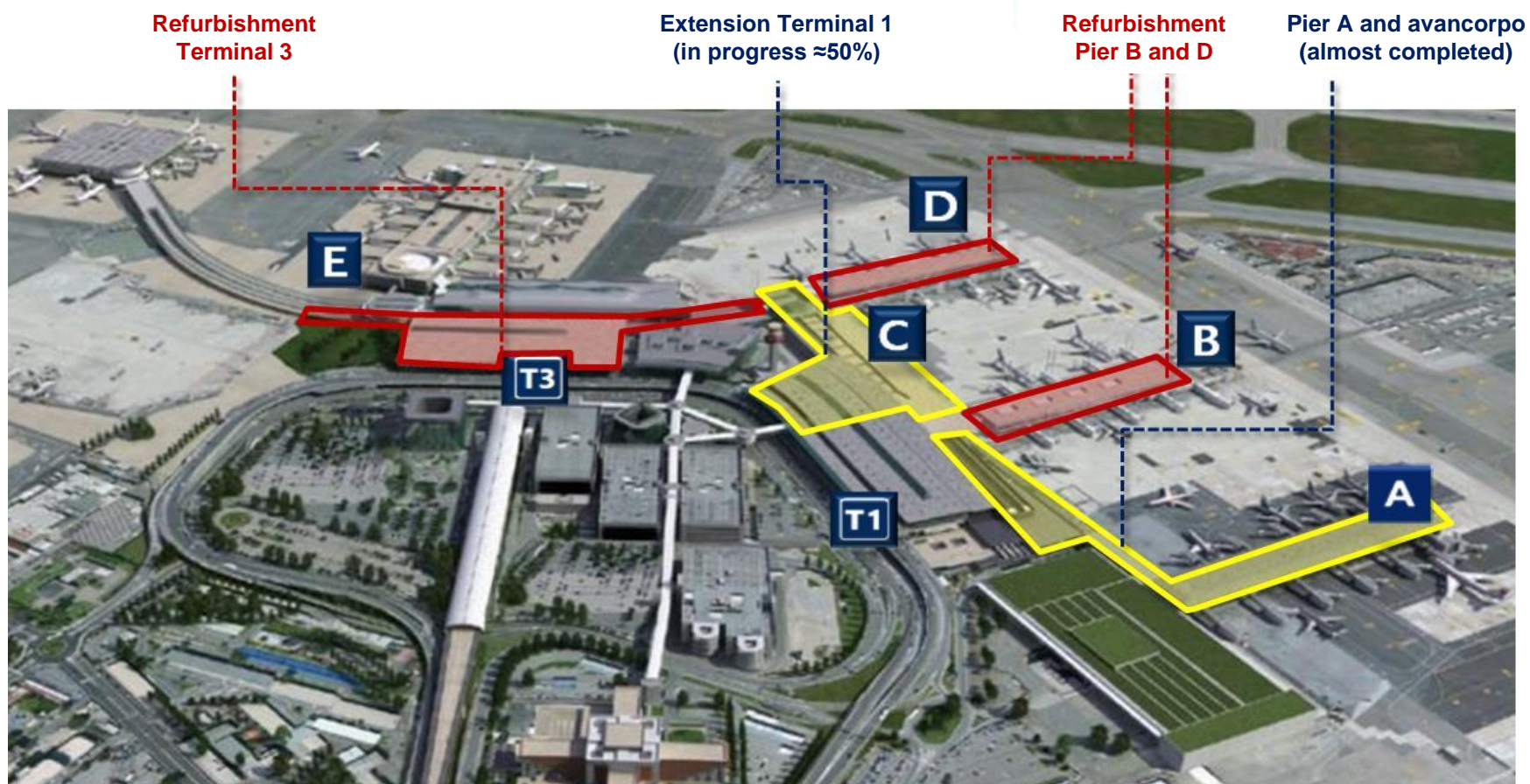
**In 2020 Fiumicino was awarded for the third year in a row  
Best Airport in Europe (Airports >40mpax/y)**

Source: ACI World – Airports Council International: Airport Service Quality - Survey Report  
Panel EUR >40mpax/y: AMS: Amsterdam; BCN: Barcellona; CDG: Parigi Charles de Gaulle; LGW: Londra Gatwick; LHR: Londra Heathrow; MAD: Madrid; MUC: Monaco; SVO: Mosca Sheremetyevo  
(1) APT4 joined >40mpax/y panel from 1QTR 2016; APT5 joined >40mpax/y panel from 2QTR 2017; APT1 joined >40mpax/y panel from 1QTR 2018



# Infrastructure plan – no expansion expected in the next 10 years

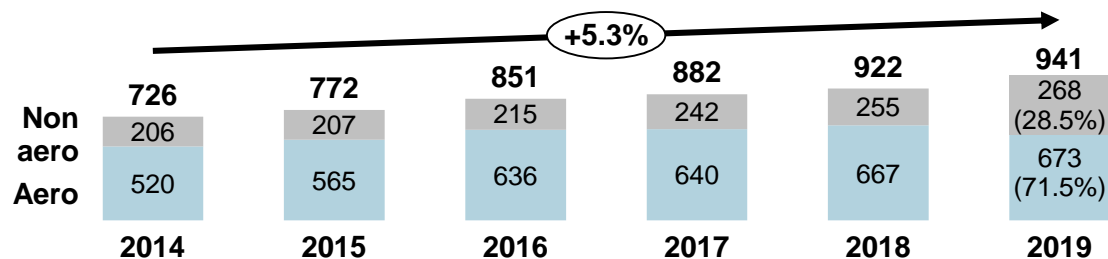
## Fiumicino South infrastructure development plan



- Fiumicino South infrastructure development plan almost completed, no further expansion expected in the next 10 years
- Future investment items focused on terminals / boarding areas refurbishment and commercial effectiveness improvement

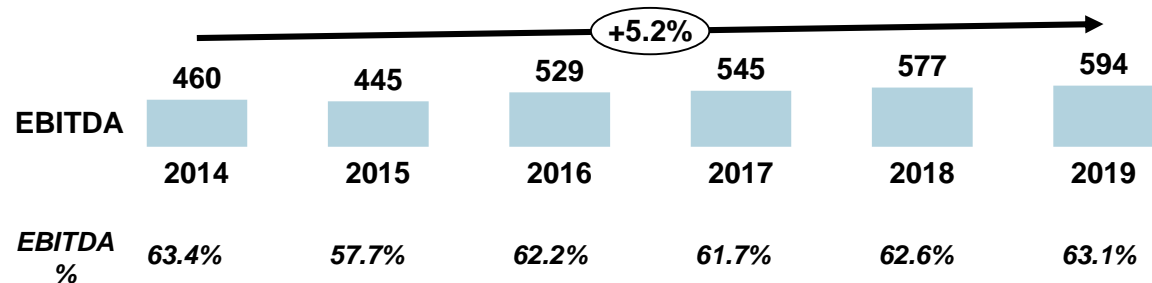
# Strong and stable operating profile backed by a robust balance sheet

## Revenues<sup>(1)</sup> (€m)



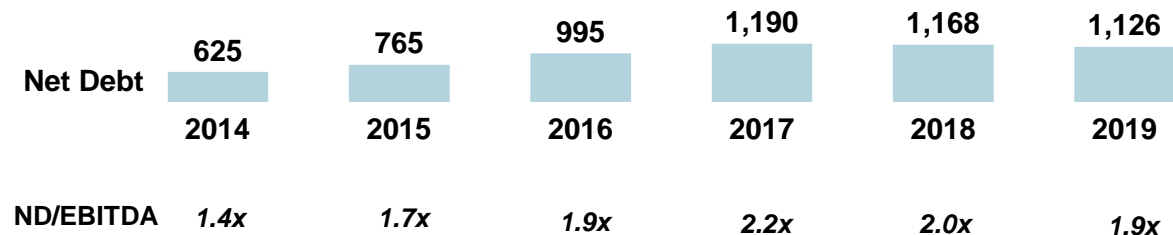
- Revenues growth driven by increase in pax, aero tariffs and commercial development

## EBITDA (€m)



- Strong increase in EBITDA, with average EBITDA margin of 62%

## Net debt (€m) and Leverage



- Solid credit quality
- Very low Net Debt/EBITDA in the pre-COVID context

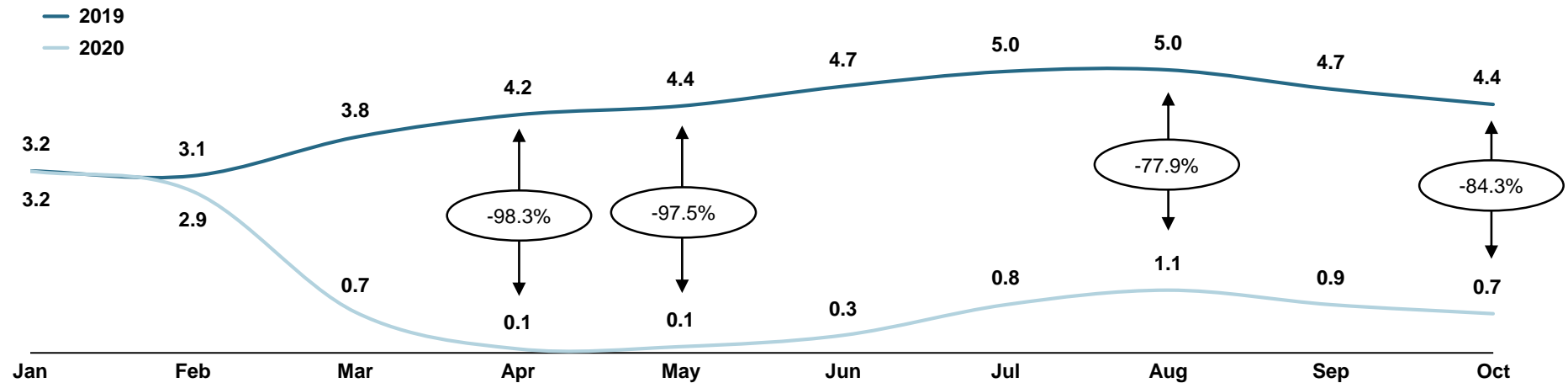
(1): Excluding revenues from construction services and other operating revenues

## **2. COVID-19 impact and ADR contingency plan**



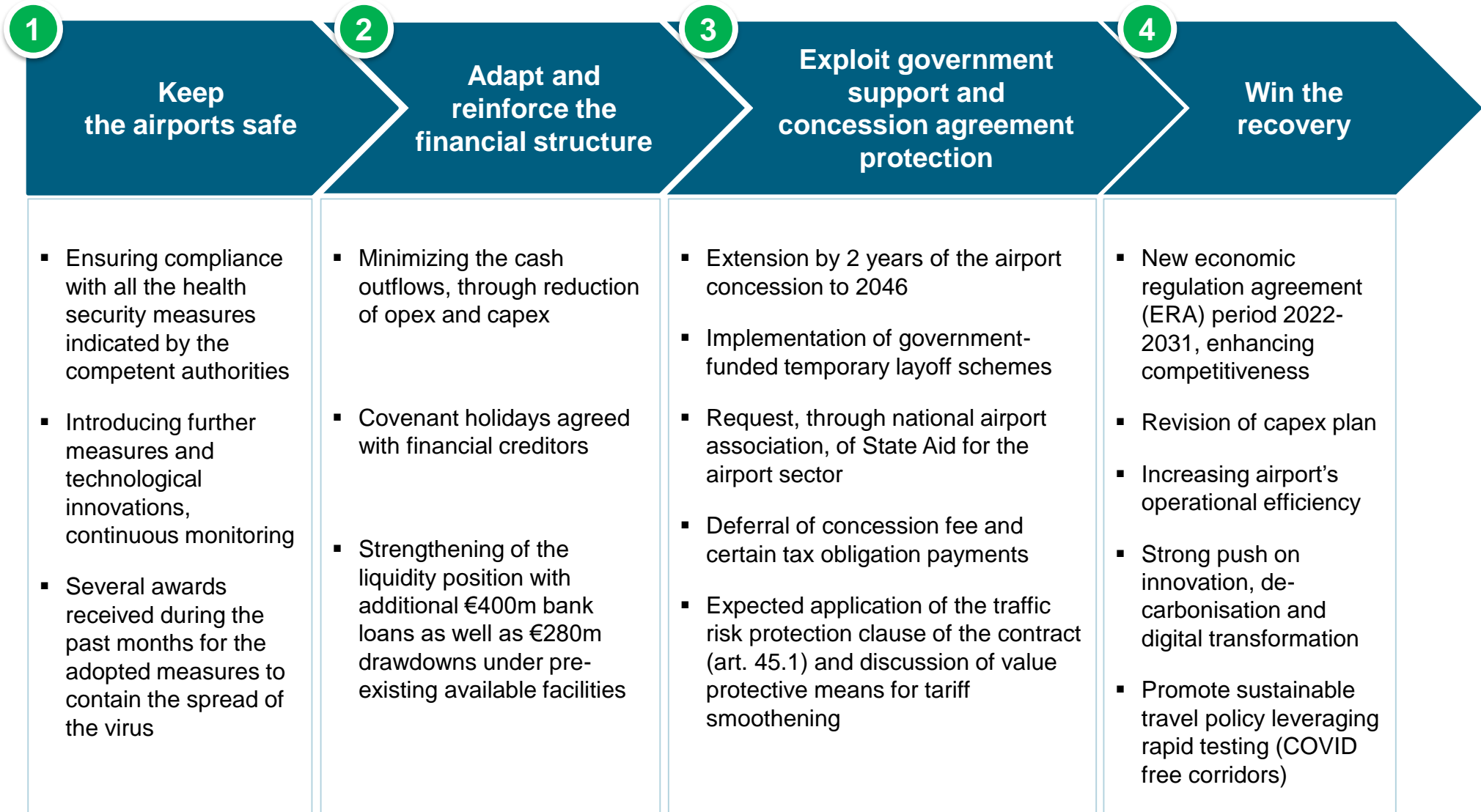
# Covid-19 impact

2019 vs 2020 monthly traffic (Rome Airport System, mpax)



- **Covid-19 pandemic crisis** caused a sharp traffic reduction starting from February
- Pick up in traffic following the easing of travel restrictions in June 2020 but still lagging behind 2019 numbers
- **During the January-October period the passenger numbers have declined by 74.6% vs corresponding period in 2019**
- Fiumicino Airport remained open and operational, also during lock-down; Ciampino Airport was closed to commercial activities from 13 March 2020 to 4 May 2020

# ADR strategy to face the covid-19 pandemic

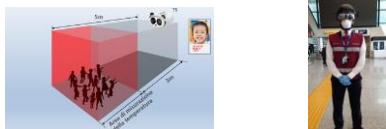




# Keep the airports safe: global excellence standards

## Health security measures

### Health Screening



Thermal check of body temperature with high technology devices (over 100 last gen. thermal camera)

### Hygiene



Continuous disinfection of all the areas, also on a continuous basis (UV devices), and more than 300 gel dispenser

### Social distancing



Terminal personnel patrolling, signage to remind social distancing, loudspeaker announcement every 15 minutes, reduction of seating and waiting areas

### Physical protection



Plexiglas protection screens at check-in, ticket office, information desks, passport control

## Multiple awards received

June 2020

*Fiumicino and Ciampino airports were the first in the world to obtain Biosafety Trust certification, an important international recognition for the fight against the spread of Covid-19*



BIOSAFETY TRUST CERTIFICATION MANAGEMENT SYSTEM

August 2020

*ADR 1° in EU to obtain the certification which demonstrate how the protocols and measures adopted are at the forefront of the procedures for containing the spread of the virus and represent an example of best practice to be followed in the sector*



Sept. 2020

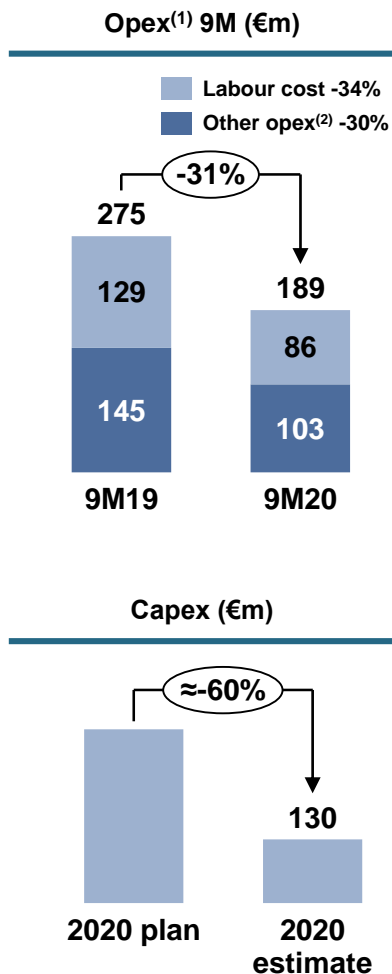
*Fiumicino is the first and, to date, sole airport in the world to receive this certification (maximum of the rating received - 5 stars – for the anti-covid protocols and measures)*



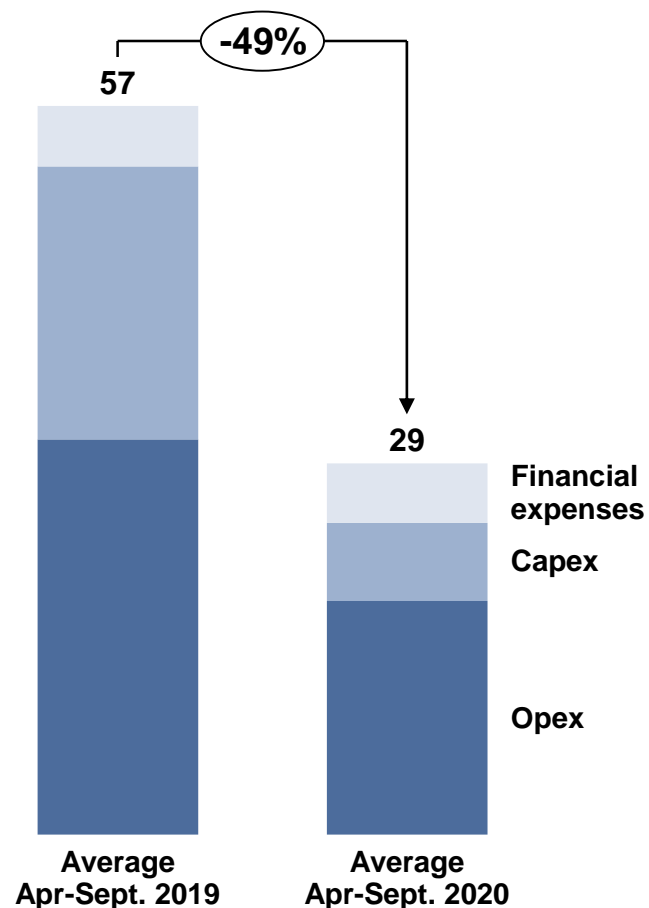
# Adapt and reinforce the financial structure: minimizing the cash outflows (I/II)

## Measures implemented to minimize the cash outflows

- **Infrastructure partialization** (temporary closure of CIA, closure of T1 at FCO, ect)
- **Government support** on labour cost (“Cassa Integrazione”) interim workers stopped
- Renegotiation of suppliers contract for **reduction of external costs**
- **Strong reduction of investment:** rescheduling of non-essential and discretionary investments



## Monthly cash outflows (€m)



(1): “Opex” means “Total net operating costs” minus “Costs for construction services”; (2) “Other opex” means “Opex” minus “Labour Costs”

# Adapt and reinforce the financial structure: waiver and new financing (II/II)

Measures	Description
<b>Covenant holidays</b>	<ul style="list-style-type: none"><li>▪ Waiver from the <b>banks</b> was obtained for the temporary non-application (December 2020 and June 2021) of the contractual financial covenant limitation</li><li>▪ Waiver from the <b>EIB and Cassa Depositi e Prestiti</b> was also obtained for the temporary non-application (December 2020 and June 2021) of the same financial covenants (“Leverage ratio” and “Interest cover ratio”)</li></ul>
<b>New financing</b>	<ul style="list-style-type: none"><li>▪ In order to protect the company from the COVID-19 pandemic consequences, ADR has obtained between March and September <b>new financial resources for €680m</b>:<ul style="list-style-type: none"><li>– 31-Mar-20: <b>€80m drawdown</b> of the residual part of the loan signed in 2016 with <b>Cassa Depositi e Prestiti</b></li><li>– 20-May-20: <b>new term loan of €200m and 4-year tenor</b>, of which €100m have been drawn only on 4-Nov-20 to repay equivalent amount of maturing bank loan</li><li>– 7-Aug-20: <b>new €200m bank term loan guaranteed by SACE</b> for up to 70% of its amount thanks to “Garanzia Italia” provided by Law Decree “Liquidità”</li><li>– 1-Sep-20: <b>€200m drawdown of the residual part of the loan signed in 2018 with EIB</b></li></ul></li></ul>

# Exploit government support and concession agreement protection

## Government support measures

### Concession extension

- Extension by 2 years of the airport concession to 2046 has been already obtained

### State aid

- Request, through national airport association, of State Aid for the airport sector

### Other measures

- Deferral of concession fee and certain tax obligation payments
- Implementation of government-funded temporary layoff schemes

## Concession agreement protections

### Clause 45.1

- Annual variations of +/- 6% vs. plan entitle to the rebalancing of the tariff for the remaining regulatory period
- Cumulated 5-year traffic changes within +/- 5% range vs. plan will not impact tariffs
- Cumulated 5-year traffic changes in excess of +/- 5% vs. plan will allow for claw-back of 50% of deficit/surplus in the following period

### Clause 11.3

- As a general principle, economic and financial balance of the concession (as foreseen in the business plan) to be maintained over time

## Outcome

### Supporting drivers for recovery

- Exposed to leisure segment expected to recover sooner
- Good financial resilience of airline base, new AZ to be capitalized for €3bn
- Discussion with the Authority to guarantee competitive tariffs for the future, preserving the value for ADR

### Airport efficiency

- Infrastructure utilization ensuring flexibility, in line with the demand
- More automated processes with positive impact on opex / pax

### Digital transformation

- Objective: Digital, Reliable & Data Driven Airport
- Selected projects: seamless airport experience and digital information, smart terminal operations and omni-channel strategy to boost non aero revenues
- Approach: increased organizational focus on Innovation, open innovation/third party cooperation accelerating technological discontinuities



## 3. Financials

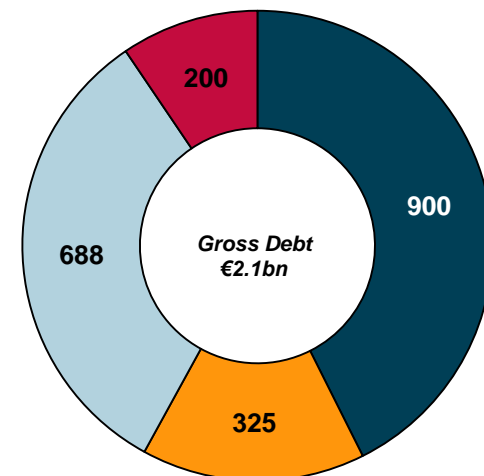
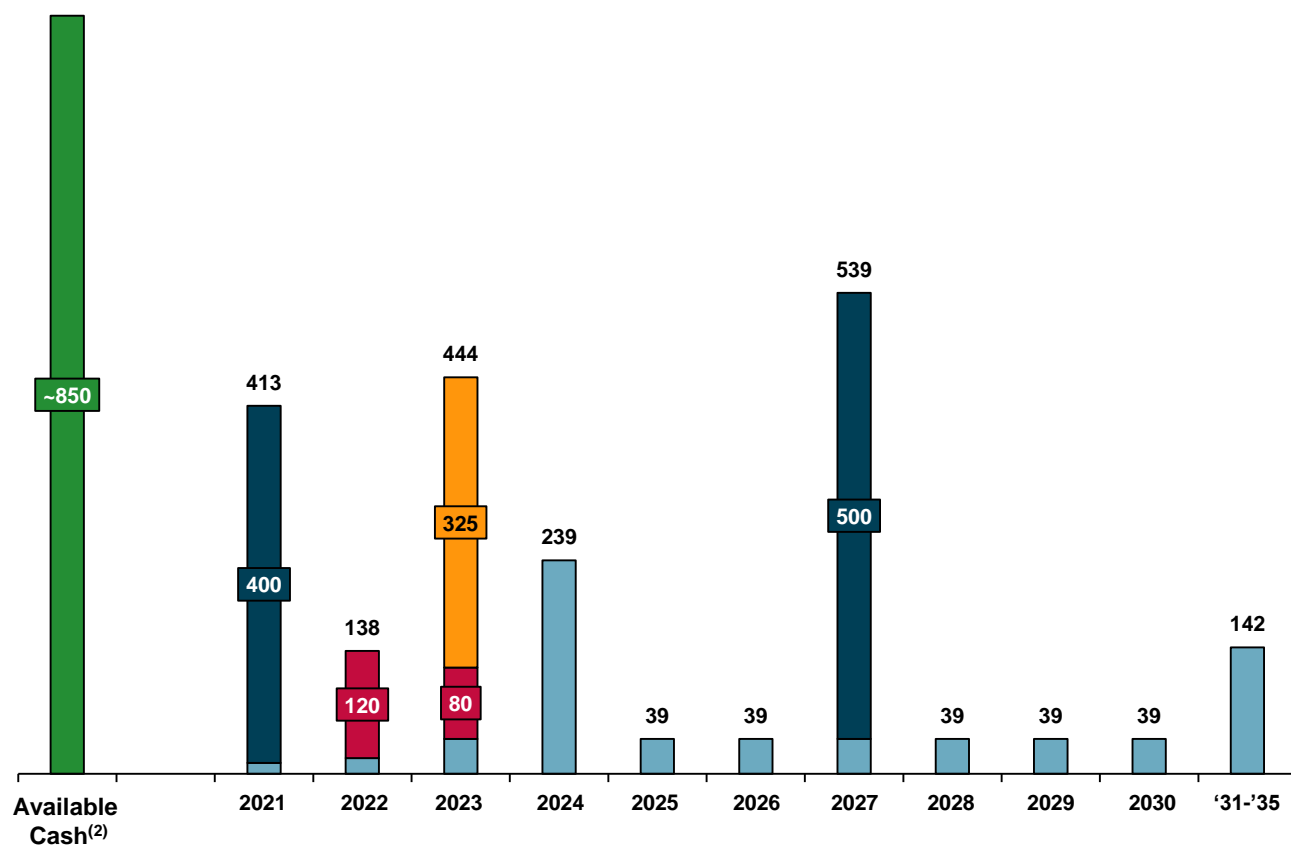


# Strong liquidity and well distributed maturity profile

Gross Debt Maturity Schedule (€m)

Gross debt composition (€m)

As of 30.09.2020<sup>(1)</sup>



- Cash & cash equivalents
- EMTN Bonds (ADRIT'21&'27)
- Bond A4 (cfr next slide)
- Bilateral Loans
- Bank Pool Loan (guaranteed by SACE)

**Prudent financial policy, with advanced pre-funding of needs in the near future**




(1) Including repayment of €100m bank loan maturing in Nov-20, as well as concurrent €100m drawing of the residual term loan signed in May-20; (2) Excluding undrawn RCF for €250m

# Gross debt composition – drill down

<p><b>EMTN Programme</b>  <b>€1.5bn</b>          -  <b>Outstanding €900m</b></p>	<ul style="list-style-type: none"> <li>▪ Two senior unsecured EMTN issuances, including market standard provisions             <ul style="list-style-type: none"> <li>- ADRIT 02/2021, 3.25% coupon, €400m nominal amount (originally issued in 2013 for €600m), and</li> <li>- ADRIT 06/2027, 1.625% coupon, €500m nominal amount issued in 2017</li> </ul> </li> </ul>
<p><b>A4 bond £215m<sup>(1)</sup></b>          -  <b>€325m swapped amount</b></p>	<ul style="list-style-type: none"> <li>▪ A4 senior secured non-convertible bond, originally issued in 2003, swapped at issuance for €325m and maturing in Feb-2023</li> <li>▪ Since the security shall not at any time exceed at total of just €96m, rating agencies treat this instrument as a <i>de-facto</i> senior unsecured bond</li> </ul>
<p><b>BEI Loans</b>  <b>€341m</b></p>	<ul style="list-style-type: none"> <li>▪ 2 facilities signed b/w 2016 and 2018 with financial covenants (holiday agreed until Jun-21)</li> <li>▪ 3 tranches, amortizing repayment, with final maturity b/w 2031 and 2035</li> </ul>
<p><b>CDP Loan</b>  <b>€147m</b></p>	<ul style="list-style-type: none"> <li>▪ Facility funded by EIB, signed in 2016 with financial covenants (holiday agreed until Jun-21)</li> <li>▪ 3 different tranches, amortizing repayment, with final maturity b/w 2031 and 2035</li> </ul>
<p><b>BNL Loan</b>  <b>€200m</b></p>	<ul style="list-style-type: none"> <li>▪ Facility signed in May 2020, with Leverage covenant starting from Dec-21</li> <li>▪ Bullet repayment in May 2024</li> </ul>
<p><b>Bank Pool Loan</b>  <b>guaranteed by SACE</b>  <b>€200m</b></p>	<ul style="list-style-type: none"> <li>▪ €200m credit facility <b>guaranteed by state-owned SACE S.p.A.</b>, signed in 2020 to support liquidity needs linked to the COVID-19 pandemic emergency.</li> <li>▪ Amortizing repayment starting from June 2022 and final maturity in June 2023</li> </ul>

(1) Please see:

# Current ratings and agencies comments

	Rating / notching	Outlook	Recent comments (Jun – Aug 2020)				
	<b>Baa3</b>	<i>Negative</i>	<ul style="list-style-type: none"> <li>▪ <b>ADR's standalone credit profile was very strong for a Baa3 rating level, prior to the coronavirus outbreak</b></li> <li>▪ <b>the strong financial and liquidity position of the company should allow it to withstand the negative effects of the pandemic</b></li> <li>▪ <b>(4) transparent framework which should allow the company to recover current losses over the long term;[...] and (6) exposure to Alitalia, which is expected to be supported by a strong financial package of €3bn</b></li> </ul>				
<table border="1"> <tr> <td>Atlantia (Ba2)</td> <td>+2</td> </tr> <tr> <td>Republic of Italy (Baa3)</td> <td>0</td> </tr> </table>	Atlantia (Ba2)	+2	Republic of Italy (Baa3)	0			
Atlantia (Ba2)	+2						
Republic of Italy (Baa3)	0						
	<b>BB+ (SACP a-)</b>	<i>Credit Watch Developing</i>	<ul style="list-style-type: none"> <li>▪ <b>the 'a-' stand-alone credit profile (SACP) reflecting its relatively strong balance sheet and its strong competitive position as Italy's largest airport operator</b></li> <li>▪ <b>The regulatory framework allows for compensation due to traffic declines</b></li> </ul>				
<table border="1"> <tr> <td>Atlantia (BB-)</td> <td>+2 (+6)</td> </tr> <tr> <td>Republic of Italy (BBB)</td> <td>-2 (+2)</td> </tr> </table>	Atlantia (BB-)	+2 (+6)	Republic of Italy (BBB)	-2 (+2)			
Atlantia (BB-)	+2 (+6)						
Republic of Italy (BBB)	-2 (+2)						
	<b>BBB-</b>	<i>Rating Watch Evolving</i>	<ul style="list-style-type: none"> <li>▪ <b>Furthermore, in our view, [...], Atlantia would prefer disposing of non-core assets or, in an extreme scenario, selling a minority stake in ADR rather than materially re-leveraging the asset</b></li> </ul>				
<table border="1"> <tr> <td>Atlantia (BB+)</td> <td>+1</td> </tr> <tr> <td>Republic of Italy (BBB)</td> <td>-1</td> </tr> </table>	Atlantia (BB+)	+1	Republic of Italy (BBB)	-1			
Atlantia (BB+)	+1						
Republic of Italy (BBB)	-1						

# (De-)linkages with Atlantia: considerations about insulation



Protections related to financial agreements

No business dependence

No financial dependence or linkage

Protections related to concession agreement

**LATEST DEVELOPMENTS**

Restrictions on dividend distribution and cash upstream





## **4. Sustainable Growth & Inaugural Green Framework**



# ADR's sustainable mission statement



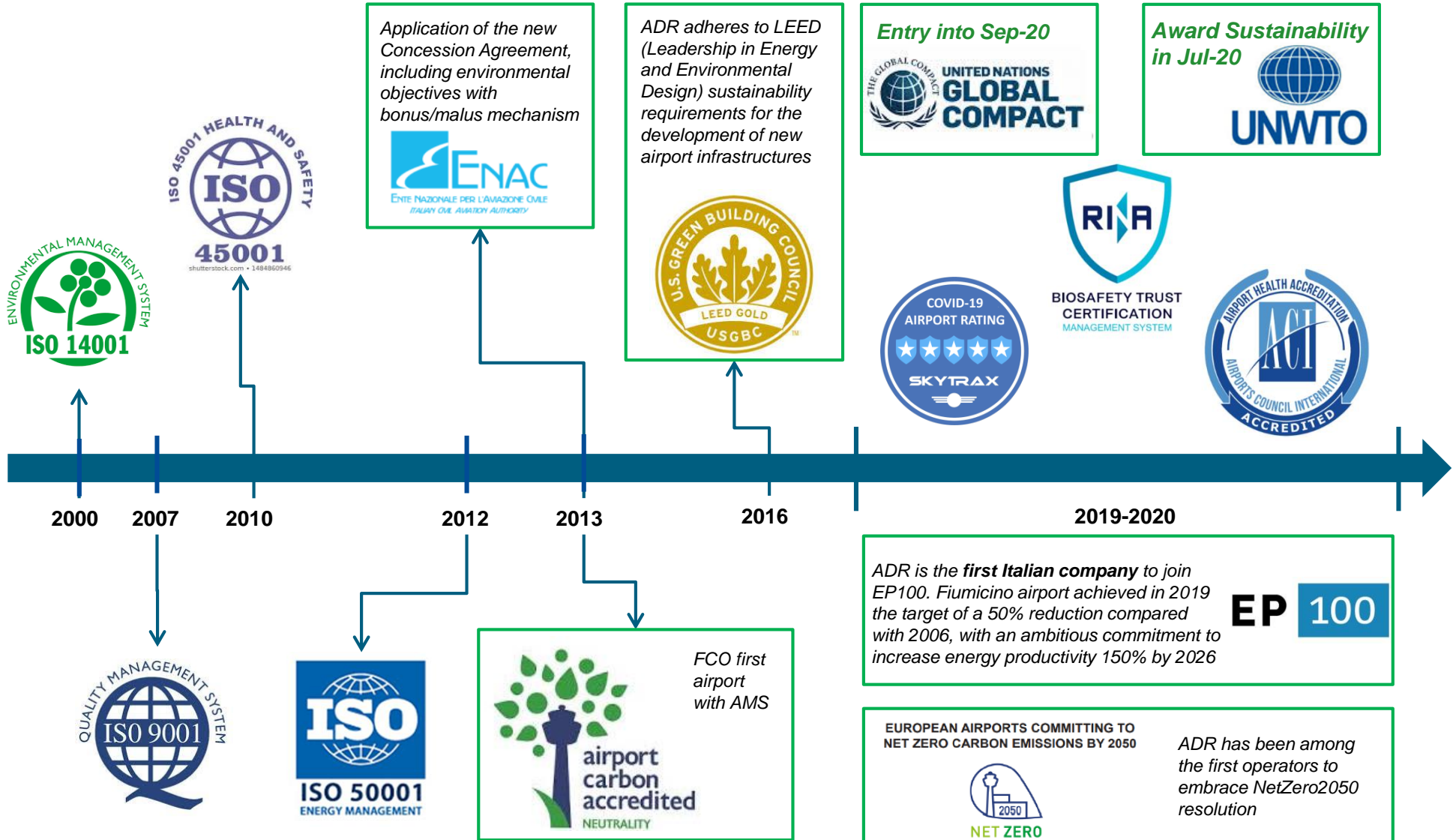
**Marco Troncone**  
CEO

- ADR regards sustainability as a strategic priority – a key element that is essentially integrated into the business model to create economic, social and environmental value
- We strive to reduce our environmental footprint while continuing to do what we do best: providing to our customers a seamless travel experience with the lowest possible environmental impact
- At ADR, we embrace sustainability as a key driver of our daily activities. We are a core enabler of high social and economic growth in Italy and we do it in the most sustainable way
- We lead by example – our pledges towards sustainability include:
  - reaching net carbon neutrality by 2030
  - waste reduction of 10% (per pax) within 2030
- To reach these goals we have incorporated ESG principles in our corporate mission which embrace every aspect of our business

# ADR's route to sustainability



# ADR's activities and key facts





# ADR's environmental agenda



*Through energy-efficiency measures, electricity consumption has been reduced by 40% since 2012*

*We are in the process of implementing additional renewable energy solutions as well as looking to new technologies like biofuels to reduce the CO2 emissions of the airports and airlines*



*ADR promotes a “vertical” development of the airport, without new land consumption, adopting the eco-sustainable criteria provided by the LEED Standard*






*ADR works closely with the local authorities, constantly cooperating with them on environmental and mobility issues (e.g. reconfiguration of road networks, social projects and corporate volunteering, building of cycle-ways, redevelopment of areas of interest)*







*ADR has acquired and progressively improved monitoring and management tools (e.g. composting plant for organic waste and plastic bottle compactors) aimed at reducing the amount of waste produced and developing separate collection system*



# Delivering on our priorities (I/II)

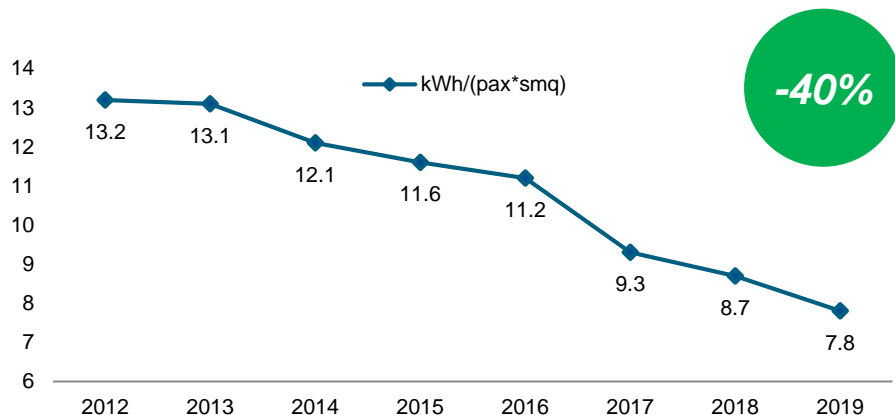
Objective	Actions	SDG goals
<b>Green Buildings</b>	<p>ADR promotes a “vertical” development of the airport, without expanding on the surrounding land, and adopts the eco-sustainable criteria provided by the LEED Standard</p> <p>ADR has already obtained a GOLD level LEED certification for the General Aviation of Ciampino Airport</p>	 
<b>Energy efficiency</b>	<p>ADR is committed to maximize energy efficiency. By investing in hundreds of efficiency and management-optimization projects, the specific consumption has decreased by 50% since 2006 (ISO 50001 certified since 2012)</p> <p>ADR is reducing greenhouse gas emissions and accelerating a clean economy, with the ambitious commitment to increase energy productivity by 150% by 2026 – within the EP100 commitment</p>	

# Delivering on our priorities (II/II)

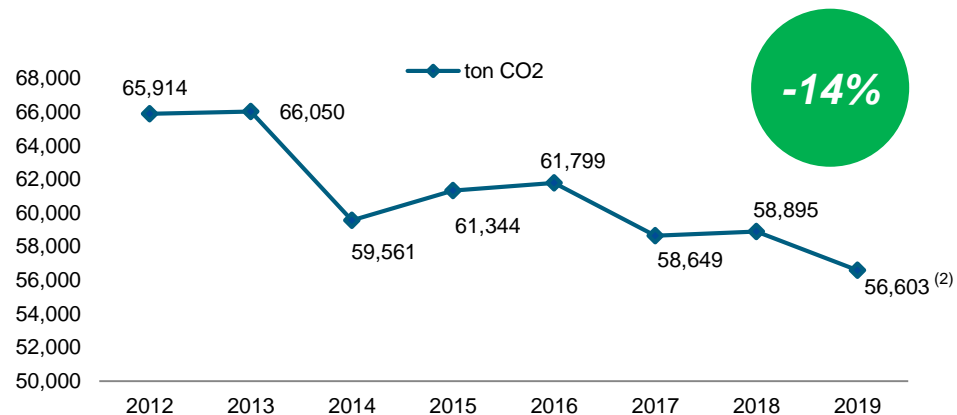
Objective	Actions	SDG goals
<p><b>Waste Recovery</b></p>	<p>In order to increase the quality and quantity of the recyclable waste collected while minimizing the production of mixed and unsorted waste, ADR has developed a door to door waste collection's system – based on:</p> <ul style="list-style-type: none"> <li>▪ Planning different fares according to different waste categories</li> <li>▪ Discouraging mixed and unsorted waste production by fixing higher fees for this specific categories of waste</li> <li>▪ Providing a free waste-management service for properly collected and recyclable waste (plastic, glass, paper)</li> <li>▪ Carrying out specific spot inspections and rejecting improperly collected waste</li> </ul>	 
<p><b>Circular Economy &amp; Waste reduction</b></p>	<p>As ADR has already reached high levels of recycled waste (98% in 2019), the biggest efforts are now on waste reduction and airport circular economy processes:</p> <ul style="list-style-type: none"> <li>▪ ADR has developed a composting plant. It manages and treats organic waste on-site, reducing the total waste production, avoiding transport and disposal costs and reducing CO2-related emissions</li> <li>▪ ADR has introduced plastic bottle compactors in the preparation areas of the security checks</li> <li>▪ ADR organizes periodic meetings with food operators in order to discuss topics related to waste (waste reduction, discouraging mixed and unsorted waste production, the reduction of disposable plastic)</li> </ul>	 

# ADR most relevant results<sup>(1)</sup>

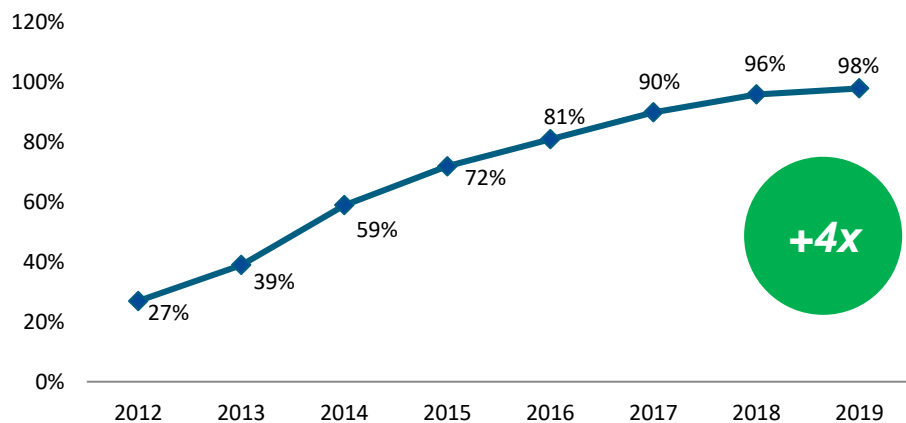
## Electrical energy consumption per sqm per pax



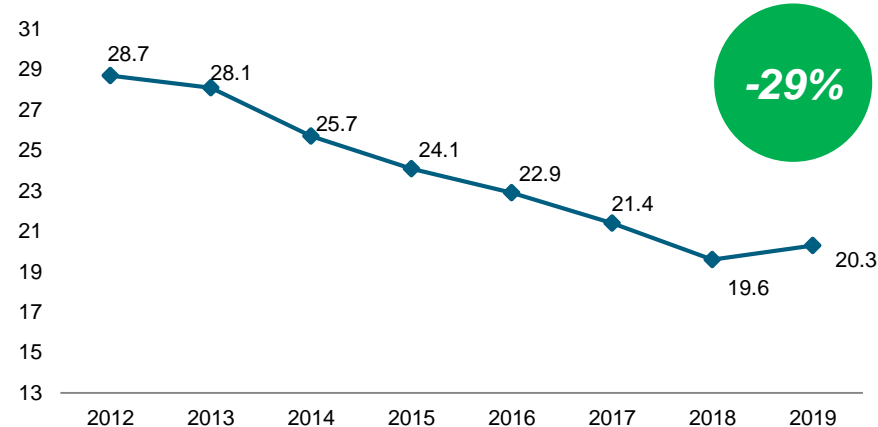
## Tons of CO2 emissions (scope 1 and 2)



## Total recycled waste (%)








## Litre/Passenger Drinking Water Consumption



(1): figures related to Fiumicino airport; (2) 2019 figures not certified yet

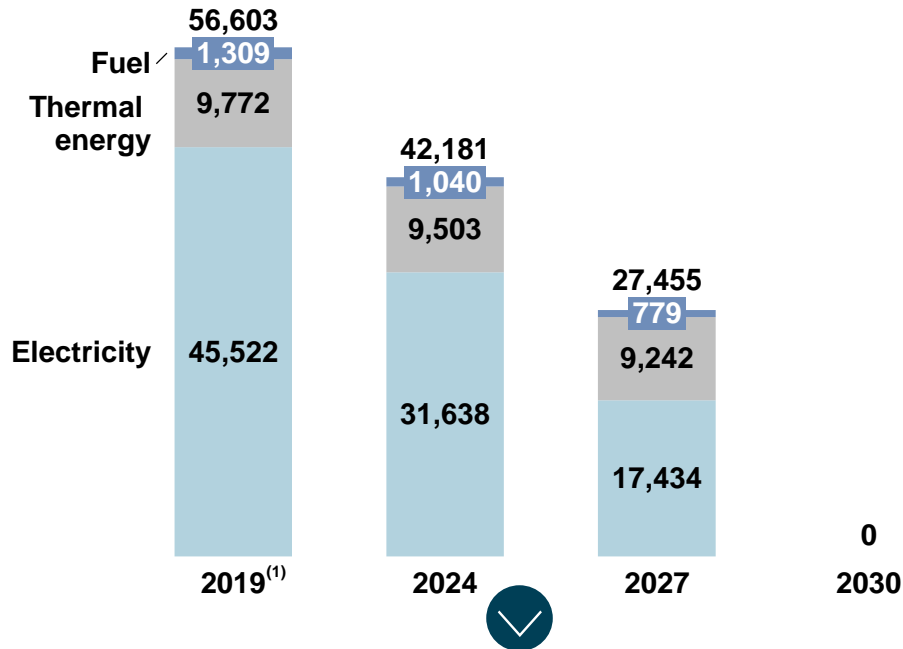
# Sustainable airport roadmap towards 2030 objectives

Objective	Actions	SDGs
<p><b>Zero emissions airports 2030</b></p>	<p>ADR has been among the first operators to embrace NetZero2050 resolution Now ADR is committed to achieve net zero airports carbon emissions by 2030 leveraging on the following activities and projects:</p> <ul style="list-style-type: none"> <li>i) <b>Renewable Energies:</b> realization a multi MW photovoltaic power plant</li> <li>ii) <b>Clean Transportation and infrastructure for low carbon transport:</b> installation of hundreds of electric vehicles' recharging stations, with V2G technology; increase of smart and clean mobility to and from the airport – to be reached by investing in electric recharging stations with clean energy availability and facilitating electric car-sharing</li> <li>iii) <b>Green Buildings:</b> with the aim of pursuing a “brownfield” development, the infrastructure plan relies on new, existing or refurbished buildings that have received at least one of the following criteria: LEED Gold, BREEAM Very Good, EPBD A</li> <li>iv) <b>Energies efficiency technologies</b></li> <li>v) <b>Other Initiatives:</b> contributing to sustainable aviation fuel, making biofuel available at the airport distribution centre</li> </ul>	  
<p><b>Waste reduction of 10% (per pax) by 2030</b></p>	<p>ADR has already reached very ambitious levels of recycled waste (98% in 2019). ADR's efforts are now focused on reaching the zero-waste configuration airport:</p> <ul style="list-style-type: none"> <li>i) the composting plant for organic waste will be brought up to be fully operational (2.5 tons of organic waste per day)</li> <li>ii) special equipment for compacting PET bottles will be installed</li> <li>iii) periodic meetings with tenants (food and retail) will be intensified in order to promote strategies for waste and plastic reduction (e.g. packaging reduction, disposable plastic use reduction, etc.)</li> <li>iv) Sludge de-hydration processes will be implemented</li> </ul>	 

# ADR's objectives

## CO<sub>2</sub> reduction (tons/year; scope 1&2)

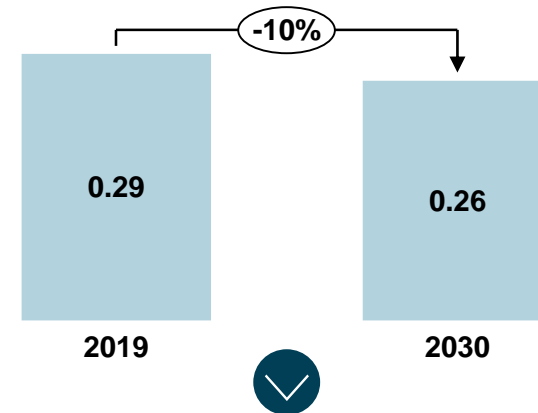
Towards net zero emissions



- Renewable energy installation (50-60MW PV)
- Shift from thermal to biogas and electric heating from 2025
- Electric vehicle (EV) fleet by 2028
- Phase out co-generation plant by 2029
- Purchase of green energy

## Waste reduction per pax (kg/pax)

Reduction of 10% by 2030



- Fully utilization of the composting plan
- Installing special equipment for compacting PET bottles
- Sludge dehydration processes

(1): 2019 figures not yet certified

# Initiatives towards sustainable aviation sector







Initiative	Description
<b>SESAR programme</b>	<ul style="list-style-type: none"><li>▪ Optimisation of flight routes, procedures as well as taxing time</li><li>▪ ADR successfully implemented the Airport Collaborative Decision Making (A-CDM), an operational procedure which aims to improve air traffic management through better sharing of information amongst all stakeholders. Thanks to the introduction of this new procedure, airlines have been able to save an average of 90 seconds of taxing time (-10%), which resulted in a CO2 savings for ca. 11,800 tons (on an annual basis - 2018 figures)</li><li>▪ ADR participates in the SESAR programme (Single European Sky Air Traffic Management Research), which contributes to the targets of the Single European Sky (SES) initiative to reduce the environmental impact of flying through better use of airspace and a sky decarbonisation programme</li></ul>
<b>Sustainable Aviation Fuel</b>	<ul style="list-style-type: none"><li>▪ In 2020 ADR has won an H2020 European funded project with CPH airport, IATA, DLR<sup>(1)</sup> and other research centres. In the next 4 years ALIGHT project will design the airport of the future with Zero CO2 emissions, defining how sustainable aviation fuel will be integrated into logistic chain and airport infrastructure</li></ul>
<b>Greener airplanes</b>	<ul style="list-style-type: none"><li>▪ Encouraging usage of greener airplanes by dedicated airport levies</li></ul>
<b>Accessibility to airport</b>	<ul style="list-style-type: none"><li>▪ Promote rail access to Fiumicino airport in partnership with the national rail operator</li><li>▪ Increase of smart and clean mobility to and from the airport by investing in electric charging stations with clean energy availability and facilitating electric car sharing</li></ul>

(1): Deutsches Zentrum für Luft- und Raumfahrt or "DLR" is the Federal Republic of Germany's research centre for aeronautics and space



# Overview of ADR's Green Financing Framework: project categories (I/II)

## Use of Proceeds

	Green Buildings	Renewable Energy	Pollution prevention & Control	Clean Transportation and infrastructure for low carbon transport
Eligible Green Projects	<ul style="list-style-type: none"> <li>Realization of new projects like airport terminals, offices and retail buildings which have - received at least one of the following criteria: the LEED<sup>(1)</sup> Gold, BREEAM<sup>(2)</sup> Very Good, EPBD<sup>(3)</sup> A</li> <li>Retrofit, upgrade or renovation of airport terminals, offices and buildings</li> <li>Energy efficiency measures, such as LED lighting and building insulation</li> <li>Investments in water consumption reduction</li> </ul>	<ul style="list-style-type: none"> <li>Installation of renewable power generation units (photovoltaic and wind)</li> </ul>	<ul style="list-style-type: none"> <li>Project for the improvement of waste recycling, waste minimization and for the increase of the energy/emission efficiency of waste management activities</li> </ul>	<ul style="list-style-type: none"> <li>Investments on Electric transportation (such as buses, cars, trains) and related charging infrastructure</li> <li>Fixed electrical ground power and pre-conditioned air units</li> <li>Zero emission equipment for remote handling and electric taxiing</li> <li>Cycleways</li> </ul>
Contribution to UN SDGs	 	 		 
EU Taxonomy Environmental Objectives	<ul style="list-style-type: none"> <li><b>Environmental Objective:</b> Climate Change Mitigation</li> <li><b>Substantial contribution to Climate Change mitigation:</b> improving energy efficiency in all sectors</li> <li><b>Selected economic activity:</b> Construction of new buildings and renovation of existing buildings</li> </ul>	<ul style="list-style-type: none"> <li><b>Environmental Objective:</b> Climate Change Mitigation</li> <li><b>Substantial contribution to Climate Change mitigation:</b> Reduction of CO2 emissions</li> <li><b>Selected economic activity:</b> Production of renewable energy</li> </ul>	<ul style="list-style-type: none"> <li><b>Environmental Objective:</b> Climate Change Mitigation</li> <li><b>Substantial contribution to Climate Change mitigation:</b> Reduce of waste sent to landfill</li> <li><b>Selected economic activity:</b> Increase terminal waste recycling</li> </ul>	<ul style="list-style-type: none"> <li><b>Environmental Objective:</b> Climate Change Mitigation</li> <li><b>Substantial contribution to Climate Change mitigation:</b> Increasing clean or climate and neutral mobility</li> <li><b>Selected economic activity:</b> Incentivization of clean and climate-neutral mobility and related infrastructure</li> </ul>

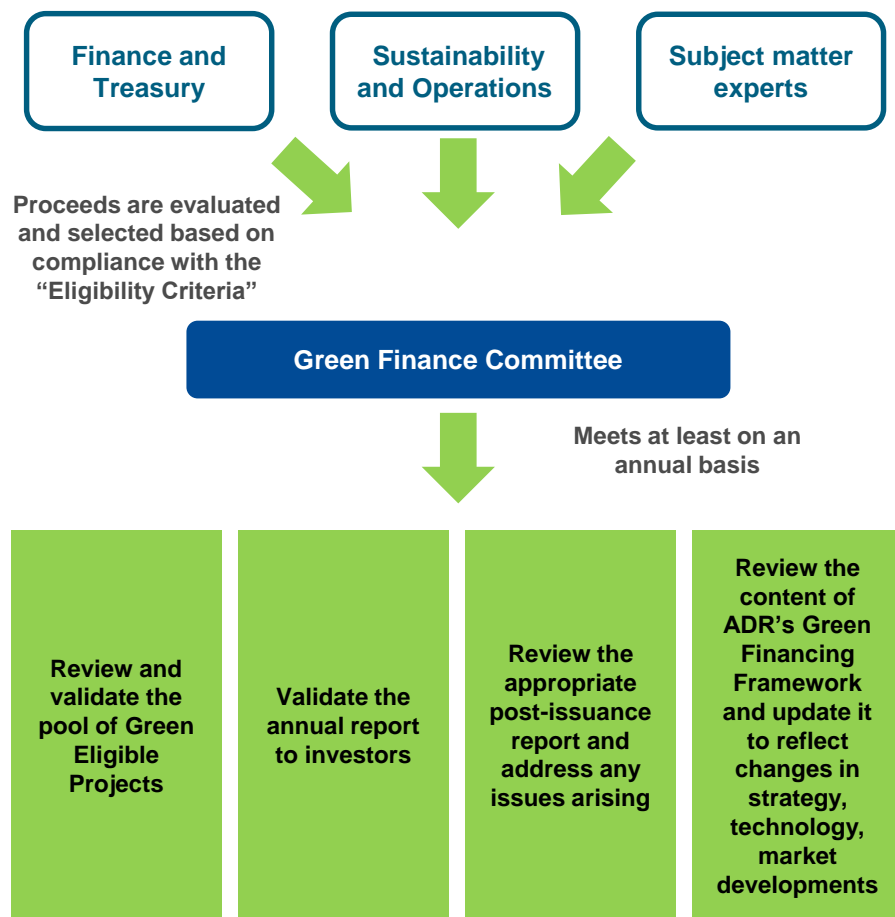
(1) LEED Leadership in Energy and Environmental Design

(2) BREEAM Building Research Establishment Environmental Assessment Method

(3) EPBD is the Energy Performance of Buildings Directive

# Overview of ADR's Green Financing Framework (II/II)

## Process for Project Evaluation and Selection



## Management of Proceeds

- ADR intends to deposit any net proceeds from each Green Debt in the ADR's general account, with an amount equal to the net proceeds to be earmarked for allocation to the Eligible Green Projects, as selected according to this Green Financing Framework and its internal procedures
- The net proceeds arising from a Green Debt will be invested in Eligible Green Projects possibly within 24 months from the date of incurrence of the Green Debt
- Pending the full allocation to Green Projects, ADR will hold the balance of unallocated proceeds in the form of cash or cash equivalent investment instruments or other liquid treasury instruments, such as bank deposits and/or money market funds in line with ADR's treasury management policy
- In case of asset divestment or discontinuation of an Eligible Green Project, ADR will use the net proceeds to finance new Eligible Green Projects as soon as practicable once an appropriate substitution option complying with then Green Financing Framework has been identified

## Reporting

### Allocation Reporting

- Breakdown of proceeds by project category
- Breakdown of proceeds by EU Environmental Objective6 being pursued
- The share of proceeds being deployed for financing and refinancing
- Where applicable, the balance of unallocated proceeds and how these proceeds are being held

### Impact Reporting

- Data on Environmental KPI's relevant to that project category, including relevant methodology and assumptions applied (see appendix for more information)
- Case studies of specific, demonstrative, Eligible Green Projects

The reports will be verified by ADR's auditor

# Examples of eligible projects

**Pier E &  
Extension T3  
(completed)**



**General Aviation  
Ciampino  
LEED GOLD  
LABEL  
(completed)**



**Pier A  
LEED GOLD  
LABEL  
(in progress ≈80%)**



**Airport  
Composting  
Plant  
(completed)**



**Airport Nursery  
School  
LEED GOLD  
LABEL  
(completed)**



**Photovoltaic  
Plant**



# External review

## DNV GL

### SPO



On the basis of the information provided by ADR and the work undertaken, it is DNV GL's opinion that the **BOND meets the criteria established in the Protocol and that it is aligned with the stated definition of "Green Bonds" within the GBP**

#### DESCRIPTION OF NOMINATED ASSETS TO BE FINANCED AND REFINANCED THROUGH ADR GREEN BOND

Eligible Project Category	Project	ADR Net Exposure (mEuro)
Renewable Energy	Solar PV Projects	
Green Buildings	Energy efficient buildings, terminals and building upgrades	
Pollution Prevention and Control	Wastewater management, solid waste reduction, recycling and compost projects, boiler efficiency	
Clean Transportation and infrastructure for low carbon transport	Cycleways	
<b>Total</b>		<b>431.5</b>

## S&P Global Ratings

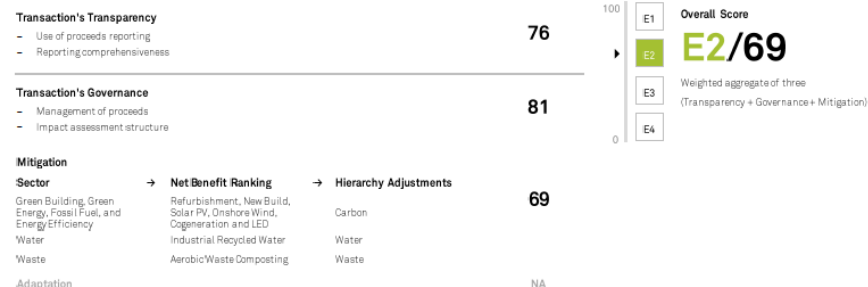
### Green Evaluation



#### Scoring Summary:

This transaction achieves an overall score of 69 out of 100, equivalent to a Green Evaluation score of E2, the second-highest score on our scale of E1 (highest) to E4 (lowest). We determined the E2/69 score by taking the weighted aggregate of the projects' solid Transparency (76) and very strong Governance (81) scores, as well as their favorable environment impact and resultant above average Mitigation score (69). Our view of the projects' favorably environmental impact and their relatively high position in our carbon hierarchy also contribute to the overall score

#### Green Evaluation Overview



## **5. Transaction overview and rationale**



# Rationale for issuing green bond

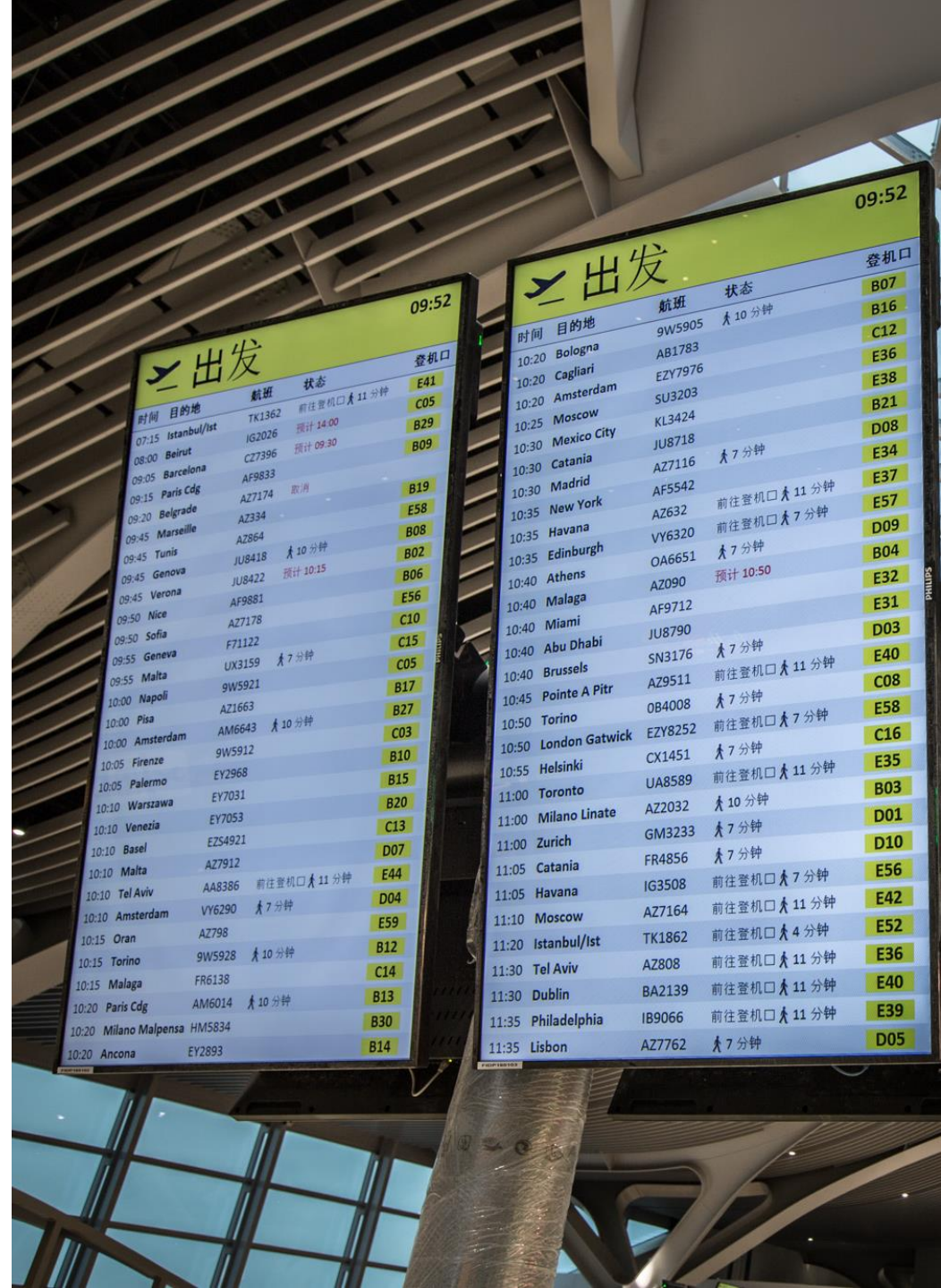
- First step in aligning the funding strategy with ADR's overall mission, goals and sustainability targets
- Ensuring that the proceeds from our investor base and their clients are directed towards projects that will materially contribute to our transition to a low-carbon economy
- Contribute to the development of the global Green Debt Capital Markets, by highlighting the need for (also) the airport sector to increase the efforts to achieve a low-carbon economy as well as the further development of UN SDGs



# Indicative terms & conditions

<b>Issuer</b>	Aeroporti di Roma S.p.A.
<b>Issuer rating</b>	Baa3 Neg (Moody's) / BB+ Dev. (S&P) / BBB- watch evolving (Fitch)
<b>Format</b>	Senior Unsecured Notes, Reg S, Bearer
<b>Expected issue rating</b>	Baa3 (Moody's) / BB+ (S&P) / BBB- (Fitch)
<b>Maturity</b>	Long-8yrs (Feb-29)
<b>Size</b>	€300m (no-grow)
<b>Coupon</b>	Fixed, Annual
<b>Denomination</b>	Eur 100k +1k
<b>Documentation</b>	EMTN Programme dated 21 October 2020 and supplemented on 20 November 2020
<b>Put options</b>	<ul style="list-style-type: none"> <li>• Relevant Event Redemption               <ul style="list-style-type: none"> <li>• if a Concession Event occur, and</li> <li>• if Concession represents more than 40% of Consolidated Revenues, and</li> <li>• the Concession Events results in a Rating downgrade</li> </ul> </li> </ul>
<b>Call options</b>	Clean-Up Call / Make Whole
<b>Listing</b>	Euronext Dublin
<b>Governing law</b>	English Law
<b>Green Structuring Advisors</b>	Mediobanca, UniCredit
<b>Joint Bookrunners</b>	Barclays, IMI-Intesa Sanpaolo, Mediobanca, Natixis, UniCredit
<b>Use of proceeds</b>	The net proceeds will be used to finance or refinance the eligible green projects in line with ADR's Green Financing Framework

# 6. Appendix



# ADR's contribution to UN Sustainable Development Goals

ADR intends to pursue a **sustainable growth process on a local scale**, contributing to achieve part of the 17 development objectives defined by the United Nations by defining an **annual Environmental Plan that encompasses projects and initiatives** that reflect the three aspects of "Sustainability": environmental, social and economic

## THE PROJECTS OF THE 2019 SUSTAINABILITY PLAN

### ENVIRONMENT AND SUSTAINABILITY

#### Initiatives

-   Composting plant for organic waste produced in the airport terminals
-   Installation of plastic bottle compactors in the preparation areas of the terminals
-   Gradual elimination of the non-separated waste for Food & Beverage sub-concessionaires
-   Monitoring, mapping and introduction of compostable disposable material at Food & Beverage sub-concessionaires
-   Start of separate waste collection in the multi-level car parks serving the terminals
-   Regular meetings to review data on separate waste collection and to raise the awareness of the sub-concessionaires operating in the airport terminals
-  Maintenance of ACA (Airport Carbon Accreditation) certification
-  Refurbishing of drinking water signage in the terminals
-   Upgrading of various sections of the airport's organic treatment plant
-   Remediation and renovation of some rainwater drainage channels
-   Construction of new mechanical filtration systems for the organic treatment plant effluent
-  Enhancement of the water consumption monitoring system
-   Installation of new electrical and thermal energy meters and upgrading and modernisation of electrical substations
-  Continuation of checks on the environmental behaviour of third parties that operate on airport grounds








### COMMUNITY AND EMPLOYEES

#### Initiatives

-  Development of the round table with the Municipality of Fiumicino
-   Design of bicycle path
-   Design of the new kindergarten
-   Acoustic restoration work at the "Pirzio Biroli" school of Ciampino
-  Support for upgrading the road network in the municipality of Fiumicino: start of work on the Umberto Nobile roundabout
-   Start of collaboration with the Banco Alimentare (Food Bank) to recover unsold food (Last Minute Food)
-   New Fire Brigade training area
-   Collaboration with AVIS and ADR First Aid for blood donation days
-   Green Family Day for employees' children
-  Collection of plastic bottle caps to support training projects of a non-profit organisation composed of volunteers and ten young people with intellectual disabilities
-   Summer camp for employees' children
-  Renovation of the departure hall of Terminal 3






### COMMUNITY AND EMPLOYEES

#### Initiatives

-  Expansion of the Wi-Fi coverage to pedestrian walkways and part of multi-level car parks
-   Enhancement of e-gates for border control, and of family lanes at security checks
-  Introduction of Dynamic Signage Portals
-   Increased number of seats in the Ciampino boarding areas
-  Smart docking station: aircraft parking guidance system

### INFRASTRUCTURE DEVELOPMENT

#### Initiatives

-  Design and construction of LEED certified infrastructure
-   Construction of a new check-in island at Fiumicino Terminal 1
-   Upgrade work on aprons 100 and 200 at the Ciampino site





# Multiple awards winning airport

## Best Airport in Europe (>40m Pax per year)



**Airport Service Quality is an international customer satisfaction survey, conducted by ACI (Airports Council International)**

A standardized questionnaire is distributed to passengers, at the gate, prior to boarding. The survey is carried out in more than 350 airports worldwide. Passengers have the opportunity to rate the services received at the airport and express in particular their overall satisfaction. In years 2017, 2018, and 2019 Rome-Fiumicino airport has been rated by passengers as the best airport for customer experience within the European airports receiving more than 40 million passengers per year

## Best Airport award (>25m Pax per year)



The Best Airport Award is delivered by ACI Europe (Airports Council International Europe) to airports that have achieved excellence across a whole range of disciplines. In 2020, for the third consecutive year, Leonardo da Vinci won the "Best Airport Award", this time in the "airports with more than 40 million passengers" category. The result is even more exceptional since for the first time in the history of ACI surveys the primacy is attributed exclusively to the same airport for three consecutive years

The last award was about how airports are facing the pandemic, and went to Aeroporti di Roma S.p.a. in recognition of its comprehensive health and safety measures to restore passenger confidence, and its strong stakeholder and community engagement. Aeroporti di Roma's leadership in managing the COVID-19 crisis was underlined by the judges, in particular the drive-in antigen test centre at Rome Fiumicino Airport and the use of new technologies

## SKYTRAX – 5 stars award, 4 stars award and world's most improved airport



**Skytrax is a UK based international air transport research organisation, that provides performance ranking and benchmarking across the airline and airport industry**

Rome Fiumicino Airport is the first airport in the world to be Certified with the COVID-19 5-Star Airport Rating, by international air transport rating agency Skytrax. The COVID-19 audit by Skytrax was conducted over 3 days in September 2020 and is based on a combination of procedural efficiency checks, visual observation analysis and ATP sampling tests, with the consistency of standards being a key determinant in the final rating applied

After 2 audits on site in years 2017 and 2019, Rome Fiumicino airport has been granted 4 stars by Skytrax, a certificate of excellence that crowns our commitment to guarantee to our passengers the best experience possible. Moreover under a customer survey conducted by Skytrax, after an outstanding increase on scores given by customers to our airport in 2018, Rome-Fiumicino airport has won the "World's Most Improved Airport" award

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