Consolidated Interim Report at 31 March 2021

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



Interim Financial Report

Aeroporto Guglielmo Marconi di Bologna Group

at March 31, 2021

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

Ownership of the Parent Company Aeroporto Guglielmo Marconi di Bologna Spa

According to the Shareholder Register and the notices received pursuant to Article 120 of Legislative Decree No. 58/98, the shareholders of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., with holdings of more than 3% were as follows at March 31, 2021:

SHAREHOLDER	**% Held**
BOLOGNA CHAMBER OF COMMERCE	39.10%
ATLANTIA S.P.A. (EDIZIONE S.R.L.)	29.38%
F2I FONDI ITALIANI PER LE INFRASTRUTTURE SGR SPA	9.99%
MUNICIPALITY OF BOLOGNA	3.88%

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

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

Furthermore, on June 5, 2018 the Bologna Chamber of Commerce, Municipality of Bologna, Metropolitan City of Bologna, Region of Emilia-Romagna, Modena Chamber of Commerce, Ferrara Chamber of Commerce, Reggio Emilia Chamber of Commerce and Parma Chamber of Commerce (collectively, the "Public Shareholders") entered into a shareholders' agreement (the "Shareholders' Agreement") governing certain rights and obligations in respect of the shareholder structure and corporate governance of Aeroporto Guglielmo Marconi di Bologna S.p.A..
This Shareholders' Agreement, with duration until June 4, 2021, filed at the Bologna Companies Registration Office on June 8, 2018 and sent to Consob on June 9, 2018, includes provisions on voting and transfer restrictions.
Following the purchase by the Bologna Chamber of Commerce of 565,500 Company shares on January 31, 2020, the number of voting rights subject to voting agreements changed, without any change in the number of voting rights subject to transfer restriction agreements, as shown in the following tables:

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PUBLIC SHAREHOLDERS	% Share Capital subject to Voting Agreement
BOLOGNA CHAMBER OF COMMERCE	39.10%
MUNICIPALITY OF BOLOGNA	3.88%
METROPOLITAN CITY OF BOLOGNA	2.31%
REGION OF EMILIA ROMAGNA	2.04%
MODENA CHAMBER OF COMMERCE	0.30%
FERRARA CHAMBER OF COMMERCE	0.22%
REGGIO EMILIA CHAMBER OF COMMERCE	0.15%
PARMA CHAMBER OF COMMERCE	0.11%

PUBLIC SHAREHOLDERS	% Share Capital subject to Transfer Restriction Agreement
BOLOGNA CHAMBER OF COMMERCE	37.53%
MUNICIPALITY OF BOLOGNA	3.85%
METROPOLITAN CITY OF BOLOGNA	2.30%
REGION OF EMILIA ROMAGNA	2.02%
MODENA CHAMBER OF COMMERCE	0.08%
FERRARA CHAMBER OF COMMERCE	0.06%
REGGIO EMILIA CHAMBER OF COMMERCE	0.04%
PARMA CHAMBER OF COMMERCE	0.03%

Board of Directors

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

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

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

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(A) Member of the Remuneration Committee (Chairman Eugenio Sidoli)
(B) Member of the Control & Risks Committee (Chairperson Silvia Giannini)

Board of Statutory Auditors

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

Name	**Office**
Pietro Voci	Chairman
Samantha Gardin	Statutory Auditor
Alessandro Bonura	Statutory Auditor
Violetta Frasnedi	Alternate Auditor
Alessia Bastiani	Alternate Auditor

Auditing Firm

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

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Directors' Report of Aeroporto Guglielmo Marconi di Bologna S.p.A. Group at March 31, 2021

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INTRODUCTION

This report, accompanying the interim Condensed Consolidated Financial Statements of the Aeroporto Guglielmo Marconi di Bologna Group (hereinafter also the "Aeroporto Group", "Aeroporto" or "AdB") for the three months ended March 31, 2021, in presenting the Group's performance indirectly analyses also the performance of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., the holder of the concession for the full management of Bologna Airport, i.e. Full Management Concession No. 98 of July 12, 2004 and subsequent Additional Deeds, approved by Decree of the Ministry of Transport and Infrastructure and of the Economy and Finance of March 15, 2006, with a term of 40 years starting on December 28, 2004. Given the drastic drop in traffic at Italy's airports due to COVID-19, Article 102, Paragraph 1-*bis* of Law Decree No. 34 of May 19 (Relaunch Decree), converted into Law No. 77 of July 17, 2020, extended the duration of airport concessions by two years in order to cushion the consequent economic blow. Given the direct applicability of the above law, Bologna Airport's concession is extended to December 2046.

The Group's structure at March 31, 2021 and a brief description of the type and businesses of its subsidiaries and associates is presented below.



- Tag Bologna S.r.l. (hereinafter also "TAG"), formed in 2001 and operational since 2008, following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector. The Parent Company on October 2, 2018, taking the opportunity to better control the dedicated airside flight infrastructure, acquired 49% of TAG to gain full ownership;

- Fast Freight Marconi Spa (hereinafter also "FFM"), formed in 2008 by the former subsidiary Marconi Handling S.r.l. (GH Bologna Spa with effect from April 1, 2017), following the contribution of a cargo and mail handling business unit based out of Bologna airport. The Parent Company acquired a 100% interest in FFM in 2009.

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

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Business Description

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

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

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

Aviation SBU

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

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

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

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

The Aviation SBU's other major revenue sources are:

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

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Non-Aviation SBU

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

Parking

During Q1 2021, approximately 5,150 paid parking spaces were under the direct management of Bologna Airport, up on the average 2020 figure due to the reopening of Car Park P2 following the completion of work to install a new ventilation system. The airport's car parking spaces are available in three parking areas: the first close to the terminal, the second close to airport grounds and the third located at approx. 1.5 KM away. The latter has been temporarily closed, taking account of the significant reduction in demand due to the COVID-19 emergency. The sharp drop in traffic following the outbreak of the pandemic meant that many more parking spaces were supplied than demanded, resulting in the closure of outlying car parks in order to continue reducing costs while ensuring the minimum level of airport service.

Retail

Bologna airport's retail offerings include internationally recognised brands with local ties and some of the leading local, domestic and international retail and catering chains. The shopping area extends over approximately 4,250 m² and includes 39 shops. The latest airport upgrade developed the Duty-free areas – one of the SBU's main revenue sources. In 2020 because of the spread of the pandemic and the resulting dramatic fall in traffic most sub-concession holders closed their commercial establishments, only starting to reopen gradually in July. In Q1 2021, some shops remained closed as they awaited a more significant recovery in traffic levels.

Advertising

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

Passenger services

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

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

Real Estate

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

The total commercial premises under sub-concession extend to over 90,000 square metres, of which over 70,000 square metres of offices, warehouses, technical service areas and hangars and approximately 20,000 square metres of outdoor space used for parking operating vehicles, manoeuvring in loading and loading areas and aircraft refuelling vehicle areas.

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1 STRATEGIES AND RESULTS

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

In terms of the pandemic, 2021 has begun as 2020 left off: a great deal of short-term uncertainty remains around the spread of variants which have kept the number of infections high. Restrictions on personal travel and some economic activities are therefore still in place. Imposed by governments across the world to contain the spread of the pandemic, these restrictions are preventing or slowing the global economic recovery.

Q1 2021 also saw, however, the rollout of large-scale vaccination programmes. While the programmes are progressing at notably different speeds in different areas, they represent a vital component of the global economic recovery alongside the support provided by institutional economic policies. It is precisely because of the support offered by these monetary and fiscal policies that global economic activity has picked up in early 2021, albeit to varying degrees in different countries and sectors.

While the risk of a fresh outbreak of the pandemic looms large in the short-term, especially in the service sector, the medium-term outlook remains positive: according to the baseline scenario issued by the IMF in April, global GDP is expected to grow by 6% in 2021 - surpassing pre-pandemic levels by the end of the year - and by 4.4% in 2022.

Economic activity in the Eurozone has suffered from a new spike in infections: after a strong recovery in summer 2020, the last three months of the year saw GDP contract, reflecting poor performance in the service sector that was only partially offset by growth in manufacturing. On the basis of the information available, GDP in the Euro area also seems to have shrunk in Q1 2021. Inflationary forecasts also remain weak.

As part of its response to the pandemic, the Governing Council of the European Central Bank accelerated the purchase of securities. This was designed to avoid an early worsening of financial conditions in the zone caused by improvements in performances elsewhere in the world, which would not have been justified by current economic forecasts.

On February 11, the Regulation on the Recovery and Resilience Facility was also approved. This will channel almost 90% of the resources of the European Union's recovery instrument, the Next Generation EU (NGEU) totalling Euro 750 billion, to financing investments and reforms set out in national recovery and resilience plans and which focuses on six strategic objectives: (a) green transition; (b) digital transformation; (c) employment and smart, sustainable and inclusive growth; (d) social and territorial cohesion; (e) health and resilience; (f) policies for the next generation, including education and skills. The coming weeks will be crucial since, though the funds are available, using them requires not only that the European Council approves the national plans, but also that every member state ratifies the use of Union resources.

The Italian economy has proved resilient, but the rise in infections continues to cast a shadow. The decrease in GDP in Q4 2020 was, while significant, less pronounced than expected. According to the available indicators, economic activity in Q1 2021 remained more or less stable: as in the Eurozone, strong industrial performance was counteracted by continuing weakness in the service sector. These estimates remain subject to high levels of uncertainty as the pandemic and vaccination programmes continue.

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According to the IMF and OECD, Italian GDP should expand at rates above 4% this year, with a significant recovery in the second half of the year bolstered by the international situation. Such a scenario, however, is not guaranteed. It assumes that economic support measures remain in place, that the action taken as part of the National Recovery and Resilience Plans (NRRP) prove effective, that vaccination campaigns are successful, and that infections continue to fall. (*Source: Economic Bulletin, Bank of Italy, April 2021*).

Against this backdrop, according to the IATA's data, global passenger traffic overall in the first three months of 2021 was still significantly down on pre-COVID figures: global traffic reported decreases of 67.2% on March 2019 and 26.3% on March 2020. Domestic traffic was once again the main driver of the recovery: in March it even increased by 36.9% on March 2020 (-32.3% vs 2019), benefitting from the strong performance in Chinese domestic traffic, where passenger numbers in March 2021 differed only slightly from pre-COVID levels (-2.6% vs March 2019). There was a marked improvement, on the other hand, in cargo traffic, which reported gains on both 2020 and 2019 in every month from January to March, and in every continental segment except Latin America *(Air Passenger and Air Freight Market Analysis (IATA), March 2021).*

The decrease in European passenger traffic during the first three months of 2021 was 82% overall, according to ACI Europe, with a total loss of approximately 395.5 million passengers. In line with the global trend, European cargo traffic also increased, surpassing pre-COVID levels in the first quarter (ACI Europe website; Air Passenger and Air Freight Market Analysis (IATA), March 2021).

In Italy, passenger traffic fell 82.1%, in line with decreases elsewhere in Europe. Cargo traffic, on the other hand, again performed better than passenger traffic: the volume of cargo transported increased by 12.4% on 2020, almost recovering to 2019 levels (on which it was down just 3.1%) *(Source: Assaeroporti, March 2021).* Bologna airport in the first quarter of 2021 saw a significant decline in traffic (85%) on the same period of 2020. This figure is more or less in line with the national trend. At the end of Q1 2021, Bologna Airport ranked seventh in Italy by number of passengers.

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

Group results in Q1 2021 were heavily influenced by the ongoing COVID-19 pandemic. After a partial recovery in traffic volumes during summer 2020, the continuation of the pandemic led to a further, severe slowdown in late 2020 and early 2021.

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

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These include body temperature measurement at the terminal and the offices, the installation of disinfecting gel dispensers, the posters and signs on hygiene measures to be followed and precautions to be taken, the separation of passenger movements to ensure distancing, the intensive sanitisation of the areas, also through a molecular fragmentation system, the installation of plexiglass, the adoption of the patented BEST system at the security controls to reduce the frontal interaction between the staff in charge of controls and passengers and the installation of ventilation systems at the terminal and on the airport grounds and offices with high-efficiency filters in the areas with the greatest density of people. The use of remote working has been encouraged for the administrative area staff and a rotation of groups of workers involved in the most strategic areas has been introduced as part of a contingency plan.

In collaboration with the Bologna health service and Air Medical - a company working in the air medicine sector and already operating at Turin Airport - the Group has set up a new paid testing point. This was designed for those arriving or departing passengers who, on the basis of various national regulations, required certification of a negative COVID-19 test. These tests are carried out 72, 48, or 4 hours before travel. The COVID Test Point is also available for all Marconi airport operators, on the basis of specific agreements.

From the early stages of the pandemic, in order to both contain costs and protect jobs, the Group introduced a plan to encourage employees to take accrued holidays, and subsequently the Extraordinary Temporary Lay-off Scheme was introduced for all employees for a period of 12 months beginning March 21, 2020. These measures came in addition to moves designed to cut outsourced operating costs. On February 26, 2021, an agreement for the Exceptional Temporary Lay-Off Scheme for AdB employees was signed by trade unions. This entered into force on March 22, 2021 and is valid until June 13, 2021. The Parent Company will then request that the Scheme is extended by the further 28 weeks provided for in the Support Decree. The same agreement was signed for the subsidiary FFM. It will be valid from April 1, 2021 to June 2021.

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

1.3 STRATEGIC OBJECTIVES

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

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"Connect"

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

"Develop"

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

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

"Experience"

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

"Care"

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

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

"Maximise financial performance"

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

"Performing and sustainable corporation"

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

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1.3 SHARE PERFORMANCE

AdB's shares began trading on the STAR segment of the Milan Stock Exchange on July 14, 2015.
The following graphs present:

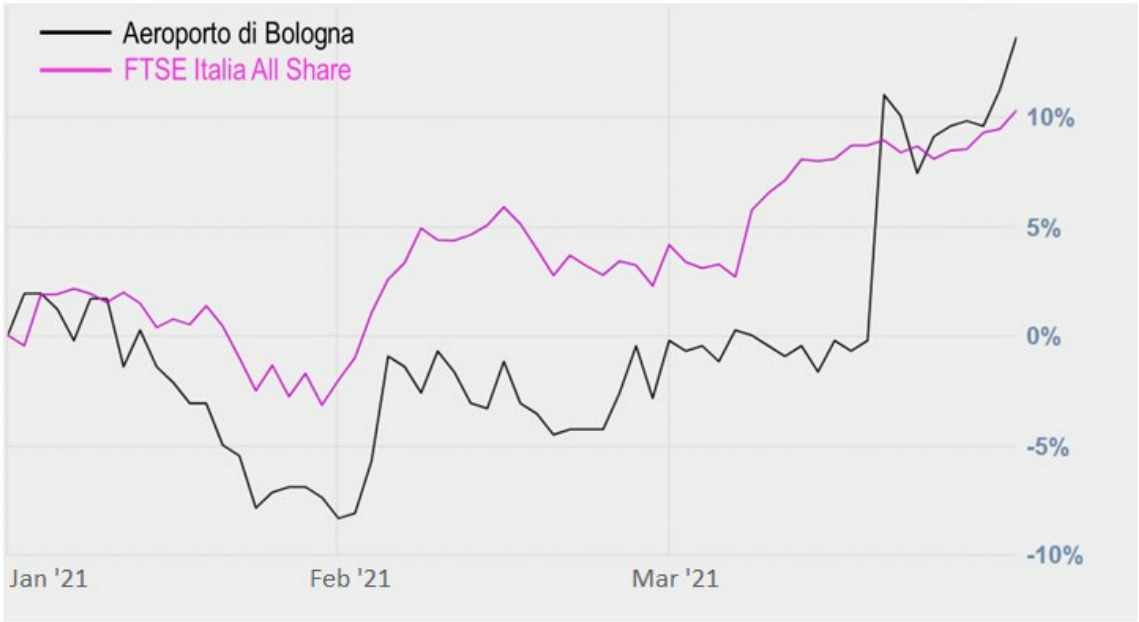
- the share performance between January 1, 2021 and March 31, 2021;
- tracking of the company's share performance against the FTSE Italia all-share index.

On March 31, 2021, the official share price was Euro 9.78 per share, resulting in an AdB Group market capitalisation of Euro 353.3 million at that date.

AdB share performance (01/01/2021-31/03/2021)

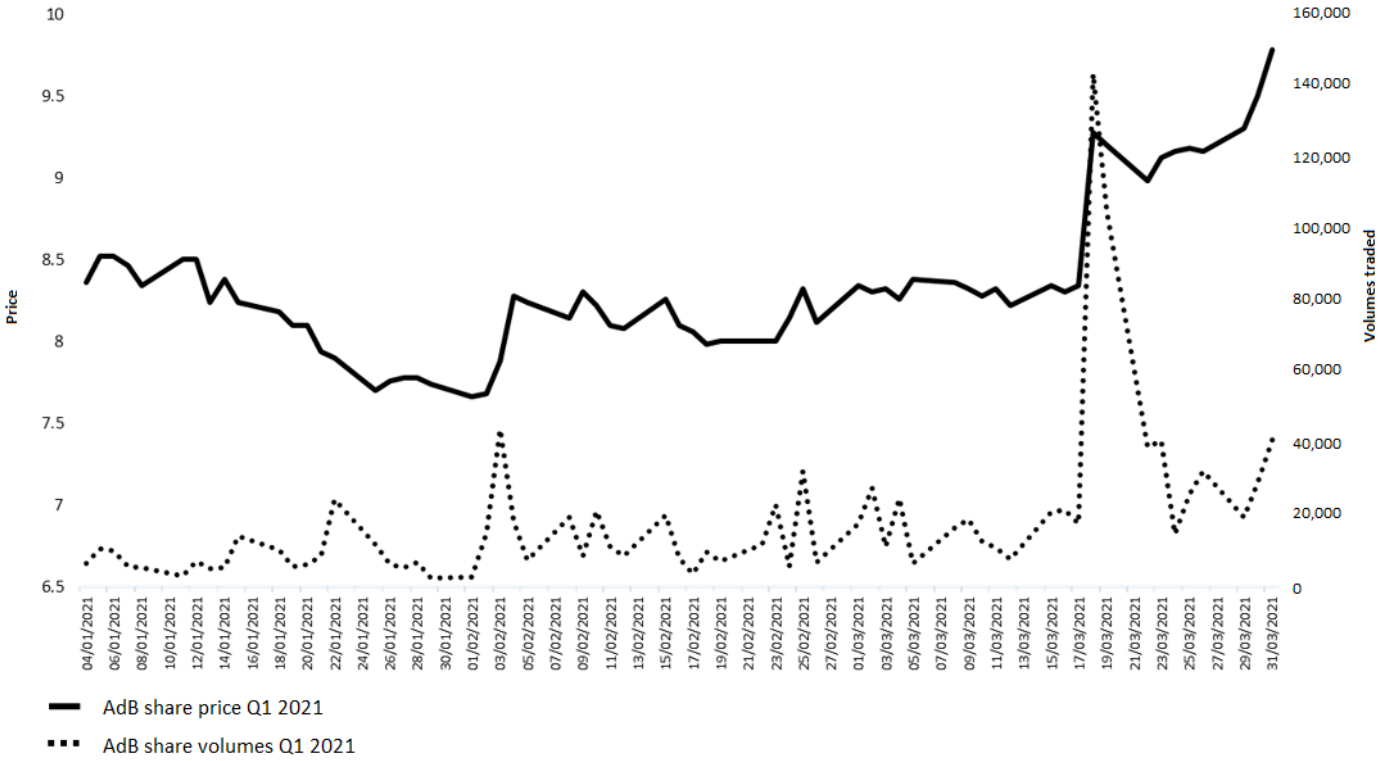


AdB share and FTSE Italia All-Share performance (01/01/2021-31/03/2021)



AdB share performance – prices and volumes (01/01/2021-31/03/2021)

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

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

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

Only in the second half of March, following a sharp increase in trading on the share, was there a significant increase in its value. In the space of two weeks the share price rose 17%, closing the quarter at Euro 9.78 per share, down 19% on the end of 2019.

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2. KEY OPERATING RESULTS ANALYSIS

2.1 AVIATION STRATEGIC BUSINESS UNIT

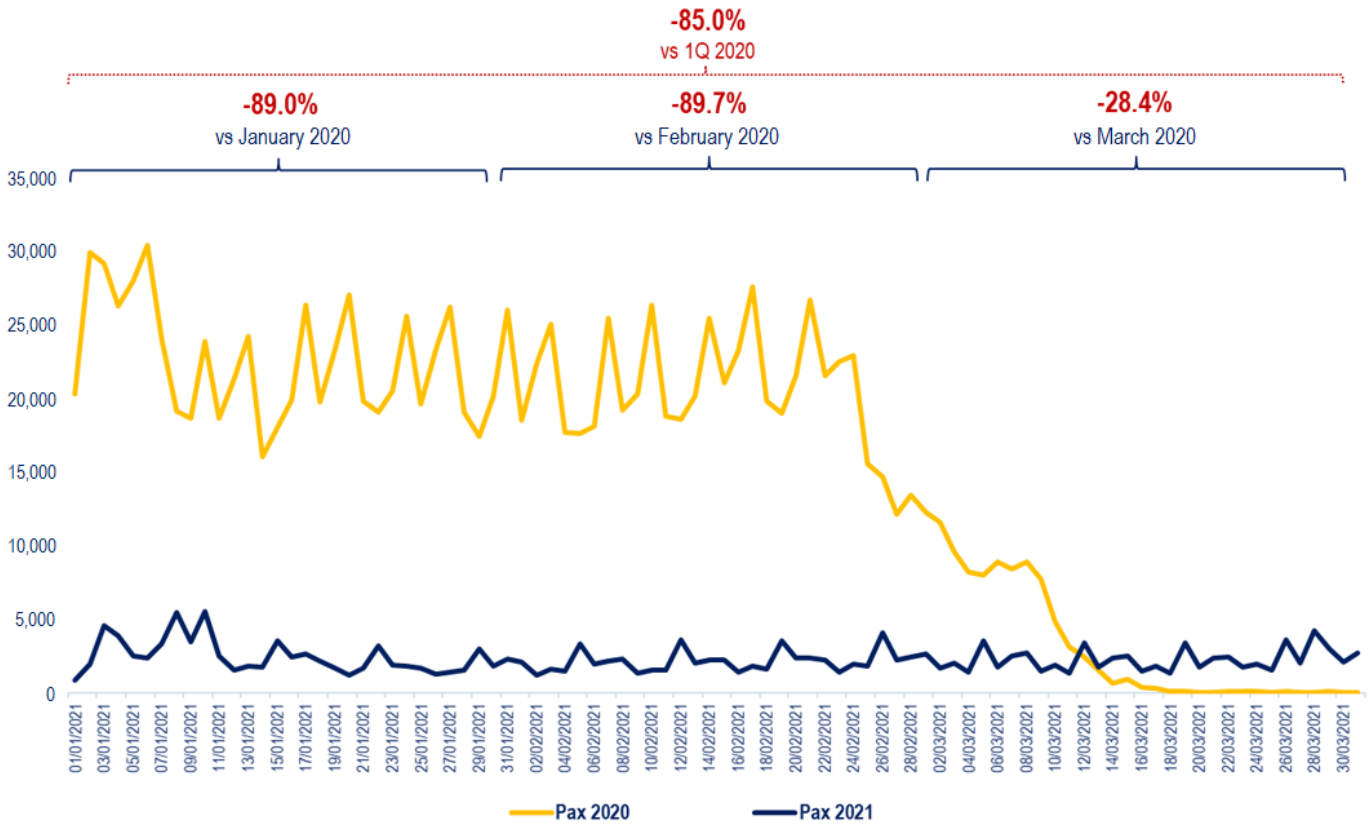
2.1.1 AVIATION STRATEGIC BUSINESS UNIT: TRAFFIC DATA

The early months of 2021 showed no sign of improvement on 2020, except in the cargo sector, which grew significantly on the previous year. In Q1 the airport served a total of 209,802 passengers, down 85.0% on the first three months of 2020, which was affected by the first wave of COVID-19 infections only from late February. There were 3,100 movements (-75.7%) and 9,077 tons (+10.9%) of cargo transported in the period. The average load factor decreased from 69.0% in Q1 2020 to 53.6% in Q1 2021.

As stringent COVID restrictions on movement remained in place, 2021 began as 2020 ended; the decrease in traffic is even starker on comparing Q1 2021 with 2019 (-89.3%). To offer a more useful comparison with pre-pandemic data, the following tables also provide figures for Q1 2019.

As summer flights are planned, starting from the last weekend of March, and above all as a result of progress in vaccination campaigns, it is hoped that the summer will represent the turning point in this trend, and that traffic levels will gradually begin to recover.

Passenger traffic performance January-March 2021



Figures include transits. General Aviation excluded.

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	January – March 2021	January – March 2020	Change % 2021-2020	January – March 2019	Change % 2021-2019
Passengers	210,617	1,395,671	(84.9%)	1,961,807	(89.3%)
Movements	3,760	13,349	(71.8%)	16,922	(77.8%)
Tonnage	258,902	910,212	(71.6%)	1,116,241	(76.8%)
Cargo	11,538,620	10,635,534	8.5%	12,622,100	(8.6%)

Data includes General Aviation and transits

Passenger traffic breakdown	January – March 2021	*% of total*	January – March 2020	*% of total*	January – March 2019	*% of total*	*% Change 21-20*	*% Change 21-19*
Legacy	103,250	*49.0%*	522,913	*37.5%*	791,467	*40.3%*	(80.3%)	(87.0%)
Low cost	102,846	*48.8%*	862,141	*61.8%*	1,155,977	*58.9%*	(88.1%)	(91.1%)
Charter	2,779	*1.3%*	8,073	*0.6%*	10,282	*0.5%*	(65.6%)	(73.0%)
Transits	927	*0.4%*	1,604	*0.1%*	2,821	*0.1%*	(42.2%)	(67.1%)
Total Commercial Aviation	**209,802**	*99.6%*	**1,394,731**	*99.9%*	**1,960,547**	*99.9%*	(85.0%)	(89.3%)
General Aviation	815	*0.4%*	940	*0.1%*	1,260	*0.1%*	(13.3%)	(35.3%)
Total	**210,617**	***100.0%***	**1,395,671**	***100.0%***	**1,961,807**	***100.0%***	**(84.9%)**	**(89.3%)**

The Q1 drop in passenger traffic was greater in the low-cost sector than for legacy flights (-88.1% and -80.3% respectively) due to a more significant fall in movements.

In line with 2020, and as a result of ongoing, stringent restrictions on international travel, domestic sector passenger numbers also performed better than international flights in early 2021, compared to the same period of the previous year.

Passenger traffic breakdown	January – March 2021	% of total	January – March 2020	% of total	January – March 2019	% of total	Change % 21-20	Change % 21-19
Domestic	88,866	*42.2%*	294,999	*21.1%*	444,979	*22.7%*	*(69.9%)*	*(80.0%)*
International	120,936	*57.4%*	1,099,732	*78.8%*	1,515,568	*77.3%*	*(89.0%)*	*(92.0%)*
Total Commercial Aviation	**209,802**	*99.6%*	**1,394,731**	*99.9%*	**1,960,547**	*99.9%*	*(85.0%)*	*(89.3%)*
General Aviation	815	*0.4%*	940	*0.1%*	1,260	*0.1%*	*(13.3%)*	*(35.3%)*
Total	**210,617**	***100.0%***	**1,395,671**	***100.0%***	**1,961,807**	***100.0%***	***(84.9%)***	***(89.3%)***

Despite the dramatic drop in passengers to and from all major Bologna airport destinations following the COVID-19 health emergency, the traffic mix remained solid: the main routes act both as hubs for traditional carriers and as point to point destinations for low-cost carriers.

Despite the restrictions which continue to impact international travel, in the first three months of 2021 six of the top ten destinations were overseas cities, with Tirana the most popular with over 18 thousand passengers.

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Main passenger traffic routes	January – March 2021	January – March 2020	Change % 2021-2020	January – March 2019	Change % 2021-2019
Catania	33,573	54,968	(38.9%)	89,181	(62.4%)
Tirana	17,801	31,745	(43.9%)	34,793	(48.8%)
Casablanca	16,124	28,755	(43.9%)	37,018	(56.4%)
Palermo	13,297	52,243	(74.5%)	70,692	(81.2%)
Amsterdam	13,003	32,759	(60.3%)	48,809	(73.4%)
Madrid	12,557	60,660	(79.3%)	71,109	(82.3%)
Istanbul	12,299	29,833	(58.8%)	45,022	(72.7%)
Paris CDG	11,932	46,462	(74.3%)	74,664	(84.0%)
Rome FCO	9,215	46,832	(80.3%)	68,818	(86.6%)
Lamezia	8,076	21,368	(62.2%)	31,188	(74.1%)

Passenger traffic including transits

Cargo Traffic

(in KG)	January - March 2021	January - March 2020	Change % 2021-2020	January - March 2019	Change % 2021-2019
Air cargo of which	9,077,010	8,184,077	10.9%	10,099,549	(10.1%)
Cargo	9,077,010	8,183,785	10.9%	10,082,239	(10.0%)
Mail	0	292	(100.0%)	17,310	(100.0%)
Road cargo	2,461,610	2,451,457	0.4%	2,522,551	(2.4%)
Total	**11,538,620**	**10,635,534**	**8.5%**	**12,622,100**	**(8.6%)**

Cargo traffic in the first three months of 2021 amounted to 11,538,620 kg, up 8.5% on Q1 2020, but nonetheless down slightly on figures for Q1 2019. The sector continues to be affected by the difficult international backdrop and the economic situation created by the ongoing pandemic. The reduction in "normal" business did, however, lead to an increase in charter flights from March 2020. This was chiefly in response to demand for medical supplies, which continued, albeit to a lesser extent, into Q1 2021.
Road traffic remained largely stable, however, both compared to 2020 (+0.4%) and 2019 (-2.4%).

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2.1.2 AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Tot. cge. vs 2020	% cge. vs 2020	for the quarter ended 31.03.2019	% cge. vs 2019
Passenger Revenues	1,255	8,243	(6,988)	-84.8%	12,455	-89.9%
Carrier Revenues	2,034	4,821	(2,787)	-57.8%	5,805	-65.0%
Airport Operator Revenues	354	508	(154)	-30.3%	728	-51.4%
Traffic Incentives	(402)	(3,750)	3,348	-89.3%	(5,698)	-92.9%
Revenues from Construction Services	869	1,442	(573)	-39.7%	3,735	-76.7%
Other revenues	243	352	(109)	-31%	352	-31.0%
Aeronautical and FSC Revenue Reduction	0	(17)	17	-100.0%	0	n.a.
Total AVIATION SBU Revenues	**4,353**	**11,599**	**(7,246)**	**-62.5%**	**17,377**	**-74.9%**

The Aviation Strategic Business Unit's revenues consist of fees paid by users (passengers and airlines) and airport operators for the use of the infrastructure and services provided on an exclusive basis by the Group for landing, take-off, lighting, aircraft parking and passenger and cargo operations, in addition to centralised infrastructure and exclusive-use premises.
Given the public utility aspect of airport services, airport charges are regulated by both national and EU legislation. The new regulations and implementation measures – including the models approved by the Transport Regulation Authority – require that changes to the system or amount of airport fees be made with the consent, on the one hand, of the airport manager, and of the airport's users on the other.
The decline in revenues in Q1 2021 on the same periods in 2020 and 2019 is primarily due to the reduction in traffic volumes from the end of February 2020 following the COVID-19 health emergency, in addition to a decrease in revenues for construction services and reduced investments in Concession Rights.

Group revenues from the Aviation Strategic Business Unit were down 62.5% overall on 2020 and 74.9% on 2019. The individual accounts broke down as follows:

- Passenger Revenues (-84.8% on 2020 and -89.9% on 2019): passenger revenues fell in correlation with the reduction in passenger traffic;
- Carrier Revenues (-57.8% on 2020 and -65% on 2019): carrier revenues fell slightly less than total tonnage, due to higher take-off and landing tariffs;
- Airport Operator Revenues (-30.3% on 2020 and -51.4% on 2019): revenues declined due to the decrease in traffic volumes and the revision of fees for premises and operating equipment granted by the manager to support operators during this emergency phase;
- Incentives: the decline in incentives (-89.3% on 2020 and -92.9% on 2019) relates to the decrease in incentivised traffic;
- Revenues from Construction Services: the decline in this item (-39.7% on 2020 and -76.7% on 2019) relates to lesser investments considering the rescheduling of work required by the ongoing health emergency.

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2.2 NON-AVIATION STRATEGIC BUSINESS UNIT

2.2.1 NON-AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Tot. cge. vs 2020	% cge. vs 2020	for the quarter ended 31.03.2019	% cge. vs 2019
Retail and Advertising	461	2,755	(2,294)	-83.3%	3,378	-86.4%
Parking	464	2,658	(2,194)	-82.5%	3,663	-87.3%
Real Estate	532	605	(73)	-12.1%	602	-11.6%
Passenger services	275	1,118	(843)	-75.4%	1,413	-80.5%
Revenues from Construction Services	1,143	1,314	(171)	-13.0%	369	209.8%
Other revenues	301	762	(461)	-60.5%	687	-56.2%
Total NON AVIATION SBU Revenues	**3,176**	**9,212**	**(6,036)**	**-65.5%**	**10,112**	**-68.6%**

Total non-aviation business revenues in the period declined 65.5% on 2020 and 68.6% on 2019, with all the main revenue items decreasing.

The individual areas of this business unit performed as follows.

Retail and Advertising

The decrease in revenues (-83.3% on 2020 and 86.4% on 2019) was due to the continuation of the COVID-19 emergency, which continues to cause a dramatic decline in traffic volumes, the ongoing closure of almost all commercial establishments (mainly temporarily though in some cases permanently), and the reduction in the sale of advertising spaces. This came in addition to a review of contractual terms, according to which fees vary on the basis of changes in traffic on 2019 levels. This was agreed by the airport manager and sub-concessionaires to provide support for the latter during this phase of the emergency.

Parking

The reduction in parking and rail access fees in Q1 2021 (-82.5% on 2020 and -87.3% on 2019) was also due to the reduction in traffic volumes caused by the ongoing health crisis.

Real Estate

The decrease in real estate revenues (-12.1% on 2020 and -11.6% on 2019) was less significant as the health emergency had a more contained effect on this sector. Operators suffering from the reduction in traffic were offered discounts.

Passenger services

Passenger services in Q1 2021 were down 75.4% on 2020 and 80.5% on 2019 due to both premium (lounge and accessory services) and self-hire services, whose performance is outlined below.

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Premium services

The sector saw a reduction in Q1 revenues as a result of decreased traffic, the dramatic fall in work travel and conventions, the temporary suspension of lounge services by some carriers, and the reduction in operations and total cancellation of routes that are particularly significant for the premium services segment.

Self-hire sub-concessions

Car rental revenues showed a decline in both the variable component and fixed fees, the latter granted by the manager to sub-concession holders to support them during this emergency phase. Car rental activities were never suspended in order to guarantee service to passengers travelling through Bologna airport.

Revenues from Construction Services

The reduction in this item on 2020 (-13%) relates to reduced investment in the business unit on the same period of the previous year. The item reports an increase of 209.8%, however, on 2019.

Other revenues

The contraction in other revenues on 2020 (-60.5%) was mainly due to a reduction in maintenance activities carried out on airport operator vehicles due to their less frequent use, lower sales of aircraft de-icing liquid, a decline in the use of passenger trolleys, and the provision of fewer training courses. Reduced maintenance activities carried out on airport operator vehicles, the reduced use of passenger trolleys, and the provision of fewer training courses also contributed to the reduction on 2019 (-56.2%), as did a decrease in the number of energy efficiency certificates sold. Finally, the new management of aircraft de-icing fluid, purchased and managed by AdB and sold to handlers to provide the service, was not yet available in Q1 2019.

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

3.1 CONSOLIDATED OPERATING RESULTS ANALYSIS

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Tot. cge. vs 2020	% cge. vs 2020	for the quarter ended 31.03.2019	% cge. vs 2019
Revenues from aeronautical services	3,272	9,906	(6,634)	-67.0%	13,400	-75.6%
Revenues from non-aeronautical services	2,126	8,029	(5,903)	-73.5%	9,794	-78.3%
Revenues from construction services	2,012	2,757	(745)	-27.0%	4,104	-51.0%
Other operating revenues and income	119	119	0	0.0%	191	-37.7%
REVENUES	**7,529**	**20,811**	**(13,282)**	**-63.8%**	**27,489**	**-72.6%**
Consumables and goods	(315)	(508)	193	-38.0%	(425)	-25.9%
Service costs	(3,793)	(4,730)	937	-19.8%	(5,013)	-24.3%
Construction service costs	(1,916)	(2,625)	709	-27.0%	(3,908)	-51.0%
Leases, rentals and other costs	(632)	(1,418)	786	-55.4%	(1,885)	-66.5%
Other operating expenses	(630)	(794)	164	-20.7%	(765)	-17.6%
Personnel costs	(5,052)	(6,537)	1,485	-22.7%	(7,145)	-29.3%
COSTS	**(12,338)**	**(16,612)**	**4,274**	**-25.7%**	**(19,141)**	**-35.5%**
GROSS OPERATING PROFIT (EBITDA)	**(4,809)**	**4,199**	**(9,008)**	**n.a.**	**8,348**	**n.a.**
Amortisation/write-downs Concession rights	(1,822)	(1,643)	(179)	10.9%	(1,500)	21.5%
Amortisation of other intangible assets	(208)	(302)	94	-31.1%	(273)	-23.8%
Depreciation of tangible assets	(574)	(648)	74	-11.4%	(697)	-17.6%
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**(2,604)**	**(2,593)**	**(11)**	**0.4%**	**(2,470)**	**5.4%**
Provisions for doubtful accounts	(156)	(225)	69	-30.7%	(25)	524.0%
Provision for renewal of airport infrastructure	(512)	(478)	(34)	7.1%	(475)	7.8%
Provisions for other risks and charges	(7)	(4)	(3)	75.0%	(94)	-92.6%
PROVISIONS FOR RISKS AND CHARGES	**(675)**	**(707)**	**32**	**-4.5%**	**(594)**	**13.6%**
TOTAL COSTS	**(15,617)**	**(19,912)**	**4,295**	**-21.6%**	**(22,205)**	**-29.7%**
OPERATING RESULT	**(8,088)**	**899**	**(8,987)**	**n.a.**	**5,284**	**n.a.**
Financial income	10	94	(84)	-89.4%	39	-74.4%
Financial expenses	(306)	(101)	(205)	203.0%	(299)	2.3%
RESULT BEFORE TAXES	**(8,384)**	**892**	**(9,276)**	**n.a.**	**5,024**	**n.a.**
TAXES FOR THE PERIOD	**2,053**	**(273)**	**2,326**	**n.a.**	**(1,477)**	**n.a.**
PROFIT (LOSS) FOR THE PERIOD	**(6,331)**	**619**	**(6,950)**	**n.a.**	**3,547**	**n.a.**
Profit (loss) for the period - Minority interests	**0**	**0**	**0**	**n.a.**	**0**	**n.a.**
Profit (loss) for the period – Group	**(6,331)**	**619**	**(6,950)**	**n.a.**	**3,547**	**n.a.**

A **consolidated net loss** of Euro 6.3 million is reported for the first quarter of 2021, compared to a net profit of **Euro 619 thousand** in the first quarter of 2020. This loss is due to the crisis arising as a result of the COVID-19 pandemic from the end of February 2020. A net profit of Euro 3.5 million was reported in the first quarter of 2019, thereby confirming the significant impact on the Group from the pandemic-related crisis.

Operating **revenues** overall declined 63.8% on 2020 and 72.6% on 2019. Specifically:
- **revenues from aeronautical services** dropped (-67% on 2020 and -75.6% on 2019) due to the reduction in traffic;
- **revenues from non-aeronautical services** declined (-73.5% on 2020 and -78.3% on 2019) due to the performance of all category components, as outlined in the relative section;
- **revenues from construction services** decreased (-27% on 2020 and -51% on 2019) due to reduced aviation and non-aviation sector investment in comparison to 2020, and a decline in aviation sector investment not fully offset by greater investments in the non-aviation sector in comparison with 2019;
- other **operating revenues and income**: the decrease of 37.7% on 2019 is mainly due to lower sales of energy efficiency certificates.

The **costs** for the period reduced by 25.7% overall on the same period in 2020 and 35.5% on 2019 following the decrease in traffic and the introduction of efficiency enhancement measures to reduce the impact of the decline in volumes on profitability.

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These break down as follows:

- ✓ **consumables and goods** decreased (-38% on 2020 and -25.9% on 2019), mainly due to the lesser amounts of aircraft fuel purchased resulting from the fall in air traffic and, only in comparison with 2020, of aircraft de-icing liquid;
- ✓ **service costs** were lower (-19.8% on 2020 and -24.3% on 2019), thanks to:
  - the reduction of some traffic-related services such as the PRM and MBL services;
  - the containment of utility costs;
  - the lower costs for maintenance, development and promotion, professional services and consultancy, and the restructuring or suspension of some service contracts (e.g., cleaning and passenger and staff shuttles to outlying car parks);
- ✓ the decrease in the **lease, rentals and other costs** account (-55.4% on 2020 and -66.5% on 2019) is mainly due to the decline in traffic volumes, on whose basis the concession and security fees are calculated;
- ✓ **other operating expenses** decreased (-20.7% on 2020 and -17.6% on 2019), mainly due to reduced tax charges.

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

Overall, the January-March 2021 period reports an **EBITDA loss of Euro 4.8 million**, compared to a profit of Euro 4.2 million in 2020 and of Euro 8.3 million in 2019, due to the contraction in revenues, entirely linked to the traffic performance, and to more rigid costs, considering the high fixed cost structure characteristic of airport managers.

Overheads did not change significantly on the first quarter of 2020 due to the substantially fixed nature of these costs, decreasing 21.6% on Q1 2020 against a drop in revenues of 63.8%, resulting in an **EBIT loss of Euro 8.1 million**, compared to an EBIT profit of Euro 900 thousand in the first quarter of 2020 and of Euro 5.3 million in Q1 2019.

Net financial expenses amounted to **Euro 0.3 million**, against substantially breakeven in the first quarter of 2020 and expenses of Euro 260 thousand in the first quarter of 2019, due to the higher debt.

As a result of that outlined above, the **Result before taxes** for the first quarter of 2021 was a **loss of Euro 8.4 million**, compared to a profit of Euro 892 thousand in the first quarter of 2020 and Euro 5 million in the first quarter of 2019.

Income taxes presents a **positive component (net income) in the income statement of Euro 2.1 million**, compared to a charge of Euro 0.3 million in the first quarter of 2020 and Euro 1.5 million in the first quarter of 2019, due to the recognition of deferred tax assets, calculated on the IRES tax loss for the year, recognised assuming that the current situation is temporary and that a reasonable certainty therefore exists of generating in future periods sufficient assessable income to allow for its gradual absorption.

The **result for the period**, entirely concerning the Group, was therefore a **net loss of Euro 6.3 million**, compared to a net profit of Euro 0.6 million in Q1 2020 and Euro 3.5 million in Q1 2019.

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

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in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Tot. cge. vs 2020	% cge. vs 2020	for the quarter ended 31.03.2019	% cge. vs 2019
Revenues from aeronautical services	3,272	9,906	(6,634)	-67.0%	13,400	-75.6%
Revenues from non-aeronautical services	2,126	8,029	(5,903)	-73.5%	9,794	-78.3%
Other operating revenues and income	119	119	0	0.0%	191	-37.7%
ADJUSTED REVENUES	**5,517**	**18,054**	**(12,537)**	**-69.4%**	**23,385**	**-76.4%**
Consumables and goods	(315)	(508)	193	-38.0%	(425)	-25.9%
Service costs	(3,793)	(4,730)	937	-19.8%	(5,013)	-24.3%
Leases, rentals and other costs	(632)	(1,418)	786	-55.4%	(1,885)	-66.5%
Other operating expenses	(630)	(794)	164	-20.7%	(765)	-17.6%
Personnel costs	(5,052)	(6,537)	1,485	-22.7%	(7,145)	-29.3%
ADJUSTED COSTS	**(10,422)**	**(13,987)**	**3,565**	**-25.5%**	**(15,233)**	**-31.6%**
ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)	**(4,905)**	**4,067**	**(8,972)**	**n.a.**	**8,152**	**n.a.**
Revenues from construction services	2,012	2,757	(745)	-27.0%	4,104	-51.0%
Construction service costs	(1,916)	(2,625)	709	-27.0%	(3,908)	-51.0%
Construction Services Margin	**96**	**132**	**(36)**	**-27.3%**	**196**	**-51.0%**
GROSS OPERATING PROFIT (EBITDA)	**(4,809)**	**4,199**	**(9,008)**	**n.a.**	**8,348**	**n.a.**

The table below presents the monthly **passenger traffic** performance and **EBITDA** of the Parent Company adjusted for the construction services margin to highlight how the performance in 2021 compared to the two preceding years differs from the month of March following the outbreak of the pandemic at the end of February 2020:

	JANUARY 2021	Cge. % vs 2020	Cge. % vs 2019	FEBRUARY 2021	Cge. % vs 2020	Cge. % vs 2019	MARCH 2021	Cge. % vs 2020	Cge. % vs 2019
Passenger Traffic	77,826	-89.0%	-87.9%	60,855	-89.7%	-89.7%	71,936	-28.1%	-90.2%
INCOME STATEMENT (in thousands of Euro)									
ADJUSTED REVENUES	**1,628**	**-79.4%**	**-77.6%**	**1,430**	**-79.1%**	**-78.7%**	**1,651**	**-29.9%**	**-79.8%**
Revenues from aeronautical services	848	-79.5%	-78.6%	733	-80.4%	-80.4%	931	-19.8%	-79.6%
Revenues from non-aeronautical services	732	-80.2%	-77.6%	651	-78.7%	-77.7%	654	-43.6%	-81.3%
Other operating revenues and income	48	-20.7%	-3.8%	46	-22.5%	-1.7%	66	96.7%	-53.2%
ADJUSTED COSTS	**-3,271**	**-36.7%**	**-30.3%**	**-2,965**	**-38.7%**	**-33.1%**	**-3,474**	**9.4%**	**-33.2%**
Personnel costs	-1,529	-37.0%	-32.6%	-1,469	-35.7%	-33.6%	-1,750	17.0%	-24.8%
Other operating expenses	-1,742	-36.4%	-28.1%	-1,496	-41.3%	-32.5%	-1,724	2.6%	-40.0%
ADJUSTED EBITDA	**-1,642**	**n.a.**	**n.a.**	**-1,535**	**n.a.**	**n.a.**	**-1,823**	**n.a.**	**n.a.**
ADJUSTED EBITDA MARGIN	**-100.9%**	**n.a.**	**n.a.**	**-107.3%**	**n.a.**	**n.a.**	**-110.4%**	**n.a.**	**n.a.**

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3.2 CASH FLOW ANALYSIS

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

in Euro thousands	As at 31.03.2021	As at 31.03.2020	Change
Cash flow generated / (absorbed) by operating activities before working capital changes	(4,882)	4,120	(9,002)
Cash flow generated / (absorbed) by net operating activities	(5,325)	639	(5,964)
Cash flow generated / (absorbed) by investment activities	(1,796)	(3,018)	1,222
Cash flow generated / (absorbed) by financing activities	(229)	(57)	(172)
Change in closing cash flow	(7,350)	(2,436)	(4,914)
Cash and cash equivalents at beginning of period	43,658	29,253	14,405
Change in closing cash flow	(7,350)	(2,436)	(4,914)
Cash and cash equivalents at end of period	36,310	26,817	9,493

Cash flow absorbed by operating activities before working capital changes amounted to Euro 4.9 million compared to a generation of Euro 4.1 million in the comparative period. The reduction of Euro 9 million is essentially due to the net loss for the period.

The working capital cash flow in the quarter was substantially balanced and therefore did not significantly impact **cash flow from operating activities** which, net of the changes in working capital, was an absorption of **Euro 5.3 million**, compared to cash generated of Euro 0.6 million in the first quarter of 2020.

Investing activities absorbed **Euro 1.8 million**, compared to Euro 3 million in the comparative quarter, as a result of reduced infrastructural investment.

Finally, **financing activities absorbed cash flows** of **Euro 0.2 million** due to the settlement of a loan instalment, in addition to payments for lease liabilities.

Consequently, the **change in closing cash flow** in the period indicates the **absorption of Euro 7.4 million**, against an absorption of cash of Euro 2.4 million in 2020.

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The Group's net financial position at March 31, 2021, compared to December 31 and March 31, 2020, is presented below:

	in thousands of Euro	As at 31.03.2021	As at 31.12.2020	As at 31.03.2020	Change 31.03.2021 31.12.2020	Change 31.03.2021 31.03.2020
A	Cash	37	33	24	4	13
B	Other cash equivalents	36,273	43,625	26,793	(7,352)	9,480
A	Securities held for trading	0	0	0	0	0
D	**Liquidity (A+B+C)**	**36,310**	**43,658**	**26,817**	**(7,348)**	**9,493**
E	**Current financial receivables**	**0**	**275**	**501**	**(275)**	**(501)**
F	Current bank debt	(101)	(33)	(115)	(68)	14
G	Current portion of non-current debt	(3,066)	(3,064)	(3,194)	(2)	128
H	Other current financial debt	(1,063)	(1,440)	(1,517)	377	453
E	**Current financial debt (F+G+H)**	**(4,230)**	**(4,537)**	**(4,826)**	**307**	**595**
J	**Net Current financial position (I-E-D)**	**32,080**	**39,396**	**22,492**	**(7,316)**	**9,587**
K	Non-current bank debt	(68,629)	(68,759)	(11,518)	130	(57,111)
L	Bonds issued	0	0	0	0	0
M	Other non-current liabilities	(931)	(1,026)	(1,322)	95	391
N	**Non-current financial debt (K+L+M)**	**(69,560)**	**(69,785)**	**(12,840)**	**225**	**(56,720)**
O	**Net financial (debt) position (J+N)**	**(37,480)**	**(30,389)**	**9,652**	**(7,091)**	**(47,133)**

The Group **Net Financial Debt** at March 31, 2021 was **Euro 37.5 million,** compared to Euro 30.4 million at December 31, 2020 and a net cash position of Euro 9.7 million at March 31, 2020, with contractions respectively of Euro 7.1 million and Euro 47.1 million.

The deterioration on December 31, 2020 is due to the extraordinary absorption of liquidity as a result of the ongoing crisis, which significantly cut cash inflows from operating activities, together with the payments for investments and provision for renewal actions in the quarter.

The movement on March 31, 2020 is due, in addition to the absorption of cash related to the contraction in revenues and the outflows for payments on investments, the higher debt following the drawdown by the parent company of SACE-backed loans for Euro 58.9 million.

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3.3 FINANCIAL POSITION ANALYSIS

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

USES	As at 31.03.2021	As at 31.12.2020	As at 31.03.2020	Change 31.03.2021 31.12.2020	Change 31.03.2021 31.03.2020
- Trade receivables	5,509	6,279	12,341	(770)	(6,832)
- Tax receivables	1,476	1,299	629	177	847
- Other Receivables	2,952	2,494	5,840	458	(2,888)
- Inventories	670	676	641	(6)	29
Sub-total	**10,607**	**10,748**	**19,451**	**(141)**	**(8,844)**
- Trade payables	(11,826)	(13,612)	(15,408)	1,786	3,582
- Tax payables	(833)	(511)	(4,055)	(322)	3,222
- Other payables	(24,799)	(22,923)	(27,395)	(1,876)	2,596
Sub-total	**(37,458)**	**(37,046)**	**(46,858)**	**(412)**	**9,400**
Net operating working capital	**(26,851)**	**(26,298)**	**(27,407)**	**(553)**	**556**
Fixed assets	217,036	217,457	198,686	(421)	18,350
- Deferred tax assets	12,800	10,732	6,276	2,068	6,524
- Other non-current assets	13,272	13,262	13,630	10	(358)
Total fixed assets	**243,108**	**241,451**	**218,592**	**1,657**	**24,516**
- Provisions for risks, charges & severance	(17,899)	(17,567)	(19,469)	(332)	1,570
- Deferred tax liabilities	(2,632)	(2,618)	(2,573)	(14)	(59)
- Other non-current liabilities	(40)	(41)	0	1	(40)
Sub-total	**(20,571)**	**(20,226)**	**(22,042)**	**(345)**	**1,471**
Fixed Operating Capital	**222,537**	**221,225**	**196,550**	**1,312**	**25,987**
Total Uses	**195,686**	**194,927**	**169,143**	**759**	**26,543**

SOURCES	As at 31.03.2021	As at 31.12.2020	As at 31.03.2020	Change 31.03.2021 31.12.2020	Change 31.03.2021 31.03.2020
Net financial (debt) position	**(37,480)**	**(30,389)**	**9,652**	**(7,091)**	**(47,132)**
- Share Capital	(90,314)	(90,314)	(90,314)	0	0
- Reserves	(74,223)	(87,814)	(87,862)	13,591	13,639
- Result for the period	6,331	13,590	(619)	(7,259)	6,950
Group Shareholders' Equity	**(158,206)**	**(164,538)**	**(178,795)**	**6,332**	**20,589**
Minority Interests	0	0	0	0	0
Total Shareholders' Equity	**(158,206)**	**(164,538)**	**(178,795)**	**6,332**	**20,589**
Total sources	**(195,686)**	**(194,927)**	**(169,143)**	**(759)**	**(26,543)**

Fixed operating capital at March 31, 2021 was **Euro 195.7 million,** increasing Euro 0.8 million on December 31, 2020 and Euro 26.5 million on March 31, 2020. In terms of uses in fact, the Group's equity structure at March 31, 2021 does not differ significantly from December 31, 2020; the only significant change relates to the increase in deferred tax assets on the tax losses for the period. Compared to March 31, 2020, receivables and payables significantly reduced for an almost equal amount, as a result of the decline in Group operations, while in terms of fixed assets - in addition to deferred tax assets in relation to the tax benefit on the tax losses - infrastructural investments significantly increased.

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In terms of sources, the **net financial debt** at March 31, 2021 was Euro 37.5 million, compared to Euro 30.4 million at December 31, 2020 and a net cash position at March 31, 2020 of Euro 9.7 million, while the **Consolidated and Group Shareholders' Equity** was **Euro 158.2 million**, compared to Euro 164.5 million at December 31, 2020, due to the losses in the period of the Group companies carried forward.

3.4 INDICATORS

The Directors deemed the Group's major income statement and statement of financial position indicators at and for the period ended March 31, 2021 to be immaterial due to their interim nature.

3.5 INVESTMENTS

Investments totalled Euro 2.1 million in Q1 2021, of which approx. Euro 1.2 million for Masterplan investments and the remainder on airport operations.

Among the main Masterplan investments, we indicate that the works on a building dedicated to a specialist operator in the cargo sector are in the concluding stage.
Furthermore, in terms of other investments in airport operations, the following work was carried out to improve the service offered to passengers and increase the efficiency of company processes:

- the expansion of check-in area offices, in its final stages;
- the installation of the new de-icing equipment, in the completion stage;
- various IT interventions.

Provisions for Renewal

The total works for the **cyclical renewal and maintenance of the airport infrastructure and plant** at March 31, 2021 amount to approximately Euro 77 thousand, which essentially concern the restoration of the uninterruptible heat and cooling supply.

3.6 PERSONNEL

Workforce breakdown

	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Tot. cge. vs 2020	% cge. vs 2020	for the quarter ended 31.03.2019	Tot. cge. vs 2019	% cge. vs 2019
Full Time Equivalent average workforce	**428**	**472**	**-44**	**-9%**	**477**	**-49**	**-10%**
Executives	9	9	0	0%	10	-1	-10%
Managers	35	34	1	3%	31	4	13%
White-collar	306	338	-32	-9%	338	-32	-9%
Blue-collar	78	91	-13	-14%	98	-20	-20%

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	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Tot. cge. vs 2020	% cge. vs 2020	for the quarter ended 31.03.2019	Tot. cge. vs 2019	% cge. vs 2019
Average workforce	**463**	**536**	**-73**	**-14%**	**531**	**-68**	**-13%**
Executives	9	9	0	0%	10	-1	-10%
Managers	35	34	1	3%	31	4	13%
White-collar	338	398	-60	-15%	388	-50	-13%
Blue-collar	81	95	-14	-15%	102	-21	-21%

Source: Company workings

The reduction in the workforce of 44 full-time equivalent staff compared to 2020 and of 49 on 2019 is due to the non-renewal in April 2020 of fixed-term contracts due to the reduction of traffic.

Costs

In addition to the drop in staff numbers mentioned above, the Group has reduced its costs by 22.7% on 2020 and by 29.3% on 2019 by taking actions to limit labour costs, given that they represent one of the Group's primary expenses. The maximum possible employment levels have however been maintained.

In particular, the Group took action to block overtime and to encourage employees to take accrued holidays. In addition, from March 2020 and until March 20, 2021, the Group launched an Extraordinary Temporary Lay-off Scheme for all employees of AdB, followed by those of the subsidiary FFM, maintaining only the operational services deemed essential, resulting in a reduction in the activities of other employees. From March 22, 2021, for AdB employees, the Exceptional Temporary Lay-off Scheme entered into force and from April 1, 2021 for the subsidiary FFM, until June 23, 2021.

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

	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Tot. cge. vs 2020	% cge. vs 2020	for the quarter ended 31.03.2019	Change	% Change
Personnel costs	5,052	6,537	-1,485	-22.7%	7,145	-2,093	-29.3%

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TRADE UNION RELATIONS

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

The same agreement was signed for the subsidiary FFM. It will be valid from April 2021, 23 to June 2021.

In addition to the agreements on the Extraordinary Temporary Lay-off Scheme, both for FFM and AdB, the trade unions signed an agreement that establishes the option for workers to access an interest-free loan from the Company, to partially cover Scheme payments for the months of April, May and June, pending the disbursement of such payments by the Authority.

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

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

In collaboration with the trade unions, and with the support of the Municipality and Metropolitan City of Bologna, AdB also produced and brought to the attention of the Italian Government, the Ministry of Transport, the Emilia Romagna Region and other interested bodies a document requesting support and job protection for the entire airport site with a view to asking for direct intervention, partly with a view to the exit from the health emergency.

TRAINING OF PERSONNEL

In the first quarter of 2021, training costs were again contained due to the continuance of the COVID-19 health emergency which did not allow the restart of in-person courses, although online training continued.

Training in the first quarter of 2021 centred on mandatory training, involving the Prevention and Protection Service and the Security update for approximately 70 staff, who took the exam to renew their three-year certification with ENAC.

The specialist courses carried out in the first quarter included:

- the CAST Terminal course for the "Cast Airport Simulation Team" working group, which seeks to simulate future scenarios which involve operating infrastructure and processes in order to provide support for management's strategic decisions;
- the Auditor course for 6 new company auditors which focuses on both quality and security;
- the Regulatory Compliance course regarding energy in the design of buildings, regarding energy efficiency and the regional and national regulatory framework;
- the Runway Inspection course as per EU Reg. 139 ADR.OPS. B.015 on Movement Area monitoring and inspection, which involved 8 staff between Airside Supervisors and the Airside Maintenance Area.

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3.7 KEY INFORMATION ON THE SUBSIDIARIES' PERFORMANCES

Fast Freight Marconi Spa

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

At March 31, 2021, the company had 17 employees and, in continuity with previous years, assigned many staff activities to the parent under a management & staffing contract which covers the accounting, administrative, legal, personnel and ICT areas.

Despite the significant impacts on air traffic from the COVID-19 pandemic, FFM reported for the quarter a contraction of only 4% in traffic served compared to Q1 2020, impacted only from the beginning of March by the pandemic. Results consequently contracted, although a net profit was reported for the period.

The impact of the pandemic has also had an adverse effect on cargo, although less so than on passenger traffic, while the impact has in part been offset by the partial recovery of traffic, closely linked to demand in this manufacturing industry-focused region. In addition, the subsidiary contained its operating costs mainly by using the Extraordinary Temporary Lay-off Scheme and thanks to savings on contracts varying in line with traffic served.

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

Revenues in Q1 2021 declined 14% on the first quarter of 2020. Thanks to operating costs savings (-8%), EBITDA totalled Euro 54 thousand, remaining in positive territory, although down 50% on Q1 2020. The profit for the period, finally, was Euro 40 thousand, down 46% on the first quarter of 2020.

Tag Bologna Srl

TAG began operations in 2008 following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector. The Parent Company acquired a 100% interest (previously 49%) in TAG Bologna in 2018.

The company, which assigned certain staff activities to the parent under a management & staffing contract covering the legal and personnel area, has 11 employees.

The COVID-19 health emergency has also had a serious impact on the General Aviation traffic performance, even though in March, probably also due to the closure of Florence airport for works, traffic recovered significantly. In the first quarter of 2021, TAG reported a 17.3% increase in aircraft movements, compared to a reduction of 12.4% in General Aviation passenger numbers.

The period under review was also marked by preparations for the start of 24-hour supervision, an activity assigned by the Parent Company, involving the acquisition of vehicles and staff for the start of operations on April 1, 2021.

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

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Due to the drop in volumes, TAG reported a 14% contraction in revenues compared to the first quarter of 2020 and of 31% on the first quarter of 2019. Despite the reduction in operating costs (-16% on Q1 2019 and -27% on Q1 2019), due to the high fixed costs that are a feature of the sector, the Company reported for the quarter a net loss of Euro 31 thousand, compared to a loss of Euro 25 thousand in the comparative period and substantial breakeven in the first quarter of 2019.

Reference should be made to the specific paragraph of the interim financial report at March 31, 2021 for information concerning transactions undertaken during Q1 2021 with subsidiaries and related parties.

4 MAIN NON-FINANCIAL RESULTS ANALYSIS

4.1 QUALITY

The quality performance for the first quarter of the year was in line with the previous year. The COVID-19 pandemic significantly affected airport processes and consequently also the passenger experience. The exceptional situations we have come to know and manage in 2020 have become the new normal for the airport experience, centring on the crucial requirements of distancing and hygiene, sanitation and information, self-certification and swabs. The work and projects undertaken in 2020 mitigated these constraints and created the conditions for a good travel experience, which is reflected in the high general satisfaction and quality levels delivered.
Thanks to the experience gained in the field last year, Aeroporto di Bologna again satisfied its commitment to protect the health both of its passengers and of the Airport community. A close focus on cleaning and hygiene has been maintained. In addition, in April a COVID Test Point was opened for all passengers and workers to meet the needs of those arriving and departing passengers who, on the basis of the provisions imposed by the various countries, are required to provide certifications proving negative COVID-19 status. A constant flow of information and updates was provided to carriers, handlers and Airport Bodies, alongside the ongoing monitoring of processes.

5 REGULATORY FRAMEWORK

5.1 REGULATORY AGREEMENT AND NEW TARIFF DYNAMIC 2020-2023

2021 is the second year of the 2021-2023 regulatory period. In 2019 the Parent Company initiated preliminary activities with ENAC for the drafting of the Regulatory Agreement for the 2020-2023 four-year period and with the Transport Regulation Authority (TRA), for the calculation of the airport “tariffs” for the same four-year period. For various reasons, independent of the Parent Company’s motivation, which confirmed its full availability to ENAC in all settings and dealings, the Agreement was not formalised in writing – but was implemented in good faith in 2020 and in the current 2021, naturally being interpreted in line with the pandemic which had a strong adverse impact on the airport manager and concession holder. In relation to this, also ENAC on its part, similarly ensured full implementation of the Regulatory Agreement, carrying out the monitoring within its scope; recently, with regards to the Agreement, in light of the ongoing pandemic, negotiations and meetings with ENAC are underway, with the objective of a prompt and fully legalised formalisation.

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In this connection, AdB has brought an Extraordinary Appeal to the Head of State in relation to the clause referred to in Article 19 of the draft Regulatory Agreement. Similar appeals have been lodged by other Italian management companies. In December 2020, the Council of State issued an opinion on this matter confirming that the grounds for appeal raised regarding this unlawful clause by the appellant companies were correct. Once the judgments have been transposed they will be decided by means of a Presidential Decree. The expectation is that the relevant entities will carry out an internal review of the provisions of the above clause with all possible urgency.
On October 23, 2020, an annual hearing was held with Users regarding the updating of airport fees for 2021. The new tariffs, which have been published on the Company's website, apply from January 1, 2021. In this regard, on October 30, 2020 ENAC informed the TRA of certain "procedural anomalies" relating to the process of executing and reporting certain interventions in 2019. Following this notice, AdB recalculated the 2021 tariff dynamic to exclude the expenses referred to in the report, while also launching the related inquiries and reserving the right to submit counterarguments. The new 2021 tariffs, which are essentially unchanged from those submitted during the consultation, have been sent to the TRA and Users and made available on the Company's website.
If the Authority makes any requests for corrections to the 2021 tariff dynamic the Company will immediately notify Users of this fact. Correspondence and discussions with ENAC and the TRA are still ongoing.

5.2 RETURN OF ENAV VISUAL AID LIGHTS (VALs), GOODS AND AREAS

On November 30, 2020 a decree was published that had been signed on April 3, 2020 by the Ministry of Economy and Finance on the "Return to the State of assets no longer instrumental for the institutional duties of ENAV and their subsequent reassignment to ENAC, under the combined provisions of Articles 692 and 693 of the Navigation Code, and subsequent provision under concession to the airport manager" (Official Gazette No. 297 of 30-11-2020, General Series).
The decree states:

– the airport managers shall take delivery of the VALs within 18 months of the decree's publication in the Official Gazette, and they shall, under their own responsibility and at their own expense, manage, maintain and supply them with electricity, recovering the associated costs through the airport tariffs.
– The airport managers shall take delivery of the goods and areas and sole areas within 60 days of the decree's publication in the Official Gazette, and they shall, under their own responsibility and at their own expense, manage, maintain and supply them with electricity, recovering the associated costs through the airport tariffs.

With specific reference to the tariff profile of the goods and areas comprising the VALs, the act provides in Article 2: "[...] Until the above-mentioned airport managers take responsibility for them, and in any event until the end of the above-mentioned period, ENAV shall be in possession of the VAL systems and shall manage, maintain and supply them with electricity, and is entitled to recover the associated costs through its terminal tariff. 2. From the publication date of this decree, ENAV may add to the terminal tariff the non-amortised book value of the assets covered by this decree, in accordance with a graduated mechanism agreed with ENAC."
The return provision was adopted following a lengthy preliminary procedure involving the Ministry of Infrastructure and Transport (MIT), ENAC and ENAV, but not the airport managers.
Based on the above, AdB, like other Italian airport managers, brought an administrative appeal against this decree, highlighting the various grounds for deeming it unlawful, including the infringement of the right to be heard and requesting that an investigation be duly launched into what the equipment and assets returned consist of. In parallel, negotiations were launched with ENAC, with the additional help of Assaeroporti. They are currently addressing the issue of the local decentralised bodies, i.e. the ENAC airport offices.
In particular, we note the recent activity of the local ENAC department, which supported the verification and inspection, in the presence of representatives from ENAV and AdB, of certain assets that are no longer used for ENAV's institutional purposes. The description of the state of the locations and assets were minuted. Discussions are underway with the stated Bodies with a view to the forthcoming legal finalization of the receipt. This will involve the introduction of appropriate protections in the formal documents, given the poor state and condition of most of the assets, and their subsequent demolition, in line with the Master Plan's provisions and, in any event, without settlement of the matter involved in the aforesaid dispute, for which the diligent arguing of positions will continue in order to safeguard the full legitimacy of the procedure and the position of AdB, given the particular nature of the ENAV infrastructure at the airport. This is also in the interest of the safe and uninterrupted airport operations.

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5.3 AIRPORT SECTOR SUPPORT MEASURES

Law No. 178 of December 30, 2020 “State forecast budget for the 2021 financial year and multiannual budget for the three-year period 2021-2023” (the 2021 Budget Law) was published on December 30, 2020 in the Official Gazette. It will enter into force on January 1, 2021.
During the approval process for the draft 2021 Budget Law two new specific measures were added to support the airport sector:

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

The conditions and procedures for submitting requests for access to the contribution, as well as criteria for granting and awarding it will be set out – in compliance with the criteria outlined in the provision “with the aim of avoiding over-compensation” – under a decree from the MIT and the MEF, to be adopted by January 31, 2021, following receipt of an opinion from the relevant parliamentary Committees; such a decree has not been issued to date.
With regard to legislative action on social security schemes, paragraph 714 of Article 1 of the Budget Law lays down the possibility of also granting supplementary benefits of the “Solidarity fund for the air transport sector and the airport system” in the case of lay-off scheme payments on an exceptional basis, which may be triggered by all companies (including air transport and airport management companies) under paragraph 300 of Article 1 of the 2021 Budget Law, for a maximum of 12 weeks, which must be in the period from January 1 to June 30, 2021. The provision therefore permits supplementary benefits to be granted in the future (in accordance with the above time-scales) in addition to the Air Transport Fund also to lay-off scheme payments on an exceptional basis triggered by airport companies as a result of COVID-19, effectively exceeding a limit that would have been deemed binding in the absence of a specific legislative provision. On February 26, 2021 the Parent Company signed an agreement with the trade unions and the Workers’ Representative Body on the application of the Exceptional Temporary Lay-Off Scheme from March 22 to June 13, 2021.

5.4 CONTINUITY OF SERVICES PROVIDED BY ALITALIA IN EXTRAORDINARY ADMINISTRATION

By order of the Ministry of Economic Development of May 2, 2017, published in edition No. 104 of Italy's Official Gazette dated May 6, 2017, Alitalia - Società Aerea Italiana S.p.A was admitted to the extraordinary administration procedure, with immediate effect and three Extraordinary Commissioners were appointed. The Court of Civitavecchia declared Alitalia - Società Aerea Italiana S.p.A. in extraordinary administration (“Alitalia SAI in EA”) insolvent by judgment of May 11, 2017. The decree of the Ministry of Economic Development of May 12, 2017 was then published in edition No. 124 of the Official Gazette of May 30, 2017, also admitting Alitalia Cityliner S.p.A. to the extraordinary administration procedure and appointing the same panel of commissioners as for Alitalia.
The Parent Company, as part of the extraordinary administration procedure, in a timely manner raised the receivable matured to May 2, 2017 of Euro 0.78 million, of which Euro 0.66 million requested in preference form as per Article 1023 No. 1 of the navigation code, and Euro 0.12 million as unsecured.
The tenth statement of liabilities, including the claim lodged by the Parent Company, was filed on December 17, 2019. At this juncture, full priority was granted to the airport fees accrued in the final months of operation prior to the declaration of insolvency, amounting to Euro 0.66 million.

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However, it should be noted that, on the basis of the emergency health regulations mentioned above, a potential avenue to re-nationalise the airline has been explored. In fact, while failed attempts were being made to privatise the airline, the Italian government made recourse to Article 107(2)b – through the provisions of Article 79(2) of the "Italian Healthcare" Decree (Decree-Law No. 18 of March 17, 2020) – in order to bring the new Alitalia airline under public control for Euro 500 million, without going against the EU ban on state aid, given the exceptional event that has occurred. However, said potential recapitalisation is subject to authorisation by the European Commission. As such, the establishment of an Alitalia newco is on the horizon, either as a 100% state-controlled entity, or under the public control of the Ministry for the Economy and Finance, with ample powers awarded to the Extraordinary Commissioner to distribute the assets owned by the two companies in extraordinary administration. This situation may further complicate the outcome of AdB's filing of claims in the bankruptcy proceedings.
Through Decree of October 9, 2020, the company Italia Trasporto Aereo SpA was incorporated, with an opening share capital of Euro 20 million, fully paid-in by the Ministry of the Economy and Finance. Subsequent implementing decrees for the transfer of the assets of Alitalia SAI in a.s. to the newly-incorporated company have not yet been issued.
With regards to the debt positions of Alitalia SAI in a.s. (extraordinary administration) towards AdB at March 31, 2021, a significant exposure of approx. Euro 919 thousand exists (of which Euro 513 thousand of non-trade receivables, mainly concerning the municipal surcharge on boarding fees), overdue for Euro 789 thousand. In relation to this gradually worsening situation, AdB has forwarded, in accordance with common practice, diligent requests and payment reminders, also constantly informing ENAC of the situation of significant risk and prejudice for the operator and also, finally, formally warning ENAC with the request to adopt measures to inhibit the carrier's airport operations. In addition - as no reply has been received from ENAC, despite the many registered e-mails sent - the necessary documentation is being prepared in order to formalise a specific application pursuant to Article 802 of the Navigation Code to the local Bologna-Rimini Airport Management, the results of which will be outlined in subsequent reports.

5.5 BREXIT

On May 24, 2019 Law No 41 of May 20, 2019, converting Decree-Law No. 22 of March 25, 2019 (the Brexit Decree) was published in Official Gazette No. 120.
Article 17-ter, in introducing provisions on airport tariffs, required that EU airport charges should continue to apply to passengers travelling from Italian airports to the United Kingdom, on the condition of reciprocity, from the date of Brexit up to the date of entry into force of a global agreement governing the provision of transport services with the United Kingdom, or, failing that, until 30/03/2020. On January 29, 2020, the European Parliament ratified the text of the agreement on the withdrawal of the United Kingdom from the European Union, which officially took place on February 1, 2020. This agreement governed Britain's withdrawal, establishing a further transitional period from February 1 to December 31, 2020 in which everything remained unchanged, including the collection of airport fees. The EU regulations and procedures on the free circulation of persons, services, capital and goods remained in effect in the United Kingdom and it is only with effect from January 1, 2021 that the United Kingdom is no longer be a part of the European Union customs and tax (VAT and excise) territory.
AdB applied Non-EU tariffs to flights to the UK from the IATA 2021 summer season, and therefore from March 28, 2021.

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6 DISPUTES

This section outlines the main - fundamental in financial terms - disputes and/or those which in the period saw significant legal and/or non-legal developments, without therefore providing an exhaustive outline of all positions for which specific amounts have been allocated to the disputes risk provision.

Fire Prevention Fund

There are no further matters to report on those indicated in the Financial Statements at December 31, 2020.

Alitalia – Revocatory Action

At the beginning of May 2020, the Company received notification of the revocatory action submitted by the Extraordinary Commissioner of ALITALIA SAI in limited partnership. As such, Alitalia is essentially rescinding its application to file for bankruptcy by submitting a request to the court to render it ineffective. As a consequence, Alitalia would obtain a refund of any payments made during the "suspect period," i.e. the six months before bankruptcy was declared (November 1, 2016 - May 1, 2017), starting on the date the company entered into extraordinary administration.

The Company appeared in the proceedings, both strongly condemning and challenging the legal basis and timing of such an action, and will launch an appropriate legal defence to effectively oppose the lawsuit. The first hearing of the proceedings was duly held on February 24, 2021, and judgement was postponed to the hearing to be held on November 11, 2021.

Legal dispute- TE2C design company reserves

The Parent Company received a request for higher compensation from Tecno Engineering 2C, an engineering company tasked with designing the Group's "terminal expansion" project, which amounts to approximately Euro 2.2 million. AdB does not consider the contractual counterparty's request to be legitimate, and is carrying out preliminary investigations, in addition to those that have already been completed, in order to present an adequate counter appeal and rejection – for multiple reasons – of the request as received.

On September 16, 2020 the Company was served with an injunction that was not provisionally enforceable for the payment of a portion of the consideration claimed by the counterparty to have been accrued in relation to the assignment. The Parent Company has taken legal action to oppose the injunction, firmly contesting the legal basis of the counterparty's claims, since not all the conditions for the payment of the invoice in dispute have yet arisen.

A number of hearings were held in this regard and the case awaits a decision.

On May 6, 2021, the Parties formalised a second addendum so as to conclude, to all intents and purposes, the relations between the Awarding company and the appointee in a manner deemed balanced and correct by both Parties, to avoid subsequent reciprocal claims or requests of any kind. This deed is therefore also for settlement purposes and contains certain obligations for the parties themselves. The Parties' lawyers have both mandated that the litigation be brought to an end, following the aforementioned very recent agreement.

Appeal of the new TRA Regulation Models

There are no further matters to report on those indicated in the Financial Statements at December 31, 2020.

Action before AGA proposed in relation to the Decree of April 3, 2020 concerning ENAV assets, including the VAL equipment

There are no further matters to report on those indicated in the Financial Statements at December 31, 2020.

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FFM customs dispute

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

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

The subsidiary FFM has already assigned its defence to lawyers specialising in this area and is preparing to challenge the above notices within the legal term of 60 days of notification. This is in order to put forward all possible defences, in view of the fact that the company is not responsible whatsoever with the alleged failure, by the importer and in an action subsequent to importation and in no way verifiable by FFM at the time of its own operations, to fulfil the conditions regarding the destination of the goods and, therefore, with all the conditions legitimising the aforesaid exemption.

In addition, in order to obtain, with all possible urgency, a measure suspending the enforceability of the above-mentioned assessments, FFM shall provide the Customs Office with an adequate *pro tempore* guarantee.

Ernest Revocatory Action

On April 15, the Bankruptcy of the airline, Ernest, sent the Parent Company a request for the repayment of sums paid in the six months prior to submission of the request for composition with creditors, totalling Euro 299 thousand - including approximately Euro 80 thousand for the municipal surcharge - pursuant to bankruptcy revocation legislation. AdB has already instructed the lawyers who assisted it in filing for bankruptcy to evaluate possible defence strategies.

7 MAIN RISKS AND UNCERTAINTIES

Risks relating to the COVID-19 pandemic

The COVID-19 health emergency continues to have a significant impact on the airport sector: according to data published by ACI Europe, the crisis triggered in the first quarter of last year by the outbreak of the pandemic will continue into early 2021. In the first three months of the year, in particular, traffic declined by approximately 395 million passengers in Europe (down 81.7% on 2020). According to the former's estimates, 2019 traffic levels will not be fully recovered before 2025, with significant diseconomy of scales for airport managers who shall see their earnings significantly impacted *(Source: COVID-19 & AIRPORTS Traffic Forecast & Financial Impact, April 2021*).

The AdB Group's financial performance is strongly influenced by air traffic, which is, in turn, influenced by the economic environment, national and international health conditions, the economic and financial situation of individual airlines and airline alliances, as well as competition, on some routes, with alternative means of transport.

Depending on the specific way in which they evolve, these factors can have a particularly significant impact on long-term performance, thus resulting in changes to the Group's development policies. The areas listed below may be affected by these issues, given the pervasive and uncertain nature of the developing pandemic.

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In the context of such an extreme and prolonged crisis and given the considerable commitments to infrastructure developments, the **liquidity risk** could manifest as difficulty in obtaining timely, cost-effective financing to cover the requirements of the operations plan and, at the same time, cover the new requirement for finance in the Net Working Capital cycle until the end of the crisis. While the Group's commitment to develop existing airport infrastructures currently remains unchanged, its operations plan is currently undergoing strategic re-assessment in consultation with ENAC with the identification of new priorities and implementing phases following the drastic reduction in traffic, and the Group is in ongoing discussions with potential lenders. With regard to non-compliance, due to worsening margins owed to the current crisis, Banca Intesa informed AdB on August 31, 2020 that some covenants – which are usually reviewed on an annual basis, and relate to a loan undertaken with the bank prior to the Covid-19 pandemic – will be suspended for 2020 and 2021. The annual contractual covenants on the Unicredit loan finalised in July shall apply from the 2022 financial statements.
The Group has sought to minimise **interest rate risk**, in view of its outstanding financing, by entering into both fixed-rate and floating-rate facilities.
The Group's **credit risk** is concentrated, in that 27% of its accounts receivable at March 31, 2021 are claimed from its top ten clients (unchanged on December 31, 2020).
The credit risk is offset through specific trade payable management and control tools and procedures, in addition to adequate provisioning for doubtful accounts – taking into account the increased risk owed to the current crisis – according to the principles of prudency and in compliance with the accounting standards IFRS 15 and IFRS 9, which strengthens the *ex-ante* analysis approach, rather than existing receivable recovery, in the credit risk assessment processes.

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

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

The current economic crisis has increased the Group's credit risk due to the general lack of liquidity throughout the chain. In order to handle these difficulties, the Group has granted payment deferments to customers and has appropriately taken into account the greater risk for the provision for bad debts at March 31, 2021, and shall continue to monitor such as events unfold in the coming months and in line with the expected recovery timeframe.

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

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

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

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

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Risks related to a dependence on Ryanair traffic volumes

Group operations are significantly based on relations with the leading airlines at the airport and to which the Group offers its services, including - in particular - Ryanair. Due to the large proportion of total passenger flights at the airport operated by Ryanair, the Group is exposed to the risk that the airline may scale back or discontinue entirely its operations at the airport. Ryanair passengers accounted for 37.8% of the airport's total traffic volumes in Q1 2021. AdB and Ryanair strengthened their partnership on October 27, 2016 by entering into a long-term agreement set to expire in 2022, whereby they undertook to increase the number of destinations served by Bologna airport, in addition to achieving a consistently high standard of service due to the airport's continuing investments and the airline's "Always Getting Better" programme. The agreement lays out a scheme relating to the airport's traffic development policy and Ryanair's commitment to abide by it, in addition to a contractual safeguard mechanism that ensures that the objectives will be met. Although in the Group's opinion Bologna airport is of strategic importance to the airline, it is still possible that Ryanair may decide to change the routes served, significantly reducing or discontinuing entirely its flights at the airport, or that at some point in the future the agreement might not be renewed, in whole or in part, or might contain conditions less favourable for the Group. Any reduction or stoppage of flights by the afore-mentioned airline or the stoppage or change to flights with other destinations with high passenger traffic volumes may impact - even to a significant degree - the Group financial statements. In view of the current air transport industry crisis, any redistribution of passenger traffic among other airlines is more complex and uncertain. However, the parent company maintains active relationships with all sector operators.

Risk related to the effect of incentives on revenue margins

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

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

Although the low-cost segment's share of the Italian national market is increasing, the Group manages this risk by actively developing a traffic mix that permits it to maintain positive margins. In the face of the pandemic and given the unprecedented market conditions, the Parent Company suspended its 2020 Policy on May 28, 2020 for the remainder of summer 2020, subject to incentives for exceptional cases (mainly the continuation of volatile market conditions), thus approving and publishing, on October 13, 2020, an extraordinary new traffic development Policy, to be applied for one year from the start of the 2020-21 IATA winter season, with the goals of a recovery, as soon as possible, taking into account the exceptional nature of the pandemic, and adopting a temporary, experimental approach – until a stable market is restored at the airport.

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

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

At the preparation date of this document, a number of concession holders had not yet reopened their sales points.

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Risks related to implementation of the Action Plan

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

AdB could encounter difficulties in implementing the investments provided for under the Action Plan in a timely manner due to unforeseeable events, such as delays in the process of obtaining authorisation for and/or executing the works, with possible adverse effects on the amount of the tariffs that may be applied and possible risks of withdrawal from or termination of the Agreement. An additional extraordinary risk that has also emerged in 2020 in this context is "pandemic risk", with all its impacts (in terms of the airport company's organisational capacity and performance, possible further slowdown in procedures, risk of unavailability of financial resources, etc. etc.). The negative impact that the COVID-19 pandemic has had on air traffic trends could also lead, if ENAC agrees, to the Parent Company developing the investment plan in line with new priorities and implementing phases, particularly the postponement of the terminal extension, in order to respond consistently to new traffic needs and to allow adequate remuneration of investments and ensure they are fully sustainable in financial terms. The proposals assessed on this point by the board of directors of Parent Company AdB are being examined together with the National Civil Aviation Authority and, once agreed by the latter, will be announced in a timely fashion to the market.

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

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

Risks concerning the regulatory framework

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

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

In terms of the risk of the non-recoverability of the carrying amount of the Concession Rights recognised to intangible assets consolidated at December 31, 2020 for Euro 198 million, as per IAS 36, the Group carried out an impairment test on the most recent cash flow projections approved by the Board of Directors of the parent company and based on assumptions considered reasonable and demonstrable, in order to present the best estimate of the future economic conditions that the current situation of uncertainty - in particular on the duration of the crisis - permits.

The impairment test did not identify any impairment of the carrying amounts of the concession rights as at December 31, 2020 and no impairment losses were therefore recognised on the assets concerned (please refer to Note 1 - Intangible Assets for further information).

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Seasonality of revenues

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

8 ALTERNATIVE PERFORMANCE INDICATORS

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

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

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

- **EBITDA:** EBITDA (earnings before interest, taxation, depreciation and amortisation) is defined by management as the result before taxes for the year, financial income and charges, income and charges from equity investments, depreciation, amortisation and impairment. It therefore coincides, in this case, with the gross operating margin. EBITDA is not identified as an accounting measure as per IFRS and therefore should be considered as an alternative measure for the evaluation of the Group's performance. Since calculation of this indicator is not governed by the accounting standards that form the basis of preparation of the Group's Consolidated Financial Statements, the criterion used to determine and measure the indicator might not be uniform with that adopted by other groups. Accordingly, the figure in question might not be comparable with that presented by such other groups;
- **Adjusted EBITDA:** this is a measure used by the Group's management to monitor and assess the Group's operating and financial performance. This is calculated by subtracting from EBITDA:
    - the margin calculated as the difference between the Group's construction revenues and construction costs as the Airport's manager and
    - with effect from 2019, terminal value receivable revenues on the provision for renewal, where this account is understood to refer to the consideration – equal to the present value of the terminal value credit – that the airport manager is entitled to be paid at the end of the concession from the new manager for renewal work on the assets under concession that at the date concerned have not been fully depreciated according to the regulatory accounting rules (Art. 703 of the Navigation Code, as amended by Art. 15-quinquies, para. 1, of Decree-Law No. 148/2017, converted, with amendments, by Law No. 172 of December 4, 2017).
- **Net Financial Position**: the composition of net financial position is represented in accordance with the Consob Communication of July 28, 2006 and ESMA recommendation ESMA/2011/81.

9 GUARANTEES PROVIDED

The following table summarises the guarantees granted by the Group.

In thousands of Euro	31/03/2021	31/03/2020	Change	Change
Sureties	4,049	8,163	(4,114)	-50%
Pledge on equity financial instruments	10,873	10,873	0	0%
Personal guarantees	2,621	3,267	(645)	-20%
Total guarantees provided	**17,543**	**22,303**	**(4,760)**	**-21%**

At March 31, 2021, the guarantees provided by the Group total Euro 17.5 million and principally concern:
- sureties, mainly:
    - to ENAC (the Italian Civil Aviation Authority) pursuant to the Full Management Agreement (Euro 1.6 million);
    - to the Bologna Customs Agency for various custom deposits of the subsidiary Fast Freight Marconi Spa totalling Euro 2.4 million.
- a pledge of the equity financial instrument issued by Marconi Express S.p.a. and subscribed for by the Parent Company for a nominal value of Euro 10.87 million, securing the obligations of Marconi Express to the credit institutions that financed the People Mover project;
- a letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena), equal to the residual principal, which at the end of the period amounted to Euro 2.6 million.

10 SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to period end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements.
However, some significant events occurred after the end of the period or are set to occur in the coming months.

Traffic performance
With the continuation of the travel restrictions due to the COVID-19 pandemic, April was again a poor month for Bologna Airport, particularly in terms of international traffic. Slightly over 93 thousand passengers in fact were recorded (93,072), an 88.3% decline on the same month of 2019. The comparison however with April 2020 was immaterial, as significantly impacted by the lock-down, with only one daily flight to Rome Fiumicino.
In further detail, in April 2021, passengers on domestic flights numbered 51,448 (-68% on April 2019), while those on international flights totalled 41,624 (-93.5% on April 2019). Aircraft movements numbered 1,327 (-78.6% on April 2019), while air cargo transported almost recovered its 2019 volumes, with a slight decrease of 1.4%.
In the first four months of the year, total passengers numbered 302,874 (-89.0%), with 4,427 movements (-80.2%) and 12,158 tonnes of cargo transported (-7.9%).
The initial months of 2021 however did not yet see signs of improvements, particularly for international flights, which historically are Marconi's strong point. As summer flights are planned and as a result of progress in vaccination campaigns, it is hoped that the summer will represent the turning point in this trend, and that traffic levels will gradually begin to recover.

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

Studies on the pandemic and its impact on the air transport sector suggest an uneven recovery over the coming years, with volumes likely to see-saw as coronavirus spreads through countries at different rates and as vaccine roll-outs also proceed at varying speeds. Currently there is a general consensus that air traffic will not fully recover to pre-COVID-19 levels before 2024-25.

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

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Investments in aeronautical airport infrastructure capacity will be supported by the rate regulation mechanism in place for the Italian airport sector and on the basis of the new implementing priorities and intermediate design phases which, in a sustainability-focused approach, will be re-assessed in close collaboration with ENAC. The Airport Development Plan, the '2030 Master Plan', will be implemented progressively using financial resources that are in part already available and additional financial resources that will be sourced in the coming years. Talks have already begun with possible lenders.

The negative impact that the COVID-19 pandemic has had on air traffic trends could also lead, if ENAC agrees, to the Parent Company developing the investment plan in line with new priorities and implementing phases, particularly the postponement of the terminal extension, in order to respond consistently to new traffic needs and to allow adequate remuneration of investments and ensure they are fully sustainable in financial terms. The proposals assessed on this point by the board of directors of Parent Company AdB are being examined together with the National Civil Aviation Authority and, once agreed by the latter, will be announced in a timely fashion to the market.
For the current year 2021 sector studies estimate that passenger traffic performance will be strongly impacted by the effectiveness and coverage achieved by vaccination programmes. ACI Europe estimates a possible recovery of 36% of annual pre-COVID-19 traffic volumes for 2021, with a slight recovery not expected until the second half of the year.
For AdB the prospects for 2021 are also very uncertain and dependent on the successful distribution and efficacy of the vaccines, as well as on restrictions on movements that will be in force during the year and the overall economic and psychological impacts of the pandemic (e.g. propensity to travel, spending power, etc.). AdB estimates for 2021 passenger traffic volumes in line with the main sector studies.
2021 will also be affected by the resilience and recovery capacities of the various stakeholders (carriers, sub-concession holders, handlers, etc.).
The non-aviation sector will continue to be adversely affected by the crisis, both because of the weak recovery of traffic volumes on which variable contract components are based, which have in the interim been redefined, substantially eliminating minimum guaranteed components, and because of the failure to open several stores at the airport.
As far as possible, the Group will continue its cost containment measures, taking account of the need to keep the airport fully operative despite the reduced traffic volumes.
In terms of social sustainability and the linked impact on personnel costs, the Parent Company will utilise the Exceptional Temporary Lay-Off Scheme from March 22 to June 13, 2021. AdB will then request that the Scheme is extended by the further 28 weeks provided for in the Support Decree.
In 2021 AdB will commit to investments with updated priorities that are also designed to enable better management of the infrastructure capacity limits of certain sub-systems, benefiting from the lower traffic volumes under management to carry them out, in a proactive effort to improve service quality.
Although the environment is very uncertain, on the basis of the available liquidity and the budget assumptions it is considered that cash flows will be sufficient to avoid further recourse to external finance during the year. However, in view of total commitments in the coming years and since there is currently no information on how certain it is that State aid will be available, nor the amounts or time-scales involved, work on sourcing financial resources is already in progress.
2021 will therefore be a difficult year of transition in which resilience and adaptability will be key in order to be ready to seize all the opportunities presented to achieve a sustainable recovery.

The Chairman of the Board of Directors

(Enrico Postacchini)

Bologna, May 14, 2021

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Consolidated Financial Statements at March 31, 2021

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

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Statement of Consolidated Financial Position

in thousands of Euro	Notes	As at 31.03.2021	As at 31.12.2020
Concession rights		198,660	198,470
Other intangible assets		1,407	1,569
Intangible assets	**1**	**200,067**	**200,039**
Land, property, plant and equipment		12,237	12,686
Investment property		4,732	4,732
Tangible assets	**2**	**16,969**	**17,418**
Investments	**3**	44	44
Other non-current financial assets	**4**	12,955	12,946
Deferred tax assets	**5**	12,800	10,732
Other non-current assets	**6**	273	272
Other non-current assets		**26,072**	**23,994**
NON-CURRENT ASSETS		**243,108**	**241,451**
Inventories	**7**	670	676
Trade receivables	**8**	5,509	6,279
Other current assets	**9**	4,428	3,793
Current financial assets	**10**	0	275
Cash and cash equivalents	**11**	36,310	43,658
CURRENT ASSETS		**46,917**	**54,681**
TOTAL ASSETS		**290,025**	**296,132**

in thousands of Euro	Notes	As at 31.03.2021	As at 31.12.2020
Share capital		90,314	90,314
Reserves		74,223	87,814
Loss for the period		(6,331)	(13,590)
GROUP SHAREHOLDERS' EQUITY	**12**	**158,206**	**164,538**
MINORITY INTERESTS		**0**	**0**
TOTAL SHAREHOLDERS' EQUITY	**12**	**158,206**	**164,538**
Severance and other personnel provisions	**13**	4,080	4,251
Deferred tax liabilities	**14**	2,632	2,618
Provision for renewal of airport infrastructure	**15**	10,889	10,316
Provisions for risks and charges	**16**	1,406	1,399
Non-current financial liabilities	**17**	69,560	69,785
Other non-current liabilities		40	41
NON-CURRENT LIABILITIES		**88,607**	**88,410**
Trade payables	**18**	11,826	13,612
Other liabilities	**19**	25,632	23,434
Provision for renewal of airport infrastructure	**15**	1,501	1,578
Provisions for risks and charges	**16**	23	23
Current financial liabilities	**17**	4,230	4,537
CURRENT LIABILITIES		**43,212**	**43,184**
TOTAL LIABILITIES		**131,819**	**131,594**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**290,025**	**296,132**

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Consolidated Income Statement

in thousands of Euro	Notes	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020
Revenues from aeronautical services		3,272	9,906
Revenues from non-aeronautical services		2,126	8,029
Revenues from construction services		2,012	2,757
Other operating revenues and income		119	119
Revenues	**20**	**7,529**	**20,811**
Consumables and goods		(315)	(508)
Service costs		(3,793)	(4,730)
Construction service costs		(1,916)	(2,625)
Leases, rentals and other costs		(632)	(1,418)
Other operating expenses		(630)	(794)
Personnel costs		(5,052)	(6,537)
Costs	**21**	**(12,338)**	**(16,612)**
Amortisation of concession rights		(1,822)	(1,643)
Amortisation of other intangible assets		(208)	(302)
Depreciation of tangible assets		(574)	(648)
Depreciation, amortisation and impairment	**22**	**(2,604)**	**(2,593)**
Provisions for doubtful accounts		(156)	(225)
Provision for renewal of airport infrastructure		(512)	(478)
Provisions for other risks and charges		(7)	(4)
Provisions for risks and charges	**23**	**(675)**	**(707)**
Total Costs		**(15,617)**	**(19,912)**
Operating result		**(8,088)**	**899**
Financial income	**24**	10	94
Financial expenses	**24**	(306)	(101)
Result before taxes		**(8,384)**	**892**
Taxes for the period	**25**	2,053	(273)
Profit (loss) for the period		**(6,331)**	**619**
Minority interest profit (loss)		0	0
Group profit (loss)		**(6,331)**	**619**
Undiluted earnings/(loss) per share (in Euro)		**(0.18)**	**0.02**
Diluted earnings per share (in Euro)		**(0.18)**	**0.02**

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Consolidated Statement of Comprehensive Income

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020
Profit (loss) for the period (A)	**(6,331)**	**619**
Other profits (losses) that will be reclassified in the net result for the period	0	0
Total other profits (losses) that will be reclassified in the net result for the period (B1)	**0**	**0**
Other profits (losses) that will not be reclassified in the net result for the period		
Actuarial profits (losses) on severance and other personnel provisions	**0**	**0**
Tax impact on actuarial profits (losses) on severance and other personnel provisions	**0**	**0**
Total other profits (losses) that will not be reclassified in the net result for the period (B2)	**0**	**0**
Total other profits (losses), net of taxes (B1 + B2) = B	**0**	**0**
Total profits (losses), net of taxes (A + B)	**(6,331)**	**619**
of which Minority Interests	**0**	**0**
of which Group	**(6,331)**	**619**

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Consolidated Cash Flow Statement

in thousands of Euro	As at 31.03.2021	As at 31.03.2020
Core income-generating operations		
Result for the period before taxes	(8,384)	892
Adjustments to items with no impact on cash and cash equivalents		
- Margin from construction services	(96)	(132)
+ Depreciation and amortisation	2,604	2,593
+ Provisions	675	707
+ Interest expense (income) for discounting and severance provisions	59	(74)
+/- Interest income and financial charges	238	81
+/- Losses/gains and other non-monetary costs/revenues	0	33
+/- Severance provisions and other personnel expenses	22	20
Cash flow generated/(absorbed) by operating activities before changes in working capital	**(4,882)**	**4,120**
Change in inventories	5	(19)
(Increase)/decrease in trade receivables	620	2,881
(Increase)/decrease in other receivables and current/non-current assets	(625)	(1,249)
Increase/(decrease) in trade payables	(1,786)	(3,129)
Increase/(decrease) in other liabilities, various and financial	1,774	(1,765)
Interest paid	(120)	(2)
Interest collected	0	2
Taxes paid	0	0
Severance and other personnel provisions paid	(226)	(55)
Use of provisions	(83)	(145)
Cash flow generated / (absorbed) by net operating activities	**(5,325)**	**639**
Purchase tangible assets	(104)	(148)
Proceeds on sale of tangible assets	0	3
Purchase of intangible assets/concession rights	(1,962)	(2,873)
Proceeds on sale of intangible assets/concession rights	0	0
Purchase/capital increase of equity investments	0	0
Proceeds on sale of equity investments	0	0
Changes in current and non-current financial assets	270	0
Cash flow generated / (absorbed) by investment activities	**(1,796)**	**(3,018)**
Proceeds from the issuance of shares and other equity instruments	0	0
Dividends paid	0	0
Loans received	0	0
Loans repaid	(130)	0
Payments of leasing capital share	(99)	(57)
Cash flow generated / (absorbed) by financing activities	**(229)**	**(57)**
Change in closing cash flow	**(7,350)**	**(2,436)**
Cash and cash equivalents at beginning of period	**43,658**	**29,253**
Change in closing cash flow	**(7,350)**	**(2,436)**
Cash and cash equivalents at end of period	**36,310**	**26,817**

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Statement of changes in Consolidated Shareholders' Equity

in thousands of Euro	*Share capital*	*Share Premium Reserve*	*Legal Reserve*	*Other reserves*	*FTA Reserve*	*Actuarial profits/(losses) reserve*	*Profit (losses) carried forward*	*Profit (loss) for the period*	*Group shareholders' equity*	*Minority Interests*	*Shareholders' Equity*
Shareholders' Equity at 31.12.2020	**90,314**	**25,683**	**8,179**	**56,655**	**(3,272)**	**(1,036)**	**1,604**	**(13,590)**	**164,538**	**0**	**164,538**
Allocation of the 2020 financial year result	0	0	0	460	0	0	(14,050)	13,590	0	0	0
Share Capital Increase	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Assets held-for-sale	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	0	0	(6,331)	(6,331)	0	(6,331)
Shareholders' Equity at 31.03.2021	**90,314**	**25,683**	**8,179**	**57,115**	**(3,272)**	**(1,036)**	**(12,446)**	**(6,331)**	**158,206**	**0**	**158,206**

in thousands of Euro	*Share capital*	*Share Premium Reserve*	*Legal Reserve*	*Other reserves*	*FTA Reserve*	*Actuarial profits/(losses) reserve*	*Profit (losses) carried forward*	*Profit (loss) for the period*	*Group shareholders' equity*	*Minority Interests*	*Shareholders' Equity*
Shareholders' Equity at 31.12.2019	**90,314**	**25,683**	**7,170**	**37,029**	**(3,272)**	**(988)**	**1,387**	**20,852**	**178,175**	**0**	**178,175**
Allocation of the 2019 financial year result	0	0	0	562	0	0	20,290	(20,852)	0	0	0
Share Capital Increase	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Assets held-for-sale	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	0	0	619	619	0	619
Shareholders' Equity as at 31.03.2020	**90,314**	**25,683**	**7,170**	**37,591**	**(3,272)**	**(988)**	**21,677**	**619**	**178,795**	**0**	**178,795**

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Notes to the consolidated financial statements

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Group activities

The Group operates in the airport management business. Specifically:

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

Accounting standards adopted for the Preparation of the Consolidated interim financial statements as at March 31, 2021

Basis of preparation

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

Impacts of the COVID-19 pandemic and going concern

As outlined in detail in the Directors' Report, in 2020 and in Q1 2021, the Group's performance was significantly impacted by the effects of the crisis caused by the spread of the COVID-19 pandemic and the travel restrictions imposed by the governments of Italy and many other countries in response to the health emergency. The repercussions on air transport were very significant and have resulted in an unprecedented airport sector crisis, whose effects on the AdB Group were outlined in the 2020 Annual Accounts and in this report. 2021 in fact began in a similar vein to the end of 2020, although the vaccination campaigns have been a feature of the first quarter, which are considered to be a key factor for a global recovery, together with the individual government and European support measures.

Against this backdrop, taking account of all information currently available regarding the future, the Group believes that there are no significant uncertainties (as defined in paragraph 25 of IAS 1) regarding its ability to continue as a going concern, as the measures already put in place and those being implemented will enable it to overcome this crisis in the medium term. Although the scale and impact of the crisis has been disruptive, it must in any event be considered exceptional and temporary in nature.

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

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

- the 2021-2025 business plan, approved by the Parent Company's Board of Directors on January 25, 2021, whose traffic growth forecasts over the time horizon are based on leading industry studies;
- the post-COVID-19 infrastructure development strategy: the Parent Company, together with the Civil Aviation Authority (ENAC), has launched a long-term infrastructure development program in accordance with new priorities and executive phases in order to respond consistently to the new traffic needs and to allow adequate remuneration of investments and ensure they are fully sustainable in financial terms;
- the measures in support of the sector, such as the Exceptional Temporary Lay-Off Scheme already applicable from March 22, 2021, 2021 and the other measures, including that provided for by Article 128-bis of the 2021 Finance Act, which allocates a fund of Euro 450 million to compensate for damages suffered by airport operators and Euro 50 million for handling companies;
- the other measures to reduce internal costs (e.g. blocking the recruitment of new staff, reduction of vacation arrears, elimination of overtime, etc.) and external costs, with particular reference to non-strategic supplies and also through renegotiations with suppliers;
- cash and cash equivalents sufficient to cover cash needs for at least twelve months from the approval of the Interim Financial Report at March 31, 2021, conservatively considering a very contracted crisis and traffic evolution from the COVID-19 pandemic still through 2021 and, although to a lesser extent, 2022 and 2023;
- contacts, some already underway and others planned during the current year, with other lenders for any additional credit access needs;
- further action that can be taken to preserve liquidity (e.g. further investment plan adjustments).

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

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

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

The publication of the consolidated interim financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. and its subsidiaries (the Group) for the quarter ended March 31, 2021 was approved by the Board of Directors on May 14, 2021.

Content and form of the consolidated financial statements

The Condensed Consolidated Interim Financial Statements at March 31 were prepared as per IAS 34 "Interim Financial Statements" including condensed explanatory notes in accordance with the above-mentioned international accounting standard and supplemented in order to provide greater disclosure where considered necessary. These Consolidated Financial Statements must therefore be read together with the Consolidated Financial Statements for the year 2020 prepared in accordance with IFRS International Accounting Standards issued by the International Accounting Standards Board ("IASB") and prepared considering the transition date to IFRS (First Time Adoption "FTA") as January 1, 2012.

The accounting standards and policies utilised are those adopted for the preparation of the financial statements at December 31, 2020, as from January 1, 2021 the new amendments to international accounting standards entered into force which did not have an impact on the quarter under review.

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This interim report has not been audited.

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

Consolidation scope

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

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

Subsidiaries (in thousands of Euro)	**Currency**	**Share capital**	**As at 31.03.2021**	**As at 31.12.2020**
Fast Freight Marconi S.p.a. Società Unipersonale	Euro	520	100.00%	100.00%
Tag Bologna S.r.l. Società Unipersonale	Euro	316	100.00%	100.00%

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Operating Segment information

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

- Aviation;
- Non-Aviation;
- Other.

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

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

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

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

The segment assets are those employed by the segment for operating activities or which may be allocated reasonably for the carrying out of operating activities.
The segment assets presented are measured utilising the same accounting policies adopted for the presentation of the Group consolidated financial statements.

in thousands of Euro	for the quarter ended 31.03.2021 Aviation	for the quarter ended 31.03.2021 Non-Aviation	for the quarter ended 31.03.2021 Other	Total for the quarter ended 31.03.2021
Revenues	4,353	3,176	0	7,529
Costs	(9,348)	(2,990)	0	(12,338)
EBITDA	**(4,995)**	**186**	**0**	**(4,809)**
Depreciation, amortisation & impairment	(1,440)	(1,164)	0	(2,604)
Provisions	(601)	(74)	0	(675)
Operating result	**(7,036)**	**(1,052)**	**0**	**(8,088)**
Financial income	0	0	10	10
Financial expenses	0	0	(306)	(306)
Result before taxes	**(7,036)**	**(1,052)**	**(296)**	**(8,384)**
Taxes for the period	0	0	2,053	2,053
Profit (loss) for the period	**(7,036)**	**(1,052)**	**1,757**	**(6,331)**
Minority interest profit (loss)	**0**	**0**	**0**	**0**
Group profit (loss) for the period	**0**	**0**	**0**	**(6,331)**

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in thousands of Euro	for the quarter ended 31.03.2020 Aviation	for the quarter ended 31.03.2020 Non-Aviation	for the quarter ended 31.03.2020 Other	Total for the quarter ended 31.03.2020
Revenues	11,599	9,212	0	20,811
Costs	(11,308)	(5,304)	0	(16,612)
EBITDA	**291**	**3,908**	**0**	**4,199**
Depreciation, amortisation & impairment	(1,597)	(996)	0	(2,593)
Provisions	(554)	(153)	0	(707)
Operating result	**(1,860)**	**2,759**	**0**	**899**
Financial income	0	0	94	94
Financial expenses	0	0	(101)	(101)
Result before taxes	**(1,860)**	**2,759**	**(7)**	**892**
Taxes for the period	0	0	(273)	(273)
Profit (loss) for the period	**(1,860)**	**2,759**	**(280)**	**619**
Minority interest profit (loss)	0	0	0	0
Group profit (loss) for the period	0	0	0	619

The table below presents the segment information for assets:

in thousands of Euro	As at 31.03.2021 Aviation	As at 31.03.2021 Non-Aviation	As at 31.03.2021 Other	As at 31.03.2021 Total
Non-current assets	**177,085**	**40,040**	**25,983**	**243,108**
Intangible assets	**172,765**	**27,302**	**0**	**200,067**
Concession rights	171,826	26,834	0	198,660
Other intangible assets	939	468	0	1,407
Tangible assets	**4,258**	**12,711**	**0**	**16,969**
Property, plant and equipment	4,258	7,979	0	12,237
Investment property	0	4,732	0	4,732
Other non-current assets	**62**	**27**	**25,983**	**26,072**
Investments	0	0	44	44
Other non-current financial assets	0	0	12,955	12,955
Deferred tax assets	0	0	12,800	12,800
Other non-current assets	62	27	184	273
Current assets	**5,867**	**2,716**	**38,334**	**46,917**
Inventories	442	228	0	670
Trade receivables	3,468	2,041	0	5,509
Other current assets	1,957	447	2,024	4,428
Current financial assets	0	0	0	0
Cash and cash equivalents	0	0	36,310	36,310
Total assets	**182,952**	**42,756**	**64,317**	**290,025**

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in thousands of Euro	As at 31 03.2020 Aviation	As at 31 03.2020 Non-Aviation	As at 31 03.2020 Other	As at 31 03.2020 Total
Non-current assets	**164,945**	**33,926**	**19,721**	**218,592**
Intangible assets	**160,814**	**18,705**	**0**	**179,519**
Concession rights	159,721	17,576	0	177,297
Other intangible assets	1,093	1,129	0	2,222
Tangible assets	**4,024**	**15,143**	**0**	**19,167**
Property, plant and equipment	4,024	10,411	0	14,435
Investment property	0	4,732	0	4,732
Other non-current assets	**107**	**78**	**19,721**	**19,906**
Investments	0	0	44	44
Other non-current financial assets	0	0	12,595	12,595
Deferred tax assets	0	0	6,276	6,276
Other non-current assets	107	78	806	991
Current assets	**11,213**	**7,023**	**28,533**	**46,769**
Inventories	357	284	0	641
Trade receivables	7,761	4,580	0	12,341
Other current assets	4,702	552	1,215	6,469
Current financial assets	0	0	501	501
Cash and cash equivalents	0	0	26,817	26,817
Total assets	**177,765**	**39,342**	**48,254**	**265,361**

Segment disclosure regarding the identified operating segments is undertaken as outlined below.
Aviation: refers to the airport's core business. This includes aircraft landing, take-off and parking fees, passenger boarding fees, freight fees, in addition to passenger security control fees and hand-carry and checked baggage control fees. It includes also cargo handling, customs clearance and fuelling operations. Finally, this segment includes all centralised infrastructure and exclusive assets: the centralised infrastructure represents revenues received in relation to infrastructure under the exclusive operation of the airport management company for reasons of safety, security or in view of their economic impact. Exclusive assets concern check-in desks, the gates and sub-concession spaces assigned to airport operators.
Non-Aviation: operations not directly connected to the aviation business. This include sub-concession, retail, catering, self-hire and parking management operations, the Marconi Business Lounge and advertising.
The breakdown of revenues and costs between the Aviation and Non-Aviation SBU's follows ENAC's guidelines for analytic/regulatory reporting for airport management companies, in line with Article 11 *decies* of Law No. 248/05 and the Ministry of Transport Guidelines of December 31, 2006.
The residual accounts excluded from regulatory reporting were subsequently allocated according to the operating criteria.
The main differences were as follows:

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

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

ASSETS

1. Intangible assets

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

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Concession rights	198,660	198,470	190
Software, licences and similar rights	916	1,027	(111)
Other intangible assets	54	55	(1)
Other intangible assets in progress	437	487	(50)
TOTAL INTANGIBLE ASSETS	**200,067**	**200,039**	**28**

In the first three months of 2021, Concession rights increased by Euro 2 million, of which Euro 1.9 million (equal to the fair value of construction services provided in the period), principally due to:

- construction work on a new cargo building and related annexes for a specialised operator;
- upgrading, extension and modernisation works of the offices at the check-in area;
- works relating to the construction of a new de-icing plant.

Amortisation of concession rights in the period amounted to Euro 1.7 million and was applied according to the residual duration of the concession.
Software, licenses and similar rights increased Euro 96 thousand, mainly due to the development of operating software.

Other intangible assets in progress include software development not concluded at March 31, 2021.

Test on the recoverability of assets and group of assets

In view of the ongoing COVID-19 health and economic crisis, the Group constantly monitors its operating-financial performances in comparison with the 2021-2046 operating-financial forecasts approved by the Board of Directors of the parent company on February 15, 2021 and used for the impairment test on Concession Rights for the year ended December 31, 2020 and the relative sensitivity tests. Taking account of the Q1 2021 performance compared to the 2021 forecasts, the Group confirms the result of the impairment test carried out on Concession Rights at December 31, 2020, which did not indicate any impairment, considering this estimate adequate also with regards to the Concession Rights at March 31, 2021.

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2. Tangible assets

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

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Land	2,763	2,763	0
Buildings, light constructions and improvements	3,393	3,487	(94)
Machinery, equipment & plant	2,513	2,716	(203)
Furniture, EDP and transport	1,783	1,925	(142)
Building plant and machinery in progress and advances	429	346	83
Investment property	4,732	4,732	0
TOTAL TANGIBLE ASSETS	**15,613**	**15,969**	**(356)**
Land in leasing	1,165	1,252	(87)
Leased buildings and minor construction and improvements	0	0	0
Leased machinery, equipment & plant	28	8	20
Leased furniture, office machinery, transport equipment	163	189	(26)
TOTAL LEASED TANGIBLE ASSETS	**1,356**	**1,449**	**(93)**
TOTAL TANGIBLE ASSETS	**16,969**	**17,418**	**(449)**

At March 31, 2021, the overall increase in this category was Euro 126 thousand and mainly concerns the purchase of furniture and computers, in addition to investments in progress. This category includes right-of-use assets, recognised in accordance with IFRS 16, which the Adb Group recognises as a lessee primarily for the long-term lease of land used for parking, employee motor vehicles and some equipment. The amount recognised at March 31, 2021 corresponds to the present value of the lease instalments falling due, which is reflected under current and non-current financial liabilities for leases (see Note 17).

Investment property includes the total value of land owned by the Group earmarked for the construction of investment property; these amounts were initially recorded at purchase cost and subsequently measured using the cost method.
This land is not subject to amortisation but, as per IAS 40, a technical report is undertaken to support the fair value. The technical report undertaken internally by the Parent Company confirms that the value of the inscription cost approximates, for nature and strategic value of the investment, its fair value. At the preparation date of the financial statements, there were no impairment indicators on these assets.

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3. Investments

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

in thousands of Euro	As at 31.12.2020	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 31.03.2021
Other investments	44	0	0	0	44
TOTAL INVESTMENTS	**44**	**0**	**0**	**0**	**44**

The composition of the account is as follows:

in thousands of Euro	Quota	As at 31.12.2021	As at 31.12.2020	Change
Consorzio Energia Fiera District	14.3%	3	3	0
CAAF dell'Industria Spa	0.07%	0	0	0
Bologna Welcome Srl	10%	41	41	0
TOTAL OTHER INVESTMENTS		**44**	**44**	**0**

4. Other non-current financial assets

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

in thousands of Euro	As at 31.12.2020	Increases/ Acquisitions	Decreases / Reclass.	Write-downs	As at 31.03.2021
Receivables from Terminal Value	1,043	4	0	0	1,047
Equity Financial Instruments	10,873	0	0	0	10,873
Other financial assets	1,030	5	0	0	1,035
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**12,946**	**9**	**0**	**0**	**12,955**

At March 31, 2021, the account "Other non-current financial assets" mainly comprises:

- Euro 1 million in receivables from Terminal Value for the portion of fees for construction/improvement services provided by the Group relating to investments in concession rights, as well as a supplement to the performance obligation fee, in accordance with IFRS 15, on the interventions carried out on the provisions for renewal of airport infrastructure. This receivable, recorded at present value, derives from application of the Terminal Value regulation as per Article 703 of the Navigation Code, which established that, for investments in concession rights, the airport manager shall receive from the succeeding concession holder, on conclusion of the concession, an amount equal to the residual value at that date of the investment, in addition to the interventions made on the provisions for renewal, both calculated according to the regulatory accounting rules. The movement in the period relates to the financial income for the quarter calculated on the receivable recognised at December 31, 2020.

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- Euro 10.9 million of equity financial instruments in Marconi Express Spa, concession holder for the construction and management of the rapid rail link infrastructure between the Airport and Bologna Central Station called People Mover. This financial instrument, subscribed by the Parent Company on January 21, 2016 for a total value of Euro 10.9 million, is recorded corresponding to the amount effectively paid or rather the cost incurred at that date. The investment, in addition to the strategic/operating interest related to improving accessibility to the airport, meets the Group's objective both in relation to the collection of the contractual cash flows and to any future sale of the financial asset. In accordance with IFRS 9, since it is an equity instrument, financial assets are measured at fair value through profit or loss. Specifically, considering the difficulty in measuring the fair value of this Equity Financial Instrument, the Group availed of the exemption permitted for equity financial instruments where the fair value may not be reliably measured. Consequently, the subsequent valuations of this SFP are at cost and any reductions in value, quantified comparing the book value with the present value of the expected cash flows discounted at the market rate for similar instruments, are recorded in the Income Statement and may not be written back;

Regarding the valuation at March 31, 2021 of this Equity Financial Instrument, the Group requested Marconi Express Spa to provide an update of the business plan in light of the entry into operation of the People Mover only on November 18, 2020 and the drastic reduction in traffic volumes caused by the pandemic. In view of the new business plan submitted at the beginning of the year to the lending bank syndicate, which provides for a rescheduling of the debt repayment plan, made necessary following the reduction in revenues caused by the pandemic and following the other anti-crisis measures illustrated by Marconi Express, the Group believes there is no impairment loss to be recorded on the value of the equity instrument at March 31, 2020.

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

5. Deferred tax assets

The following table presents the movements in deferred tax assets for the quarter ended March 31, 2021, compared with December 31, 2020.

in thousands of Euro	As at 31.12.2020	Provisions	Util./Reclass.	As at 31.03.2021
DEFERRED TAX ASSETS	**10,732**	**2,262**	**(194)**	**12,800**

The increase in the period was mainly due to deferred tax assets on the estimated tax losses recorded at March 31, 2021 (Euro 1.98 million), which is reasonably certain to be recovered in the future in view of the Group's forecast financial performance.

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6. Other non-current assets

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

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Non-current prepaid expenses and accrued income	89	89	0
Guarantee deposits	90	89	1
Non-current tax receivables	94	94	0
OTHER NON-CURRENT ASSETS	**273**	**272**	**1**

7. Inventories

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

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Inventories of raw materials, supplies and consumables	643	572	71
Inventories of finished products	27	104	(77)
INVENTORIES	**670**	**676**	**(6)**

8. Trade receivables

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

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Trade receivables	6,651	7,271	(620)
Provisions for doubtful accounts	(1,142)	(992)	(150)
TRADE RECEIVABLES	**5,509**	**6,279**	**(770)**

At March 31, 2021, trade receivables for Euro 5.5 million were recorded net of the provision for doubtful accounts of Euro 1.1 million and decreased by Euro 0.8 million compared to the end of previous year, due to the drop in revenues as a result of the collapse in air traffic and the related commercial activities.
The increase in the provision for doubtful accounts is due both to the write-downs carried out on the basis of specific analysis of cases in arrears and/or in dispute, whose probability of recovery reduced due to the economic situation and the write-down applied on the residual debtor balance, classified by customer category and overdue period, with the simplified parameter method applied, as permitted by IFRS 9 for companies with a diversified and fragmented client portfolio (*Provision Matrix)*.

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

in thousands of Euro	As at 31.12.2020	Provisions	Utilisations	Releases	As at 31.03.2021
PROVISIONS FOR DOUBTFUL ACCOUNTS	**(992)**	**(167)**	**6**	**11**	**(1,142)**

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9. Other current assets

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

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
VAT Receivable	1,455	1,266	189
Direct income tax receivables	20	15	5
Other tax receivables	1	18	(17)
Employee receivables	61	58	3
Other receivables	2,891	2,436	455
OTHER CURRENT ASSETS	**4,428**	**3,793**	**635**

The increase in this category is due to the higher VAT receivable as a result of the continued drop in revenues, in addition to higher accrued income and prepayments as a result of the interim nature of the present period. "Accrued income and prepayments" includes insurance premiums, data processing fees and other services invoiced in advance.

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Receivables for passenger boarding fees surcharge	2,250	2,443	(193)
IRESA receivables	70	156	(86)
Other current receivables provision for doubtful accounts	(1,062)	(1,062)	0
Prepayments and accrued income	991	445	546
Advances to suppliers	36	22	14
Pension and social security institutions	342	127	215
Other current receivables	264	305	(41)
TOTAL OTHER RECEIVABLES	**2,891**	**2,436**	**455**

The drop in receivables from carriers for passenger boarding fee surtaxes is due to the poor traffic numbers. Relating to this account, the Group charged the carriers the boarding fee surtax, as per Article 2, paragraph 11 of Law 350/2003 and subsequent integrations and modifications, and once collected, paid the amount to the State and to INPS respectively in the measure of Euro 1.50 and Euro 5.00 per passenger boarded. There were no tariff changes to the surcharge in the period.
The IRESA receivable is linked to the introduction, as of January 1, 2020, of the regional tax on aircraft noise emissions, which the Group charges to carriers based on the noise certificate and the take-off/landing time of the aircraft and reimburses, once collected, to the Emilia Romagna Region.
The account “other current receivables provision for doubtful accounts” includes the provision for passenger boarding fee surtax doubtful accounts and for IRESA, obtained for reclassification under assets in the statement of financial position, as a deduction of the respective receivable, of the surtax and IRESA charged to the carriers which in the meantime were subject to administration procedures or which contested the charge. This item, which is exclusively posted in the statement of financial position, is classified as a deduction of the respective receivables due to the high improbability of recovery, with no movements in the quarter.

10. Current Financial Assets

“Current financial assets” reduced to nil at March 31, 2021, as the capitalisation policy recognised at December 31, 2020 was reclassified to account 11. Cash and cash and cash equivalents due to the proximity of the contractual due date (May 2021).

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11. Cash and cash equivalents

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Bank and postal deposits	36,273	43,625	(7,352)
Cash in hand and similar	37	33	4
CASH AND CASH EQUIVALENTS	**36,310**	**43,658**	**(7,348)**

"Bank and postal deposits" represent the bank current account balances, in addition to a capitalisation product of Euro 0.3 million, of 5-year duration and May 2021 maturity, reclassified to this item due to the proximity of the contractual due date. As per IFRS 9, this asset is also classified in the category "Held to collect - HTC". In this specific case, the maturity is defined contractually, but the return is related to the capital management performance and therefore this financial instrument is measured at fair value through profit or loss.

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LIABILITIES

12. Shareholders' Equity

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

in thousands of Euro	As at 31.03.2021	As at 31.12.2019	Change
Share capital	90,314	90,314	0
Reserves	74,223	87,814	(13,590)
Loss	(6,331)	(13,590)	7,259
GROUP SHAREHOLDERS' EQUITY	**158,206**	**164,538**	**(6,331)**

i. Share capital

The share capital of the Parent Company at March 31, 2021 amounts to Euro 90,314,162, entirely paid-in and comprising 36,125,665 ordinary shares without par value.

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

in Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020
Group profit (loss) (*)	(6,330,924)	619,478
Average number of shares outstanding	36,125,665	36,125,665
Undiluted earnings/(losses) per share	**(0.18)**	**0.02**
Diluted earnings/(losses) per share	**(0.18)**	**0.02**

(*) from Statement of Consolidated Comprehensive Income

The undiluted earnings/(losses) and diluted earnings/(losses) per share of the AdB Group at March 31, 2021 and December 31, 2020 are the same due to the absence of potential dilutive instruments.

ii. Reserves

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

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Share premium reserve	25,683	25,683	0
Legal reserve	8,179	8,179	0
Extraordinary reserve	57,115	56,655	460
FTA Reserve	(3,272)	(3,272)	0
Profits (losses) carried forward	(12,446)	1,604	(14,050)
OCI reserve	(1,036)	(1,036)	0
TOTAL RESERVES	**74,223**	**87,814**	**(13,590)**

The share premium reserve comprises:

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

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

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

Retained earnings increased due to:

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

The OCI reserve is unchanged on December 31, 2020 as the Group proceeded with discounting the severance and other personnel provisions in accordance with IAS 19 revised, only for the half-year and annual financial statements

13. Severance and other personnel provisions

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

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Severance	3,852	4,041	(189)
Other personnel provisions	228	210	18
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**4,080**	**4,251**	**(171)**

The table below shows the movements in the provisions in the period:

in thousands of Euro	As at 31.12.2020	Service cost	Net interest	Benefits paid	Actuarial profits/(losses)	As at 31.03.2021
Severance	4,041	4	33	(226)	0	3,852
Other personnel provisions	210	18	0	0	0	228
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**4,251**	**22**	**33**	**(226)**	**0**	**4,080**

Actuarial profits/losses did not report any movement in the quarter, due to that stated at note 12.

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14. Deferred tax liabilities

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

in thousands of Euro	As at 31.12.2020	Provisions	Utilisations	As at 31.03.2021
DEFERRED TAX LIABILITIES	**2,618**	**27**	**(13)**	**2,632**

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

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

The changes in the provision in the period ending March 31, 2021 are reported below, divided between non-current and current.

in thousands of Euro	As at 31.12.2020	Provisions	Utilizations	Reclass.	As at 31.03.2021
Provision for renewal of airport infrastructure (non-current)	10,316	573	0	0	10,889
Provision for renewal of airport infrastructure (current)	1,578	0	(77)	0	1,501
TOTAL PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE	**11,894**	**573**	**(77)**	**0**	**12,390**

The increases in the period total Euro 0.6 million, including the portion of interest to be discounted of the provisions and the utilisation of Euro 0.1 million, principally due to plant maintenance.

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

The changes in the non-current and current provision for risks and charges in the quarter ended March 31, 2021 are reported below:

in thousands of Euro	As at 31.12.2020	Provisions	Util./Other decreases	As at 31.03.2021
Risk provision for disputes	976	1	0	977
Provisions for other risks and charges	423	6	0	429
PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)	**1,399**	**7**	**0**	**1,406**
Employee back-dated provision	23	0	0	23
PROVISIONS FOR RISKS AND CHARGES (CURRENT)	**23**	0	**0**	**23**
TOTAL PROVISIONS FOR RISKS AND CHARGES	**1,422**	7	**0**	**1,429**

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

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Contingent liabilities

With regard to the customs dispute that recently involved the subsidiary FFM and outlined in the "Disputes" section of the Directors' Report, it should be noted that a risk has arisen for this company, which operates in the cargo sector, of approximately Euro 4.3 million, as currently estimated on the basis of the total value of the adjustment notices for various customs declaration assessments. FFM and the Group consider themselves to be the injured parties who are outside of the scope of the matter on the basis of the documentation already submitted to their defence, and reserve the right to defend themselves at any appropriate venue. The appointed lawyers, having evaluated the dossier outlining the position and the jurisprudence on the subject, consider it possible but not probable that the case will be lost.

With regards to the notification of invitation from the Municipality of Bologna, received on February 10, 2020, of a differing cadastral classification of a number of buildings - against that agreed with the administration since 2007 - with a consequent impact on the IMU tax for recent years and following which a provision for risks of Euro 226 thousand, increased by Euro 6 thousand for the current quarter, was recognised to the 2020 financial statements, the Directors, taking into account the factual and legal arguments shared with their tax advisors, have decided to qualify the contingent liability as possible for a further estimated amount of Euro 385 thousand and therefore to include appropriate information in the Notes.

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

17. Non-current and current financial liabilities

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

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Bank loans – non-current	68,629	68,759	(130)
Non-current financial payables for leasing	931	1,026	(95)
NON-CURRENT FINANCIAL LIABILIITES	**69,560**	**69,785**	**(225)**
Bank loans - current	3,066	3,064	2
Current financial liabilities for leasing	564	544	20
Payables due for boarding fee surtaxes and Iresa	499	896	(397)
Other current financial debt	101	33	68
CURRENT FINANCIAL LIABILITIES	**4,230**	**4,537**	**(307)**
TOTAL FINANCIAL LIABILITIES	**73,790**	**74,322**	**(532)**

Financial liabilities at March 31, 2021 totalled Euro 73.8 million, decreasing Euro 0.5 million compared to December 31, 2020, due to the decrease in the payables due for boarding fee surtaxes and IRESA (amount received from carriers and reversed in April 2021 to the beneficiary bodies) and for the payment of the loan instalment maturing in March 2021.

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

- fifteen-year bank loan with maturity 2026, with a residual balance at March 31, 2021 of Euro 2.6 million (Euro 2.7 million at December 31, 2020), granted by Monte dei Paschi di Siena (former Banca Agricola Mantovana) to fund investments of the General Aviation Terminal. This liability is classified for Euro 2.1 million under bank loans - non-current (Euro 2.2 million at December 31, 2020), and for Euro 0.5 million, equal to the capital portion to be repaid over the coming 12 months under current loans (same amount at December 31, 2020);
- ten-year bank loan with December 2024 maturity, with a balance of Euro 10.1 million at March 31, 2021 (unchanged on December 31, 2020), granted by Banca Intesa to fund the infrastructure investment plan of the Parent Company. This loan is classified for Euro 7.6 million under non-current loans and for Euro 2.5 million under current loans.

The following table summarises the loans:

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Bank loans – non-current	68,629	68,759	(130)
Bank loans - current	3,066	3,064	2
TOTAL LOANS	**71,695**	**71,823**	**(128)**

and the contractual conditions of the loans in place at March 31, 2021:

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

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

The loans are not covered by secured guarantees.

With reference to the cross default clauses on the loan contracts of the Group, these include both clauses where the benefits are no longer applicable and where the Company financed is not in compliance with obligations of a credit or financial nature, or guarantees assumed with any party. We report that at March 31, 2021, the Group has not received any communication for application of cross default clauses by any of its lenders as the Group is in compliance with its existing contractual commitments.

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

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

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Non-current lease liabilities	931	1,026	(95)
Current lease liabilities	564	544	20
TOTAL LEASE LIABILITIES	**1,495**	**1,570**	**(75)**

The Group has both underwritten leasing contracts as lessor with the sub-license of airport areas and spaces to its customers and also has undertaken leasing contracts as lessee for equipment, plant, machinery, automotive vehicles and land.
The table above refers to these latter obligations broken down into financial liabilities for leases:

- non-current: Euro 0.9 million for contractual instalments due beyond 12 months
- current: Euro 0.5 million relating to contractual instalments due within 12 months

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

in thousands of Euro	31/12/2020	Cash flows	New contracts	Interest/Other Reclass.	31/03/2021
Loans - current portion	3,064	(130)	0	132	3,066
Lease liabilities - current portion	544	(99)	12	107	564
Loans - non-current portion	68,759	0	0	(130)	68,629
Lease liabilities - non-current portion	1,026	0	11	(107)	931
Total	**73,393**	**(229)**	**24**	**2**	**73,190**

18. Trade payables

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
TRADE PAYABLES	**11,826**	**13,612**	**(1,786)**

Trade payables concern the purchase of goods and services, including investments and mainly concern Italian suppliers.

19. Other Liabilities

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

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in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Current tax payables	833	511	322
Employee payables and social security institutions	3,539	2,470	1,069
ENAC concession fee and other State payables	18,246	17,891	355
Other current payables, accrued expenses and deferred income	3,014	2,562	452
TOTAL OTHER CURRENT LIABILITIES	**25,632**	**23,434**	**2,198**

The principal changes were as follows:

i. Current tax payables

In the absence of payables for direct taxes, current tax payables mainly comprise the IRPEF payable for employees and consultants and the payable for local taxes, which principally accounts for the increase over December 31, 2020.

ii. Employee payables and social security institutions

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

in thousands of Euro	As at 31.12.2021	As at 31.12.2020	Change
Employee salaries	1,070	896	174
Employee deferred compensation	1,635	934	701
Social security payables	834	640	194
EMPLOYEE PAYABLES AND SOCIAL SECURITY INSTITUTIONS	**3,539**	**2,470**	**1,069**

The payables to social security institutions increased on December 31, 2020, despite the reduction in the workforce and of personnel costs due to the interim nature of the current period, which includes deferred remuneration and vacation pay and the redundancy incentive paid to employees signing the agreement of January 5, 2021 with the Trade Unions (ref. Directors' Report).

iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 15.8 million (Euro 15.6 million at December 31, 2020) concerning the fire prevention service as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3bis of Law No. 2/2009. For further details, reference should be made to the chapter on Disputes in the Directors' Report of the Consolidated Financial Statements at 31 December 2020.
- Euro 2.4 million as the payable for the variable airport concession fee relating to the portion accrued in the first quarter of 2021, in addition to the 2019 balance and the entire 2020 annual payment; these latter paid on April 30, 2021 as a result of the extension ordered by ENAC as a measure to support the sector.

iv. Other current liabilities, accrued liabilities and deferred income

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

in thousands of Euro	As at 31.03.2021	As at 31.12.2020	Change
Payables due for boarding fee surtaxes and Iresa	1,259	1,539	(280)
Other current liabilities	1,000	952	48
Current accrued liabilities and deferred income	755	71	684
TOTAL OTHER CURRENT PAYABLES, ACCRUED EXPENSES AND DEFERRED INCOME	**3,014**	**2,562**	**452**

The main account concerns the passenger boarding fees surtax and for IRESA, relating to the receivables from carriers not yet received at March 31, for Euro 1.3 million. The portion of the municipality surtax payable and for IRESA relating to receivables collected from carriers, not yet paid to the creditor entities on the other hand is classified under current financial liabilities (Note 17).
"Other current liabilities" include deposits and advances received from customers in addition to deferred income and miscellaneous payables. Finally, the accruals and deferred income is due to the invoicing process which provides for the advance invoicing of sub-license fees and other services.

NOTES TO THE MAIN CONSOLIDATED INCOME STATEMENT ACCOUNTS

The main income statement accounts in the first quarter of 2021, compared with the first quarter of 2020, are presented below, while recalling that both quarters were impacted by the major drop in traffic and revenues as a result of the COVID-19 pandemic, although in the first quarter of 2020 this effect was mitigated by nearly two months of full operations against a Q1 2021 in the middle of the third wave of the pandemic.

REVENUES

20. Revenues

The tables below break down revenues for the two comparative periods. In relation to the performance, reference should be made to the greater detail provided in the Directors' Report.
Consolidated revenues totalled Euro 7.5 million, a decline of Euro 13.3 million on Q1 2020 (-63.8%).
Isolating the item "revenues from construction services", which concerns investments in concession rights in the period which reduced in Q1 2021 (Euro 2 million, compared to Euro 2.8 million in Q1 2020), period revenues contracted 69.4%, from Euro 18 million in Q1 2020 to Euro 5.5 million in Q1 2021.

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Revenues from aeronautical services	3,272	9,906	(6,634)
Revenues from non-aeronautical services	2,126	8,029	(5,903)
Revenues from construction services	2,012	2,757	(745)
Other operating revenues and income	119	119	0
TOTAL REVENUES	**7,529**	**20,811**	**(13,282)**

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

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in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Airport fees	2,383	8,745	(6,362)
Parking	464	2,658	(2,194)
Revenues from construction services	2,012	2,757	(745)
Others	1,275	2,385	(1,110)
TOTAL IFRS 15 REVENUE STREAMS	**6,134**	**16,545**	**(10,411)**

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

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Airport fees	2,383	8,745	(6,362)
Parking	464	2,658	(2,194)
Revenues from construction services	2,012	2,757	(745)
Other	1,275	2,385	(1,110)
TOTAL IFRS 15 REVENUE STREAMS	**6,134**	**16,545**	**(10,411)**
Commercial/non-comm. sub-licenses	1,379	4,255	(2,876)
TOTAL NON IFRS 15 REVENUE STREAMS	**1,379**	**4,255**	**(2,876)**
TOTAL NON IFRS 15 Revenues	16	11	5
TOTAL REVENUES	**7,529**	**20,811**	**(13,282)**

i. Revenues from aeronautical services

The table below presents revenues from aeronautical services in Q1 2021 and Q1 2020.
This revenue category declined 67%, and comprised the following components:

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Centralised infrastructure/other airport services	96	132	(36)
Exclusive use revenues	104	200	(96)
Airport fee revenues	2,612	11,492	(8,880)
PRM revenues	136	924	(788)
Air traffic development incentives	(402)	(3,750)	3,348
Handling services	445	497	(52)
Other aeronautical revenues	281	411	(130)
TOTAL REVENUES FROM AERONAUTICAL SERVICES	**3,272**	**9,906**	**(6,634)**

The breakdown of airport fee revenues is shown below:

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Passenger boarding fees	784	5,132	(4,348)
Landing, take-off and parking fees	1,311	4,028	(2,717)
Passenger security fees	245	1,645	(1,400)
Baggage stowage control fees	90	541	(451)
Freight loading and unloading charges	182	163	19
Reduction fees to prov. for doubtful accs./Other	0	(17)	17
TOTAL AVIATION FEE REVENUES	**2,612**	**11,492**	**(8,880)**

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ii. Revenues from non-aeronautical services

The table below presents revenues from non-aeronautical services in Q1 2021 and Q1 2020.
The strong contraction (-73.5%) is due to the sharp drop in passenger traffic, with the decline in revenues from services directly linked to traffic (parking -82.5%, Marconi Business Lounge -88%), but was also particularly significant in the sub-concessions of premises and areas (-69.9%).

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Commercial premises and spaces sub-license	1,109	3,681	(2,572)
Parking	464	2,658	(2,194)
Other commercial revenues	553	1,690	(1,137)
TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES	**2,126**	**8,029**	**(5,903)**

Other commercial revenues are broken down as follows:

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Marconi Business Lounge	59	492	(433)
Advertising	178	413	(235)
Misc. commercial revenues	316	785	(469)
TOTAL OTHER COMMERCIAL REVENUES	**553**	**1,690**	**(1,137)**

The contraction in activities at the Marconi Business Lounge due to the noted reasons linked to the drop in traffic was compounded by a sharp reduction in the other two items in this category, in particular the item "other commercial revenues", within which lower revenues were recorded primarily for the maintenance of operating equipment, training courses for airport personnel and road access to the Terminal, all components closely linked to operations.

iii. Revenues from construction services

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

iv. Other Revenue and Income

The residual account of other revenues and income did not change compared to the first quarter of 2020.

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Indemnities, reimbursement and misc. income	119	119	0
TOTAL OTHER REVENUES AND INCOME	**119**	**119**	**0**

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COSTS

In summary, in the first quarter of 2021 costs contracted 25.7%, from Euro 16.6 million in Q1 2021 to Euro 12.3 million in Q1 2020. Excluding the item "construction services" - down 27% due to higher investments in concession rights - the savings on total operating costs (from Euro 14 million to Euro 10.4 million) is 25.5%.

21. Costs

i. Consumables and goods

The table below presents consumables and goods in Q1 2021 and Q1 2020.

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Consumables and goods	194	295	(101)
Maintenance materials	17	47	(30)
Fuel and gasoline	104	166	(62)
TOTAL CONSUMABLES AND GOODS	**315**	**508**	**(193)**

As illustrated in the table, this cost category reports overall savings of approximately Euro 200 thousand (-38.0%), due to lower consumption in all categories as a result of the reduced operations.

ii. Service costs

The table below presents service costs in Q1 2021 and Q1 2020.

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Maintenance costs	992	1,148	(156)
Utilities	444	480	(36)
Cleaning and accessory services	377	517	(140)
Services	1,197	1,559	(362)
MBL Services	16	58	(42)
Advertising, promotion and development	50	164	(114)
Insurance	244	263	(19)
Professional and consultancy services	232	337	(105)
Statutory board fees and expenses	226	235	(9)
Other service costs	15	-31	46
TOTAL SERVICE COSTS	**3,793**	**4,730**	**(937)**

This category of costs also decreased significantly (-19.8%), primarily due to the impact on the entire quarter of the COVID-19 emergency, which further reduced the cost of several services correlated to traffic (PRM Passengers with Reduced Mobility service, MBL Marconi Business Lounge service, shuttle service to/from parking lots) and the reduced level of terminal operations (maintenance, cleaning etc.).

A breakdown in maintenance expenses is provided below:

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in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Owned asset maintenance expenses	236	255	(19)
Airport infrastructure maintenance expenses	719	744	(25)
Third party asset maintenance expenses	37	149	(112)
TOTAL MAINTENANCE COSTS	**992**	**1,148**	**(156)**

The breakdown of services is illustrated below:

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Snow clearance	204	167	37
Porterage, transport third-party services	3	159	(156)
PRM assistance service	46	254	(208)
De-icing and other public service charges	182	228	(46)
Security service	338	289	49
Other outsourcing	424	462	(38)
TOTAL SERVICES	**1,197**	**1,559**	**(362)**

iii. Construction service costs

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

iv. Leases, rentals and other costs

The following table presents the breakdown of leases, rentals and other costs for Q1 2021 and Q1 2020.

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Concession fees	182	935	(753)
Hire charges	64	37	27
Rental charges	0	21	(21)
EDP processing charges	383	423	(40)
Other rental & hire costs	3	2	1
TOTAL LEASES, RENTALS AND OTHER COSTS	**632**	**1,418**	**(786)**

This cost category also decreased significantly (-55.4%), mainly due to the lower traffic volumes, on whose basis the concession fees are calculated.

v. Other operating expenses

The following table shows the breakdown of other operating expenses for Q1 2021 and 2020 (no significant changes).

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in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Misc. and local taxes	276	366	(90)
Fire prevention service contribution	249	306	(57)
Capital losses	0	17	(17)
Other operating expenses	105	105	0
TOTAL OTHER OPERATING EXPENSES	**630**	**794**	**(164)**

Other operating expenses also reported savings (-20.7%), although less than other cost categories as they consist primarily of fixed taxes and levies such as the contribution to the Fire Prevention Service, which is charged at Euro 30 million per year divided between all Italian airports in proportion to the traffic at each airport.

vi. Personnel costs

The following table shows the breakdown of personnel costs for Q1 2021 and Q1 2020.

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Salaries and wages	3,336	4,592	(1,256)
Social security charges	1,085	1,297	(212)
Severance provisions	302	318	(16)
Retirement pension and similar	47	46	1
Other personnel costs	282	284	(2)
TOTAL PERSONNEL COSTS	**5,052**	**6,537**	**(1,485)**

The decline in personnel costs (-22.7%) was due, on the one hand, to the decrease in the workforce (-73 average resources in Q1 2021 compared to Q1 2020; -36 resources at March 31, 2021 compared to March 31, 2020), owing to the non-renewal of fixed-term contracts for the operating areas and, on the other, to the other personnel cost containment actions in the light of the dramatic reduction in traffic caused by the COVID-19 emergency. Since March 21, 2020 and therefore only for a few days of the comparative period, until March 20, 2021 the Parent Company utilised the Extraordinary Temporary Lay-off Scheme for all employees, maintaining only the operational services deemed essential, resulting in a significant reduction in the activities of other employees. On March 22, 2021, the Extraordinary Temporary Lay-off Scheme was replaced by the Exceptional Temporary Lay-off Scheme until at least June 13, 2021.
In addition to the above savings, a sharp reduction was seen in other staff costs such as canteen expenses, staff training and refresher courses, travel expenses and the cost of temporary staff, as shown in the following table: The only item showing a significant increase (miscellaneous personnel costs) includes the cost of severance incentives as a result of early termination agreements following the agreements signed with the trade unions on January 5, 2021.

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Employee canteen	75	132	(57)
Personnel training and refresher courses	25	41	(16)
Employee expenses	4	28	(24)
Other personnel provisions	18	16	2
Misc. personnel costs	160	67	93
TOTAL OTHER PERSONNEL COSTS	**282**	**284**	**(2)**

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

Average workforce (No.)	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Executives	9	9	0
White-collar	373	432	(59)
Blue-collar	81	95	(14)
TOTAL PERSONNEL	**463**	**536**	**(73)**

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

Workforce (number)	As at 31.03.2021	As at 31.03.2020	Change
Executive Managers	10	9	1
White-collar	377	403	(26)
Blue-collar	81	92	(11)
TOTAL PERSONNEL	**468**	**504**	**(36)**

22. Depreciation, amortisation and impairment

The following table shows the movement of depreciation and amortisation for the periods ended March 31, 2021 and 2020.

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Amortisation/impairment of Concession Rights	1,822	1,643	179
Amortisation of other intangible assets	208	302	(94)
Depreciation of tangible assets	574	648	(74)
TOTAL DEPRECIATION AND AMORTISATION	**2,604**	**2,593**	**11**

The item comprised of Euro 2.6 million of amortisation and depreciation and impairments. The increase is in line with the effects of the full year application from the progressive roll-out of investments over the last twelve months.

The item “Depreciation/write-down of tangible assets" includes Euro 115 thousand of depreciation on leased assets in accordance with IFRS 16.

Finally, this category includes Euro 105 thousand of write-downs of concession rights for the cancellation of projects that can no longer be used.

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23. Provisions for risks and charges

The following table shows the movement of the provisions for risks and charges for the periods ended March 31, 2021 and 2020.

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Provisions for doubtful accounts	156	225	(69)
Provision for renewal of airport infrastructure	512	478	34
Provisions for other risks and charges	7	4	3
TOTAL PROVISIONS	**675**	**707**	**(32)**

This cost category did not report significant changes on Q1 2020. For further details, reference should be made to Note 8 for the provision for doubtful accounts and Notes 15 and 16 for the other provisions for risks and charges.

24. Net financial income and expenses

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Income from securities	6	7	(1)
Other income	0	5	(5)
Discounting income on provisions	4	82	(78)
TOTAL FINANCIAL INCOME	**10**	**94**	**(84)**
Interest expenses and bank charges	(191)	(91)	(100)
Discounting charges on provisions	(62)	(6)	(56)
Interest charges for discounting of liabilities for leasing	0	(3)	3
Other financial expenses	(53)	(1)	(52)
TOTAL FINANCIAL EXPENSES	**(306)**	**(101)**	**(205)**
TOTAL FINANCIAL INCOME AND CHARGES	**(296)**	**(7)**	**(289)**

Net financial expense for approx. Euro 300 thousand is reported, with substantial breakeven between income and charges in Q1 2020. The deterioration is due to the increase in the debt, with a consequent increase in interest expense and, at the same time, the reduction in financial income from the discounting of provisions.

25. Taxes for the period

The following table shows the taxes for the periods of Q1 2021 and Q1 2020.

in thousands of Euro	for the quarter ended 31.03.2021	for the quarter ended 31.03.2020	Change
Current and deferred taxes	2,053	(273)	2,326
TOTAL TAXES FOR THE PERIOD	**2,053**	**(273)**	**2,326**
% taxes in the period on result before taxes	**n.a.**	**30.57%**	**n.a.**

Income taxes in Q1 2021 amounted to tax income of Euro 2 million, compared to a tax charge of Euro 0.3 million in the comparative period and reduce the statutory loss in the period, primarily due to the recognition of deferred tax assets on the IRES tax loss for the quarter.

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26. Related party transactions

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

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

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

No transactions with related parties are reported in the period other than the inter-company transactions presented below.

Commercial transactions between the Parent Company and the subsidiary Tag Bologna Srl, in terms of receivables, principally concern the twenty-year sub-concession of the General Aviation traffic assistance infrastructure and the provision of administration and legal services, including the compensation, reversed to the employer Adb, of directors of the Parent Company and the secondment of personnel, for Euro 40 thousand (Euro 23 thousand in Q1 2020).

Adb payables to the subsidiary mainly concern the capital grant for the covering of General Aviation terminal infrastructure operation and maintenance costs for the boarding and disembarking of passengers, against the financial advantage for AdB of including these costs in the calculation of passenger boarding fees. Costs in the first quarter of 2021 to the subsidiary overall amount to Euro 45 thousand (unchanged on Q1 2020).

Non-commercial transactions with Tag concerned:

- the tax consolidation contract renewed on the basis of the Board of Directors' motions of the companies Aeroporto Guglielmo Marconi di Bologna Spa of January 25, 2021 (consolidating company) and Tag Bologna Srl of February 22, 2021 (consolidated company) for the years 2021-2023;
- a letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena), equal to the residual principal, which at the end of the period amounted to Euro 2.6 million.

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

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

Revenues in the year from the subsidiary amount to Euro 84 thousand compared to Euro 99 thousand in 2020.

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

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27. Commitments and risks

Types and management of other risks

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

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to period end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements with reference to the amounts reported at March 31, 2021.

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

The Chairman of the Board of Directors
(Enrico Postacchini)

Bologna, May 14, 2021

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Annex 1

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

Interim Financial Report at March 31, 2021

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

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

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Aeroporto di Bologna

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