Atlantia

Press Release

ATLANTIA, BOARD APPROVES INTEGRATED ANNUAL REPORT FOR 2021

- 2021 was a year of radical transformation for Atlantia, marked by strategic decisions and a major review of the Group's businesses and medium- to long-term objectives. This process has laid the foundations for the birth of a new Atlantia in terms of our values, approach to doing business and our organisation, as set out in the growth strategy presented in June 2021
- An Investor Day will be held at 10.00am today, during which the results for 2021 and future guidance through to 2024 will be presented.
- 2021 ended with EBITDA of €4bn, up €1bn (31%) compared with 2020 thanks above all to positive performance of motorway traffic (up 21%). Net financial debt of €30bn as at 31 December 2021 is down €3.8bn (11%) versus the end of 2020.
- Board to propose payment of a dividend of €0.74 per share at Annual General Meeting (AGM) of shareholders.
- Climate change – The Group's Climate Action Plan ("CAP"), which aims to get to net zero for direct C02 emissions by 2040, will be put to a non-binding vote at the AGM, with shareholders to be periodically consulted on the CAP from now on.
- We-economy – Adoption of a share incentive scheme to be proposed to the AGM, with the aim of encouraging employees to hold shares in the Company on a formalised, long-term basis, in recognition of their leading role in driving performance, giving them a stake in the value creation process and strengthening their sense of belonging.

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Highlights for 2021[1]

Operating and financial performance beats expectations

- Motorway traffic up 21%, with recovery in all countries (down 4% vs 2019)
- Airport traffic up 28% (down 68% vs 2019)
- Revenue €6.4bn (up 22% vs 2020)
- EBITDA €4bn (up 31% vs 2020)
- Consolidated loss of €0.5bn following impairment losses of €0.8bn. Profit attributable to the owners of the parent group of €0.6 billion, including the result of the Autostrade per l'Italia group of €0.9 billion
- Operating cash flow (FFO) €2.9bn (up 65% vs 2020)
- Capital expenditure €1bn (up 14% vs 2020)
- Net financial debt €30bn (down €3.8bn vs 2020)
- Atlantia SpA: net profit of €1.2bn primarily reflects gain on sale of 49% stake in Telepass for over €1bn. Net financial debt of €2.6bn (down €1.8bn vs 2020)
- Dividend restored: proposed dividend of €0.74 per share, with payment on 25 May 2022

ESG performance progressing across all areas of commitment

- Positive social and environmental performance from the Group, with progress in line with the targets set for 2023
- Planet - direct C02 emissions down 14% (down 24% vs 2019), in line with the goal of achieving net zero by 2040 set in the Climate Action Plan (CAP) for all Group companies
- People – Group employs a growing number of women who now account for 39% (up 1%) of total workforce of 20 thousand and 29% of management (up 2%); training is up 40% per capita with over 600 thousand hours provided (an average of 30 hours per employee)
- Wealth creation – Economic value created for the benefit of stakeholders up 19% to €7.4bn, in line with the performance of the total return for shareholders (TSR of 18.6% in 2021)

Annual General Meeting ("AGM")

- The AGM to approve financial statements for 2021 and distribution of profit for the year called for 29 April 2022
- The AGM will also be requested to deliberate on: the election of Atlantia's Board of Directors, following determination of the number of members, and the Chair; Directors' remuneration; the Remuneration policy; the Share Incentive Scheme 2022-2027; and the Climate Action Plan.

[1] After stripping out the contribution from the Autostrade per l'Italia group (the "ASPI group"), following signature of the agreement for the group's sale.

Rome, 11 March 2022 – Today's meeting of the Board of Directors of Atlantia SpA, chaired by Fabio Cerchiai, has examined and approved Atlantia's Integrated Annual Report for 2021, which includes the separate and consolidated financial statements and the consolidated non-financial report for 2021. The documents will be published within the deadline established by the relevant statutory requirements, together with the Board of Statutory Auditors' opinion and the results of the audit currently in progress.

Outlook for 2022

Based on the traffic figures for the first two months of 2022 (motorway traffic is up 2% and airport traffic is down 56% compared with the figures for 2019, as the latter continues to be hit by the impact of the Covid-19 pandemic), and assuming that no further major restrictions on movement are introduced later in the year, we expect motorway traffic to grow by approximately 4% and airport traffic to fall by approximately 40%, again compared with 2019.

In addition, it should be noted that it is not currently possible to predict the direct and indirect effects on the wider economy of the conflict that broke out in Ukraine at the end of February 2022, or the implications for traffic volumes.

We expect the Group's revenue for 2022 to be in the order of €6.6bn and EBITDA to amount to approximately €4.1bn, with an improvement on the results for 2021. EBITDA for 2021 benefitted from both the compensation received by Aeroporti di Roma to cover losses due to Covid-19 (approximately €220m), and the contribution from the Spanish companies, Acesa and Invicat, whose concessions expired in August 2021 (approximately €0.4bn). We expect the Group to generate operating cash flow (FFO) of approximately €2.4bn, capital expenditure to total approximately €1.5bn and net financial debt to be approximately €23bn in December 2022, down from the €30bn of the end of 2021, primarily due to the expected proceeds after completion of the sale of Autostrade per l'Italia. The above estimates should be considered as forecasts of a purely indicative nature and based on the above assumptions. These will need to be updated based on future performance and, as such, do not constitute targets for the Group.

Following receipt of clearance from all the relevant authorities, we expect the acquisition of Yunex Traffic from the Siemens group to complete in the second half of 2022.

Implementation of the growth strategy will continue during the year, with investment in core sectors in which the Company is a leader (motorways, airports, mobility digital payments), and in new adjacent areas offering synergies: Intelligent Transport Systems, Electrification/Renewables, Rail and Mobility Hubs.

A capital deployment plan was drawn up in 2021 for the proceeds from completion of the sale of Autostrade per l'Italia SpA. Among other things, this aims to return cash to shareholders through a share buy-back programme worth up to €2bn and a dividend policy targeting annual payout growth of between 3% and 5% from 2022 to 2024.

Implementation of the Company's sustainability roadmap will also continue in 2022, carrying out the planned activities designed to enable us to achieve specific targets by 2023. More wide-ranging actions will also be taken to ensure that we meet our social and environmental goals and ambitions by 2030. These initiatives will include our long-term Climate Action Plan, further impetus for efforts to bridge the gender gap, a stepped-up commitment to occupational safety, the promotion of active citizenship and sharing the value created with employees.

The Company will hold an Investor Day at 10.00am today, during which the results for 2021 and future guidance through to 2024 will be presented to the financial community.

Guidance to 2024

The Group confirms and renews its commitment to sustainable success, embedding sustainability in our business.

In terms of financial outlook for the period 2022-2024, we expect an improvement on the results for 2021 based on projected traffic growth, which we expect to return to pre-Covid levels.

We expect motorway traffic to grow at an average annual rate of 5% compared with 2021 and airport traffic to make strong progress, returning to 2019 levels by 2025.

Based on these projections and assuming a constant scope of consolidation, the Group expects to invest €5.1bn in the period 2022-2024, backed by growth in revenue and EBITDA to €7.7bn and €5.1bn, respectively, in 2024.

In terms of sustainability goals, we confirm the target of reducing direct Co2 emissions by 20% by 2023 compared with 2019 – in line with the goal established in the CAP of getting to net zero by 2040 – and our intention to increase the number of women in middle and senior management and in the governance and oversight bodies of the companies in which we invest.

Financial review for the Atlantia Group

The financial statements for the year ended 31 December 2021 have been prepared on a going concern basis, after an updated assessment of the risk factors and uncertainties previously described in the Integrated Annual Report for the year ended 31 December 2020.

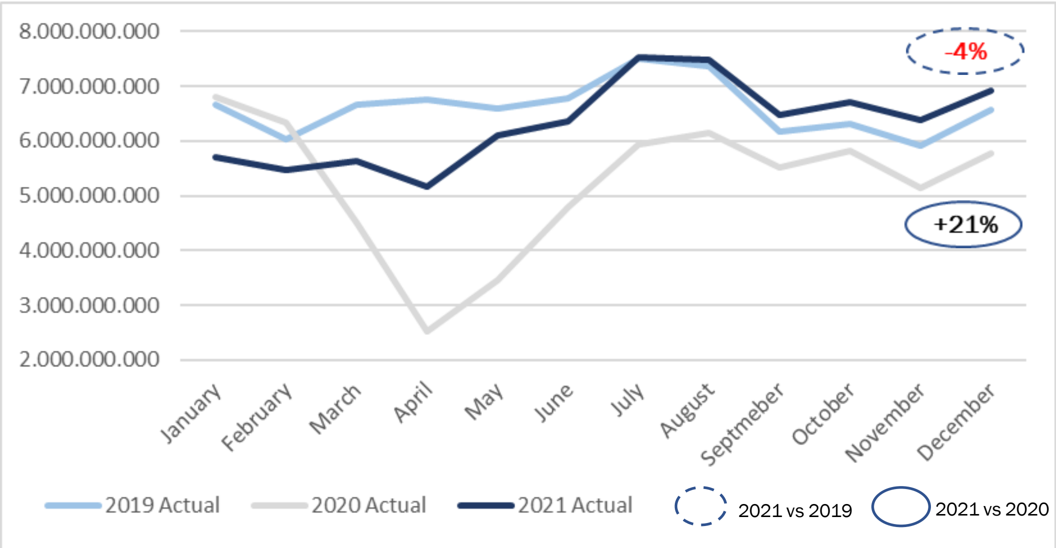
Disclosure on the impact of the Covid-19 pandemic on the Group's results

Since the end of February 2020, the restrictions on movement, imposed by many governments in response to the global spread of the Covid-19 pandemic, have resulted in significant reductions in the volumes of traffic using the motorways and airports operated under concession by the Group. As in 2020, the performance in 2021 was also significantly impacted by ongoing pandemic-related restrictions.

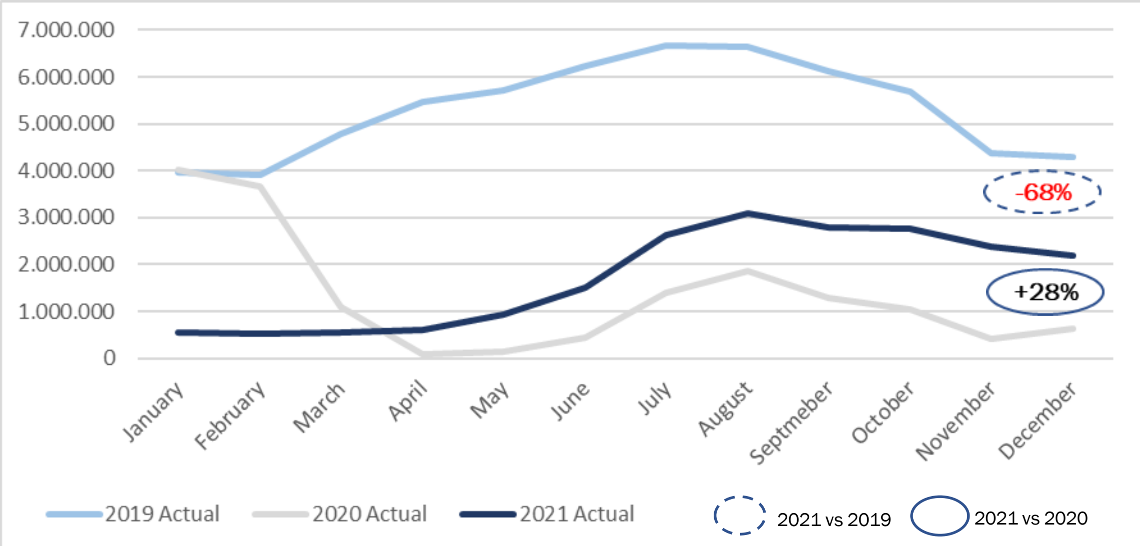
However, as of the summer, 2021 registered an increase in motorway traffic compared to 2020 (up 21%), achieving a full return to 2019 traffic levels (the year before the outbreak of the pandemic) in the latter part of the year.

The airports segment, on the other hand, while showing signs of recovery in the second half of 2021 (with a 28% increase in passengers compared to 2020), still registered significantly reduced volumes compared to 2019 (down 68%).

Motorways segment (excluding the Autostrade per l'Italia group)



Airports segment



Operating performance

Reclassified consolidated income statement

€M	2021	2020 (restated)	INCREASE/DECREASE *absolute*	%
Motorway toll revenue	4,959	4,079	880	22%
Aviation revenue	294	244	50	20%
Other operating revenue	1,138	937	201	21%
Total operating revenue	**6,391**	**5,260**	**1,131**	**22%**
Cost of materials and external services	-1,416	-1,368	-48	4%
Concession fees	-95	-81	-14	17%
Staff costs	-769	-746	-23	3%
Operating change in provisions	-82	7	-89	n/a
Total operating costs	**-2,362**	**-2,188**	**-174**	**8%**
Gross operating profit (EBITDA)	**4,029**	**3,072**	**957**	**31%**
Amortisation, depreciation, impairment losses and reversals of impairment losses	-4,269	-3,499	-770	22%
Operating profit/(loss) (EBIT)	**-240**	**-427**	**187**	**-44%**
Financial expenses, net	-736	-1,127	391	-35%
Share of loss of investees accounted for using the equity method	-42	-16	-26	n/a
Profit/(Loss) before tax (EBT)	**-1,018**	**-1,570**	**552**	**-35%**
Income tax benefits/(expense)	474	390	84	22%
Profit/(Loss) from continuing operations	**-544**	**-1,180**	**636**	**-54%**
Profit/(Loss) from discontinued operations	926	-461	1,387	n/a
Profit/(Loss) for the year	**382**	**-1,641**	**2,023**	**n/a**
Profit/(Loss) for the year attributable to non-controlling interests	-244	-464	220	-47%
Profit/(Loss) attributable to owners of the parent	**626**	**-1,177**	**1,803**	**n/a**

"**Operating revenue**" for 2021 totals €6,391m, an increase of €1,131m (22%) compared with 2020 (€5,260m).

"**Motorway toll revenue**" of €4,959m is up €880m compared with 2020 (€4,079m). The increase primarily reflects the recovery in traffic recorded by the Abertis group's motorway operators (up €607m) and by other overseas motorway operators (up €101m). It should be noted that in 2021 the Abertis group also benefited from changes in the scope of consolidation (up €172m) relating to the contribution for the whole of 2021 of the Mexican group, Red de Carreteras de Occidente, and Elizabeth River Crossings (up €291m), partly offset by the expiry of the concessions of Centrovias in Brazil in June 2020 and Acesa and Invicat in Spain in August 2021 (€119m).

"**Aviation revenue**" of €294m is up €50m (20%) compared with 2020, reflecting increases in passenger traffic at Aeroporti di Roma (22.1%) and Aéroports de la Côte d'Azur (42.8%).

"**Other operating income**", amounting to €1,138m, is up €201m compared with 2020 (21%), primarily reflecting the government grant of €219m paid to Aeroporti di Roma from the "Covid aid fund" for airport operators (Law 178/2020 and Law Decree 73/2021) to compensate for lost passenger traffic between 1 March and 30 June 2020 as a result of the pandemic, of which €110m was collected in March 2022.

"Operating costs" of €2,362m are up €174m compared with 2020 (€2,188m), primarily reflecting the above changes in the scope of consolidation regarding the Abertis group.

"**Concession fees**" totalling €95m are up €81m on 2020, reflecting the increase in traffic at the Group's operators.

"**Staff costs**" of €769m are up €23m compared to 2020, primarily due to changes in the scope of consolidation of the Abertis group.

The "**Operating change in provisions**" in 2021 amounts to a negative €82m, primarily reflecting provisions totalling €77m for risks related to contractual and legal obligations.

"**Gross operating profit**" **(EBITDA)** of €4,029m is up €957m compared with 2020 (€3,072m, up 31%), primarily due to the above improvement in motorway and airport traffic with respect to the comparative period.

"**Amortisation and depreciation, impairment losses and reversals of impairment losses**", totalling €4,269m, is up €770m on 2020 (€3,499m). This primarily reflects:

- impairment losses totalling €1,107m on intangible assets, essentially following impairments tests on intangible assets deriving from the concession rights of the Brazilian operator, Arteris (€723m) and Aéroports de la Côte d'Azur (€384m). In 2020, impairment losses amounted to a total of €520m;
- impairment losses of €134m on the amount due to Aeroporti di Roma from Alitalia SAI in extraordinary administration, following an updated assessment of the probability of collection.

The "**Operating loss**" (**negative EBIT**) amounts to €240m, marking an €187m improvement on negative EBIT of €427m for 2020.

"**Net financial expenses**" of €736m are down €391m compared with 2020 (€1,127m). This primarily reflects:

- a reduction of €265m in fair value losses on derivative financial instruments, primarily regarding Atlantia (€190m) and Azzurra Aeroporti (€46m) following the rise in interest rates during 2021;
- lower expenses incurred by Abertis Infraestructuras following the repurchase of bonds in December 2020 (€56m);
- a reduction in Atlantia's interest expense (€32m) following the repayment of bank borrowings in November 2020 and during 2021 (€71m), after an increase in amortised costs linked to the repayments and higher interest on the bonds issued in February 2021 (€36m).

Compared to 2020, 2021 saw lower impairment losses on financial assets and investments, totalling €193m, and higher net financial expenses relating to the above-mentioned changes in the scope of consolidation, totalling €123m.

The "**Loss before tax**" **(EBT)** amounts to €1,018m in 2021 (€1,570m in 2020), resulting in tax benefits of €474m (€390m in 2020).

The "**Profit from discontinued operations**" in 2021 amounts to €926m (a loss of €461m in 2020) and includes the contribution from the Autostrade per l'Italia group. The change in this item, amounting to €1,387m, essentially reflects extraordinary provisions, recognised in 2020, in relation to the agreement with the Ministry of Infrastructure and Transport designed to bring to an end the dispute over serious breaches resulting from the Polcevera event, and the recovery in motorway traffic on the Autostrade per l'Italia group's motorway network in 2021 (up 23.1%).

"**Profit for the year**" amounts to €382m, compared to a loss of €1,641m in 2020.

Profit attributable to owners of the parent amounts €626m, compared to a loss of €1,177m in 2020.

The loss attributable to non-controlling interests amounts to €244m (a loss of €464m in 2020).

Reclassified consolidated statement of financial position

€M	31 December 2021	31 December 2020 (restated)	INCREASE/ DECREASE
Intangible assets deriving from concession rights	35,127	49,266	-14,139
Goodwill	8,441	12,797	-4,356
Property, plant and equipment and other intangible assets	1,094	1,257	-163
Investments	1,929	2,841	-912
Working capital (net of current provisions)	888	284	604
Provisions and commitments	-2,372	-8,789	6,417
Deferred tax liabilities, net	-4,842	-3,888	-954
Other non-current assets and liabilities, net	-225	-260	35
Non-financial assets and liabilities held for sale	11,308	23	11,285
NET INVESTED CAPITAL	**51,348**	**53,531**	**-2,183**
Equity attributable to owners of the parent	8,140	6,190	1,950
Equity attributable to non-controlling interests	7,930	8,065	-135
Equity	**16,070**	**14,255**	**1,815**
Bond issues	24,318	31,673	-7,355
Medium/long-term borrowings	11,178	18,728	-7,550
Other financial liabilities	1,693	3,283	-1,590
Cash and cash equivalents	-6,053	-8,385	2,332
Other financial assets	-1,653	-2,531	878
Net debt related to assets held for sale	9,154	-8	9,162
Net financial debt	**38,637**	**42,760**	**-4,123**
Financial assets deriving from concession rights	-3,359	-3,484	125
Net debt	**35,278**	**39,276**	**-3,998**
EQUITY AND NET DEBT	**51,348**	**53,531**	**-2,183**

"**Net invested capital**", amounting to €51,348m (€53,53m as at 31 December 2020), is down €2,183m compared to 31 December 2020.

"**Intangible assets deriving from concession rights**" amount to €35,127m as at 31 December 2021, marking a reduction of €14,139m compared to 31 December 2020 (€49,266m), primarily due to:

- reclassification of intangible assets amounting to €12,045m deriving from concession rights of the Autostrade per l'Italia group to "Non-financial assets and liabilities held for sale";
- recognition of amortisation, depreciation and impairments totalling €4,023m;
- investment in completed works amounting to €1,599m.

"**Goodwill**" of €8,441m is down €4,356m compared with 31 December 2020 (€12,797m), primarily due to the above reclassification of the Autostrade per l'Italia group's contribution, amounting to €4,383m.

"**Investments**", amounting to €1,929m, are down €912m compared with 31 December 2020 (€2,841m). This reflects the reduction in the value of the investment in Hochtief, totalling €543m, following the partial sale of 8% and the reduction in the market price of the company's shares in 2021 (down from €79.55 per share as at 31 December 2020 to €71 per share as at 31 December 2021), the sale of A'lienor (€180m), and the reclassification amounting to €105m of the investments held by Autostrade per l'Italia group companies to "Non-financial assets and liabilities held for sale".

"**Working capital (net of current provisions)**" amounts to €888m, marking an increase of €604m compared with 31 December 2020 (€284m). This essentially reflects the reclassification of non-financial assets and liabilities attributable to the Autostrade per l'Italia group to current assets and liabilities held for sale (€600m).

"**Provisions and commitments**" of €2,372m are down €6,417m compared with 31 December 2020. This is primarily due to the reclassification of the Autostrade per l'Italia group's contribution, amounting to €5,884m, to "Non-financial assets and liabilities held for sale".

"**Equity**", amounting to €16,070m (€14,255m as at 31 December 2020), includes total profit for the year of €444m (a loss of €2,819m in 2020).

"**Equity attributable to owners of the parent**", amounting to €8,140m, is up €1,950m compared with 31 December 2020 (€6,190m). This essentially reflects the gain resulting from the sale of a 49% stake in Telepass recognised in equity (€964m), and the increase of €364m deriving from the issue of hybrid bonds by Abertis Infraestructuras Finance, as well as profit for the period attributable to owners of the parent, totalling €631m.

"**Equity attributable to non-controlling interests**", amounting to €7,930m, is down €135m compared with 31 December 2020 (€8,065m).

The Atlantia Group's "**Net financial debt**" amounts to €38,637m as at 31 December 2021, down €4,123m compared with 31 December 2020 (€42,760m). This essentially reflects the proceeds from the sale to Partners Group of the 49% stake in Telepass, totalling €1,045m, Abertis Infraestructuras Finance's issue of Hybrid bonds, totalling €734m, the unwinding of the Funded Collar as part of the repayment of the Collar Financing, with net proceeds amounting to €413m, and operating cash flow for the year (€3,913m), before capital expenditure during the year (€2,092m), totalling €1,821m.

The reduction of €14,905m in bond issues and borrowings is due to the reclassification of the Autostrade per l'Italia group's contribution of €10,200m and the net balance between: (i) repayments amounting to €9,747m, and (ii) new bond issues and borrowings amounting to €4,577m.

The reduction of €1,590m in other financial liabilities is primarily due to the reclassification of Autostrade per l'Italia group balances totalling €773m, as well as the decrease in the fair value of derivative liabilities (€947m), mainly related to the rise in interest rates compared with 31 December 2020.

The reduction of €878m in other financial assets is due to the reclassification of the Autostrade per l'Italia group's contribution of €480m, and Atlantia's unwinding of the Funded Collar derivative, as part of the Collar Financing repayment transaction, amounting to €339m.

After stripping out the Autostrade per l'Italia group's contribution:

- the residual weighted average term to maturity of the Group's debt is five years and eight months as at 31 December 2021 (five years and seven months as at 31 December 2020);
- fixed rate debt represents 76.5% of the total and, after taking into account interest rate hedges, 79.7% of the total;
- the weighted average cost of medium/long-term borrowings 2021, including differentials on hedging instruments, is 3.6%.

As at 31 December 2021, Group companies (after stripping out the Autostrade per l'Italia group), have cash reserves of €12,370m, consisting of:

- €6,053m in cash and/or investments maturing in the short term, including €654m attributable to Atlantia;
- €6,317m in committed lines of credit not drawn on, having an average residual drawdown period of approximately two years and five months.

In 2021, the ratings agencies' assessments of Atlantia were positively affected by the gradual finalisation of the agreement to sell the entire equity investment in Autostrade per l'Italia. In detail: (i) on 4 June, Fitch placed the credit rating on "Rating Watch Positive" (from "Rating Watch Evolving"); (ii) on 22 June, Standard & Poor's upgraded the credit rating by one notch to "BB" outlook "Positive" (from "BB-" outlook "Developing"); (iii) on 22 October, Moody's placed both the credit rating and the outlook "under review for upgrade".

Statement of changes in consolidated net debt

€M			2021	2020 (restated)
Profit/(Loss) for the period			382	-1,641
Adjusted by:				
Amortisation and depreciation	3,202	3,581		
Operating change in provisions	-314	424		
Dividends and (profit)/loss from investments accounted for using the equity method	60	19		
Impairment losses (Reversals of impairment losses) and adjustments of current and non-current assets	1,409	807		
(Gains)/Losses on disposal of investments and other non-current assets	-35	-29		
Net change in deferred taxation recognised in the income statement	-499	-838		
Other non-cash expenses (income)	-292	-55		
Operating cash flow			3,913	2,268
of which from discontinued operations			*986*	*517*
Change in operating capital			-82	123
Other changes in non-financial assets and liabilities			251	44
Net cash generated from operating activities (A)			4,082	2,435
of which from discontinued operations			*1,410*	*327*
Capital expenditure			-2,092	-1,493
(Disposal of)/Investment in consolidated companies, including net debt			39	-4,626
Proceeds from sales of property, plant and equipment, intangible assets and unconsolidated investments			650	167
Net change in other assets			71	94
Net cash used in investment in non-financial assets (B)			-1,332	-5,858
of which from discontinued operations			*-1,062*	*-603*
Dividends declared and distribution of reserves and returns of capital to non-controlling shareholders			-413	-536
Contributions from non-controlling shareholders			24	-
Transactions with non-controlling shareholders			1,038	-53
Issue of equity instruments			734	1,242
Accrued interest on equity instruments			-59	-5
Net equity cash inflows/(outflows) (C)			1,324	648
of which from discontinued operations			*-26*	*-40*
Increase/(Decrease) in cash and cash equivalents during the year (A+B+C)			4,074	-2,775
Change in fair value of hedging derivatives			181	52
Release of fair value on financial liabilities and other changes			-45	-19
Effect of foreign exchange rate movements on net debt			-213	189
Other changes in net debt (D)			-77	222
(Increase)/Decrease in net debt for the year (A+B+C+D)			3,997	-2,553
Net debt at beginning of year			-39,275	-36,722
Net debt at end of year			-35,278	-39,275

"**Net cash generated from operating activities**" amounts to €4,082m (€2,435m in 2020), an increase of €1,647m due an improvement in operating cash flow (€1,645m), which benefited essentially from an improvement in the operating performance of the Group's operators.

"**Net cash used for investment in non-financial assets**" amounts to €1,332m (€5,858m in 2020) and is down €4,526m, primarily due to the acquisitions of RCO and ERC (totalling €4,633m). 2021 also saw increased investment (€2,092m in 2021, compared with €1,493m in 2020), and proceeds from disposals totalling €650m, mainly relating to the sale of the 8% stake in Hochtief, amounting to €413m, and sales of unconsolidated investments by Abertis Infraestructuras, amounting to €217m.

The "**Net equity cash inflow**" of €1,324m essentially includes the proceeds from the previously mentioned sale of a 49% stake in Telepass for €1,045m and Abertis Infraestructuras Finance's issue of hybrid bonds totalling €734m. These items were partially offset by the payment of dividends totalling €413m.

The above cash flows have resulted in a reduction of €3,997m in net debt as at 31 December 2021, compared with an increase of €2,553m as at 31 December 2020.

ESG performance in 2021

The process of improving environmental, social and governance performance, including objectives and targets for 2023 (the ESG Scorecard 2021-2023), has made progress in many key areas. Regarding diversity, equality and inclusion, the share of women among the Group's more than 20,000 employees has risen to 39%, while 29% of the approximately 1,700 middle and senior managers are female, marking an increase of more than 2 percentage points compared to 2020. Gender balance among the members of the governance and oversight bodies of investee companies has also improved greatly, with women accounting for 45% of the appointments Atlantia made in 2021. Significant investments were also made in the development of human capital, with the provision of over 600,000 hours of training, equivalent to an average of approximately 30 hours of training per employee, marking an increase of 40% compared to 2020. Over 40,000 hours were dedicated to sustainability training, involving around 6,000 employees.

Direct C02 emissions (scopes 1 and 2) have been cut by 14% compared to 2020 (down 24% compared to 2019), partly due to increased use of electricity from renewable sources, which has risen to account for 32% of electricity consumption. The performance achieved is in line with the targets of a 50% reduction in direct emissions by 2030 and zero emissions by 2040.

Through its activities, the Group helps to generate benefits for stakeholders and the local areas in which we operate in terms of economic value, employment and benefits for local communities. In 2021, the Group generated economic value amounting to €7,392m, up 19% on 2020, a year that was marked by significant impacts from the Covid-19 pandemic. Approximately a quarter of economic value consists of costs incurred for the procurement of goods and services that benefit the companies in the Group's supply chain and related local areas.

During the year, the Company developed two important ways of sharing responsibility and value, in cooperation with the labour unions. The first initiative, called **WE-Economy**, introduces a new approach to remuneration that extends the variable incentive schemes traditionally offered only to management to all Company employees. To implement this scheme that enables employees to share in the value that the Company creates, the AGM will be called upon to decide on the adoption of an employee share incentive scheme. The second initiative adopted, called **#10DAYS4**, gives employees the opportunity to devote ten fully paid days per year to voluntary work. This programme creates an opportunity for our employees to take concrete action for the benefit of civil society and the communities in which we are live and operate.

During the year, the Company saw improvements in the ratings issued by the main ESG rating agencies, such as MSCI ESG (BBB), Moody's ESG (59/100), and Sustainalytics (low ESG risk). We also maintained a good rating from CDP Climate Change (B), and for the first time we were included in Bloomberg's Gender Equality Index.

Results by operating segment

The Abertis group

Abertis manages over 7,800 kilometres of motorway via 34 concessions in ten countries.
The table shows current concessions at 31 December 2021. It should be noted that the concessions held by Acesa and Invicat in Spain, covering a total of 545 kilometres, expired in August 2021.

Country	Number of concessions	Kilometres operated
Brazil	7	3,200
France	2	1,769
Mexico	5	875
Chile	6	773
Spain	6	561
Italy	1	236
Argentina	2	175
India	2	152
Puerto Rico	2	90
USA	1	12
Total	**34**	**7,843**

The Abertis group's traffic rose by 21.2% in 2021 compared with 2020, broken down by country as follows:

	TRAFFIC (MILLIONS OF KM TRAVELLED)		
COUNTRY	2021	2020	% change
Brazil	18,860	17,364	8.6%
France	14,793	12,452	18.8%
Chile	7,873	5,609	40.4%
Spain	6,837	5,398	26.7%
Italy	5,054	4,081	23.8%
Mexico	4,922	4,206	17.0%
Argentina	4,866	3,142	54.9%
Puerto Rico	2,257	1,814	24.4%
India	1,351	1,055	28.1%
USA	149	129	15.5%
Total	**66,962**	**55,250**	**21.2%**

Note: traffic based on a like-for-like scope of consolidation (Spain includes Acesa and Invicat for the first 8 months of the comparative period; Brazil does not include Centrovias, whose concession expired in June 2020; Mexico and the US include traffic for full-year 2020, albeit consolidated during the year).

The Abertis group	2021	2020	Change	% change
Traffic *(millions of km travelled)*	66,962	55,250	11,712	*21.2%*
Average exchange rate (currency/€)				
Brazilian real	6.38	5.89	-	*-8%*
Chilean peso	898.39	903.14	-	*1%*
Mexican peso	23.99	24.52	-	*2%*
€m				
Operating revenue	4,854	4,054	800	*20%*
EBITDA	3,350	2,627	723	*28%*
Operating cash flow (FFO)	2,096	1,608	488	*30%*
Capital expenditure	652	510	142	*28%*
	31 December 2021	31 December 2020	Change	% change
Net financial debt	23,958	25,858	-1,900	*-7%*

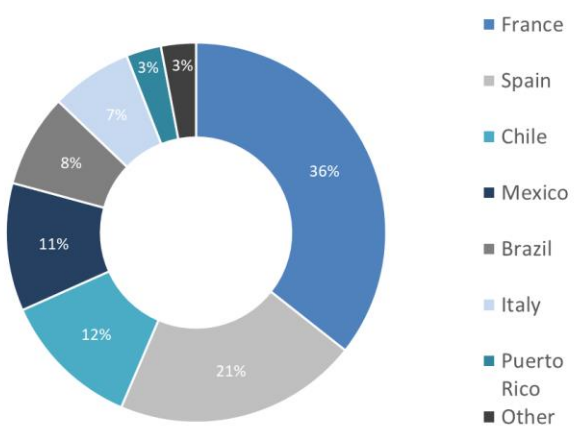
Operating revenue in 2021 amounts to €4,854m, an increase of €800m (20%) compared with 2020. This primarily reflects an upturn in traffic and changes in the scope of consolidation, which contributed approximately €170m, including consolidation of the Mexican group, Red de Carreteras de Occidente (RCO), for the entirety of 2021, and of Elizabeth River Crossings (ERC), totalling €300m, partially offset by the end of the Centrovias concession in Brazil in June 2020, and of Acesa's and Invicat's concessions in Spain in August 2021, amounting to a total of €134m.

In 2021, **EBITDA** amounts to €3,350m, an increase of €723m (28%) compared with 2020, primarily reflecting the above-mentioned upturn in traffic and the effects of changes in the scope of consolidation.

€M	EBITDA		
COUNTRY	2021	2020	% change
France	1,195	972	23%
Spain	721	703	3%
Chile	394	281	39%
Mexico (1)	365	183	n/a
Brazil	257	234	10%
Italy (2)	209	150	39%
Puerto Rico	117	85	38%
USA (1)	42	-6	n/a
India	22	17	29%
Argentina	22	15	47%
Other activities	-6	-7	n/a
Total	3,350	2,627	28%

(1) RCO contributed to the results for 2020 for 8 months from May; ERC has been consolidated since the end of 2020

Breakdown of EBITDA by geographical area



It should be noted that in 2021 Abertis recognised a reduction in the value of the concession rights of its Brazilian operators (€477m net of the tax effect) following a review of the operating and financial outlook. Moreover, as regards the two Spanish operators whose concessions expired in 2021, the value of Invicat's regulatory receivables due from the Grantor was revised down by €202m net of the tax effect, and the value of Acesa's regulatory receivables due from the Grantor was revised up by €277 million net of the tax effect.

The Abertis group's **operating cash flow (FFO)** amounts to €2,096m in 2021, an increase of €488m (20%) compared with 2020. The improvement essentially reflects the above increase in EBITDA, partly offset by an increase in net financial expenses following the acquisition of control of the RCO group and ERC, after the related tax expense.

Capital expenditure amounted to €652m in 2021 (€510m in 2020) and primarily regards work in Brazil (the Contorno de Florianopolis project, duplications by Via Paulista and resurfacing and widening work), in France (the Plan de Relance and the Plan Investissement Autoroutier investment programmes) and in Italy.

€M	CAPITAL EXPENDITURE	
COUNTRY	2021	2020
Brazil	284	193
France	229	169
Italy	75	24
Spain	19	18
Chile	17	36
Mexico	15	26
Other activities	13	44
Total	652	510

Net financial debt amounts to €23,958m as at 31 December 2021, a reduction of €1,900m compared with 31 December 2020 (€25,858m). This primarily reflects a combination of:

- operating cash flow of €1,444m (net of capital expenditure) in 2021;
- proceeds from the sale of non-controlling interests (A'lienor and Sanef Aquitaine in France, and RMG in the UK), amounting to approximately €260m;
- Abertis HoldCo's payment of dividends totalling €594m to shareholders;
- hybrid bond issues carried out in January 2021, with a total nominal value of €750m.

It should be noted that as at 31 December 2021, regulatory receivables due to the Abertis group from various grantors amount to €1,872m (€2,015m at 31 December 2020). These primarily regard measures designed to compensate certain Spanish operators, above all Acesa and Invicat, for specific investments. After the end of the relevant concessions on 31 August 2021, these operators formally requested settlement of the amounts due from the grantors, in compensation for the investment and guaranteed levels of traffic.

At the date of preparation of this release, the grantors have paid €1,136m in compensation linked to investment (€1,070m for Acesa, and €66m for Invicat), as described in greater detail in the section on "Significant regulatory and legal aspects".

Overseas motorways

Atlantia directly operates approximately 1,500 kilometres of motorway via 12 concessions in Brazil, Chile and Poland.

COUNTRY	Number of concessions	Kilometres operated
Brazil	3	1,121
Chile	8	327
Poland	1	61
Total	12	1,509

The concession held by Triangulo do Sol Auto-Estradas (Brazil), which was due to expire in September 2021, has been extended until 3 April 2022 in application of an offsetting provision in the contract.

In 2021, overseas motorway traffic grew by a total of 19.2% compared to 2020, especially in Chile, which recorded an increase of 34.6% as shown in the table below.

	TRAFFIC (MILLIONS OF KM TRAVELLED)		
COUNTRY	2021	2020	% change
Brazil	4,223	3,893	8.5%
Chile	3,786	2,812	34.6%
Poland	953	813	17.2%
Total	8,961	7,517	19.2%

Other overseas motorways	2021	2020	Change	% change
Traffic *(millions of km travelled)*	8,961	7,517	1,444	*19.2%*
Average exchange rate (currency/€)				
Brazilian real	6.38	5.89		*-8%*
Chilean peso	898.39	903.14		*1%*
Polish zloty	4.57	4.44		*-3%*
€m				
Operating revenue	569	471	98	*21%*
EBITDA	402	326	76	*23%*
Operating cash flow (FFO)	386	302	84	*28%*
Capital expenditure	74	104	-30	*-29%*

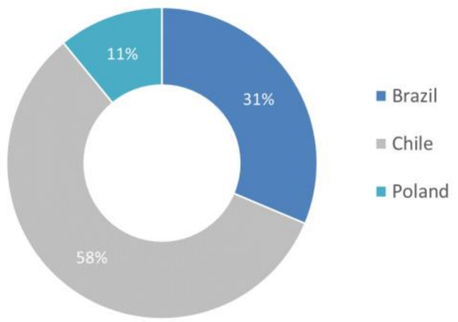
	31 December 2021	31 December 2020	Change	% change
Net financial debt	191	422	231	n/a

Operating revenue in 2021 amounts to €569m, an increase of €98m (21%) compared with 2020. This primarily reflects the upturn in traffic and the toll increases awarded to operators, partly offset by the effect of the decline in value of the Brazilian real.

EBITDA amounts to €402m, up €76m (23%) compared with 2020, essentially due to the performance of operators in Chile (up €73m), relating to the above-mentioned increases in traffic volumes and tolls.

€M		EBITDA	
COUNTRY	2021	2020	% change
Chile	232	159	46%
Brazil	126	132	-5%
Poland	44	35	26%
Total	**402**	**326**	**23%**

Breakdown of EBITDA by geographical area



Operating cash flow (FFO) in 2021 amounts to €2386m, up €84m (28%) on 2020, mainly due to the improved operating performance.

Capital expenditure amounted to €74m in 2021 (€104m in 2020), including €50m in Chile and reflecting payments to the Grantor by the operators, Americo Vespucio Oriente II and Conexión Vial Ruta 78 Hasta Ruta 68, as their contributions to the cost of expropriations in accordance with the related concession arrangements.

€M	CAPITAL EXPENDITURE	
COUNTRY	2021	2020
Chile	50	70
Brazil	14	25
Poland	10	9
Total	74	104

Net financial debt as at 31 December 2021 amounts to €191m, down €231m on 2020 (€422m at 31 December 2020), primarily due to operating cash flow generated before capital expenditure of €309m. This cash flow was partly used to repay Atlantia the intercompany loan granted to Autostrade dell'Atlantico (€79m) and to enable Stalexport to pay dividends (€15m paid to non-controlling shareholders).

Finally, net financial debt as at 31 December 2021 takes into account regulatory receivables due from the Grantor and recognised by the Chilean operators under their existing concession arrangements, totalling €1,068m, in line with the previous year (€1,059m as at 31 December 2020).

Aeroporti di Roma group (ADR)

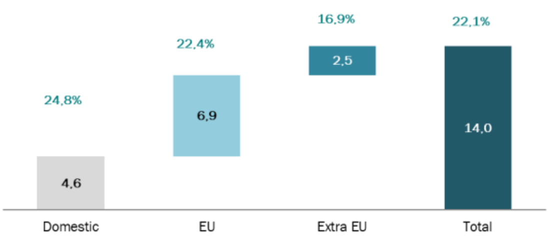
Aeroporti di Roma group	2021	2020	Change	% change
Traffic *(millions of pax)*	14.0	11.5	2.5	*22.1%*
€m				
Operating revenue	528	272	256	*94%*
of which aviation revenue	*198*	*171*	*27*	*16%*
of which recognition of Covid losses	*219*	*0*	*219*	*n/a*
EBITDA	262	28	234	*n/a*
Operating cash flow (FFO)	282	-4	286	*n/a*
Capital expenditure	175	152	23	*15%*
	31 December 2021	**31 December 2020**	**Change**	**% change**
Net financial debt	1,672	1,426	246	*17%*

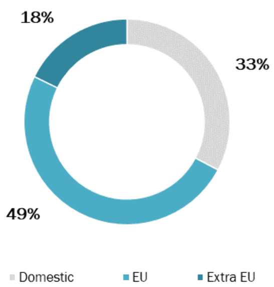
Passenger traffic handled by the Roman airport system amounted to 14.0m in 2021, a 22.1% increase compared with 2020, albeit still below pre-pandemic crisis levels (down 71.7% compared with 2019). The downturn in traffic registered in early 2021, which was only partially affected by the pandemic in comparison with 2020, was largely offset by a recovery in the summer months. This recovery was mainly driven by the domestic and EU segments, with growth of 24.8% and 22.4% respectively, while the recovery of the non-EU segment was more gradual (up 16.9%).

The tariffs applied at Fiumicino and Ciampino airports have fallen by 4.1% since 1 March 2021. In addition to the parameters defined for the five-year period 2017-2021, this reflects deflation of 0.2%, the rescheduling of investment planned for 2020 due to the pandemic and postponement of application of the quality/environmental bonus.

Breakdown of traffic using the Roman airport system in 2021

(millions of pax and change 2021 vs 2020)





Operating revenue amounts to €528m, an increase of €256m (up 94%) compared with 2020. This primarily reflects the government grant (€219m) due to Aeroporti di Roma from the "Covid aid fund" for airport operators (Law 178/2020) to cover losses resulting from the pandemic in the period March-June 2020, of which 50% was collected on 8 March 2022.

If this item is stripped out, operating revenue amounts to €309m (up €37m, or 14% compared with 2020), and includes:

- aviation revenue of €198m, marking an increase of €27m (16%) due to the recovery in traffic volumes and the improvement in load factors;
- other operating income of €111m, up €10m (10%), primarily reflecting increases in retail and car park revenues, which were affected by the above recovery in passengers and the contribution made by the consolidation of ADR Infrastrutture SpA., partially offset by declines in property and advertising revenues.

EBITDA amounts to €262m, up €234m on 2020, mainly due to the effect of the above-mentioned Covid grant. If this item is stripped out, EBITDA is up €15m. This reflects an increase in operating revenue, partially offset by higher airport operating costs deriving from an increase in electricity costs and the reopening of Terminal 1 in August 2021. Staff costs also rose due to the higher volume of activities managed, and a reduction in the use of social safety nets compared with 2020.

In 2021, Aeroporti di Roma wrote down receivables amounting to €134m due from Alitalia SAI in extraordinary administration, following an updated risk assessment, which, in the light of recent events, reduces the initially expected likelihood of collecting these receivables.

Operating cash flow (FFO) amounts to €282m (compared with an outflow of €4 million in 2020), reflecting the Covid grant and improved operating results.

Capital expenditure amounted to €175m (€152m in 2020) and regarded work on the extension of Terminal 1. Renovation work has also begun at Terminal 3.

Net debt of €1,672m as at 31 December 2021 is up €246m compared with 31 December 2020 (€1,426m), and primarily relates to capital expenditure for the period.

Aéroports de la Côte d'Azur (ACA) group

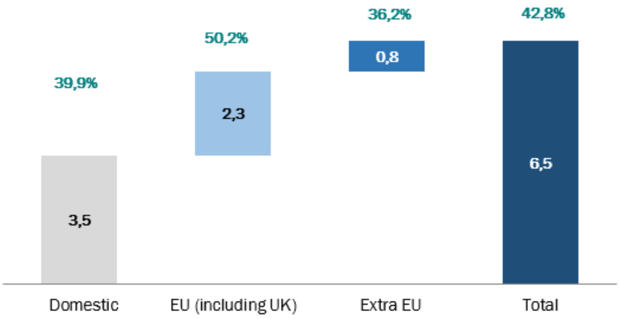
Aéroports de la Côte d'Azur group	2021	2020	Change	% change
Traffic *(millions of pax)*	6.5	4.6	1.9	*42.8%*
€m				
Operating revenue	174	134	40	*30%*
of which aviation revenue	*96*	*73*	*23*	*32%*
EBITDA	56	20	36	*n/a*
Operating cash flow (FFO)	67	-17	84	*n/a*
Capital expenditure	44	41	3	*7%*
	31 December 2021	31 December 2020	Change	% change
Net financial debt	954	976	-22	*-2%*

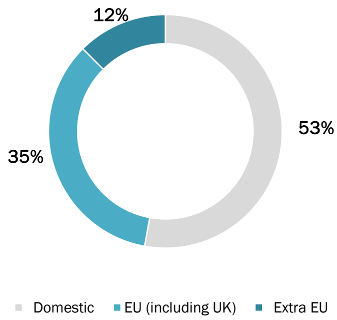
In 2021, the airport system serving the Côte d'Azur handled 6.5m passengers, registering a 42.8% rise in traffic compared with 2020, which is still lower than pre-pandemic levels (down 54,8% compared with 2019). Traffic growth was driven by the domestic (up 39.9%) and the EU (up 50.2%) segments, primarily reflecting the recovery of tourist traffic from the summer onwards, and the gradual easing of restrictions on movement.

A 3.2% increase in fees was also applied at the end of 2021.

Breakdown of traffic using Nice airport in 2021

(millions of pax and change 2021 vs 2020)





Operating revenue amounts to €174m, an increase of €40m (30%) compared with 2020. This reflects the recovery in traffic and, to a lesser extent, the tariff increases applied at the end of 2020 and at the end of 2021.

EBITDA of €56m is up €36m compared with 2020, reflecting the increase in revenue and the cutting of operating costs through partial use of the airport infrastructure.

Operating cash flow (FFO) amounting to €67m is an improvement of €84m compared with 2020, primarily reflecting the improved operating performance.

Capital expenditure amounted to €44m (€41m in 2020) and primarily regards work on essential safety improvements, operational continuity and compliance, as well as increasing the airport's sustainability.

Net financial debt as at 31 December 2021 amounts to €954m, marking a reduction of €22m compared with the €976m registered as at 31 December 2020. This reflects operating cash flow before capital expenditure for the period (€23m) and Azzurra Aeroporti's derivative financial instruments (€20m), offset by the decrease in ACA's working capital (€22m).

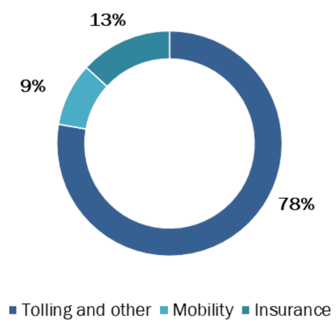
Telepass group

Telepass group	2021	2020	Change	% change
Telepass devices *(m)*	9.4	9.0	0.4	*4%*
Number of Telepass Pay customers (000s)	647	549	98	*18%*
€m				
Operating revenue	268	234	34	*15%*
EBITDA	121	118	3	*3%*
Operating cash flow (FFO)	105	100	5	*5%*
Capital expenditure	81	87	-6	*-7%*
	31 December 2021	31 December 2020	Change	% change
Net financial debt	616	557	59	*11%*

In 2021, the customer base continued to grow, in terms of both active Telepass devices in circulation (up 4%) and Telepass Pay customers (up 18%).

The Telepass group's **operating revenue** in 2021 amounts to €268m (including €206m from remote tolling services, €35m from assistance and breakdown services and the distribution of insurance policies, and €24m from mobility services), marking an increase of €34m (13%) compared with 2020. This primarily reflects the overall expansion of the group's volumes and lines of business.

Breakdown of operating revenue by business



The Telepass group's **EBITDA** amounted to €121m, up €3m (3%) on 2020. The increase in operating revenue is almost entirely offset by the cost of higher volumes realised (distribution and marketing costs), and the higher costs of technological systems and the organisational structure (mainly IT and the rise in the headcount), as well as the Antitrust Authority fine (€2m).

Operating cash flow (FFO) of €105m is up €5m (5%) on 2020.

Capital expenditure amounted to €81m (€87m in 2020) and primarily regarded the implementation of strategic projects, including the digital transformation project, acquisition of software licences and remote tolling devices, and the new offices in Rome and Florence.

Net financial debt of €616m as at 31 December 2021 (including an amount of €546m payable to the Autostrade per l'Italia group) is up €59m compared with 31 December 2020 (€557m). This reflects the payment of dividends (€105m), partially offset by operating cash flow before capital expenditure (€24m) and the upturn in working capital (€29m).

Financial review for Atlantia SpA

€M	2021	2020	Change
Profit/(Loss) from investments	1,347	279	1,068
Profit/(Loss) from financial activities	-99	-358	259
Profit/(Loss) for the year	1,169	-29	1,198
Equity	11,562	10,458	1,104
Net financial debt	2,623	4,435	-1,812

Profit for 2021 amounts to €1,169m, reflecting the gain on the sale of a 49% stake in Telepass (€1,030m), dividends from investees (€419m), and impairment losses on the investments Azzurra Aeroporti (€87m) and Aeroporto di Bologna (€17m).

Equity of €11,562m is up €1,104m, primarily due to profit for the year, partially offset by the reduction in the fair value of the investment in Hochtief (€113m).

Net financial debt of €2,623m is down €1,812m, essentially reflecting the proceeds from the sale of the 49% stake in Telepass (€1,056m) and dividends from investees (€419m), in addition to the impact of unwinding of the Collar Financing and the Funded Collar involving Hochtief shares (amounting to €413m).

Cash reserves of €2,024m consist of:

- €806m in cash and/or investments maturing in the short term;
- €1,250m in committed lines of credit, which may be used until June 2023 and expire in July 2023.

Significant regulatory and legal aspects

Atlantia

Agreement for the sale of Autostrade per l'Italia SpA

On 12 June 2021, Atlantia signed a share purchase agreement with Holding Reti Autostradali SpA, a corporate vehicle established by CDP Equity SpA, The Blackstone Group International Partners LLP and Macquarie European Infrastructure Fund 6 SCSp ("the Consortium"), that will result in the sale of the Company's entire stake (88.06%) in Autostrade per l'Italia (hereinafter the "Agreement").

The agreement set a price of €8,014m, in addition to providing for a ticking fee payable to Atlantia, equal to 2% of the price to be paid annually from 1 January 2021 through to the closing date, plus the share of any aid due to cover the loss of revenue caused by the impact of Covid, following the impact on traffic of Covid-19 in the period between 1 July 2020 and the earlier of (i) 31 December 2021 and (ii) the Closing Date for the sale. The share of such aid is capped at €264m.

As of today's date, completion of the Agreement remains subject to the fulfilment of specific conditions precedent:

a) effectiveness of the settlement agreement between Autostrade per l'Italia and the Ministry of Infrastructure and Sustainable Mobility (the "MIMS") bringing an end to the dispute brought by the MIMS on 16 August 2018, and the Addendum to the Single Concession Arrangement and the Financial Plan;
b) the EIB's consent to the change of control over outstanding loans from the bank, amounting to approximately €1.2bn.

With regard to the condition precedent referred to in point a), the following key events have occurred: (i) on 14 October 2021, Autostrade per l'Italia and the MIMS signed the settlement agreement bringing an end to the dispute, with the agreement including the content of the agreement reached by Autostrade per l'Italia and local authorities in Liguria, and retaining the unchanged sum of €3.4bn originally provided for as compensation payable by Autostrade per l'Italia (the "Settlement Agreement"); (ii) Autostrade per l'Italia revised the Addendum and the Financial Plan, as requested by the MIMS on 26 October 2021, in order to reflect the content of the agreement reached with local authorities in Liguria and the financial impact of the Covid-19 health emergency, in accordance with the indications from the transport regulator, ART, for the entire motorway sector, and other requests from the MIMS; (iii) on 22 December, the Interministerial Committee for Economic Planning and Sustainable Development (*CIPESS*) expressed a favourable opinion on the revised drafts of the Addendum and Financial Plan, subject to certain requirements deemed fully acceptable by Autostrade per l'Italia and the Consortium.

The CIPESS determination is awaiting registration with the Court of Auditors. The Addendum and the Financial Plan must then be approved by interministerial decree to be issued by the MIMS and the Ministry of the Economy and Finance (the "MEF"). This decree must also be registered with the Court of Auditors. The Settlement Agreement is also waiting to be registered with the Court of Auditors.

With regard to point b), Autostrade per l'Italia has received notice of the European Investment Bank's consent to the change of control to the Consortium consisting of CDP Equity, The Blackstone Group International Partners and Macquarie European Infrastructure Fund 6 SCSp and the subsequent release of the guarantees provided by Atlantia (the "waivers and/or consents"). Changes to the loan agreements will be formalised in the coming weeks.

The Long Stop Date for fulfilment of all the conditions precedent is 31 March 2022. However, in the event that the conditions precedent have not been fulfilled or waived, the Long Stop Date may be delayed, at the request of one of the parties, until 30 June 2022.

For closing to take place, the Autostrade per l'Italia group's concessions must be valid and effective.

The Agreement lays down certain special indemnities payable by Atlantia to the Consortium in relation to two types of dispute (the "Special Indemnities"):

a) pending or future criminal or civil proceedings in connection with the Polcevera event, other proceedings relating to matters linked to maintenance obligations, and other civil proceedings, all listed in the Agreement (with any indemnities capped at €459m);
b) the criminal proceeding for alleged environmental damages and the civil damages requested by the Ministry of Environment (with any indemnities capped at €412m).

With regard to point a), the Agreement provides that Atlantia shall be solely liable for up to €150m, above which sum, without prejudice to the cap of €459m on the indemnity payable, the amount payable will be shared by the buyer and seller, with Atlantia to be liable for 75%.

Notice of claim – Appia Investments Srl and Silk Road Fund

On 3 and 5 May, Atlantia received two notices of claim, one from Appia Investments Srl ("Appia") and another from Silk Road Fund (Autostrade per l'Italia's non-controlling shareholders). The claims allege breaches of the representations and undertakings given at the time of Atlantia's sale of a 11.94% stake in Autostrade per l'Italia in accordance with the respective share purchase agreements (SPAs) signed by the parties in May 2017. In the notices of claim, Appia and Silk Road Fund assert that the collapse of a section of the Morandi road bridge, although it happened one year after the sale, constitutes a breach of the representations and undertakings given at the time of the sale. With respect to the claims from Appia and Silk Road, the SPAs put a limit on any claims of 15% of the purchase price paid for the respective interests (a maximum amount of €260m). The above limits may not apply in the event of wilful misconduct or gross negligence.

The SPAs require the parties to attempt to reach an amicable settlement, a process that has begun and is still in progress. If the attempt to reach an amicable settlement should fail, Appia and Silk Road Fund may resort to arbitration.

Atlantia promptly replied to the notices of claim, contesting the content of the notices and noting the vagueness of the claims.

Supported by the Company's legal advisors, the Company is continuing to assess whether or not the events referred to in the notices could constitute a breach of any representations and undertakings given by Atlantia in the SPAs.

Transport Regulator – quantification of COVID-19 financial aid

Following a specific request from AISCAT, the Ministry of Infrastructure and Sustainable Mobility has requested the Transport Regulator to devise a clear, consistent scheme to be applied to all motorway operators to quantify how much financial aid is due to each operator to mitigate losses incurred as a result of the health emergency caused by Covid-19.

Autostrade per l'Italia has included aid receivable for the lockdown period from March to June 2020 in the Financial Plan currently awaiting approval. In addition, the amount of the aid to cover the effects of the pandemic through to 31 December 2021, determined using the criteria set out in the notes accompanying the regulator's scheme and subject to certification by an audit firm, will be recovered via use of a specific component for additional expenses at the time of periodic revision of the Financial Plan.

Under the share purchase agreement governing the sale of the investment in Autostrade per l'Italia, entered into by Atlantia and the Consortium, Atlantia has the right to receive 50% of any such financial aid payable to Autostrade per l'Italia for the period between 1 July 2020 and the earlier of (i) 31 December 2021 and (ii) the Closing Date for the sale, provided that the such aid is formally awarded to Autostrade per l'Italia by the Grantor by 31 December 2022. The resulting share of the aid is capped at €264m and is payable in proportion to Atlantia's percentage interest in the investee.

Abertis group

Spain

Dispute with the Grantor regarding Acesa

In 2006, ACESA signed an addendum with the Grantor, the Spanish Ministry for Development (approved with Royal Decree 457/2006). The addendum contains a commitment by the operator to build an additional lane on the AP-7 section of road and other provisions, including the provision of exemptions, discounts and Acesa's waiver of its right to claim any possible indemnities as a result of the effect that the construction of second lanes on the N-II and CN-340 roads ("alternative roads") might have on the traffic on the AP-7. The compensation was payable in cash following expiry of the concession term in August 2021, at a fixed rate of remuneration. The agreement also established a margin guarantee whereby the difference in revenue resulting from the variance between actual traffic and the amount of traffic specified in the Royal Decree would be compensated for.

The work provided for in the addendum was carried out by ACESA between 2007 and 2016 at a total cost of €558m. In the meantime, given that actual traffic was below the projections included in the addendum, the compensation payable in relation to the shortfall in traffic grew significantly.

In 2011, correspondence between the Grantor and the operator revealed that there was a difference of interpretation regarding the guaranteed levels of traffic contained in the agreement signed in 2006, causing ACESA to initiate an administrative procedure.

In 2015, given that its interpretation of the agreement of 2006 had not been accepted, ACESA filed a legal challenge against the Grantor in relation to the guaranteed levels of traffic provided for in the agreement.

Following the legal proceedings, on 5 June 2019, Acesa received notice of the judgment issued by the Supreme Court, which – without entering into the merits of the dispute – established that the final amount of compensation due (i.e., including the portion covering the guaranteed levels of traffic) could only be determined upon expiry of the concession on 31 August 2021, in accordance with the term provided for in the concession arrangement.

As provided for in the agreements, on 29 September 2021, ACESA sent the Grantor a request for compensation calculated on the above basis (i.e., compensation linked to investment in the construction of additional lanes and compensation linked to the guaranteed levels of traffic).

The compensation associated with investment in additional sections of the AP-7 motorway, amounting to approximately €1.2bn, has been recognised in full in the Group's financial statements. At the end of February 2022, the Grantor responded to the request for payment, in respect of the portion associated with investment, by agreeing to pay €1.07bn and contesting approximately €130m.

The Grantor is contesting the compensation linked to the guaranteed levels of traffic, which Abertis has quantified as €4,150m, based on a ruling from the Spanish Cabinet in 2017, which stated that only the portion relating to the loss of traffic to alternative roads qualified for such compensation.

Whilst Abertis continues to stand by its interpretation of the agreements of 2006, the amount receivable as compensation for the loss of traffic, which was written off from 2015, was revalued as at 31 December 2021. This was done on the basis of the amount due for the loss of traffic to alternative roads, estimated by independent parties to be €369m.

As regards the different interpretations of Abertis and the Grantor over both the compensation linked to investment and the compensation linked to traffic, as provided for in the agreements of 2006, Abertis is awaiting the decision of the High Court, which is expected to rule in the next two years.

Dispute with the Grantor regarding Invicat

In 2010, Invicat and the Generalitat de Catalunya (the "Grantor") agreed on certain compensations deriving from investments relating to a section of the C-32 motorway amounting to approximately €96m. this was to take the form of an addition to the concession agreement (Royal Decree 483/1995).

The parties also agreed on compensation based on guaranteed traffic levels, to be measured on the basis of the difference between actual traffic and the agreed growth rate, to be computed after the end of the concession term (31 August 2021).

The agreement was supplemented in 2015, with a new agreement detailing investment commitments for the Blanes-Lloret section (approximately €65m out of the total €96m). The revision of 2015 expressly ratified the compensation mechanism and method of calculation for works carried out or to be carried out by Invicat during the concession term.

In June 2021, the Grantor audited Invicat's 2020 annual accounts and, unlike previous years, raised a number of objections regarding calculation of the compensation. These objections were reiterated by the Grantor in a report sent to Invicat last August.

Following the expiry of Invicat's concession on 31 August 2021, Invicat sent to Grantor a final request for compensation on 7 October 2021. This amount was calculated on the basis of the agreements signed and amounted to a total of approximately €432m.

On 18 January 2022, the Grantor paid €66m to Invicat as compensation for investment. This is a payment on account for the final amount payable under the existing agreements, which has yet to be determined by the Grantor.

Although there is no formal administrative decision regarding the non-recognition of compensation – and without prejudice to Abertis's interpretation of the agreements – there is a risk that Invicat may shortly receive a formal response regarding the fact that the compensation linked to guaranteed levels of traffic is not due. This will result in legal action to settle the matter.

The company has, therefore, made provisions of €269m, corresponding with the write-off of the remaining amount receivable under the agreements signed.

Aeroporti di Roma group

Transport Regulator – Tariff regimes

Aeroporti di Roma ("ADR") has challenged Determination 118 of 1 August 2019 of the Transport Regulator ("ART") before the Lazio Regional Administrative Court. This determination regards "Proceedings initiated by Determination 84/2018 - Introduction of a public consultation relating to the review of the airport fee regulation frameworks approved by Determination 92/2017", claiming that the regulator does not have the power to introduce changes to the tariff regime provided for in the Planning Agreement signed between the Civil Aviation Authority and ADR. Indeed, by express legal provision, the tariff regime provided for in the planning agreements "in derogation" is a "long-term" tariff regime, including review procedures that are "valid for the entire duration of the concession arrangement".

On additional grounds, on 15 October 2020, ADR subsequently appealed against Resolution 136/2020 of 16 July 2020 by which the Transport Regulator concluded the procedure and approved the frameworks for setting airport fees appended to said resolution, confirming, among other things, that the regulator deems it has the presumed power to set fees, including with regard to operators such as ADR, who operate under a planning agreement in derogation.

On 20 May 2021, ART published Determination 68/2021 (20 May 2021) in which it has (i) delayed the entry into effect of the regulatory framework for airport fees set out in Determination 136/2020 from 1 July 2021 to 1 January 2023; (ii) given airport operators who activate the consultation procedure for the review of fees during the biannual period 2021-2022 two alternatives: a) begin the related procedure in accordance with the frameworks set out in Determination 92/2017, or b) subject to submission of a reasoned request, propose continued application of the tariffs in effect at the time of submission in subsequent years. With regard to airports regulated by planning agreements provided for in article 17, paragraph 34-*bis* of Law Decree 78/2009 – such as Fiumicino and Ciampino – the regulator has stated that the measures regarding economic regulation contained in the frameworks pursuant to Determination 92/2017 may be applied via the signature of addenda following a revision of contractual terms and conditions or under the terms of a different agreement between the grantor and the operator.

Following publication of the above determination, at the hearing held on 9 June 2021, in response to the parties' requests, the Court adjourned both cases to a later date.

In view of the provisions of Determination 68/2021, on 11 August 2021, ADR agreed a specific addendum with the grantor (ENAC), in which it took positive steps to apply the regulatory framework established in Determination 92/2017, whilst, at the same time, taking into account the legal peculiarities of the Planning Agreement, without however waiving the concerns raised through the legal challenge to Determination 136/2020.

ART then criticised the addendum agreed by ENAC and ADR, and, on 16 December 2021, responded to ADR's request for a consultation with airport users on the revision of fees by refusing to give the go-ahead for the consultation, as, in the regulator's view, the addendum should have been included in a Cabinet Office decree.

On 14 February 2022, ADR challenged this refusal before Lazio Regional Administrative Court, requesting the Court to cancel the refusal of permission to initiate the consultation, indicating that the addendum agreed is valid and effective. In response to ADR's precautionary request for an urgent hearing on the merits, the Court, in view of the major legal and economic importance of the matter, wasted no time in scheduling a hearing for 20 July 2022.

On 15 February 2022, ADR requested ART to extend application of the airport fees for 2021 to 2022, until the end of the period strictly necessary for the fees to be revised for the new regulatory period. This reflected the regulator's refusal to sanction the launch of the related consultation requested on 13 December 2021.

On 18 February 2022, ART replied by inviting ADR to begin consultations with airport users in accordance with the terms described, reserving the right to carry out its own assessment of the outcome of the consultations.

The consultations were carried out on 28 February 2022, based on the fact that airport fees for 2022 would remain in line with those in effect. This was, moreover, in keeping with the proposal put to ART in mid-December 2021, with the intention, previously announced to the market, of promoting a stable tariff regime, backed by a certain regulatory framework.

Combatting climate change - enabling net-zero mobility

In 2021, Group companies drew up a long-term Climate Action Plan. This sets out a pathway to reducing direct emissions over the short, medium and long term and targets a 50% reduction in net direct emissions by 2030 (vs 2019) and the achievement of net zero by 2040, 10 years ahead of the target set in the Paris Agreement. These science-based targets are designed to limit the rise in the earth's temperature to within 1.5°C and have been validated by the Science Based Target initiative.

The Climate Action Plan gives shape to the Company's long-term strategy for the energy transition for transport and the mobility ecosystem, in which infrastructure will play a key enabling role. The Climate Action Plan deals with a crucial issue for the Company and also covers management of the risks resulting from climate change and how to take advantage of the opportunities deriving from the transition to a low-emissions economy, which will have a major impact on the sector in which the Company operates.

Whilst recognising that the climate strategy falls with the sole purview of the Board of Directors, the importance and topical nature of the issue has led the Board to put the Climate Action Plan to a non-binding vote of shareholders at the upcoming AGM. The Board has also committed to providing annual disclosure of the state of the Plan's implementation in our Task Force on Climate-Related Financial Disclosures Report. The Plan will be put to a non-binding vote every three years to enable us to report on the targets reached and any changes made over time in response to regulatory, legislative, technological and operational developments.

Events after 31 December 2021

Yunex Traffic

On 17 January 2022, Atlantia agreed to purchase Yunex Traffic, a global leader in the innovative Intelligent Transport Systems (ITS) sector, from the Siemens Group at a price of €950m (Enterprise Value).

Yunex Traffic's traffic management and urban mobility infrastructure and platforms are used in over 600 cities and on 4 continents (Europe, the Americas, Asia and Oceania).

The transaction marks a major step in delivering on our strategy of expanding into new adjacent areas offering synergies with core sectors in which Atlantia is a leader (motorways, airports, mobility digital payments).

The transaction is expected to close in the third quarter of 2022 once the necessary antitrust and FDI (Foreign Direct Investments) clearances have been obtained.

Gender Equality Index

On 26 January 2022, in recognition of the progress made along Atlantia's sustainability pathway, above all in terms of diversity, equality and inclusion, the Company was included for the first time in Bloomberg's Gender-Equality Index. The index ranks companies based on how they deliver on their gender equality strategies and the transparency of their disclosures.

The index includes 418 major global companies, judged to be the most committed to transparent practices and to creating a fair working environment.

Sustainalytics's ESG Risk Rating

On 27 January 2022, Sustainalytics upgraded Atlantia's ESG risk rating to 14.7, judging the Company to be "low risk".

Sale of Lusoponte

The sale of the non-controlling interest in the Portuguese company, Lusoponte (17.21% of the issued capital and voting rights) to Lineas Concessões De Transportes SA and VINCI Highways SAS completed on 10 February.

The buyers, who already held shares in Lusoponte, exercised their pre-emption rights (held under the terms of existing shareholder agreements) on the shares put up for sale.

The proceeds from the sale at closing amounted to €54m, including a ticking fee and net of dividends received since the agreement as signed.

AP7 agreement – Acesa

With regard to Royal Decree 457 of 2006, signed by Acesa and the Spanish Ministry for Development, on 18 February, the Cabinet approved payment of the compensation linked to investment, amounting to €1.07bn, contesting a further amount of €130m. Abertis collected the sum of €1.07bn on 25 February.

Atlantia increases stake in Volocopter

On 4 March 2022, Atlantia took part in the latest (series E) financing round of Volocopter, the German-based leader in Urban Air Mobility solutions. The Company has invested a further €35m, following its subscription for new shares in Volocopter worth €15m in March 2021.

Call of the Annual General Meeting

Finally, the Board of Directors has decided to call the Annual General Meeting ("AGM") of Atlantia's shareholders, to be held in ordinary session, for 28 April 2022.

The AGM will be asked:

1. **to approve Atlantia SpA's financial statements as at and for the year ended 31 December 2021 and examine the Integrated Annual Report and consolidated financial statements for the year ended 31 December 2021**
2. **to deliberate on the appropriation of the result for 2021 and payment of the dividend**
   based on the proposal to appropriate profit for 2021 of €1,169,471,170 as follows, taking into account the shares in circulation as at 10 March 2022, equal to 818,824,297:
   - to pay a dividend of €0.74 per share, making an estimated total payout of €605,929,980, with the dividend payable, before any withholdings required by law, from 25 May 2022, and with an ex-dividend date for coupon no. 34 of 23 May 2022 and a record date of 24 May 2022. As required by law, the treasury shares held as at the record date will not participate in the distribution, unless they have been effectively allotted under existing incentive plans.
   - to take the remaining share of profit for the year, estimated to be €563,541,190, to retained earnings.
3. **to deliberate on determination of the number of members of the Board of Directors, the term of office, the election of Directors, of the Chair of the Board of Directors and determination of the related remuneration.**
4. **to deliberate on approval of a share incentive scheme for employees based on Atlantia SpA's ordinary shares, to be known as the Share Incentive Scheme 2022-2027**
   the Plan aims to award Atlantia's ordinary shares free of charge to all the Company's workers without any exception over three award cycles over a three-year period (2022, 2023, 2024) and three subsequent matching cycles (2025, 2026, 2027). The Plan will be implemented through the use of up to 100,000 treasury shares already held by the Company. Adoption of the Plan aims to encourage employees to hold shares in the Company on a formalised, long-term basis, in recognition of their leading role in driving performance, giving them a stake in the value creation process and strengthening their sense of belonging.

A detailed description of the Plan is provided in the information document prepared in accordance with art. 114-*bis* of the Consolidated Finance Act and art. 84-*bis* of the CONSOB's Regulations for Issuers, which will be made available to the public within the legally required deadline.

5. **to deliberate on the Report on the Remuneration Policy for 2022 and on Remuneration Paid in 2021, prepared in accordance with art. 123-*ter* of Legislative Decree 58 of 24 February 1998**
   the AGM will be asked to hold (i) a binding vote on the first section of the report, describing the proposed remuneration policy for 2022; (ii) a non-binding vote on the second section of the report, describing the remuneration paid in 2021 and how it was consistent with the policy for the year in question.
6. **to hold a non-binding vote on the Climate Action Plan**

In accordance with the related statutory requirements, documentation relating to agenda items for the AGM will be made available for consultation within the deadline required by law.

Explanatory notes and other information

The manager responsible for financial reporting, Tiziano Ceccarani, declares, pursuant to section 2 of article 154-*bis* of the Consolidated Finance Act, that the accounting information contained in this release is consistent with the underlying accounting records. It should also be noted that, in addition to the conventional financial indicators required by IFRS, this press release presents a number of alternative performance indicators in order to permit a better appraisal of the Company's results and financial position. These indicators have been calculated in accordance with market practices. As required by the CONSOB in "Warning Notice 5/21", the Group's net debt as at 31 December 2021, presented in accordance with the "Guidelines for disclosure requirements under EU Regulation 2017/1129 (the "Prospectus Regulation")" published by ESMA, amounts to €40,674 (€45,071m as at 31 December 2020).

Alternative performance indicators (APIs)

This press release includes reclassified financial statements that differ from the statutory financial statements. The reclassified financial statements present a number of indicators and items derived from the income statement and statement of financial position prepared and presented in application of IFRS and, therefore, identifiable as APIs.

In application of the CONSOB Ruling of 3 December 2015, governing implementation in Italy of the guidelines issued by the European Securities and Markets Authority (ESMA), the basis used in preparing the alternative performance indicators ("APIs") is described below.

The APIs shown in this press release are unchanged with respect to those used in the Integrated Annual Report for the year ended al 31 December 2021, with the exception of "Net financial debt", as detailed below.

A list of the APIs used in this release is provided below, with a brief description of their composition and the reconciliation with the corresponding statutory amounts:

a) **"Operating revenue"** includes toll revenue, aviation revenue and other operating income, and differs from revenue in the statutory consolidated income statement in that revenue from construction services, recognised in accordance with IFRIC 12, is presented in the reclassified income statement as a reduction in the respective items under operating costs and financial expenses;
b) "**Gross operating profit/(loss) (EBITDA)"** is the synthetic indicator of gross profit from operations, calculated by deducting operating costs, with the exception of amortisation, depreciation, impairment losses and reversals of impairment losses and provisions for the renewal of assets held under concession, from operating revenue;
c) **"Operating profit/(loss) (EBIT)**", calculated by deducting amortisation, depreciation, impairment losses and reversals of impairment losses, provisions for the renewal of assets held under concession and other adjustments from EBITDA;
d) **"Net invested capital**", showing the net value of non-financial assets and liabilities;
e) **"Net debt"** refers to "Current and non-current financial liabilities" after deducting "Current and non-current financial assets" and "Cash and cash equivalents";
f) **"Net financial debt"** has been redefined to exclude the value of financial assets deriving from short- and medium/long-term concession rights from net debt;
g) **"Capital expenditure**", being the indicator of the total amount invested in development of the Atlantia Group's and the Company's businesses, and reflecting cash used in investment in assets held under concession and in other intangible assets and property, plant and equipment, not including investments in investees. Compared with the previous year, right-of-use assets, as defined by IFRS 16, have been excluded; as a result, comparative amounts have been restated;
h) **"Operating cash flow (FFO)**", being the indicator of cash generated by or used in operating activities. Operating cash flow is calculated as profit for the period + amortisation/depreciation +/- impairments/reversals of impairments of assets +/- provisions/releases of provisions in excess of requirements and uses of provisions + other adjustments + financial expenses from discounting of provisions + dividends received from investees accounted for using equity method +/- the share of profit/(loss) of investees accounted for using equity method in profit or loss +/- (losses)/gains on sale of assets +/- other non-cash items +/- deferred tax assets/liabilities recognised in profit or loss.

Atlantia SpA's results

The amounts shown in the section, "Atlantia SpA's operating and financial results" have been extracted from the separate financial statements for the year ended 31 December 2021, approved by the Company's Board of Directors on 10 March 2021. As required by the CONSOB in "Warning Notice 5/21", Atlantia SpA's net debt as at 31 December 2021, presented in accordance with the "Guidelines for disclosure requirements under EU Regulation 2017/1129 (the "Prospectus Regulation")" published by ESMA, amounts to €2,850m (€5,119m as at 31 December 2020).

Operating segments

The operating segments are identified based on the information provided to and analysed by Atlantia's Board of Directors, which represents the Group's chief operating decision maker, when taking decisions regarding the allocation of resources and assessing performance.

Following signature of the agreement to sell the entire stake in Autostrade per l'Italia, the contribution of the Autostrade per l'Italia group to the Group's consolidated accounts has been classified in discontinued operations, and thus excluded from the Group's operating segments. As a result, the Autostrade per l'Italia group's contribution is only included in operating cash flow, capital expenditure and net debt.