AUTOGRILL S.P.A.
ANNUAL REPORT 2020

AUTOGRILL

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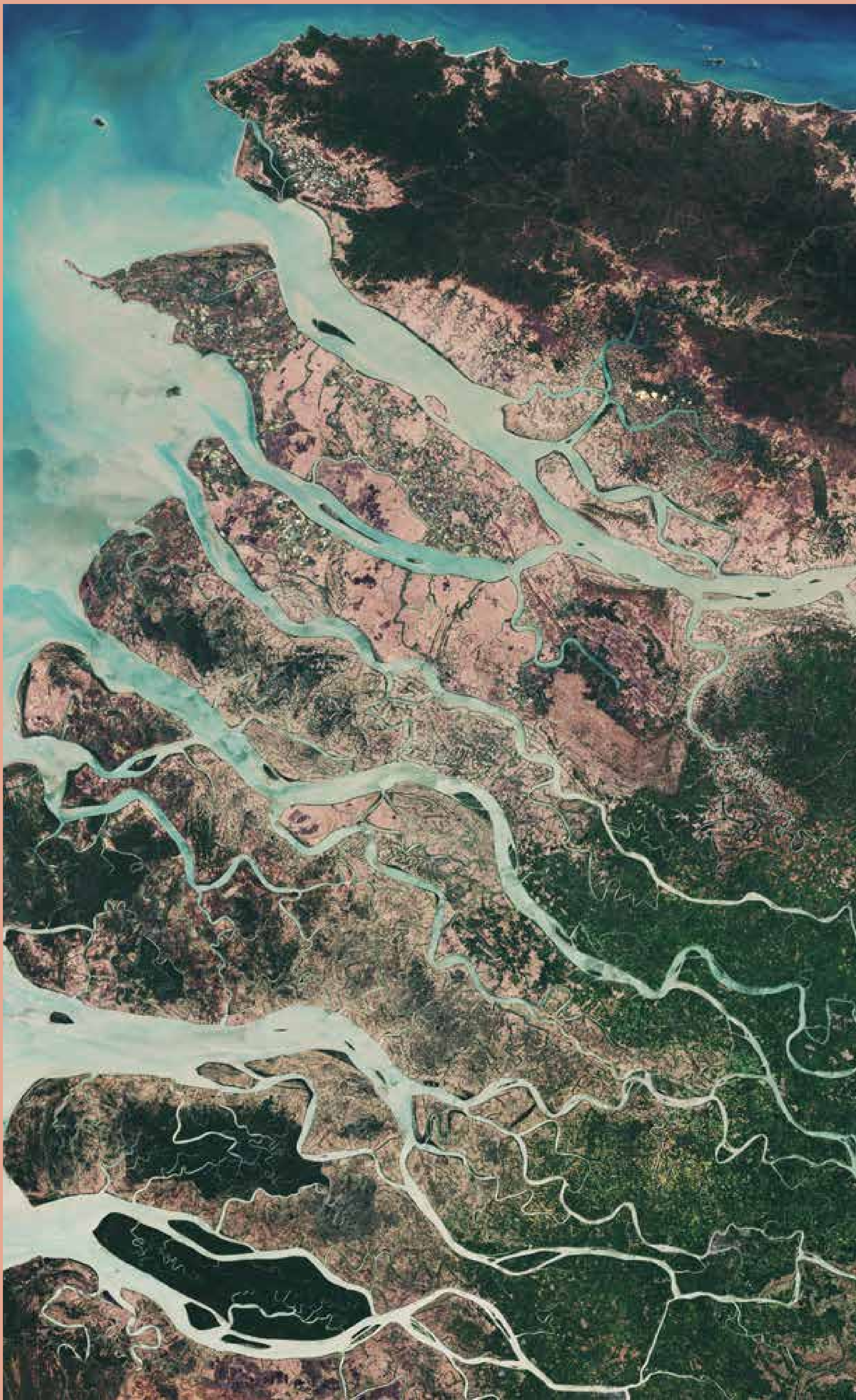
(Translation from the original version issued in Italian)



IRRAWADDY DELTA - MYANMAR |

BOARDS AND OFFICERS

BOARD OF DIRECTORS [1]

Chairman [2]
Paolo Zannoni

CEO [2]
Gianmario Tondato Da Ruos [E]

Directors
Alessandro Benetton
Franca Bertagnin Benetton
Ernesto Albanese [I, 3]
Rosalba Casiraghi [I, 4]
Francesco Umile Chiappetta [I, 3, 4]
Laura Cioli [I, 3, 5]
Barbara Cominelli [I, 5]
Cristina De Benetti [6]
Massimo Di Fasanella D'Amore di Ruffano [I, 5, 7]
Catherine Gérardin-Vautrin [6]
Maria Pierdicchi [I, 7]
Elisabetta Ripa [6]
Paolo Roverato [4, 5, 7]
Simona Scarpaleggia [I, 7]

Secretary
Paola Bottero

Board of Statutory Auditors [8]

Chairman
Marco Rigotti [9]

Standing auditor
Antonella Carù [9]
Massimo Catullo [9]

Alternate auditor
Roberto Miccù [9]
Patrizia Paleologo Oriundi [9]

Independent auditors [10]
Deloitte & Touche S.p.A.

1 Elected by the annual general meeting of 21 May 2020; in office until approval of the 2022 financial statements.
2 Duties and powers of ordinary administration, with individual signing authority, per Board resolution of 21 May 2020.
3 Member of the Related Party Transactions Committee.
4 Member of the Internal Control, Risk Management and Corporate Governance Committee.
5 Member of the Strategies and Sustainability Committee.
6 In office until 21 May 2020.
7 Member of the Human Resources Committee.
8 Elected by the annual general meeting of 24 May 2018; in office until approval of the 2020 financial statements.
9 Chartered accountant/auditor.
10 Assignment granted by the annual general meeting of 28 May 2015, to expire on approval of the 2023 financial statements.
E Executive director.
I Independent director as defined by the Corporate Governance Code for Listed Companies (version approved in July 2018 by the Corporate Governance Committee and endorsed by Borsa Italiana, ABI, Ania, Assogestioni, Assonime and Confindustria) and pursuant to Articles 147-*ter* (4) and 148 (3) of Legislative Decree 58/1998.

TARANTO, MATERA - ITALY |

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DIRECTORS' REPORT

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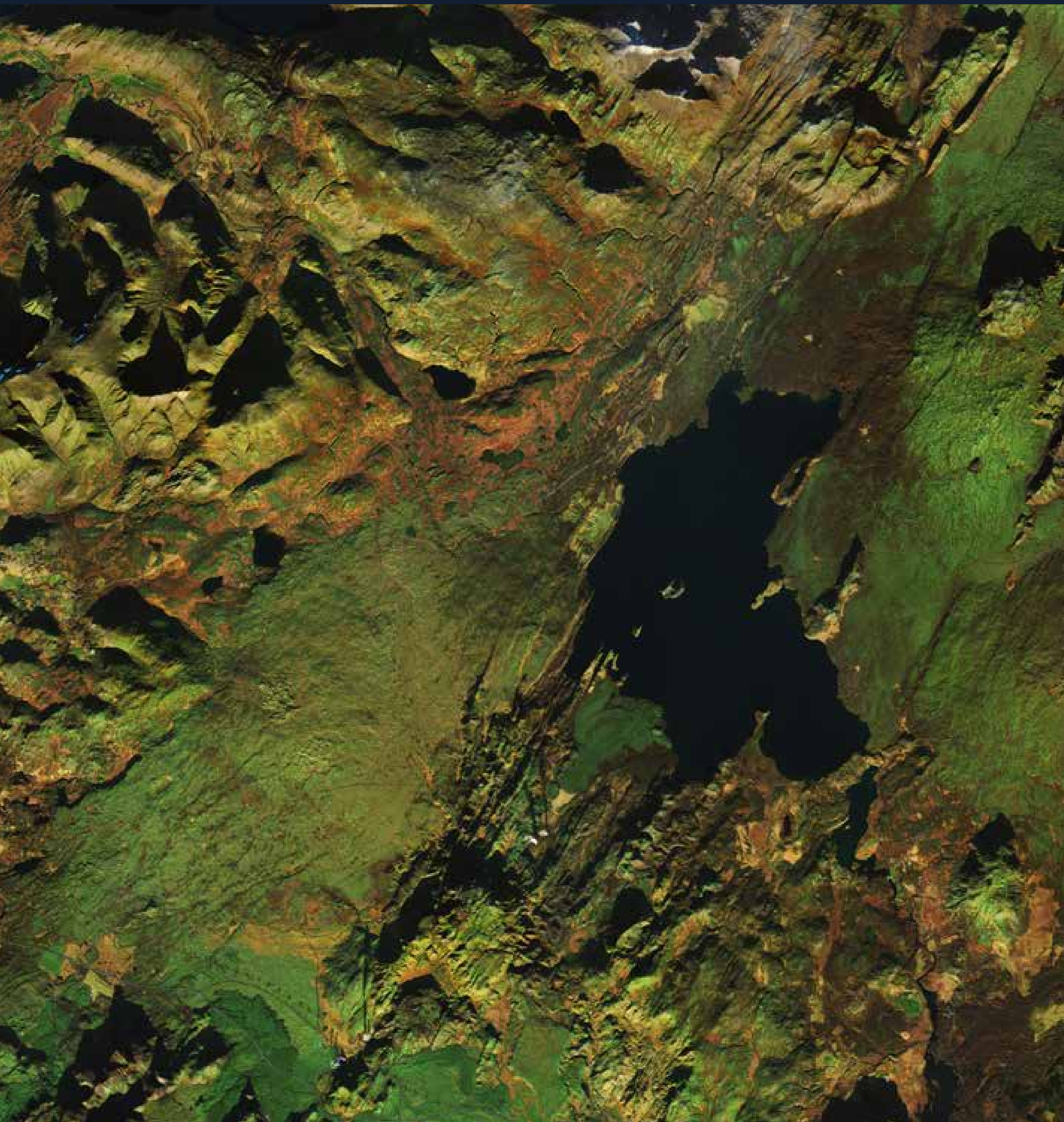


REYKJAVIK, ICELAND |

COMPARABILITY OF DATA; DEFINITIONS AND SYMBOLS

COMPARABILITY OF DATA

As mentioned in the Notes to the separate financial statements for the year ended 31 December 2020, estimation and measurement criteria are the same as those used the prior year. Where applicable, they have been adjusted consistently with the new amendments and standards that took effect during the year, as detailed in the pertinent section of the notes.

DEFINITIONS AND SYMBOLS

Revenue: costs as a percentage of revenue are calculated on this basis.

EBITDA: this is the profit (loss) for the year excluding income tax, financial income, financial expense, depreciation, and amortization and can be gleaned directly from the income statement, as supplemented by the notes thereto. Because it is not defined in IFRS, it could differ from and therefore not be comparable with EBITDA reported by other companies.

Where figures have been rounded to the nearest million, sums, changes, and ratios are calculated using figures extended to thousands for the sake of greater accuracy.

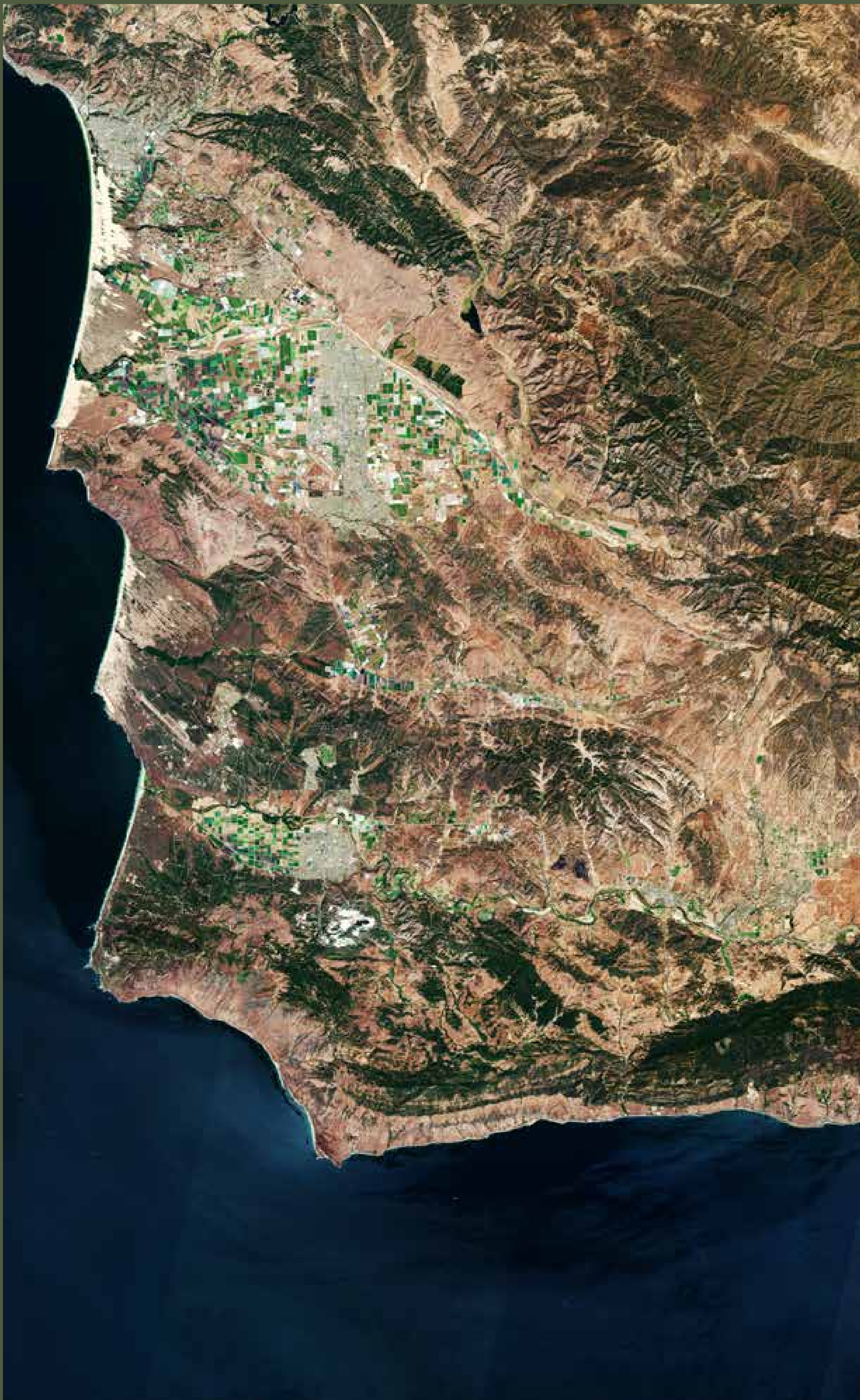
PUTORANA PLATEAU - SIBERIA |

1.1 OPERATIONS

Listed on the Milan Stock Exchange, Autogrill S.p.A. (the "Company") heads up the world's leading provider of food & beverage services for people on the move. Through its subsidiaries, it operates in 30 countries around the world, and is especially active in the United States, Canada, Italy, France, Switzerland, and Belgium, with a sizable presence in Germany, the United Kingdom, Northern Europe, India, and Vietnam.

Until 2017 the Company served and sold food, beverages, and confectionery products to the public (food & beverage business) and sold retail goods such as periodicals, novelty items, sundry consumer goods, and items under government monopoly (tobacco products, lottery tickets, etc.), both taxed and tax-exempt, as well as fuel, at major travel infrastructures (motorways, airports, and railway stations), both directly and indirectly and chiefly in the Italian market. In 2017 the Company completed a Corporate Reorganization aimed at separating the aforementioned operations in Italy and the coordination and service functions provided to the directly controlled European subsidiaries from group-wide direction and management.

Since 1 January 2018, following the transfer of three divisions to the wholly-owned subsidiaries Autogrill Italia S.p.A., Autogrill Europe S.p.A., and Autogrill Advanced Business Service S.p.A., Autogrill S.p.A. has been in charge of administration, finance and control; enterprise risk management; strategic planning; investor relations; legal, corporate, and regulatory affairs; communication; marketing; human resources and organization; IT systems; corporate social responsibility; and internal audit.



CALIFORNIA |

1.2 PERFORMANCE

1.2.1 INCOME STATEMENT RESULTS

CONDENSED INCOME STATEMENT

(€m)	Full Year 2020	% of revenue	Full Year 2019	% of revenue	Change
Revenue	3.4	100.0%	14.9	100.0%	-77.2%
Other operating income	2.7	79.4%	4.1	27.5%	-34.1%
Total revenue and other operating income	**6.1**	**179.4%**	**19.0**	**127.5%**	**-67.9%**
Personnel expense	(9.6)	-282.4%	(17.9)	-120.1%	-46.4%
Leases, rentals, concessions and royalties	(0.1)	-2.9%	(0.2)	-1.3%	-50.0%
Other operating expense	(13.2)	-388.2%	(14.7)	-98.7%	-10.2%
EBITDA	**(16.8)**	**-494.1%**	**(13.8)**	**-92.6%**	**-21.7%**
Depreciation, amortization and impairment losses	(2.1)	-61.8%	(2.4)	-16.1%	12.5%
EBIT	**(18.9)**	**-555.9%**	**(16.2)**	**-108.7%**	**-16.7%**
Financial (expense)/income	(13.8)	-405.9%	29.1	195.3%	n.s.
Pre-tax profit	**(32.7)**	**-961.8%**	**12.9**	**86.6%**	**n.s.**
Income tax	(5.5)	-161.8%	22.6	151.7%	n.s.
Profit (Loss)	**(38.2)**	**-1,126.5%**	**35.4**	**237.6%**	**n.s.**

REVENUE

In 2020 Autogrill S.p.A. earned € 3.4m in revenue from Group guidance and management, compared with € 14.9m the previous year.

Results for the year were sharply affected by the Covid-19 pandemic, which took hold in the second half of January 2020 and spread quickly around the world starting in February. This impacted motorway, rail, and air traffic, with more serious consequences in certain countries. Due to the pandemic, Autogrill Group companies faced a significant reduction in consumer traffic at retail locations and shopping areas, as well as temporary — and sometimes indefinite — closures as a result of quarantines and other government orders. Most of the decrease in this item pertains to license fees charged to affiliates, which are associated with revenue that declined as a result of the Covid-19 pandemic.

OTHER OPERATING INCOME

Other operating income of € 2.7m consists mainly of fees for services rendered to subsidiaries (€ 1.4m) and rent reimbursements.

In 2019 there was a capital gain of € 2.2m from the arm's-length sale of brands to the indirect subsidiary Autogrill Schweiz A.G.

PERSONNEL EXPENSE

Personnel expense came to € 9.6m in 2020 and refers to the units in charge of the Group's guidance and management: administration, finance and control; enterprise risk management; strategic planning; investor relations; legal, corporate, and regulatory affairs; communication; marketing; human resources and organization; IT systems; corporate social responsibility; and internal audit.

The decrease in personnel expense relates to measures taken by the Company such as a hiring freeze and voluntary salary cuts. Other contributing factors were the relief programs enacted by the government, for an estimated € 0.3m.

Personnel expense includes € -0.2m (€ 4.7m in 2019) for the cost of the phantom stock option plans and performance share unit plans pertaining the employees of the units listed above. The significant reduction reflects the following methods of valuing the incentive plans for executive directors and key management personnel: (i) for the phantom stock option plan, at a fair value reflecting the greater volatility and uncertainty currently present in the Group's industry and in the equity market in general, as well as stock market performance; (ii) for the performance share unit plan, considering the effects of the Covid-19 pandemic on the Group's present and projected results and as reflected in the measurement of non-market conditions.

LEASES, RENTALS, CONCESSIONS AND ROYALTIES

These refer mainly to leases for company cars expiring within 12 months. The balance for 2020, € 0.1m, is in line with the previous year.

OTHER OPERATING EXPENSE

At € 13.2m, other operating expense consists mainly of consulting and maintenance costs. The decrease with respect to 2019 (€ 14.7m) relates to the efficiency measures implemented by the Company in response to the impact of the Covid-19 pandemic.

EBITDA

The combined result of the items listed above led to negative EBITDA of € 16.8m for the year, compared with a negative € 13.8m in 2019.

DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

Amortization, depreciation and impairment losses of € 2.1m were in line with the previous year's € 2.4m.

There were no impairment losses in 2020.

FINANCIAL INCOME AND EXPENSE

Net financial expense came to € 13.8m, compared with net financial income of € 29.1m the previous year.

As a result of the Covid-19 pandemic, "covenant holidays" were arranged with the lender banks for the temporary suspension of required financial parameters (leverage ratio and consolidated EBITDA/consolidated net finance charges). The covenant holiday is effective for 15 months starting on 30 June 2020, and can be extended until 31 December 2021 under specified conditions. These contractual changes, in accordance with IFRS 9, led to the immediate recognition in the income statement of the difference between the present value of the modified cash flows discounted using the original effective interest rate and the present value of the original cash flows, for about € 12m, which is the main component of the increase in net financial charges attributable to the Covid-19 pandemic. On 10 March 2021, new agreements were signed with the lender banks to extend the covenant holiday for an additional 12 months beyond the deadline agreed in 2020 (see Section 1.4, "Subsequent events").

The decrease since the previous year also reflects the lack of dividend income (in 2019, the dividend approved by the US subsidiary HMSHost Corporation amounted to € 31.4m).

As of this writing, no specific dividend distribution policy has been formalized for Group companies. With specific reference to subsidiaries, until such a policy has been adopted, their dividend distribution policy will nevertheless be defined independently by Autogrill S.p.A.—which owns their entire share capital and exercises management and coordination over them—with the intention of ensuring the Company's economic and financial equilibrium and consistency with its own dividend policy as announced to the market.

INCOME TAX

Income tax in 2020 had a negative balance of € 5.5m, compared with a positive balance of € 22.6m the previous year.

The trend concerns the decrease in deferred tax assets recognized in 2019 (€ -4.6m): because of the impact of the Covid-19 pandemic on taxable income for 2020 and future years determined by Autogrill S.p.A. for the subgroup of Italian consolidated companies, such taxable income was lower than the deferred tax assets on losses and timing differences already recognized in the financial statements of the companies in that subgroup, which therefore had to be reduced.

In 2019, the Company had recognized tax-related income from its operating loss for the year which offset the taxable income of Group companies participating in the tax consolidation with Edizione S.r.l.; used prior-year losses to offset the future taxable income of Autogrill Italia S.p.A., given its expected taxable incomes over the next five years (not entirely confirmed by projections taking account of the Covid-19 pandemic); and decreased the deferred tax liability arising from differences between the statutory results of HMSHost Corporation and the results recognized for tax purposes, in order to bring it into line with the current taxation rules for equity investments listed as non-current assets.

PROFIT (LOSS) FOR THE YEAR

The net loss for 2020 was € 38.2m, compared with a net profit of € 35.4m the previous year.

1.2.2 RECLASSIFIED STATEMENT OF FINANCIAL POSITION[1]

Comments on changes in the reclassified statement of financial position can be found in the notes to the financial statements.

(€m)	31.12.2020	31.12.2019	Change
Intangible assets	1.7	2.4	(0.7)
Property, plant and equipment	5.1	5.6	(0.5)
Right-of-use assets	4.2	4.3	(0.1)
Financial assets	714.8	714.4	0.4
A) Non-current assets	**725.8**	**726.7**	**(0.9)**
Trade receivables	0.7	0.6	0.1
Other receivables	35.9	75.8	(39.9)
Trade payables	(3.3)	(2.8)	(0.5)
Other payables	(13.4)	(14.1)	0.7
B) Working capital	**19.9**	**59.5**	**(39.6)**
Invested capital (A + B)	**745.7**	**786.2**	**(40.5)**
C) Other non-current non-financial assets and liabilities	**16.7**	**21.6**	**(4.9)**
D) Net invested capital (A + B + C)	**762.4**	**807.8**	**(45.4)**
E) Equity	**407.5**	**457.4**	**(49.9)**
Non-current financial liabilities	916.1	399.1	517.0
Non-current lease liabilities	14.4	15.0	(0.6)
Non-current lease receivables	(10.0)	(10.6)	0.6
Non-current financial liabilities	(555.5)	(72.6)	(482.9)
F) Non-current financial indebtedness	**365.0**	**330.9**	**34.1**
Current lease liabilities	1.6	1.5	0.1
Current financial liabilities	92.1	19.4	72.7
Current lease receivables	(1.4)	(1.0)	(0.4)
Cash and cash equivalents and current financial assets	(102.4)	(0.4)	(102.0)
G) Current net financial indebtedness	**(10.1)**	**19.5**	**(29.6)**
Net financial indebtedness (F + G)	**354.9**	**350.4**	**4.5**
Net lease liabilities	(4.6)	(4.9)	0.3
Net financial indebtedness excluding lease receivables and lease liabilities	**350.3**	**345.5**	**4.8**
H) Total (E + F + G), as in D)	**762.4**	**807.8**	**(45.4)**

1 Caption "B. Working capital" includes the items "V. Other receivables", "VI. Trade receivables", "IV. Tax assets", "XIV. Trade payables", and "XV. Other payables".
Caption "C. Other non-current non-financial assets and liabilities" includes the items "XXI. Post-employment benefits and other employee benefits", "XXII. Provisions for risks and charges", and "XIII. Deferred tax assets".
"Non-current financial assets" do not include long-term security deposits (€ 0.9m), which have been reclassified to "Financial assets".
"Current financial liabilities" corresponds to "XVI. Bank loans and borrowings" and "XVIII. Other financial liabilities".
"Cash and cash equivalents and current financial assets" include "I. Cash and cash equivalents" and "III. Other financial assets".

In 2020, including in connection with financial reinforcement strategies to contrast the unpredictable effects of the Covid-19 pandemic, the Company:

- contracted a € 300m term loan on 27 November 2020 from a pool of major banks, maturing in June 2025. The loan is guaranteed by SACE S.p.A. pursuant to Art. 1 of Decree Law 23/2020, converted with amendments into Law 40/2020 "Decreto liquidità" (the "Liquidity Decree"). It will be repaid in constant quarterly installments starting on 31 December 2023 and is used by the Company, directly or through its Italian subsidiaries, to pay for personnel expense, capital expenditure, working capital, and/or lease installments for operations located in Italy, in accordance with the Liquidity Decree and SACE regulations. The loan is subject to certain conditions and financial parameters to be met by the Group as a whole; the first measurement has been postponed to December 2022, or to September 2022 if certain events take place, as a result of the negotiations concluded on 10 March 2021;
- renegotiated, in February, the € 100m amortizing term loan and € 200m revolving credit line taken out in 2018 by extending the original maturities by two years. As a result, the amortizing term loan now involves two annual payments of € 25m starting in January 2023 and reimbursement of the remaining € 50m in 2025, while for the revolving credit line, the commitment will be reduced through two annual payments of € 62.5m as from January 2023 and the remaining commitment of € 75m will be settled in 2025;
- obtained, in March, an amortizing term loan of € 150m maturing in March 2025, used to prepay the term loan of nominal € 150m that was due to mature in 2021. The new facility involves two annual payments of € 50m starting in March 2023, with reimbursement of the remaining € 50m on maturity;
- fully utilized the revolving credit lines of € 225m.

In accordance with IFRS 16, the Company recognized non-current lease receivables and liabilities (€ 10m and € 14.4m, respectively) and current lease receivables and liabilities (€ 1.4m and € 1.6m, respectively).

Adjusted for the effect of IFRS 16, net financial debt is made up as follows:

Note	(€m)	31.12.2020	31.12.2019	Change
	Net financial indebtedness - Total (A)	**(354.9)**	**(350.4)**	**(4.6)**
II	Lease receivables - current	1.4	1.0	0.4
XI	Lease receivables - non current	10.0	10.6	(0.6)
	Lease receivables (B)	**11.4**	**11.7**	**(0.3)**
XVII	Lease liabilities – current	(1.6)	(1.5)	(0.1)
XX	Lease liabilities – non current	(14.4)	(15.0)	0.6
	Lease liabilities (C)	**(16.0)**	**(16.5)**	**0.5**
	Net financial indebtedness excluding lease receivables and lease liabilities (A) + (B) + (C)	**(350.3)**	**(345.5)**	**(4.8)**

See the statement of cash flows for further details.

1.2.3 PERFORMANCE OF KEY SUBSIDIARIES

Through direct and indirect subsidiaries, Autogrill oversees a wide and varied network of mostly food & beverage operations in North America, Italy, other major European countries, and various airports in the Asia/Pacific area, as well as in Turkey and Russia.

Results for the year were sharply affected by the Covid-19 pandemic, which took hold in the second half of January 2020 and spread quickly around the world starting in February. This impacted motorway, rail, and air traffic, with more serious consequences in certain countries. Due to the pandemic, Autogrill Group companies faced a significant reduction in consumer traffic at retail locations and shopping areas, as well as temporary — and sometimes indefinite — closures as a result of quarantines and other government orders.

The performance of key subsidiaries is described below.

Autogrill S.p.A.'s largest subsidiary is the US-based HMSHost Corporation. Revenue in 2020 by HMSHost and its subsidiaries decreased by 66.3% to $ 1,240.2m ($ 3,675.0m the previous year). EBITDA came to $ 101.5m, a decrease of 48.3% with respect to $ 759.6m in 2019, amounting to 8.2% of revenue. EBIT was a negative $ 392.5m (positive $ 332.3m in 2019). The loss for the year attributable to the shareholders came to $ 319.7m, compared with a net profit of $ 209.3m in 2019, and shareholders' equity stood at $ 371.8m at the end of 2020 ($ 689.9m at 31 December 2019).

The subsidiary Autogrill Italia S.p.A. produced revenue of € 492.8m for the year, down from € 909.2m in 2019 (-45.8%). EBITDA came to € 63.5m, a decrease of 59.5% with respect to 2019 (€ 157.0m) and amounted to 12.9% of revenue. EBIT was a negative € 62.8m (positive € 40.7m in 2019). The company reported a net loss of € 70.2m (net profit of € 19.2m the previous year) and shareholders' equity of € 98.8m (€ 171.0m at 31 December 2019).

The subsidiary Autogrill Europe S.p.A., which holds investments in companies operating in continental and southern Europe, earned revenue from services of € 10.4m in 2020. EBITDA was a negative € 2.8m. EBIT came to € -4.4m. The year closed with a net loss of € 14.4m, compared with a profit of € 19.0m the previous year, and shareholders' equity of € 336.4m (€ 351.0m at the end of 2019).

The subsidiary Autogrill Advanced Business Service S.p.A. grossed € 1.4m for administrative and ICT services rendered, with EBITDA of € 0.1m. It essentially broke even for the year, reporting a net loss of € 28k. Shareholders' equity at 31 December 2020 stood at € 5.1m (€ 3.5m a year earlier).

1.3 OUTLOOK

Given the ongoing Covid-19 pandemic and the resulting uncertainty, the Company is focused on capital allocation and on defining and developing Group-wide strategies.

Although the short-term traffic outlook in this phase is extremely uncertain, it is reasonable to assume that with the rollout of the vaccine campaign, the trend will continue to improve by summer 2021, with the domestic markets recovering more quickly than the international ones. Also, while traffic in 2021 is expected to perform better than in 2020, the uncertainty at the global level will remain high, especially in the short term: key factors will be the speed of GDP recovery, the inclination to travel, and the impact of remote working.

For 2021, the Company and the Group have set the following objectives:

- renewed commitment to ensuring the health and safety of employees and customers;
- focus on margins and ability to generate cash;
- maintenance of a highly flexible income statement structure and efficient cost base by preserving the structural improvements achieved in 2020;
- protection and reinforcement of the core business.

MUSA BAY, IRAN |

1.4 SUBSEQUENT EVENTS

During the first half of 2021, after the extraordinary shareholders' meeting of 25 February 2021 approved the mandate to increase the share capital providing market conditions permit and the necessary authorizations are given by the pertinent authorities, the Group expects to complete a capital increase of a maximum amount of € 600 million including any share premium, by issuing ordinary shares on a pre-emptive rights basis to the persons entitled to the option rights pursuant to Art. 2441(1) of the Italian Civil Code. The liquidity raised would be used to achieve the Autogrill Group's strategic objectives and strengthen its financial structure, freeing up resources for future investments, for continued growth and innovation, and for taking swift advantage of the opportunities offered by the market. Edizione S.r.l. — owner of Schematrentaquattro S.p.A., which in turn controls 50.1% of Autogrill S.p.A. — has expressed appreciation of the capital increase, specifying that it fully agrees with the strategic reasoning, and therefore plans to provide its subsidiary Schematrentaquattro S.p.A. with the necessary financial resources. Also, in accordance with the pre-underwriting agreement, the pool of banks involved in the capital increase have committed (under conditions consistent with market practice for similar operations) to underwriting the subscription and release of any newly issued ordinary shares that have not been subscribed following the auction of unexercised rights, up to the maximum amount of the capital increase.

On 10 March 2021, given the persistence of the Covid-19 pandemic, the Company negotiated a new covenant holiday with its lender banks for the temporary suspension of required financial parameters (leverage ratio and consolidated EBITDA/ consolidated net finance charges). The covenant holiday has therefore been extended for another 12 months with respect to the period agreed in 2020, or specifically, until 31 December 2022 for the contracts already granted an extension last June. In addition, a covenant holiday until 31 December 2022 has been obtained for the loan guaranteed by SACE S.p.A., assuming a positive outcome of the covenant test by HMSHost Corporation in September 2022.

In March 2021 the regulation framework was approved for an incentive plan based on ordinary Autogrill shares (the "2021 performance share units plan"), to be submitted for the approval of the upcoming shareholders' meeting of Autogrill S.p.A.

GOTLAND, SWEDEN |

1.5 OTHER INFORMATION

1.5.1 NON-FINANCIAL REPORTING

Although it meets the criteria outlined in Art. 2 of Legislative Decree 254/2016, Autogrill S.p.A. has not prepared individual non-financial disclosures because in its role as parent company, it has published a Non-Financial Statement pursuant to Arts. 4 and 6(1) of that decree within the body of the Directors' Report to the 2020 consolidated financial statements.

1.5.2 FINANCIAL AND NON-FINANCIAL RISK MANAGEMENT

Through the operations of its subsidiaries, Autogrill S.p.A. is exposed directly and indirectly to external risks and uncertainties arising from general economic conditions or those specific to the industry in which it operates, from the financial markets, and from frequent changes in legislation, as well as risks generated by strategic decisions and operating procedures.

See Section "1.7.1 Financial and non-financial risk management" in the Directors' Report to the consolidated financial statements.

1.5.3 CORPORATE GOVERNANCE

All information on this subject is included in the Corporate Governance Report, prepared in accordance with art. 123 *bis* of Legislative Decree 58 of 24 February 1998 and approved by the Board of Directors along with the annual report. It is available at Autogrill's headquarters and secondary office, at the online market storage site www.1info.it, and on the Group's website, www.autogrill.com (Governance section).

1.5.4 MANAGEMENT AND COORDINATION

At its meeting of 18 January 2007, the Board of Directors had decided that there were no conditions whereby Autogrill would be subject to the management and coordination of the parent, Schematrentaquattro S.r.l. (Schematrentaquattro S.p.A. since 18 November 2013), pursuant to Art. 2497 et seq. of the Italian Civil Code.

In 2017, Autogrill S.p.A. began a process to evaluate whether the reasons for its decision of 18 January 2007 still applied. In a resolution of 28 September 2017, the Board of Directors confirmed the absence of elements that would suggest management and coordination by the direct parent, Schematrentaquattro S.p.A., or by the ultimate parent, Edizione S.r.l., including in light of the following:

1. the Company defines its own budgets and/or strategic, business and financial plans and carries them out independently;
2. the Company does not receive, and is not in any way subject to, directives or instructions in matters of finance or lending and borrowing;
3. commercial strategies are freely and independently assessed by the board of directors of the Company, which negotiates in full autonomy with customers and suppliers;
4. the Company is not subject to group policies for the purchase of goods or services in the market;
5. the Company does not receive directives or instructions with regarding to acquisitions and disposals;
6. the Company is not a party to any cash pooling agreement or other support or coordination arrangements of a financial nature;
7. the Company does not receive, and is in no way subject to, directives concerning extraordinary operations and/or investment initiatives;
8. the Company has independently drawn up and approved the organizational chart of Autogrill S.p.A. and the Autogrill Group; and
9. the Company has no obligation to comply with codes of conduct or policies imposed by Schematrentaquattro S.p.A. or other companies in the group headed up by Edizione S.r.l.

1.5.5 RELATED PARTY TRANSACTIONS

Transactions with the Company's related parties do not qualify as atypical or unusual and fall within the normal sphere of operations. They are conducted in the interests of Autogrill S.p.A. on an arm's length basis.

See the section "Other information" in the Notes for further information on related party transactions, including the specific disclosures required by CONSOB Resolution 17221 of 12 March 2010, as amended. Autogrill S.p.A.'s procedures for related party transactions can be consulted on its website (www.autogrill.com – Governance/ Related Parties section).

1.5.6 STATEMENT PURSUANT TO ART. 2.6.2(8) OF THE REGULATIONS FOR MARKETS ORGANIZED AND MANAGED BY BORSA ITALIANA S.P.A.

In respect of Art. 15 of CONSOB Regulation no. 20249 of 28 December 2017 on conditions for the listing of companies that control entities formed or governed under the laws of countries outside the European Union that are of material significance to the consolidated financial statements, we report that two companies fall under these provisions (HMSHost Corporation and Host International Inc.), that suitable procedures have been adopted to ensure total compliance with said rules, and that the conditions stated in Art. 15 have been satisfied.

1.5.7 RESEARCH AND DEVELOPMENT

The Company did not perform research and development during the year.

1.5.8 TREASURY SHARES

On 12 March 2020 the Board of Directors authorized a share buy-back program pursuant to Art. 5 of Regulation (EU) 596/2014 (MAR) to facilitate the execution of incentive plans for employees and directors of Autogrill S.p.A. and/or its subsidiaries, for a maximum of 3,000,000 ordinary shares with no par value amounting to 1.18% of the share capital, in accordance with the AGM authorization of 23 May 2019. The buy-back program ended on 8 April 2020.

At 31 December 2020 Autogrill S.p.A. owned 3,181,641 treasury shares (181,641 at the end of 2019), with a carrying amount of € 13,042k and an average carrying amount of € 4.10 per share. Purchases during the year amounted to € 12,332k.

Autogrill S.p.A. does not own equities or other securities representing the share capital of the ultimate parents, and did not at any time during the year, either directly or through subsidiaries, trust companies or other intermediaries.

1.5.9 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

In 2020, there were no significant non-recurring events or transactions as defined by CONSOB Resolution 15519 of 27 July 2006 and CONSOB Communication DEM/6064293 of 28 July 2006.

1.5.10 ATYPICAL OR UNUSUAL TRANSACTIONS

In 2020 there were no atypical and/or unusual transactions as defined by CONSOB Communication DEM/6064293 of 28 July 2006.

1.5.11 INFORMATION PURSUANT TO ARTS. 70 AND 71 OF CONSOB REGULATION NO. 11971/1999

On 24 January 2013 the Board of Directors of Autogrill S.p.A. voted to take the option provided for by CONSOB Resolution 18079 of 20 January 2012 that exempts companies from issuing the public disclosure documents required by Arts. 70 and 71 of the Listing Rules (CONSOB Regulation 11971/1999) in the case of significant mergers, demergers, increases in share capital through contributions in kind, acquisitions, and transfers.

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1.6 ANNUAL GENERAL MEETING

The Board of Directors, in accordance with Art. 2364(2) of the Italian Civil Code and Art. 21 of the by-laws, has decided to call the Annual General Meeting of shareholders within the extended deadline of 120 days after the end of the business year, in consideration of Autogrill S.p.A.'s needs and obligations relating to the preparation of the consolidated financial statements.

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1.7 PROPOSAL FOR APPROVAL OF THE FINANCIAL STATEMENTS AND ALLOCATION OF THE 2020 RESULT

Dear Shareholders,

the year ended 31 December 2020 closed with a loss of € 38,287,850.

Recommending, for all further details, consultation of the financial statements published and made available according to the protocol set by law, the Board of Directors submits for your approval the following

motion:

The Annual General Meeting of shareholders:
- having examined the financial statements at and for the year ended 31 December 2020, which close with a net loss of € 38,287,850;
- having noted, based on the Company's 2020 financial statements, that the minimum legal reserve balance required by Italian Civil Code Art. 2430 has been met;
- having acknowledged the reports of the Board of Statutory Auditors and of the independent auditors, Deloitte & Touche S.p.A.;

hereby resolves

a) to approve the separate financial statements of Autogrill S.p.A. at and for the year ended 31 December 2020, showing a net loss of € 38,287,850;
b) to carry forward the loss for the year, in the amount of € 38,287,850.

11 March 2021

The Board of Directors

SEPARATE FINANCIAL STATEMENTS

2

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2.1 SEPARATE FINANCIAL STATEMENTS

2.1.1 STATEMENT OF FINANCIAL POSITION

Note	(€)	31.12.2020	Of which related parties	31.12.2019	Of which related parties
	ASSETS				
I	Cash and cash equivalents	95,647,238		419,845	
II	Lease receivables	1,421,990	1,421,990	1,047,179	1,047,179
III	Other financial assets	6,740,566	3,717,920	26,609	26,609
IV	Tax assets	662,436		662,436	
V	Other receivables	35,292,204	18,730,538	75,096,667	67,914,400
VI	Trade receivables	719,171	552,888	529,477	308,040
	Total current assets	**140,483,605**		**77,782,213**	
VII	Property, plant and equipment	5,062,961		5,636,214	
VIII	Other intangible assets	1,696,342		2,352,022	
IX	Right-of-Use Assets	4,173,740		4,270,702	
X	Investments	713,897,361		713,605,072	
XI	Lease receivables	10,021,791	10,021,791	10,606,027	10,606,027
XII	Other financial assets	556,346,269	555,492,951	73,416,526	72,571,292
XIII	Deferred tax assets	19,830,741		24,462,214	
	Total non-current assets	**1,311,029,205**		**834,348,777**	
	TOTAL ASSETS	**1,451,512,810**		**912,130,990**	
	LIABILITIES AND EQUITY				
	LIABILITIES				
XIV	Trade payables	3,348,149	68,883	2,794,848	
XV	Other payables	13,320,697	5,858,461	14,098,628	5,686,511
XVI	Bank loans and borrowings	87,500,001		18,561,254	
XVII	Lease liabilities	1,570,853		1,481,567	
XVIII	Other financial liabilities	4,638,708		847,966	
	Total current liabilities	**110,378,408**		**37,784,262**	
XIX	Loans, net of current portion	916,122,155		399,058,475	
XX	Lease liabilities	14,422,250		14,987,813	
XXI	Defined benefit plans	810,568		808,868	
XXII	Provision for risks and charges	2,255,302		2,053,178	
	Total non-current liabilities	**933,610,275**		**416,908,334**	
XXIII	**EQUITY**	**407,524,127**		**457,438,394**	
	TOTAL LIABILITIES AND EQUITY	**1,451,512,810**		**912,130,990**	

2.1.2 INCOME STATEMENT

Note	(€)	Full Year 2020	Of which related parties	Full Year 2019	Of which related parties
XXIV	Revenue	3,386,339	3,386,339	14,861,186	14,861,186
XXV	Other operating income	2,662,138	2,491,454	4,167,199	1,896,910
	Total revenue and other operating income	**6,048,477**		**19,028,385**	
XXVI	Personnel expense	9,634,248	5,374,594	17,945,014	9,218,243
XXVII	Leases, rentals, concessions and royalties	89,605	124,155	178,019	(545,800)
XXVIII	Other operating expense	13,176,543	543,024	14,659,906	2,186,300
XXIX	Depreciation and amortization	2,063,748		2,445,631	
	Operating profit (loss)	**(18,915,667)**		**(16,200,185)**	
XXX	Financial income	6,394,613	5,054,713	33,519,028	32,906,750
XXXI	Financial expense	(20,225,232)		(4,468,849)	
	Pre-tax profit (loss)	**(32,746,286)**		**12,849,993**	
XXXII	Income tax	(5,541,564)		22,597,410	
	Profit (loss) for the year	**(38,287,850)**		**35,447,403**	

2.1.3 STATEMENT OF COMPREHENSIVE INCOME

Note	(€)	Full Year 2020	Full Year 2019
	Profit (loss) for the year	**(38,287,850)**	**35,447,403**
	Items that never be reclassified to profit or loss	**(6,804)**	**(20,851)**
XXIII	Remeasurement of the defined benefit (liabilities) asset	(8,952)	(27,436)
XXXII	Tax on items that will not be reclassified to profit or loss	2,148	6,585
	Total comprehensive income for the year	**(38,294,654)**	**35,426,552**

2.1.4 STATEMENT OF CHANGES IN EQUITY

(€)	Share capital	Legal reserve	Other reserve and retained earnings	Treasury shares	Profit/(loss) for the year	Equity
31.12.2018	**68,688,000**	**13,737,600**	**372,632,552**	**(719,809)**	**15,207,309**	**469,545,653**
Profit for the year	-	-	-	-	35,447,403	35,447,403
Remeasurement of the defined benefit (liabilities) asset, net of the tax effect	-	-	(20,851)	-	-	(20,851)
Total comprehensive income for the year	**-**	**-**	**(20,851)**	**-**	**35,447,403**	**35,426,552**
Allocation profit and dividend distribution	-	-	(35,636,363)	-	(15,207,309)	(50,843,672)
Stock options	-	-	3,309,861	-	-	3,309,861
Total contributions by and distributions to owners of the parent	**-**	**-**	**(32,326,502)**	**-**	**(15,207,309)**	**(47,533,811)**
31.12.2019	**68,688,000**	**13,737,600**	**340,285,199**	**(719,809)**	**35,447,403**	**457,438,394**
Profit for the year	-	-	-	-	(38,287,850)	(38,287,850)
Remeasurement of the defined benefit (liabilities) asset, net of the tax effect	-	-	(6,804)	-	-	(6,804)
Total comprehensive income for the year	**-**	**-**	**(6,804)**	**-**	**(38,287,850)**	**(38,294,654)**
Allocation profit and dividend distribution	-	-	35,447,403	-	(35,447,403)	-
Own shares acquisition	-	-	-	(12,321,580)	-	(12,321,580)
Stock options	-	-	701,966	-	-	701,966
Total contributions by and distributions to owners of the parent	**-**	**-**	**36,149,369**	**(12,321,580)**	**(35,447,403)**	**(11,619,614)**
31.12.2020	**68,688,000**	**13,737,600**	**376,427,764**	**(13,041,389)**	**(38,287,850)**	**407,524,127**

2.1.5 STATEMENT OF CASH FLOWS

(€k)	Full Year 2020	Full Year 2019
Opening net cash and cash equivalents	**(3,141)**	**(3,965)**
Pre-tax profit and net financial expense for the year	(18,916)	(16,200)
Amortization, depreciation and impairment losses on non-current assets, net of reversals	2,064	2,446
(Gain)/losses on disposal of non-current assets	-	(2,221)
Other non cash items	229	1,379
Change in working capital	631	(1,782)
Net change in non-current non-financial assets and liabilities	284	(1,255)
Cash flow from operating activities	**(15,708)**	**(17,634)**
Taxes (paid)/collected	6,937	213
Net Interest paid	(5,048)	(1,627)
Net implicit interest in lease liabilities	(309)	(146)
Net cash flow from (used in) operating activities	**(14,129)**	**(19,193)**
Acquisition of property, plant and equipment and intangible assets paid	(1,025)	(2,881)
Proceeds from sale of non-current assets	500	13,022
Dividends received	31,420	30,605
Net change in other non-current financial asset	(8)	25
Net cash flow used in investing activities	**30,887**	**40,771**
Net change in intercompany loans and borrowings	(489,901)	12,359
New non current borrowings	521,614	22,742
Repayments of current loans	60,000	(5,000)
Dividends paid	-	(50,844)
Principal repayment of lease liabilities	(551)	4
Treasury share purchase	(12,322)	-
Other cash flow	3,190	(15)
Net cash flow from (used in) financing activities	**82,030**	**(20,754)**
Cash flow for the year	**98,789**	**824**
Closing net cash and cash equivalents	**95,647**	**(3,141)**

RECONCILIATION OF NET CASH AND CASH EQUIVALENTS

(€k)	Full Year 2020	Full Year 2019
Opening - net cash and cash equivalents - balance as of 01.01.2020 and as of 01.01.2019	**(3,141)**	**(3,965)**
Cash and cash equivalents	420	337
Current account overdrafts	(3,561)	(4,302)
Closing - net cash and cash equivalents - balance as of 31.12.2020 and as of 31.12.2019	**95,647**	**(3,141)**
Cash and cash equivalents	95,647	420
Current account overdrafts	-	(3,561)

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2.2 NOTES TO THE FINANCIAL STATEMENTS

2.2.1 ACCOUNTING POLICIES

COMPANY OPERATIONS

Autogrill S.p.A., listed on the Milan Stock Exchange, is the parent company of the world's largest provider of food & beverage services for travelers. Through its subsidiaries, it operates food & beverage locations in 30 countries around the globe.

As a result of the corporate reorganization carried out in 2017 and with effect from 1 January 2018, as described in the Directors' Report, Autogrill S.p.A. has remained in charge of the strategic guidance, monitoring, and coordination of its subsidiaries, hence, administration, finance and control; enterprise risk management; strategic planning; investor relations; legal, corporate, and regulatory affairs; communication; marketing; human resources and organization; IT systems; corporate social responsibility; and internal audit.

GENERAL STANDARDS

These financial statements were prepared in accordance with the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and endorsed by the European Union. IFRS means International Financial Reporting Standards including International Accounting Standards (IAS), supplemented by the interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC), previously called the Standing Interpretations Committee (SIC).

The financial statements are also compliant with the rules on reporting formats adopted by CONSOB in accordance with Art. 9 of Legislative Decree 38/2005 and with the other CONSOB regulations on financial reporting.

The financial statements were prepared on a going-concern basis using the euro as the functional currency. Unless otherwise specified, the figures in the financial statements and notes are in thousands of euros (€k).

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on 1 January 2020:
- Amendments to References to the Conceptual Framework in IFRS;
- Amendments to IAS 1 and IAS 8: definition of "material";
- Amendments to IFRS 9, IAS 39, and IFRS 7: interest rate benchmark reform;

- Amendments to IFRS 3 - Definition of a business.

The application of the amendments listed above did not affect the Group's financial statements to an extent requiring mention in these Notes.

On 9 October 2020 the European Union endorsed the amendment to IFRS 16 – Covid-19 related rent concessions, issued by the IASB on 28 May 2020 and applicable to financial periods beginning on or after 1 June 2020, with early adoption possible as from 1 January 2020. The Autogrill Group opted for early adoption, while the amendment has had no impact on the Company's separate financial statements.

The amendment to IFRS 16 gives lessees the option to account for rent concessions related to the Covid-19 pandemic without the need to determine from the contracts whether they constitute lease modifications as defined by IFRS 16. Therefore, lessees taking this option can account for the effects of rent concessions directly in the income statement as of the effective date of the concession. The expedient applies only to new agreements reached as a direct consequence of the Covid-19 pandemic and only if specific conditions are met.

On 11 February 2021 the IASB published an Exposure Draft entitled "Covid-19 – Related Rent Concessions Beyond 30 June 2021" containing a proposal to extend the period of time during which the practical expedient offered by the amendment of 28 May 2020 can be applied. Because the effects of the Covid-19 pandemic are still present and significant, the change would allow the benefits of rent reductions affecting minimum payments originally due before 30 June 2022 (rather than 30 June 2021) to be reflected directly in the income statement.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in years beginning on or after 1 January 2021 that Autogrill did not choose to apply early in the 2020 financial statements:
- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16: Interest rate benchmark reform — Phase 2.

The directors are currently assessing the potential impact of these amendments which, in any case, should not affect the Company's financial statements to an extent requiring mention in these Notes.

As concerns accounting policies, amendments and interpretations not yet endorsed by the European Union:
- on 23 January 2020, the IASB published "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on 15 July it published "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – deferral of Effective Date". The amendment will take effect on 1 January 2023;
- on 14 May 2020, the IASB published "Amendments to IFRS 3 Business Combinations", "Amendments to IAS 16 Property, Plant and Equipment", "Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets", and "Annual Improvements 2018-2020". All of the amendments will take effect on 1 January 2022.

The Directors are assessing the potential effects of these amendments on the Company's separate financial statements.

STRUCTURE, FORMAT AND CONTENT OF THE SEPARATE FINANCIAL STATEMENTS

The financial statements are clearly presented and give a true and fair view of the Company's financial position, results and cash flows. Formats and standards are constant over time.

Pursuant to IAS 1(24) and IAS 1(25), the separate financial statements have been prepared on a going concern basis. Confirmation of going concern reflects *(i)* the level of capitalization, especially considering the capital increase approved on 25 February 2021 (Note 2.2.11), *(ii)* ongoing measures to mitigate the effects of the Covid-19 pandemic on the profitability and cash absorption of the Company and its subsidiaries, *(iii)* available credit facilities, and *(iv)* the successful negotiation of a covenant holiday for the Company's loans, extended until 31 December 2022, for an additional 12 months with respect to the deadline negotiated in June 2020 (Note 2.2.11).

In accordance with IAS 1 and IAS 7, the formats used in the 2020 financial statements are as follows:
- Statement of financial position, with assets and liabilities split between current and non-current items;
- Income statement, with costs classified by nature;
- Statement of comprehensive income;
- Statement of changes in equity;
- Statement of cash flows, using the indirect method to determine cash flow from operating activities.

ACCOUNTING POLICIES

The Company follows the historical cost principle, except for items that in accordance with IFRS are measured at fair value, as specified in the individual accounting policies below.

BUSINESS COMBINATIONS

BUSINESS COMBINATIONS CARRIED OUT SINCE 1 JANUARY 2008

Since 1 January 2008, Autogrill has followed the rules of IFRS 3 (2008) – Business Combinations to account for the acquisition of companies or businesses.

Autogrill accounts for all business combinations using the acquisition method. The consideration transferred in a business combination includes the fair value, as of the acquisition date, of the assets and liabilities transferred and of the interests issued by the company, as well as the fair value of any contingent consideration and of the incentives included in share-based payments recognized by the acquiree that have to be replaced in the business combination. If the business combination settles a pre-existing relationship between the Company and the acquiree, the lesser of the settlement amount, as established by contract, and the off-market price of the element is deducted from the consideration transferred and recognized under other costs.

When a business is purchased, the identifiable assets acquired and the identifiable liabilities assumed are measured at their respective acquisition-date fair values.

A contingent liability of the acquiree is assumed in a business acquisition only if this liability represents a current obligation deriving from past events and when its fair value can be reliably measured.

Goodwill arising from the acquisition of a business or the merger of an entity is recognized as an asset and is initially measured as the excess between the consideration transferred and the acquisition-date net amount of the identifiable assets acquired and the identifiable liabilities assumed.

The costs relating to the acquisition are recognized in profit or loss in the years in which the costs are incurred and the services received; the sole exception is for the cost of issuing debt securities or equities.

BUSINESS COMBINATIONS CARRIED OUT FROM 1 JANUARY 2004 TO 31 DECEMBER 2007

Autogrill accounts for all business combinations using the acquisition method. The cost of each combination is determined as the aggregate of the fair values, at the date of exchange, of assets given, liabilities incurred or assumed, and equity instruments issued by the Company in exchange for control of the acquiree. Any costs directly attributable to a business combination also form part of its overall cost.

The acquiree's identifiable assets, liabilities and contingent liabilities that can be recognized under IFRS 3 – Business Combinations are posted at their fair value on the date of acquisition.

Goodwill arising from the acquisition of a business or merger of an entity is recognized as an asset and measured initially at cost, i.e., the amount by which the cost exceeds the fair value of the identifiable assets, liabilities and contingent liabilities recognized on acquisition or merger.

BUSINESS COMBINATIONS CARRIED OUT BEFORE 1 JANUARY 2004

On first-time adoption of IFRS (1 January 2005), the Company decided not to apply IFRS 3 - Business Combinations retrospectively to the acquisitions or mergers carried out prior to the date of changeover to IFRS (1 January 2004). Consequently, goodwill arising on acquisitions or mergers occurring prior to that date has been maintained at the previous amount determined under Italian GAAP, subject to measurement and recognition of any impairment losses.

RECOGNITION OF REVENUE AND COSTS

On 28 May 2014, the IASB published "IFRS 15 – Revenue from Contracts with Customers". The standard sets out the following new model for recognizing revenue:
- identify the contract with a customer;
- identify the performance obligations in the contract;
- determine the transaction price;
- allocate the transaction price to the performance obligations in the contract;
- revenue is recognized when the entity satisfies each performance obligation.

In this context, purchases and sales are recognized on transfer of title at fair value, i.e., the price paid or received net of returns, rebates, sales discounts and year-end bonuses.

Service revenue and costs are recognized according to the stage of completion at year end. Stage of completion is determined according to measurements of the work performed. When the services covered under a single contract are provided in different years, the consideration will be broken down by service provided on the basis of the relative fair value.

Grants, including non-monetary grants measured at fair value, are recognized if there is reasonably certainty that the Company will meet the conditions set out in contracts (in the case of private grants, e.g. awarded against services rendered) or government regulations (in the case of public grants awarded by the government) and that the grants will be received.

Capital grants are recorded in the statement of financial position as deferred revenue, which is recognized as income on a systematic, rational basis over the useful life of the tangible or intangible asset.

Operating grants are recognized on a systematic basis in the income statement in the years in which the Company recognizes as costs the expenses that the grants are intended to offset.

Where a government grant is meant to provide immediate financial assistance, such as the various forms of relief provided by different countries' governments in response to the Covid-19 pandemic, it may be recognized in the income statement the year the right to receive it accrues.

Such operating grants are recognized in the income statement under "Other operating income" or, alternatively, deducted from the related cost.

Recoveries of costs borne on behalf of third parties are recognized as a deduction from the related cost.

RECOGNITION OF FINANCIAL INCOME AND EXPENSE

Financial income includes interest on invested liquidity (including financial assets available for sale), income from lease receivables, dividends approved, proceeds from the transfer of financial assets available for sale and, if applicable, fair value changes in financial assets recognized in profit or loss, income arising from a business combination due to the remeasurement at fair value of the interest already held, gains on hedging instruments recognized in profit or loss, and the reclassification of net gains previously recognized in other comprehensive income. Interest income is recognized on an accruals basis using the effective interest method. Dividends receivable are recognized when the Company's right to receive them is established.

Financial expense includes interest on loans, expense on lease liabilities and, if applicable, the release of discounting on provisions and deferred income, losses from the transfer of financial assets available for sale, fair value changes in financial assets recognized in profit or loss and in contingent consideration, impairment losses on financial assets (other than trade receivables), losses on hedging instruments recognized in profit or loss, and the reclassification of net losses previously recognized in other comprehensive income.

Net foreign exchange gains or losses on financial assets/liabilities are shown under financial income and expense on the basis of the net gain or loss produced by foreign currency transactions.

EMPLOYEE BENEFITS

All employee benefits are recognized and disclosed on an accruals basis.

The Company provides for post-employment benefits through defined-contribution and/or defined-benefit plans.

Post-employment benefit plans are formalized agreements whereby the Company provides post-employment benefits to one or more employees.

Defined-contribution plans are post-employment benefit plans under which the Company pays pre-determined contributions to a separate entity (a fund) and will have no legal or constructive obligation to pay further contributions should the fund have insufficient assets to pay all benefits to employees.

Defined benefit plans are post-employment benefit plans other than defined contribution plans.

Defined benefit plans may be unfunded or entirely or partly funded by contributions paid by the employer, and sometimes by the employee, to a company or fund which is legally separate from the company that pays the benefits.

The amount accrued is projected forward to estimate the amount payable on termination of employment and is then discounted using the projected unit credit method, which determines the liability on the basis of employment conditions in effect on the date it is measured.

The liability is recognized in the accounts net of the fair value of any plan assets. If the calculation generates a benefit for the Company, the amount of the asset recognized is limited to the sum of any unrecognized cost for previous employment and the present value of economic benefits available in the form of refunds from the plan or reductions in future contributions to the plan. An economic benefit is available to the Company when it can be realized throughout the duration of the plan or upon settlement of the plan liabilities. Actuarial valuations are made by actuaries outside the Company. Actuarial gains and losses from experience adjustments and changes in actuarial assumptions are recognized in the statement of comprehensive income.

Due to changes in the system of post-employment benefits (*trattamento di fine rapporto* or TFR) brought about by Law 296 of 27 December 2006 and by the decrees and regulations issued in early 2007 (the "Social security reform"):

- TFR accrued at 31 December 2006 is treated as a defined benefit plan in accordance with IAS 19. The benefits promised to employees in the form of TFR, which are paid upon termination of service, are recognized in the period in which the right vests;
- TFR accrued from 1 January 2007 is treated as a defined contribution plan, so contributions accrued during the period are fully recognized as costs. The portion not yet paid into the funds is listed under current liabilities ("Other payables").

SHARE-BASED PAYMENTS

In the case of share-based payment transactions settled with equity instruments of the Company, which include the Group's performance share unit plan, the grant-date fair value of the options granted to employees is recognized in personnel expense with a corresponding increase in equity ("Other reserves and retained earnings"), over the period in which the employees become unconditionally entitled to the awards. The fair value of options is estimated on the basis of all market-based vesting conditions, such as the performance of Autogrill shares and market indexes. Also, so that the final amount is based on the number of options that will actually vest, the cost is adjusted to reflect both service conditions and non-market conditions.

There is no true-up for differences between expected and actual conditions. In the case of cash-settled share-based payment transactions, which include the Group's phantom stock option plans, the fair value of the amount payable to employees is recognized as a cost, with an increase in liabilities as a contra entry over the period during which the employees have the unconditional right to receive payment. The liability is measured at each year-end and at the settlement date, based on the remeasurement of the fair value of the option rights. Any changes in the fair value of the liability are recognized in profit or loss under personnel expense (employee benefits).

INCOME TAX

Tax for the year is the sum of current and deferred taxes recognized in the profit or loss for the year, with the exception of those recognized directly in equity or in other comprehensive income.

Current tax is calculated on taxable income for the year. Taxable income differs from the result reported in the income statement because it excludes costs and income that will be deducted or taxed in other years, as well as items that will never be deducted or taxed. Current tax liabilities are determined using the tax rates in effect (on an official or de facto basis) on the reporting date.

For the three-year period 2019-2021, the Company is following the national tax consolidation regulations of the ultimate parent Edizione S.r.l., as permitted by the Consolidated Income Tax Act. Under those regulations, the Company is also part of the fiscal subconsolidation with the other Italian companies in the Group, which for IRES (corporate income tax) purposes only, involves the settlement of accounts receivable or payable with the parent company Autogrill S.p.A.

The regulation signed by the parties provides for:

- payment in full of the amount corresponding to the transferred profit times the IRES rate;
- payment in full of the amount corresponding to the transferred loss times the IRES rate, when utilized by Edizione S.r.l.;
- the transfer of any tax assets, also with respect to the subgroup including the Italian companies, as acknowledged in the regulations defining transactions with Edizione S.r.l.

The net current tax asset or liability for the year, in respect of IRES only, is therefore recognized as a receivable or payable due from/to Edizione S.r.l. and is therefore not shown under tax assets or liabilities but under "Other receivables" or "Other payables".

Deferred tax liabilities are generally recognized for all taxable temporary differences, while deferred tax assets, arising from deductible temporary differences and losses carried forward, are recognized and maintained in the financial statements to the extent that future taxable income is likely to be earned allowing use of those assets. Specifically, the carrying amount of deferred tax assets is reviewed at each reporting date based on the latest forecasts as to future taxable income, also with respect to the fiscal subgroup including the Italian companies, as acknowledged in the regulations defining transactions with Edizione S.r.l.

Deferred tax assets and liabilities are not recognized if the temporary differences arise from the initial recognition of goodwill or, for transactions other than business combinations, of other assets or liabilities in transactions that have no influence either on accounting profit or on taxable income.

Deferred tax liabilities are recognized on taxable temporary differences relating to equity investments in subsidiaries, associates or joint ventures, unless the Company is able to monitor the reversal of the temporary differences and they are unlikely to be reversed in the foreseeable future.

Deferred tax assets and liabilities are measured using the tax rate that will apply at the time the asset is realized or the liability is settled, taking account of the tax rates in force at the end of the year.

Current and deferred tax assets and liabilities are offset when there is a legal right to do so and when they pertain to the same tax authorities.

NON-CURRENT ASSETS

OTHER INTANGIBLE ASSETS

Other intangible assets are recognized at purchase price, production cost or goodwill value, including ancillary charges, and amortized over their useful life when it is likely that use of the asset will generate future economic benefits.

The Company reviews the estimated useful life and amortization method of these assets at each year end and whenever there is evidence of possible impairment losses.

If impairment losses arise, determined in accordance with the section "Impairment losses and reversals on non-current assets", the asset is written down accordingly.

The following are the amortization periods used for the various kinds of intangible asset:

Software licenses	3 – 6 years
License to sell state monopoly goods	Term of license
Brands	20 years
Other:	
Software	3 – 6 years
Other costs to be amortized	5 years or term of underlying contract

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment are recognized when it is probable that use of the asset will generate future benefits and when the cost of the asset can be reliably determined. They are stated at purchase price or production cost, including ancillary charges and direct or indirect costs according to the share that can reasonably be attributed to the asset.

On transition to IFRS, any revaluations carried out in accordance with monetary revaluation laws were maintained in the financial statements as they are consistent with IFRS 1.

Property, plant and equipment are depreciated on a straight-line basis at rates deemed to reflect their estimated useful lives. The Company systematically reviews the useful life of each asset at every year end. Components of significant value (in excess of € 500k) or with a different useful life (50% longer or shorter than that of the asset to which the component belongs) are considered separately when determining depreciation.

The following are the depreciation periods used for property, plant and equipment:

Industrial buildings	33 years
Plant and machinery	3 – 12 years
Industrial and commercial equipment	3 – 5 years
Other	5 – 8 years
Furniture and fittings	5 – 10 years
Motor vehicles	4 years

Land is not depreciated.

An asset's useful life is reviewed annually, and is changed when maintenance work during the year has involved enhancements or replacements that materially change its useful life.

In the event that, regardless of depreciation already recorded, there is a loss in value determined according to the criteria described in the section "Impairment losses and reversals on non-current assets", the asset is written down accordingly.

Costs incurred to enhance and maintain an asset that produce a material and tangible increase in its productivity or safety or extend its useful life are capitalized and amortized over the asset's useful life.

Routine maintenance costs are taken directly to the income statement.

Leasehold improvements are included in property, plant and equipment on the basis of the type of cost incurred. The depreciation period corresponds to the duration of the contract.

The gain or loss from the sale of property, plant or equipment is the difference between the net proceeds of the sale and the asset's carrying amount, and is recognized under "Other operating income" or "Other operating expense".

RIGHT-OF-USE ASSETS

Right-of-use assets are recognized as of the commencement date of the lease contract, namely the date when the lessor makes the underlying asset available to the lessee. In some circumstances, the lease contract may contain different lease components and consequently the effective date shall be determined by each lease component.

Right-of-use assets are initially valued at cost and include the initial measurement of the lease liability, the lease payments made before or at the commencement date of the lease contract, and any other initial direct cost. They can then be further adjusted to reflect any remeasurement of lease receivables/liabilities.

Right-of-use assets are systematically depreciated over the lease term or the asset's residual useful life, whichever is shorter. Typically, lease contracts do not provide for the transfer of ownership of the underlying asset and therefore depreciation is carried out over the contractual term. Depreciation begins as of the commencement date of the lease.

Regardless of depreciation already recognized, if there are impairment losses (determined as described for onerous contracts), the asset is written down accordingly.

The Company has made certain professional judgments involving the definition of some accounting policies and the use of estimates and assumptions. In detail:

- not to apply IFRS 16 to leases that have as underlying an intangible asset;
- for the purpose of determining the lease term, to analyze all lease agreements and define each one's term as the "non-cancellable" period, together with the effects of any extension or early termination option if the exercise of these is deemed reasonably certain using the information available at the transition date. in December 2019, the IFRS Interpretation Committee published its conclusions relating to an Agenda Decision concerning the accurate estimation of the lease term and the useful life of leasehold improvements (as well as assets to be transferred free of charge). In 2020, after completing its analysis of the IFRS Interpretation Committee conclusions, the Company found no further impacts on the determination of right-of-use assets or lease receivables/liabilities. In particular:
    - the Company had already gone into the matter in depth upon first-time adoption, when setting rules for the accuracy of the lease term estimate in the Group Accounting Policy – IFRS 16, in a manner consistent with the subsequent interpretation published by the IFRS Interpretation Committee;

- the Company follows administrative processes to ensure that leasehold improvements are depreciated over their useful life or the duration of the underlying lease, whichever is shorter. If it turns out that a lease is about to be terminated in advance, the end date of the related leasehold improvements is modified accordingly;
- as the implicit interest rate is not available for all the Company's leases, to determine lease liabilities by applying to future minimum lease payments a discount rate equal to the risk-free rate of the country, with maturities in line with the duration of the leases, plus a Company-specific credit spread.

INVESTMENTS

Pursuant to IFRS 10, subsidiaries are companies for which the investor is exposed to or has rights to variable returns and is able to affect those returns through power over these investees.

Investments in subsidiaries are measured at cost adjusted for impairment losses, as described below.

IMPAIRMENT LOSSES AND REVERSALS ON NON-CURRENT ASSETS

At each balance sheet date, the Company tests whether there are internal or external indicators of impairment or reversal of impairment for its property, plant and equipment, right-of-use assets, with reference to the total amount of such assets allocated per cash generating unit, intangible assets, equity investments, and non-current loans granted to the latter. If so, the recoverable amount of the assets is estimated to determine any impairment loss or reversal. Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs; a cash-generating unit is a group of assets that generates cash flows broadly independent from other assets or groups of assets.

Assets under development are tested for impairment at each year end and any time there is evidence of possible impairment.

The recoverable amount is the higher of market value (fair value less costs to sell) and value in use. In determining value in use, the estimated future cash flows are discounted to their current value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset.

Because the fair value of investments in subsidiaries cannot be readily determined, their recoverable amount is taken as their estimated value in use, calculated by discounting the cash flows associated with their forecast results.

If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, this is reduced to recoverable amount. Impairment losses are recognized in the income statement.

Impairment losses on cash-generating units are first deducted from the carrying amount of any goodwill attributed to the unit; any remainder is deducted from the other assets of the unit (or group of units), including right-of-use assets, in proportion to their carrying amount. If the reason for the impairment loss no longer exists, the asset or cash-generating unit is reversed to the new estimate of recoverable amount (except in the case of goodwill), which may not exceed the carrying amount net of depreciation/amortization that the asset would have had if the impairment loss had not been charged. The reversal of impairment is taken to the income statement.

ASSETS/LIABILITIES HELD FOR SALE

Assets and liabilities are classified as held for sale if their carrying value has been or will be recovered mainly through their sale and not through continued use. Once an asset/liability is classified as held for sale, it is recognized at the lower of carrying value and fair value net of costs to sell.

In the financial statements:

- the net profit or loss of discontinued operations is shown separately in the income statement, net of tax effects and transfer costs (if sold), along with any capital gain or loss realized with the sale; the corresponding amounts from the prior year are reclassified for the sake of comparison;
- assets/liabilities held for sale are shown in the statement of financial position separately from other assets/liabilities and are not offset.

CURRENT ASSETS AND CURRENT & NON-CURRENT LIABILITIES

TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables are initially recognized at fair value, and subsequently at amortized cost, where necessary, using the effective interest method. They are reduced by estimated impairment losses, determined according to procedures that may involve both writedowns of individual positions, if material, where the receivables are objectively uncollectable in whole or in part, or generic impairment calculated on the basis of historical and statistical data.

In accordance with IFRS 9, factored receivables are eliminated from the accounts if the contract entails the full transfer of the associated risks and rewards (contractual rights to receive cash flows from the asset). The difference between the carrying value of the asset transferred and the amount received is recognized in the income statement under financial expense.

LEASE RECEIVABLES

In its role as sub-lessor, the Company recognizes lease receivables as of the commencement date of the lease.

The sub-leases are determined with reference to the right-of-use asset deriving from the principal lease contract, rather than the underlying asset. For this reason, considering the recognition of a right-of-use asset under IFRS 16 and the fact that the sub-leases typically have a duration equal to the principal lease, the Company reduces its right-of-use assets and recognizes a lease receivable as a counter-entry, split between current and non-current assets.

The lease receivable corresponds to the present value of the minimum lease payments due as of the commencement date, including those determined on the basis of an index or rate (initially valued using the index or rate at the commencement date of the contract), as well as any penalties in the event that the lease term provides for the option for the early termination of the lease contract and the exercise of that option is estimated to be reasonably certain. The present value is determined using the implicit interest rate of the lease contract. If it is not possible to determine this rate easily, the Company uses the incremental borrowing rate as discount rate. The lease receivable is subsequently increased by the interest accrued and decreased by the receipts received for the lease.

Lease receivables are remeasured in the event of changes in the future minimum receipts expected for the lease, as result of:

- changes in the index or rate used to determine the lease payments: in such cases the lease receivable is remeasured by discounting the new minimum lease payments at the initial discount rate
- change in the lease term or in the likelihood of exercise of the purchase, extension, or early termination option: in such cases the lease receivable is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change;
- contractual changes that do not fall under any of the reasons for the separate recognition of a new lease: in these cases as well, the lease receivable is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change.

The use of estimates in relation to the measurement of lease receivables is mentioned in the previous section on right-of-use assets.

OTHER FINANCIAL ASSETS

IFRS 9 requires a single approach to the analysis and classification of all financial assets, including those containing embedded derivatives. They are classified and measured considering both the business model applied to the asset and the contractual characteristics of the cash flows the asset produces. Depending on the characteristics of the asset and the business model, it will fall into one of three categories: (i) financial assets measured at amortized cost; (ii) financial assets measured at fair value through other comprehensive income (FVTOCI); (iii) financial assets measured at fair value through profit and loss (FVTPL).

A financial asset is measured at amortized cost if both of the following conditions are met: – the business model consists of holding the financial asset for the sole purpose of collecting cash flows; and – the asset generates, on contractually predetermined dates, cash flows consisting solely of payments of principal and interest. Under the amortized cost method, the initial value recognized is subsequently adjusted to take account of the reimbursement of principal, any impairment losses, and amortization of the difference between the redemption value and the initial carrying amount. Amortization is charged at the internal effective interest rate, corresponding to the rate which, upon first-time recognition, makes the present value of projected cash flows equal to the initial carrying amount. Receivables and other financial assets measured at amortized cost are presented in the statement of financial position net of impairment provisions.

Financial assets consisting of debt instruments whose business model allows for both the collection of contractual cash flows and the realization of capital gains (held to collect and sell) are measured at FVTOCI. In this case, the fair value changes in the instrument are recognized in equity under other comprehensive income. The cumulative amount of the fair value changes in other comprehensive income is reversed to profit and loss when the instrument is derecognized. Interest income calculated using the effective interest rate, exchange differences, and impairment losses are recognized in the income statement.

Financial assets consisting of debt instruments that are not measured at amortized cost or FVTOCI are measured at fair value through profit and loss.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash and current accounts with banks and post offices, demand deposits, and other highly liquid short-term financial investments (maturity of three months or less on the acquisition date) that are immediately convertible to cash; they are stated at face value as they are not subject to significant impairment risk.

LOANS AND BANK OVERDRAFTS

Interest-bearing loans and bank account overdrafts are initially recognized at fair value taking account of the amounts received, net of transaction costs, and are subsequently measured at amortized cost using the effective interest method.

TRADE PAYABLES

Trade payables are initially recognized at fair value (normally the same as face value) net of discounts, returns and billing adjustments, and subsequently at amortized cost, if the financial effect of payment deferral is material.

LEASE LIABILITIES

The Company recognizes lease liabilities as of the commencement date of the lease.

The lease liability corresponds to the present value of the minimum lease payments due as of the commencement date, including those determined on the basis of an index or rate (initially valued using the index or rate at the commencement date of the contract), as well as any penalties in the event that the lease term allows early termination of the lease contract and the exercise of that option is estimated to be reasonably certain. The present value is determined using the implicit interest rate of the lease contract. If it is not possible to determine this rate easily, the Company uses the incremental borrowing rate as discount rate. The lease liability is subsequently increased for the accrual of interest and reduced to reflect the lease payments made.

The lease liability is remeasured in the event of changes to the future minimum lease payments, due to:
- changes in the index or rate used to determine the lease payments: in such cases the lease liability is remeasured by discounting the new minimum lease payments at the initial discount rate;
- change in the lease term or in the likelihood of exercise of the purchase, extension, or early termination option: in such cases the lease liability is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change;
- contractual changes that do not fall under any of the reasons for the separate recognition of a new lease: in these cases as well, the lease liability is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change.

The use of estimates in relation to the measurement of lease liabilities is mentioned in the previous section on right-of-use assets.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

Autogrill’s liabilities are exposed primarily to financial risks due to exchange rate fluctuations.

The Company may use derivative financial instruments to manage exchange rate risk. The use of derivatives is governed by Company policies approved by the Board of Directors, which establish precise written procedures concerning the use of derivatives in accordance with Autogrill’s risk management strategies and defines principles and guidelines for hedging financial risks. Derivative contracts have been entered into with counterparties deemed to be financially solid, with the aim of reducing default risk to a minimum. The Company does not use derivatives for purely trading purposes, but rather to hedge identified risks.

For further information see the policy described in section 2.2.5.2 - "Financial risk management".

In accordance with IFRS 9, derivative financial instruments qualify for hedge accounting only if: (i) the relationship consists only of eligible hedging instruments and eligible hedged items; (ii) at the inception of the hedge relationship there is formal designation and documentation ("hedge documentation") of the hedge relationship, risk management objectives, and hedging strategy; (iii) all hedge effectiveness requirements are satisfied.

All derivative financial instruments are initially measured at *fair value* in accordance with IFRS 13 and IFRS 9, with the related transaction costs recognized in profit or loss when incurred. They are subsequently carried at fair value. More specifically, the fair value of forward exchange contracts is based on the listed market price, where available. If a listed market price is not available, then fair value is estimated by discounting the difference between the contractual forward price and the current spot rate for the residual maturity of the contract using a risk-free interest rate (based on government securities) of the country/currency of the instrument's user.

For interest rate swaps, fair value is determined using the cash flows estimated on the basis of the conditions and remaining life of each contract, and according to the year-end market interest rates of comparable instruments.

When financial instruments qualify for hedge accounting, the following rules apply:

- Fair value hedge: if a derivative financial instrument is designated as a hedge against changes in the fair value of a recognized asset or liability attributable to a particular risk that may affect profit or loss, the gain or loss arising from subsequent fair value accounting of the hedge is recognized in the income statement. The gain or loss on the hedged item attributable to the hedged risk adjusts its carrying amount and is recognized in profit or loss.
- Cash flow hedge: if a financial instrument is designated as a hedge against exposure to variations in the future cash flows of a recognized asset or liability or a forecast transaction that is highly probable and could affect profit or loss, the effective portion of the gain or loss on the financial instrument is recognized in comprehensive income and presented in the "hedging reserve" under equity. The cumulative gain or loss is reversed from comprehensive income and recognized in profit or loss in the same year in which the economic effect of the hedged transaction is recognized. Fair value gains and losses associated with a hedge (or part of a hedge) which has become ineffective are recognized in the income statement immediately. If a hedge or a hedging relationship is terminated, but the hedged transaction has not yet taken place, the gains or losses accrued up to that time in the statement of comprehensive income are reclassified to profit or loss as soon as the transaction occurs. If the transaction is no longer expected to take place, the gains or losses not yet realized that have been included in comprehensive income are reversed and taken immediately to profit or loss.

If hedge accounting does not apply, the gains or losses arising from measurement at fair value of the financial derivative are immediately recognized in the income statement.

PROVISIONS FOR RISKS AND CHARGES

Provisions are recognized when the Company has a present obligation as a result of a past event and will likely have to use resources in order to produce economic benefits that satisfy that obligation, and when the amount of the obligation can be reliably determined. Provisions are based on the best estimate of the cost of fulfilling the obligation as of the reporting date, and when the effect is material, are discounted to their present value.

Future operating costs are not provided for.

SHARE CAPITAL AND PURCHASE OF TREASURY SHARES

The share capital is comprised wholly of ordinary shares, which form part of equity.

Costs directly attributable to the issue of ordinary shares are deducted from net equity, net of the tax effects.

If treasury shares are purchased, the amount paid - including directly attributable expenses and net of tax effects - is deducted from equity. The shares thus purchased are classified as treasury shares and reduce the amount of shareholders' equity. The amount received from the subsequent disposal of the treasury shares is added back to equity. Any positive or negative difference from the transaction is transferred to or from retained earnings.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are converted into the functional currency at the exchange rate in effect on the transaction date. Foreign currency assets and liabilities are converted at the year end exchange rate. Exchange gains and losses arising from the conversion are recognized in the income statement under financial income and expense.

USE OF ESTIMATES

The preparation of the separate financial statements and notes requires management to make estimates and assumptions that affect the carrying amounts of assets, liabilities, costs and income and the disclosure about contingent assets and liabilities at year end. Actual results may differ. Estimates are used to determine the effects of business combinations (goodwill and its amortization), asset impairment losses/reversals (value in use and realizable value), the fair value of financial instruments, provisions for bad debts (specific and general risk), provisions for inventory obsolescence (disposal policies), amortization and depreciation (useful life), employee benefits (actuarial assumptions), taxes (recoverability of deferred tax assets), and provisions for risks and charges (outcome of disputes). Estimates and assumptions are periodically reviewed and the effect of any change is taken to the income statement of the current year and the years to which the changes pertain. The estimation criteria used for these financial statements are the same as those followed the previous year, unless otherwise specified.

With the adoption of IFRS 16, the Company has made certain professional judgments involving the definition of some accounting policies and the use of estimates and assumptions, as mentioned earlier in these notes.

Following the guidance of the most recent documents published by CONSOB, ESMA, and OIV, in light of the Covid-19 pandemic and the consequent health emergency, estimates at 31 December 2020 reflect a highly uncertain future and are based on up-to-date assumptions of the presumed future impact of the virus, whose potential effects in terms of extent and duration will be constantly monitored in the coming weeks and months. It is therefore possible, if actual results differ from the estimates made for the 2020 financial statements, that in future years it will be necessary to make even significant adjustments to the amounts shown therein.

2.2.2 NOTES TO THE STATEMENT OF FINANCIAL POSITION

CURRENT ASSETS

I. CASH AND CASH EQUIVALENTS

In detail:

(€k)	31.12.2020	31.12.2019	Change
Bank and post office deposits	95,638	414	95,224
Cash and equivalents on hand	9	6	3
Total	**95,647**	**420**	**95,227**

"Cash and equivalents on hand" include the cash float at the Company's headquarters. The statement of cash flows presents the various sources and uses of cash that contributed to the change in this item, along with the balance of any current account overdrafts.

The significant increase in "Bank accounts and deposits" mostly reflects the use of available credit facilities and new disbursements in the context of efforts to strengthen liquidity in order to counter the Covid-19 pandemic from a more solid financial situation.

II. LEASE RECEIVABLES

In detail:

(€k)	31.12.2020	31.12.2019	Change
Lease receivables from subsidiaries:			
Nuova Sidap S.r.l.	332	188	144
Autogrill Europe S.p.A.	182	209	(27)
Autogrill Italia S.p.A.	884	452	432
Autogrill Advanced Business Service S.p.A.	24	198	(174)
Total	**1,422**	**1,047**	**375**

The item consists mainly of the current portion of the amount receivable from Italian companies in the Group for lease payments on the Rozzano headquarters outside Milan, charged on the basis of occupied space.

III. OTHER FINANCIAL ASSETS

In detail:

(€k)	31.12.2020	31.12.2019	Change
Financial receivables from subsidiaries:			
Autogrill Europe S.p.A.	725	27	698
Nuova Sidap S.r.l.	69	-	69
Autogrill Italia S.p.A.	1,322	-	1,322
Autogrill Deutschland GmbH	12	-	12
HMSHost Corporation	1,034	-	1,034
Accrued interest on SACE	556	-	556
Fair value of exchange rate hedging derivatives	3,007	-	3,007
Other financial receivables	16	-	16
Total	**6,741**	**27**	**6,714**

"Financial receivables from subsidiaries" consist of interest accrued from subsidiaries, which went up in connection with the increase in loans granted.

The fair value of exchange rate hedging derivatives refers to the fair value measurement of the derivatives entered into to hedge exchange rate risk, in particular to the forward purchase and/or sale of currency, in connection with intercompany loans.

IV. TAX ASSETS

At € 662k, this item was unchanged since the previous year and refers mainly to an IRAP credit of € 402k.

V. OTHER RECEIVABLES

Other receivables are shown in detail below:

(€k)	31.12.2020	31.12.2019	Change
Suppliers	2,198	2,297	(99)
Lease and concession advance payment	778	396	382
Inland revenues and government agencies	11,778	2,494	9,284
Personnel	7	8	(1)
Receivables from subsidiaries	18,640	57,656	(39,016)
Other	1,891	12,246	(10,355)
Total	**35,292**	**75,097**	**(39,805)**

Receivables from "Suppliers" refer mainly to promotional contributions under contracts the Company holds on behalf of subsidiaries that are later transferred to those companies.

Receivables from "Inland revenue and government agencies" refer to the VAT credit at 31 December 2020 determined on the basis of the Group settlement procedure by the Italian companies. The increase is explained by the different pattern in the receipt of suppliers' invoices at year end.

"Receivables from subsidiaries" consist primarily of license fees and service fees. Most of the reduction is due to the receipt in January 2020 of the € 31.4m ($ 35m) dividend from HMSHost Corporation, which was included in this item at 31 December 2019.

The decrease in the heading "Other" refers to the collection in January, May, and July 2020 of € 10,216k for the IRES (corporate income tax) refund requested by the consolidating company Edizione S.r.l., for the deduction of the portion of IRAP (regional tax) paid from 2007 to 2011 and pertaining to personnel expense (Art. 2 of Decree Law 201/2011 and Decree Law 185/2008).

VI. TRADE RECEIVABLES

Trade receivables of € 719k at 31 December 2020 are detailed below:

(€k)	31.12.2020	31.12.2019	Change
Third parties	198	274	(76)
Disputed receivables	474	474	-
Due from subsidiaries	574	308	266
Bad debt reserve	(527)	(527)	-
Total	**719**	**529**	**190**

"Third parties" refers mainly to rent receivable and has been written down nearly in full.

"Disputed receivables" are accounts being pursued through the courts.

Receivables "Due from subsidiaries" consist primarily of reimbursements for service fees incurred on behalf of the subsidiary Nuova Sidap S.r.l.

There was no change in the bad debt reserve during the course of 2020. The reserve is determined according to procedures that may require the impairment of individual positions, if material, where there is evidence of an objective condition of uncollectability of part or all of the amount due, or generic impairment calculated on the basis of historical and statistical data.

NON-CURRENT ASSETS

VII. PROPERTY, PLANT AND EQUIPMENT

As follows:

(€k)	31.12.2020	31.12.2019	Change
Land and buildings	1,025	1,074	(49)
Leasehold improvements	2,899	3,026	(127)
Plant and machinery	127	179	(52)
Industrial and commercial equipment	658	703	(45)
Assets to be transferred free of charge	34	186	(152)
Other	253	363	(110)
Assets under construction and payments on account	67	105	(38)
Total	**5,063**	**5,636**	**(573)**

The table below summarizes movements in property, plant and equipment:

(€k)	Industrial Land and buildings	Leasehold improvements	Plant and machinery	Industrial and commercial equipment	Assets to be transferred free of charge	Other	Assets under construction and payments on account	Total
Gross carrying amount								
Balance at 31.12.2019	**2,736**	**24,783**	**2,935**	**3,491**	**31,611**	**2,223**	**105**	**67,879**
Increases	-	179	-	2	-	3	67	**251**
Decreases	-	-	(176)	-	(4,852)	-	-	**(5,028)**
Other movements	-	3	-	94	-	8	(105)	**-**
Balance at 31.12.2020	**2,736**	**24,965**	**2,759**	**3,587**	**26,759**	**2,234**	**67**	**63,107**
Accumulated depreciation & impairment losses								
Balance at 31.12.2019	**(1,661)**	**(21,756)**	**(2,756)**	**(2,788)**	**(31,425)**	**(1,860)**	**-**	**(62,246)**
Increases	(50)	(310)	(52)	(141)	(151)	(121)	-	**(825)**
Impairment losses	-	-	-	-	-	-	-	**-**
Decreases	-	-	176	-	4,851	-	-	**5,027**
Other movements	-	-	-	-	-	-	-	**-**
Balance at 31.12.2020	**(1,711)**	**(22,066)**	**(2,632)**	**(2,929)**	**(26,725)**	**(1,981)**	**-**	**(58,044)**
Carrying amount								
31.12.2019	**1,074**	**3,026**	**179**	**703**	**186**	**363**	**105**	**5,636**
31.12.2020	**1,025**	**2,899**	**127**	**658**	**34**	**253**	**67**	**5,063**

The main additions refer to the upgrading and conversion of the Rozzano headquarters (mostly for the new changing rooms), begun the previous year and completed in 2020.

Decreases include the relinquishment of the Fratta Nord, Fratta Sud, and Gornars Sud locations, which generated neither capital gains nor capital losses.

There were no impairment losses during the year.

VIII. OTHER INTANGIBLE ASSETS

As follows:

(€k)	31.12.2020	31.12.2019	Change
Concessions, licenses, trademarks and similar rights	785	874	(89)
Assets under development and payments on account	13	322	(309)
Other	898	1,156	(258)
Total	**1,696**	**2,352**	**(656)**

"Concessions, licenses, brands and similar rights" refer mostly to software licenses.

"Assets under development and payments on account" refer to investments in new software systems that are not yet in use.

The heading "Other" relates mainly to software programs produced as part of the Company's IT development plan.

All "Other intangible assets" have finite useful lives.

Movements in this item are summarized below:

(€k)	Concessions, licenses, trademarks and similar rights	Assets under development and payments on account	Other	Total
Gross carrying amount				
Balance at 31.12.2019	**7,443**	**323**	**4,050**	**11,816**
Increases	-	-	22	**22**
Decreases	-	-	-	**-**
Other movements	180	(310)	130	**-**
Balance at 31.12.2020	**7,623**	**13**	**4,202**	**11,838**
Accumulated depreciation & impairment losses				
Balance at 31.12.2019	**(6,568)**	**-**	**(2,895)**	**(9,463)**
Increases	(270)	-	(409)	**(679)**
Impairment losses	-	-	-	**-**
Decreases	-	-	-	**-**
Other movements	-	-	-	**-**
Balance at 31.12.2020	**(6,838)**	**-**	**(3,304)**	**(10,142)**
Carrying amount				
31.12.2019	**874**	**322**	**1,156**	**2,352**
31.12.2020	**785**	**13**	**898**	**1,696**

There were no significant additions during the year.

There were no impairment losses during the year.

IX. RIGHT-OF-USE ASSETS

The breakdown of this item and movements in 2020 are shown below:

(€k)	Buildings	Other	Total
Gross carrying amount			
Balance at 31.12.2019	**4,500**	**286**	**4,786**
Increase	284	263	547
Decrease	(73)	(9)	(82)
Other movements	-	-	-
Balance at 31.12.2020	**4,711**	**540**	**5,251**
Accumulated depreciation & impairment losses			
Balance at 31.12.2019	**(395)**	**(120)**	**(515)**
Increase	(425)	(137)	(562)
Impairment losses	-	-	-
Decrease	-	-	-
Other movements	-	-	-
Balance at 31.12.2020	**(820)**	**(257)**	**(1,077)**
Carrying amount			
31 December 2019	**4,105**	**166**	**4,271**
31 December 2020	**3,891**	**283**	**4,174**

With the adoption of IFRS 16 since 1 January 2019, the statement of financial position now includes a new asset item representing the right-of-use of goods operated under lease or concession contracts.

Amounting to € 4,174k at 31 December 2020, they were measured for the first time on 1 January 2019 on the basis of the present value of the future fixed or substantively fixed payments due under leases existing as of that date, and revised to reflect new contracts.

“Buildings” refers mainly to the lease on the Rozzano headquarters, and “Other goods” to the fleet of company cars.

X. INVESTMENTS

At 31 December 2020, investments were worth € 713,897k (€ 713,605k at the end of 2019) and consisted of holdings in subsidiaries.

The net increase results from the presence of beneficiaries of the 2018 Performance Share Units equity-based stock option plan (see Section 2.2.8).

Movements during the year are shown below:

	31.12.2019			31.12.2020			
(€k)	Cost	Impairment losses	Carrying	Increase (Decrease)	Cost	Impairment losses	Carrying
HMSHost Corporation	219,907	-	219,907	315	220,222	-	220,222
Autogrill Europe S.p.A.	333,624	-	333,624	26	333,650	-	333,650
Autogrill Italia S.p.A.	156,728	-	156,728	(7)	156,721	-	156,721
Autogrill Advanced Business Service S.p.A.	3,346	-	3,346	(42)	3,304	-	3,304
Total	**713,605**	**-**	**713,605**	**292**	**713,897**	**-**	**713,897**

Considering the significant amount carrying of intangible assets held by the US subsidiary and the significant carrying amounts of the investments in Italian subsidiaries, the recoverable amount of investments was tested by estimating their value in use, defined as the present value of the estimated future cash flows of the companies' operations.

In a context marked by the effects of the Covid-19 pandemic on 2020 economic performance and by the uncertainty of the business outlook, impairment testing was carried out following the same methods used in previous years, as recommended in communications from the authorities (ESMA, CONSOB, and IOSCO[2]).

The discount rate was set using the capital assets pricing model, based on indicators and variables observable in the market.

The estimated future cash flows of the subsidiaries' operations for the five-year period 2021-2025, used to determine recoverable amount, have been approved by the CEO and CFO and reviewed by the Board of Directors.

They have been estimated on the basis of the 2021 budget and financial projections for 2022-2025 (explicit forecast period), revised at the end of 2020 to take into account the most recent information on the Group's final results and the traffic forecasts for the different business segments and customer profiles as supported by airport authorities and other qualified external sources, with the following assumptions:

- for 2021, the financial projections were prepared by management on the basis of expected traffic curves in the channels served by the Group, which were modeled in consideration of the specific features of those channels and the data provided by airport authorities and other external sources;
- for 2022-2025, the financial projections are based on expected traffic curves in the channels served by the Group, prepared in consideration of its channel/geographical mix, the different customer profiles (business travel vs. traveling for tourism or to visit family), and the distinction between domestic and international flights.

In greater detail, in defining the main assumptions used to further revise projections — as distinct from the projections used for impairment testing at the close of the half-year, which had already been revised compared with those used at the end of the previous year — elements of prudence were incorporated into the estimation of prospective economic components in order to account for the impact of the Covid-19 pandemic and therefore, consistently with the ESMA and OIV recommendations, no additional premium was used in setting the discount rate (WACC) to factor in

2 ESMA – "European common enforcement priorities for 2020 annual financial reports" of 28 October 2020; CONSOB - "Richiamo di attenzione" 6/2020 of 9 April 2020, 8/2020 of 16 July 2020, and 1/2021 of 16 February 2021; and IOSCO - "Statement on Importance of Disclosure about Covid-19" of 29 May 2020.

pandemic-dependent strategy execution risk and scenario uncertainties as the financial projections for the explicit period already incorporate that risk.

Furthermore, due to the greater volatility and uncertainty currently present in the Group's industry and generally in the entire equity market with respect to 2019, the parameters for defining the discount rate include elements of prudence and produce higher amounts than estimated in the 2019 impairment tests (+0.8% at Group level), in a range between 5.1% and 6.6% (4.4%-5.8% in 2019).

Cash flows beyond the explicit period forecasted have been estimated by normalizing the information from those projections, using the discount rate described above, and applying nominal growth rates ("g") which do not exceed the long-term growth estimates of each subsidiary's sector and country of operation (consistently with medium- to long-term inflation forecasts by the International Monetary Fund), and by using the perpetuity method to calculate terminal value. For all investments, growth investments are correlated with the expiration of contracts, while maintenance investments are assumed to be consistent with historical trends; the financial projections, in line with IAS 36 and consistently with previous tests, do not include the effects of potential new contract acquisitions that have not yet been assigned.

As recommended by the authorities, in addition to the "base scenario" five-year projections defined according to the criteria described above, additional five-year projections have been developed for the best-case and worst-case (conservative) scenarios in order to corroborate the reasonableness of the base scenario projections thought to be most appropriate for expressing the results the Group considers most probable. The best-case and worst-case (conservative) scenarios incorporate the most favourable and unfavourable forecasts for a number of variables, including the speed of GDP recovery, inclination to travel, and the impact of remote working.

The findings and conclusions of the impairment tests are backed by a Fairness Opinion issued by an independent third-party company which, including on the basis of independent checks, confirms the overall reasonableness of the outcomes and the proper application of the impairment model.

On the basis of these assumptions, the recognized value of investments was found to be fully recoverable.

Cash flow analyses also demonstrate that the loans granted by Autogrill S.p.A. to subsidiaries are fully recoverable (Note XII).

Sensitivity analyses were then conducted, taking into account the changes in the discount rate, to find the "breaking points" in terms of WACC and EBITDA beyond which the investments would be subject to impairment[3].

Despite the persistent uncertainty as to how the Covid-19 pandemic will unfold, the above analyses confirm that there are no evidences of impairment; the recoverability of these investments will continue to be monitored during the yearly and periodic reporting processes.

3 Given the low growth rates used for impairment testing, a sensitivity analysis was not carried out as it would have resulted, especially for Autogrill Italia S.p.A. and Autogrill Europe S.p.A., in a growth rate close to zero and the results would have been unrealistic.

The following table provides key data on subsidiaries at 31 December 2020 (see the annex for a full list of subsidiaries held indirectly).

Name	Registered office	Currency	Share capital/ quota	Number of shares/ quotas *	Equity at 31.12.2020 *	2020 profit (loss) *	% held directly	Carrying amount (€) *
HMSHost Corporation	Wilmington (Usa)	USD	10	1,000	440,072	(319,740)	100	220,222
Autogrill Europe S.p.A.	Novara (Italy)	EUR	50,000,000	50,000	350,788	(14,355)	100	333,650
Autogrill Italia S.p.A.	Novara (Italy)	EUR	68,688,000	1	169,130	(70,243)	100	156,721
Autogrill Advanced Business Service S.p.A.	Novara (Italy)	EUR	1,000,000	1,000	5,125	(28)	100	3,304
Total								**713,897**

* Amounts expressed in thousands

XI. LEASE RECEIVABLES

Other lease receivables at 31 December 2020 amount to € 10,022k (€ 10,606k at the end of 2019).

The item consists mainly of the non-current portion of the amount receivable from Italian companies in the Group for lease payments on the Rozzano headquarters outside Milan, charged on the basis of occupied space.

XII. OTHER FINANCIAL ASSETS

These consist mainly of long-term loans due from subsidiaries:

(€k)	31.12.2020	31.12.2019	Change
Loans granted to subsidiaries:			
Autogrill Europe S.p.A.	103,000	72,572	30,428
HMSHost Corporation	81,493	-	81,493
Autogrill Italia S.p.A.	77,000	-	77,000
Autogrill Italia S.p.A. (SACE loan)	270,000	-	270,000
Nuova Sidap S.p.A. (SACE loan)	24,000	-	24,000
Guarantee deposits	853	845	8
Total	**556,346**	**73,417**	**482,929**

Loans charge interest at market rates.

On 27 November 2020 the Company contracted a € 300m term loan from a pool of major banks, maturing in June 2025. The loan is guaranteed by SACE S.p.A. pursuant to Art. 1 of Decree Law 23/2020, converted with amendments into Law 40/2020 "Decreto Liquidità" (the "Liquidity Decree"). It will be repaid in constant quarterly installments starting on 31 December 2023 and will be used by the Company, directly or through its Italian subsidiaries, to pay for personnel expense, capital expenditure, working capital, and/or lease installments for operations located in Italy, in accordance with the Liquidity Decree and SACE regulations. In accordance with the contractual terms, the Company has granted two loans to its subsidiaries Autogrill Italia S.p.A. (€ 270m) and Nuova Sidap S.r.l. (€ 24m), which leaves € 6m with Autogrill S.p.A. In the context of this guaranteed loan, Autogrill Italia S.p.A. and Nuova Sidap S.r.l. are guarantors of the timely, precise, and thorough satisfaction of the obligations provided for in the contract, for a maximum amount of 110% of the loan obtained (€ 297m and € 26.4m, respectively).

XIII. DEFERRED TAX ASSETS

Net deferred tax assets of € 19,831k (€ 24,462k at 31 December 2019) decreased by € 4,631k: because of the impact of the Covid-19 pandemic on taxable income for 2020 and future years determined by Autogrill S.p.A. for the subgroup of Italian consolidated companies, such taxable income was lower than the deferred tax assets on losses and timing differences already recognized in the financial statements of the companies in that subgroup, which therefore had to be reduced.

Losses are recoverable through the tax consolidation with Edizione S.r.l. and may be a primary priority for offsetting against taxable income within the fiscal subgroup comprising Autogrill's Italian subsidiaries, as recognized in the regulations defining transactions with Edizione S.r.l.

		Change		
(€k)	31.12.2019	Recognized in profit and loss	Recognized in other comprehensive income	31.12.2020
Deferred tax asset:				
Tangible assets	60	-	-	60
Trade receivables	126	48	-	174
Provision for risks and charges	603	89	-	692
Other assets	204	1,470	2	1,676
Other liabilities	465	-	-	465
Losses carried forward	25,606	(6,617)	-	18,989
Total	**27,064**	**(5,010)**	**2**	**22,056**
Deferred tax liabilities:				
Investments	2,225	-	-	2,225
Other assets	377	(377)	-	-
Total	**2,601**	**(377)**	**-**	**2,225**
Total - net	**24,462**	**(4,633)**	**2**	**19,831**

CURRENT LIABILITIES

XIV. TRADE PAYABLES

Trade payables amounted to € 3,348k at 31 December 2020 (€ 2,795k at 31 December 2019) and consist entirely of amounts due for services such as maintenance, utilities, security, and rent.

The increase with respect to 31 December 2019 concerns timing differences in payments at the end of the year.

XV. OTHER PAYABLES

With a balance of € 13,321k (€ 14,099k at 31 December 2019), these are made up as follows:

(€k)	31.12.2020	31.12.2019	Change
Personnel expense	2,866	4,812	(1,946)
Due to suppliers for investments	114	866	(752)
Social security and defined contribution plans	467	1,162	(695)
Indirect taxes	119	22	97
Withholding taxes	402	339	63
Other	9,353	6,899	2,454
Total	**13,321**	**14,099**	**(779)**

Personnel expense includes accrued holidays, personal days, bonus salaries (*quattordicesima*), prizes, performance bonuses, and other amounts to be settled the following year.

Most of the net decrease in this item reflects measures taken by the Company to mitigate the effects of the Covid-19 crisis. These consisted of a hiring freeze and voluntary salary cuts, as well as the use of government relief in various forms.

The heading "Other" consists mainly of amounts due to other suppliers (€ 4,193k) and to subsidiaries (€ 5,160k, up € 2,376k with respect to 2019).

XVI. BANK LOANS AND BORROWINGS

This item amounted to € 87,500k at the end of the year (€ 18,561k at 31 December 2019), as follows:

(€k)	31.12.2020	31.12.2019	Change
Unsecured bank loans	87,500	15,000	72,500
Current account overdrafts	-	3,561	(3,561)
Total current	**87,500**	**18,561**	**68,939**

The item "Unsecured bank loans" at 31 December 2020 shows the amount of short-term credit facilities drawn down during the year and the reclassification of a € 12.5m installment of a term loan maturing in 2021.

XVII. LEASE LIABILITIES

At the end of 2020 these came to € 1,571k (€ 1,482k the previous year) and include the current portion of liabilities arising from the discounting of minimum guaranteed lease payments on the Rozzano (MI) headquarters, and the fleet of company cars used by the Company's employees.

XVIII. OTHER FINANCIAL LIABILITIES

This item consists of accrued interest on loans and amounted to € 4,639k (€ 848k at 31 December 2019).

NON-CURRENT LIABILITIES

XIX LOANS, NET OF CURRENT PORTION

Amounting to € 916,122k (€ 399,058k at 31 December 2019), this item consists of € 920,450k in bank loans net of € 4,327k in charges and fees (€ 400,000k and € 942k, respectively, at 31 December 2019).

Bank debt at 31 December 2020 and the previous year is broken down in the table below:

		31.12.2020		31.12.2019	
Credit Lines	**Expiry**	**Amount (€k)**	**Utilizations (€k)**	**Amount (€k)**	**Utilizations (€k)**
Linea Term Amortizing - TL	August 2021	-	-	150,000	150,000
Linea Term Amortizing - TL	March 2025	150,000	150,000	-	-
Linea Term Amortizing - TL	January 2025	100,000	100,000	100,000	100,000
Linea Revolving - RCF	January 2025	200,000	200,000	200,000	-
Linea Revolving - RCF	January 2023	100,000	100,000	100,000	100,000
Linea Term Amortizing - TL	August 2024	50,000	50,000	50,000	50,000
Linea Revolving - RCF	August 2024	25,000	25,000	25,000	-
Term Loan facility (granted by SACE)	June 2025	300,000	300,000	-	-
Total		**925,000**	**925,000**	**625,000**	**400,000**
of which current portion		*12,500*	*12,500*	-	-
Total lines of credit net of current portion		**912,500**	**912,500**	**625,000**	**400,000**

In March 2020, the Company obtained a new € 150m amortizing term loan maturing in March 2025, used to prepay the term loan of nominal € 150m that was due to mature in 2021. The new facility involves two annual payments of € 50m starting in March 2023, with reimbursement of the remaining € 50m on maturity.

On 27 November 2020 the Company contracted a € 300m term loan from a pool of major banks, maturing in June 2025. The loan is guaranteed by SACE S.p.A. pursuant to Art. 1 of Decree Law 23/2020, converted with amendments into Law 40/2020 "Decreto liquidità" (the "Liquidity Decree"). It will be repaid in constant quarterly installments starting on 31 December 2023 and will be used by the Company, directly or through Autogrill Italia S.p.A and Nuova Sidap S.r.l., to pay for personnel expense, capital expenditure, working capital, and/or lease installments for operations located in Italy, in accordance with the Liquidity Decree and SACE regulations.

In January 2018 the Company had obtained two credit lines:

- an amortizing term loan of € 100m and a revolving credit line of € 200m, packaged into a single facility maturing in January 2023. In February 2020 these facilities were renegotiated and their maturities extended by two years: the amortizing term loan now involves two annual payments of € 25m starting in January 2023, with reimbursement of the remaining € 50m in 2025. For the revolving line, the commitment will be reduced through two annual payments of € 62.5m as from January 2023, and the remaining commitment of € 75m will be settled in 2025;
- a revolving facility of € 100m maturing in January 2023.

In August 2019 the Company contracted a new € 50m amortizing term loan and € 25m revolving credit line, maturing in August 2024. The amortizing term loan involves three annual payments of € 12.5m starting in August 2021, with reimbursement of the remaining € 12.5m on maturity. The entire revolving credit commitment of € 25m will be settled at that time.

The above contracts require the Group to uphold certain financial parameters: a leverage ratio (net debt/EBITDA) of 3.5 or less and an interest coverage ratio (EBITDA/net financial expense) of at least 4.5, referring to the Group as a whole. In June 2020, as part of a broader, Group-wide plan of action aimed at mitigating the financial and operational impact of the Covid-19 crisis, the Company signed several "covenant holiday" agreements with its lenders for the temporary suspension of required leverage ratio and interest coverage ratio parameters. The covenant holiday is effective for 15 months starting on 30 June 2020, and can be extended until 31 December 2021 under specified conditions. On 10 March 2021, the Group obtained an extension for contracts already granted a covenant holiday last June until 31 December 2022, and a covenant holiday until 31 December 2022 for the loan guaranteed by SACE S.p.A., assuming a positive outcome of the covenant test by HMSHost Corporation in September 2022.

As is customary for this kind of contract, the lenders are entitled to cancel the facilities and force the borrower to pay back all amounts in advance in the event of the borrower's change of control. For these purposes, a "change of control" would occur if one or more parties — other than the current key investors of Edizione S.r.l. — acted individually or in concert to acquire control of Autogrill S.p.A. as defined by paragraphs 1.1 and 1.2 of Civil Code Art. 2359.

The average remaining term of committed bank loans is three years and three months, compared with two years and four months at 31 December 2019. At 31 December 2020, credit lines had been drawn down in full.

Finally, this item includes the effect of IFRS 9 as a result of the covenant holiday, which entailed the immediate recognition in the income statement of the difference between the present value of modified cash flows discounted using the original effective interest rate and the present value of the original cash flows, amounting to € 11,974k. On the basis of the existing intercompany loan agreements, that expense was not charged back to the subsidiaries.

XX. LEASE LIABILITIES

At the end of 2020 these came to € 14,422k (€ 14,988k the previous year) and include the non-current portion of liabilities arising from the discounting of minimum guaranteed lease payments on the Rozzano (MI) headquarters, and the fleet of company cars used by the Company's employees.

XXI. POST-EMPLOYMENT BENEFITS AND OTHER EMPLOYEE BENEFITS

At 31 December 2020 these amounted to € 811k (€ 809k at the end of 2019).
Movements during the year were as follows:

(€k)	
Defined benefit plans at 01.01.2019	**855**
Increase for transfers	-
Interest expense	6
Actuarial losses (gains) due to:	
– demographic assumptions	-
– experience adjustments	(2)
– exchange rate adjustments	29
Benefit paid	(91)
Other	12
Defined benefit plans at 31.12.2019	**809**
Increase for transfers	-
Interest expense	3
Actuarial losses (gains) due to:	
– demographic assumptions	-
– experience adjustments	2
– exchange rate adjustments	7
Benefit paid	(1)
Other	(9)
Defined benefit plans at 31.12.2020	**811**

The amounts recognized in the income statement for defined benefit plans, € 3k in 2020 (€ 6k the previous year), are listed under "Financial expense".

At 31 December 2020 the gross liability for post-employment benefits (Art. 2120 of the Italian Civil Code) was € 735k.

Below, the present value of plan obligations is reconciled with the liability recognized in 2020 and the previous three years:

(€k)	31.12.2020	31.12.2019	31.12.2018	31.12.2017
Present value of the plan obligations	802	781	911	51,442
Actuarial (gains) losses	9	27	(56)	(144)
Net liability recognized	**811**	**809**	**855**	**51,298**

Below are the actuarial assumptions used to calculate defined benefit plans (*trattamento di fine rapporto* or TFR):

(€k)	31.12.2020	31.12.2019
Discount rate	-0.02%	0.37%
Inflation rate	0.8%	1.2%
Average frequency of termination	6.00%	6.00%
Average frequency of advances	2.00%	2.00%
Mortality table	RG48	RG48
Pension increase rate	2.100%	2.400%

For 2020, the discount rate was based on the Iboxx Corporate AA with a duration of 7-10 years index as of the measurement date. The selected yield was the one with a duration comparable to the assumed average remaining life of the employment contracts figuring in the calculation.

The occurrence of reasonably possible variations in actuarial assumptions at the end of the year would have affected the defined benefit obligation as quantified in the table below:

(€k)	Change	Increase	Decrease
Turnover rate	+/- 1.00%	(3)	4
Inflation rate	+/- 0.25%	7	(7)
Discount rate	+/- 0.25%	(11)	12

At the close of the year, the weighted average duration of the defined benefit obligation was 6 years and 2 months.

XXII. PROVISIONS FOR RISKS AND CHARGES

These amounted to € 2,255k at the end of 2020 (€ 2,053k at 31 December 2019). Movements during the year are shown below:

(€k)	31.12.2019	Allocations	Reversals	Utilisations	Other movement	31.12.2020
Provision for legal disputes	2,053	321	(99)	(20)	-	2,255
Total	**2,053**	**321**	**(99)**	**(20)**	**-**	**2,255**

(€k)	31.12.2018	Allocations	Reversals	Utilizations	Other	31.12.2019
Provision for legal disputes	2,025	13	(38)	(12)	65	2,053
Total	**2,025**	**13**	**(38)**	**(12)**	**65**	**2,053**

The provision for legal disputes and other risks and charges covers the risk stemming mainly from litigation with employees, and reflects the opinions of the Company's legal advisors. Utilizations concern actual payments made, while accruals take account of any revised estimates concerning disputes already pending at the start of the year. The amount of accruals recognized under "Other operating expense" comes to € 302k (Note XXVIII).

XXIII. EQUITY

Equity at 31 December 2020 amounted to € 407,524k (€ 457,438k at the close of the previous year).

The Annual General Meeting of 21 May 2020 did not approve a dividend distribution, so the 2019 profit was carried forward in full.

The following table details permissible uses of the main components of equity:

				Summary of utilisations in the past three years	
(€k)	31.12.2020	Elegibility for use	Amount available	For loss coverage	For other reasons
Share capital	**68,688**			-	-
Income-related reserves:					
Legal reserve	13,738	B		-	-
Other reserves and retained earnings	374,271	A, B, C	374,271	-	-
Actuarial gains (losses) on defined benefit plans reserve	(3,768)			-	-
Stock option	5,924				
Treasury shares reserve	(13,041)			-	-
Total	**445,812**		**374,271**		
Share not available for distribution			6,836		
Share available for distribution			**367,435**		

Legend:
A: for share capital increase
B: for loss coverage
C: for dividends

SHARE CAPITAL

At 31 December 2020 the share capital of Autogrill S.p.A., fully subscribed and paid in, amounts to € 68,688k and consists of 254,400,000 ordinary shares.

On 6 June 2013, the general meeting of shareholders of Autogrill S.p.A. approved a change to Art. 5 ("Share capital") of the company's by-laws which eliminates the par value of shares.

See Section 2.2.11 on subsequent events for details of the capital increase approved on 25 February 2021.

LEGAL RESERVE

The legal reserve amounts to € 13,738k and was built from company profits until it reached 20% of the share capital, in accordance with Art. 2430 of the Italian Civil Code.

OTHER RESERVES AND RETAINED EARNINGS

These amount to € 376,428k, compared with € 340,285k at 31 December 2019.

Other reserves and retained earnings include the amount of actuarial gains and losses arising from the remeasurement of the liability for defined benefit plans (post-employment benefits), net of the tax effect. The change in other reserves and retained earnings relating to defined benefit plans amounts to € 7k, net of the tax effect calculated at a rate of 24%.

Also included in other reserves and retained earnings is the portion relating to share-based incentive plans, in the amount of € 5,924k.

TREASURY SHARES

On 12 March 2020 the Board of Directors authorized a share buy-back program pursuant to Art. 5 of Regulation (EU) 596/2014 (MAR) to facilitate the execution of incentive plans for employees and directors of Autogrill S.p.A. and/or its subsidiaries, for a maximum of 3,000,000 ordinary shares with no par value amounting to 1.18% of the share capital, in accordance with the AGM authorization of 23 May 2019. The buy-back program ended on 8 April 2020.

At 31 December 2020 the Company owned 3,181,641 treasury shares (181,641 at the end of 2019), with a carrying amount of € 13,042k and an average carrying amount of € 4.10 per share. Purchases during the year amounted to € 12,332k.

OTHER COMPREHENSIVE INCOME

The following table shows the components of comprehensive income and the related tax effect:

	Full Year 2020			Full Year 2019		
(€k)	Gross amount	Tax benefit/ (expense)	Net amount	Gross amount	Tax benefit/ (expense)	Net amount
Actuarial Gains (losses) on defined benefit plans	(9)	2	(7)	(27)	6	(21)
Items that will never be reclassified to profit or loss	**(9)**	**2**	**(7)**	**(27)**	**6**	**(21)**
Items that will be reclassified subsequently to profit or loss:	-	-	-	-	-	-

2.2.4 NOTES TO THE INCOME STATEMENT

XXIV. REVENUE

The change in revenue is due principally to the reduction in license fees charged to subsidiaries, as these are tied to their own revenue which was adversely affected by the Covid-19 pandemic.

(€k)	Full Year 2020	Full Year 2019	Change
Services to subsidiaries	3,386	14,861	(11,475)
Total	**3,386**	**14,861**	**(11,475)**

XXV. OTHER OPERATING INCOME

Other operating income of € 2,662k (€ 4,167k in 2019) was made up as follows:

(€k)	Full Year 2020	Full Year 2019	Change
Gain on sales of property, plant and equipment	-	2,221	(2,221)
Services to subsidiaries	1,425	1,333	92
Bonus from suppliers	-	7	(7)
Affiliation fees	38	63	(25)
Income from business leases	228	241	(13)
Other revenue	970	301	669
Total	**2,662**	**4,167**	**(2,174)**

Gains on sales of property, plant and equipment in 2019 included the capital gain from the sale of trademarks to the Group company Autogrill Schweiz A.G.

Services to subsidiaries consist of fees for the use of software owned by the Company.

Affiliation fees refer to royalties on trademarks owned.

The heading “Other revenue” consists mainly of amounts charged to subsidiaries not included on the previous lines. Most of the increase stems from the completion of planning activities on their behalf.

XXVI. PERSONNEL EXPENSE

(€k)	Full Year 2020	Full Year 2019	Change
Wages and social security contribution	7,973	10,723	(2,750)
Employee benefits	407	409	(2)
Other costs	1,254	6,813	(5,559)
Total	**9,634**	**17,945**	**(8,311)**

Personnel expense of € 9.6m in 2020 includes the Group’s corporate governance departments: administration, finance and control; enterprise risk management; strategic planning; investor relations; legal, corporate, and regulatory affairs; communication; marketing; human resources and organization; IT systems; corporate social responsibility; and internal audit.

Management took a number of steps to mitigate the negative effects of the Covid-19 pandemic. These included a hiring freeze and voluntary salary cuts, as well as the use of government relief in various forms, for an estimated € 0.3m.

“Other costs” include the portion of the stock option plans pertaining to the year and fees paid to the Board of Directors, as detailed in Section 2.2.8 below.

The year-end numbers of full-time and part-time employees are shown below:

	31.12.2020			31.12.2019		
No. of employees	**Full-time**	**Part-time**	**Total**	**Full-time**	**Part-time**	**Total**
Executives	18	-	18	18	-	18
Junior Managers	22	-	22	23	-	23
White collars	11	3	14	18	4	22
Total	**51**	**3**	**54**	**59**	**4**	**63**

XXVII. LEASES, RENTALS, CONCESSIONS AND ROYALTIES

This item amounts to € 90k and refers to lease payments on the headquarters in Rozzano (MI) and on company cars assigned to employees.

(€k)	Full Year 2020	Full Year 2019	Change
Leases, rentals and concessions	90	178	(88)
Total	**90**	**178**	**(88)**

XXVIII. SERVICE COSTS AND OTHER OPERATING EXPENSES

Totaling € 13,177k (€ 14,660k in 2019), this item is made up as follows:

(€k)	Full Year 2020	Full Year 2019	Change
Utilities	275	303	(28)
Maintenance	1,967	1,627	340
Cleaning and disinfestations	84	18	66
Consulting and professional services	6,490	6,429	61
Storage and transport	68	17	51
Advertising and market research	455	1,380	(925)
Travel expenses	253	770	(517)
Telephone and postal charges	60	56	4
Insurance	617	580	37
Surveillance	186	-	186
Banking services	25	47	(22)
Sundry materials	43	58	(15)
Other services	18	593	(575)
Services from subsidiaries	673	1,128	(454)
Costs for materials and services	**11,214**	**13,004**	**(1,790)**
Impairment losses on receivables	**200**	**-**	**200**
For legal disputes	302	1	301
Provisions for risks (Note XXII)	**302**	**1**	**301**
Indirect and local taxes	610	464	146
Other operating expense	851	1,191	(340)
Total	**13,177**	**14,660**	**(1,483)**

Maintenance expense pertains mainly to software licenses and programs as well as the head office in Rozzano (MI).

Consulting and professional services refer to organizational, legal, administrative, and strategic consulting in support of Group management.

Services from subsidiaries refer primarily to administrative and accounting services, personnel management, and IT services provided by subsidiaries in Italy.

In general, the net decrease in costs for materials and services relates to the cost-cutting measures taken by Group companies in light of the decrease in sales due to the Covid-19 pandemic.

XXIX. AMORTIZATION AND DEPRECIATION

The total of € 2,064k (€ 2,446k in 2019) is broken down below:

(€k)	Full Year 2020	Full Year 2019	Change
Other intangible assets	678	1,218	(540)
Property, plant and machinery	673	547	126
Assets to be transferred free of charge	151	160	(9)
Right of use	562	520	42
Total	**2,064**	**2,446**	**(382)**

Amortization of other intangible assets refers to software licenses and programs.

XXX. FINANCIAL INCOME

Financial income amounted to € 6,395k (€ 33,519k the previous year), as follows:

(€k)	Full Year 2020	Full Year 2019	Change
Dividend from subsidiaries	-	31,379	(31,379)
Interest from subsidiaries	5,055	1,528	3,527
Bank interest income	2	4	(2)
Other financial income	1,338	288	1,050
Exchange rate gains	-	320	(320)
Total	**6,395**	**33,519**	**(27,124)**

Interest from subsidiaries stems from the financing provided by Autogrill S.p.A. to various subsidiaries and to the sub-leasing of offices at the Rozzano headquarters, for which the Italian companies are charged on the basis of occupied space.

XXXI. FINANCIAL EXPENSE

Financial expense of € 20,225k (€ 4,469k in 2019) is detailed below:

(€k)	Full Year 2020	Full Year 2019	Change
Interest expense	19,846	3,218	16,628
Exchange rate losses	21	624	(603)
Financial expenses on post-employment benefits	3	6	(3)
Commission	110	30	80
Interest expense on lease liabilities	309	523	(214)
Other financial expense	(64)	68	(132)
Total	**20,225**	**4,469**	**15,756**

Interest expense includes the effect of IFRS 9 as a result of the covenant holiday, which entailed the immediate recognition in the income statement of the difference between the present value of modified cash flows discounted using the original effective interest rate and the present value of the original cash flows, amounting to € 11,974k.

XXXII. INCOME TAX

This item had a negative balance of € 5,542k, compared with a positive € 22,597k the previous year.

(€k)	Full Year 2020	Full Year 2019
IRES	(228)	(2,425)
IRAP	-	-
Adjustment on prior year income tax	(766)	(22)
Tax consolidation benefit	76	6,630
Current taxes	**(918)**	**4,183**
Net deferred tax assets	(4,624)	18,414
Income taxes	**(5,542)**	**22,597**

Current taxes consist of IRES (corporate income tax) of € 228k (€ 2,425k in 2019), referring to withholding tax on foreign earned income pertaining to the year, while IRAP (regional business tax) amounted to zero in both years.

In 2020 the Company recognized a gain of € 76k from the tax consolidation (€ 6,630k the previous year), resulting from the share of IRES pertaining to the subsidiary Autogrill Advanced Business S.p.A. offset by the losses of Nuova Sidap S.r.l., Autogrill Europe S.p.A., and Autogrill Italia S.p.A. in the context of the fiscal subgroup contemplated by the tax consolidation agreement with Edizione S.r.l.

Net deferred tax assets amounted to a negative € 4,624k at 31 December 2020: because of the impact of the Covid-19 pandemic on taxable income for 2020 and future years determined by Autogrill S.p.A. for the subgroup of Italian consolidated companies, such taxable income was lower than the deferred tax assets on losses and timing differences already recognized in the financial statements of the companies in that subgroup, which therefore had to be reduced.

At 31 December 2020 there were also unrecognized tax losses of € 55,870k, corresponding to an unrecognized tax benefit of € 13,408k.

The following table reconciles effective tax and theoretical tax for 2020. Theoretical tax has been calculated at the tax rates currently in force.

(€k)	Full Year 2020 IRES 24.00%	Full Year 2020 IRAP 4.65%	Full Year 2020 Total 28.65%	Full Year 2019 IRES 24.00%	Full Year 2019 IRAP 4.65%	Full Year 2019 Total 28.65%
Pre-tax profit (loss)			**(32,746)**			**12,850**
Theoretical tax	**(7,859)**	**(1,523)**	**(9,382)**	**3,084**	**598**	**3,682**
Permanent differences:						
– Personnel expense	-	86	**86**	-	313	**313**
– Dividends and other financial items	3,315	38	**3,353**	(7,154)	(1,442)	**(8,596)**
– Other	221	61	**282**	253	50	**303**
Net effect of unrecognized tax losses for the period	2,295	1,284	**3,579**	-	463	**463**
Increase in regional tax rate	-	37	**37**	-	(76)	**(76)**
Reversal of previous years' temporary differences	328	-	**328**	328	72	**400**
Taxed temporary differences deductible in future years	1,700	17	**1,717**	287	22	**308**
Total	**-**	**-**	**-**	**(3,203)**	**-**	**(3,203)**
Adjustment of prior years' provision for temporary differences	766	-	**766**	22	-	**22**
Taxes on foreign source income	228	-	**228**	2,425	-	**2,425**
Tax consolidation benefit	(76)	-	**(76)**	(6,630)	-	**(6,630)**
Current taxes	**918**	**-**	**918**	**(4,183)**	**-**	**(4,183)**
Reversal net temporary differences for the period	(376)	-	**(376)**	(5,311)	-	**(5,311)**
Net temporary differences	(1,600)	(17)	**(1,617)**	(196)	(19)	**(215)**
Effect of recognized tax losses	6,617	-	**6,617**	(12,888)	-	**(12,888)**
Net advance taxes	**4,641**	**(17)**	**4,624**	**(18,395)**	**(19)**	**(18,414)**
Income tax	**5,559**	**(17)**	**5,542**	**(22,578)**	**(19)**	**(22,597)**

2.2.4 NET FINANCIAL INDEBTEDNESS

The net financial position (net debt) at the end of 2020 and 2019 is detailed below:

Note	(m€)		31.12.2020	31.12.2019	Change
I	A)	Cash on hand	95.6	0.4	95.2
	B)	**Cash and cash equivalent**	**95.6**	**0.4**	**95.2**
II, III	**C)**	**Current financial assets ***	**8.2**	**1.1**	**7.1**
XVI	D)	Bank loans and borrowings, current	(92.1)	(19.4)	(72.7)
XVII	E)	Other current financial liabilities **	(1.6)	(1.5)	(0.1)
	F)	**Current financial indebtedness (D + E)**	**(93.7)**	**(20.9)**	**(72.8)**
	G)	**Net current financial indebtedness (B + C + F)**	**10.1**	**(19.4)**	**29.5**
XIX	H)	Loans, net of current portion	(916.1)	(399.1)	(517.1)
XX	I)	Other non current financial liabilities ***	(14.4)	(15.0)	0.6
	J)	**Non-current financial indebtedness**	**(930.5)**	**(414.0)**	**(516.5)**
	K)	**Net financial indebtedness as per CONSOB Communication (G + J) (1)**	**(920.4)**	**(433.4)**	**(487.0)**
XI. XII		Non-current financial assets ****	565.5	83.2	482.3
		Net financial indebtedness	**(354.9)**	**(350.4)**	**(4.5)**

(1) As defined by CONSOB communication July 28, 2006 and ESMA/2011/81 recommendations
* It includes the following current asset lines: “II. Lease receivables”, “III. Other financial assets”
** It includes the following current liabilities line: “XVI. Lease payables”
*** It includes the following non current liabilities line: “XIX. Lease payables”
**** It includes the following non current asset line: “X. Lease receivables”

For commentary, see the notes indicated above for each item.

Most of the increase in net debt reflects the net absorption of cash as a result of the Covid-19 pandemic.

In January 2020, the dividend from HMSHost Corporation was received in the amount of € 31.4m.

2.2.4.1 IAS 7 DISCLOSURE

As required by IAS 7, the Company has analyzed in its statement of cash flows the principal changes during the year in liabilities from financing activities and has found no significant non-monetary changes.

2.2.5 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

2.2.5.1 FAIR VALUE

The following tables break down assets and liabilities by category at 31 December 2020 and 2019 and financial instruments measured at fair value by valuation method. The different levels are defined as follows:

Level 1 – quoted prices (unadjusted) in active markets for identical assets or liabilities;

Level 2 – inputs other than quoted prices included within Level 1 that are observable for the assets and liabilities either directly (prices) or indirectly (derived from prices);

Level 3 – inputs for assets and liabilities that are not based on observable market data (unobservable inputs).

The Company has recognized financial assets according to the business model test for the use of amortized cost (hold to collect) or fair value through other comprehensive income (hold to collect and sell).

	31.12.2020								
	Carrying amount					Fair value			
(€k)	FVTPL - hedging instruments	Amortized cost	FVTOCI	Other financial liabilities	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value									
Fair value of interest rate hedging derivatives	3,007	-	-	-	**3,007**	-	3,007	-	**3,007**
	3,007	**-**	**-**	**-**	**3,007**	**-**	**3,007**	**-**	**3,007**
Financial assets not measured at fair value									
Cash and cash equivalent	-	95,647	-	-	**95,647**	-	-	-	**-**
Trade receivables	-	719	-	-	**719**	-	-	-	**-**
Other current receivables*	-	23,507	-	-	**23,507**	-	-	-	**-**
Other financial assets (current)	-	5,156	**-**	**-**	**5,156**	**-**	**-**	**-**	**-**
Other financial assets (non-current)	-	566,368	**-**	**-**	**566,368**	**-**	**-**	**-**	**-**
	-	**691,397**	**-**	**-**	**691,397**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value									
Bank overdrafts	-	92,139	-	-	**92,139**	-	-	-	**-**
Unsecured bank loans	-	916,122	-	-	**916,122**	-	916,309	-	**916,309**
Trade payables	-	3,280	-	-	**3,280**	-	-	-	**-**
Other payables	-	9,467	-	-	**9,467**	-	-	-	**-**
	-	**1,021,008**	**-**	**-**	**1,021,008**	**-**	**916,309**	**-**	**916,309**

* The item does not include receivables from Inland revenue and government agencies and from personnel

(€k)	31.12.2019 Carrying amount FVTPL - hedging instruments	Amortized cost	FVTOCI	Other financial liabilities	Total	Fair value Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value									
Cash and cash equivalent	-	420	-	-	**420**	-	-	-	-
Trade receivables	-	529	-	-	**529**	-	-	-	-
Other current receivables *	-	72,595	-	-	**72,595**	-	-	-	-
Other financial assets (current)	-	1,074	-	-	**1,074**	-	-	-	-
Other financial assets (non-current)	-	84,023	-	-	**84,023**	-	-	-	-
	-	**158,640**	**-**	**-**	**158,640**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value									
Bank overdrafts	-	18,561	-	-	**18,561**	-	-	-	-
Unsecured bank loans	-	399,058	-	-	**399,058**	-	400,825	-	**400,825**
Trade payables	-	2,795	-	-	**2,795**	-	-	-	-
Other payables	-	7,765	-	-	**7,765**	-	-	-	-
	-	**428,180**	**-**	**-**	**428,180**	**-**	**400,825**	**-**	**400,825**

* The item does not include receivables from Inland revenue and government agencies and from personnel

In 2020 there were no transfers between different hierarchical levels.

Where the hierarchical level is not specified, the carrying amount approximates fair value.

(a) Level 1 financial instruments
The fair value of a financial instrument traded in an active market is based on quoted market prices at the reporting date. A market is regarded as active if quoted prices are readily and regularly available from an exchange, dealer, broker, industry group, pricing service or regulatory agency, and those prices represent actual and regularly occurring market transactions on an arm's length basis. The quoted market price used for the financial assets held by the Company is the current bid price.

(b) Level 2 financial instruments
The fair value of financial instruments not traded in an active market (for example, over-the-counter derivatives) is determined using valuation techniques that maximize the use of observable market data and rely as little as possible on entity specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2. If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3.

In the context of the specific valuation techniques for level 2, the fair value of loans was estimated by discounting future cash flows at a risk-free market interest rate gross of a spread determined on the basis of the Group's credit risk, financial ratios and benchmarking.

2.2.5.2 FINANCIAL RISK MANAGEMENT

Autogrill S.p.A. is exposed to the following risks from the use of financial instruments:

- market risk;
- credit risk;
- liquidity risk.

The overall responsibility for the creation and supervision of a risk management system lies with the Board of Directors, which has formed a sub-committee for Control, Risk and Corporate Governance. The sub-committee is responsible for looking into matters concerning Autogrill's control and risk management system and helping the Board of Directors reach informed decisions on these issues.

Autogrill's risk management policies are designed to identify and analyze the risks to which the Company is exposed, establish appropriate limits and controls, and monitor the risks and compliance with those limits. These policies and the corresponding systems are revised regularly to reflect any changes in market conditions and in Autogrill's operations. Through training, standards and official procedures, the Company aims to create a disciplined and constructive environment in which its employees are aware of their roles and responsibilities. The Internal Audit unit complements the sub-committee for Control, Risk and Corporate Governance in its monitoring activities, conducting periodic reviews and spot checks of the controls and risk management procedures and reporting results to the Board of Directors.

This section describes the Company's exposure to each of the risks listed above, its risk objectives and policies, and its means of managing and assessing these risks.

MARKET RISK

Market risk is the risk that the fair value or future cash flows from a financial instrument may fluctuate due to changes in exchange rates, interest rates or equity instrument prices. The aim of market risk management is to monitor these risks and keep them within acceptable levels, along with their potential impact on the Company's results and financial position.

Given the extent of the Company's borrowings and its international profile, Autogrill's financial policy places a strong emphasis on the management and control of market risk, in particular with respect to interest rates and exchange rates, as better described in the sections on the individual types of risk.

INTEREST RATE RISK

The aim of interest rate risk management is to control financial expense and its volatility. This entails, through a mix of fixed- and floating-rate liabilities, the predetermination of a portion of financial expense out to a time horizon in keeping with the structure of debt, which in turn must be in line with capital structure and future cash flows. Where it is not possible to obtain the desired risk profile in the capital markets or through banks, it is achieved by using derivatives of amounts and maturities in line with those of the liabilities to which they refer.

EXCHANGE RATE RISK

The Group operates in various countries with functional currencies other than the euro. In these countries, the procurement policy dictates that raw material purchases and other operating expense be conducted in the same currencies, thereby minimizing exchange rate risk. Such a risk remains with respect to intragroup loans, when granted to subsidiaries that use non-euro currencies. Under these circumstances, the objective of currency risk management is to neutralize some of this risk in respect of payables and receivables in foreign currency arising from lending transactions in currencies other than the euro. The derivatives used for these hedging transactions consist mainly of forward currency contracts.

At 31 December 2020 the Company had no exchange rate hedging instruments.

CREDIT RISK

Credit risk is the risk that a customer or a financial instrument counterparty may cause a financial loss by defaulting on an obligation. It arises principally in relation to trade receivables and financial investments.

The carrying amount of the financial assets is the Company's maximum exposure to credit risk, in addition to the face value of guarantees given for the borrowings or commitments of third parties.

Exposure at 31 December 2020 and 31 December 2019 was as follows:

(€k)	31.12.2020	31.12.2019	Change
Cash and cash equivalents	95,647	420	95,227
Other current financial assets	8,163	1,074	7,089
Trade receivables	719	529	190
Other current receivables	23,507	72,595	(49,088)
Other non-current financial assets	566,368	84,023	482,345
Total	**694,404**	**158,640**	**535,764**

Exposure to credit risk is of little significance because food & beverage operations have been transferred to the subsidiary Autogrill Italia S.p.A.

Other receivables consist mainly of tax credits.

Financial assets are recognized net of impairment losses calculated on the basis of the counterparty's risk of default. Impairment is determined according to procedures that may require impairment of individual positions, if material, where there is evidence of an objective condition of uncollectability of part or all of the amount due, or generic impairment calculated on the basis of historical and statistical data.

Other current and non-current financial assets stem mainly from loans granted to direct and indirect subsidiaries, which impairment testing has found to be recoverable. Geographically, all credit risk is limited to Italy.

All current receivables are analyzed monthly to determine potential collection problems, any action to be taken, and the adequacy of the allowance for impairment. The allowance for impairment is deemed sufficient with respect to existing credit risk.

LIQUIDITY RISK

Liquidity risk arises when it proves difficult to meet the obligations relating to financial liabilities.

The Company manages liquidity by ensuring that it always has sufficient funds to meet its obligations on time, without incurring excessive charges or risking damage to its reputation.

The elements that make up the Company's liquidity are the resources generated or absorbed by operating and investing activities, the characteristics of its debt, financial market conditions, and the dividend policies of subsidiaries.

Autogrill S.p.A. has acted promptly to ensure adequate financial coverage with respect to amounts and maturities, in the context of actions to strengthen liquidity in order to counter the Covid-19 pandemic from a more solid financial position.

Exposure and maturity data at the close of 2020 and 2019 were as follows:

		31.12.2020						
		Contractual cash flows						
Non-derivative financial liabilities (€k)	Carrying amount	Total	1–3 months	3–6 months	6 months – 1 year	1–2 years	2–5 years	Over 5 years
Current account overdrafts	-	-	-	-	-	-	-	-
Unsecured bank loans	1,010,957	**1,010,957**	87,500	-	3,007	8,049	912,402	-
Lease liabilities	15,993	**15,993**	541	435	595	3,517	4,884	6,021
Trade payables	3,280	**3,279**	3,279	-	-	-	-	-
Due to suppliers for investments	114	**114**	114	-	-	-	-	-
Total	**1,030,344**	**1,030,344**	**91,320**	**435**	**3,602**	**11,566**	**917,286**	**6,021**

		31.12.2019						
		Contractual cash flows						
Non-derivative financial liabilities (€k)	Carrying amount	Total	1–3 months	3–6 months	6 months – 1 year	1–2 years	2–5 years	Over 5 years
Current account overdrafts	3,561	**3,561**	3,561	-	-	-	-	-
Unsecured bank loans	415,000	**415,000**	15,000	-	-	188,000	212,000	-
Lease liabilities	16,469	**16,469**	890	195	397	1,544	7,569	5,875
Trade payables	2,795	**2,795**	2,795	-	-	-	-	-
Due to suppliers for investments	866	**866**	866	-	-	-	-	-
Total	**438,691**	**438,691**	**23,112**	**195**	**397**	**189,544**	**219,569**	**5,875**

2.2.6 SEASONAL PATTERNS

Given the nature of the Company's operations, revenue shows no particular seasonal patterns.

2.2.7 GUARANTEES GIVEN, COMMITMENTS AND CONTINGENT LIABILITIES

GUARANTEES AND COMMITMENTS

Guarantees given and commitments assumed come to € 272,938k, as follows:

(€k)	31.12.2020	31.12.2019	Change
Sureties and personal guarantees in favor of third parties	4,089	4,116	(27)
Sureties and personal guarantees in favor of subsidiaries	268,849	267,635	1,214
Total	**272,938**	**271,751**	**1,187**

Sureties and guarantees in favor of third parties have been issued to trading partners in accordance with customary market practice, including some motorway concessions under contracts that were not transferred to Autogrill Italia S.p.A. at the time of the Corporate Reorganization of 2018.

Sureties and guarantees on behalf of subsidiaries were issued to financial backers of direct or indirect subsidiaries.

Under IFRS 9, there is no requirement to recognize liabilities for guarantees given.

CONTINGENT LIABILITIES

At 31 December 2020, there were no contingent liabilities as defined in IAS 37.

2.2.8 OTHER INFORMATION

RELATED PARTY TRANSACTIONS

Autogrill S.p.A. is controlled by Schematrentaquattro S.p.A., which owns 50.1% of its ordinary shares. Schematrentaquattro S.p.A. is a wholly-owned subsidiary of Edizione S.r.l.

All related-party transactions are carried out in the Company's interest and at arm's length.

In 2020 Autogrill S.p.A. had no transactions with its direct parent, Schematrentaquattro S.p.A.

TRANSACTIONS WITH EDIZIONE S.R.L.

Income statement (€k)	Full Year 2020	Full Year 2019	Change
Other operating income	13	17	(4)
Personnel expense	112	100	12
Other operating expense	6	13	(7)

Statement of financial position (€k)	31.12.2020	31.12.2019	Change
Other receivables	-	10,216	(10,216)
Other payables	125	103	22

Personnel expense refers to fees earned by a director of Autogrill S.p.A. and paid back to Edizione S.r.l. where he serves as executive manager.

"Other payables" mostly originate from the same transactions.

The decrease in "Other receivables" refers to the collection in January, May, and July 2020 of € 10,216k for the IRES (corporate income tax) refund requested by the consolidating company Edizione S.r.l., for the deduction of the portion of IRAP (regional tax) paid from 2007 to 2011 and pertaining to personnel expense (Art. 2 of Decree Law 201/2011 and Decree Law 185/2008).

Transactions with related companies

	Verde Sport S.p.A.	
Income statement (€k)	Full Year 2020	Full Year 2019
Revenues	-	-
Other operating income	45	45
Raw materials, supplies and goods	-	-
Other operating expense	-	-
Leases, rentals, concessions and royalties	-	-
Personnel expense	-	-
Financial income	-	-
Financial expense	-	-

	Verde Sport S.p.A.	
Statement of financial position (€k)	31.12.2020	31.12.2019
Trade receivables	-	-
Other receivables	-	-
Other financial receivables	-	-
Lease receivables	-	-
Trade payables	-	-
Other payables	-	-
Other financial liabilities	-	-
Lease liabilities	-	-

Verde Sport S.p.A.: "Other operating expense" concerns the commercial sponsorship of youth sports at the facilities housed at "La Ghirada - Città dello Sport".

TRANSACTIONS WITH SUBSIDIARIES

Transactions with Autogrill S.p.A.'s subsidiaries, summarized in the table below, are recurring and are both financial and commercial in nature; they also relate to the tax sub-consolidation with the other Italian companies of the Autogrill Group, in the context of the national tax consolidation regulations of the ultimate parent, Edizione S.r.l.

The amounts shown refer to transactions carried out in 2020 and 2019 and to asset and liability balances at 31 December of each year.

	Autogrill Austria GmbH		Autogrill Belgie N.V.	
Income statement (€k)	Full Year 2020	Full Year 2019	Full Year 2020	Full Year 2019
Revenue	-	-	-	-
Other operating income	9	9	2	3
Raw materials, supplies and goods	-	-	-	-
Other operating expense	(1)	-	(13)	12
Leases, rentals, concessions and royalties	-	-	-	-
Personnel expense	-	-	-	-
Financial income	-	-	-	-
Finance income on lease receivables	-	-	-	-
Financial expense	-	-	-	-

	Autogrill Austria GmbH		Autogrill Belgie N.V.	
Statement of financial position (€k)	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Trade receivables	-	-	-	-
Other receivables	40	29	86	57
Other financial receivables	-	-	-	-
Lease receivables	-	-	-	-
Trade payables	-	-	-	-
Other payables	2	5	-	12
Finance payables	-	-	-	-
Lease liabilities	-	-	-	-

	Autogrill Iberia S.L.U.		Autogrill Côté France S.a.s.	
Income statement (€k)	Full Year 2020	Full Year 2019	Full Year 2020	Full Year 2019
Revenue	-	-	-	-
Other operating income	7	10	38	42
Raw materials, supplies and goods	-	-	-	-
Other operating expense	(3)	-	(21)	9
Leases, rentals, concessions and royalties	-	-	-	-
Personnel expense	-	-	361	60
Financial income	-	-	-	-
Finance income on lease receivables	-	-	-	-
Financial expense	-	-	-	-

	Autogrill Iberia S.L.U.		Autogrill Côté France S.a.s.	
Statement of financial position (€k)	31.12.2020	31.12.2019	31.12.2020	31.12.2019
Trade receivables	-	-	-	-
Other receivables	-	53	50	92
Other financial receivables	-	-	-	-
Lease receivables	-	-	-	-
Trade payables	-	-	-	-
Other payables	-	44	260	121
Finance payables	-	-	-	-
Lease liabilities	-	-	-	-

	Autogrill Schweiz A.G.		Autogrill Czech S.r.o.		Autogrill Deutschland GmbH	
	Full Year 2020	Full Year 2019	Full Year 2020	Full Year 2019	Full Year 2020	Full Year 2019
	-	-	-	-	-	-
	39	188	-	-	51	13
	-	-	-	-	-	-
	(11)	-	-	-	(10)	-
	-	-	-	-	-	-
	-	-	-	-	-	(260)
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

	Autogrill Schweiz A.G.		Autogrill Czech S.r.o.		Autogrill Deutschland GmbH	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	-	-	-	-	-	-
	48	35	-	-	353	316
	-	-	-	-	12	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	180	-	-	6	21	20
	-	-	-	-	-	-
	-	-	-	-	-	-

	Autogrill Hellas Single Member Limited Liability Company		Autogrill D.o.o.		HMSHost Corporation, Inc.	
	Full Year 2020	Full Year 2019	Full Year 2020	Full Year 2019	Full Year 2020	Full Year 2019
	-	-	-	-	2,511	10,666
	-	-	-	-	260	196
	-	-	-	-	-	-
	(2)	-	-	-	(7)	226
	-	-	-	-	-	-
	-	-	-	-	173	300
	-	-	-	-	1,034	31,379
	-	-	-	-	-	-
	-	-	-	-	-	-

	Autogrill Hellas Single Member Limited Liability Company		Autogrill D.o.o.		HMSHost Corporation, Inc.	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	-	-	-	-	-	48
	1	-	-	-	4,220	40,838
	-	-	-	-	82,527	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	5	16	-	6	1,076	518
	-	-	-	-	-	-
	-	-	-	-	-	-

Income statement (€k)	Nuova Sidap S.r.l. Full Year 2020	Nuova Sidap S.r.l. Full Year 2019	Autogrill Europe S.p.A. Full Year 2020	Autogrill Europe S.p.A. Full Year 2019
Revenue	-	-	875	3,507
Other operating income	199	209	159	69
Raw materials, supplies and goods	-	-	-	-
Other operating expense	(28)	(40)	1,014	895
Leases, rentals, concessions and royalties	83	(25)	16	-
Personnel expense	-	-	-	-
Financial income	45	-	2,118	1,151
Finance income on lease receivables	23	32	38	91
Financial expense	-	-	-	-

Statement of financial position (€k)	Nuova Sidap S.r.l. 31.12.2020	Nuova Sidap S.r.l. 31.12.2019	Autogrill Europe S.p.A. 31.12.2020	Autogrill Europe S.p.A. 31.12.2019
Trade receivables	553	273	-	-
Other receivables	277	475	7,231	3,786
Other financial receivables	24,115	-	103,725	72,598
Lease receivables	1,073	1,220	1,977	2,720
Trade payables	36	-	8	-
Other payables	(119)	30	2,148	1,367
Finance payables	-	-	-	-
Lease liabilities	-	-	-	-

Summary of related party transactions as a percentage of financial statement figures:

Income statement (€k)	Full Year 2020 Total related companies *	Autogrill S.p.A.	%
Revenues	3,386	3,386	100%
Other operating income	2,491	2,662	94%
Other operating expense	543	9,634	6%
Leases, rentals, concessions and royalties	124	90	138%
Personnel expense	5,375	13,177	41%
Financial income	5,055	6,395	79%
Financial expense	-	20,225	0%

Statement of financial position (€k)	31.12.2020 Total related companies *	Autogrill S.p.A.	%
Trade receivables	553	719	77%
Other receivables	18,731	35,292	53%
Other financial receivables	559,211	563,087	99%
Lease receivables	11,444	11,444	100%
Trade payables	69	3,348	2%
Other payables	5,858	13,321	44%
Other financial liabilities	-	92,139	0%
Lease liabilities	-	15,993	0%

* The item "Total Related Companies" includes the positions towards Edizione S.r.l., Directors and Executives with strategic responsibilities

	Autogrill Italia S.p.A.		Autogrill Advanced Business Service S.p.A.	
	Full Year 2020	Full Year 2019	Full Year 2020	Full Year 2019
	-	-	-	-
	1,557	1,388	111	441
	-	-	-	-
	(599)	50	(1)	776
	25	(521)	-	-
	-	-	-	-
	1,635	-	5	-
	157	167	-	87
	-	-	-	-

	Autogrill Italia S.p.A.		Autogrill Advanced Business Service S.p.A.	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	-	(9)	-	-
	5,585	11,315	839	703
	348,832	-	-	-
	8,132	5,137	261	2,576
	25	-	-	-
	913	430	264	261
	-	-	-	-
	-	-	-	-

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The following remuneration was paid to members of the Board of Directors and to key management personnel during the year ended 31 December 2020:

Name	Office held	Term of office	Remuneration (€)	Bonus and other incentives (€)	Non-monetary (€)	Other fees (€)
Paolo Zannoni	Chairman	2020/2022	346,315			
Gianmario Tondato da Ruos	CEO	2020/2022	405,000		13,002	401,099
Alessandro Benetton	Director	2020/2022	50,000			
Paolo Roverato	Director	2020/2022	102,329			
Massimo Fasanella D'Amore di Ruffano *	Director	2020/2022	90,000			20,833
Francesco Chiappetta	Director	2020/2022	80,000			
Ernesto Albanese	Director	2020/2022	60,000			
Franca Bertagnin Benetton	Director	2020/2022	50,000			
Cristina De Benetti	Director	from 25.05.2017 to 21.05.2020	31,123			
Catherine Gerardin Vautrin	Director	from 25.05.2017 to 21.05.2020	31,123			
Maria Pierdicchi	Director	2020/2022	70,000			
Elisabetta Ripa *	Director	from 25.05.2017 to 21.05.2020	35,013			25,000
Barbara Cominelli	Director	2020/2022	70,000			
Rosalba Casiraghi	Director	from 21.05.2020 to 2022	43,151			
Simona Scarpaleggia	Director	from 21.05.2020 to 2022	43,151			
Laura Cioli	Director	from 21.05.2020 to 2022	49,315			
Total Directors			**1,556,520**	**-**	**13,002**	**446,932**
Camillo Rossotto **	Corporate General Manager				19,557	528,874
Key managers with strategic responsibilities					245,995	1,916,937
Total			**1,556,520**	**-**	**278,554**	**2,892,743**

* Other fees are for serving as director at Autogrill Europe S.p.A. and Autogrill Italia S.p.A., respectively, since 15.01.2018
** Other fees are for serving as sole director of Autogrill Advanced Services S.p.A. since 19.11.2018

A significant portion of the variable compensation received by the CEO, the general manager Corporate, and the seven key management personnel is tied to the achievement of specific targets established in advance by the Board of Directors, by virtue of their participation in management incentive plans. Should the CEO leave office for any reason, he shall retain the right to variable pay under the incentive plans of which he is a beneficiary, subject to the achievement of the targets and the satisfaction of any other condition stated in each plan, regulation, or program and in an amount proportional to the service rendered during the relevant period of time.

See the section "Incentive plans for directors and key management personnel" for a description of the plans in force.

The CEO's remuneration includes his executive salary from Autogrill S.p.A., which is shown under "Other remuneration". According to the Board of Directors resolution of 25 May 2020, which governs the CEO's employment, if the CEO resigns with just cause or is dismissed by the Company without just cause, the Company will top up to € 2m the standard indemnity in lieu of notice and any other indemnity or leaving compensation provided for in the national collective managers' contract for the commercial sector, when less than that amount. Also, given the CEO's strategic role at the Company, he is bound by a non-compete agreement and a ban on poaching Autogrill Group personnel for 18 months, under a specific agreement that entails a penalty for breach thereof.

Non-compete agreements, with or without an option clause, are also in place with the Corporate general manager and with key management personnel.

As mentioned in the Directors' Report, the steps taken by management to mitigate the impact of the Covid-19 pandemic included a voluntary salary cut for a few months during the year.

STATUTORY AUDITORS' FEES

Statutory auditors' fees are as follows:

Name	Office held	Term of office	Remuneration (€)	Other fees (€)
Marco Giuseppe Maria Rigotti	Chairman	01.01.2018-31.12.2020	75,000	-
Massimo Catullo	Standing auditor	24.05.2018-31.12.2020	50,000	-
Antonella Carù *	Standing auditor	01.01.2018-31.12.2020	50,000	11,575
Total Statutory Auditors			**175,000**	**11,575**

* Other fees are for serving as auditor at Autogrill Advanced Business Services S.p.A.

INDEPENDENT AUDITORS' FEES FOR AUDIT AND OTHER SERVICES

(€k)			31.12.2020	31.12.2019
Auditing	Deloitte & Touche S.p.A.	Autogrill S.p.A.	245	418
Attestation	Deloitte & Touche S.p.A.	Autogrill S.p.A.	16	91
Total			**261**	**509**

INCENTIVE PLANS FOR DIRECTORS AND KEY MANAGEMENT PERSONNEL

The incentive plans for executive directors and key management personnel were valued as follows: (i) for the phantom stock option plan, at a fair value reflecting the greater volatility and uncertainty currently present in the Group's industry and in the equity market in general, as well as stock market performance; (ii) for the performance share unit plan, considering the effects of the Covid-19 pandemic on the Group's present and projected results and as reflected in the measurement of non-market conditions; note that the vesting conditions were not satisfied during the first wave of the plan.

2016 PHANTOM STOCK OPTION PLAN

On 26 May 2016, the general meeting of shareholders approved a new incentive plan referred to as the "2016 phantom stock option plan". The options are assigned free of charge to executive directors and employees with strategic responsibilities of the company and/or its subsidiaries or to members of the management team as named, on one or more occasions, by the Board of Directors.

This plan, which expires on 30 June 2024, is split into three sub-plans or "Waves" which grant each beneficiary the right to receive, for each option exercised, a gross cash amount equal to the difference between the terminal value and the allocation value of the Autogrill shares (the "Bonus"), subject to certain conditions and in any case not exceeding a given cap. Specifically, the terminal value of the shares is defined as the average official closing price of the company's shares at the end of each trading session of the Italian Stock Exchange in the month prior to and inclusive of the exercise date, plus dividends paid from the grant date until the date of exercise. The allocation value is defined as the average official closing price of the company's shares at the end of each trading session of the Italian Stock Exchange in the month prior to and inclusive of the allocation date.

On 26 July 2016, the plan was implemented and the terms and conditions of Wave 1 were defined. With a vesting period from 26 May 2016 to 25 May 2019, a total of 4,825,428 options were assigned. During the course of 2020, 7,464 options were canceled.

Under the 2016 phantom stock option plan described below, the CEO has been assigned 679,104 options in Wave 1. In 2019 the CEO exercised 543,283 of his Wave 1 options.

Movements in options in 2019 and 2020 are shown below:

	Number of options
Options outstanding at 31 December 2018	**4,017,207**
Options exercised in 2019	(3,181,810)
Options canceled in 2019	(39,923)
Options outstanding at 31 December 2019	**795,474**
Options exercised in 2020	-
Options canceled in 2020	(7,464)
Options outstanding at 31 December 2020	**788,010**

An independent external advisor has been hired to calculate the fair value of the phantom stock options, based on the value of shares on the grant date, volatility, estimated dividend payments, the term of the plan and the risk-free rate of return. The calculation was performed using the binomial method.

Thorough information on the 2016 phantom stock option plan is provided in the Disclosure Document prepared in accordance with Art. 84 *bis* (1) and Annex 3A (Schedule 7) of CONSOB Regulation 11971/1999, which is available to the public at www.autogrill.com (/Governance/Shareholders' meeting).

For 2020 the Company recognized costs of € -656k (€ 3,397k the previous year) due to the adjustment of estimates with respect to the provisions made at 31 December 2019 on the basis of the stock market performance of Autogrill shares, as well as the greater volatility and uncertainty currently present in the Group's industry and in the equity market in general.

2018 PERFORMANCE SHARE UNITS PLAN

On 24 May 2018, the general meeting of shareholders approved a new incentive plan referred to as the "2018 performance share units plan". The options are assigned free of charge to executive directors and employees with strategic responsibilities of the company and/or its subsidiaries or to members of the management team as named, on one or more occasions, by the Board of Directors.

The plan is split into cycles or "Waves" which grant each beneficiary the right to exchange options for Autogrill shares if the Group's stock market performance and financial results both satisfy given conditions.

On 24 May 2018, the plan was implemented and the terms and conditions of Wave 1 and Wave 2 were defined. For Wave 1 (vesting period from 24 May 2018 to 23 May 2020) a total of 866,032 options were assigned. A total of 789,906 options were assigned for Wave 2 (vesting period from 24 May 2018 to 23 May 2021).

Under the 2018 performance share units plan, the CEO received 136,701 options in Wave 1 and 122,830 options in Wave 2.

On 27 June 2019, Wave 3 of the plan was rolled out. The vesting period runs from 27 June 2019 to 26 June 2022 and a total of 956,206 options were assigned, of which 153,632 to the CEO.

Regarding Wave 1, in 2020 the vesting conditions were not satisfied, and the beneficiaries definitively lost the opportunity to convert their options into shares. Wave 1 is therefore over.

Movements in options in 2019 and 2020 are shown below:

	Number of options	
	Wave 2	Wave 3
Options outstanding at 31 December 2018	**789,906**	**-**
Options exercised in 2019	-	956,206
Options canceled in 2019	(145,659)	(29,864)
Options outstanding at 31 December 2019	**644,247**	**926,342**
Options exercised in 2020	-	-
Options canceled in 2020	(22,037)	(47,809)
Options outstanding at 31 December 2020	**622,210**	**878,533**

An independent external advisor has been hired to calculate the fair value of the options, based on the value of shares on the grant date, volatility, estimated dividend payments, the term of the plan and the risk-free rate of return. The calculation was performed using the binomial method.

Thorough information on the 2018 performance share units plan is provided in the Disclosure Document prepared in accordance with Art. 84 *bis* (1) and Annex 3A (Schedule 7) of CONSOB Regulation 11971/1999, which is available to the public at www.autogrill.com (/Governance/Shareholders' meeting).

Costs for this plan amounted to € 0.4m in 2020 (€ 1.4m the previous year). The cost was affected by the remeasurement of non-market conditions included in the regulations, given the effects of the Covid-19 pandemic on the Group's results.

2.2.9 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

In 2020, there were no significant non-recurring events or transactions as defined by CONSOB Resolution 15519 of 27 July 2006 and CONSOB Communication DEM/6064293 of 28 July 2006.

2.2.10 ATYPICAL OR UNUSUAL TRANSACTIONS

In 2020 there were no atypical and/or unusual transactions as defined by CONSOB Communication DEM/6064293 of 28 July 2006.

2.2.11 SUBSEQUENT EVENTS

During the first half of 2021, after the extraordinary shareholders' meeting of 25 February 2021 approved the mandate to increase the share capital providing market conditions permit and the necessary authorizations are given by the pertinent authorities, the Group expects to complete a capital increase of a maximum amount of € 600 million including any share premium, by issuing ordinary shares on a pre-emptive rights basis to the persons entitled to the option rights pursuant to Art. 2441(1) of the Italian Civil Code. The liquidity raised would be used to achieve the Autogrill Group's strategic objectives and strengthen its financial structure, freeing up resources for future investments, for continued growth and innovation, and for taking swift advantage of the opportunities offered by the market. Edizione S.r.l. – owner of Schematrentaquattro S.p.A., which in turn controls 50.1% of Autogrill S.p.A. – has expressed appreciation of the capital increase, specifying that it fully agrees with the strategic reasoning, and therefore plans to provide its subsidiary Schematrentaquattro S.p.A. with the necessary financial resources. Also, in accordance with the pre-underwriting agreement, the pool of banks involved in the capital increase have committed (under conditions consistent with market practice for similar operations) to underwriting the subscription and release of any newly issued ordinary shares that have not been subscribed following the auction of unexercised rights, up to the maximum amount of the capital increase.

On 10 March 2021, given the persistence of the Covid-19 pandemic, the Company negotiated a new covenant holiday with its lender banks for the temporary suspension of required parameters (leverage ratio and consolidated EBITDA/consolidated net finance charges). The covenant holiday has therefore been extended for another 12 months with respect to the period agreed in 2020, or specifically, until 31 December

2022 for the contracts already granted an extension last June. In addition, a covenant holiday until 31 December 2022 has been obtained for the loan guaranteed by SACE S.p.A., assuming a positive outcome of the covenant test by HMSHost Corporation in September 2022.

In March 2021 the regulation framework was approved for an incentive plan based on ordinary Autogrill shares (the "2021 performance share units plan"), to be submitted for the approval of the upcoming shareholders' meeting of Autogrill S.p.A.

2.2.12 AUTHORIZATION FOR PUBLICATION

The Board of Directors authorized the publication of these draft financial statements at its meeting of 11 March 2021.

The Annual General Meeting of shareholders called to approved the separate financial statements may request changes thereto.

ANNEXES

LIST OF INVESTMENTS HELD DIRECTLY AND INDIRECTLY IN SUBSIDIARIES AND ASSOCIATES

Company	Registered office	Currency	Share capital	% held at 31.12.2020	Shareholders
Parent					
Autogrill S.p.A.	Novara	EUR	68,688,000	50.1000%	Schematrentaquattro S.p.A.
Company consolidated line by line					
Nuova Sidap S.r.l.	Novara	EUR	100,000	100.0000%	Autogrill Italia S.p.A.
Autogrill Europe S.p.A.	Novara	EUR	50,000,000	100.0000%	Autogrill S.p.A.
Autogrill Italia S.p.A.	Novara	EUR	68,688,000	100.0000%	Autogrill S.p.A.
Autogrill Advanced Business Service S.p.A.	Novara	EUR	1,000,000	100.0000%	Autogrill S.p.A.
Autogrill Austria GmbH	Gottlesbrunn	EUR	600,000	100.0000%	Autogrill Europe S.p.A.
Autogrill D.o.o.	Lubljana	EUR	1,342,670	100.0000%	Autogrill Europe S.p.A.
Autogrill Hellas Single Member Limited Liability Company	Avlonas	EUR	3,696,330	100.0000%	Autogrill Europe S.p.A.
Autogrill Iberia S.L.U. *	Madrid	EUR	7,000,000	100.0000%	Autogrill Europe S.p.A.
Autogrill Deutschland GmbH	Munich	EUR	205,000	100.0000%	Autogrill Europe S.p.A.
Le CroBag GmbH & Co KG	Hamburg	EUR	928,478	98.8700%	Autogrill Deutschland GmbH
				1.1300%	Le Fournil de Frédéric Neuhauser GmbH
Le CroBag Polska Sp.zo.o.	Warsaw	PLN	26,192	100.0000%	Le CroBag GmbH & Co KG
Le Fournil de Frédéric Neuhauser GmbH	Hamburg	EUR	10,226	100.0000%	Autogrill Deutschland GmbH
Autogrill Belgie N.V.	Antwerp	EUR	6,700,000	99.9900%	Autogrill Europe S.p.A.
				0.0100%	Ac Restaurants & Hotels Beheer N.V.
Ac Restaurants & Hotels Beheer N.V.	Antwerp	EUR	3,250,000	99.9900%	Autogrill Belgie N.V.
Autogrill Schweiz A.G.	Olten	CHF	23,183,000	100.0000%	Autogrill Europe S.p.A.
Restoroute de Bavois S.A.	Bavois	CHF	2,000,000	73.0000%	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Pont-en-Ogoz	CHF	1,500,000	54.3300%	Autogrill Schweiz A.G.
Holding de Participations Autogrill S.a.s.	Marseille	EUR	84,581,920	100.0000%	Autogrill Europe S.p.A.
Autogrill Côté France S.a.s.	Marseille	EUR	31,579,526	100.0000%	Holding de Participations Autogrill S.a.s.
Volcarest S.a.s.	Champs	EUR	1,050,144	50.0000%	Autogrill Coté France S.a.s.
Autogrill Restauration Carrousel S.a.s.	Marseille	EUR	2,337,000	100.0000%	Holding de Participations Autogrill S.a.s.
Société de Gestion Pétrolière Autogrill S.àr.l. (SGPA)	Marseille	EUR	8,000	100.0000%	Autogrill Coté France S.a.s.
Autogrill FFH Autoroutes S.àr.l.	Marseille	EUR	375,000	100.0000%	Autogrill Coté France S.a.s.
Autogrill FFH Centres Villes S.àr.l.	Marseille	EUR	375,000	100.0000%	Autogrill Restauration Carrousel S.a.s.
HMSHost Corporation	Delaware	USD	-	100.0000%	Autogrill S.p.A.
HMSHost International, Inc.	Delaware	USD	-	100.0000%	HMSHost Corporation
HMSHost USA, LLC	Delaware	USD	-	100.0000%	HMSHost Corporation
Host International, Inc.	Delaware	USD	-	100.0000%	HMSHost Corporation
HMS Host Tollroads Inc.	Delaware	USD	-	100.0000%	HMSHost Corporation
HMS Airport Terminal Services, Inc.	Delaware	USD	1,000	100.0000%	Host International, Inc.
Host International of Maryland, Inc.	Maryland	USD	1,000	100.0000%	Host International, Inc.
Michigan Host, Inc.	Delaware	USD	1,000	100.0000%	Host International, Inc.

* The sale has been concluded on 29.12.2020 following the approval of the Spanish antitrust authority. The closing of the operation has been done on 14.01.2021

Company	Registered office	Currency	Share capital	% held at 31.12.2020	Shareholders
Host Services of New York, Inc.	Delaware	USD	1,000	100.0000%	Host International, Inc.
Host International of Kansas, Inc.	Kansas	USD	1,000	100.0000%	Host International, Inc.
Host Services Inc.	Texas	USD	-	100.0000%	Host International, Inc.
Anton Airfood of Cincinnati, Inc.	Kentucky	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood, Inc.	Delaware	USD	1,000	100.0000%	HMSHost Corporation
Anton Airfood of Newark, Inc.	New Jersey	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of JFK, Inc.	New York	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of Minnesota, Inc.	Minnesota	USD	-	100.0000%	Anton Airfood, Inc.
Palm Springs AAI, Inc.	California	USD	-	100.0000%	Anton Airfood, Inc.
Fresno AAI, Inc.	California	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of Seattle, Inc.	Washington	USD	-	100.0000%	Anton Airfood, Inc.
Anton Airfood of Tulsa.Inc.	Oklahoma	USD	-	100.0000%	Anton Airfood, Inc.
Islip AAI, Inc.	New York	USD	-	100.0000%	Anton Airfood, Inc.
Stellar Partners, Inc.	Florida	USD	25,500	100.0000%	Host International, Inc.
Host International (Poland) Sp.zo.o. (in liquidation)	Warsaw	USD	-	100.0000%	Host International, Inc.
Shenzhen Host Catering Company. Ltd. (in liquidation)	Shenzhen	USD	-	100.0000%	Host International, Inc.
Host Services Pty. Ltd.	North Cairns	AUD	11,289,360	100.0000%	Host International, Inc.
Host International of Canada. Ltd.	Vancouver	CAD	1,351,237	100.0000%	Host International, Inc.
Horeca Exploitatie Maatschappij Schiphol. B.V.	Haarlemmermeer	EUR	45,400	100.0000%	HMSHost International B.V.
Marriott Airport Concessions Pty. Ltd.	North Cairns	AUD	2,665,020	100.0000%	Host International, Inc.
HMSHost Services India Private. Ltd.	Bangalore	INR	668,441,680	99.0000%	Host International, Inc.
				1.0000%	HMSHost International, Inc.
Host (Malaysia) Sdn.Bhd.	Kuala Lumpur	MYR	2	100.0000%	Host International, Inc.
HMSHost New Zealand Ltd.	Auckland	NZD	1,520,048	100.0000%	Host International, Inc.
HMSHost (Shanghai) Enterprise Management Consulting Co., Ltd. (in liquidation)	Shanghai	CNY	-	100.0000%	Host International, Inc.
HMSHost International B.V.	Haarlemmermeer	EUR	18,090	100.0000%	Host International, Inc.
HMSHost Hospitality Services Bharath Private. Ltd.	Karnataka	INR	115,000,000	99.0000%	HMSHost Services India Private Ltd.
				1.0000%	HMSHost International, Inc.
NAG B.V.	Haarlemmermeer	EUR	-	60.0000%	HMSHost International B.V.
HMSHost Finland Oy	Helsinki	EUR	2,500	100.0000%	HMSHost International B.V.
Host Bush Lubbock Airport Joint Venture	Texas	USD	-	90.0000%	Host International, Inc.
HSI Kahului Joint Venture Company	Hawaii	USD	-	90.0000%	Host Services, Inc.
HSI Southwest Florida Airport Joint Venture	Florida	USD	-	78.0000%	Host Services, Inc.
HSI Honolulu Joint Venture Company	Hawaii	USD	-	90.0000%	Host Services, Inc.
HMS/Blue Ginger Joint Venture	Texas	USD	-	55.0000%	Host International, Inc.
HSI-Tinsley Joint Venture	Florida	USD	-	84.0000%	Host Services, Inc.
HSI/Tarra Enterprises Joint Venture	Florida	USD	-	75.0000%	Host Services, Inc.
HSI D&D STL FB, LLC	Missouri	USD	-	75.0000%	Host Services, Inc.
HSI/LJA Joint Venture	Missouri	USD	-	85.0000%	Host Services, Inc.
Host/JV Ventures McCarran Joint Venture	Nevada	USD	-	60.0000%	Host International, Inc.
HSI Miami Airport FB Partners Joint Venture	Florida	USD	-	70.0000%	Host Services, Inc.
Host DEI Jacksonville Joint Venture	Florida	USD	-	51.0000%	Host International, Inc.
Host/JQ RDU Joint Venture	North Carolina	USD	-	75.0000%	Host International, Inc.
Host CTI Denver Airport Joint Venture	Colorado	USD	-	90.0000%	Host International, Inc.
Host-Chelsea Joint Venture #4	Texas	USD	-	63.0000%	Host International, Inc.
Host-CMS SAN F&B, LLC	Delaware	USD	-	100.0000%	Host International, Inc.

Company	Registered office	Currency	Share capital	% held at 31.12.2020	Shareholders
Host GRL LIH F&B, LLC	Delaware	USD	-	85.0000%	Host International, Inc.
Host Fox PHX F&B, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host FDY ORF F&B, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
LTL ATL JV, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host ATLChefs JV 3, LLC	Delaware	USD	-	95.0000%	Host International, Inc.
Host ATLChefs JV 5, LLC	Delaware	USD	-	85.0000%	Host International, Inc.
Host LGO PHX F&B, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host-Love Field Partners I, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Host-True Flavors SAT Terminal A FB, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
HSI Havana LAX F&B, LLC	Delaware	USD	-	90.0000%	Host Services, Inc.
Host-CTI DEN F&B II, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host Lee JAX FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host/DFW AF, LLC	Delaware	USD	-	50.0100%	Host International, Inc.
HSI Havana LAX TBIT FB, LLC	Delaware	USD	-	70.0000%	Host Services, Inc.
Host Houston 8 IAH Terminal B, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
HHL Cole's LAX F&B, LLC	Delaware	USD	-	80.0000%	HSI Havana LAX F&B, LLC
Host CMS LAX TBIT F&B, LLC	Delaware	USD	-	100.0000%	Host International, Inc.
Host JQE RDU Prime, LLC	Delaware	USD	-	85.0000%	Host International, Inc.
Host Howell Terminal A F&B, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
HSI MCA FLL FB, LLC	Delaware	USD	-	76.0000%	Host Services, Inc.
Host MCA SRQ FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
HOST ECI ORD FB, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Host Aranza Howell DFW B&E FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host MGV IAD FB, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
Host MGV DCA FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host CTI DEN F&B STA, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host MGV DCA KT, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Host MBA LAX SB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host H8 IAH FB I, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
Host BGV IAH FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
HSI TBL TPA FB, LLC	Delaware	USD	-	71.0000%	Host Services, Inc.
Host JQE CVG FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host MBA CMS LAX, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
Host VDV CMH FB LLC	Delaware	USD	-	80.0000%	Host International, Inc.
HOST OHM GSO FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host JQE RSI LIT FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host JVI PDX FB, LLC	Delaware	USD	-	84.0000%	Host International, Inc.
Host TFC SDF FB, LLC	Delaware	USD	-	60.0000%	Host International, Inc.
Host JQE RDU CONC D, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host SMI SFO FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host DOG LAS FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Stellar Partners Tampa, LLC	Florida	USD	-	90.0000%	Stellar Partners, Inc.
Host LBL LAX T2 FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host BGI MHT FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host SCR SAV FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Host Chen ANC FB LLC	Delaware	USD	-	88.0000%	Host International, Inc.
Host SCR SAN FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.

Company	Registered office	Currency	Share capital	% held at 31.12.2020	Shareholders
Host SCR SNA FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Stellar LAM SAN, LLC	Florida	USD	-	80.0000%	Stellar Partners, Inc.
Host DII GRR FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host Java DFW MGO, LLC	Delaware	USD	-	50.0100%	Host International, Inc.
Host SHI PHL FB LLC	Delaware	USD	-	55.0000%	Host International, Inc.
MCO Retail Partners, LLC	Delaware	USD	-	80.0000%	Stellar Partners, Inc.
HMSHost Family Restaurants, Inc.	Maryland	USD	2,000	100.0000%	Host International, Inc.
HMSHost UK. Ltd.	London	GBP	217,065	100.0000%	HMSHost International B.V.
HMSHost Sweden A.B.	Stockholm	SEK	2,500,000	100.0000%	HMSHost International B.V.
HMSHost Ireland Ltd.	Cork	EUR	13,600,000	100.0000%	HMSHost International B.V.
HMSHost Nederland B.V.	Haarlemmermeer	EUR	100	100.0000%	HMSHost International B.V.
HMSHost Huicheng (Beijing) Catering Management Co., Ltd.	Beijing	CNY	110,000,000	100.0000%	HMSHost International B.V.
PT EMA INTI MITRA (Autogrill Topas Indonesia)	Jakarta	IDR	46,600,000,000	65.0000%	HMSHost International B.V.
SMSI Travel Centres, Inc.	Vancouver	CAD	10,800,100	100.0000%	Host International of Canada. Ltd.
HMSHost Yiyecek Ve Icecek Hizmetleri A.S.	Istanbul	TRL	35,271,734	100.0000%	HMSHost International B.V.
Autogrill VFS F&B Co. Ltd.	Ho Chi Minh City	VND	104,462,000,000	70.0000%	HMSHost International B.V.
Limited Liability Company Autogrill Rus	Saint Petersburg	RUB	10,000	100.0000%	NAG B.V.
PT Autogrill Services Indonesia	Jakarta	IDR	99,782,177,014	99.6670%	HMSHost International B.V.
HMSHost Vietnam Company Limited	Ho Chi Minh City	VND	1,134,205,500	100.0000%	HMSHost International B.V.
HMSHost Family Restaurants, LLC	Delaware	USD	-	100.0000%	HMSHost Family Restaurants, Inc.
HMSHost Motorways L.P.	Winnipeg	CAD	-	99.9999%	SMSI Travel Centres, Inc.
				0.0001%	HMSHost Motorways, Inc.
HMSHost Motorways, Inc.	Vancouver	CAD	-	100.0000%	SMSI Travel Centres, Inc.
HMSHost Antalya Yiyecek Ve Içecek Hizmetleri A.S.	Antalya	TRL	2,140,000	51.0000%	HMSHost Yiyecek Ve Icecek Hizmetleri A.S.
Stellar Retail Group ATL, LLC	Tampa	USD	-	59.0000%	Stellar Partners, Inc.
Host CEI KSL MSY, LLC	Delaware	USD	-	63.0000%	Host International, Inc.
Host MCA ATL FB, LLC	Delaware	USD	-	64.0000%	Host International, Inc.
Stellar RSH DFW, LLC	Tampa	USD	-	65.0000%	Stellar Partners, Inc.
Stellar Retail Partners DFW, LLC	Tampa	USD	-	65.0000%	Stellar Partners, Inc.
Host HTB DEN FB, LLC	Delaware	USD	-	67.0000%	Host International, Inc.
Host DSL DEN FB, LLC	Delaware	USD	-	67.0000%	Host International, Inc.
Host MCL DFW SB, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
Host MCL DFW Bar, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host DCG ATL SB, LLC	Delaware	USD	-	59.0000%	Host International, Inc.
Host MCA HLM ATL FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host TGI DEN GD FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host TGI DEN STA FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host D&D STL 3KG FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host JAVA DFW SBC-GAB, LLC	Delaware	USD	-	50.0100%	Host International, Inc.
Host IBC MCO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host BGB ARG MSP, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
HMSHost Maldives Pvt Ltd	Republic of Maldives	USD	1,507,464	99.0000%	HMSHost International B.V.
				1.0000%	HMSHost Nederland B.V.

Company	Registered office	Currency	Share capital	% held at 31.12.2020	Shareholders
HMSHost Rus Limited Liability Company	Russia	RUB	10,000	90.0000%	HMSHost International B.V.
				10.0000%	HMSHost Nederland B.V.
HMS Host (Shanghai) Catering Management Co., Ltd.	China	CNY	38,000,000	51.0000%	HMSHost Huicheng (Beijing) Catering Management Co., Ltd.
				49.0000%	HMSHost International B.V.
Autogrill Middle East, LLC	Abu Dhabi	AED	100,000	100.0000%	HMSHost International B.V.
HMSHost Catering Malaysia SDN. BHD	Kuala Lumpur	MYR	350,000	49.0000%	Host International, Inc.
				51.0000%	HMSHost International B.V.
Arab Host Services LLC	Qatar	QAR	200,000	49.0000%	Autogrill Middle East, LLC
Host CEG KSL LGA FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host TRA BNA STA FB, LLC	Delaware	USD	-	84.0000%	Host International, Inc.
Host TRA BNA FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
HSI BFF SEA FB, LLC	Delaware	USD	-	51.0000%	Host Services, Inc.
Stellar PHL, LLC	Delaware	USD	-	65.0000%	Stellar Partners, Inc.
Stellar Retail Group PHX, LLC	Delaware	USD	-	55.0000%	Stellar Partners, Inc.
Stellar LAM PHX, LLC	Tampa	USD	-	70.0000%	Stellar Partners, Inc.
Host NMG EWR SB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host PHE LDL MCO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host AAC SFO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
HSI MCA LBL LAX T6-TBIT, LLC	Delaware	USD	-	75.0000%	Host Services, Inc.
Host LDL MCO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host WSE SJC FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host LDL BWI FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Stellar DOC1 DCGG DEN, LLC	Delaware	USD	-	75.0000%	Stellar Partners, Inc.
Host LPI SEA FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Stellar MGV BWI, LLC	Delaware	USD	-	60.0000%	Stellar Partners, Inc.
HSI MCA MIA SB, LLC	Delaware	USD	-	51.0000%	Host Services, Inc.
HSI MCA BOS FB, LLC	Delaware	USD	-	80.0000%	Host Services, Inc.
Host DCG AUS FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host IBC PIE FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
HSI HCL SEA FB, LLC	Delaware	USD	-	75.0000%	Host Services, Inc.
Stellar BDI PIE, LLC	Delaware	USD	-	90.0000%	Stellar Partners, Inc.
Stellar DCA BNA, LLC	Delaware	USD	-	50.0100%	Stellar Partners, Inc.
Stellar DCA SLA BNA, LLC	Delaware	USD	-	50.0100%	Stellar Partners, Inc.
HSI KIND EDMV PHX T3, LLC	Delaware	USD	-	60.0000%	Host Services, Inc.
Host IAV EWR FB, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
HSI CEG ALB BK, LLC	Delaware	USD	-	80.0000%	Host Services, Inc.
Host ETL ORD FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host LB NMG MKE FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Stellar RSH EWR, LLC	California	USD	-	70.0000%	Stellar Partners, Inc.
Stellar St. Croix IAH - TLLC LLC	California	USD	-	90.0000%	PGC-St. Croix IAH, LLC
PGC-St. Croix IAH, LLC	California	USD	-	51.0000%	Stellar Partners, Inc.
Stellar PCG PEA IAH, LLC	California	USD	-	60.0000%	Stellar Partners, Inc.
Stellar AIR LAX I, LLC	California	USD	-	74.0000%	Stellar Partners, Inc.
PGC St. Croix LGA, LLC	Minnesota	USD	-	51.0000%	Stellar Partners, Inc.
PGC-SC MSP-305, LLC	Minnesota	USD	-	49.0000%	Stellar Partners, Inc.
PGC-SC MSP-G, LLC	Minnesota	USD	-	49.0000%	Stellar Partners, Inc.

Company	Registered office	Currency	Share capital	% held at 31.12.2020	Shareholders
PGC-SC MSP-304, LLC	Minnesota	USD	-	51.0000%	Stellar Partners, Inc.
PGC MSP Venture, LLC	Minnesota	USD	-	80.0000%	Stellar Partners, Inc.
Stellar HLL MSY Venture, LLC	Louisiana	USD	-	66.7000%	Stellar Partners, Inc.
Stellar Bambuza SEA, LLC	California	USD	-	85.0000%	Stellar Partners, Inc.
Stellar AIM VMW SFO, LLC	California	USD	-	70.0000%	Stellar Partners, Inc.
Host AJA EI DTW FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host SMI HPH LAX FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Adastra Brands, Inc.	Delaware	USD	-	100.0000%	HMSHost Corporation
Puro Gusto NA, LLC	Delaware	USD	-	100.0000%	Adastra Brands, Inc.
HSI BGI BOS SB, LLC	Delaware	USD	-	60.0000%	Host Services, Inc.
Host MBC LAS FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Stellar CGS LGA, LLC	Delaware	USD	-	80.0000%	Stellar Partners, Inc.
Host DOC1 EDMV DEN FB, LLC	Delaware	USD	-	67.0000%	Host International, Inc.
Host JAVA Howell DFW F, LLC	Delaware	USD	-	50.0100%	Host International, Inc.
Host KIND DOC1 DEN FB, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Stellar DOC1 DCGG DEN II, LLC	Delaware	USD	-	75.0000%	Stellar Partners, Inc.
Stellar ACAF DFW TERM A RTL 3, LLC	Delaware	USD	-	60.0000%	Stellar Partners, Inc.
Stellar DOC1 AGL DEN, LLC	Delaware	USD	-	75.0000%	Stellar Partners, Inc.
Host CAL EDMV TMGS SLC FB, LLC	Delaware	USD	-	74.0000%	Host International, Inc.
Host CAL TMGS SLC FB, LLC	Delaware	USD	-	82.0000%	Host International, Inc.
Host EDMV TMGS SLC FB, LLC	Delaware	USD	-	82.0000%	Host International, Inc.
Host KIND SLC FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host VDV CMH FB II LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Stellar LAM PHX II, LLC	Delaware	USD	-	80.0000%	Stellar Partners, Inc.
Stellar ACAF DFW Term D, LLC	Delaware	USD	-	65.0000%	Stellar Partners, Inc.
HMSHost Middle East DMCC	United Arab Emirates	AED	-	100.0000%	HMSHost International B.V.
HMSHost Norway AS	Norway	NOK	180,000	100.0000%	HMSHost International B.V.
Company consolidated using the equity method					
Caresquick N.V.	Brussels	EUR	1,020,000	50.000%	Autogrill Belgie N.V.
DLV-WSE, LLC	California	USD	-	49.000%	Host International, Inc.

ATTESTATION BY THE CEO AND MANAGER IN CHARGE OF FINANCIAL REPORTING

Attestation of the separate financial statements pursuant to Art. 81-*ter* of CONSOB Regulation 11971 of 14 May 1999, as amended

1. We, the undersigned, Gianmario Tondato Da Ruos as chief executive officer and Camillo Rossotto as manager in charge of financial reporting of Autogrill S.p.A., hereby declare, including in accordance with Art. 154 *bis* (3) and (4) of Legislative Decree 58 of 24 February 1998:
   - the adequacy of, in relation to the characteristics of the business; and
   - due compliance with the administrative and accounting procedures for the preparation of the separate financial statements during the course of 2020.

2. No significant findings have come to light in this respect.

3. We also confirm that:
   3.1 the separate financial statements:
      a) have been prepared in accordance with the applicable International Financial Reporting Standards endorsed by the European Union pursuant to Regulation 1606/2002/EC of the European Parliament and the Council of 19 July 2002;
      b) correspond to the ledgers and accounting entries;
      c) give a true and fair view of the issuer's financial position and results;
   3.2 the directors' report includes a reliable description of the performance and financial position of the Company, along with the main risks and uncertainties to which it is exposed.

Milan, 11 March 2021

Gianmario Tondato Da Ruos	Camillo Rossotto
Chief Executive Officer	Manager in Charge of Financial Reporting

Deloitte.

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INDEPENDENT AUDITOR'S REPORT
PURSUANT TO ARTICLE 14 OF LEGISLATIVE DECREE No. 39 OF JANUARY 27, 2010 AND ARTICLE 10 OF THE EU REGULATION 537/2014

To the Shareholders of
Autogrill S.p.A.

REPORT ON THE AUDIT OF THE SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the separate financial statements of Autogrill S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2020, the income statement, the statement of comprehensive income, the statement of changes in equity, the statement of cash flows for the year then ended, and notes to the separate financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying separate financial statements give a true and fair view of the financial position of the Company as at December 31, 2020, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05.

Basis for Opinion

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

Key Audit Matters

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

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Impairment Test of the carrying amount of Investments in subsidiaries

Description of the key audit matter	Non-Current Assets of the separate financial statements as at December 31, 2020 include investments in subsidiaries for Euro 713.9 million whose carrying amounts include the subsidiary HMSHost Corporation, based in US, and the three Italian subsidiaries Autogrill Italia S.p.A., Autogrill Europe S.p.A. and Autogrill Advanced Business Service S.p.A.. These activities represent approximately 49% of the total assets and have been subject to Impairment Test, considering the relevance of the intangible assets held by the U.S. subsidiary as well as the significance of the carrying amount of the Italian subsidiaries. The Impairment Tests have been executed, for each investment, through the comparison between the carrying amount reported in the separate financial statements as at December 31, 2020 and the recoverable amount determined at their estimated value in use, defined as the present value of the estimated future cash flows of the operations realized by each investment, discounted at different rate according to each geographic area. The impairment process carried out by the Management is complex since it includes several assumptions regarding the forecasted future cash flows of operations, the definition of appropriate discount rates (WACC) and long-term growth rates (g-rate). In this respect, Management has been supported by an independent advisor that in its Fairness Opinion has confirmed that the methodology adopted is adequate and reasonable in the circumstances. For the determination of the recoverable amount, the Company based its assumptions on financial forecasts of the investments operations for the 5-years period 2021 - 2025, as validated by the Chief Executive Officer and the Group Chief Financial Officer, and reviewed by the Board of Directors of the subsidiaries and by that of the Company. The determination of forecasted future cash flows used in the Impairment Tests are based on the traffic forecasts for the different business segments and customer profiles, developed by airport authorities and other qualified external sources. For all the subsidiaries, growth capital expenditures are related to the contractual maturities, while maintenance capital expenditures are assumed to be consistent with historical trends. Additional five-year projections have been developed for the *best case* and *worst case (conservative)* scenarios in order to corroborate the reasonableness of the *base scenario* projections considered by the Management to be the most appropriate for expressing the results the Group considers most probable and which take into account the uncertainties of the scenario resulting from the COVID-19 pandemic. In particular, Management scenarios incorporate different assumptions about multiple variables, including the speed of GDP recovery, inclination to travel, and the impact of remote working.

As a result of the Impairment Test exercise performed, no need for write-down of investments resulted; in addition, in the notes, the Directors have indicated that, despite the persistent uncertainty condition as to how the pandemic will unfold, the sensitivity analysis developed and reported in the notes themselves confirm that there are no indicators of impairment of the carrying amount of investments.

Taking into consideration the relevant book value of the investments in the Italian subsidiaries and the relevant intangible assets held by the subsidiary based in U.S., as well as the subjectivity of the estimates used to determine future cash flows and key variables for the Impairment Tests exercise, and the uncertainty of the reference context resulting from the COVID-19 pandemic, we considered that the Impairment Tests of the carrying amount of Investments in subsidiaries represent a key audit matter for the Company's separate financial statements.

Notes "IX – Investments" and the paragraph "2.2.1 – Accounting Policies – Use of estimates" of the notes to the separate financial statements provide the disclosure of the investments and of the Impairment Tests exercise, with the listing of the main assumptions adopted in the determination of cash flows for the 5-years period 2021-2025, the determination of the terminal value, the growth rates and the discount rates adopted in the Impairment Tests exercise; the notes also report the results of the sensitivity analysis.

Audit procedures performed

We performed, among others, the following procedures, also through the support of Deloitte specialists:

- analysis of the procedure adopted by the Management in the determination of the value in use of the investments;
- check of the compliance of the Impairment Tests exercise on the investments, as adopted by the Management, to the accounting policies indicated in the notes;
- update of the observation of procedures and understanding of relevant controls undertaken by the Company on the Impairment Tests exercise of the investments; in this respect, we analyzed also the Fairness Opinion of the independent advisor, prepared for the Directors' benefit, as well organizing meetings for the comprehension and analysis of data and methodology adopted;
- analysis of the appropriateness of the main assumptions adopted for the determination of financial forecasts, also through the analysis of sector data and external sources;

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- analysis on actual data compared to initial forecasts, with the aim to evaluate their differences, also considering the effects of the COVID-19 pandemic, and the reliability on the financial forecasts determination process, checking as well the consistency between contract renewal rates and historical data;

- check of the discount rate and long-term growth rates reasonability and testing on the mathematical accuracy of the model used for the determination of the value in use of the investments;

- independent testing of the sensitivity analysis performed by the Management and by the independent advisor;

- check of the appropriateness of the Company disclosure on Impairment Tests in accordance with IAS 36.

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

The Directors are responsible for the preparation of separate financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and the requirements of national regulations issued pursuant to art. 9 of Italian Legislative Decree no. 38/05 and, within the terms established by law, for such internal control as the Directors determine is necessary to enable the preparation of separate financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the separate financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless they have identified the existence of the conditions for the liquidation of the Company or for the termination of the operations or have no realistic alternative to such choices.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the Company's financial reporting process.

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

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

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As part of an audit in accordance with International Standards on Auditing (ISA Italia), we exercise professional judgment and maintain professional scepticism throughout the audit. Moreover:

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

- we obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;

- we evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;

- we concluded on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;

- we evaluated the overall presentation, structure and content of the separate financial statements, including the disclosures, and whether the separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

We also provided those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence applicable in Italy, and we informed them about any relationships and other matters that may reasonably be thought to bear on our independence and, where applicable, related safeguards.

From the matters communicated with those charged with governance, we determined those matters that were of most significance in the audit of the separate financial statements of the current year and are therefore the key audit matters. We described these matters in this auditors' report.

Other information communicated pursuant to art. 10 of the EU Regulation 537/2014

The Shareholders' Meeting of Autogrill S.p.A. has appointed us on May 28, 2015 as auditors of the Company's separate and consolidated financial statements for the years from 2015 to 2023.

Deloitte.

We declare that we have not provided prohibited non-audit services referred to in art. 5 (1) of EU Regulation 537/2014 and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the separate financial statements expressed in this report is consistent with the additional report to the Board of Statutory Auditors, in its role of Audit Committee, referred to in art. 11 of the said Regulation.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Opinion pursuant to art. 14, paragraph 2 (e), of Legislative Decree 39/10 and art. 123-bis, paragraph 4, of Legislative Decree 58/98

The Directors of Autogrill S.p.A. are responsible for the preparation of the report on operations and the report on corporate governance and ownership structure of Autogrill S.p.A. as at December 31, 2020, including their consistency with the related financial statements and their compliance with the law.

We have carried out the procedures set forth in the Auditing Standard (SA Italia) n. 720B in order to express an opinion on the consistency of the report on operations and certain specific information contained in the report on corporate governance and ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98 with the separate financial statements of Autogrill S.p.A. as at December 31, 2020 and on their compliance with the law, as well as to make a statement about any material misstatement.

In our opinion, the above-mentioned report on operations and certain information contained in the report on corporate governance and ownership structure are consistent with the separate financial statements of Autogrill S.p.A. as at December 31, 2020 and are prepared in accordance with the law.

With reference to the statement referred to in art. 14, paragraph 2 (e), of Legislative Decree 39/10, made on the basis of the knowledge and understanding of the Company and of the related context acquired during the audit, we have nothing to report.

DELOITTE & TOUCHE S.p.A.

Signed by
Ernesto Lanzillo
Partner

Milan, Italy
April 1, 2021

This report has been translated into the English language solely for the convenience of international readers.

BOARD OF STATUTORY AUDITORS' REPORT

(Report translated into English language only for the convenience of international readers)

Dear Shareholders,

This report, prepared in accordance with Art. 153 of Legislative Decree 58/1998 ("Consolidated Finance Act" or "TUF") and taking account of the applicable Consob recommendations, presents the supervisory activities and findings of the Board of Statutory Auditors of Autogrill S.p.A. ("Autogrill" or the "Company").

The separate financial statements for 2020 close with a loss of €38.2 million, compared with a profit of €35.4 million the previous year. At the consolidated level, the loss allocable to the Group amounted to €479.9 million, versus a profit of €205.2 million in 2019. Results for 2020, as was the case for 2019, reflect the application of accounting standard IFRS 16.

On 1 April 2021, the independent auditors Deloitte & Touche S.p.A. issued an unqualified opinion of Autogrill S.p.A.'s separate financial statements for the year ended 31 December 2020; Deloitte & Touche's opinion of the Autogrill Group's 2020 consolidated financial statements, issued on the same date, was also unqualified.

1. ELECTION OF THE BOARD OF STATUTORY AUDITORS, ACTIVITIES PERFORMED AND INFORMATION RECEIVED

The current Board of Statutory Auditors was elected by the shareholders at the Annual General Meeting of 24 May 2018, when the previous board reached the end of its three-year term, and will remain in office until the AGM of 23 April 2021 scheduled to approve the Company's 2020 financial statements. In accordance with the law and the Articles of Association, the board was elected on the basis of lists presented by the shareholders, in compliance with gender representation rules.

From the list presented by the controlling shareholder, Schematrentaquattro S.p.A., standing auditors Antonella Carù and Massimo Catullo and alternate auditor Patrizia Paleologo Oriundi were elected, while standing auditor Marco Rigotti and alternate auditor Roberto Miccù were elected from the list presented by 10 non-controlling shareholders (investment fund managers). In accordance with the law and the Articles of Association, standing auditor Marco Rigotti was simultaneously named chairman of the Board of Statutory Auditors. Antonella Carù and Marco Rigotti were already members of the previous board.

During the year ended 31 December 2020 we performed the supervisory activities required by law, taking account of the recommendations provided by Consob (particularly Circular 1025564 of 6 April 2001) and of the rules of conduct advised by the Italian Accounting Profession.

To that end, during the year we:
- held 23 meetings, attended without exception by all statutory auditors in office;
- attended the 12 meetings of the Board of Directors;
- attended the 10 meetings of the Control, Risks and Corporate Governance Committee;
- attended the 7 meetings of the Human Resources Committee;
- attended, through the participation of our chairman, the meetings of the Strategies and Sustainability Committee;
- attended, through the participation of one or more statutory auditors, the 7 meetings of the Related Party Transactions Committee;
- attended, as a board, the Annual General Meeting held to approve the 2019 financial statements, at which the shareholders also elected the Board of Directors;
- maintained an open channel of communication and held periodic meetings with the independent auditors, to share data and information relevant to our respective assignments;
- maintained an open channel of communication and held periodic meetings with the director of Internal Audit and the Enterprise Risk Management Department;
- met with the Boards of Statutory Auditors of the Italian subsidiaries, leading to no findings of note.

During the Board of Directors' meetings, we were informed of the activities of Autogrill and the Group it heads, and of the transactions of greatest economic and financial significance undertaken by the Company and the Group, as well as those in which Autogrill and the Group may have an interest on their own or third parties' behalf.

The information in question was gathered through audits and directly from the chief executive officer and department heads (including those in charge of the Europe, North America, and International business units), and through attendance at the meetings of the Control, Risks and Corporate Governance Committee and the other advisory committees.

No irregularities attributable to the board of directors were encountered through our meetings and contacts with the independent auditors.

In the course of our activities in 2020 and up to the date of this report in 2021, we received one communication from a shareholder that qualifies as a complaint pursuant to Art. 2408 of the Italian Civil Code, regarding actions taken by a subsidiary against an employee. We looked into the matter promptly, collecting direct information from the subsidiary's management team. At the outcome of the process, no irregularities were found that need to be reported to the shareholders' meeting.

In 2020 and up to the date of this report in 2021, no complaints were received from non-shareholders.

2. BUSINESS PROFILES OF THE AUTOGRILL GROUP

Autogrill S.p.A. is responsible for the management and coordination of the group it heads and prepares the group's consolidated financial statements. The Italian subsidiaries have duly disclosed their status as subject to Autogrill's management and coordination.

A corporate reorganization consisting of the spin-off of certain businesses to wholly-owned Italian subsidiaries took effect on 1 January 2018. As a result of that process, Autogrill S.p.A. became a holding company that performs the following functions in its role as group parent: strategic planning and coordination; administration, finance and control; enterprise risk management; investor relations; legal, corporate and regulatory affairs; communication; strategic marketing; human resources and organization; IT systems; corporate social responsibility; and internal audit.

This organizational structure entails the provision of intercompany services, remunerated on the basis of contracts. More specifically, because brands and industrial property rights were not transferred under the spin-off agreements, Autogrill S.p.A., the transferees, and the Group's other subsidiaries operate under contracts governing the terms and conditions for the use of the parent's technical know-how.

In addition to the Italian transferees, Autogrill Italia S.p.A., Autogrill Europe S.p.A., and Autogrill Advanced Business Service S.p.A., Autogrill controls the US subsidiary HMSHost Corporation and, through that company, Host International B.V.

In terms of operations, the business units are as follows:

1. Food & Beverage North America, managed through the HMSHost division (HMSHost and its subsidiaries);
2. Food & Beverage International, which is specifically responsible for Food & Beverage Far East, Middle East, and Northern Europe (airports and railway stations);
3. Food & Beverage Europe, managed by Autogrill Italia and Autogrill Europe.

The result is an imperfect symmetry between the business units and corporate entities (International is controlled by North America and includes Northern European operations, while Autogrill Italia is controlled directly by the parent company, even though it is part of the business unit Europe).

For further information, see the Directors' Report to the consolidated financial statements ("Simplified corporate structure" and "Organizational structure at 11 March 2021").

Although the Company is controlled by Schematrentaquattro S.r.l. (itself a subsidiary of Edizione S.r.l.), it is not subject to its management and coordination. This conclusion was confirmed by the Board of Directors on 28 September 2017 following a review of the conclusions reached in the past, as requested by the statutory auditors. On that occasion, the directors confirmed the absence of elements that would suggest management and coordination by Schematrentaquattro or by the ultimate parent, Edizione S.r.l.

3. TRANSACTIONS WITH A MAJOR IMPACT ON THE BALANCE SHEET, INCOME STATEMENT AND FINANCIAL POSITION; RELATED PARTY TRANSACTIONS.

In the report to the consolidated financial statements, the directors do not mention transactions with a major impact on the balance sheet, income statement and financial position carried out by the Company or the Group in 2020, but they do describe the following changes in the scope of consolidation:

- In early 2020 the Autogrill Group, through its subsidiary HMSHost International B.V., acquired all remaining shares of the Malaysian company HMSHost Catering Malaysia SDN. BHD. (formerly Dewina Host SDN.BHD. and owned 49%), for an outlay of €1.7 million (RMB 7.9 million). The company has 11 locations at Kuala Lumpur airport. Prior to becoming a wholly-owned subsidiary, it was consolidated with the net equity method; revenue in 2020 amounted to €2.1 million (€7.9 million In 2019).
- In early 2020, through the subsidiary HMSHost International B.V., the Autogrill Group finalized the acquisition of the remaining 50% of Autogrill Middle East LLC (United Arab Emirates) for €7.9 million (AED 32 million). This company, too, was formerly consolidated with the net equity method. The transaction brought the company Arab Host Services LLC (Qatar), previously consolidated with the net equity method, into the scope of consolidation.
- On 29 December 2020, further to approval by the Spanish antitrust authorities, Autogrill S.p.A. – through its subsidiary Autogrill Europe S.p.A. – concluded the sale of Autogrill Iberia S.L.U. to the AREAS Group (the sale was formalized on 14 January 2021). That includes the sale of 60 locations, mainly on Spanish motorways. The sale price was €2.1 million, for a capital gain net of transaction costs of €19.2 million. In 2020, the company's revenue amounted to €25.5 million (€81.9 million in 2019).

We have not found or been notified by the independent auditors or the head of internal audit of atypical or unusual transactions as defined by the Consob Communication of 6 April 2001 and Consob Communication DEM/6064293 of 28 July 2006 carried out with third parties, related parties or other companies in the group. Nor in 2020 were there any significant non-recurring events or transactions, as defined by Consob Resolution 15519 of 27 July 2006 and Consob Communication DEM/6064293 of 28 July 2006. The directors mentioned this in their report to the financial statements.

RELATED PARTY TRANSACTIONS

Regarding related party transactions (RPT), we have ensured that the company's procedure is compliant with the principles laid down by Consob and that said procedure has been duly followed, including by attending the meetings of the Related Party Transactions Committee appointed by the Board of Directors. Based on the procedure (which can be consulted on the Company's website), resolutions on the compensation of directors and other executives with strategic responsibilities are exempt from the standard rules, provided that certain conditions are met including the participation of the human resources committee in defining compensation policies.

Given the specific nature of Autogrill's business, it is especially important that "Ordinary related party transactions" include those transactions "conducted in the course of ordinary business and associated financial activities that are (...) carried out under terms similar to those usually applied to transactions with unrelated parties of a corresponding nature, risk and size", where "the terms defined as a result of competitive bidding are considered similar to those usually applied to transactions with unrelated parties provided the bid was made in accordance with predetermined corporate policies applicable indistinctly to tenders called by related or unrelated parties, which set minimum profitability levels and have been approved by the White collar pursuant to and in accordance with Autogrill's RPT Procedures". We duly monitored the implementation of this part of the procedure.

The Group Capital Expenditure Policy or "Capex Policy", approved by the Board of Directors on 29 June 2017, is focused on three key areas: (a) management of the opportunity pipeline, in keeping with strategic guidelines; (b) the evaluation of proposals throughout the entire life cycle of investments; (c) the involvement of the corporate units in ensuring that the policy is duly enforced. In addition, the strategies and investments committee and the risk control and corporate governance committee carry out periodic audits on the outcome of capital expenditure, which are also useful for making sure the Group Capital Expenditure Policy is serving its purpose. The internal audit department conducts specific checks on the RPT Procedure, including its interaction with the capital expenditure policy.

At a meeting on 11 February 2021, the Board of Directors adopted a new Group Capital Expenditure Policy designed to increase its effectiveness as a capital allocation tool, simplify its processes and make it easier to implement, place a greater emphasis on risk assessment, optimize documentation of the approval process, and improve the use of available funds.

The Internal Audit department, as part of its oversight activities pursuant to Law 262/05, verified compliance with the new Capex Policy of the investment projects discussed and approved in 2020 and noted that its audits of the bids submitted by Group companies in 2020 in the context of competitive procedures, and in consideration of the Capex Policy, did not reveal any irregularities that would compromise the policy's enforcement.

The current procedure for related party transactions ("RPT Procedure"), in effect since 8 March 2018, was approved by the Board of Directors on 19 December 2017 in the context of the ordinary three-year review. The current RPT procedure:

- cites, word for word, the criteria recommended by Consob for determining whether a transaction falls within ordinary business and associated financial activities;
- adds its own definition of "terms equivalent to market or standard terms", in order to make it even more explicit that the exemption for ordinary RPTs applies only in these cases;
- describes a specific case of "terms equivalent to market or standard terms" relating to the extension of agreements, concessions or contracts to which the Company or its affiliates are party;
- lists the criteria for determining that offers submitted in response to the Company's call for tenders come from unrelated parties in good standing;

- requires that the RPT committee include, where applicable, at least one independent director appointed from the minority list (as defined in the by-laws);
- eliminates the clause stating that the independent expert of the RPT committee may also be the Company's expert;
- clarifies that the value of an RPT is calculated net of value added tax.

As for the most recent three-year review of the RPT Procedure and the changes Consob made to its own RPT Regulations with Resolution 21624 of 10 December 2020, on 17 December 2020 the Board of Directors decided to instruct Autogrill's general counsel, with support from the corporate general manager & Group CFO and from the individual units involved, to study the current RPT Procedure (maintaining contacts with the relevant committees) and make a timely recommendation of any changes or adjustments to the procedure for consequent determination by the Board of Directors, after obtaining the opinion of the Related Party Transactions Committee pursuant to Consob's RPT Regulations. In accordance with that decision, during the course of this year and in any case by 30 June 2021, the RPT Procedure will be revised to reflect the changes Consob made to its OPC Regulations with Resolution 21624.

In addition to the RPT Procedure and the disclosure obligations provided for in Art. 2391 of the Italian Civil Code, the Board of Directors did not deem it necessary to adopt a specific procedure for identifying and managing situations in which a director has an interest on his or her own behalf or on behalf of third parties.

The Board of Directors receives information on related party transactions on a regular basis.

In the directors' report and notes, the directors have reported on the ordinary and immaterial transactions carried out with related parties, indicating their nature and amount. That information is sufficient, also taking account of the size of the transactions.

4. PERFORMANCE FOR THE YEAR AND FINANCIAL POSITION

As explained in the directors' report to the consolidated financial statements, results for the year were sharply affected by the Covid-19 pandemic, which took hold in the second half of January 2020 and spread quickly around the world starting in February. This impacted motorway, rail, and air traffic, with more serious consequences in certain countries. Due to the pandemic, Autogrill Group companies faced a significant reduction in consumer traffic at retail locations and shopping areas, as well as temporary – and sometimes indefinite – store closures as a result of quarantines and other government orders; these situations are still current, for an as-of-yet unknowable amount of time.

Under these circumstances, Group-wide revenue fell by 59.8% at constant exchange rates (60.3% at current exchange rates), with a negative impact on margins and results for the year. Underlying EBITDA (EBITDA adjusted for unusual factors or elements unrelated to ordinary business, as better explained in the directors' report to the consolidated financial statements) came to €155.3 million for 2020, a decrease of 81.5% at constant exchange rates (81.7% at current exchange rates), or 7.8% of revenue compared with 17.0% the previous year.

Underlying EBIT (EBIT adjusted for unusual factors or elements unrelated to ordinary business, as better explained in the directors' report to the consolidated financial statements) went from €228.2 million in 2019 to a negative €515.8 million in 2020.

The 2020 underlying net loss (the loss adjusted for unusual factors or elements unrelated to ordinary business, as better explained in the directors' report to the consolidated financial statements) attributable to shareholders of the parent company was €485.7 million, compared with a profit of €85.0 million the previous year.

As mentioned above, the net loss allocable to the Group amounted to €479.9 million, with respect to a profit of €205.2 million in 2019.

The consolidated net financial position was a negative €2,973.6 million at the end of 2020 (€2,947.9 million at 31 December 2019). Specifically, operating activities absorbed a net cash flow of €278.6 million (versus a positive flow of €496.1 million the previous year), while net capital expenditure amounted to €182.0 million (€332.7 million in 2019).

Cash flow from operating activities therefore decreased by a net €710.7 million since the previous year, due to the steep reduction in revenues and the negative change in net working capital, partially offset by the reduction in lease payments (principal and implicit interest on lease installments due to Covid-19 renegotiations) and in taxes paid. Cash flow after capital expenditure decreased by €560.0 million, with a slight improvement compared with cash flow from operating activities because of a reduction in net capex payments.

In 2020 the Group absorbed net cash of €523.9 million before dividends and the purchase of treasury shares, after generating cash of €174.7 million the previous year.

Moreover, due to the short-term uncertainty caused by the Covid-19 pandemic, the annual general meeting of 21 May 2020 voted not to distribute a dividend and to carry forward the 2019 net profit, whereas in 2019 the Group paid out a dividend of €50.8 million.

As part of a buy-back program that ran from 12 March 2020 to 8 April 2020, the Group completed the purchase of 3,000,000 treasury shares at a weighted average price of €4.10 per share, for a total of €12.3 million.

Current consolidated net debt amounted to €13.9 million at the end of 2020 (€96.9 million at 31 December 2019), while overall net debt stood at €2,973.6 million at the end of 2020 (€2,947.9 million a year earlier). Excluding lease receivables and liabilities, the net financial position comes to a negative €1,082.7 million, compared with €558.6 million at the end of the previous year. Specifically, current bank debt increased by €208.8 million and non-current bank debt by €665.0 million. Cash and cash equivalents at the end of 2020 amounted to €590.3 million (€236.0 million at the end of 2019).

Regarding bank debt, in 2020 the parent company:
- contracted a €300 million term loan on 27 November 2020 from a pool of major banks, maturing in June 2025. The loan is guaranteed by SACE S.p.A. pursuant to Art. 1 of Decree Law 23/2020, converted with amendments into Law 40/2020 (the "Liquidity Decree"). It will be repaid in constant quarterly installments starting on 31 December 2023 and is used by the parent company, directly or through its Italian subsidiaries, to pay for personnel expense, capital expenditure, working capital, and/or lease installments for operations located in Italy, in accordance with the Liquidity Decree and SACE regulations;
- renegotiated, in February, the €100 million amortizing term loan and €200 million revolving credit line taken out in 2018 by extending the original maturities by two years. As a result, the amortizing term loan now involves two annual payments of €25 million starting in January 2023 and reimbursement of the remaining €50 million in 2025, while for the revolving credit line, the commitment will be reduced through two annual payments of €62.5 million as from January 2023 and the remaining commitment of €75 million will be repaid in 2025;

- obtained, in March, an amortizing term loan of €150 million maturing in March 2025, used to prepay the amortizing term loan of nominal €150 million that was due to mature in 2021. The new facility involves two annual payments of €50 million starting in March 2023, with reimbursement of the remaining €50 million on maturity;
- drew down the entire revolving credit facility (€225 million by Autogrill S.p.A. and USD 200 million by HMSHost Corp. available at the end of the 2019) in order to increase cash on hand.

In addition, the Group obtained government loans of €30 million in France, €5 million in Belgium, and CHF 4 million in Switzerland.

The group's loans and bond issues are subject to covenants, described in the notes to the financial statements.

As a result of the Covid-19 pandemic, the Group reached a "covenant holiday" agreement with its lender banks and bondholders for the temporary suspension of required parameters (leverage ratio and consolidated EBITDA/consolidated net finance charges). The covenant holiday is effective for 15 months starting on 30 June 2020, and can be extended until 31 December 2021 under specified conditions. These contractual changes, in accordance with IFRS 9, led to the immediate recognition in the income statement of the difference between the present value of the modified cash flows discounted using the original effective interest rate and the present value of the original cash flows, for about €22.3 million, which is the main component of the increase in net financial charges attributable to the Covid-19 pandemic. On 10 March 2021, new agreements were signed with the lender banks and the American bondholders to extend the covenant holiday for an additional 12 months beyond the deadline agreed in 2020.

The Group's loans and bond issues are also subject to the change of control clauses, as described in the directors’ Corporate Governance and Ownership Report.

In relation to the Group's complex financial situation including in light of the actions described above, the directors report that at the end of 2020 the Group had liquidity of about €600 million, an expected free cash flow of between -€120 million and -€70 million in 2021, and no significant debts maturing before 2023, considering the covenant holidays agreed in June 2020 and March 2021. They conclude that this ensures it sufficient flexibility to face the challenging road ahead.

As for performance by business unit, capital expenditure in 2020 came to €195.4 million, compared with €343.4 million the previous year (-44.3% at constant exchange rates). These investments, an essential part of the Group’s business, pertained to HMSHost Nord America (€77.8 million versus €207.5 million the prior year, -61.8% at constant exchange rates), Host International (€18.2 million versus €29.3 million in 2019, -35.2% at constant exchange rates), and Europe (€99.2 million versus €104.6 million in 2019, -5.3% at constant exchange rates), as well as the Corporate division (€0.3 million versus €2.0 million the previous year). EBITDA was also produced variously by HMSHost North America (€81.0 million versus €581.6 million the previous year, which was heavily influenced by the capital gain on the sale of operations in the motorway channel in Canada, for a benefit net of net transaction costs of USD 133.9 million), Host International (€10.6 million versus €107.6 million in 2019), and Europe (€87.9 million versus €301.2 million the previous year). Corporate costs amounted to €19.9 million, down sharply with respect to the previous year's costs of €29.8 million. The reduction in EBITDA was thus more pronounced in North America (-85.8% at constant exchange rates) and International (-89.9% at constant exchange rates) than in Europe (-70.9% at constant exchange rates).

In the report to the consolidated financial statements, the directors explain that in response to the heavy impact of the Covid-19 pandemic on revenue (which suffered a net decrease of 59.8% at constant exchange rates and 60.3% at current exchange rates) and an associated reduction in the cost of raw and ancillary materials and goods (-52.8% at constant exchange rates and -53.3% at current exchange rates), management took a number of steps to mitigate the adverse effects of the pandemic and thereby achieved a significant decrease in personnel expense (-53.2% at constant exchange rates, -53.8% at current exchange rates) – thanks in part to various relief programs enacted by local governments and equivalent measures in the countries served by the Group, for an estimated €155.5 million – and other operating costs (-30.7% at constant exchange rates, -31.6% at current exchange rates) and also renegotiated leases with various landlords, contributing to a reduction of 88.7% at constant exchange rates and 88.9% at current exchange rates.

Consolidated income tax for 2020 includes a gain of USD 136 million, consisting of a tax refund to which the subsidiary HMSHost Corporation is entitled for the carryback of the federal tax loss incurred in 2020 to offset taxable income of prior years, and the carryforward of net operating losses for state tax purposes.

Consolidated net equity attributable to the owners of the parent went from €858.3 million at the end of 2019 to €339.8 million at 31 December 2020, due mainly to the reduction of €480 million as a result of the loss for the year.

On 25 February 2021, the extraordinary shareholders meeting approved the proposal to grant the Board of Directors, pursuant to Art. 2443 of the Italian Civil Code, a five-year mandate to increase the share capital of Autogrill S.p.A. in one or more tranches against consideration up to a maximum amount of €600 million, including any share premium, by issuing ordinary shares on a pre-emptive right basis to the persons entitled to the option rights pursuant to Civil Code Art. 2441(1).

The directors explained that the capital increase for which the mandate was approved aims at achieving the Autogrill Group's strategic goals and, in particular, at fortifying its international leadership position. Strengthening the financial structure is essential to this purpose as it will provide the Group with additional resources for future investments, continued innovation and growth, and maximum preparedness when market opportunities arise.

The mandate gives the Board of Directors the power to establish, close to the launch of the offer and subject to the limitations determined by the extraordinary shareholders' meeting, the terms, conditions and procedures of the capital increase, including the exact number of shares to be issued, the pre-emptive allocation ratio, and the issue price.

Market conditions permitting, and subject to the publication of a prospectus and receipt of authorization from the competent authorities, the directors expect that the capital increase may be completed within the first half of 2021.

In this regard: i) Edizione S.r.l. – owner of Schematrentaquattro S.p.A., which in turn controls 50.1% of Autogrill S.p.A. – has expressed appreciation of the capital increase, specifying that it fully agrees with the strategic reasoning, and therefore plans to provide its subsidiary Schematrentaquattro S.p.A. with the necessary financial resources; ii) the Company has entered into a pre-underwriting agreement with a pool of banks that have committed (under conditions consistent with market practice for similar operations) to underwriting the subscription and release of any newly issued ordinary shares that have not been subscribed following the auction of unexercised rights, up to the maximum amount of the capital increase.

In the annual report dated 11 March 2021, the directors make some considerations concerning the business forecast and explain how it depends on the progression of the Covid-19 pandemic and the vaccine campaign. Although the short-term traffic outlook in this phase is extremely uncertain, write the directors, it is reasonable to assume that with the rollout of the vaccine campaign the trend will continue to improve by summer 2021, with the domestic markets recovering more quickly than the international ones. In addition, while traffic in 2021 is expected to perform better than in 2020, the uncertainty at the global level will remain high, especially in the short term: key factors will be the speed of GDP recovery, the inclination to travel, and the impact of remote working.

The directors explain that the Group's objectives for 2021 are as follows:
- renewed commitment to ensuring the health and safety of employees and customers
- focus on margins and ability to generate cash
- maintenance of a highly flexible income statement structure and efficient cost base by preserving the structural improvements achieved in 2020
- protection and reinforcement of the core business.

The directors then express forecasts for 2021, which they have based on the Group's efforts to influence profit margins and cash flow, with a particular emphasis on personnel expense (use of relief programs, reduction of permanent and temporary staff), rent (ongoing negotiations with all owners for the suspension/reduction of guaranteed minimums), other costs (suspension of all non-essential expenses), capital expenditure (ongoing review of the extent, size, and construction costs of existing investment plans), and working capital (optimization of cash outflows by arranging longer payment times and discounts with suppliers).

In the report to the consolidated financial statements the directors present the main earnings and cash flow forecasts for 2021, developed on the basis of a base scenario and a conservative scenario, which differ by speed of GDP recovery, inclination to travel, and impact of remote working. They also present the main earnings and cash flow forecasts for 2024, illustrating plans to boost revenue and optimize costs and the goal of returning to a normal level of capital expenditure as a percentage of revenue.

After the draft financial statements were published, on 31 March 2021, the Group announced that it had signed an agreement to sell its US motorway operations for USD 375 million, subject to a potential increase through an earn-out mechanism on 2022 and 2023 revenue, and confirmed its intention to finalize the capital increase within the timeframe mentioned above. At the same time, it announced revised 2021 guidance and 2024 targets in light of the impacts from the sale, whose closing is expected in summer 2021.

5. ORGANIZATIONAL STRUCTURE, INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

We have verified that the company's organizational structure is adequate to its size, business structure and objectives, and does not hinder compliance with applicable laws.

As stated above, the Group is organized into three business units: North America, International, and Europe. It also has a corporate unit, accounting for its internal structure in its present role as a holding company.

THE INTERNAL CONTROL SYSTEM

The internal control system is defined by Autogrill's code of conduct as the set of instruments designed to orient, manage and oversee its operations in order to foster the efficacy and efficiency of the business, ensure compliance with laws and in-house procedures, protect its assets, and minimize impending risks. It is organized into three levels of control, the last of which consists of the group internal audit department, which answers directly to the chair of the Board of Directors while coordinating its activities closely with the director in charge of the control and risk management system (the “Designated Director”).

Existing policies and procedures concern numerous topics relating to financial reporting and the disclosure of inside information to the market, the investment policy, corporate governance, the internal control system of subsidiaries, internal dealing, appointment of the independent auditors, internal auditing, and other matters discussed in this report. The basis of the system is Autogrill's code of conduct.

Although 2020 was heavily influenced by the Covid-19 pandemic, the Company continued to monitor the control and risk management system, meaning the set of rules, procedures and organizational structures designed to facilitate sound and proper management that is in line with company objectives through an adequate system of identification, measurement, management and monitoring of the principal risks.

On various occasions the Board of Directors was involved in governing these activities with assistance from the Control, Risks and Corporate Governance Committee.

The chief executive officer, in his capacity as Designated Director, defines the means and methods of the risk management system to reflect the guidelines set by the Board of Directors, and ensures that it is distributed throughout the Group with the appropriate guidance and coordination. The organizational units are responsible for the entire systematic process of identifying, measuring, managing and monitoring risks and for determining suitable countermeasures.

These efforts are overseen by the Group's Enterprise Risk Management department, which reports to the chief financial officer and assists the chief executive officer and the organizational units in the activities described above; third-tier controls are performed by the Internal Audit department which, in accordance with the new Corporate Governance Code approved by the Corporate Governance Committee, since January 2013 reports directly to the chair of the Board of Directors.

Internal audit activities, taking the characteristics of the business into account, have revealed no significant problems with the definition or implementation of the internal control and risk management system that might significantly affect the Group's risk profile. However, the current system does need improvements to minimize exposure to risk and ensure that all phases of the process are entirely sufficient.

During the meetings held on 30 July 2020 and 11 March 2021, the Board of Directors examined the information gathered with the assistance of the Control, Risks and Corporate Governance Committee, on the basis of the assumptions and assessments of the Designated Director, the head of Internal Audit, the manager in charge of financial reporting, and the Enterprise Risk Management division, and found no deficiencies that could compromise the internal control and risk management system given the structure of the Company and the Group and the nature of the Group's operations.

INTERNAL AUDIT

The Group's head of Internal Audit was appointed in 2019 by the Board of Directors, having been nominated by Designated Director and approved by the Control, Risks and Corporate Governance Committee with input from the Board of Statutory Auditors. The head of Internal Audit has no ties to operating units and reports frequently to the Control, Risks and Corporate Governance Committee, presenting the annual plan of work and reporting periodically on the activities performed. The Board of Statutory Auditors, including in its capacity as internal control and audit committee established pursuant to Art. 19 of Legislative Decree 39/2010 (recently revised by Legislative Decree 135/2016 which incorporates European Directive 2104/56/EU), maintains ongoing dialogue with the head of Internal Audit and ensures that his work is effective.

In 2020 the Internal Audit department carried out cross-unit verifications to ensure that internal audit is compliant with the profession's Code of Ethics, international standards, and the basic principles published by the Institute of Internal Auditors (IIA), as well as the Group Internal Audit Guidelines.

Because of the Covid-19 pandemic and the measures the Company had to take in response to the emergency, the audit plan originally prepared for 2020 was revised during the year to take account of business trends and pandemic-related events. Specifically, internal audit activities slowed down in March, April, and May 2020 in parallel with the performance of the Group's business units. Nonetheless, the department completed its audits of the functioning and suitability of the control and risk management system by following the steps of the 2020 audit plan, as modified in July 2020 for the reasons mentioned above. These audits revealed some shortcomings that have been addressed in remediation plans. In addition, periodic follow-ups have been conducted as a means of constantly monitoring the implementation of the plans defined with management.

Due to the Covid-19 emergency, in 2020 Internal Audit, in addition to the information and reporting channels that are already part of the internal control system, received constant information and detailed updates of how management was handling the emergency and how the pandemic was affecting the Group's worldwide business.

Internal Audit provided specialized assistance to the manager in charge of financial reporting by checking the planning and effectiveness of controls for the purposes of compliance with Law 262/2005, and gave its independent assessment of the "262 Model".

Internal Audit also helped the Compliance Committee conduct periodic reviews to evaluate compliance with Legislative Decree 231/2001, the soundness and handling of the "231 Model", and the observance of the behaviour and control principles described in the decision-making protocols of the model's Special Section, concentrating these supervisory activities on sensitive areas considered to be especially relevant in the context of the Covid-19 pandemic.

Finally, Internal Audit provided specialized support to management with regard to the control and risk management system.

As for the structure of the Internal Audit department, to bring costs into line with business performance, the Internal Audit team was to some degree affected by the measures to reduce personnel expense in the various business units. The impact was most pronounced for the team based in North America. Therefore, as business picks up in 2021, the directors will have to devote specific attention to adapting the organizational structure of Internal Audit.

In 2021 the Group plans to carry out a Quality Assurance Review (QAR), which may consist of a wholly external assessment or else a self-assessment with independent validation by a certification body, which will be selected from the major consulting firms worldwide.

ENTERPRISE RISK MANAGEMENT

On the subject of risk management, Autogrill uses the enterprise risk management method described by the directors in the corporate governance report.

More in detail, the Enterprise Risk Management Guidelines adopted formalize the governance model supporting the assessment of overall risk and the adequacy of the risk management system. The guidelines describe the main roles and responsibilities in analyzing, managing and monitoring risks and opportunities and come with a handbook for ensuring the appropriate use of the guidelines within the Group. They apply to all of the Group's companies and regions, each of which is responsible for implementing the guidelines locally, helping to make enterprise risk management an integral part of the business process.

In March 2018, the Enterprise Risk Management unit was made part of a single CSR (corporate social responsibility) division, led by the Group Risk Management and Sustainability Director. Since 1 February 2021, it has been placed in the new Group Advanced Analytics & Risk Management unit – which reports to the General Manager Corporate, Group Chief Financial Officer & Chief Sustainability Officer – in order to achieve a better integration and synergy between the two areas by using an increasingly analytical approach to the estimation of risk.

As for Risk Assessment, the onset of the Covid-19 pandemic and its persistence throughout 2020 made it necessary to refocus these activities on three macro-areas:

- updating the Group's operational risks and prioritizing the risk areas brought out by the pandemic;
- statistical forecasting of the short-term (2020-2021) and medium-term (2022-2025) trend in traveler traffic in the regions of greatest interest to the Group (North America, Europe, Italy in particular, Southeast Asia) in the airport, toll motorway, and railway channels, conducted by Autogrill's Datalab in conjunction with a major consulting firm;
- financial projections for 2021-2025.

Regarding IT Risk & Security, in 2020 the position of Group Chief Information Officer was established, reporting to the General Manager Corporate, Group Chief Financial Officer & Chief Sustainability Officer. This new approach marked the start of a major Group-wide repositioning on the topic. Since 1 February 2021, these activities have been handled by Group ICT Risk & Security & ICT Group Projects, which continues to oversee the ICT risk and security guidelines and to monitor the standards adopted and compliance with cybersecurity laws and regulations. The statutory auditors feel that this area should receive ongoing attention from the Board of Directors.

On 20 July 2020, the Board of Directors acknowledged the risk analysis carried out by Enterprise Risk Management on financial projections for 2020-2022.

On 11 February 2021, the Board of Directors reviewed the risk analysis carried out on the group's Budget 2021 and the risk mitigation steps identified by the Group's management. On 11 March 2021 the Board of Directors examined the assessment made relative to the adequacy and effectiveness of the entire Risk and Control System and acknowledged that the risk profile defined by Enterprise Risk Management was acceptable.

The directors' report describes the risks faced by the Company, including for the purposes of Art. 19(1)(b) of Legislative Decree 39/2010 and Legislative Decree 254/2016.

ORGANIZATIONAL AND MANAGEMENT MODEL FOR THE PREVENTION OF LEGAL OFFENSES ENVISAGED BY LEGISLATIVE DECREE 231/2001. ANTI-CORRUPTION POLICY. "OPEN LINE – AUTOGRILL ETHICS AND COMPLIANCE REPORTING TOOL". AUTOGRILL GROUP'S WHISTLEBLOWING POLICY. PRIVACY

The company has adopted the organizational and management model for the prevention of legal offenses envisaged by Legislative Decree 231/2001, concerning corporate liability for offenses committed by employees and other staff, which is regularly updated to reflect changes in the law.

On 27 July 2018, the Board of Directors, after receiving a positive opinion from the Control, Risks and Corporate Governance Committee, approved a new version of the 231 Model which was necessary in the wake of the corporate reorganization through which Autogrill S.p.A. became the Group's holding company and, therefore, no longer oversees operations or provides certain types of services. The main changes made to the 231 Model involved the Special Section protocols.

The statutory auditors have met with the Compliance Committee, which has found no deficiencies or circumstances that would compromise the internal control and risk management system as they pertain to corporate liability pursuant to Legislative Decree 231/2001. However, the committee did note that the existing control system requires some improvements in order to minimize exposure to risk and ensure that all phases of the process are entirely sufficient. In 2020, the Compliance Committee focused its scrutiny on the legal offenses envisaged by Legislative Decree 231/01 that are especially relevant in the context of managing the Covid-19 emergency.

Since 2016 a procedure has been in place allowing any Group employee to report conduct by other employees that is inconsistent with the group's ethical policies or to signal exemplary behavior ("Open Line - Autogrill Ethics and Compliance Reporting Tool").

The new "Global anti-corruption policy of the Autogrill Group" came into effect on 1 January 2018. This policy instructs all directors, managers, employees and auditors of Group companies and everyone who works in Italy or abroad in Autogrill's name or on its behalf what principles and rules they must follow to ensure compliance with anti-corruption laws. The general rule laid down in the policy is that the Group prohibits any form of corruption involving any person (including public officials and those working on behalf of businesses or private entities), and in particular prohibits any action (carried out directly or indirectly through any third party acting in Autogrill's name or on its behalf) that is designed to: offer, promise, give, pay, or authorize someone to give or pay, directly or indirectly, an economic benefit or other favor to a public official or anyone acting in the name of an entity or a private individual ("active bribery"); or accept or solicit the offer or promise of, or authorize someone to accept or solicit, directly or indirectly, an economic benefit or other favor ("passive bribery").

The "Policy for the use and management of the Autogrill Group whistleblowing system" based on which conduct can be reported online or by phone or email, in effect since 2016, was updated and approved by the Board of Directors on 18 December 2018 in light of current whistleblowing laws.

As resolved by the directors on 24 May 2018, the Company has adopted a Privacy Policy incorporating the significant changes stemming from EU regulation 2016/679 ("GDPR") on the protection of natural persons with regard to the processing of personal data and rules relating to the free movement of personal data (which repeals Directive 95/46/EC) and subsequent implementation laws (Legislative Decree 101/2018).

The Company has appointed a Group Data Protection Officer (DPO), a Group Privacy Committee, and a Privacy Team with support and advisory functions.

The Company is in compliance with all data protection obligations and has drawn up the mandatory Security Policy Document.

HANDLING AND DISCLOSURE OF INSIDE INFORMATION

On 30 June 2016 the Company adopted a procedure for the disclosure of inside information to the market in accordance with the Market Abuse Regulation (EU Regulation 596/2014).

Including with reference to the continuous disclosure obligations pursuant to Art. 114(2) TUF, this procedure makes the chairpersons and chief executive officers of the key subsidiaries (i.e. the direct subsidiaries of Autogrill and the subholding companies) responsible for its correct implementation, and requires all of Autogrill's direct and indirect subsidiaries to report inside information promptly to the chief executive officer of the parent. The key subsidiaries, in addition to adopting this procedure, must appoint an officer in charge of its implementation and enforcement both internally and at their own subsidiaries.

During the Board of Directors' meeting held on 14 March 2019 a new procedure for the market disclosure of inside information was adopted which complies with the current law and, more specifically, with the guidelines published by Consob in October 2017 for the handling and disclosure of inside information, as well as the initial implementation practices.

6. MANAGEMENT ACCOUNTING SYSTEM

In the corporate governance report, the Board of Directors describes the main characteristics of the existing risk management and internal control systems in relation to the financial reporting process, in keeping with Art. 123 bis TUF.

Autogrill is compliant with Law 262/2005 and in that regard has named a manager in charge of financial reporting, recommended by the Control, Risks and Corporate Governance Committee and approved by the Board of Statutory Auditors. The Board of Directors has adopted regulations for the manager in charge of financial reporting, which, inter alia:

- grant him sufficient powers and means, including financial and human resources, and the authority to execute, modify or terminate any agreement he deems necessary, useful or appropriate for fulfilling his duties; give him due access to the information deemed relevant for fulfilling his duties, at Autogrill S.p.A. and at other group companies; empower him to impart any instructions to group companies, within the confines of the decisions made by their boards and officers and of the responsibilities held by each subsidiary, and have them adopt any measure, procedure or conduct deemed useful that will put him in a position to fulfill his duties; and grant him the same powers of inspection and control held by the statutory auditors and the independent auditors, at Autogrill and the other group companies, but within the confines of his duties and responsibilities, and as regards the group's foreign subsidiaries, within the confines of local law;
- require him to report to the board of directors, at least every six months, indicating any problems encountered during the period and the measures taken or planned to overcome them; to inform the chairman of the board of directors of circumstances so serious that they might warrant the board's urgent decision; to ensure that the control, risks and corporate governance committee, the board of statutory auditors, the independent auditors, the compliance committee per Legislative Decree 231/01, and the director in charge of the internal control and risk management system are kept duly informed of his work;
- require the boards and officers of the key subsidiaries to make sure they have adopted a suitable system of control for administrative and accounting processes that will generate the information transmitted to the parent for purposes of drawing up the consolidated financial statements and to constantly monitor its adequacy and effective use, and to ensure that appropriate administrative and accounting procedures are followed including on the basis of his guidelines; these bodies must also, with assistance from internal audit departments or independent external parties, conduct audits to obtain evidence of the due application of such procedures

and of the related controls, including at his request, and periodically report to Autogrill S.p.A. attesting to the adequacy and due application of said procedures.

Since 7 February 2019, the Company's corporate general manager has served as the manager in charge of financial reporting. He is subject to the above regulations and has been granted adequate powers and means, which are further strengthened by the position he holds within the Company.

As mentioned above, there are numerous accounting policies and procedures applicable to the Autogrill Group as a whole.

The manager in charge of financial reporting evaluates the internal accounting control system. In his annual report presented to the Board of Directors on 11 March 2021, he found no weaknesses that would significantly compromise the reliability of accounting and financial disclosures.

More in detail, the above report pointed out the following:
- “No problem areas in the planning and application of the internal control system emerged during the evaluation that would compromise the reliability of accounting and financial disclosures.
- No problem areas were pointed out in the certifications issued by the Finance and General Managers of all the Reporting Units and the division heads.
- Internal Audit verified the planning and effective operation of the controls without reporting any critical issues.
- A few areas are in need of improvement, in order to further minimize risk exposure and guarantee optimization of all phase of the process.
- Operations management took the steps needed to eliminate the anomalies found during testing”.

For each problem area, a plan with the appropriate corrective measures has been developed, and will be followed up by Internal Audit and the manager in charge of financial reporting.

The statutory auditors have noted the steps taken to keep the Law 262 Model up to date, specifically: the updating of the scoping process through the adoption of a dedicated scoping tool for the identification of material accounts and processes based on major classes of transactions, used by all of the most relevant reporting units since 2019; the updating of controls in Italy and North America in order to reflect the current processes and organization, particularly by completing the mapping of new controls consequent to the adoption of IFRS 16 and electronic invoicing (this latter in Italy); the Model update and testing activity at HMS International (HEMS and HMS NL) and Autogrill Belgie.

Regarding Art. 36 of Consob's market regulations (requiring formalities in respect of subsidiaries formed or governed according to the laws of non-European Union countries that figure significantly in the consolidated financial statements), the two Group companies to which this provision applies (HMSHost Corp. and Host International Inc.) have suitable procedures in place for the regular transmission to Autogrill's management and to the controlling company's auditor of the income statement, financial position and cash flow data needed to draw up the consolidated financial statements.

We note that the Company has exercised the opt-out clause provided in Articles 70 and 71 of the Listing Rules, which waives the mandatory publication of information documents relating to mergers, spin-offs, share capital increases through in-kind transfers, acquisitions and disposals.

We also note that further to the revised interim disclosure rules introduced by Legislative Decree 25/2016, which incorporates European Directive 2013/50/EU, the Board of Directors has decided to publish on a voluntary basis additional disclosures with respect to the annual and half-year financial statements. Specifically, the Company makes the following public disclosures:

- by the end of May: revenue up to 30 April and the trend in earnings;
- by the end of September: revenue up to 31 August and the trend in earnings;
- by 15 February of the following year: revenue up to 31 December and the trend in earnings.

These figures are compared with the same period in the prior year and are published on the Company's website once approved by the Board of Directors.

7. NON-FINANCIAL STATEMENT

The annual report contains the consolidated non-financial statement ("NFS") pursuant to Arts. 3 and 4 of Legislative Decree 254/2016 and Consob resolution 20267 of 18 January 2018. In that statement is a table matching the disclosures required by the decree to the documents where such disclosures can be found. For each topic, the NFS also mentions the specific Sustainability Reporting Standard defined in 2016 by the Global Reporting Initiative (GRI), as followed by Autogrill S.p.A. (Core option).

At the Group level, the NFS provides disclosures on environmental, social, sustainability, personnel, stakeholder dialogue, community, human rights, product quality and safety, and anti-corruption topics, to the extent needed to ensure a full understanding of what the Group does, how it has performed, and the impact of its operations. Specific parts are dedicated to the Group's handling of the Covid-19 emergency. The main risks generated or incurred in connection with these topics and arising from business activities are described in the "Financial and non-financial risk management" section of the Directors' Report. The NFS explains in detail certain limits on the environmental disclosures it contains, relating in particular to locations where energy consumption is not controlled directly by the Group and, therefore, cannot be monitored in a timely manner.

The NFS describes the methods used in its preparation: the involvement of various units and departments, the use of data from the Group's IT system for management and accounting and from a non-financial reporting system (data collection forms) implemented for compliance with Decree 254/2016 and the GRI Standards, and the use of the consolidated financial statements for data on economic performance, assets and liabilities.

The independent auditors, Deloitte & Touche, have certified the NFS via a limited audit.

The Board of Statutory Auditors met with the Group Risk Management and Sustainability Director several times during the year. Since 1 February 2021 the Group Finance Director has been responsible for the non-financial statement, while the General Manager Corporate has taken on the role of Group Chief Financial Officer & Chief Sustainability Officer.

8. INDEPENDENT AUDITORS

The accounts of Group companies (or in some cases, the individual or consolidated reporting packages prepared for Autogrill's consolidated financial statements) undergo full or limited audit by member firms of the Deloitte & Touche network. In particular, Deloitte & Touche S.p.A. was appointed on 28 May 2015 and its assignment will expire with approval of the 2023 financial statements.

The scope of consolidation has not changed significantly with respect to the previous year.

During the year we met with the independent auditors to discuss the plan of work, and in our capacity as internal control and audit committee, on 1 April 2021 we received from them the additional report required by Art. 11 of European Regulation 537/2014.

The significant issues that the independent auditors discussed with Group management concerned the recognition of revenues and management override of control in procedures connected to fraudulent financial reporting, the recoverability of the carrying amounts of investments in the separate financial statements, the recoverability of goodwill recognized in the consolidated financial statements, the effects of renegotiating rent in connection with the Covid-19 pandemic, and the impact of the pandemic on the Group's profitability and net financial position.

The key audit matters described in the additional report concerned the valuation of investments in subsidiaries and in particular the impairment testing of investments (separate financial statements), the impairment testing of goodwill (consolidated financial statements), the impact of the Covid-19 pandemic on profitability and net financial position (consolidated financial statements), and the effects of renegotiating rent in connection with the pandemic (consolidated financial statements).

The significant issues and key audit matters were discussed with Management and neither they nor other issues led to disagreements which, individually or as a whole, might be material for the separate or consolidated financial statements or for the independent auditors' reports.

In the additional report, the independent auditors did not point out any significant shortcomings in the internal control system with regarding to the financial disclosure process, nor any cases of actual or presumed non-compliance with laws, regulations or by-law provisions. Nor were any errors found that have not been corrected by the Company.

In the reports pursuant to Art. 14 of Legislative Decree 39/2010 and Art. 10 of Regulation 537/2014, the independent auditors explained the key aspects of the auditing process, in particular, with regard to the consolidated financial statements, the impacts of the Covid-19 pandemic on profitability and financial position and the financial and cash flow reinforcement measures, the effects of renegotiating rent as a consequence of the pandemic, and the impairment testing of goodwill; and, with regard to the separate financial statements, the impairment testing of the book value of equity investments.

INDEPENDENCE OF THE AUDITING FIRM

We note that no questions have arisen regarding the independence of the auditing firm and that on 1 April 2021 we received its confirmation of independence in accordance with Art. 6(2)(a) of European Regulation 537/2014 and paragraph 17 of auditing standard ISA Italia 260. Specifically, the independent auditors declared that in keeping with the regulatory and professional standards governing the auditing process, from 1 January 2020 to the present they have complied with all ethical principles pursuant to Arts. 9 and 9 bis of Legislative Decree 39/2010 and no situations have arisen that would compromise their independence for the purposes of Arts. 10 and 17 of Legislative Decree 39/2010 and Arts. 4 and 5 of European Regulation 537/2014.

The independent auditors also confirmed, pursuant to paragraph 17(b) of ISA Italia 260, that there are no relationships with the Company or other aspects that could reasonably impact their independence and that they have complied with Art. 6(2)(b) of

European Regulation 537/2014.

As a result of the changes introduced by EU Directive 2014/56 (implemented in Italy with Legislative Decree 135/2016 which amended Legislative Decree 39/2010) and the European Parliament's and Council's Regulation 537/2014 of 16 April 2014 relative to the statutory audit of public interest entities ("Audit Regulation"), the Company issued a new Non-Audit Services (NAS) Procedure which defines the general principles and methods used by Autogrill and/or the parent company and/or Group companies to grant NAS assignments to the Group's independent auditors and/or entities of the same network, where NAS are defined as services other than auditing which is outside the scope of the new procedure and remains governed by Art. 16 of the Audit Regulation.

The NAS Procedure was adopted by the Board of Directors on 14 March 2019. It also defines the NAS that are prohibited within and outside the EU and defines the authorization process for permitted services that the Internal Control Committee and financial auditors must follow in order to grant assignments to the Group's auditors and the entities belonging to its network. The Procedure, the drafting of which we were involved in on several occasions, is more restrictive than the EU regulation with regard to the NAS rendered in countries outside the EU.

In 2020, in accordance with EU regulations, we examined and authorized the assignment of any NAS within the EU on a case-by-case basis.

In the notes to the separate and the consolidated financial statements, the directors have provided details of the fees allocated to the independent auditors and to the entities in its network, as reported in the table below:

Type of service	Service provider	Recipient	Fee (€k)
Auditing	Parent's auditor	Parent	245
	Parent's auditor	Subsidiaries	240
	Parent's auditor network	Subsidiaries	2,352
Attestation	Parent's auditor	Parent	16
	Parent's auditor	Subsidiaries	82
	Parent's auditor network	Subsidiaries	1,692

9. CORPORATE GOVERNANCE

Detailed information on how Autogrill has implemented the Corporate Governance Code is provided by the directors in the annual corporate governance report, approved on 11 March 2021 and annexed to the financial statements.

The corporate governance report is compliant with Art. 123 bis TUF. The independent auditors, in their reports, have confirmed that the directors' report and the disclosures pursuant to paragraph 1 letters c), d), f), l) and m) and paragraph 2 letter b) of Art. 123 bis TUF presented in the corporate governance report are consistent with the separate and the consolidated financial statements.

In December 2012 the Board of Directors adopted the new Corporate Governance Code approved by the Corporate Governance Committee in December 2011 and made some changes to its governance system, including the addition of its own code containing the "minimum rules" of governance that the company undertakes to observe (the "Autogrill Code"), although the directors may continue to adopt solutions on a case-by-case basis that go above and beyond those rules.

In 2014, 2015 and 2016 the Board of Directors amended the Autogrill Code largely to reflect the changes made to the version of the Corporate Governance Code approved by the Corporate Governance Committee. During the meeting held on 18 December 2018, the Company approved the changes made in order to comply with the amendments made to the Code by the Corporate Governance Committee in July 2018.

In some cases the "minimum rules" found in the Autogrill Code are exceeded by the board's standard practices, which form the basis of the corporate governance report, although in some instances the report also refers to the Autogrill Code (published in full in the Governance section of the Company's website, www.autogrill.com, under "regulations and procedures").

In any case, as resolved by the Board of Directors on 14 March 2019, Autogrill complies with the Corporate Governance Code as amended in July 2018.

Additionally, on 25 February 2021 the Board of Directors resolved to adopt the new Corporate Governance Code approved by the Corporate Governance Committee on 31 January 2020. The Company will take the measures needed to ensure compliance with the new Code during the course of 2021.

The following remarks make reference, in general, to the disclosures provided above.

The chief executive officer – who also holds the title of managing director, general manager, and designated director in charge of the control and risk management system – is the person primarily responsible for running the business, while to the chairman, on 21 May 2020, the Board of Directors granted powers relating primarily to corporate governance, monitoring, and support to the CEO, but no executive powers (with the exception of arranging consulting agreements and contracts for intellectual or professional services with a duration not exceeding twelve months and payments of no more than €300,000 per contract).

The Board of Directors, a majority of whose members are independent, is involved — including through the work of its committees — in decisions concerning a number of areas, such as strategies and investments, budgeting, strategic/industrial/financial planning, corporate governance (including remuneration), and the internal control and risk management system.

In accordance with the Corporate Governance Code, during the year the Company verified the true independence of the directors qualifying as such, whose statements of independence we reviewed on 12 March 2020 and 11 March 2021. The Company also ascertained the continued independence of the statutory auditors, according to the provisions of the same Code. The independent directors met three times during the year in the absence of the other board members; these meetings were chaired by the lead independent director.

With regard to the maximum number of directorships and statutory auditorships that may be held at other companies, the Board of Directors confirmed its previous policy, explaining why it was deemed unnecessary to consider participation in board committees.

During the meeting held on 11 March 2021, the Board of Directors confirmed that each of the directors in office complied with the limit on the number of assignments allowed.

The directors have not formed a nominating committee. The functions of a nominating committee are carried out by the Board of Directors, in accordance with the Corporate Governance Code.

While a succession plan for executive directors has yet to be adopted, in 2019 the Board of Directors resolved to begin work on a succession plan for both senior management and the chief executive officer. The Human Resources Committee, with the support of a premiere consulting company, was placed in charge of this process and has kept the Board of Directors apprised of its progress. The guidelines for replacing senior management and the chief executive officer, if necessary, were approved by the Board of Directors on 12 March 2020. Implementation of the process was delayed by the Covid-19 emergency, although during the year, the Human Resources Committee was brought up to date on various occasions.

The Human Resources Committee has been granted the remuneration functions set forth in the Corporate Governance Code. It is currently made up of two independent directors and one non-executive director.

Beginning in 2017 the Human Resources Committee began an in-depth review of the management bonus system, in response to the misgivings the statutory auditors had expressed regarding the attraction and retention of key managers given that the MBO system, normally a short-term incentive, had been partially modified as a three-year plan. The risks seemed especially acute given the Group's multinational dimension.

The corporate governance report gives detailed information on its activities.

The Board of Directors has decided not to give the human resources committee the additional task for making pay recommendations for all directors (other than executive directors, the chairman, and other directors holding special offices).

The Board of Directors has also formed a Strategies and Sustainability Committee (a reconfiguration of the Strategies and Investments Committee) which is currently comprised of three independent directors, one of whom serves as chair, and one non-executive director. This committee provides background information and advice on business strategies; long-term plans and budgets for the Group and its strategically significant operating companies, as well as material transactions; annual and long-term investment plans, updated and supplemented as necessary; Group investment policies; and specific investment projects of particular strategic or economic importance.

As for sustainability, during the year the committee worked on defining new regulations for itself that would govern these responsibilities. The regulations were approved by the Board of Directors on 11 March 2021 and require the committee to:

- assess the sustainability guidelines proposed by the chief executive officer for the approval of the Board of Directors;
- foster the integration of sustainability into Autogrill's strategies and culture, in part to help spread these values among employees, shareholders, users, customers, the community, and stakeholders in general;
- review stakeholder engagement activities and periodically evaluate the Company's positioning in sustainability issues vis-à-vis the financial markets and international initiatives, with particular reference to sustainability ratings, ethical indexes, and so forth;
- express opinions on sustainability matters at the request of the Board of Directors.

The Board of Directors' annual self-assessment process was carried out through questionnaires, meetings, and direct interviews with the individual directors conducted by the lead independent director. The outcome was discussed during the board meeting of 25 February 2021 and detailed information is provided in the corporate governance report.

The corporate governance report contains information on the sole induction activity carried out in 2020.

We reiterate our view that this instrument is key to increasing the efficacy of the non-executive directors and statutory auditors.

CHANGES TO REGULATIONS AND BY-LAWS

On 12 March 2020, the Board of Directors – in accordance with the powers granted in Article 15 d) of the corporate by-laws – updated the by-laws in order to comply with the 2020 Budget Law based on which at least 2/5 of the directors appointed and 2/5 of the standing statutory auditors appointed [4] should be of the less represented gender and provisions to this effect should be included in the by-laws of joint stock companies listed on regulated markets. More in detail, the Board of Directors resolved to amend Articles 10 and 20 of the by-laws and to include provisions based on which the lists presented with three or more candidates must include candidates of both genders in accordance with gender parity legislation in effect at the given time.

10. SELF-ASSESSMENT OF THE BOARD OF STATUTORY AUDITORS

In accordance with the standards of conduct for the statutory auditors of listed companies endorsed by the Italian Accounting Profession, we carried out a self-assessment process in order to confirm that the members of the Board of Statutory Auditors are still qualified to serve and that our activities have been carried out as planned.

We performed the self-assessment by evaluating the information gathered and provided by all of the statutory auditors, without the use of questionnaires or availing ourselves of consultants.

The activity focused on the most relevant topics mentioned in the self-assessment standards, in particular:

- the size of the board and the gender and age of its members;
- the qualifications, integrity, and independence of the statutory auditors;
- the number of assignments held, other professional roles, and whether each member has set aside enough time to complete duties as planned;
- the effectiveness and quality of information exchanged with the Board of Directors, board committees and other corporate functions;
- information sharing with the independent auditors;
- collaboration and interaction among the statutory auditors;
- functioning and organization of work.

As a board, we analyzed and discussed the information gathered in order to ascertain whether or not the conditions for ensuring the efficacy of our supervisory activities were satisfied.

At end of this process, we concluded that we are able to carry out our assignment in a timely manner, with maximum collaboration and an effective balance of professional expertise. We found no shortcomings as to the qualifications of any member or other critical issues as to how the board functions which would require corrective measures.

4 As better specified in Consob Circular 1/2020 of 30 January 2020, Consob considers the rule of rounding up to the next highest unit stated in Art. 144-undecies.1(3) of the Issuers' Regulations to be mathematically impossible for corporate bodies made up of three members. Therefore, for such bodies, Consob holds that rounding down to the next lowest unit is consistent with the new legislation. The rule about rounding up to the next highest unit per Art. 144-undecies.1(3) of the Issuers' Regulations still applies to corporate bodies with more than three members.

11. CONCLUSIONS REGARDING SUPERVISORY ACTIVITIES, THE FINANCIAL STATEMENTS AND THE CALLING OF THE SHAREHOLDERS' MEETING

Based on the information gathered while performing our audit work, we did not find any transactions carried out during the year referred to in this report that failed to comply with principles of sound administration or were in violation of the law or the corporate by-laws, not in the best interest of the Company, contrary to the resolutions approved by shareholders, manifestly imprudent or risky, or lacking in the information called for relative to directors' interests or such that the integrity of the Company's assets was compromised. During the course of our audit work, therefore, no inappropriate conduct, omissions or irregularities came to light that might have required reporting to the supervisory authorities or mention in this report.

Through direct inspection and information provided by the independent auditors and the manager in charge of financial reporting, we have verified compliance with laws regarding the preparation and content of the Autogrill Group's consolidated financial statements, of Autogrill S.p.A.'s separate financial statements and of the corresponding directors' reports, including the consolidated non-financial statement.

In their report issued pursuant to Art. 14 of Legislative Decree 39/2010 and Art. 10 of Regulation 537/2014, the independent auditors gave an unqualified opinion of the separate and the consolidated financial statements for 2020. Regarding the directors' report and some specific disclosures in the corporate governance and ownership report, the independent auditors gave an unqualified opinion on their consistency with the financial statements and compliance with the provisions of law. They found no material errors. As for the consolidated non-financial statement, in their report pursuant to Art. 3(10) of Legislative Decree 254/2016 and Art. 5 of Consob Regulation 20267, the independent auditors wrote that they were unaware of any issues suggesting that the Autogrill Group's NFS for the year ended 31 December 2020 was not compliant, in all material respects, with Arts. 3 and 4 of the Decree and with the GRI Standards.

Both the separate and the consolidated financial statements come with the certification by the manager in charge of financial reporting and chief executive officer required by Art. 154 bis TUF.

The general meeting called to approve the financial statements for 2020 is also asked to vote on other matters within its sphere of authority, including the re-election of the Board of Statutory Auditors and the remuneration report.

On the basis of our work during the year, we find no reason not to approve the financial statements at 31 December 2020 and the motions presented by the board of directors.

Milan, 1 April 2021

The Board of Statutory Auditors of Autogrill S.p.A.

Marco Rigotti
Antonella Carù
Massimo Catullo

AUTOGRILL S.P.A.

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