Atlantia

06. Performance 2021

Atlantia

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6. Integrated performance 2021

6.1 Group financial review

Introduction

The consolidated financial statements as at and for the year ended 31 December 2021 have been prepared on a going concern basis.

In this regard, the Board of Directors has examined the Long-term Plan for the period 2022-2025, which envisages a significant improvement in the key financial indicators of Atlantia and its principal investees in 2022. The assessment of the risk factors and uncertainties previously described in the financial statements as at and for the year ended 31 December 2020 has also been updated. This process focused particularly on the risks and uncertainties deriving from the situation relating to Autostrade per l'Italia whose sale, given the positive progress made in fulfilling the related conditions precedent, is nearing completion. Further details on this matter are provided in note 6.1 in the consolidated financial statements,

Following signature of the share purchase agreement, the contribution of Autostrade per l'Italia and its subsidiaries (the "ASPI group") to the consolidated results is presented in "Discontinued operations" in accordance with IFRS 5.

This means that:

a) the ASPI group's assets and liabilities as at 31 December 2021 are classified in "Assets held for sale and discontinued operations" and in "Liabilities related to assets held for sale and discontinued operations", distinguishing between financial and non-financial items;

b) the ASPI group's contribution to profit or loss for the two comparative periods is presented in "Profit/(Loss) from discontinued operations".

In terms of key alternative performance indicators, in accordance with IFRS 5:

a) operating revenue and EBITDA do not include the ASPI group's contribution;

b) operating cash flow, capital expenditure and net debt, on the other hand, are presented with the ASPI group's contribution.

It should be noted that amounts for 2021 include the contributions of Red de Carreteras de Occidente (RCO) and Elizabeth River Crossings (ERC), acquired by Abertis Infraestructuras at the end of the first half of 2020 and in December 2020, respectively. They also reflect expiry of the concessions held by Acesa and Invicat in Spain in August 2021.

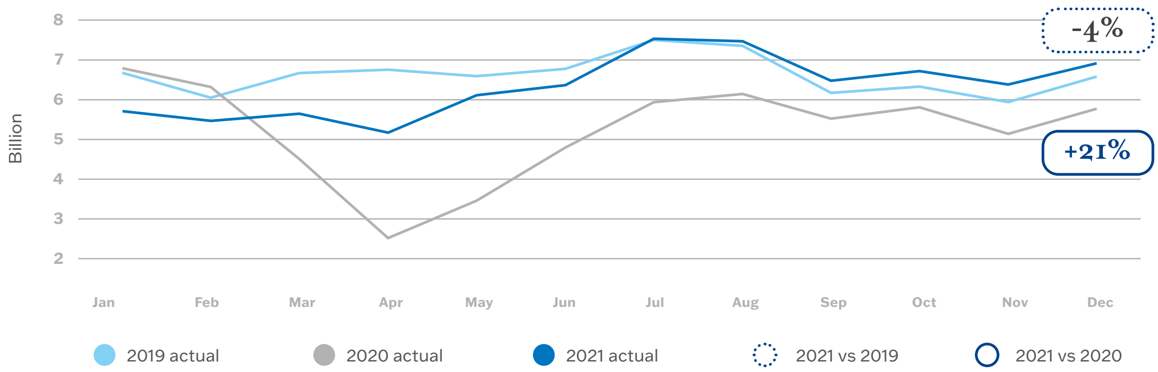
Disclosure on the impact of the Covid-19 pandemic on the Group's results

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

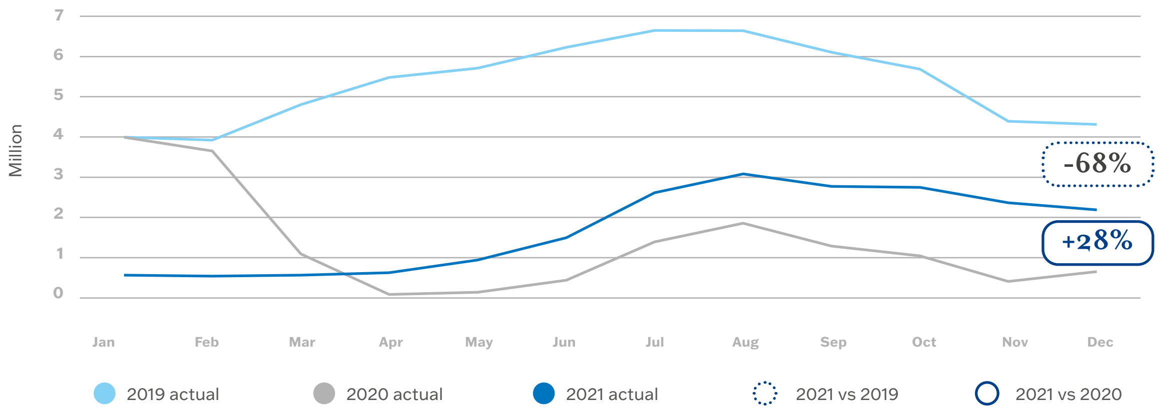
However, as of the summer, 2021 registered an increase in motorway traffic compared to 2020 (up 21%), achieving a full return to 2019 traffic levels (the year before the outbreak of the pandemic) in the latter part of the year.

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

Motorways segment (excluding the ASPI group)



Airports segment



Operating performance

Reclassified consolidated income statement

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Financial position

Reclassified consolidated statement of financial position

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

“**Net invested capital**”, amounting to €51,348 million (€53,531 million as at 31 December 2020), is down €2,183 million compared to 31 December 2020.

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

a) reclassification of intangible assets amounting to €12,045 million deriving from concession rights of the Autostrade per l’Italia group to “Non-financial assets and liabilities held for sale”;

b) recognition of amortisation, depreciation and impairments totalling €4,023 million;

c) investment in completed works amounting to €1,599 million.

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

“**Property, plant and equipment and other intangible assets”** amount to €1,094 million, a decline of €163 million compared with 31 December 2020 (€1,257 million), primarily due reclassification of the contribution from the ASPI group (€296 million), amortisation and depreciation of €276 million and purchase during the year (€414 million).

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

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

“**Provisions and commitments**” of €2,372 million are down €6,417 million compared with 31 December 2020 (€ 8,789 million). This is primarily due to the reclassification of the Autostrade per l’Italia group’s contribution, amounting to €5,884 million, to “Non-financial assets and liabilities held for sale”.

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

The improvement of €3,263 million in comprehensive income reflects profit for the year of €382 million, compared with a loss of €1,641 million for 2020, and other comprehensive income of €62 million in 2021, compared with the loss of €1,178 million reported for 2020. The performance essentially reflects:

a) an improvement in the fair value of cash flow hedges, amounting to €173 million, primarily reflecting rising interest rates in 2021 (losses of €166 million in 2020);

b) the negative movement in the reserve for currency translation differences (€26 million), primarily due to the decline in the value of the Chilean peso against the euro (losses of €742 million in 2020, which was impacted by the sharp fall in South American currencies);

c) the reduction in the fair value of the investment in Hochtief, totalling €148 million (a loss of €588 million in 2020).

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

“**Equity attributable to non-controlling interests**”, amounting to €7,930 million, is down €135 million compared with 31 December 2020 (€8,065 million). This essentially reflects:

a) the distribution of equity reserves amounting to €413 million to non-controlling shareholders, primarily by Abertis (€327 million);

b) the comprehensive loss attributable to non-controlling interests, totalling €187 million;

c) an increase of €370 million due to the above issue of hybrid bonds by Abertis Infraestructuras Finance;

d) an increase in non-controlling interests following the sale of a 49% stake in Telepass and its subsidiaries (€71 million).

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

Net debt as at 31 December 2021 includes the contribution from the ASPI group classified in "**Net debt related to assets held for sale**", amounting to €9,154 million, and in "**Financial assets deriving from concession rights**", totalling €419 million. The reduction of €7,355 million in bond issues essentially reflects the above reclassification of the contribution from the ASPI group, amounting to €8,086 million, partially offset by the net balance (€449 million) of issues, totalling €3,664 million, and redemptions of €3,215 million.

The reduction of €7,550 million in medium/long-term borrowings is essentially due to reclassification of the ASPI group's contribution of €2,114 million, repayments during the year of €6,532 million and new borrowings of €913 million. The reduction of €1,590 million in other financial liabilities is primarily due to the reclassification of ASPI group balances totalling €773 million, as well as the decrease in the fair value of derivative liabilities (€947 million), mainly related to the rise in interest rates compared with 31 December 2020. The reduction of €878 million in other financial assets is due to the reclassification of the ASPI group's contribution of €480 million, and Atlantia's unwinding of the Funded Collar derivative, as part of the Collar Financing repayment transaction, amounting to €339 million.

After stripping out the ASPI group's contribution:

a) the residual weighted average term to maturity of the Group's debt is five years and eight months as at 31 December 2021 (five years and seven months as at 31 December 2020);

b) fixed rate debt represents 76.5% of the total and, after taking into account interest rate hedges, 79.7% of the total;

c) the weighted average cost of medium/long-term borrowings 2021, including differentials on hedging instruments, is 3.6%.

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

a) €6,053 million in cash and/or investments maturing in the short term, including €654 million attributable to Atlantia;

b) €6,317 million in committed lines of credit not drawn on, having an average residual drawdown period of approximately two years and five months.

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

Cash flow

Statement of changes in consolidated net debt

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

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

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

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

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

6.2 The Group's ESG performance

This section presents our environmental, social and governance performance during 2021, with particular reference to the material topics for our stakeholders and our goals for 2023.

Climate change and the energy transition

Once again in 2021, major weather events caused huge losses, including thousands of human lives and economic damage estimated at over $170 billion[1]. The 2021 report of the UN's Intergovernmental Panel on Climate Change (IPCC), the main international body for assessing climate change, provides further confirmation of the impact human activities are having on the environment, and using science-based evidence, establishes the link with rising global temperatures that are the cause of the increased frequency and intensity of these destructive natural phenomena.

To mitigate the effects and reverse the trend in the long term, it is essential that we do not exceed the level of a 1.5°C increase in global average temperature compared with the pre-industrial period (scientific threshold to avoid catastrophic damage). Therefore, we need to start decarbonising the economy as soon as possible, which involves an energy transition in all sectors, and promoting the replacement of technologies based on the use of fossil fuels with ones that use renewable sources of energy.

With our contribution to the UN climate action goal (SDG 13), we are engaged on two fronts: on the one hand, decarbonisation of our processes and activities, and on the other, development of infrastructure that is resilient to climate change in order to enable the transition to low carbon mobility.

On 11 November 2021, with the backing of the Sustainability Committee, the Board of Directors approved an ambitious plan to reduce emissions, which set science-based targets for 2030 with a view to achieving zero direct emissions by 2040.

The decarbonisation targets set have been drawn up in line with the Science Based Targets (SBTi) protocol, to which Atlantia subscribes. The decarbonisation targets are currently being reviewed and approved by SBTi.

The decarbonisation plan includes short-, medium- and long-term targets using 2019 as a base year (a year that reflects pre-pandemic motorway and airport traffic levels).

By 2030, we aim to reduce our direct emissions from Scope 1 and Scope 2 emissions by 50%, which in 2019, our base year, amounted to approximately 245,000 tonnes of CO_2, of which 57% related to fossil fuel consumption and 43% to electricity and thermal energy consumption. This absolute reduction target follows a trajectory that is in line with the scientific scenario of limiting the global temperature increase to 1.5°C, and also with our commitment to achieve net zero emissions by 2040.

[1] *Counting the cost 2021 - Christian Aid*

Offsetting measures have not been taken into account in the definition of the 2030 target and the related decarbonisation action plan. However, the Group airport companies that subscribe to the Airport Carbon Accreditation global certification programme with the highest level of application (level 6: transition) have been investing in offsetting projects for several years, obtaining high quality certificates in order to neutralise their annual contribution of GHG emissions, as already required by level 4 of the above protocol (level 4: neutrality).

Renewable energy is a vital factor in cutting direct emissions. We are aware that some activities currently powered by fossil fuels will have to migrate to electricity, which will increase the demand for electricity. Consequently, the Group has planned initiatives aimed at increasing the energy efficiency of our processes and assets in order to reduce energy demand, including the installation of renewable energy self-generation plants. At the same time, a transition to supply contracts for electricity from renewable sources has been initiated, with a gradual increase in the share of certified renewable energy with a medium-term target of 100%.

With regard to Scope 3 indirect emissions, in the decarbonisation roadmap we focus on two main upstream and downstream hotspots in our value chain:

- **Hotspot 1**: emissions relating to the procurement of materials and products needed for infrastructure modernisation and maintenance.
- **Hotspot 2**: emissions relating to cargo and passenger access at airports.

Together, these two hotspots account for more than 80% of the Group's total Scope 3 emissions (approximately 1,380,000 tonnes of CO_2e in 2019). For both areas we have defined a related reduction target of 22% by 2030. This relates emissions to total kilometres travelled for the first hotspot and primarily regards the Motorways operating segment, and to passenger traffic for the second hotspot which is applied in the Airports operating segment.

Our climate action plan, which was developed with the involvement of Group companies, includes targeted investment to reduce the carbon footprint via:

- the construction of renewable energy plants;
- the gradual electrification of company vehicle fleets and the creation of charging infrastructure;
- the use of alternative, low-impact fuels;
- the development of projects to optimise energy consumption, such as improvements to heating and air conditioning systems and indoor and outdoor ambient lighting, by using LED technology on a large scale;
- the development of energy storage solutions.

Investment in reducing indirect emissions along the value chain are also planned:

- reduced consumption of materials and products used in maintenance and construction works, including through recovery processes;
- the procurement of goods and services with lower life-cycle emissions;
- the installation of approximately 500 charging points for electric vehicles at Fiumicino airport by 2025 in order to promote electric mobility (approximately 100 airside and 400 landside);
- improved rail access to airport terminals, with an increase in the number of trains and cuts in fares;
- improved accessibility of buses and bicycle connections;
- the development of initiatives to raise awareness among airport operators regarding the supply of certified green energy and the use of hybrid/electric vehicles with incentive policies.

The development of technological and supply chain partnerships and engagement with various stakeholders, from regulators and government institutions to suppliers and users, will be prerequisites and determinants for implementation of the climate action plan.

As of this year, Atlantia will publish a voluntary climate strategy report prepared in accordance with the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD). The report adds to the information on climate change already contained in this Integrated Annual Report, and may be found in the Sustainability - Transparency section of Atlantia's website.

Climate change strategy and governance

Atlantia's Board of Directors is the highest decision-making and supervisory body on climate change. It is mainly assisted in this regard by the Sustainability Committee[2] and the Control Risk and Corporate Governance Committee, the latter especially concerning the aspects of risk management related to climate change.

The Company reports to these committees and to the Board on the state of progress of programmes and performance against the various targets, as well as on the main risks and opportunities arising from the transition to a low-emission economy.

Liaison with the Chief Executive Officer and the Board mainly takes place through the Sustainability department, headed by the Chief Sustainability Officer, who is responsible for providing strategic guidance and coordinating the ESG agenda and the climate transition plan, as well as helping investee companies to draw up specific improvement programmes regarding ESG aspects. The department is also responsible for setting objectives and targets, non-financial reporting and ongoing dialogue with stakeholders on these issues, in line with the Company's stakeholder engagement policy.

Climate change aspects are fully embedded within the Company's strategy, linked to short- and long-term management incentive schemes, and incorporated into the decision-making processes of Atlantia and its operating subsidiaries.

Implementation of the decarbonisation roadmap is one of the metrics used to measure management's ESG performance, and achievement of decarbonisation targets is linked to incentive schemes. As laid down in Atlantia's Remuneration Policy, ESG performance determines 20% of the annual bonus and 30% of the long-term bonus for the Chief Executive Officer and the Top management team who report to him. Bonuses for the managers of the main subsidiaries are also linked to emission reduction metrics, in keeping with the specific decarbonisation roadmaps of the various companies.

In line with TCFD recommendations, we identify, analyse and assess the main risks and opportunities relating to climate change, taking into account different time horizons and climate scenarios. This assessment has been incorporated into the enterprise risk management and control system (ERM) and is complemented by specific analysis conducted by each subsidiary that qualifies and quantifies the impacts, including in economic terms.

The assessment considers transition risks, namely the risks associated with the transition to a low-carbon economy, including political, regulatory, technological, reputational and market variables, and physical risks, which are related to the occurrence of severe extreme events or long-term changes in climate patterns.

Such risks can jeopardise a company's operations, raise operating costs or have an impact on revenues, and require increased insurance coverage of assets under management and extraordinary investment for their modernisation or the reconstruction of damaged structures; they can also directly affect a company's reputation. Similarly, they can generate new market and business development opportunities arising from the transition of the transport sector to low-carbon mobility. Atlantia's strategic approach to the mobility ecosystem in the medium term is described in detail in sections 1.3 and 1.4 of this Report.

[2] *Board committees: https://www.atlantia.com/en/governance/board-committees*

Carbon footprint

In order to determine our carbon footprint, Atlantia calculates its emissions from fuel consumption (Scope 1), electricity and thermal energy consumption (Scope 2), and other indirect emissions resulting from our activities that are not under our direct control and originate upstream and downstream in the value chain (Scope 3).

Scope 1 and 2 emissions (tonnes of CO_2e)	2020	2021	% change
Stationary sources	69,819	67,430	-3%
Mobile sources	58,934	44,982	-24%
Refrigerant gases	1,829	2,774	52%
Total Scope 1 emissions	130,581	115,186	-12%
Scope 2 emissions (location-based approach - LB)	63,757	74,501	17%
Scope 2 emissions (market-based approach - MB)	85,532	71,676	-16%
Total Scope 1 and 2 emissions (LB)	194,338	189,687	-2%
Total Scope 1 and 2 emissions (MB)	216,113	186,862	-14%
Carbon intensity (CO_2e/revenue)[1]	41.1	29.2	-29%
Scope 3 emissions (tonnes of CO_2e)	**2020**	**2021**	**% change**
Upstream activities	1,006,966	734,437	-27%
Downstream activities	200,295	269,723	35%
Total Scope 3 emissions	1,207,261	1,004,160	**-17%**

[1] *Calculated taking into account Scope 2 market-based emissions in tonnes of CO_2e per €m.*

In 2021, the Group produced a total of approximately 1,191,000 tonnes of carbon dioxide equivalent (Scope 1, Scope 2 and Scope 3), marking a decrease of 16% compared with 2020.

Scope 1 and 2 emissions fell by 14% to around 187,000 tonnes. Airport emissions continue to be lower than historical trends due to the ongoing effects of the Covid-19 pandemic, which also impacted passenger and cargo traffic levels in 2021. However, the investment programme for airport assets also continued in 2021, regarding projects that will result in decarbonisation of their direct emissions by 2030. Aeroporti di Roma[3], for example, handled around 230 alerts as part of its energy efficiency monitoring system. This has enabled the subsidiary to optimise the operation of its systems, resulting in energy savings. The company has also initiated the planning and authorisation process for construction of its first 25 MW solar farm, which will be built by 2025.

A positive contribution was made to Scope 2 emissions by the efficiency measures implemented and, above all, by the increased use of renewable electricity, which rose from 13 to 32% of total electricity consumption. With the sharp upturn in motorway traffic and the associated revenue, carbon intensity has returned to the 2019 figure of 29 grams of CO_2 per euro of revenue.

[3] *Fiumicino was the first airport in the world to join The Climate Group's EP100 initiative, with the ambitious goal of increasing energy productivity by 150% by 2026, compared with 2006.*

A project was carried out during the year to update the Group's emission inventories[4], with a focus on Scope 3 indirect emissions[5], divided upstream and downstream emissions. As mentioned above, the main items affecting these categories relate to the procurement of materials and products for carrying out routine and extraordinary maintenance activities on motorways (around 78% of upstream emissions), and to cargo and passenger access to hub airports (82% of downstream emissions).

The former fell sharply compared with 2020 (down 33%), a year which saw a greater volume of work on the motorway networks in Italy and Brazil. Emissions relating to airport access rose by 40% but are still below pre-pandemic levels.

The footprint does not include downstream emissions relating to the use of transport infrastructure, namely emissions from motorway traffic and aviation emissions (the latter arising from aircraft fuel consumption during take-off, landing, approach, climbing and cruising from the point of departure to the destination), as this category includes emissions linked to indirect use of a service that Atlantia is unable to influence, or can do so only in a limited way. However, Atlantia believes it can play an enabling role in the transition to low-emission mobility. We can do this by adapting our infrastructure to facilitate the shift to zero-emission means of transport, through technological innovation and the development of new mobility services, as described in sections 1.3 and 1.4, and in the section entitled "Sustainable mobility solutions", to which reference should be made.

The progress made in 2021 towards achievement of the climate change target in Atlantia's 2023 Sustainability Plan is shown in the table below.

Target by 2023	Performance in 2021
20% reduction in Scope 1 and 2 emissions vs 2019 30% of electricity consumption from renewable sources	In 2021, Scope 1 and 2 emissions are 24% lower than in 2019. Renewable energy accounted for 32% of total electricity consumption during the year.

[4] *The emission inventories, which are already subject to limited assurance in accordance with the criteria set out in ISAE 3000 Revised as part of the review of non-financial information, will undergo certification in accordance with ISO14064 during the first half of 2022.*

[5] *Regarding Scope 3 emissions, reference was made to the GHG protocol "Corporate Value Chain Accounting and Reporting Standard", which identifies 15 categories of indirect emissions that are upstream and downstream of the organisation along the value chain. For further details on the sources monitored, see the methodological note ("Methodology") and the analytical data in the non-financial statement section. In 2021, Abertis recognised the emissions resulting from losses relating to energy transport and distribution for the first year in Scope 3, as well as the emissions resulting from fuel consumption by subcontractors, which were previously accounted for in Scope 1. It wasn't possible to accurately recalculate emissions from previous years, but these will be further investigated during the certification process.*

Sustainable mobility solutions

At Atlantia, we aim to promote the growth of sustainable mobility, in awareness of the impact that transport has on the environment, and of the central role infrastructure plays in enabling the transition to mobility with a low environmental impact.

"Atlantia's strategic development plan is focused on technological innovation and sustainability as key tools for expanding our business. We are looking with great interest at new forms of integrated mobility and new logistics models and services, enabled by digital technologies and an increasingly strategic approach to the environment" - Carlo Bertazzo, CEO

Various road and air transport initiatives were undertaken by Group companies in 2021, aimed at making infrastructure more sustainable and supporting the transport energy transition. Atlantia has also defined our strategic positioning in the mobility sector to 2030, in which many transformation elements are emerging (see sections 1.3 and 1.4 for further information).

Airports segment

Air transport is one of the most complex sectors in terms of decarbonisation, and constant efforts are underway to find solutions to make it more environmentally sustainable, subject to appropriate economic and safety conditions.

The various initiatives launched in 2021 include projects to study and make Sustainable Aviation Fuel (SAF) available for aviation and the airport sector. Both the Italian and the French airports in our Group saw the first flights partially fuelled with SAF take off in 2021. Together with other players in the supply chain (energy companies, and above all airlines), using our airport assets we are committed to making SAF available in an efficient, low-cost and low-environmental-impact way, partly to ensure a fair and accessible transition.

Partnerships were also initiated with energy sector companies during the year, regarding the use of biofuels for airport ground operations. These fuels, which do not compete with the food chain, have the potential to reduce emissions from airport ground vehicles by 60-90%. However, costs are still high and their supply is still limited. We believe that partnering and collaborating with ecosystem stakeholders to share goals and priorities is the way forward if we wish to play the enabling role that hub airports can have in the industry's green transition.

Our airports also participate in initiatives aimed at reducing air traffic management costs and fuel consumption, as well as flight times and the resulting CO_2 emissions. These include the European SESAR (Single European Sky Air Traffic Management Research) programme, which contributes to the objectives of the Single European Sky (SES) initiative. This aims to reduce the environmental impact of air transport through the development of services and technologies that improve air and ground traffic management.

Motorways segment

On the motorways front, the transition to zero-emission electric vehicles requires investment to make the network of charging points on motorways fit for purpose. To this end, an investment plan has been launched in France to equip the 1,800 km of motorway network managed by the operators SANEF and SAPN with rapid charging points for electric vehicles at all 72 service areas by 2023. It is also planned to implement "free-flow" technology, which by eliminating barriers and toll booths enables smoother traffic flow, and, consequently, a reduction in CO_2 emissions. For several years, the electronic tolling services provided by the subsidiary, Telepass, have helped to optimise traffic flow at critical motorway toll stations, leading to appreciable reductions in, among other things, fuel use and the related CO_2 emissions.

New forms of mobility

Promoting sustainable mobility also means using innovation and technology as strategic levers for interpreting the macro-trends that are impacting the sector, and seizing opportunities in innovative areas by experimenting with new forms of mobility. With this in mind, in 2021 we acquired a stake in the German company, Volocopter, which develops electric vertical takeoff and landing vehicles (e-VTOLs) for transporting goods and people using electric engines that enable zero-emission mobility. This investment bears witness to our interest in the revolutionary field of urban air mobility, which currently represents an urban mobility solution for faster travels, with low environmental impact, that will help to decongest traffic in urban areas. Via our subsidiaries in the Airports segment, we recently took part in the Urban Blue initiative, a project that brings together several airports in Italy and France, for the development, construction and management of new facilities called "vertiports", which are essential for operating electric vertical takeoff and landing aircraft.

Finally, Atlantia's acquisition of Yunex Traffic, following an auction organised by Siemens, will enable us to enter a new business segment and take advantage of the synergies between Intelligent Transport Systems (ITS) technology and the physical transport assets we already have in our portfolio (see section 1.4 for further information).

Our commitment to responsible resource management: circular economy and biodiversity

As part of our infrastructure development, maintenance and operation activities, we use water, raw materials and semi-finished and finished products. Therefore, our commitment to the environment is also focused on the responsible management of natural resources, via a quest for technical, technological, operational and organisational solutions aimed at safeguarding natural capital and circularity. We are committed to mitigating the current and potential negative effects of our activities by leveraging innovation and technology to accelerate and maximise the positive impact. Safeguarding the environment is one of the principles of our Code of Ethics https://www.atlantia.com/it/governance/etica-e-legalita/codice-etico.

Therefore, we have set ourselves the challenging target of reusing and recycling 90% of the waste generated in the airports segment and 70% of the waste produced by the motorways segment by 2023.

Target by 2023	Performance in 2021
Percentage of waste generated sent for reuse or recycling: - 90% for the airports segment - 70% for the motorways segment	**90%** of the waste produced at our hub airports and **65%** of motorway waste was sent for reuse and/or recycling. Therefore, our Group had an overall recycling rate of 65.3% in 2021, up 12 points on 2020.

We believe it is vitally important to respect and protect the local areas that surround us, and we are committed to protecting the environment as a whole and preserving its integrity from man-made effects. We aim to combine economic growth and the preservation of natural heritage in all phases of our activities, in strategic decision-making, in the establishment of partnerships and in investment and business development evaluations. Our ESG objectives to 2023 include a specific target to minimise the use of new land for infrastructure expansion and, at the same time, to offset any such activity by rewilding an equivalent amount of land in order to ensure the maintenance of biodiversity and the balance of the ecosystems in which we operate.

Target by 2023	Performance in 2021
Use of new land to expand existing infrastructure is offset by measures designed to rewild an equivalent amount of land	In 2021, no work on extending our infrastructure was started. However, our Chilean subsidiary, Grupo Costanera, has reached a new agreement with the Chilean Ministry of Public Works regarding a major environmental and infrastructure project to redevelop 63,200 square metres of landscape, urban and green space near Santiago - https://www.atlantia.com/en/w/grupo-costanera-manages-green-spaces-in-santiago-chile. Our commitment to biodiversity is also reflected in these projects: • Reforestation projects promoted by our companies, such as the initiative carried out by Aéroports de la Côte d'Azur - https://www.nice.aeroport.fr/en/news/aeroports-de-la-cote-d-azur-is-initiating-an-unprecedented-forest-reforestation-program • Promotion of global initiatives, such as the Castellet Declaration by the Abertis Foundation together with UNESCO and the Spanish Ministry for Energy Transition - https://www.abertis.com/en/the-group/about-abertis/latest-news/1023. • Volunteering by our employees (click here for further details).

To ensure the effectiveness of environmental and energy management systems, we promote the adoption of environmental management frameworks (ISO 14001) by our subsidiaries.

Target by 2023	Performance in 2021
Activities (revenues) audited using environmental management models (ISO 14001 standard) >75%.	**32%** of revenue was certified according to the ISO 14001 standard, up from 27% in 2020.

Our people

People are the key drivers of our ability to create value, as they comprise the engine that enables safe and sustainable everyday mobility to connect places, cultures and communities. Through the companies in which we invest, Atlantia relies on the talent and expertise of over 20,000 employees who, with passion and responsibility, ensure the operational management of infrastructure and mobility services, and thereby improve the quality of life of millions of people around the world.

"Atlantia is undergoing a radical organisational and cultural transformation. In the space of a few months, we have become the listed company with the most women in senior positions. Moreover, around a third of our professionals and middle managers in the holding company are under 30. We intend to carry on experimenting with new forms and opportunities for inclusion and collaboration, as we are convinced that the increasingly active and keen engagement of our employees, at every level of the organisation, is vital for giving greater strength and impetus to our transformation and development process," - Carlo Bertazzo, CEO.

Our people – key data

- >20,000 employees, 54% in Latin America, 43% in Europe
- 96% of employees on permanent contracts
- 39% women – 61% men
- 16% under 30, 24% over 50, 60% between 30 and 50
- 2.5% belong to vulnerable groups

At 31 December 2021, the Group's workforce stood at 20,326[6], down 1,561 on the previous year. The decrease in the headcount primarily occurred in Spain, Italy and Chile. In Spain, the reduction in the workforce is mainly due to the termination of two motorway concessions that the local government decided to deregulate. The impact on jobs of the grantor's decision, which had been evident for some time, were discussed with social partners. The effects included the transfer of staff involved in the operation and mainte-

[6] *The workforce as at 31 December 2020 numbered 21,887. As explained in the methodological note, Autostrade Indian Infrastructure Development Private Limited was excluded from the scope of reporting (3 people in 2020), and with regard to Abertis Mobility Services only EMOVIS S.A.S, EUROTOLL, and EMOVIS LEEDS UK were included in Abertis's reporting for 2021 (433 people out of 582). In addition, the 2021 figures only include the figures for SPEA's total workforce and average workforce.*

nance of the road infrastructure to the incoming operator. A social plan was drawn up for the remaining staff, such as those involved in toll services, who were surplus to requirements following deregulation of the section of motorway.

In Italy, the lease of a business unit of one of our subsidiaries involved the transfer of around 550 workers, which had no impact on employment. In Chile, certain activities were outsourced, resulting in the termination of employees, who were offered the option of maintaining their employment by the provider of the outsourced activities. Also in Chile, some staff made redundant were offered outplacement services to help them find new jobs. Finally, Elizabeth River Crossing, which was acquired by Abertis at the end of 2020, entered the scope of consolidation.

Health, safety and wellbeing

Providing safe workplaces in which attention is paid to people's health and wellbeing is one of Atlantia's commitments that is enshrined in the fundamental principles of our Code of Ethics, which inspires management policies and guides the everyday actions of the people who work at our Group.

3.2 We safeguard people's health and safety

In all the activities we carry out, we safeguard people's health and safety by respecting the highest international standards, specific legislation and applicable regulations in order to ensure management based on the principles of precaution, prevention, protection and risk management.

How we act to protect the safety, health and wellbeing of our people

As a holding company with strategic investments, we require our subsidiaries to adhere to and operate in accordance with certain fundamental principles:

- We adopt appropriate **prevention and protection** measures to combat any intentional or negligent behaviour, including by third parties, that might cause direct and/or indirect harm to employees and/or business partners and/or assets of our Group. Moreover, we periodically update our working methods in terms of prevention, using the best available technologies and protection practices.
- We create and maintain **inclusive and motivating workplaces** that promote people's physical and mental wellbeing and ensure the health and safety of our employees and business partners, including via continuous monitoring and reporting of hazardous situations.
- We regularly organise **specific training for all employees** who, depending on their role, are called upon to assess and manage risks relating to occupational health and safety, and to ensure the safety of their colleagues and collaborators.
- We inform our employees and business partners in a clear and transparent manner about the **preventive and protective measures** that must be implemented in order to eliminate or mitigate risks and critical issues relating to the processes and activities they are involved in.
- We recognise and **protect employees' right to rest and free time** by respecting the applicable laws and collective agreements, the relevant Conventions of the International Labour Organisation (ILO) and allow all our employees and collaborators to meet business and personal needs.

Our commitment is aimed at actively engaging and raising the awareness of employees and third parties with regard safety issues, including through monitoring and reporting of hazardous situations, so that safety becomes a way of life. This has led to the adoption of appropriate accident risk assessment methodologies, awareness-raising activities and prevention and protection measures aimed at our own staff and also the employees of companies in the supply chain, especially the ones most exposed to risk who work on maintenance and at infrastructure construction sites. Regarding the key element of prevention, staff training has always played a major role. Operating companies are engaged in continuous safety training programmes, which may even go beyond their legal obligations, aimed at preventing workplace risks and protecting mental and physical health.

27% of the Group's employees operate under an OHSAS 18001 or ISO45001 certified health and safety management system.

During 2021, the Company implemented a more precise injuring monitoring method that aims to better identify types of injury in terms of their prognosis.

Direct workforce

The number of injuries to direct employees, including injuries that did not result in any medical prognosis, has been 646, up from 497 events in 2020. The increase in the number of injuries is partly linked to the recovery of traffic volumes and normal work activities, especially in the motorways segment. Of the 646 injuries recorded, 189 (29% of the total) had no prognosis and were therefore minor injuries without any serious consequences. 457 entailed a prognosis of at least 1 day after the event occurred.

The Company has a specific target by 2023 for occupational injuries incurred by direct employees, as set out below.

Target by 2023	Performance in 2021
Lost time injury frequency rate[1] <14 injuries per 1,000,000 employee-hours worked	**12 injuries** per 1,000,000 employee-hours worked, up from 8.5 injuries per 1,000,000 employee-hours worked in 2020. The performance recorded in 2021 is in line with the Company's target of keeping the lost time injury frequency rate below 14 events per 1,000,000 employee-hours worked, even given the expected full recovery in traffic volumes.

[1] *Number of injuries with a prognosis of at least 1 day after the event occurred per 1,000,000 employee-hours worked.*

An analysis of the types of injury reveals that most injuries were not serious.

Injuries with short-term effects, with a prognosis of 1 to 3 days, accounted for the majority of injuries recorded, and amounted to 340 (74% of total injuries with a prognosis). Injuries with a prognosis of more than 3 days[7] amounted to 110 (24% of total injuries with a prognosis). Serious injuries, with a prognosis of more than 6 months, amounted to 7 (2% of total injuries with a prognosis). The lost time serious injury frequency rate was 0.25[8].

Two fatal injuries were recorded, down from 5 fatalities in 2020. Both fatal injuries, one occurring in Mexico and the other in Brazil, were caused by the reckless driving of road users who ran over employees working on motorway infrastructure. Further preventive measures were then undertaken, including:

- Following the investigation of the accident in Brazil, caused by a lorry at a toll station, warning systems were upgraded and speed monitoring radar systems were installed.
- Following the investigation of the accident in Mexico, which was caused by the encroachment of a vehicle at a work site, signage was improved.

In both cases, financial and practical assistance was offered to the victims' families.

[7] *The injury data regarding the Abertis Group in 2021 is only available for the number of injuries with a prognosis of at least 1 day.*

[8] *Rate calculated as the ratio of the number of injuries entailing a period of absence from work of more than six months to the number of hours worked, per million. The indicator deviated slightly from 2020, for which the lost time injury frequency rate was 0.1.*

Indirect workforce

With regard to indirect workers, and in particular for companies in the supply chain operating in environments/sites over which Group companies exercise control or for which they are responsible, a total of 220 occupational injuries occurred during the year, marking an increase of 168 injuries compared with the previous year.

73 injuries without any prognosis, namely those that did not require even one day's absence, were recorded, so the number of injuries resulting in absence from work amounted to 147, with a lost time injury frequency rate (LTIFR) of 5.2 injuries per 1,000,000 employee-hours worked.

An analysis of the injuries resulting in at least one day's absence from work, revealed that the vast majority were injuries without any serious outcome and a prognosis of between 1 and 3 days (90%). 6 serious accidents with a prognosis of more than six months were recorded, with a lost time serious injury frequency rate of 0.3.

5 fatal injuries were recorded, up from 3 fatalities in 2020. Fatalities occurred in Chile (1), Puerto Rico (1) and Brazil (3). In all these cases, the fatalities were caused by reckless driving, involving encroachment on demarcated work sites. In some of the cases, high speed and drunk driving were the established causes of such reckless behaviour. Measures have been taken to improve signage close to work sites and operational procedures have been revised accordingly. In Brazil, a task force has been set up to analyse and prevent such events.

The total number of direct and indirect fatal injuries fell from 8 in 2020 to 7 in 2021, which is still dramatically high. The Company is committed to minimising all workplace risks, especially those that might lead to fatalities. During 2022, this commitment will be further strengthened with appropriate engagement and empowerment actions regarding the companies in our portfolio.

Human capital development and staff engagement

We believe in our people, and in their right to express their value and potential in different ways: making the most of them is a fundamental principle of our Code of Ethics.

How we engage and develop our people

As a holding company with strategic investments, we require our subsidiaries to adhere to and operate in accordance with certain fundamental principles:

- We are committed to creating a **peaceful working environment that is open to dialogue**, with a view to enhancing diversity and talent, promoting excellence, enabling personal and professional growth for each person, encouraging innovation and change, and ensuring decent working conditions for everyone.
- We organise and promote **training programmes** for our people, also taking into account requirements and aspirations within the Group.
- We require that interpersonal relations be conducted in accordance with principles of **integrity and mutual respect**, and we condemn any kind of discrimination, harassment or insulting or defamatory behaviour because we believe that respect for the freedom and dignity of each individual is fundamental.

4 QUALITY EDUCATION

5 GENDER EQUALITY

3.3 We develop our people

We believe that our people are vital to the Group's existence, future development and success. We therefore aim to develop their abilities and skills, so that everyone has the right conditions to express their full potential.

In 2021, more than €3.3 million were invested in training human capital:

- **600,788 hours of training** were delivered, up 34% on 2020
- > **20,000 employees** took part in training programmes
- **30 hours** of training per employee were provided on average, without any gender-based differences - average training per capita **up 40%**

Atlantia has specific objectives by 2023 regarding the **growth of a widespread culture of sustainability** aimed at strengthening sustainable development awareness and culture at all levels, via staff training and active participation.

Target by 2023	Performance in 2021
Train at least 70% of management on sustainable development issues	Approximately **100 employees** were involved in projects, and **40,300** training hours on sustainability were delivered to approximately **6,000** employees. **Atlantia's Board of Directors** took part in two specific induction sessions on sustainability issues. **55% of Atlantia's management** and **the senior management*** of our main subsidiaries took part in the first four days of **training on key ESG issues for sustainable business development**, which was delivered in partnership with SDA Bocconi via the tailor-made Sustainability Learning Hub programme that will continue throughout 2022. (*) The Chief Executive Officer and senior managers are at the forefront of efforts to enable the sustainable development of Abertis, ACA, Aeroporti di Roma and Telepass
Involve at least 30% of employees in projects and activities with a purpose or impact related to the United Nations sustainable development goals (in the three-year period 2021-23)	Around **100 employees** were involved in projects and activities related to the UN Sustainable Development Goals. The ongoing pandemic 2021, with the associated restrictions imposed by social distancing, affected the chances of making progress on this goal. Atlantia has launched the #10DAYSFORYOU **active citizenship project** for the holding company's corporate office staff. This allows employees to devote up to 10 days per year on full pay to projects and activities in keeping with the Sustainable Development Goals.

Investment in the development of human capital skills, also included these initiatives in 2021:

- **More than 3,000 employees** were trained in **digitalisation and cybersecurity**, in order to boost their skills regarding an innovation driver like digitalisation, which offers business opportunities but also brings cybersecurity risks.
- In line with the commitment to promote occupational safety, an average of 7 hours of **specific health and safety training** was provided per employee.
- To support a culture of **ethics and integrity in business management**, 45% of employees were trained on the Code of Ethics and/or tackling corruption (10% and 35% of employees, respectively).
- During 2021, **65%** of employees participated in a programme to appraise their individual performance (e.g., performance management, 360° feedback, peer-to-peer comparison, management by objectives). Commitment to performance appraisal as a means for guiding the results to be achieved, as well as activating development pathways, increased markedly with respect to the previous year.

Diversity, equality and inclusion

Atlantia's commitment to encouraging and promoting a culture of diversity, which is a fundamental value of the concept of equality and inclusion, is enshrined in the Code of Ethics, and also in specific Guidelines approved by the Board of Directors in 2021 - https://www.atlantia.com/documents/37344/116906/Guidelines-DE%26I-ENG.pdf .

"We strongly believe that the implementation of equality and inclusion policies can generate shared value for the Company, our workers, our shareholders and, more generally, for all our stakeholders. We have a diversity, equality and inclusion agenda packed with challenging targets and commitments approved by our Board of Directors that show the way forward. We work with the awareness that we have embarked on a clear pathway, along which we can lead our business and interpret our role in the market"

Maria Sole Aliotta - Head of Employer Branding, Capability Acquisition and Development, Diversity, Equality and Inclusion

3.1 We respect human rights

We operate in the belief that respect for and protection of human rights are irrevocable principles in all areas of activity.

Focus on - What do we mean?

Human rights means the universal and inalienable rights granted to all people regardless of race, nationality, language, age, sex/gender, gender identity, sexual orientation, ethnicity/culture, religion, physical condition and disability, economic status, and trade union/political or other opinions.

How we promote diversity, equality and inclusion

As a holding company with strategic investments, we require our subsidiaries to adhere to and operate in accordance with certain fundamental principles:

- We foster and promote a **culture of diversity**, a cornerstone of the concept of equality and inclusion, which we support in our own business model.
- We guarantee **equal conditions and opportunities** for all our employees, regardless of race, nationality, language, age, sex/gender and gender identity, sexual orientation, ethnicity/culture, religion, physical condition and disability, economic status, and trade union/political or other opinions, thereby promoting an inclusive working environment that protects people's physical and mental health and safety.
- **We combat abuse** involving discrimination and harassment, exploitation of forced, compulsory or child labour, human trafficking, and violations of freedom of association.
- We carry out our activities with **respect for human rights**, including taking into account the potential and actual human rights impacts of our business partners' activities, and we expect them to do likewise with regard to activities assigned to or carried out in collaboration with our Group. We improve our procedures for identifying and combating **human rights violations in our supply chain**. We do not tolerate any form of human rights violation and we are committed to guaranteeing people's rights in all activities carried out by Group companies, in order to create economic and social value for the communities and local areas we operate in.

Focus on: Reflecting the diversity of our markets, communities and stakeholders within the Company

- 39% of our people are women, up more than 1 percentage point on 2020
- 16% of our employees are under 30, in line with the 2020 figure
- 24% of our employees are over 50, up 3 percentage points on 2020
- 60% of our employees are between 30 and 50, down 3 points compared with 2020
- 54% of our employees are based in Latin America, and are predominantly Brazilian, Chilean, Argentinean and Mexican
- 43% of our employees are based in Europe, and are predominantly French, Italian and Spanish
- 2.5% of our employees belong to vulnerable categories

Our commitments include specific targets to improve gender equality, with particular reference to the gender mix in key roles within the organisation.

Target by 2023	Performance in 2021
Increase the proportion of women in middle and senior management positions to 30%	**29%** of middle and senior management positions held by women, up from 27% in 2020
Increase the presence of women in the management and oversight bodies of our investee companies: 30% of the directors and statutory auditors appointed by Atlantia are women.	**45%** of the directors and statutory auditors nominated by Atlantia to the management and oversight bodies of our investee companies are women (29 in 2021, including 13 women and 16 men).

In 2021, the proportion of women holding **senior management positions rose to 23%** (19% in 2020), and the proportion of women holding **middle management positions rose to 31%** (28% in 2020). In 2021, 419 employees took parental leave (around 2% of the workforce), and the rate of return to work after parental leave standing at 89%, reflecting our inclusive culture.

Focus on: Atlantia joins Bloomberg's 2022 Gender Equality Index

Atlantia took another step forward along our sustainability path, especially on the diversity, equality and inclusion front. In January 2022, the Company was included in Bloomberg's Gender Equality Index for the first time. This index measures **corporate performance relating to gender equality issues** and the **quality and transparency of public** reporting, based on a number of cross-cutting pillars, including: female leadership and internal talent pipelines, gender pay equity, inclusive culture, and anti-discrimination policies. **The index includes 418 large companies from around the world**, deemed to be the most committed to encouraging transparent treatment and creating a fair working environment. These companies operate in 45 different countries and regions, in more than 10 distinct sectors, and represent a total market value of more than $15 trillion. In order to be admitted to the Gender Equality Index, companies are required to provide information in a highly transparent manner about the promotion of women in the workplace, as well as in the supply chains and communities they operate in. As of January 2022, 45% of the employees in the holding company's corporate office, 42% of senior management and 40% of the members of the Board of Directors are women. Thanks to this commitment to gender equality, **Atlantia is one of the largest Italian and European listed companies with a high proportion of women in key management roles**.

One of Atlantia's social ambitions ahead of 2030 is to guide our asset portfolio towards elimination of any gender pay gaps, in accordance with a criterion of **equal pay for equal or equivalent role responsibilities.**

In 2021, the overall **gender pay gap** recorded within the scope of consolidation is **12%** (women vs. men) and breaks down as follows.

Pay gap	Senior management	Middle management	Other employees
Fixed remuneration	15%	7%	12%
Total remuneration	22%	10%	12%

With regard to **respect for human rights**, Atlantia's objective by 2023 is to verify and audit more than two-thirds of the assets included in the scope of consolidation in the three years from 2021 to 2023.

Target by 2023	Performance in 2021
Fundamental rights - extension of human rights verification and auditing procedures to a greater portion of our assets (assets representing at least 70% of consolidated revenue)	In 2021, the **Code of Ethics was revised and extended to all subsidiaries**, including strengthening of the principles of conduct regarding respect for human rights. During the year, a project was also launched which will involve the consolidated companies in 2022. The aim is to set up a **structured, recurring procedure to verify respect for human rights** by direct employees and the supply chain, which we expect will have covered at least two-thirds of consolidated companies by 2023. **77% of employees are covered by collective bargaining** with regard to employment terms and conditions.

Safety of infrastructure and services

Providing safe mobility for transport infrastructure users is a priority for Atlantia and the companies in our portfolio.

"We expressly wish to put the safety of the public and travellers at the heart of every business decision and process" - Carlo Bertazzo, CEO

In the motorway sector, safety oversight, monitoring and investments are organised along three main areas, which are described below.

Safety of physical infrastructure

This is implemented primarily via constant monitoring - increasingly assisted by digital technology - of the motorway network; regular planned maintenance, partly thanks to predictive techniques; implementation of investments aimed at boosting the resilience of physical assets (including for example, with regard to the effects of climate change on physical infrastructure); other activities and investment aimed at maintaining the efficiency of infrastructure and its improvement.

Safety of road users

The safety of motorway infrastructure users entails consultation with various stakeholders. This is mainly implemented via solutions aimed at reducing the risk of accidents (e.g., draining asphalt, improved lighting), or the effects of accidents (e.g., the installation of high-containment barriers). Effective provision of information to users also plays an important role (e.g., road signs, variable message panels, special paving, noise band strips). Raising awareness of road safety so that it becomes a pervasive culture among local communities and road users (e.g., communication campaigns to raise awareness of good driving behaviours, training in schools for children and youngsters) is also important. Finally, effective management of emergencies caused by natural events (snowfall, flooding, landslides and mudslides) and accidental events (fires and accidents) also plays a key role.

Safety of employees and third parties

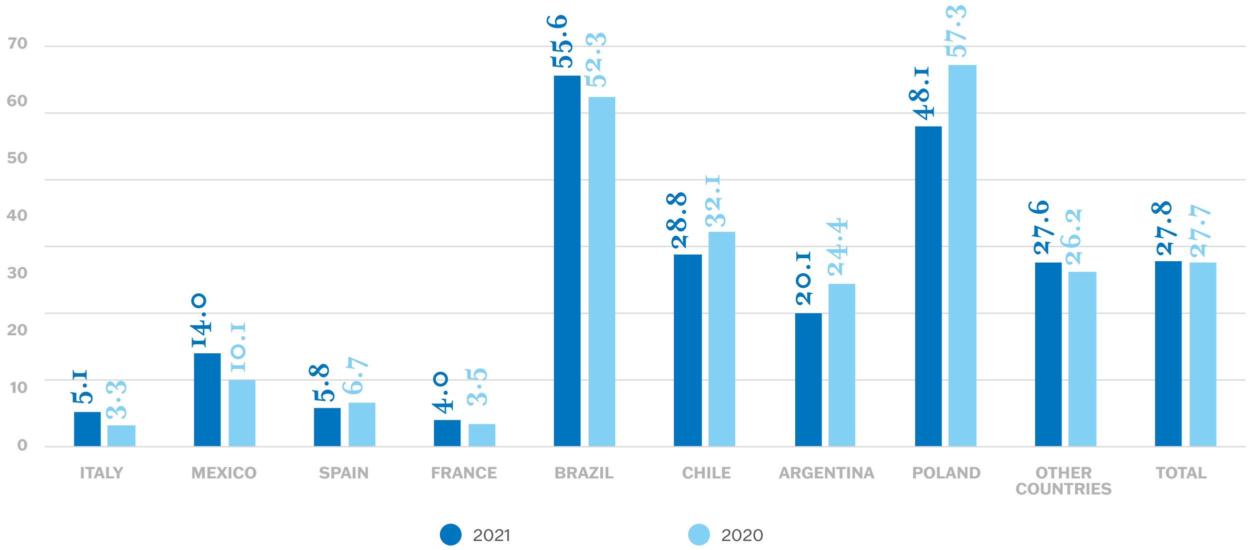
This is implemented via appropriate layout and signposting of motorway worksites; procedures and the use of protective equipment; continuous training on appropriate behaviour to ensure safe operations; understanding the causes of occupational injuries and mitigating actions aimed at continuously improving safety standards.

On the motorway network operated by the companies in Atlantia's portfolio, injury and fatality rates[9] were virtually unchanged in 2021.

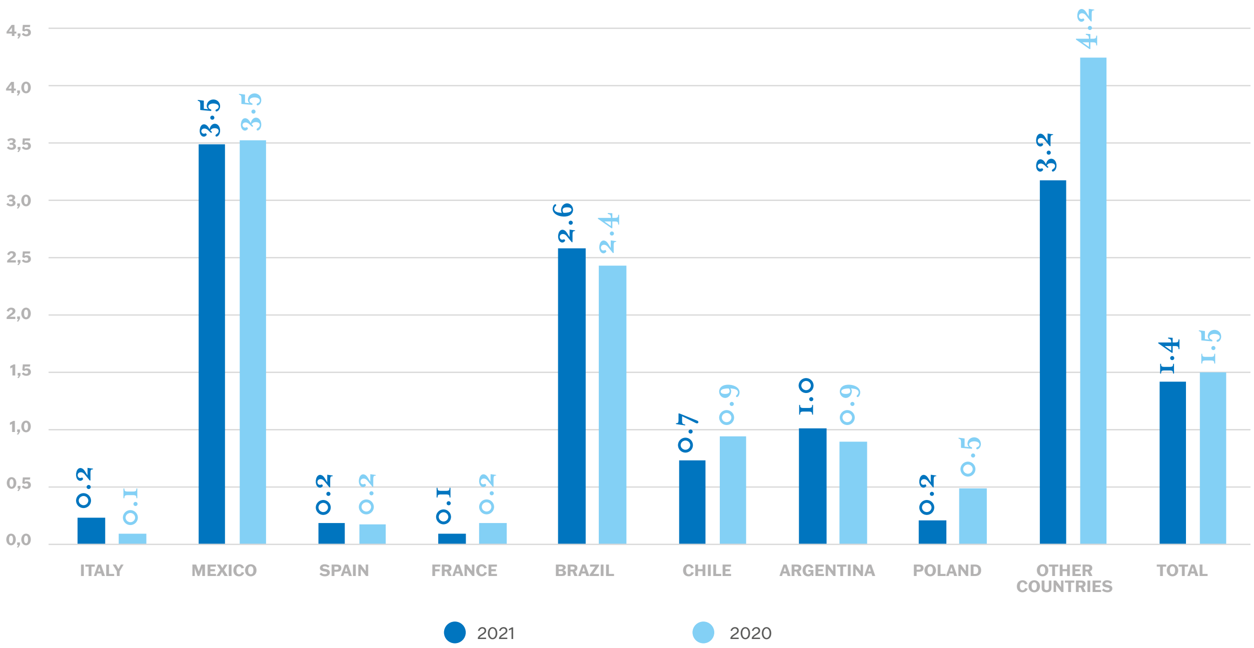
The technology applied to road transport infrastructure is also playing an increasingly important role in

[9] *Number of events recorded per 100 million km travelled*

Injury rate



Fatality rate



terms of increasing safety levels. Intelligent data processing technologies and platforms that can effectively communicate between mobility infrastructures and modulate use of the transport network to meet current demand facilitate reduction of environmental impacts generated by traffic flows, as well as improvement of safety levels resulting in fewer accidents for road infrastructure users.

Airport safety is managed with a view to ensuring compliance with specific legal provisions, as well as continuous improvement of performance standards in all airport operations, including via constant interaction with stakeholders (regulatory and monitoring bodies, other international airports, operators, etc.). An Emergency Response Committee is in place at each airport with responsibility for emergency management, testing/simulation, and the definition and revision of operational procedures. Airside operational safety is ensured by compliance with a complex system of standards, involving adoption of the best available technology and representing international best practices for airports. The safety of aircraft movements is constantly monitored, using systems to collect and manage reports regarding aeronautical events occurring during airport operations. Risk assessment of any changes is also included among strategic activities, with the aim of analysing the impact that changes to infrastructure, procedures and organisational arrangements may have on the safety of aircraft operations at airports.

Once again in 2021, the key priority for airport passenger security was the Covid-19 pandemic.

Focus on: Covid-19 emergency management

Since 2020, Fiumicino and Ciampino airports have been certified for the quality and compliance of the Management System for the Prevention and Control of Infections at Airports, which is aimed at minimising the risk of contracting diseases relating to the pathogens identified and potentially connected to the provision of airport services; operation and maintenance of equipment and infrastructure; management of ICT systems, retail and real estate sub-concessions; coordination of engineering activities; procurement and supervision of the construction of airport infrastructure; assistance to passengers with reduced mobility; security checks; cleaning, sanitisation and maintenance of green areas; and mobility and car park services. Aeroporti di Roma has also adopted protocols that have become a benchmark in the sector for the containment of Covid-19 infections among passengers, for example, by being one of the first airports in the world to operate “Covid-tested” flights.

Since February 2021, in collaboration with administrative and health authorities, Aeroporti di Roma has organised and managed one of Italy’s largest vaccination hubs, with a capacity of more than 3,000 jabs per day.

Contributing to economic and social development

Through its activities, the Group helps to generate benefits for stakeholders and the environments in which we operate in terms of economic value, employment and benefits for local communities. In 2021, the Group generated economic value[10] amounting to €7,392 million, up 19% on 2020, a year that was marked by significant impacts from the Covid-19 pandemic.

[10] *representing the sum of operating revenue and other income (e.g., financial income)*

Breakdown of economic value created	2020	2021	% change
ECONOMIC VALUE CREATED (€/000)	€6,234,140	€7,392,711	19%
Net toll revenue	€4,078,687	€4,958,823	22%
Aviation revenue	€243,717	€294,218	21%
Contract revenue	€53,478	€12,803	-76%
Other operating revenue	€883,697	€1,125,178	27%
Other operating income (including financial income)	€974,561	€1,001,689	17%

The economic value is distributed as follows:

- around 26% (approximately €1,915 million) consists of operating costs incurred for the procurement of goods and services that benefit the companies in the Group's supply chain and related local areas;
- 29% (approximately €2,140 million) to providers of risk capital and to finance the distribution of dividends and to service debt;
- 11% (approximately €804 million) to employees (wages, salaries, benefits), for Directors' fees, social security charges and other costs;
- around 7% (approximately €492 million) to the state in the form of direct and indirect taxes and concession fees.

After distribution, €2,041 million of economic value was retained[11].

We also contribute to the wellbeing of the communities we operate in through donations and investments in the community. During 2021 we disbursed:

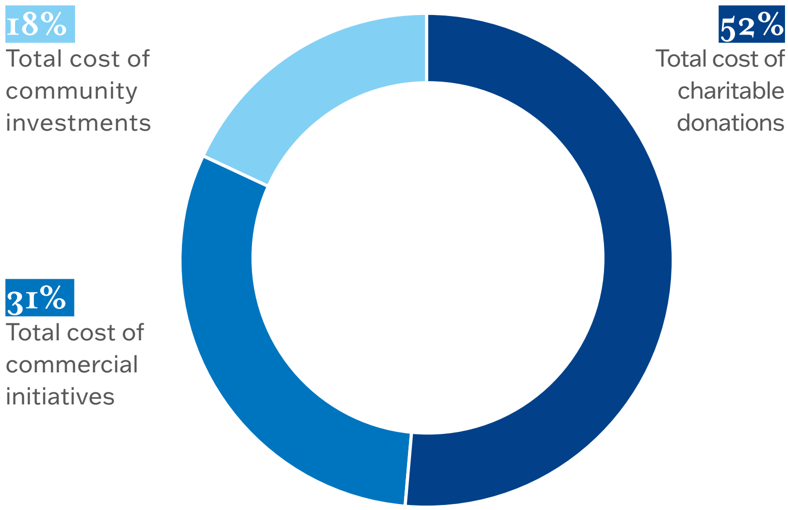
- €3.5 million regarding donations, including philanthropic donations, contributions to foundations, costs associated with employees volunteering during working hours, and products and services.
- €2.1 million regarding commercial initiatives, including donations for sponsorship of sporting events (for example, Telepass was the presenting sponsor of the 2021 Alpine World Ski Championships in Cortina), and scientific and social initiatives.
- €1.2 million regarding community investment, including information and awareness-raising campaigns, grants to associations and organisations, offsetting initiatives for local areas, and contributions to trade associations.

99% of these contributions were made in the form of cash grants.

The relationship of trust and the Company's reputation represent an intangible asset to which we attach great importance. Therefore, we are committed to promoting open and transparent stakeholder engagement and dialogue as a means for enhancing confidence and reputation. This is one of the milestones of our ESG commitments through to 2023.

[11] *In line with Indicator 201.1 in the GRI standards, the figure is before amortisation and depreciation, capitalised costs and expenses, deferred taxation and provisions. Gains/losses from discontinued operations or assets held for sale were excluded from the economic value created. For 2021, this accounting item includes income resulting from completion of the sale of Autostrade per l'Italia.*

Value spent on social and community projects



Target by 2023	Performance in 2021
Strengthen stakeholder trust and the reputation atlantia enjoys with our stakeholders	Corporate reputation up 4.9 points, as measured by an opinion poll conducted by an independent third party in April-December 2021. This increase ranks the Company in the top tier of best performers (RepTrak survey)

We believe that our staff are also a resource for giving back value to the communities and local areas we operate in. Therefore, we promote forms of active citizenship, supporting staff who wish to volunteer for the community by giving them leave of up to ten working days on full pay.

Focus on: #10daysforyou – learn to give back to the community

In October 2021, Atlantia SpA signed an agreement with all the main unions in the sector (Filt-Cgil, Fit-Cisl, Uiltrasporti, Sla-Cisal, Ugl Viabilità) that, by allowing employees to make a real contribution, creates a permanent opportunity to bring Atlantia closer to civil society and the communities we serve and in which we operate. The agreement concerns employees of the holding company wishing to offer their **services in the voluntary sector**, who, in addition to current legal provisions and collective agreements, may take up to **10 additional days on full pay** to work with associations, entities and institutes that carry out charitable, welfare, social, religious, artistic, cultural, sporting and environmental activities. The initiative provides an opportunity to **enhance employees' awareness and attitudes with regard to non-profit organisations**, which have become increasingly valuable and important, as well as of great social relevance in terms of tenacity and substance, identity and diversity, openness and inclusion, relationships and solidarity, proximity and reciprocity, and individuality and community. This is the first **"active citizenship" initiative** of this kind and importance to be promoted by an Italian company. The agreement is a concrete response to employees' expectations that Atlantia's mission, including our social mission, should be further enhanced by offering values that match up to their social awareness, especially as expressed by the young people who have recently joined the organisation.

Sustainable supply chain management

In line with our ESG commitments for 2023, as well as with the Sustainable Development Goals and the principles of the Global Compact, we establish collaborative relationships with our suppliers based on the principles of loyalty, fairness, transparency and efficiency, in compliance with the laws of the countries in which we operate.

All our business partners are informed about the sustainability policies adopted by Atlantia and Group companies and are required to comply with the ethical and behavioural principles of the Group's Code of Ethics, undertaking to abide by its provisions regarding the protection of human rights, the environment and the occupational health, safety and staff welfare. This commitment extends to any authorised subcontractors.

The process of selecting suppliers of goods, services and works is based on transparent, traceable and impartial qualification and assessment processes, with a view to promoting free competition and equal treatment of the parties concerned.

All Group companies have internal structures in place to manage the supply chain and procurement process, as well as procedures that define competences, responsibilities and approval and formalisation procedures for the procurement process. Suppliers are identified via the suppliers registers of individual companies or through public tenders and are assessed in the qualification phase in terms of technical, economic and ESG criteria.

In 2021, the Group maintained more than 20,100 active suppliers worldwide (up 18% due to the new companies entering the scope of consolidation). The increase also reflects the steady recovery in activity that had slowed down during the Covid-19 pandemic, together with the need to find new suppliers to meet supply bottlenecks affecting certain materials. Total expenditure amounted to more than €2.5 billion, of which approximately 19% was spent on 704 core suppliers (3.5% of total suppliers). Audits were carried out on 82 of these in order to verify social, environmental and governance performance.

Target by 2023	Performance in 2021
100% of core suppliers undergoing ESG audits within 3 years	**11%** of core suppliers were audited in terms of social, environmental and good governance criteria. During the year, a specific project was launched to develop guidelines and operational tools to extend ESG checks and audits to the supply chain.

Ethics, transparency and good governance

In our pursuit of sustainable success, Atlantia has adopted a corporate governance model geared towards maximising value for shareholders and all stakeholders, constant monitoring of business risks, and the highest degree of transparency with respect to the market, with a view to ensuring the integrity and fairness of decision-making processes. Our corporate governance model is described in chapter 4 of this report.

Promoting good governance at our subsidiaries is also one of the objectives of our approach to sustainable development, which is also embodied in specific targets to be achieved by 2023.

Target by 2023	Performance in 2021
100% of our subsidiaries: Publish a sustainability report that is made available to their stakeholders	Investee companies representing **85%** of revenue have published a **sustainability report**; investee companies representing **>90%** of revenue have adopted a **long-term sustainability plan**
Have adopted senior management incentive schemes linked to ESG performance, as well as to financial and operational performance	The vast majority of investee companies, accounting for over **95%** of revenue, have incorporated short- and/or long term **ESG objectives** into their management incentive schemes together with financial and operational metrics
Check core suppliers via ESG audits (at least every three years)	**11%** of active core suppliers in 2021 audited on ESG aspects and **22%** assessed on ESG aspects
Have adopted an IT security and cybersecurity policy	Investee companies representing **89%** of consolidated revenue have drawn up a cybersecurity strategy, whilst those representing **24%** of consolidated revenue have a cybersecurity policy in place for all employees and those accounting for **82%** of consolidated revenue have business continuity/contingency and incident response plans in place

With a view to sharing more of the value created with employees, subject to approval by shareholders, Atlantia will launch a share incentive scheme aimed at encouraging the creation of a **stable base of employee shareholders who can benefit from the value created over the long term**. Atlantia also **promotes the sharing of value with employees of our investee companies** through the adoption of profit-sharing and/or performance schemes.

At the holding company, Atlantia has its own strategic framework regarding cybersecurity, which has been approved by the Board of Directors. For further information, reference should be made to section 3 on risk management.

6.3 Tax transparency

Since 2018, Atlantia Group gave particular importance to the principles and values contained in its Tax Strategy, which guides decision-making regarding tax, investment and the Group's core business as a whole. Therefore:

- the Group does not apply aggressive tax planning schemes in domestic or international transactions, nor resort to the use of tax havens or other artificial arrangements that do not reflect economic reality and may offer undue tax advantages;
- Group entities are incorporated in the jurisdictions in which they conduct their actual business, and their tax residence is always the same as their location, with neither the former nor the latter being guided by considerations regarding tax;
- management is not remunerated on the basis of undue tax burden reduction targets;
- intercompany crossborder transactions are regulated in full compliance with the arm's length principle and are accurately recorded in the documentation prepared annually in accordance with OECD transfer pricing requirements (Master file, Local file, Country-by-Country report).

Based on the content of the Tax Strategy, in all jurisdictions where it is present, the Group operates in accordance with the values of honesty and integrity and pursues a behaviour conducive to compliance with tax legislation and transparency towards tax authorities.

Atlantia is also committed to promoting adherence to cooperative compliance schemes, in all the countries in which it operates, where forms of cooperative compliance for major taxpayers have been introduced. With this aim in mind, an implementation process has been launched that envisages progressive adoption of the fundamental principles of the Tax Strategy by the boards of directors of the main Group entities operating overseas and in Italy (namely, Abertis group, Autostrade per l'Italia SpA, Aeroporti di Roma SpA, Telepass SpA, Autostrade dell'Atlantico Srl and Azzurra Aeroporti SpA). Atlantia and its main subsidiaries (Autostrade per l'Italia SpA and Aeroporti di Roma SpA) are already cooperating and periodically engage in transparent dialogue with the tax authorities, in order to establish prior certainty with regard to particularly complex tax arrangements. In Spain, on the other hand, the Abertis group is part of the *Código de Buenas Prácticas Tributarias* regime, which contains recommendations agreed between the Spanish tax authorities and the Forum of Large Enterprises in the field of tax management.

Tax risk management

In order to control tax risk, the Atlantia Group has implemented a Tax Control Framework ("TCF"), inspired by international best practices, which is integrated into the Company's internal control system and, in particular, the system of controls over accounting and financial reporting.

The TCF ensures the management of two kinds risk associated with the correct definition of the tax variable:

- correct compliance, monitored through risk/control maps, in which tax risks are appropriately associated with business processes and activities designed to mitigate such risks, including related quantitative assessments; in defining compliance risk controls, Atlantia has invested in technology, adopting solutions for the digitalisation of tax processes, regarding the calculation of taxes and the preparation of key requirements, such as application of the CFC rule and the preparation of country-by-country reports, in order to obtain greater assurance of the accuracy of data relevant for tax compliance purposes;
- well-founded interpretation of tax regulations, involving their timely identification, correct measurement and control by a specific internal procedure that, depending on the magnitude of risk, ensures the identification of cases of tax uncertainty and provides mechanisms for internal decision-making escalation with regard to assumption of the related risks, for prior discussion with the tax authorities and for reporting to the Board of Directors.

In order to identify, measure and manage tax uncertainty, Atlantia has implemented a process of tracking and tracing tax decisions, which enables assessment of the extent to which these decisions may be challenged and measurement of their materiality in terms of tax variables, namely the difference between the tax burden resulting from the interpretation adopted by the Company and the tax burden that could result from an audit by the tax authorities. The interpretative risk management procedure, regarding the relevant tax choices made in the 2021 compliance year (2020 tax period), resulted in the identification of 8 positions without any tax uncertainty, and 3 positions regarding which prior dialogue with the tax authorities was promptly activated, in order to reach a shared assessment of these positions, and thereby eliminate any situations entailing uncertainty or tax variability.

In Italy, the TCF has been further enhanced with measures to mitigate the risk of tax fraud by boosting interconnections with the Organisational, Management and Control Model, for the purposes of entities' liability for tax offences, as enshrined in Legislative Decree 231 of 2001.

The TCF is designed in accordance with a model that has three levels of defence: first-level controls, entrusted to risk owners, accompanied by periodic updating and monitoring activities, under the responsibility of a specific second-level control unit. In 2021, the first level-three audit was carried out by the Audit department, which deemed the control system to be fully effective.

An annual report is prepared for the Board of Directors regarding the outcomes of TCF monitoring and tax risk management, in accordance with the requirements of the Tax Strategy. As part of Atlantia's cooperative compliance commitments, the annual report is then sent to the tax authorities.

In order to protect whistleblowers reporting crimes or irregularities, including tax irregularities, that come to their attention in the course of their employment, work or the provision of third-party services, Atlantia has adopted a dedicated channel for reporting violations in its Code of Ethics, which guarantees the confidentiality of a whistleblower's identity.

Tax transparency and certainty

Atlantia is continuing its commitment to efforts to enhance tax transparency, within the broader context of ESG issues. Via the complex process of collecting and analysing data from its Italian and overseas subsidiaries, and through voluntary publication of the results obtained, the Group aims to achieve the following:

- to meet the growing expectations of investors and, more generally, of all stakeholders;
- to understand how the tax strategy is applied and the resulting factual outcomes;
- to provide more details on the taxes paid, the quality of profits and the risks associated with tax management;
- to emphasise the close link between taxation and the concept of sustainability, which is embodied in the management of tax behaviour.

This has and will continue to enable the creation of a database which, based on the individual tax jurisdictions the Group operates in, will provide the opportunity to carry out analyses, including comparative ones, that will be useful for both stakeholders and Atlantia.

To this end, Atlantia has launched a project to better represent its tax contribution in the countries where the Group operates, involving the move towards adoption of the Total Tax Contribution (TTC) method. This reporting model, which will be fully implemented as of the 2022 tax year, will integrate information regarding income tax, as well as labour, product and service, environmental and property taxes. The TTC will also account for the levy that represents a cost for Atlantia (tax borne), as well as the taxes collected on behalf of the tax authorities (tax collected).

Moreover, as it is fully part of the governance element of the ESG aspects, taxation management is one of the key components of the forthcoming EU social taxonomy, in which tax transparency and non-aggressive tax planning are included among the minimum safeguards that a company must vouch for in order to be deemed sustainable.

In this regard, Atlantia's firm belief in operating ethically and the attention we pay to accurate tax management and risk control, as well as our commitment to transparent relations with the tax authorities, have enabled the Company to start the process of obtaining international Fair Tax certification, which will provide all stakeholders with a consistent indicator of Atlantia's sustainability in terms of tax. In the same vein, Atlantia is also working on setting up a process for measuring ESG factors directly related to taxation, when drawing up the criteria that will guide Atlantia's sustainable investment decisions.

Country-by-country reporting

Also in keeping with the ESG approach, and in the firm belief that taxes make a key contribution to the economies of the jurisdictions it operates in, Atlantia intends to provide full and accurate disclosure of the allocation of taxes paid and other relevant amounts for the 2021 tax year, as shown in the tables below, in the country-by-country reporting required by GRI standard 207-4.

Tax jurisdiction (*in €*)	Number of employees [2]	External revenue [3]	Revenue from intercompany transactions with other tax jurisdictions [3]	Profit/(Loss) before tax [4 5]	Tangible assets other than cash and cash equivalents [4]	Income tax paid in accordance with the cash basis of accounting [6]	Income tax accrued on profit/losses [7]
Albania	-	-	-	15,000	-	-	-
Argentina	1,864	267,092,448	-	25,720,485	15,448,523	3,288,992	3,025,306
Armenia	-	-	-	61,000	-	-	-
Brazil	6,125	1,057,494,142	-	167,115,654	34,214,921	44,826,989	60,384,823
Canada	7	857,458	406,260	67,073	8,510	16,818	(585)
Chile	1,660	1,170,393,330	147,422	488,169,053	32,715,827	58,661,399	78,185,694
Croatia	51	1,103,991	1,677,637	458,624	533,557	54,287	84,473
France	2,795	2,266,813,851	22,838,525	773,573,655	228,528,467	153,940,434	176,007,390
Georgia	-	-	-	(48,000)	-	-	-
Germany	1	-	19,000	1,000	-	-	-
India	56	32,393,329	1,315,672	9,999,542	956,608	145,963	956,807
Ireland	85	14,622,992	76,529	958,644	-	324,295	119,856
Italy	12,819	7,030,200,876	26,903,000	1,791,920,198	835,230,799	28,285,126	108,927,438
Luxembourg	-	-	-	(166,904)	-	-	(5,000)
Mexico	1,458	514,540,062	-	106,860,646	7,018,495	9,292,700	12,455,324
Moldova	-	-	-	(3,000)	-	-	-
Netherlands	1	5,163,000	77,825,000	608,000	-	23,870	127,000
Poland	277	86,158,860	3,773,000	29,445,304	10,708,379	9,154,000	8,051,001
Puerto Rico	84	164,531,151	41,083	36,770,020	31,832,139	-	4,186,683
Portugal	28	2,352,000	-	9,000	226,000	(8,000)	5,000
Qatar	5	7,610,631	-	416,739	860	214,000	64,749
United Kingdom	311	43,776,491	1,483,296	4,077,034	2,078,565	1,060,972	923,086
Romania	-	-	-	136,000	-	-	-
Spain	1,305	1,213,169,063	43,012,155	(1,143,090,813)	81,748,810	(107,086,634)	98,766,473

Tax jurisdiction (*in €*)	Number of employees [2]	External revenue [3]	Revenue from intercompany transactions with other tax jurisdictions [3]	Profit/(Loss) before tax [4 5]	Tangible assets other than cash and cash equivalents [4]	Income tax paid in accordance with the cash basis of accounting [6]	Income tax accrued on profit/losses [7]
Switzerland	7	79,000	823,000	(239,000)	-	-	-
Tunisia	-	-	-	(2,000)	-	-	-
Hungary	11	419,909	441,429	10,411	206,705	32,722	35,193
USA	201	96,987,141	4,424,370	(22,725,976)	1,538,373	2,447	6,394
Total country-by-country reporting [8]	**29,151**	**13,975,759,725**	**185,207,378**	**2,270,117,387**	**1,282,995,539**	**202,230,379**	**552,307,105**

1. *The Table provides information on the Group entities included in the consolidated financial statements of Atlantia SpA as at and for the year ended 31 December 2021 (hereinafter also "consolidated financial statements") according to either the line-by-line or the proportional method of consolidation. With regard to the names of the entities, the main activities and the tax jurisdictions in which the entities are resident, see Annex 1. The Atlantia Group's scope of consolidation and investments as at 31 December 2021 in the Annual Report for 2021.*
2. *The number of employees is calculated on the basis of the Full Time Equivalent (FTE) method.*
3. *"External revenue" and "Revenue from intercompany transactions with other tax jurisdictions" include, in addition to the profit from ordinary operations, extraordinary and financial income. Dividends received from other Group entities are not included.*
4. *In line with the OECD principles on Country-by-Country Reporting, "Profit/(Loss) before tax" and "Property, plant and equipment" are shown on an aggregate basis, without considering consolidation adjustments.*
5. *"Profit/(Loss) before tax" does not include the amounts of dividends received from other Group entities.*
6. *In line with the OECD principles on Country-by-Country Reporting, Income tax paid in accordance with the cash basis of accounting i) includes taxes paid by each Group entity during the reporting period - to its home jurisdiction as well as to other jurisdictions (for example, withholding taxes incurred in other tax jurisdictions) - net of any income tax refunds received during the same period, regardless of the tax period to which such taxes and refunds relate, and ii) do not include taxes paid on dividends received from other Group entities. In this regard, it should be noted that Income tax paid in Spain is negative as a result of a refund received in 2021 from the Abertis subgroup, primarily relating to excess income tax paid in 2019 and 2020.*
7. *In line with the OECD principles on Country-by-Country Reporting, Income tax accrued on profit/losses does not include taxes paid on dividends received from other Group entities. With regard to any differences between the income tax accrued on profits and the tax payable (GRI 207-4-b-x), see section 8.12 – "Income tax expense" in the Annual Report for 2021, which shows the reconciliation between tax expense applying statutory rates and the effective amount reported in the income statement for the year to which the report refers. To the extent that it is of interest here, it should be pointed out that both accrued income taxes and taxes paid in Italy are affected by the application of tax regulations, including: i) exemption of financial gains (participation exemption scheme) included in pre-tax profit for accounting purposes; ii) use by companies participating in Atlantia SpA's tax consolidation scheme of tax losses and ACE tax relief for the year and for previous years, in accordance with group taxation mechanisms; iii) exemption of income from Covid-19 grants recognised in 2021 by Aeroporti di Roma SpA.*
8. *When evaluating the data in this Table, the following should be considered:*
   - *The difference between "External revenue" in this section and "Total revenue" in the consolidated financial statements is mainly due to i) revenue of €4,447 million from the ASPI subgroup, reclassified in the consolidated financial statements as assets held for sale in accordance with IFRS 5; ii) an accounting gain of €1,042 million included for the purposes of this section under Atlantia SpA's revenue and deriving from Atlantia SpA's sale of a 49% stake in Telepass, whereas the gain on this transaction is not recognised in the consolidated financial statements as it is recognised directly in equity; iii) financial income of €1,024 million and foreign exchange gains before losses of €166 million; iv) uses of provisions for commitments under agreements of €31 million; v) gains on disposal of property, plant and equipment of €3 million.*
   - *The difference between "Profit/(Loss) before tax" in this section and "Profit/(Loss) before tax from continuing operations" reported in the consolidated financial statements primarily reflects i) the pre-tax profit of €1,226 million realised by the ASPI subgroup, reclassified in the consolidated financial statements as assets held for sale in accordance with IFRS 5; ii) the consolidation entries made in the consolidated financial statements in accordance with the IFRS adopted by the Group.*
   - *The difference between "Tangible assets other than cash and cash equivalents" in this section and "Property, plant and equipment" in the consolidated financial statements refers mainly to i) property, plant and equipment amounting to €641 million attributable to the ASPI subgroup, reclassified in the consolidated financial statements as assets held for sale in accordance with IFRS 5; ii) inventories and assets for contract work in progress amounting to €23 million and €2 million, respectively; iii) consolidation adjustments relating to intercompany transactions made in the consolidated financial statements in accordance with the IFRS adopted by the Group.*
   - *The difference between "Income tax accrued on profits/losses" in this section and "Current income tax" reported in the consolidated financial statements relates mainly to the taxes accrued on the operating activities of the ASPI subgroup, amounting to €203 million, reclassified in the consolidated financial statements as assets held for sale in accordance with IFRS 5.*

6.4 Financial review by operating segment

Abertis Group

Abertis manages over 7,800 kilometres of motorway via 34 concessions in ten countries.

The table shows current concessions at 31 December 2021. It should be noted that the concessions held by Acesa and Invicat in Spain, covering a total of 545 kilometres, expired in August 2021.

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

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

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

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

The tariff revisions applied in 2021, as well as those approved for the period after 31 December 2021 and already in force at the date of approval of this document, are shown below.

		2021		2022	
		Entry into effect	% change	Entry into effect	% change
France	Sanef	1 Feb 2021	+ 0.3 %	1 Feb 2022	+ 1.9 %
	Sapn	1 Feb 2021	+ 0.3 %	1 Feb 2022	+ 2.1 %
Spain	Avasa	1 Jan 2021	- 0.1%	1 Jan 2022	+ 2.0 %
	Aulesa				
	Acesa			Concession	expired
	Castellana	1 Jan 2021	+ 0.9 %	1 Jan 2022	+2.8%
	Aucat	1 Jan 2021	- 0.7%	1 Jan 2022	+ 5.4 %
	Tunels				
	Invicat			Concession	expired
Brazil	Planalto Sul	16 Apr 2021	+ 0.9%	20 Feb 2022	+ 11.5 %
	Fernão Dias	30 Apr 21	+ 0.5 %	-	-
	Intervías	1 July 2021	+ 8.1 %	-	-
	Régis Bittencourt	1 July 2021	+ 1.4 %	20 Feb 2022	+ 10.4 %
	Litoral Sul	10 July 2021	+ 6.0 %	-	-
	Fluminense	7 Nov 2021	+ 1.8%	-	-
	Via Paulista	23 Nov 2021	+ 10.3 %	-	-
Chile	Autopista Central	1 Jan 2021	+ 2.7 %	1 Jan 2022	+ 6.7 %
	Rutas del Pacífico	1 Jan 2021	+ 2.7 %	1 Jan 2022	+ 6.5 %
	Rutas del Elqui	1 Jan 2021	+ 2.7 %	1 Jan 2022	+ 6.7 %
	Andes	1 Jan 2021	+ 6.2 %	1 Jan 2022	+ 10.2 %
	Libertadores	1 Feb 2021	+ 3.0 %	1 Feb 2022	+ 6.6 %
Mexico	Coviqsa	1 Jan 2021	+ 3.2 %	1 Jan 2022	+ 7.4 %
	Conipsa	1 Jan 2021	+ 3.2 %	1 Jan 2022	+ 6.8 %
	RCO-FARAC	1 Feb 2021	+ 4.1 %	15 Feb 2022	+ 8.1 %
	Autovim	1 Feb 2021	+ 0.0 %	15 Feb 2022	+ 7.4 %
	Cotesa	1 Feb 2021	+ 5.9 %	15 Feb 2022	+ 10.5 %
Argentina	Ausol	1 July 2021	+ 9.9 %	17 Feb 2022	+ 26.4%
	GCO				
India	JEPL	1 Sep 2021	+ 7.0%	-	-
	TTPL	1 Sep 2021	+ 5.2%	-	-
Puerto Rico	APR	1 Jan 2021	+ 1.2 %	1 Jan 2022	+ 1.2%
	Metropistas	1 Jan 2021	+ 3.8 %	1 Jan 2022	+ 2.9%
USA	ERC	-	-	1 Jan 2022	+ 5.6 %

Following the agreements reached with Chile's Ministry of Public Works at the end of 2019, Autopista Central did not apply the real increase of 3.5%, accounting for the lost revenue as an amount receivable from the Grantor.

In response to requests from Grupo Concesionario del Oeste (GCO) and Ausol relating to the tariff revisions for 2020, 2021 and 2022 provided for under existing agreements, the Argentine Grantor agreed that the two operators could apply a 9.9% increase from 1 July 2021 and a further increase of 26.4% from 17 February 2022. This is, however, significantly less than the amounts requested. The operators will continue to press for recognition of their rights under the existing agreements.

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

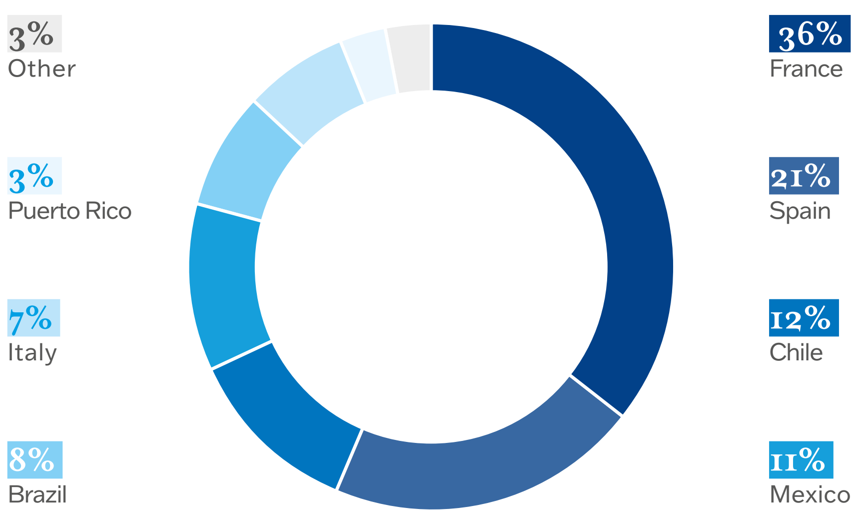
Operating revenue in 2021 amounts to €4,854 million, an increase of €800 million (20%) compared with 2020. This primarily reflects an upturn in traffic and changes in the scope of consolidation, which contributed approximately €170 million, including consolidation of the Mexican group, Red de Carreteras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

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

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

(1) *The Mexican group, RCO, contributed to the results for 2020 for 8 months from May; ERC (USA) has been consolidated since the end of 2020.*

Breakdown of EBITDA for 2021 by geographical area



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

The Abertis group's **operating cash flow** amounts to €2,096 million in 2021, an increase of €488 million (30%) compared with 2020. The improvement essentially reflects the above increase in EBITDA, partly offset by an increase in net financial expenses following the acquisition of control of the RCO group and ERC, after the related tax expense.

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

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

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

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

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

At the date of preparation of this report, the grantors have paid €1,136 million in compensation linked to investment (€1,070 million for Acesa, and €66 million for Invicat), as described in greater detail in note 10.6, "Significant regulatory and legal aspects".

As at 31 December 2021, the Abertis group has cash reserves of €8,541 million, consisting of:

- €3,817 million in cash and/or investments maturing in the short term;
- €4,724 million in committed lines of credit.

At the date of preparation of this report, the covenants provided for the Abertis group's loan agreements have all been complied with.

Overseas motorways

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

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

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

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

Country	Traffic (millions of km travelled)		
	2021	2020	% change
Brazil	4,223	3,893	8.5%
Chile	3,786	2,812	34.6%
Poland	953	813	17.2%
Total	**8,961**	**7,517**	**19.2%**

The tariff revisions applied in 2021, as well as those approved for the period after 31 December 2021 and already in force at the date of approval of this document, are shown below.

		2021		2022	
		Entry into effect	% change	Entry into effect	% change
Brazil	Triangulo do Sol Auto Estradas	*1 July 2021*	+ 8.1 %	-	-
	Rodovias das Colinas	*1 July 2021*	+ 8.1 %	-	-
	Rodovia MG050	*12 Aug 2021*	+ 6.8 %	-	-
Chile	Costanera Norte	*1 Jan 2021*	+ 2.7 %	*1 Jan 2022*	+ 6.7 %
	Vespucio Sur	*1 Jan 2021*	+ 2.7 %	*1 Jan 2022*	+ 6.7 %
	Nororiente	*1 Jan 2021*	+ 2.7 %	*1 Jan 2022*	+ 10.4 %
	AMB	*1 Jan 2021*	+ 2.7 %	*1 Jan 2022*	+ 8.3 %
	Los Lagos	*1 Jan 2021*	+ 2.7 %	*1 Jan 2022*	+ 6.7 %
	Litoral Central	*10 Jan 2021*	+ 2.7 %	*10 Jan 2022*	+ 6.7 %
Poland	Stalexport Autostrada Malopolska	*1 Oct 2021*	+ 10.0 %	-	-
		Only heavy vehicles		-	-

As was the case for Autopista Central, following the agreements reached with Chile's Ministry of Public Works at the end of 2019, Costanera Norte and Vespucio Sur did not apply the real increase of 3.5%, accounting for the lost revenue as an amount receivable from the Grantor (€23 million as at 31 December 2021).

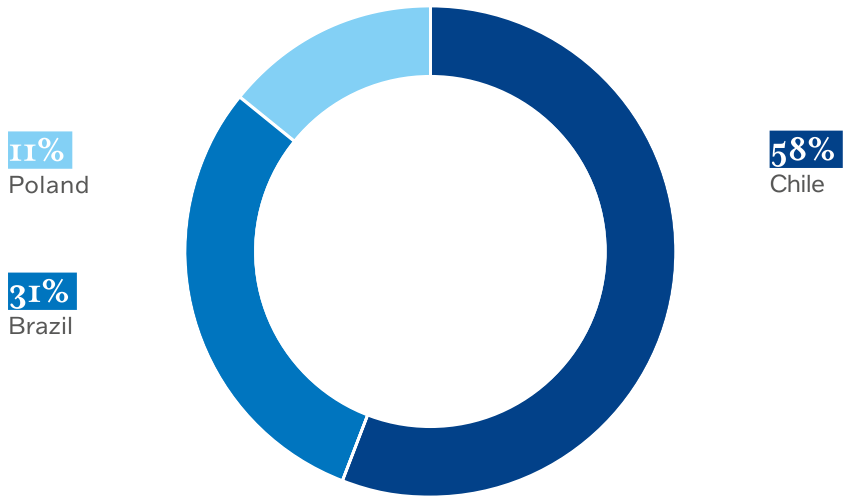
Other overseas motorways	2021	2020	Change	% change
Traffic *(millions of km travelled)*	8,961	7,517	1,444	*19.2%*
Average exchange rate (currency/€)				
Brazilian real	6.38	5.89		*-8%*
Chilean peso	898.39	903.14		*1%*
Polish zloty	4.57	4.44		*-3%*
€m				
Operating revenue	569	471	98	*21%*
EBITDA	402	326	76	*23%*
Operating cash flow	386	302	84	*28%*
Capital expenditure	74	104	-30	*-29%*
	31 December 2021	**31 December 2020**	**Change**	**% change**
Net financial debt	191	422	231	n/s

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

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

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

Breakdown of EBITDA for 2021 by geographical area



Operating cash flow in 2021 amounts to €386 million, up €84 million (28%) on 2020, mainly due to the improved operating performance.

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

€M Country	Capital expenditure	
	2021	2020
Chile	50	70
Brazil	14	25
Poland	10	9
Total	**74**	**104**

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

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

At the date of preparation of this report, the covenants provided for in loan agreements have all been complied with.

Aeroporti di Roma group (ADR)

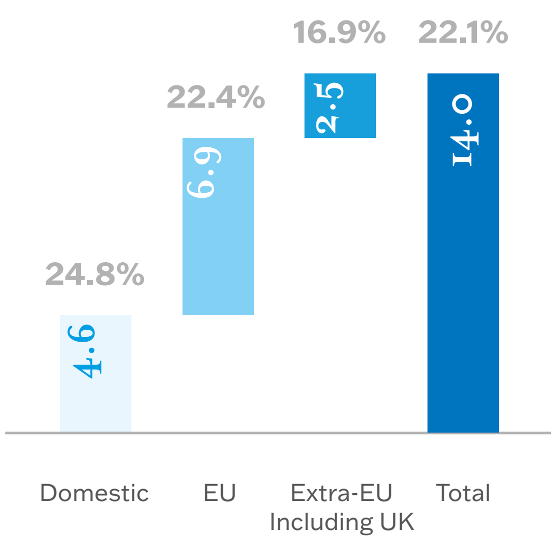
Aeroporti di Roma group	2021	2020	Change	% change
Traffic *(millions of pax)*	14.0	11.5	2.5	*22.1%*
€m				
Operating revenue	528	272	256	*94%*
of which aviation revenue	*198*	*171*	*27*	*16%*
of which recognition of Covid losses	*219*	*0*	*219*	*n/s*
EBITDA	262	28	234	*n/s*
Operating cash flow	282	-4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

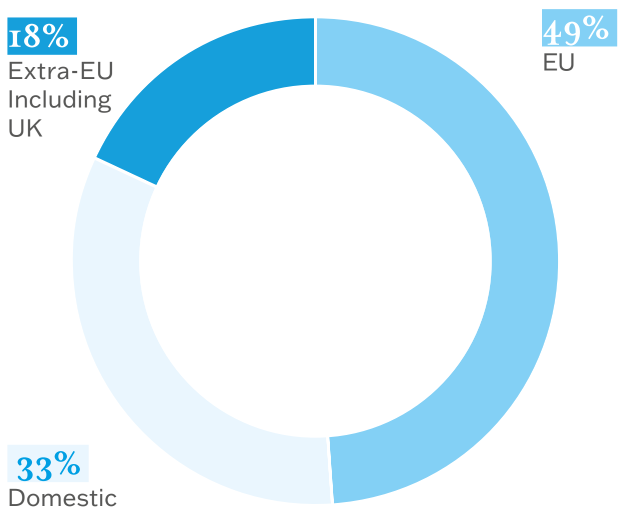
Passenger traffic handled by the Roman airport system amounted to 14.0 million in 2021, a 22.1% increase compared with 2020, albeit still below pre-pandemic crisis levels (down 71.7% compared with 2019). The downturn in traffic registered in early 2021, which was only partially affected by the pandemic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

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

Breakdown of traffic using the Roman airport system in 2021

(millions of pax and change 2021 vs 2020)





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

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

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

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

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

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

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

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

As part of the subsidiary's EMTN programme, in April 2021, Aeroporti di Roma placed new Sustainability-Linked bonds (the first airport in the world to do so) with a nominal value of €500 million, paying coupon interest of 1.75% and maturing in 2031. The bonds are subject to a step-up of up to 25 basis points from 2028 and through to maturity, should there be a failure to achieve one or more of the Sustainability Performance Targets described in the Sustainability-Linked Financing Framework published by the company.

On 30 June 2021, Aeroporti di Roma completed early repayment of the bank loan guaranteed by SACE, amounting to €200 million.

As at 31 December 2021, the ADR group has cash reserves of €912 million, consisting of:

- €662 million in cash and/or investments maturing in the short term;
- €250 million represented by a committed revolving credit facility, having an average residual drawdown period of approximately one year and three months.

Finally, it should be noted that, given the ongoing emergency caused by the pandemic, the earlier covenant holiday has been extended by all the lenders until 30 June 2022 included.

Aéroports de la Côte D'Azur group (ACA)

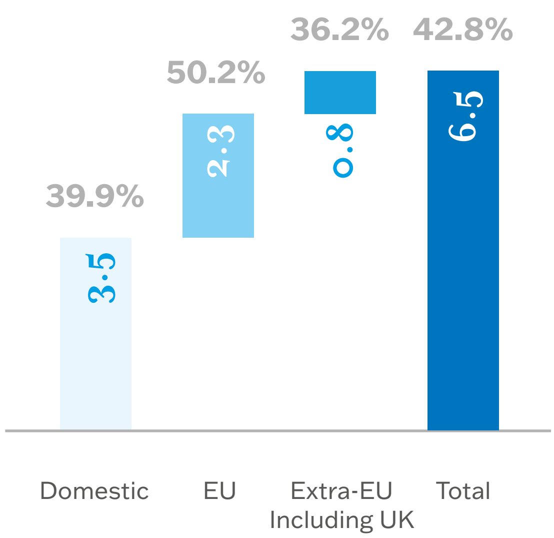
Aéroports de la Côte d'Azur group	2021	2020	Change	% change
Traffic *(millions of pax)*	6.5	4.6	1.9	*42.8%*
€m				
Operating revenue	174	134	40	*30%*
of which aviation revenue	*96*	*73*	*23*	*32%*
EBITDA	56	20	36	*n/s*
Operating cash flow	67	-17	84	*n/s*
Capital expenditure	44	41	3	*7%*
	31 December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

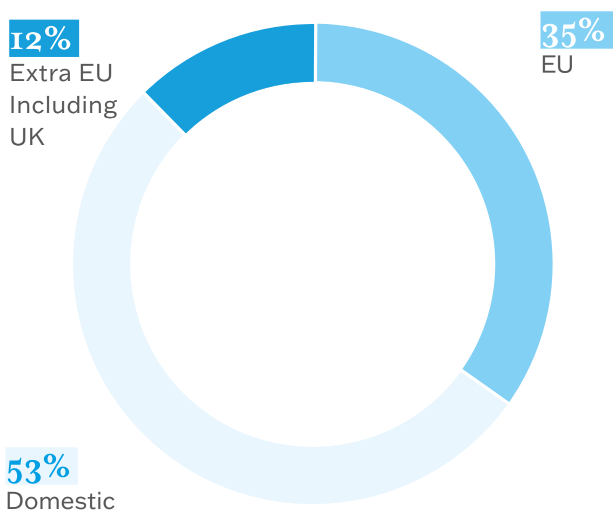
In 2021, the airport system serving the Côte d'Azur handled 6.5 million passengers, registering a 42.8% rise in traffic compared with 2020, which is still lower than pre-pandemic levels (down 54.8% compared with 2019). Traffic growth was driven by the domestic (up 39.9%) and the EU (up 50.2%) segments, primarily reflecting the recovery of tourist traffic from the summer onwards, and the gradual easing of restrictions on movement.

A 3.2% increase in fees was also applied at the end of 2021 (+3.0% 2020).

Breakdown of traffic using Nice airport in 2021

(millions of pax and change 2021 vs 2020)





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

EBITDA of €56 million is up €36 million compared with 2020, reflecting the increase in revenue and the cut in operating costs due to partial use of the airport infrastructure.

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

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

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

In 2021, Aéroports de la Côte d'Azur agreed a 12-month extension of the repayment term for the bilateral loans totalling €67 million guaranteed by BPI France, originally due for repayment by July 2021.

It should be noted that the earlier covenant holidays were extended by all the lenders until 31 December 2021 included and until 30 June 2022 in the case of the loans from the EIB.

In July 2021, Aéroports de la Côte d'Azur placed bonds with terms to maturity of 12 and 15 years, amounting to a total of €90 million. In addition, the company has agreed but not yet drawn on bank facilities totalling €60 million.

Telepass group

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

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

The Telepass group's **operating revenue** in 2021 amounts to €268 million (including €206 million from remote tolling services, €35 million from assistance and breakdown services and the distribution of insurance policies, and €24 million from mobility services), marking an increase of €34 million (15%) compared with 2020. This primarily reflects the overall expansion of the group's volumes and lines of business.

Breakdown of operating revenue by business

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

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

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

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

6.5 Financial review for Atlantia

Introduction

The financial statements as at and for the year ended 31 December 2021 have been prepared on a going concern basis.

In this regard, the Board of Directors has examined the Long-term Plan for the period 2022-2025, which envisages a significant improvement in the key financial indicators of Atlantia and its principal investees in 2022. The assessment of the risk factors and uncertainties previously described in the financial statements as at and for the year ended 31 December 2020 has also been updated. This process focused particularly on the risks and uncertainties deriving from the situation relating to Autostrade per l'Italia whose sale, given the positive progress made in fulfilling the related conditions precedent, is nearing completion. Further details on this matter are provided below.

Agreement for the sale of Autostrade per l'Italia SpA

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

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

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

a) effectiveness of the settlement agreement between Autostrade per l'Italia and the Ministry of Sustainable Infrastructure and Mobility (the "MIMS") bringing an end to the dispute brought by the MIMS on 16 August 2018, and the Addendum to the Single Concession Arrangement and the Financial Plan;

b) the EIB's consent to the change of control over outstanding loans from the bank, amounting to approximately €1.2bn.

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

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

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

The Long Stop Date for fulfilment of all the conditions precedent is 31 March 2022. However, in the event that the conditions precedent have not been fulfilled or waived, the Long Stop Date may be delayed, at the request of one of the parties, until 30 June 2022. For closing to take place, the Autostrade per l'Italia group's concessions must be valid and effective. The Agreement lays down certain special indemnities payable by Atlantia to the Consortium in relation to two types of dispute (the "Special Indemnities"):

a) pending or future criminal or civil proceedings in connection with the Polcevera event, other proceedings relating to matters linked to maintenance obligations, and other civil proceedings, all listed in the Agreement (with any indemnities capped at €459 million);

b) the criminal proceeding for alleged environmental damages and the civil damages requested by the Ministry of Environment (with any indemnities capped at €412 million).

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

Other key events

Management of investments

M&A activity included:

- the sale of a 49% stake in Telepass for €1,056 million to the global investment manager, Partners Group;
- rationalisation of the portfolio, reducing the interest in Hochtief from 23.9% to 15.9% (a fair value of €430 million), the sale of 59.4% of Pavimental to Autostrade per l'Italia (€11 million), and the sale of 87.14% of Fiumicino Energia to Aeroporti di Roma for €10 million;
- the purchase of 1.66% of Volocopter (€15 million), a provider of innovative and sustainable urban air mobility solutions;
- the signature, in January 2022, of an agreement to acquire a 100% interest in Yunex Traffic, a global leader in the innovative Intelligent Transport Systems (ITS) and Smart Mobility sector, for €950 million, with the deal expected to close by September 2022.

Financial activities

A capital deployment plan was drawn up in 2021 with the aim of (i) achieving organic growth at Group companies, with targeted financial support to take advantage of growth opportunities and ensure balanced financial structures; (ii) identifying new investment opportunities focusing on innovation and mobility; and (iii) returning cash to shareholders.

The new shareholder returns policy announced on 16 June 2021 envisages:

- the distribution of approximately €600 million for 2021, with estimated payout growth of between 3% and 5% in 2022 and 2023;
- a share buy-back programme, previously approved by shareholders at the General Meeting of 3 December 2021, involving up to 125,000,000 shares, representing approximately 15% of the issued capital, at a cost of up to €2 billion, and the accompanying cancellation of the shares without reducing the issued capital.

Information on liability management in 2021 is provided below in the description of net financial debt.

Results of Operations

Reclassified income statement

€M		2021	2020	Increase/ (Decrease)
Dividends		419	502	-83
Gains/(Losses) on sales		1,032	-4	1,036
Impairment losses		-104	-219	115
Profit from investments	(A)	**1,347**	**279**	**1,068**
Interest expense on debt and other net financial expenses		-94	-127	33
Net profit/(loss) on derivative financial instruments		-5	-231	226
Loss from financial activities	(B)	**-99**	**-358**	**259**
Staff costs		-31	-18	-13
Other operating costs, net		-29	-32	3
Provisions		-77	-	-77
Operating loss	(C)	**-137**	**-50**	**-87**
Amortisation, depreciation, impairment losses and reversals of impairment losses	(D)	-1	-2	1
Profit/(Loss) before tax	(E= A+B+C+D)	**1,110**	**-131**	**1,241**
Income tax benefits	(F)	59	102	-43
Profit/(Loss) for the year	(E+F)	**1,169**	**-29**	**1,198**

The **profit from investments** primarily reflects the gain on the sale of the 49% stake in Telepass (€1,030 million, net of success fees), in addition to dividends from investees summarized in the following table.

€M	2021	2020	Increase/ (Decrease)
Abertis HoldCo	297	432	-135
Telepass	53	-	53
Hochtief	44	69	-25
Stalexport Autostrady	21	1	20
Aero 1 Global (Getlink)	4	-	4
Dividends from investees	**419**	**502**	**-83**

As in 2020, no dividends were paid by investees operating in the airports segment in 2021.

Finally, the result from investments includes the impairment losses on Azzurra Aeroporti, amounting to €87 million, following impairment tests carried out on the basis of updated financial projections for airport operators in response to the Covid-19 pandemic, and Aeroporto di Bologna, amounting to €17 million (the remaining value is aligned with the share price as at 31 December 2021).

The **loss from financial activities** is summarised below.

€M	2021	2020	Increase/ (Decrease)
Bond issues	-51	-33	-18
Term loans	-21	-39	18
Revolving credit facilities	-4	-58	54
Collar financing and other financial income/(expenses), net	-18	3	-21
Interest expense on debt and other financial expenses (A)	**-94**	**-127**	**33**
Gains/(Losses) on measurement of derivative financial instruments	92	-98	190
Realised losses on derivative financial instruments	-30	-41	11
Reclassification of cash flow hedge reserve to profit or loss	-67	-92	25
Net income/(losses) on derivative financial instruments (B)	**-5**	**-231**	**226**
Net financial income/(expenses) (A+B)	**-99**	**-358**	**259**

The improvement of €259 million compared with 2020 essentially reflects:

a) the improvement of €190 million in net gains and losses on derivative financial instruments not qualifying for hedge accounting, linked to the positive impact of rising interest rates in 2021 on the fair value of Forward-Starting Interest Rate Swaps, compared with the impact of falling rates in 2020;

b) a reduction in interest expense on revolving credit facilities (€54 million), which were unused from January 2021;

c) a reduction of €25 million in losses following the reclassification of losses from the cash flow hedge reserve, primarily relating to issues due to take place in 2020 but that in 2021 were deemed no longer necessary in light of the Company's changed financial outlook;

d) an increase in other financial expenses due to costs relating to the voluntary early unwinding of the collar financing agreement (€22 million);

e) an increase in the cost of bond issues following the issue, in February 2021, of bonds worth €1,000 million, paying annual coupon interest of 1.875%, offset by a reduction in the cost of term loans following repayments totalling €2,500 million during the year.

The **operating loss** of €137 million compares with a loss of €50 million for 2020.

€M	2021	2020	Increase/ (Decrease)
Wages and salaries	-20	-22	2
Staff incentive plans	-11	4	-15
Staff costs (A)	**-31**	**-18**	**-13**
Ordinary operating costs	-15	-14	-1
Extraordinary projects and costs	-14	-18	4
Other operating costs, net (B)	**-29**	**-32**	**3**
Provisions (C)	**-77**	**-**	**-77**
Operating profit/(loss) (A+B+C)	**-137**	**-50**	**-87**

The above change primarily reflects the movement in provisions for risks in 2021, totalling €77 million, and an increase in staff costs (€13 million). This reflects the variable component of remuneration, which in 2020 benefitted from the release of provisions made in previous years for targets not achieved. Ordinary staff costs are down €2 million due to the smaller number of personnel employed in 2021.

Tax benefits amount to €59 million (€102 million in 2020), reflecting the tax loss in 2021, after taking into account the limited impact on taxation of dividends and gains on the sale of investments.

Profit for 2021 amounts to €1,169 million (a loss of €29 million for 2020).

Statement of comprehensive income

€M	2021	2020
Profit/(Loss) for the year (A)	**1,169**	**-29**
Gains/(Losses) on fair value measurement of investments	-113	-576
Gains/(Losses) on fair value measurement of fair value hedges	6	169
Tax effects	-6	10
Other comprehensive income for the year not reclassifiable to profit or loss (B)	**-113**	**-397**
Reclassification of other comprehensive income for the year to profit or loss (C)	**47**	**65**
Total other comprehensive income/(loss) (D=B+C)	**-66**	**-332**
Comprehensive income/(loss) for the year (A+D)	**1,103**	**-361**

Comprehensive income for 2021 amounts to €1,103 million and reflects:

a) profit for 2021;

b) fair value losses on the investment in Hochtief (€113 million), essentially due to the fall in the share price (from €79.55 to €71.00 per share in 2021);

c) the partial release of the cash flow hedge reserve to profit or loss (income of €67 million) after taxation of €20 million.

Financial position

Reclassified statement of financial position

€M	31 December 2021	31 December 2020	Increase/ (Decrease)
Investments	8,730	14,708	-5,978
Property, plant and equipment and other intangible assets	29	12	17
Working capital	5,410	55	5,355
of which investments held for sale and discontinued operations	5,338	24	5,314
Provisions	-79	-2	-77
Deferred tax assets, net	93	127	-34
Other non-current liabilities, net	2	-7	9
NET INVESTED CAPITAL	14,185	14,893	-708
Equity	**11,562**	**10,458**	**1,104**
Net financial debt	2,623	4,435	-1,812
Bond issues	2,728	1,738	990
Medium/long-term borrowings	765	5,234	-4,469
Other financial liabilities	165	409	-244
Cash and cash equivalents	-806	-2,261	1,455
Other financial assets	-229	-685	456
NET FINANCIAL DEBT AND EQUITY	14,185	14,893	-708

Investments, amounting to €8,730 million, are down €5,978 million compared with 31 December 2020 (€14,708 million). This primarily reflects:

- the reclassification of Autostrade per l'Italia to assets held for sale (€5,338 million);
- the sale of 8% of Hochtief, in addition to the decline in the fair value of this investment (amounting to €543 million);
- impairment losses on Azzurra Aeroporti and Aeroporto di Bologna, amounting to €104 million.

€M	%	31 December 2021	31 December 2020	Increase/ (Decrease)
Autostrade per l'Italia	88%	-	5,338	-5,338
Abertis HoldCo	50% +1	2,952	2,952	-
Autostrade dell'Atlantico	100%	755	755	-
Stalexport Autostrady	61%	105	105	-
Other		16	16	-
Motorways segment		**3,828**	**9,166**	**-5,338**
Aeroporti di Roma	99%	2,915	2,915	-
Azzurra Aeroporti	53%	62	149	-87
Aeroporto di Bologna	29%	94	111	-17
Airports segment		**3,071**	**3,175**	**-104**
Telepass	51%	14	14	-
Mobility services		**14**	**14**	**-**
Aero 1 (Getlink)	100%	1,000	1,000	-
Hochtief	16%	798	1,341	-543
Volocopter	2%	15	-	15
Fiumicino Energia	(87%)	-	8	-8
Other		4	4	-
Other investments		**1,817**	**2,353**	**-536**
Investments		**8,730**	**14,708**	**-5,978**
Autostrade per l'Italia	88%	5,338	-	5,338
Telepass	(49%)	-	14	-14
Pavimental	(59%)	-	10	-10
Investments held for sale and discontinued operations		**5,338**	**24**	**5,314**

In addition, it should be noted that Atlantia's Board of Directors decided not to exercise the Company's pre-emption right on options resulting from the rights issue carried out by Cellnex in April 2021 (resulting from ConnecT Due's failure to exercise its options). Following this, the Company also decided not to exercise its co-investment right on the remaining 3.4%, expiring on 12 July 2021, as this was not deemed to be consistent with the Company's medium- to long-term strategy.

Atlantia retains, through to 12 July 2025, (i) the right of first offer and right to match on a 5.7% stake in Cellnex and (ii) the right to match on options (not exercised by ConnecT Due) resulting from any future rights issues carried out by Cellnex.

Working capital, a positive €5,410 million, is up €5,355 million compared with 31 December 2020 (€55 million), essentially due to reclassification of the investment in Autostrade per l'Italia to assets held for sale (€5,338 million).

Equity of €11,562 million is up €1,104 million (€10,458 million at the end of 2020) due to comprehensive income for 2021 (€1,103 million).

Net financial debt of €2,623 million is down €1,812 million (€4,435 million at the end of 2020) due to the following:

€M	2021	2020
Net financial debt at the beginning of year	**4,435**	**4,801**
Dividends from investees	-419	-502
Disposals of interests in investees	-1,064	-
Purchases of investments, property, plant and equipment and intangible assets	22	1
Change in fair value of funded collar on Hochtief shares	-6	-169
Unwinding of collar financing and funded collar on Hochtief shares	-413	-
Profit/(Loss) from financial activities, net of release from cash flow hedge reserve	32	266
Working capital and other changes	36	38
Net financial debt at end of year	**2,623**	**4,435**

The following have also taken place:

a) voluntary early repayment of medium/long-term borrowings totalling €3,750 million, including €2,500 million in term loans (the remaining €750 million falls due in September 2023) and €1,250 million of the revolving credit facility falling due in July 2023 (available through to June 2023);

b) the issue, in February 2021, of bonds maturing in 2028, amounting to €1,000 million;

c) the partial unwinding of Forward-Starting Interest Rate Swaps (a notional value of €1,150 million, with the recognition of fair value losses of €148 million settled with the counterparty) following the above bond issue. The Company's entire holdings of Interest Rate Swaps (a notional value of €1,850 million), to date not qualifying for hedge accounting, are covered by cash collaterals (€127 million as at 31 December 2021);

d) partial repayment of the loan granted to the subsidiary, Autostrade dell'Atlantico (€79 million), with the remaining balance amounting to €50 million as at 31 December 2021, after extension of the term to maturity to 10 January 2023.

After the above events, the average weighted term to maturity of debt as at 31 December 2021 is approximately 4 years and 4 months (3 years and 4 months as at 31 December 2020).

As at 31 December 2021:

a) 78.6% of financial debt is fixed rate;

b) after taking into account interest rate hedges, all financial debt is fixed rate, in line with the Company's financial risk management guidelines (fixed rate debt >70%).

The average cost of medium/long-term borrowings in 2021, including differentials on hedging instruments, is 2.92%. The figure is 2.62% before the borrowing costs taken to profit or loss after early repayment of the term loans and the collar financing.

As at 31 December 2021, the Company has cash reserves of €2,056 million, consisting of:

a) €806 million in cash and/or investments maturing in the short term;

b) €1,250 million in committed lines of credit, which may be used until June 2023 and expire in July 2023.

The following should also be noted with regard to committed lines of credit:

a) voluntary early cancellation, on 22 February 2021, of the revolving credit facility of €2,000 million, expiring in May 2021, and already repaid on 5 November 2020;

b) following Autostrade per l'Italia's issue of bonds on 12 January 2021, amounting to €1,000 million, the commitment to provide the subsidiary with financial support of €900 million, given in December 2020, was cancelled ahead of the expiry date of 31 December 2022.

As at 31 December 2021, the Company has provided guarantees on behalf of Autostrade per l'Italia totalling €4,550 million (€5,353 million as at 31 December 2020). These have been issued to:

a) bondholders (amounting to up to €3,166 million as at 31 December 2021, equal to 120% of the underlying debt) following the issuer substitution of December 2016;

b) the European Investment Bank (€1,384 million as at 31 December 2021, equal to 120% of the underlying debt), to secure loans granted to the subsidiary.

Information on the guarantees provided by Atlantia on bonds issued by Autostrade per l'Italia is provided in note 7.2, "Financial risk management" in the separate financial statements.