AUTOGRILL S.P.A.
ANNUAL REPORT 2019

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(Translated from the original version issued in Italian)

BOARDS AND OFFICERS

BOARD OF DIRECTORS [1]

Chairman [2, 3]
Paolo Zannoni [E]

CEO [4]
Gianmario Tondato Da Ruos [E]

Directors
Alessandro Benetton
Franca Bertagnin Benetton
Ernesto Albanese [7, I]
Francesco Umile Chiappetta [6, 7, I]
Cristina De Benetti [6, I]
Massimo Di Fasanella D'Amore di Ruffano [5, 8, I, L]
Catherine Gérardin-Vautrin [5, I]
Marco Patuano [12]
Maria Pierdicchi [8, I]
Elisabetta Ripa [5, 7, I]
Paolo Roverato [5, 6, 8]
Barbara Cominelli [13]

Secretary
Paola Bottero

BOARD OF STATUTORY AUDITORS [9]

Chairman
Marco Rigotti [10]

Standing auditor
Antonella Carù [10]
Massimo Catullo [10]

Alternate auditor
Roberto Miccù [10]
Patrizia Paleologo Oriundi [10]

Independent auditors [11]
Deloitte & Touche S.p.A.

1 Appointed during the annual general meeting of 25 May 2017; in office until approval of the 2019 financial statements
2 Appointed to the Board of Directors and named chairman of the board, to replace Gilberto Benetton, per board resolution of 7 February 2019. Confirmed as board member until approval of the 2019 financial statements, per shareholders' resolution of 23 May 2019 and as chairman per board resolution of the same date.
3 Powers of ordinary administration, with individual signing authority, per board resolutions of 7 February 2019 and 23 May 2019
4 Powers of ordinary administration, with individual signing authority, per board resolution of 25 May 2017 assigning the position of CEO
5 Member of the Strategies and Investments Committee
6 Member of the Internal Control, Risks and Corporate Governance Committee
7 Member of the Related Party Transactions Committee
8 Member of the Human Resources Committee
9 Elected by the annual general meeting of 24 May 2018; in office until approval of the 2020 financial statements
10 Chartered accountant/auditor
11 Assignment granted by the annual general meeting of 28 May 2015, to expire on approval of the 2023 financial statements
12 Member of the Strategies and Investments Committee until resignation from the Board of Directors on 24 June 2019
13 Appointed to the Board of Directors per board resolution of 19 December 2019, in office until the next shareholders' meeting
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
L Lead Independent Director

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DIRECTORS' REPORT

1

COMPARABILITY OF DATA, DEFINITIONS AND SYMBOLS

COMPARABILITY OF DATA

As mentioned in the notes to the separate financial statements, estimation and measurement criteria are the same as those used the previous year, except for the adoption of the accounting standard IFRS 16 - Leases.

IFRS 16 provides a comprehensive model for the accounting of lease arrangements which requires the lessee to recognize, on the assets side, the right of use of the leased asset, and on the liabilities side, the lease liability determined on the basis of the net present value of future minimum guaranteed lease payments. Subsequently, the right of use asset is depreciated, while the lease liability accrues the corresponding financial charges.

In comparison with previous years, this accounting model therefore entails a reduction in operating costs (lease and concession payments) and an increase in depreciation and financial charges. Based on the standard, the variable component of leases and concessions is still recognized in operating expense in the reporting period.

In the statement of cash flows, the repayment of the financial liability is shown in cash flow from financing activities, resulting in an increase of the same amount in net cash flow from operating activities.

The new standard has had an immaterial impact on the representation of operating leases, which for Autogrill S.p.A. pertain to its headquarters in Rozzano (MI) and its fleet of company cars. There have likewise been no significant effects on finance leases.

The Company has opted to apply IFRS 16 using the modified retrospective approach, whereby the right of use asset at 1 January 2019 is recognized in the same amount as the residual financial liability at that date, without restating comparative figures for the previous year.

Therefore, the balances shown in the separate financial statements at 31 December 2019 are not comparable with those shown for 2018.

DEFINITIONS AND SYMBOLS

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

EBITDA: this is the sum of EBIT (earnings before interest and tax) and depreciation, amortization and impairment losses, and can be gleaned directly from the financial statements, 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.

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 31 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 provided food & beverage services at major travel infrastructures (motorways, airports and railway stations), directly or indirectly and chiefly in the Italian market. That year, the Company completed a Corporate Reorganization aimed at separating the Italian food & beverage operations and the coordination and service functions provided to the directly controlled European companies from the group-wide direction and management operations.

Since 1 January 2018, following the contribution in kind 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; information technology; corporate social responsibility and internal audit.

1.2 PERFORMANCE

1.2.1 INCOME STATEMENT RESULTS

CONDENSED INCOME STATEMENT

(€m)	Full Year 2019	% of revenue	Excluding IFRS 16 *	% of revenue	Full Year 2018	% of revenue	Change **
Revenue	14.9	100.0%	14.9	100.0%	15.3	100.0%	-2.6%
Other operating income	4.1	27.5%	4.1	27.5%	6.4	41.8%	-35.9%
Total revenue and other operating income	**19.0**	**127.5%**	**19.0**	**127.5%**	**21.7**	**141.8%**	**-12.4%**
Personnel expense	(17.9)	120.1%	(17.9)	120.1%	(14.6)	95.4%	22.6%
Leases, rentals, concessions and royalties	(0.2)	1.3%	(0.3)	2.0%	(0.9)	6.1%	-68.0%
Other operating expense	(14.7)	98.7%	(14.6)	98.0%	(13.8)	90.0%	6.1%
EBITDA	**(13.8)**	**92.6%**	**(13.8)**	**92.6%**	**(7.6)**	**49.7%**	**81.6%**
Depreciation, amortization and impairment losses	(2.4)	16.1%	(1.9)	12.8%	(3.1)	20.3%	-38.7%
EBIT	**(16.2)**	**108.7%**	**(15.7)**	**105.4%**	**(10.7)**	**69.9%**	**46.7%**
Financial (expense) income	29.1	195.3%	29.2	196.0%	28.0	183.0%	4.3%
Pre-tax profit	**12.9**	**86.6%**	**13.5**	**90.6%**	**17.3**	**113.1%**	**-22.0%**
Income tax	22.6	151.7%	22.5	151.0%	(2.1)	13.7%	n,s,
Profit	**35.4**	**237.6%**	**35.9**	**240.9%**	**15.2**	**99.3%**	**136.2%**

* Adjusted for the effects of the first time adoption of IFRS 16, namely: an increase of € 0.1m in "Leases, rentals, concessions and royalties", a decrease of € 0.5m in "Depreciation, amortization and impairment losses", a decrease of € 0.1m in "Other operating expense",an increase of € 0.1m in "Financial income", a decrease of € 0.1m in "Income tax"

** Change between 2019 excluding IFRS 16 and 2018

REVENUE

In 2019 Autogrill S.p.A. earned € 14.9m in revenue from Group guidance and management, consistent with the previous year's earnings of € 15.3m.

OTHER OPERATING INCOME

Other operating income of € 4.1m consists mainly of the capital gain from the arm's-length sale of brands to the indirect subsidiary Autogrill Schweiz A.G. (€ 2.2m) and fees for services rendered to subsidiaries (€ 1.6m).

The decrease of € 2.3m is explained by the reduction in capital gains with respect to 2018, when a storage facility was sold and by reduced income from services provided to subsidiaries.

PERSONNEL EXPENSE

Personnel expense came to € 17.9m in 2019 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; information technology; corporate social responsibility and internal audit.

It includes € 4.7m for the cost of the Phantom Stock Option Plans and Performance Share Unit Plans pertaining to those units' employees.

Most of the approximately 20% increase in personnel expense, comparing to 2018, is due to:

- rising costs for the Phantom Stock Option Plans, reflecting the higher price of Autogrill shares on 31 December 2019 with respect to the previous year end;
- an increase in the cost of Performance Share Units, due to the full vesting period in 2019 of the two assignment phases (waves) carried out in 2018 and the launch of an additional wave this year;
- an upturn in operating labor costs, reflecting the reinforcement of the Group's governance functions.

LEASES, RENTALS, CONCESSIONS AND ROYALTIES

These refer mainly to leases for company cars expiring within 12 months.

At € 0.2m, one reason for the decrease with respect to the previous year is the adoption of the new accounting standard IFRS 16, which eliminated the fixed portion of lease fees from this item starting on 1 January 2019.

That cost component is now represented by depreciation of right of use assets and interest on finance lease liabilities.

In 2018 this item consisted of rent for the Company's headquarters in Rozzano, outside Milan, shown net of the portion reimbursed by the other Italian companies in the Group on the basis of the space they occupied.

Adjusted leases, rentals, concessions and royalties for 2019 were € 0.6m lower than the previous year due to timing differences in the payment of rent on the Rozzano premises.

OTHER OPERATING EXPENSE

Other operating expense amounted to € 14.7m and increased mainly as a result of the rise in consulting and headhunting costs to fortify the Group's governance functions.

EBITDA

The combined result of the items listed above led to negative EBITDA of € 13.8m for the year, compared with a negative € 7.6m in 2018.

The Company does receive dividends from its subsidiaries, which are included in financial income and do not contribute to EBITDA.

DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

Depreciation and amortization (€ 2.4m) refer to software, licenses, as well as leasehold improvements. Of the total, € 0.5m pertains to right of use assets as a result of the adoption of IFRS 16.

Adjusted depreciation, amortization and impairment losses come to € 1.9m; most of the reduction on the previous year is due to a decrease in the amortization of brands, with the intercompany transfer (described above) in the early months of 2019.

There were no impairment losses in 2019.

FINANCIAL INCOME AND EXPENSE

Net financial income totaled € 29.1m, up from € 28m in 2018. The increase is due primarily to the appreciation of the US dollar against the euro, which improved the euro value of the dividend approved by the American subsidiary HMSHost Corporation (€ 31.4m in 2019 vs. € 30.7m the previous year), as well as € 0.3m in interest accrued on the 2019 portion of the IRES (corporate income tax) refund requested by the ultimate parent company Edizione S.r.l. on behalf of Autogrill S.p.A. as a result of the recognition of the deductibility of IRAP (regional tax) pertaining to personnel expense for the years 2007-2011 (Art. 2 of Law 201/2011).

Adjusted "Financial income and expense" of € 29.2m reflects the reversal of the impact of IFRS 16 in the amount of € 0.1m.

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 break-even and consistency with its own dividend policy as announced to the market.

INCOME TAX

In 2019, € 22.6m came in as a result of income tax, compared with a cost of € 2.1 the previous year.

The change is mostly due to income from the recognition of the Company's operating loss for the year which offset the taxable income of Group companies participating in the tax consolidation with Edizione S.r.l.; the use of prior-year losses to offset the future taxable income of Autogrill Italia S.p.A., given its expectation for improved earnings projections for the next five years; and the decrease in the deferred tax liability on 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 FOR THE YEAR

The net profit for 2019 was € 35.4m, up from € 15.2m the previous year, due mainly to the income tax dynamics described above.

1.2.2 RECLASSIFIED STATEMENT OF FINANCIAL POSITION[1]

(€m)	31.12.2019	31.12.2019 excluding IFRS 16 *	31.12.2018	Change **
Intangible assets	2.4	2.4	13.5	(11.1)
Property, plant and equipment	5.6	5.6	5.2	0.4
Right of use assets	4.3	-	-	-
Financial assets	714.4	714.4	712.6	1.8
A) Non-current assets	**726.7**	**722.4**	**731.3**	**(8.9)**
Trade receivables	0.6	0.6	0.9	(0.3)
Other receivables	75.8	75.8	78.9	(3.1)
Trade payables	(2.8)	(2.8)	(6.2)	3.4
Other payables	(14.1)	(14.1)	(21.4)	7.3
B) Working capital	**59.5**	**59.5**	**52.2**	**7.3**
Invested capital (A + B)	**786.2**	**781.9**	**783.5**	**(1.6)**
C) Other non-current non-financial assets and liabilities	**21.6**	**21.5**	**2.0**	**19.5**
D) Net invested capital (A + B + C)	**807.8**	**803.4**	**785.5**	**17.9**
E) Equity	**457.4**	**457.9**	**469.5**	**(11.6)**
Non-current financial liabilities	399.1	399.1	376.0	23.1
Non current finance lease payable	15.0	-	-	-
Non-current financial assets	(72.6)	(72.6)	(84.9)	12.3
Non-current finance lease receivables	(10.6)	-	-	-
F) Non-current financial indebtedness	**330.9**	**326.5**	**291.1**	**35.4**
Current financial liabilities	19.4	19.4	25.3	(5.9)
Current finance lease payable	1.5	-	-	-
Cash and cash equivalents and current financial assets	(0.4)	(0.4)	(0.4)	-
Current finance lease receivables	(1.0)	-	-	-
G) Current net financial indebtedness	**19.5**	**19.0**	**24.9**	**(5.9)**
Net financial position (F + G)	**350.4**	**345.5**	**316.0**	**29.5**
Net financial liabilities for leased assets	**(4.9)**	**-**	**-**	**-**
Net financial position	**345.5**	**345.5**	**316.0**	**29.5**
H) Total (E + F + G) as in D)	**807.8**	**803.4**	**785.5**	**17.9**

* Adjusted for the effects of the first time adoption of IFRS 16, namely: a decrease of € 4.3m in "Right of use", a decrease of € 0.1m in " Other non current-non financial assets and liabilities", a decrease of € 15m in "Non-current finance lease payable", a decrease of € 10.6m in "Non-current finance lease receivables" a decrease of € 1.5m in "Current finance lease payable", a decrease of € 0.1m in "Current finance lease receivables"

** Change between 2019 excluding IFRS 16 and 2018

Comments on changes in the reclassified statement of financial position can be found in the notes to the financial statements. Note, in particular, that changes since the previous year stem in part from the adoption of the new accounting standard IFRS 16.

1 Caption "B. Working capital" includes the items "IV. Other receivables," "V. Trade receivables", "III. Tax assets", "XIII. Trade payables" and "XIV. Other payables".
Caption "C. Other non-current non-financial assets and liabilities" includes the items "XIX. Post-employment benefits and other employee benefits", "XXI. Provisions for risks and charges" and "XII. Deferred tax assets".
"Non-current financial assets" do not include long-term security deposits (€ 0.8m), which have been reclassified to "Financial assets".
"Current financial liabilities" corresponds to the items "XV. Bank loans and borrowings" and "Other financial liabilities".
"Cash and cash equivalents and current financial assets" include "I. Cash and cash equivalents" and "Other financial assets".

As discussed in greater details in the notes, with the adoption of IFRS 16 the statement of financial position now includes a new asset item representing the right of use of goods operated under lease contracts, which in the case of Autogrill S.p.A. consist of the Rozzano headquarters and the fleet of company cars.

IFRS 16 also requires the recognition of non-current finance lease receivables and liabilities (€ 10.6m and € 15m, respectively) and current finance lease receivables and liabilities (€ 1m and € 1.5m, respectively).

Therefore, the item "Net financial liabilities for lease asset" can be broken down as follows:

(€m)	31.12.2019
Current finance lease payable	(1.5)
Non current finance lease payable	(15.0)
Current finance lease receivables	1.0
Non current finance lease receivables	10.6
Net financial liabilities for lease asset	**(4.9)**

The net financial position was less favorable than at 31 December 2018 due mainly to the reduction in dividends received; 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.

Autogrill S.p.A.'s largest subsidiary is the U.S.-based HMSHost Corporation. Revenue in 2019 by HMSHost and its subsidiaries increased by 4.6% to $ 3,675m ($ 3,512m the previous year). EBITDA, determined in accordance with the new accounting standard IFRS 16, came to $ 759.6m. If IFRS 16 had not been applied, EBITDA would have been $ 506.7m ($ 366.6m the previous year), an increase of 38.1%; as a percentage of revenue it would have risen from 10.4% in 2018 to 13.8%. EBIT, determined in accordance with IFRS 16, amounted to $ 332.3m. If IFRS 16 had not been applied, EBIT would have been $ 304.7m ($ 185.9m the previous year), an increase of 63.9%; as a percentage of revenue it would have risen from 5.3% in 2018 to 8.3%. The net profit reflecting IFRS 16 was $ 209.3m. Without IFRS 16 it would have amounted to $ 233.5m, up from $ 100.6m in 2018.

The subsidiary Autogrill Italia S.p.A. earned revenue of € 909m in 2019, EBITDA of € 157m and an EBITDA margin of 17%, affected significantly by the adoption of IFRS 16. Adjusting for the impact of the new standard, EBITDA would amount to € 75.8m or 8.3% of revenue, an improvement of around 4% with respect to 2018. The company reported a net profit of € 19.1m, compared with a loss of € 4.6m the previous year. The adjusted net profit comes to € 22.4m. The improvement is explained chiefly by cost efficiencies, as well as an increase in other operating income.

The subsidiary Autogrill Europe S.p.A., which holds investments in companies operating in continental and southern Europe, earned revenue of € 5.3m in 2019 through recharges of services. EBITDA was a negative € 4.3m while dividends from subsidiaries came to € 17.7m. The year closed with a net profit of € 18.9m, after a loss of € 1.3m the previous year. Most of the improvement is explained by an increase in dividends received and a capital gain of € 8.0m on the sale a controlling interest in a company in the Czech Republic.

Likewise, in 2019 the subsidiary Autogrill Advanced Business Service S.p.A. grossed € 15.4m for administrative and ICT services rendered, with EBITDA of € 2.6m. The net profit for the year came to € 0.3m.

With effect from 1 January 2020, the subsidiary has sold its ICT and payroll divisions to its affiliates Autogrill Italia S.p.A. and Autogrill Europe S.p.A., while continuing to handle administrative services.

Revenue from these continuing operations, net of the divisions transferred with effect from 1 January 2020, came to € 2.4m with EBITDA of € 147k and a net profit of € 61k.

1.3 OUTLOOK

Since early 2020 Autogrill S.p.A. has been dealing with the impact of the coronavirus (COVID-19) crisis.

COVID-19 began to spread in the second half of January, followed by rapid worldwide contagion in February, affecting motorway, as well as, air traffic and leading to more serious consequences in a number of countries. The epidemic is evolving rapidly and at the moment it is extremely difficult to predict short-term developments with any reliability. The Autogrill Group has taken significant measures to protect the health and safety of its workers and customers, while continuing to provide an essential public service in accordance with each order issued by the competent authorities

Autogrill has taken specific action to stem the impact of COVID-19 and has set up a task force to stay abreast of the situation as it evolves.

Considering the short-term uncertainty of the situation, Autogrill S.p.A.'s Board of Directors is taking a prudent approach and proposing to the shareholders that the net profit be carried forward instead of paying a dividend this year.

In light of persistent uncertainty as to the potential impact of COVID-19 and its duration, Autogrill Group guidance for the year 2020 will be announced when the situation is more stable, but the Group confirms its commitment to managing operations with a view to achieving medium/long term value and intends to follow through with its planned investments.

SUBSEQUENT EVENTS

Since 31 December 2019, no events have occurred that would have entailed an adjustment to the figures reported or required additional disclosures.

In January 2020 Autogrill S.p.A. collected the dividend of € 35m from the US subsidiary HMSHost Corporation.

1.4 OTHER INFORMATION

1.4.1 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 2019 consolidated financial statements.

1.4.2 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 1.6.1 (Financial and non-financial risk management) in the directors' report to the consolidated financial statements.

1.4.3 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).

1.4.4 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:

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

1.4.5 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).

1.4.6 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 Corp. 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.

1.4.7 RESEARCH AND DEVELOPMENT

Given the nature of its core activities, Autogrill invests directly or through subsidiaries in innovation, product development and improvements to the quality of service. It does not conduct technological research as such.

1.4.8 TREASURY SHARES

The annual general meeting of 23 May 2019, pursuant to Arts. 2357 et seq. of the Italian Civil Code and after revoking the authorization granted on 24 May 2018, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.

At 31 December 2019 the Company owned 181,641 treasury shares (unchanged since the end of 2018), with a carrying amount of € 720k and an average carrying amount of € 3.96 per share. No treasury shares were purchased or sold in 2019.

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.

1.4.9 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

In 2019, 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.

1.4.10 ATYPICAL OR UNUSUAL TRANSACTIONS

In 2019 there were no atypical and/or unusual transactions as defined by Consob Communication DEM/6064293 of 28 July 2006.

1.4.11 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.

1.5 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 180 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.

1.6 PROPOSAL FOR APPROVAL OF THE FINANCIAL STATEMENTS AND ALLOCATION OF THE 2019 PROFIT

Dear Shareholders,

The year ended 31 December 2019 closed with a net profit of € 35,447,403.

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 2019 financial statements which close with a net profit of € 35,447,403;
- having noted, based on the Company's 2019 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 2019, showing a net profit of € 35,447,403;
b) to carry forward the net profit of € 35,447,403.

12 March 2020

The Board of Directors

SEPARATE FINANCIAL STATEMENTS

2

2.1 SEPARATE FINANCIAL STATEMENTS

2.1.1 STATEMENT OF FINANCIAL POSITION

Note	(€)	31.12.2019	Of which related parties	31.12.2018	Of which related parties
	ASSETS				
I	Cash and cash equivalents	419,845		337,157	
II	Finance lease receivables	1,047,179	1,047,179	-	
	Other financial assets	26,609	26,609	31,141	31,141
III	Tax assets	662,436		662,436	
IV	Other receivables	75,096,667	67,914,400	78,756,420	67,091,123
V	Trade receivables	529,477	308,040	430,118	414,483
	Total current assets	**77,782,213**		**80,217,272**	
VI	Property, plant and equipment	5,636,214		5,235,940	
VII	Other intangible assets	2,352,022		13,514,408	
VIII	Right of use assets	4,270,702		-	
IX	Investments	713,605,072		711,652,689	
X	Finance lease receivables	10,606,027	10,606,027	-	
XI	Other financial assets	73,416,526	72,571,292	85,800,517	84,930,067
XII	Deferred tax assets	24,462,214		6,041,195	
	Total non-current assets	**834,348,777**		**822,244,749**	
	TOTAL ASSETS	**912,130,990**		**902,462,021**	
	LIABILITIES AND EQUITY				
	LIABILITIES				
XIII	Trade payables	2,794,848		6,182,464	1,117,968
XIV	Other payables	14,098,628	5,686,511	21,370,340	10,486,408
XV	Bank loans and borrowings	18,561,254		24,302,481	
XVI	Finance lease payables	1,481,567		-	
	Other financial liabilities	847,966		1,051,682	
	Total current liabilities	**37,784,262**		**52,906,967**	
XVII	Other payables	-		1,160,307	
XVIII	Loans, net of current portion	399,058,475		375,968,915	
XIX	Finance lease payables	14,987,813		-	
XX	Defined benefit plans	808,868		855,162	
XXI	Provisions for risks and charges	2,053,178		2,025,018	
	Total non-current liabilities	**416,908,334**		**380,009,402**	
XXII	**EQUITY**	**457,438,394**		**469,545,653**	
	TOTAL LIABILITIES AND EQUITY	**912,130,990**		**902,462,021**	

2.1.2 INCOME STATEMENT

Note	(€)	Full Year 2019	Of which related parties	Full Year 2018	Of which related parties
XXIII	Revenue	14,861,186	14,861,186	15,293,853	15,293,853
XXIV	Other operating income	4,167,199	1,896,910	6,356,017	3,129,303
	Total revenue and other operating income	**19,028,385**	**-**	**21,649,870**	**-**
XXV	Personnel expense	17,945,014	9,218,243	14,530,965	10,008,087
XXVI	Leases, rentals, concessions and royalties	178,019	(545,800)	956,507	(2,308,443)
XXVII	Other operating expense	14,659,906	2,186,300	13,807,823	2,747,875
XXVIII	Amortization and depreciation	2,445,631	-	3,108,241	-
	Operating loss	**(16,200,185)**	**-**	**(10,753,665)**	**-**
XXIX	Financial income	33,519,028	32,906,750	32,313,889	31,632,616
XXX	Financial expense	(4,468,849)	-	(4,262,963)	-
	Pre-tax profit	**12,849,993**	**-**	**17,297,261**	**-**
XXXI	Income tax	22,597,410	-	(2,089,952)	-
	Profit for the year	**35,447,403**	**-**	**15,207,309**	**-**

2.1.3 STATEMENT OF COMPREHENSIVE INCOME

Note	(€)	Full Year 2019	Full Year 2018
	Profit for the year	**35,447,403**	**15,207,309**
	Items of comprehensive income that will not be reclassified to profit or loss	**(20,851)**	**42,582**
XX	Actuarial gains on defined benefit plans	(27,436)	56,029
	Tax on items that will not be reclassified to profit or loss	6,585	(13,447)
	Items that may be subsequently reclassified to profit or loss	**-**	**-**
	Total comprehensive income for the year	**35,426,552**	**15,249,891**

2.1.4 STATEMENT OF CHANGES IN EQUITY

(€)	Share capital	Legal reserve	Other reserves and retained earnings	Treasury shares reserve	Profit for the year	Equity
31.12.2017	**68,688,000**	**13,737,600**	**359,587,073**	**(719,809)**	**59,392,001**	**500,684,864**
Profit for the year	-	-	-	-	15,207,309	15,207,309
Effective portion of fair value change in cash flow hedges, net of the tax effect	-	-	42,582	-	-	42,582
Total comprehensive income (expense) for the year	**-**	**-**	**42,582**	**-**	**15,207,309**	**15,249,891**
Allocation profit and dividend distribution	-	-	11,090,513	-	(59,392,001)	(48,301,488)
Stock option	-	-	1,912,384	-	-	1,912,384
Total contributions by and distributions to owners of the parent	**-**	**-**	**13,002,897**	**-**	**(59,392,001)**	**(46,389,104)**
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
Actuarial gains (losses) on defined benefit plans, net of the tax effect	-	-	(20,851)	-	-	(20,851)
Total comprehensive income (expense) for the year	**-**	**-**	**(20,851)**	**-**	**35,447,403**	**35,426,552**
Dividend distribution	-	-	(35,636,363)	-	(15,207,309)	(50,843,672)
Stock option	-	-	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**

2.1.5 STATEMENT OF CASH FLOWS

(€k)	Full Year 2019	Full Year 2018
Opening net cash and cash equivalents	**(3,965)**	**24,222**
Pre-tax profit and net financial expense for the year	(16,200)	(10,754)
Amortization, depreciation and impairment losses on non-current assets, net of reversals	2,446	3,108
(Gain) losses on disposal of non-current assets	(2,221)	(3,573)
Other non cash item	1,379	765
Change in working capital	(1,782)	(32,341)
Net change in non-current non-financial assets and liabilities	(1,255)	(3,658)
Cash flow from operating activities	**(17,634)**	**(46,453)**
Taxes (paid) collected	213	(4,289)
Net interest paid	(1,627)	(1,427)
Net interests - finance lease	(146)	-
Net cash flow from operating activities	**(19,193)**	**(52,168)**
Acquisition of property, plant and equipment and intangible assets	(2,881)	(4,170)
Proceeds from sale of non-current assets	13,022	7,153
Dividends received	30,605	83,299
Net change in non-current financial assets	25	(10)
Net cash flow used in investing activities	**40,771**	**86,273**
Net change in intercompany loans and borrowings	12,359	(76,445)
New non current borrowings	22,742	226,052
Repayments of non-current loans	(5,000)	(140,000)
Dividends paid	(50,844)	(48,301)
Principal repayment of lease liabilities	4	-
Principal cash in of lease assets	(15)	6
Net cash flow used in financing activities	**(20,754)**	**(38,689)**
Settlement of the contribution in kind	-	(8,485)
Change in working capital contributed	-	(88,325)
Net change in non-current non-financial assets and liabilities contributed	-	(53,319)
Property, plant and equipment and intangible assets contributed	-	607,165
Net change in current financial assets and liabilities contributed	-	(21,224)
Net change in non current financial assets and liabilities contributed	-	33,462
Capital increase resulting from the contribution in kind	-	(492,878)
Net cash flow contributed	**-**	**(23,604)**
Cash flow for the year	**824**	**(28,188)**
Closing net cash and cash equivalents	**(3,141)**	**(3,965)**

RECONCILIATION OF NET CASH AND CASH EQUIVALENT

(€k)	Full Year 2019	Full Year 2018
Opening - net cash and cash equivalents - balance as of 1st January 2018 and as of 1st January 2019	**(3,965)**	**24,222**
Cash and cash equivalents	337	24,222
Current account overdrafts	(4,302)	-
Closing — net cash and cash equivalents — balance as of 31 December 2018 and as of 31 December 2019	**(3,141)**	**(3,965)**
Cash and cash equivalents	420	337
Current account overdrafts	(3,561)	(4,302)

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 31 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 introduction to the notes to the separate financial statements at 31 December 2018, 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; information technology; corporate social responsibility and internal audit.

NEW ACCOUNTING STANDARD IFRS 16 – LEASES

In January 2016, the IASB issued the new accounting principle IFRS 16 – Leases that will replace the previous standard IAS 17 – Leasing, as well as the interpretations IFRIC 4 – Determining whether an arrangement contains a lease, SIC 15 – Operating leases – Incentives, and SIC 27 – Evaluating the substance of transactions in the legal form of a lease.

The new standard has introduced a new definition of lease based on the right to use an identified asset substantially obtaining all the economic benefits from the control and the direction of the use of the underlying asset, for a period of time in exchange for consideration. Therefore, IFRS 16 is not applicable to service contracts, but only to lease contracts or arrangements including lease components (for the Group, mainly concession contracts).

The new standard provides a comprehensive model for the accounting of lease arrangements which requires the lessee to recognize, on the assets side, the right of use of the lease assets ("right-of-use assets"), and on the liabilities side, the liability representing the financial obligation ("finance lease liabilities"), determined on the basis of the present value of future minimum annual guaranteed lease payments, thus eliminating the accounting distinction between operating and financial leases (from the lessee's side) as previously required under IAS 17. Therefore, the adoption of the new standard does not impact those arrangements previously qualified as finance leases and the net assets and liabilities deriving from finance lease contracts already recognized at 31 December 2018 in accordance with IAS 17 are reclassified as right-of-use assets and finance lease liabilities, respectively, without any adjustment. The new standard does not entail significant changes for the lessor.

IFRS 16 is effective for the Company for annual periods beginning on or after 1 January 2019.

The Group has opted to apply IFRS 16 using a modified retrospective approach. Therefore, on first-time application, Autogrill has reported the cumulative effect of applying the new standard to equity at 1 January 2019, without restating comparative figures for the previous year.

ACCOUNTING MODEL FOR THE LESSEE

As lessee, the Company used to classify its leases as operating or finance leases depending on whether they transferred the risk and rewards of ownership.

Under IFRS 16, it now recognizes in separate items of the statement of financial position the right-of-use assets and the finance lease liabilities for all lease contracts in which it serves as lessee. However, the Company has elected not to recognize the right-of-use asset and the finance lease liability in case of lease contracts with a duration of less than 12 months ("short term") or those with underlying assets worth less than € 10,000 when new ("low value").

Therefore, for those lease contracts the Company will continue to recognize the lease instalments in profit or loss on a straight-line basis over the lease term.

The Company recognizes the right-of-use asset and the finance lease liability as of the date the lease commences.

The finance 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 finance lease liability is subsequently increased for the accrual of interest and reduced to reflect the lease payments made.

The finance lease liability is remeasured (and the right-of-use asset is consequently adjusted) in the event of changes to the future minimum lease payments, for the following reasons:

- changes in the index or rate used to determine the lease payments: in such cases the finance 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 finance 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 finance lease liability is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change.

The right-of-use asset shall include the initial measurement of the finance lease liability, the lease payments made before or at the commencement and any other initial direct cost.

The right-of-use asset is initially measured at cost and subsequently at cost less any accumulated depreciation and impairment losses and adjusted for any remeasurement of the finance lease liability.

Right-of-use assets are systematically depreciated over the lease term or the asset's residual useful life, whichever is shorter. Typically, at Autogrill, 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.

The Company applies IAS 37 – Onerous contracts to identify any impairment losses and includes the total value of the right of use in the asset amount attributed to the cash generating units for the purposes of impairment testing (IAS 36).

Variable lease payments, which are not determined on index or rate basis, are not included in the right of use asset and finance lease liability and the related payments shall be recorded to the item "Leases, rentals, concessions and royalties" of the income statement, in accordance with the accrual approach.

In the statement of cash flows, the minimum lease payments made are broken down into principal (recognized in cash flow from financing activities) and interest (recognized in cash flow from operating activities). Variable rents are included in the pre-tax result, consistently with the previous year.

ACCOUNTING MODEL FOR THE LESSOR

The Company sublets an office in Milan and portions of its Rozzano headquarters to its subsidiaries, which therefore enjoy part of the right of use in proportion to the space they occupy.

The Company's accounting policies in its role as lessor are essentially unchanged from IAS 17. However, when it acts as sub-lessor, the sub-leases are classified with reference to the right-of-use asset arising from the principal lease, not the underlying assets. 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 has reduced its right-of-use assets and recognized a "Finance lease receivable" as a counter-entry, split between current and non-current financial assets.

FIRST-TIME ADOPTION AT THE TRANSITION DATE (1 JANUARY 2019)

At the transition date, for leases classified as operating under IAS 17, the finance lease liabilities have been measured at the present value of future minimum lease payments not yet paid at that date, discounted with the Company's incremental borrowing rate at 1 January 2019 (as described below). The right-of-use assets have been initially set as equal to the finance lease liabilities, adjusted for any one-off lease payments made at or before the commencement date and any deferred charges already included in the statement of financial position at 31 December 2018, as well as any lease incentives obtained before 1 January 2019.

At the transition date, the Company decided to make use of some of the practical expedients envisaged under the transitional provisions of the new standard. In particular:

- the contractual perimeter falling within the scope of IFRS 16 (lease contracts or contracts containing lease components) was identified based on the conclusions reached in the past, pursuant to IAS 17 and IFRIC 4; therefore, the definition of lease included in IFRS 16 has been applied only to new or revised contracts signed on 1 January 2019 or later;
- for the purposes of onerous contracts accounting and in alternative to the impairment testing of right-of-use assets at 1 January 2019, the assessment was

based on the rules envisaged in IAS 37 – Provisions, contingent liabilities and contingent assets, thus adjusting right-of-use assets by any provision for onerous contracts outstanding at 31 December 2018;
- the Company has elected to exclude from the IFRS 16 perimeter not only leases on "low-value" assets, but also "short-term" leases, namely those expiring within 12 months from the transition date (31 December 2019); therefore, for those contracts the Group has not recognized the finance lease liability and corresponding right-of-use asset at 1 January, but will continue to recognize the lease instalments in profit or loss on a straight line basis over the lease term;
- the Company has elected to exclude its initial direct costs (consulting, legal expenses, "key money," etc.) from right-of-use assets, therefore no reclassifications were made on first-time application.

The transition to IFRS 16 required certain professional judgments to be made, including the definition of some accounting policies and the use of assumptions and estimates. In this regard, the Company has decided:
- not to apply IFRS 16 to leases that have as underlying an intangible asset;
- not to apply IFRS 16 to some Italian contracts where Autogrill Italia S.p.A. already owns the land and buildings along the motorway and negotiates access rights with the concession grantor, with the commitment to sell fuel and lubricants and/or food and beverages to motorway users;
- 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 lease term and the useful life of leasehold improvements. As of this writing, the Company has evaluated the impacts that interpretation may have on the accurate estimation of the term of its lease contracts and on the useful life of leasehold improvements. In light of the contents of the Agenda Decision, the Company does not foresee any impact on the determination of right-of-use assets and finance lease liabilities/receivables stemming from this interpretation, on the accurate estimate of the term of its lease contracts, or on the useful life of leasehold improvements;
- 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 each country where the leases were drawn up, with maturities in line with the duration of the leases plus a country-specific credit spread. The average weighted discounted rate applied to the lease liabilities as of 1 January 2019 is 2.99%.

IMPACTS OF FIRST-TIME ADOPTION OF IFRS 16

The Company has finished assessing the impacts of first-time adoption of the standard at the transition date (1 January 2019), through an in-depth analysis of the contracts potentially eligible as leases (area concessions, business leases and commercial leases) and the clauses contained therein, in order to understand the main clauses relevant for the purposes of IFRS 16. It has also completed the implementation and integration of local accounting and reporting systems to be used to determine the impact on the separate financial statements as from 1 January 2019 and the updating of the administrative and control processes used to oversee critical areas within the scope of the new accounting standard.

In line with the assumptions set out above, the following table presents the impact on the Company's statement of financial position at 1 January 2019, which shows an increase in non-current right-of-use assets and also in "finance lease payables". The amount of third party sub-leases whose residual life is equal to the principal lease has been deducted from right-of-use assets, which are also adjusted to reflect the practical expedients mentioned above.

(€k)		Transition date impacts (1 January 2019)
	ASSETS	
	Current assets	**967**
II	Finance lease receivables	967
	Non-current assets	**16,391**
VIII	Right of use assets	4,714
X	Finance lease receivables	11,677
	TOTAL ASSETS	**17,358**
	LIABILITIES AND EQUITY	
	Liabilities	**17,358**
	Current Liabilities	**967**
XVI	Finance lease payables	967
	Non current liabilities	**16,391**
XIX	Finance lease payables	16,391
	TOTAL LIABILITIES AND EQUITY	**17,358**

The difference between finance lease liabilities net of finance lease receivables arising from the adoption of IFRS 16 at 1 January 2019 and the operating lease commitments pursuant to IAS 17 as reported in note 2.2.9 of the notes to the financial statements at 31 December 2018 — amounting to € 5.4m — is wholly attributable to the effect of discounting these commitments.

ONGOING IMPACTS

With the first-time adoption of IFRS 16, the Company has recognized € 4,271k in right-of-use assets, € 11,653k in finance lease receivables and € 16,469k in finance lease liabilities at 31 December 2019.

In addition, for leases recognized according to IFRS 16, the Company has recognized depreciation and interest instead of costs for operating leases. Specifically, in 2019, the Company recognized depreciation of € 520k and interest of € 146k, as well as deferred tax assets of € 94k.

As can be gleaned from the above, with the adoption of IFRS 16 the comparability of the financial statements for the year ended 31 December 2019 with the previous year's balance sheet and income statement is compromised, as the new standard has brought changes to the Company's reporting in terms of both measuring and presenting various items. Therefore, for a better understanding of performance and to facilitate the comparison of figures, in the directors' report the effects of the first-time adoption of IFRS 16 on the 2019 separate financial statements have been adjusted to make them consistent with the criteria for reporting the prior year's data.

As agreed with lenders, the calculations to assess compliance with existing covenants are made net of the effects of the new standard or by reducing its impact on the main balance sheet and income statement figures involved in these calculations.

In Italy, the calculation of the tax effect deriving from the adoption of IFRS 16 is based on the Economy Ministry decree of 5 August 2019 that governs coordination between IFRS 16 and the rules for determining taxable income for IRES and IRAP purposes; therefore, at 31 December 2019, the tax effect was calculated according to the new tax rules.

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 2019 (in addition to IFRS 16 – Leasing, discussed in the previous section):
- IFRIC 23 – Uncertainty over Income Tax Treatments;
- Amendments to IFRS 9 – Financial Instruments – Prepayment Features with Negative Compensation;
- Amendments to IAS 28 – Long-term Interests in Associates and Joint Ventures;
- Amendments to IAS 19 – Plan Amendment, Curtailment or Settlement;
- Annual improvements to IFRS 2015-2017.

With the exception of IFRS 16, whose impacts are explained in the previous section, the application of the standards and interpretations listed above did not influence the Company's financial statements to an extent requiring mention in these notes.

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 2020 that Autogrill did not choose to apply early in the 2019 financial statements:
- 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.

The application of the amendments listed above did not influence the Company's financial statements to an extent requiring mention in these notes.

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, with the exception of previous comments regarding IFRS 16.

Pursuant to IAS 1(24) and IAS 1(25) — considering shareholders' equity, the immaterial amount of structural costs with respect to equity, the existence of sizeable credit facilities, and the medium/long-term earnings prospects of investee companies despite the short-term uncertainty caused by the COVID-19 pandemic, which do not imply any permanent impairment in the value of the investment portfolio — we confirm that the separate financial statements have been prepared on a going concern basis.

In accordance with IAS 1 and IAS 7, the formats used in the 2019 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.

Compared with the published version of the 2018 financial statements, for the sake of clarity and in light of the completed analysis of contracts relevant for the purposes of IFRS 16, € 63,499 has been reclassified from "Leases, rentals, concessions and royalties" to "Other operating expense".

The following have also been reclassified since the previous year's published financial statements, again for the sake of clarity:
- € 642,962 from "Other operating income" to "Revenue";
- € 500,000 from "Trade receivables" to "Other receivables".

This has not affected shareholders' equity at 31 December 2018 or the net profit for the year, as approved last year by the directors and statutory auditors.

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.

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 finance 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 finance 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 new performance share units 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 as employee benefit expenses in the income statement.

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 or production cost, 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 amortised	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

As mentioned in the section on the first-time adoption of IFRS 16, right-of-use assets are recorded 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 finance 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 finance lease receivables/liabilities.

Right-of-use assets are systematically depreciated over the lease term or the asset's residual useful life, whichever is shorter. At Autogrill, 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.

In the event that, regardless of depreciation already recorded, there is a permanent 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.

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 present 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 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.

FINANCE LEASE RECEIVABLES

As mentioned in the section on the first-time adoption of IFRS 16, in its role as sub-lessor, the Company recognizes finance 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 "Finance lease receivable" as a counter-entry, split between current and non-current financial assets.

The finance 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 finance lease receivable is subsequently increased by the interest accrued and decreased by the receipts received for the lease.

Finance 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 finance 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 finance 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 finance lease liability is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change.

OTHER FINANCIAL ASSETS

"Other financial assets" are recognized or derecognized on the transaction date and are initially measured at fair value, including direct transaction costs.

Subsequently, the financial assets that the Company has the intention and capacity to hold to maturity (held to maturity investments) are measured at amortized cost net of impairment losses.

Financial assets available for sale are initially recognized at fair value plus any directly attributable transaction costs. After first-time recognition they are carried at fair value, and any changes in fair value, other than impairment losses, are recognized as other comprehensive income and presented in the fair value reserve. When a financial asset is derecognized, the cumulative loss or gain is reclassified from other comprehensive income to profit (loss) for the year.

Financial assets other than those held to maturity are classified as held for trading or available for sale and are measured at each year end at fair value. If the financial assets are held for trading, gains and losses arising from changes in fair value are recognized in that year's income statement under financial income and expense.

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.

FINANCE LEASE LIABILITIES

As mentioned in the section on the first-time adoption of IFRS 16, the Company recognizes finance lease liabilities as of the commencement date of the lease.

The finance 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 finance lease liability is subsequently increased for the accrual of interest and reduced to reflect the lease payments made.

The finance 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 finance 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 finance 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 finance lease liability is remeasured by discounting the new minimum lease payments at the discount rate in place at the date of the change.

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 2.2.6.2 "Financial risk management".

In accordance with IAS 39, derivative financial instruments qualify for hedge accounting only if: (i) at the inception of the hedge there is formal designation and documentation of the hedging relationship, and the hedge is assumed to be effective; (ii) effectiveness can be reliably measured; (iii) the hedge is effective throughout the financial reporting periods for which it was designated.

All derivative financial instruments are initially measured at fair value in accordance with IFRS 13 and IAS 39, 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.

As from 1 January 2019, with the adoption of IFRS 16, provisions for onerous contracts are recognized net of the right-of-use asset pertaining to the individual store. A provision for onerous contracts is made when the unavoidable costs necessary to fulfil the obligations of a contract are greater than the economic benefits the Company can expect to obtain therefrom. The provision is measured at the present value of the lower of the cost of terminating the contract and the net cost of continuing with the contract. Before a provision is established, the Company recognizes any impairment losses on the assets associated with the contract.

A provision for restructuring is recognized when the Group has approved a detailed and formal restructuring plan and the restructuring has either commenced or been publicly announced. 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 fair value of financial instruments, allowances for doubtful accounts, depreciation, amortization, impairment losses and reversals, employee benefits, tax and provisions for risks and charges. Estimates and assumptions are periodically reviewed and the effect of any change is taken immediately 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.

In accordance with IAS 10, we report that the COVID-19 pandemic has not affected the use of estimates in the 2019 financial statements.

2.2.3 NOTES TO THE STATEMENT OF FINANCIAL POSITION

CURRENT ASSETS

I. CASH AND CASH EQUIVALENTS

This item is made up as follows:

(€k)	31.12.2019	31.12.2018	Change
Bank and post office deposits	414	329	85
Cash and equivalents on hand	6	8	(2)
Total	**420**	**337**	**83**

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.

II. FINANCE LEASE RECEIVABLES

In detail:

(€k)	31.12.2019	31.12.2018	Change
Finance lease receivables from subsidiaries			
Nuova Sidap S.r.l.	188	-	188
Autogrill Europe S.p.A.	209	-	209
Autogrill Italia S.p.A.	452	-	452
Autogrill Advanced Business Service S.p.A.	198	-	198
Total	**1,047**	**-**	**1,047**

Current finance lease receivables refer to the amount recognized as a result of the adoption of IFRS 16. For further details see Section 2.2.1 of these notes.

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

III. TAX ASSETS

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

IV. OTHER RECEIVABLES

Other receivables are shown in detail below:

(€k)	31.12.2019	31.12.2018	Change
Suppliers	2,297	6,901	(4,604)
Lease and concession advance payments	396	5	391
Inland revenue and government agencies	2,494	1,950	544
Personnel	8	8	-
Receivables from subsidiaries	57,656	54,602	3,054
Other	12,246	15,290	(3,044)
Total	**75,097**	**78,756**	**(3,659)**

Most of the decrease in the amount due from "Suppliers" reflects the receipt of promotional contributions under contracts the Company holds on behalf of subsidiaries and later transferred to various Group companies.

Receivables from "Inland revenue and government agencies" refer to the VAT credit at 31 December 2019.

Receivables from subsidiaries consist primarily of € 13.3m in license fees and service fees, as well as dividends approved but not yet received at the end of the year. At 31 December 2019 these included € 31.4m ($ 35m) due from HMSHost Corporation, shown net of withholding tax; the dividend was received in full in January 2020.

The increase relates chiefly to the 2019 IRES (corporate income tax) credit due from the subsidiary Autogrill Italia S.p.A. under the fiscal subconsolidation with the other Italian companies in the Group, which for IRES purposes only, involves the centralized settlement of accounts receivable or payable.

The heading "Other" is made up chiefly of € 10,216k for the IRES refund requested by Edizione S.r.l. on behalf of Autogrill S.p.A., due as a result of the retroactive recognition of the deductibility of IRAP (regional tax) pertaining to personnel expense for the years 2007-2011 (Art. 2 of Law 201/2011). Most of the decrease reflects the receipt of € 2,208k in December, consistently with the refund schedule determined by the tax authorities.

V. TRADE RECEIVABLES

Trade receivables of € 529k at 31 December 2019 are detailed below:

(€k)	31.12.2019	31.12.2018	Change
Third parties	274	73	201
Disputed receivables	474	474	-
Due from subsidiaries	308	410	(102)
Bad debt reserve	(527)	(527)	-
Total	**529**	**430**	**99**

Amounts due from third parties refer mainly to rent receivable and have been partially written down.

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 2019. The allowance 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

VI. PROPERTY, PLANT AND EQUIPMENT

As follows:

(€k)	31.12.2019	31.12.2018	Change
Land and buildings	1,074	1,125	(51)
Leasehold improvements	3,026	1,272	1,754
Plant and machinery	179	205	(26)
Industrial and commercial equipment	703	318	385
Assets to be transferred free of charge	186	346	(160)
Other	363	132	231
Assets under construction and payments on account	105	1,838	(1,733)
Total	**5,636**	**5,236**	**400**

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 amount								
1 January 2018	**52,172**	**277,744**	**55,787**	**313,203**	**121,896**	**30,191**	**16,299**	**867,292**
Increases	-	-	-	-	-	-	2,303	**2,303**
Decreases	(9,695)	(24)	(7,905)	(1,028)	-	(57)	(542)	**(19,251)**
Other movements	21	124	4	38	-	-	(187)	**-**
Decreases contributed	(39,762)	(254,427)	(44,979)	(308,948)	(90,285)	(28,153)	(16,035)	**(782,589)**
31 December 2018	**2,736**	**23,417**	**2,907**	**3,265**	**31,611**	**1,981**	**1,838**	**67,755**
Increases	-	1,107	24	201	-	209	105	**1,646**
Decreases	-	(608)	-	(284)	-	(89)	(541)	**(1,522)**
Other movements	-	867	4	304	-	122	(1,297)	**-**
31 December 2019	**2,736**	**24,783**	**2,935**	**3,486**	**31,611**	**2,223**	**105**	**67,879**
Accumulated depreciation & impairment losses								
1 January 2018	**(21,514)**	**(215,381)**	**(48,033)**	**(280,764)**	**(97,467)**	**(28,668)**	**-**	**(691,827)**
Increases	(95)	(690)	(280)	(84)	(338)	(72)	-	**(1,559)**
Impairment losses	-	-	-	-	-	-	-	**-**
Decreases	7,716	24	6,678	1,020	-	57	-	**15,495**
Decreases contributed	12,282	193,902	38,933	276,881	66,540	26,834	-	**615,372**
31 December 2018	**(1,611)**	**(22,145)**	**(2,702)**	**(2,947)**	**(31,265)**	**(1,849)**	**-**	**(62,519)**
Increases	(50)	(219)	(54)	(125)	(160)	(99)	-	**(707)**
Impairment losses	-	-	-	-	-	-	-	**-**
Decreases	-	608	-	284	-	88	-	**980**
31 December 2019	**(1,661)**	**(21,756)**	**(2,756)**	**(2,788)**	**(31,425)**	**(1,860)**	**-**	**(62,246)**
Carrying amount								
31 December 2018	**1,125**	**1,272**	**205**	**318**	**346**	**132**	**1,838**	**5,236**
31 December 2019	**1,074**	**3,026**	**179**	**703**	**186**	**363**	**105**	**5,636**

The main additions refer to the upgrading and conversion of the Rozzano headquarters, begun the previous year and completed in 2019.

Decreases consist primarily of the sale of items at the Rome offices that did not generate significant capital gains or losses.

There were no impairment losses during the year.

VII. OTHER INTANGIBLE ASSETS

As follows:

(€k)	31.12.2019	31.12.2018	Change
Concessions, licenses, trademarks and similar rights	874	10,983	(10,109)
Assets under development and payments on account	322	1,495	(1,173)
Other	1,156	1,036	120
Total	**2,352**	**13,514**	**(11,162)**

Concessions, licenses, trademarks 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 amount				
1 January 2018	**49,222**	**6,520**	**87,001**	**142,743**
Increases	-	1,311	1,104	**2,415**
Decreases	-	(327)	(147)	**(474)**
Decreases contributed	(18,628)	(6,009)	(84,377)	**(109,014)**
31 December 2018	**30,594**	**1,495**	**3,581**	**35,670**
Increases	2	222	95	**319**
Decreases	(24,143)	-	(30)	**(24,173)**
Other movements	990	(1,394)	404	**-**
31 December 2019	**7,443**	**323**	**4,050**	**11,816**
Accumulated depreciation & impairment losses				
1 January 2018	**(35,538)**	**-**	**(74,901)**	**(110,439)**
Increases	(1,400)	-	(149)	**(1,549)**
Impairment losses	-	-	-	**-**
Decreases	-	-	147	**147**
Decreases contributed	17,327	-	72,357	**89,684**
31 December 2018	**(19,611)**	**-**	**(2,546)**	**(22,157)**
Increases	(839)	-	(379)	**(1,218)**
Impairment losses	-	-	-	**-**
Decreases	13,882	-	30	**13,912**
31 December 2019	**(6,568)**	**-**	**(2,895)**	**(9,463)**
Carrying amount				
31 December 2018	**10,983**	**1,495**	**1,035**	**13,514**
31 December 2019	**874**	**322**	**1,156**	**2,352**

There were no significant additions during the year.

Most of the decreases refer to the sale of brands to the subsidiary Autogrill Schweiz A.G., which generated capital gains of € 2,171k.

There were no impairment losses during the year.

VIII. RIGHT OF USE ASSETS

The breakdown of this item and movements in 2019 are shown below:

(€k)	Buildings	Other	Total
Gross amount			
1 January 2019	**4,500**	**214**	**4,714**
Increases	-	81	**81**
Decreases	-	(9)	**(9)**
Other movements	-	-	**-**
31 December 2019	**4,500**	**286**	**4,786**
Accumulated depreciation & Impairment losses			
1 January 2019	**-**	**-**	**-**
Increases	(395)	(125)	**(520)**
Impairment losses	-	-	**-**
Decreases	-	5	**5**
31 December 2019	**(395)**	**(120)**	**(515)**
Carrying amount			
1 January 2019	**4,500**	**214**	**4,714**
31 December 2019	**4,105**	**166**	**4,271**

As mentioned in Section 2.2.1 on the first-time adoption of IFRS 16, with the first application of this standard the statement of financial position now includes a new asset item representing the right-of-use of goods operated under lease or concession contracts.

Right-of-use assets, amounting to € 4,271k at 31 December 2019, 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.

IX. INVESTMENTS

At 31 December 2019, investments were worth € 713,605k (€ 711,653k at the end of 2018) and consisted of holdings in subsidiaries.

The increase results from the presence of beneficiaries of the "Performance Share Units" 2018 equity-based stock option plan (see Section 2.2.9).

Movements during the year are shown below:

	31.12.2018			31.12.2019			
(€k)	Cost	Impairment losses	Carrying amount	Increase (decrease)	Cost	Impairment losses	Carrying amount
HMSHost Corporation	218,254	-	218,254	1,653	219,907	-	219,907
Autogrill Europe S.p.A.	333,467	-	333,467	157	333,624	-	333,624
Autogrill Italia S.p.A.	156,641	-	156,641	87	156,728	-	156,728
Autogrill Advanced Business Service S.p.A.	3,291	-	3,291	55	3,346	-	3,346
Total	**711,653**	**-**	**711,653**	**1,952**	**713,605**	**-**	**713,605**

Considering the extensive intangible assets held by the subsidiary based in US and the relevant book value of the investments in the Italian subsidiaries, the recoverable amount of investments is tested by estimating their value in use, defined as the present value of the estimated future cash flows of the companies' operations based on the 2020 budget and financial projections for 2021-2022, validated by the CEO and by the Group Chief Financial Officer and examined by the Board of Directors, adjusted to comply with the provisions of IAS 36 and discounted using the weighted average cost of capital in the respective regions (from 4.4% to 5.8%), calculated using the capital assets pricing model and based on parameters observable in the market. Cash flows beyond the range of financial projections have been estimated by normalizing information from those projections and applying nominal growth rates ("g"), which do not exceed the long-term growth estimates of each investee company'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. The financial projections consider the traffic forecasts by third parties, where available; the renewal rate of existing contracts estimated on the basis of historical trends; and investments correlated with the expiration of contracts.

These considerations are also supported by a fairness opinion from an independent advisor confirming the adequacy and reasonableness of the adopted methodology.

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 XI).

To complete these calculations, a sensitivity analysis was performed considering changes in the discount rate and g rate; given the wide spreads between the recoverable values and the book values of the investments, despite the short-term uncertainty caused by the COVID-19 pandemic, this analysis confirmed the full recoverability of investments.

The following table provides key data on subsidiaries at 31 December 2019 (see the Annex for a full list of subsidiaries held indirectly):

Name	Registered office	Currency	Share capital/ quota	Number of shares/ quotas *	Equity at 31.12.2019 *	2019 profit (loss) *	% held Directly	% held Indirectly	Carrying amount (€) *
HMSHost Corporation	Wilmington (USA)	Usd	10	1,000	689,907	209,344	100	-	219,907
Autogrill Europe S.p.A.	Novara (Italy)	Euro	50,000	50,000	354,390	22,385	100	-	333,624
Autogrill Italia S.p.A.	Novara (Italy)	Euro	68,688	1	170,965	19,189	100	-	156,728
Autogrill Advanced Business Service S.p.A.	Novara (Italy)	Euro	1,000	1,000	3,492	262	100	-	3,346
Total									**713,605**

* Amounts in local currency, in thousands

X. FINANCE LEASE RECEIVABLES

"Finance lease receivables" are a new asset item arising from the adoption of IFRS 16. At 31 December 2019 they amounted to € 10,606k. For further details see Section 2.2.1 of these notes.

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

XI. OTHER FINANCIAL ASSETS

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

(€k)	31.12.2019	31.12.2018	Change
Loans granted to subsidiaries:			
Autogrill Europe S.p.A.	72,572	84,931	(12,359)
Guarantee deposits	845	870	(25)
Total	**73,417**	**85,801**	**(12,384)**

Loans charge interest at market rates.

The decrease since the previous year concerns the partial repayment of the loan originally granted to Autogrill Europe S.p.A. to finance the acquisition of the German company Le CroBag GmbH by Autogrill Deutschland GmbH in 2018.

XII. DEFERRED TAX ASSETS

Net deferred tax assets of € 24,462k (€ 6,041k at 31 December 2018) increased due to the tax benefit (IRES) of € 12.9m, which stems from the offsetting of the Company's losses against reasonably certain medium/long-term earnings of the Italian companies in the consolidation subgroup. Another reason for the increase is the reduction in 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.

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.

(€k)	31.12.2018	Recognised in profit and loss	Recognized in other comprehensive Income	31.12.2019
Deferred tax asset:				
Tangible assets	58	2	-	60
Trade receivables	126	-	-	126
Provision for risks and charges	580	23	-	603
Other assets	41	156	7	204
Other liabilities	431	34	-	465
Losses carried forward	12,718	12,888	-	25,606
Total	**13,954**	**13,103**	**7**	**27,064**
Deferred tax liabilities:				
Tangible/Intangible assets	425	(425)	-	-
Investments	7,120	(4,895)	-	2,225
Other assets	368	9	-	377
Total	**7,912**	**(5,311)**	**-**	**2,601**
Total	**6,041**	**18,414**	**7**	**24,462**

CURRENT LIABILITIES

XIII. TRADE PAYABLES

Trade payables amounted to € 2,795k at 31 December 2019 (€ 6,182k at 31 December 2018) and consist entirely of amounts due for services such as maintenance, utilities, security and rent.

Most of the decrease since 31 December 2018 reflects trade payables under concession contracts that used to be in the Company's name but were transferred to Autogrill Italia S.p.A. in 2019.

XIV. OTHER PAYABLES

With a balance of € 14,099k (€ 21,370k at 31 December 2018), these are made up as follows:

(€k)	31.12.2019	31.12.2018	Change
Personnel expense	4,812	7,987	(3,175)
Due to suppliers for investments	866	1,782	(916)
Social security and defined contribution plans	1,162	926	236
Indirect taxes	22	29	(7)
Withholding taxes	339	522	(183)
Other	6,899	10,124	(3,225)
Total	**14,099**	**21,370**	**(7,271)**

Personnel expense includes accrued holidays, personal days, bonus salaries (*quattordicesima*), prizes, performance bonuses and other amounts to be settled the following year. Those settlements more than offset the reclassification of the portion of bonuses originally listed under other non-current liabilities.

The heading "Other" consists mainly of amounts due to other suppliers (€ 4,107k) and to subsidiaries (€ 2,784k).

The decrease is primarily due to contributions from suppliers paid to Group companies during the year under contracts managed centrally by Autogrill S.p.A.

XV. BANK LOANS AND BORROWINGS

This item amounts to € 18,561k, as follows:

(€k)	31.12.2019	31.12.2018	Change
Unsecured bank loans	15,000	20,000	(5,000)
Current account overdraft	3,561	4,302	(741)
Total	**18,561**	**24,302**	**(5,741)**

The item "Unsecured bank loans" at 31 December 2019 shows the amount of short-term credit facilities drawn down during the year.

Current account overdrafts refer to the use of short-term credit lines to cover cash requirements; unutilized facilities amount to € 225m.

XVI. FINANCE LEASE PAYABLES

At the end of 2019 these come to € 1,482k and include the current portion of liabilities arising from the discounting of minimum guaranteed lease payments, in accordance with the new accounting standard IFRS 16. They concern the lease on the Rozzano headquarters and the fleet of company cars used by the Company's employees. For further details see Section 2.2.1 of these notes.

NON-CURRENT LIABILITIES

XVII. OTHER PAYABLES

This item had a balance of zero at 31 December 2019 (€ 1,160k at the end of 2018) due to the reclassification to current liabilities of the portion of deferred employee compensation due within 12 months.

XVIII. LOANS, NET OF CURRENT PORTION

Amounting to € 399,058k (€ 375,969k at 31 December 2018), this item consists of € 400,000k in bank loans net of € 942k in charges and fees (€ 377,000k and € 1,031k at 31 December 2018).

Bank debt at 31 December 2019 and the previous year is broken down in the table below:

		31.12.2019		31.12.2018	
Credit Line	**Expiry**	**Amount (€k)**	**Utilizations in k€**	**Amount (€k)**	**Utilizations in k€**
Term Amortizing Line – TL	August 2021	150,000	150,000	150,000	150,000
Term Amortizing Line– TL	January 2023	100,000	100,000	100,000	100,000
Revolving Line– RCF	January 2023	200,000	-	200,000	52,000
Revolving Line– RCF	January 2023	100,000	100,000	100,000	75,000
Term Amortizing Line– TL	August 2024	50,000	50,000	-	-
Revolving Line– RCF	August 2024	25,000	-	-	-
Total lines of credit		**625,000**	**400,000**	**550,000**	**377,000**
Current portion		-	-	-	-
Total lines of credit net of current portion		**625,000**	**400,000**	**550,000**	**377,000**

In August 2017, Autogrill S.p.A. obtained a € 150m term loan maturing in August 2021, used to prepay the partially drawn down amortizing term loan of nominal € 200m that was due to mature in 2020.

In January 2018, the Company obtained two credit facilities:
- an amortizing term loan of € 100m and a revolving credit line of € 200m, packaged into a single facility maturing in January 2023. The amortizing term loan involves two annual payments of € 25m starting in January 2021, with reimbursement of the remaining € 50m on maturity. For the revolving line, the commitment will be reduced through two annual payments of € 62.5m as from January 2021 and the remaining commitment of € 75m will be settled on maturity;
- a revolving facility of € 100m maturing in January 2023.

The two credit lines were used to prepay, in February 2018, the partially drawn down revolving credit line of nominal € 400m that was due to mature in March 2020.

Additionally, in 2019 the Company obtained two new credit facilities:
- an amortizing term loan of € 50.0m maturing in August 2024, involving three annual payments of € 12.5m starting in August 2021, with reimbursement of the remaining € 12.5m on maturity;
- a revolving facility of € 25m maturing in August 2024.

The above contracts require Autogrill to uphold certain financial ratios: a leverage ratio (gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/net financial expense) of at least 4.5, referring to the Group as a whole.

At 31 December 2019 all such covenants were satisfied.

For the calculation of these ratios, net and gross debt, EBITDA and financial charges are measured according to contractual definitions and therefore differ from the amounts valid for financial reporting purposes. Thus, the final ratios are not readily apparent from the financial statements.

The average remaining term of committed bank loans is two years and seven months, compared with three years and two months at 31 December 2018. At 31 December 2019, credit lines had been drawn down by 64%.

As agreed with lenders, the calculations to assess compliance with existing covenants are made net of the effects of the new standard IFRS 16 or by reducing its impact on the main balance sheet and income statement figures involved in these calculations.

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.

XIX. FINANCE LEASE PAYABLES

At the end of 2019 finance lease liabilities come to € 14,988k and include the non-current portion of liabilities arising from the discounting of minimum guaranteed lease payments, in accordance with the new accounting standard IFRS 16. They concern the lease on the Rozzano headquarters and the fleet of company cars used by the Company's employees. For further details see Section 2.2.1 of these notes.

XX. DEFINED BENEFIT PLANS

At 31 December 2019 this item amounted to € 809k. Movements during the year were as follows:

(€k)	
Defined benefit plans at 1 January 2018	**51,298**
Interest expense	10
Actuarial losses (gains) due to:	
– demographic assumptions	-
– experience adjustments	(41)
– financial assumptions	(15)
Benefits paid	(669)
Other	(10)
Decreases for contribution	(49,718)
Defined benefit plans at 31 December 2018	**855**
Interest expense	6
Actuarial losses (gains) due to:	
– demographic assumptions	-
– experience adjustments	(2)
– financial assumptions	29
Benefits paid	(91)
Other	12
Defined benefit plans at 31 December 2019	**809**

The amounts recognized in the income statement for defined benefit plans, € 6k in 2019 (€ 10k the previous year), are listed under "Financial expense".

At 31 December 2019 the gross liability for post-employment benefits (Art. 2120 of the Italian Civil Code) was € 733k.

Below, the present value of plan obligations is reconciled with the liability recognized in 2019 and the previous three years:

(€k)	31.12.2019	31.12.2018	31.12.2017	31.12.2016
Present value of plan obligations	781	911	51,442	55,428
Actuarial (gains) losses not recognised	27	(56)	(144)	702
Net liability recognised	**809**	**855**	**51,298**	**56,130**

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

(€k)	31.12.2019	31.12.2018
Discount rate	0.37%	1.13%
Inflation rate	1.2%	1.5%
Average frequency of termination	6.00%	6.00%
Average frequency of advances	2.00%	2.00%
Mortality table	RG48	RG48
Annual TFR increase	2.400%	2.625%

For 2019, the discount rate was based on the Iboxx Corporate AA 7- to 10-year 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
Discount rate	+/- 0.25%	(12)	13
Inflation rate	+/- 0.25%	8	(8)
Turnover rate	+/- 1.00%	(3)	4

At the close of the year, the weighted average duration of the defined benefit obligation was 6 years and 7 months.

XXI. PROVISIONS FOR RISKS AND CHARGES

These amounted to € 2,053k at the end of 2019. Movements during the year are shown below:

(€k)	31.12.2018	Accruals	Utilisations	Reversals	Other movement	Decrease for contributions	31.12.2019
Provision for legal disputes and other risks and charges	2,025	13	(38)	12	65	-	2,053
Total	**2,025**	**13**	**(38)**	**12**	**65**	**-**	**2,053**

(€k)	31.12.2017	Accruals	Utilisations	Reversals	Other movement	Decrease for contributions	31.12.2018
Onerous contracts provision	860	-	-	-		(860)	-
Provision for legal disputes and other risks and charges	5,240	47	(37)	(16)	-	(3,209)	2,025
Total	**6,100**	**47**	**(37)**	**(16)**	**-**	**(4,069)**	**2,025**

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 € 1k (Note XXVII).

XXII. EQUITY

Equity at 31 December 2019 amounts to € 457,438k.

The annual general meeting of 23 May 2019 voted to pay a dividend of € 0.20 per share gross of legally required withholding tax, for a total of € 50,844k, taken from the net profit (€ 15,207k) and retained earnings (€ 35,636k).

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

				Summary of utilisations in the past three years:	
(€k)	31.12.2019	Eligibility 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	338,824	A.B.C	338,824	-	-
Actuarial gains (losses) on defined benefit plans reserve	(3,761)		(3,761)	-	-
Stock option	5,222		-		
Treasury shares reserve	(720)		(720)	-	-
Total	**421,991**		**334,343**		
Share not available for distribution			(741)		
Share available for distribution			**333,602**		

Key:
A: for share capital increases
B: for loss coverage
C: for dividends

SHARE CAPITAL

At the end of 2019 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 with no par value.

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.

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 € 340,285k, compared with € 372,363k at 31 December 2018.

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 € 21k, 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 € 3,310k.

TREASURY SHARES

The annual general meeting of 23 May 2019, pursuant to Arts. 2357 et seq. of the Italian Civil Code and after revoking the authorization granted on 24 May 2018, authorized the purchase and subsequent disposal of ordinary shares up to a maximum of 12,720,000 shares.

At 31 December 2019 Autogrill S.p.A. owned 181,641 treasury shares (unchanged since the end of 2018), with a carrying amount of € 720k and an average carrying amount of € 3.96 per share. No treasury shares were sold or purchased in 2019.

OTHER COMPREHENSIVE INCOME

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

	Full Year 2019			Full Year 2018		
(€k)	Gross amount	Tax benefit (expense)	Net amount	Gross amount	Tax benefit (expense)	Net amount
Actuarial Gains (losses) on defined benefit plans	(27)	6	(21)	56	(13)	43
Items that will never be reclassified to profit or loss	**(27)**	**6**	**(21)**	**56**	**(13)**	**43**
Items that will be reclassified subsequently to profit or loss	-	-	-	-	-	-

2.2.4 NOTES TO THE INCOME STATEMENT

XXIII. REVENUE

Revenue consists mainly of € 13,949k in license fees and € 256k in service fees and is essentially consistent with the previous year.

(€k)	Full Year 2019	Full Year 2018	Change
Services to subsidiaries	14,861	15,294	(433)
Total	**14,861**	**15,294**	**(433)**

XXIV. OTHER OPERATING INCOME

"Other operating income" of € 4,167k was made up as follows:

(€k)	Full Year 2019	Full Year 2018	Change
Gains on sales of property, plant and equipment	2,221	3,573	(1,352)
Services to subsidiaries	1,333	1,341	(8)
Bonuses from suppliers	7	50	(43)
Income from business leases	63	87	(24)
Affiliation fees	241	813	(572)
Other revenue	301	492	(191)
Total	**4,167**	**6,356**	**(1,998)**

Gains on sales of property, plant and equipment include the capital gain from the sale of trademarks to the subsidiary Autogrill Schweiz A.G.

Affiliation fees refer to royalties on trademarks owned, which decreased as a result of that sale.

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

XXV. PERSONNEL EXPENSE

(€k)	Full Year 2019	Full Year 2018	Change
Wages, salaries and social security contributions	10,723	9,141	1,582
Employee benefits	409	396	13
Other costs	6,813	4,994	1,819
Total	**17,945**	**14,531**	**3,414**

Personnel expense of € 17.9m in 2019 includes the Group's corporate governance departments: administration, finance and control; administration, finance and control; enterprise risk management; strategic planning; investor relations; legal, corporate and regulatory affairs; communication; marketing; human resources and organization; information technology; corporate social responsibility and internal audit.

Wages, salaries and social security contributions increased due to additional staff hired for governance positions.

The change in "Other costs" reflects rising costs for the Phantom Stock Option Plans as a result of the higher price of Autogrill shares on 31 December 2019 with respect to the previous year end and an increase in the cost of Performance Share Units due to the full vesting period of the two assignment phases (waves) carried out in 2018 and the launch of an additional wave in 2019. This impact was partially offset by last year's non-recurring allocations for the intergenerational agreement, which were not a factor this year.

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

	31.12.2019			31.12.2018		
	Full-time	Part-time	Total	Full-time	Part-time	Total
Executives	18		18	17		17
Junior managers	23		23	21		21
White collars	18	4	22	15	4	19
Total	**59**	**4**	**63**	**53**	**4**	**57**

XXVI. LEASES, RENTALS, CONCESSIONS AND ROYALTIES

These came to € 178k, as follows:

(€k)	Full Year 2019	Full Year 2018	Change
Leases, rentals and concessions	178	841	(662)
Royalty for use of brands	-	116	(116)
Total	**178**	**957**	**(778)**

Because of the adoption of IFRS 16, this item no longer includes the fixed portion of lease payments with effect from 1 January 2019.

In 2018, leases, rentals and concessions referred to the headquarters in Rozzano, outside Milan.

Royalties for the use of brands shows a balance of zero due to the postponement beyond 2019 of the opening of various third-party-brand stores abroad.

XXVII. OTHER OPERATING EXPENSE

Totalling € 14,660k, this item is detailed below:

(€k)	Full Year 2019	Full Year 2018	Change
Utilities	303	251	51
Maintenance	1,627	1,581	45
Cleaning and disinfestations	18	16	2
Consulting and professional services	6,429	6,048	381
Storage and transport	17	6	11
Advertising and market research	1,380	1,444	(64)
Travel expenses	770	676	94
Telephone and postal charges	56	106	(50)
Insurance	580	548	32
Surveillance	-	5	(5)
Banking services	47	80	(33)
Sundry materials	58	57	1
Other services	593	90	503
Services from subsidiaries	1,128	1,326	(198)
Costs for materials and services	**13,004**	**12,234**	**769**
For legal disputes	1	31	(30)
Provisions for risks (Note "XXI. Provision for risks and charges")	**1**	**31**	**(30)**
Indirect and local taxes	**464**	**605**	**(141)**
Other operating expense	**1,191**	**937**	**254**
Total	**14,660**	**13,808**	**851**

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.

The heading "Other services" 'increased due mainly to a rise in selection, headhunting and training costs to fortify the governance team.

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

XXVIII. AMORTIZATION AND DEPRECIATION

The total of € 2,446k is broken down below:

(€k)	Full Year 2019	Full Year 2018	Change
Other intangible assets	1,218	1,549	(331)
Property, plant and machinery	547	1,222	(675)
Assets to be transferred free of charge	160	338	(178)
Right of use assets	520	-	520
Total amortization	**2,446**	**3,108**	**(663)**

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

Depreciation of right-of-use assets is recognized in accordance with IFRS 16, adopted as of 1 January 2019. For further details see Section 2.2.1 of these notes.

XXIX. FINANCIAL INCOME

Financial income amounted to € 33,519k, as follows:

(€k)	Full Year 2019	Full Year 2018	Change
Dividends from subsidiaries	31,379	30,664	715
Interest from subsidiaries	1,528	969	559
Bank interest income	4	2	2
Exchange rate gains	320	679	(359)
Other financial income	288	-	288
Total	**33,519**	**32,314**	**1,205**

Dividends from subsidiaries consist of € 31,379k ($35,000k) in dividends from HMSHost Corporation, approved on 19 December 2019 and received in January 2020.

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.

Exchange rate gains originate primarily from the dividend received from HMSHost Corporation and the sale of trademarks to Autogrill Schweiz A.G. and are therefore fully realized.

“Other financial income” refers to interest accrued on the 2019 portion of the IRES (corporate income tax) refund requested by the ultimate parent company Edizione S.r.l. on behalf of Autogrill S.p.A. as a result of the recognition of the deductibility of IRAP (regional tax) pertaining to personnel expense for the years 2007-2011 (Art. 2 of Law 201/2011).

XXX. FINANCIAL EXPENSE

“Financial expense” of € 4,469k is detailed below:

(€k)	Full Year 2019	Full Year 2018	Change
Interest expense	3,218	2,943	275
Exchange rate losses	624	1,133	(509)
Financial expense on post-employment benefits	6	10	(4)
Commission	30	112	(82)
Other financial expense	591	65	526
Total	**4,469**	**4,263**	**206**

The decrease in exchange rate losses reflects the Company’s reduced exposure to functional currencies other than the euro, leading to the lesser use of exchange rate hedging instruments in 2019.

The heading “Other financial expense” includes € 523k in implicit interest on lease liabilities pursuant to the adoption of IFRS 16.

XXXI. INCOME TAX

Income tax amounts to € 22,597k, compared with a negative € 2,090k in 2018.

(€k)	Full Year 2019	Full Year 2018
IRES	(2,425)	(2,411)
IRAP	-	(107)
Adjustment on tax rate	(22)	4
Tax consolidation benefit	6,630	447
Current taxes	**4,183**	**(2,067)**
Net temporary differences	18,414	(23)
Income tax	**22,597**	**(2,090)**

Current taxes consist of IRES (corporate income tax) of € 2,425k (€ 2.411k in 2018), referring to withholding tax on foreign earned income pertaining to the year and IRAP (regional business tax) of zero (€ 107k the previous year).

In 2019 Autogrill S.p.A. recognized a gain of € 6,630k from the tax consolidation (€ 447k the previous year), resulting from the share of IRES pertaining to the subsidiaries Autogrill Italia S.p.A. and Autogrill Advanced Business S.p.A. offset by the losses of Nuova Sidap S.r.l. and Autogrill Europe 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 arise mainly from the use of prior losses to offset future taxable earnings of Autogrill Italia S.p.A., given its expectation for improved earnings projections for the next five years and from the decrease in the deferred tax liability on 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.

At 31 December 2019 there are also unrecognized tax losses of € 17,816k, corresponding to an unrecognized tax benefit of € 4,276k.

The following table reconciles effective tax and theoretical tax for 2019. Theoretical tax has been calculated at the tax rates currently in force.

	Full Year 2019			Full Year 2018		
(€k)	IRES 24.00%	IRAP 4.65%	Total 28.65%	IRES 24.00%	IRAP 4.65%	Total 28.65%
Pre-tax profit			**12,850**			**17,297**
Theoretical tax	**3,084**	**598**	**3,682**	**4,151**	**804**	**4,955**
Permanent differences:						
– Personnel expense	-	313	**313**	47	5	**52**
– Dividends and other financial items	(7,154)	(1,442)	**(8,596)**	(6,434)	(1,328)	**(7,763)**
– Impairment losses on equity investments	-	-	**253**	-	-	**-**
– Other	253	50	**303**	126	386	**513**
Net effect of unrecognised tax losses for the period	-	463	**463**	1,868	204	**2,072**
Increase in regional tax rate	-	(76)	**(76)**	-	-	**-**
Reversal of previous years' temporary differences	328	72	**400**	289	(79)	**209**
Taxed temporary differences deductible in future years	287	22	**308**	(46)	8	**(38)**
Total	**(3,203)**	**-**	**(3,203)**	**-**	**-**	**-**
Adjustment of prior years' provision for temporary differences	22	-	**22**	(4)	107	**103**
Taxes on foreign source income	2,425	-	**2,425**	2,411	-	**2,411**
Tax consolidation benefit	(6,630)	-	(6,630)	(447)	-	(447)
Current taxes	**(4,183)**	**-**	**(4,183)**	**1,959**	**107**	**2,066**
Adjustment on tax rate	-	-	**-**	-	(24)	**(24)**
Reversal net temporary differences for the period	(5,311)	-	**(5,311)**	(48)	189	**142**
Net temporary differences	(196)	(19)	**(215)**	(16)	(78)	**(94)**
Effect of recognised tax losses	(12,888)	-	(12,888)	-	-	-
Net advance taxes	**(18,395)**	**(19)**	**(18,414)**	**(64)**	**87**	**23**
Income tax	**(22,578)**	**(19)**	**(22,597)**	**1,895**	**194**	**2,090**

2.2.5 NET FINANCIAL POSITION

The net financial position at the end of 2019 and 2018 is detailed below:

Note	(€m)		31.12.2019	31.12.2018	Change
I	A)	Cash on hand	0.4	0.4	-
	B)	**Cash and cash equivalents**	**0.4**	**0.4**	**-**
II	**C)**	**Current financial assets ***	**1.1**	**-**	**1.1**
XV	D)	Bank loans and borrowings, current	(19.4)	(4.3)	(15.1)
XVI	E)	Other current financial liabilities **	(1.5)	(21.0)	19.5
	F)	**Current financial indebtedness (D + E)**	**(20.9)**	**(25.3)**	**4.4**
	G)	**Net current financial indebtedness (B + C + F)**	**(19.4)**	**(24.9)**	**5.5**
XVIII	H)	Loans, net of current portion	(399.1)	(376.0)	(23.1)
XIX	I)	Other non current financial liabilities ***	(15.0)	-	(15.0)
	J)	**Non-current financial indebtedness**	**(414.0)**	**376.0**	**(38.0)**
	K)	**Net financial indebtedness (G + J) (1)**	**(433.4)**	**(400.9)**	**(32.5)**
XI		**Non-current financial assets ********	**83.2**	**84.9**	**(1.7)**
		Net financial indebtedness	**(350.4)**	**(316.0)**	**(34.4)**

(1) As defined by Consob communication July 28, 2006 and ESMA/2011/81 recommendations
* It includes the following current asset lines: "II. Finance lease receivables", "Other financial assets"
** It includes the following current liabilities line: "XVI. Finance lease payables"
*** It includes the following non-current liabilities line: "XIX. Finance lease payables"
**** It includes the following non-current asset lines: "X. Finance lease asset", "XI. Other financial assets"

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

In January 2020, the dividend from HMSHost Corporation was received in the amount of € 29.8m.

The adoption of IFRS 16 and the consequent recognition of right-of-use assets and finance lease liabilities has significantly increased the total net financial position, making the year-end figures for 2019 and 2018 less comparable.

To rectify the situation, the total net financial position at 31 December 2019 has been adjusted of the effects of IFRS 16, as follows:

(€m)	Full Year 2019	Full Year 2018	Change
Net financial position – Total (A)	**(350.4)**	**(316.0)**	**(34.4)**
Finance lease receivables - current	1.0	-	1.0
Finance lease receivables - non current	10.6	-	10.6
Finance lease receivables (B)	**11.6**	**-**	**11.6**
Finance lease liabilities - current	(1.5)	-	(1.5)
Finance lease liabilities - non current	(15.0)	-	(15.0)
Finance lease liabilities (C)	**(16.5)**	**-**	**(16.5)**
Net financial position (A + B + C)	**(345.5)**	**(316.0)**	**(39.3)**

2.2.5.1 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.

2.2.6 FINANCIAL INSTRUMENTS – FAIR VALUE AND RISK MANAGEMENT

2.2.6.1 FAIR VALUE

The following tables break down assets and liabilities by category at 31 December 2019 and 2018 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).

In light of the first-time adoption of IFRS 9, 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) based on facts and circumstances at the time the standard was adopted.

	31.12.2019							
	Carrying amount				Fair value			
(€k)	Fair value - hedging instruments	Amortized cost	FVTOCI	Total	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 assets *	-	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 measured at fair value								
Fair value of currency hedging derivatives	-	-	-	**-**	-	-	-	-
	-	**-**	**-**	**-**	**-**	**-**	**-**	**-**
Financial liabilities not measured at fair value								
Bank overdraft	-	18,561	-	**18,561**	-	-	-	-
Unsecured current bank loans and borrowings	-	399,058	-	**399,058**	-	400,825	-	**400,825**
Trade payables	-	2,795	-	**2,795**	-	-	-	-
Other payables	-	7,765	-	**7,765**	-	-	-	-
Total	**-**	**428,180**	**-**	**428,180**	**-**	**400,825**	**-**	**400,825**

* The fair value of "Other current assets" does not include the receivables from credit card companies

(€k)	31.12.2018 Carrying amount Fair value - hedging instruments	Loans and receivables	FVTOCI	Total	Fair value Level 1	Level 2	Level 3	Total
Financial assets not measured at fair value								
Cash and cash equivalent	-	337	-	**337**	-	-	-	-
Trade receivables	-	520	-	**520**	-	-	-	-
Other current assets*	-	8,221	-	**8,221**	-	-	-	-
Other financial assets (current)	-	-	-	-	-	-	-	-
Other financial assets (non-current)	-	870	-	**870**	-	-	-	-
	-	**9,948**	**-**	**9,948**	**-**	**-**	**-**	**-**
Financial liabilities measured at fair value								
Fair value of currency hedging derivatives	118	-	-	**118**	-	118	-	**118**
	118	**-**	**-**	**118**	**-**	**118**	**-**	**118**
Financial liabilities not measured at fair value								
Bank overdraft	-	24,302	-	**24,302**	-	-	-	-
Unsecured current bank loans and borrowings	-	375,968	-	**375,968**	-	377,826	-	**377,826**
Trade payables	-	6,183	-	**6,183**	-	-	-	-
Other payables	-	1,782	-	**1,782**	-	-	-	-
Total	**-**	**408,235**	**-**	**408,235**	**-**	**377,826**	**-**	**377,826**

* The fair value of "Other current assets" does not include the receivables from credit card companies

In 2019 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 Group 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.

2.2.6.2 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 2019 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 2019 and 31 December 2018 was as follows:

(€k)	2019	2018	Change
Cash and cash equivalents	420	337	83
Other current financial assets	1,074	31	1,043
Trade receivables	529	430	99
Other current receivables	72,595	78,256	(5,661)
Other non-current financial assets	84,023	85,801	(1,778)
Total	**158,640**	**164,855**	**(6,215)**

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 dividends due from the subsidiary HMSHost Corporation and 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.

Exposure and maturity data at the close of 2019 and 2018 were as follows:

		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	-	-	-	-	-
Lease payments due to others	415,000	415,000	15,000	-	-	188,000	212,000	-
Finance lease payables	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	**23,691**	**438,691**	**23,112**	**195**	**397**	**189,544**	**219,569**	**5,875**

		31.12.2018						
		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	4,302	4,302	4,302	-	-	-	-	-
Lease payments due to others	397,000	397,000	20,000	-	-	-	377,000	-
Trade payables	6,183	6,183	6,183	-	-	-	-	-
Due to suppliers for investments	1,782	1,783	1,783	-	-	-	-	-
Total	**409,267**	**409,268**	**32,268**	**-**	**-**	**-**	**377,000**	**-**

2.2.7 SEASONAL PATTERNS

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

2.2.8 GUARANTEES GIVEN, COMMITMENTS AND CONTINGENT LIABILITIES

GUARANTEES AND COMMITMENTS

Guarantees given and commitments assumed come to € 271,751k, as follows:

(€k)	31.12.2019	31.12.2018	Change
Sureties and personal guarantees in favour of third parties	4,116	14,763	(10,647)
Sureties and personal guarantees in favour of subsidiaries	267,635	268,569	(934)
Total	**271,751**	**283,332**	**(11,581)**

"Sureties and personal guarantees in favour 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. The change in this item reflects the natural expiration of various sureties.

"Sureties and personal guarantees in favour of subsidiaries" were issued in favour of lenders of direct or indirect subsidiaries.

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

CONTINGENT LIABILITIES

At 31 December 2019, there were no contingent liabilities as defined in IAS 37.

2.2.9 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 2019 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 2019	Full Year 2018	Change
Other operating income	17	29	(12)
Other operating expense	13	16	(3)
Personnel expense	100	100	-

Statement of financial position (€k)	31.12.2019	31.12.2018	Change
Receivables	-	5	(5)
Other receivables	10,216	12,424	(2,208)
Other payables	103	109	(6)

"Other operating income" refers to services rendered by the parent concerning the use of equipped premises at the Rome offices, which were terminated in 2019.

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.

Other receivables include € 10,216k for the IRES refund requested by the consolidating company Edizione S.r.l. on behalf of Autogrill S.p.A., due as a result of the retroactive recognition of the deductibility of IRAP pertaining to personnel expense for the years 2007-2011 (Art. 2 of Law 201/2011).

The decrease for the year refers to the receipt in December 2019 of € 2,208k from the IRES refund for the deduction from taxable income of the portion of IRAP concerning personnel expense paid in 2008 (Decree Law 185/2008).

TRANSACTIONS WITH RELATED COMPANIES

	Verde Sport S.p.A.	
Income statement (€k)	**Full Year 2019**	**Full Year 2018**
Revenue	-	-
Other operating income	-	-
Raw materials, supplies and goods	-	-
Other operating expense	45	45
Leases, rentals, concessions and royalties	-	-
Personnel expense	-	-
Financial income	-	-
Financial expense	-	-

	Verde Sport S.p.A.	
Statement of financial position (€k)	**31.12.2019**	**31.12.2018**
Trade receivables	-	-
Other receivables	-	-
Financial receivables	-	-
Finance lease receivables	-	-
Trade payables	-	-
Other payables	-	-
Financial payables	-	-
Finance lease payables	-	-

In detail:

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 2019 and 2018 and to asset and liability balances at 31 December of each year.

	Autogrill Austria GmbH		Autogrill Austria GmbH	
Income statement (€k)	**Full Year 2019**	**Full Year 2018**	**Full Year 2019**	**Full Year 2018**
Revenue	-	3	-	38
Other operating income	9	13	3	4
Raw materials, supplies and goods	-	-	-	-
Other operating expense	-	-	12	-
Leases, rentals, concessions and royalties	-	-	-	-
Personnel expense	-	-	-	-
Financial income	-	-	-	-
Financial expense	-	-	-	-

	Autogrill Austria GmbH		Autogrill Belgie N.V.	
Statement of financial position (€k)	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Trade receivables	-	-	-	-
Other receivables	29	39	57	4
Financial receivables	-	-	-	-
Finance lease receivables	-	-	-	
Trade payables	-	-	-	-
Other payables	5	30	12	61
Finance lease payables	-	-	-	-
Financial payables	-	-	-	-

	Autogrill Iberia S.L.U.		Autogrill Côté France S.a.s.	
Income statement (€k)	**Full Year 2019**	**Full Year 2018**	**Full Year 2019**	**Full Year 2018**
Revenue	-	18	-	39
Other operating income	10	13	42	49
Raw materials, supplies and goods	-	-	-	-
Other operating expense	-	-	9	9
Leases, rentals, concessions and royalties	-	-	-	-
Personnel expense	-	(349)	60	26
Financial income	-	-	-	-
Financial expense	-	-	-	-

	Autogrill Iberia S.L.U.		Autogrill Côté France S.a.s.	
Statement of financial position (€k)	**31.12.2019**	**31.12.2018**	**31.12.2019**	**31.12.2018**
Trade receivables	-	-	-	-
Other receivables	53	362	92	425
Financial receivables	-	-	-	-
Finance lease receivables	-	-	-	
Trade payables	-	-	-	-
Other payables	44	129	121	180
Finance lease payables	-	-	-	-
Financial payables	-	-	-	-

	Autogrill Schweiz A.G.		Autogrill Czech S.r.o.		Autogrill Deutschland GmbH	
	Full Year 2019	Full Year 2018	Full Year 2019	Full Year 2018	Full Year 2019	Full Year 2018
	-	32	-	2	-	22
	188	770	-	-	13	26
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	(260)	(164)
	-	-	-	-	-	-
	-	-	-	-	-	-

	Autogrill Schweiz A.G.		Autogrill Czech S.r.o.		Autogrill Deutschland GmbH	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	-	176	-	-	-	-
	35	39	-	-	316	412
	-	-	-	-	-	-
	-		-		-	
	-	-	-	-	-	-
	-	190	-	6	20	232
	-	-	-	-	-	-
	-	-	-	-	-	-

	Autogrill Hellas Single Member Limited Liability Company		Autogrill Polska Sp.zo.o.		Autogrill D.o.o.	
	Full Year 2019	Full Year 2018	Full Year 2019	Full Year 2018	Full Year 2019	Full Year 2018
	-	4	-	1	-	1
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-

	Autogrill Hellas Single Member Limited Liability Company		Autogrill Polska Sp.zo.o.		Autogrill D.o.o.	
	31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
	-	6	(4)	(4)	-	-
	-	-	-	-	-	-
	-	-	-	-	-	-
	-		-		-	
	-	-	-	-	-	-
	16	21	1	-	6	6
	-	-	-	-	-	-

Income statement (€k)	HMSHost Corporation Full Year 2019	HMSHost Corporation Full Year 2018	Nuova Sidap S.r.l. Full Year 2019	Nuova Sidap S.r.l. Full Year 2018
Revenue	10,666	11,098	-	-
Other operating income	196	281	209	232
Raw materials, supplies and goods	-	-	-	-
Other operating expense	226	57	(40)	(5)
Leases, rentals, concessions and royalties	-	-	(25)	(349)
Personnel expense	300	225	-	-
Financial income	31,379	30,664	32	-
Financial expense	-	-	-	-

Statement of financial position (€k)	HMSHost Corporation 31.12.2019	HMSHost Corporation 31.12.2018	Nuova Sidap S.r.l. 31.12.2019	Nuova Sidap S.r.l. 31.12.2018
Trade receivables	48	40	273	59
Other receivables	40,838	40,907	475	442
Financial receivables	-	-	-	-
Finance lease receivables	-	-	1,220	-
Trade payables	-	-	-	-
Other payables	518	410	30	183
Finance lease payables	-	-	-	-
Financial payables	-	-	-	-

Autogrill Europe S.p.A.		Autogrill Italia S.p.A.		Autogrill Advanced Business Service	
Full Year 2019	Full Year 2018	Full Year 2019	Full Year 2018	Full Year 2019	Full Year 2018
3,507	3,393	581	643	107	-
69	69	807	723	334	281
-	-	-	-	-	-
895	1,459	50	68	776	878
-	(294)	(521)	(2,432)	-	(278)
-	-	-	1	-	-
1,243	969	167	-	87	-
-	-	-	-	-	-

Autogrill Europe S.p.A.		Autogrill Italia S.p.A.		Autogrill Advanced Business Service	
31.12.2019	31.12.2018	31.12.2019	31.12.2018	31.12.2019	31.12.2018
-	-	(9)	133	-	-
3,786	4,403	11,315	6,737	703	832
72,598	84,961	-	-	-	-
2,720	-	5,137	-	2,576	-
-	-	-	-	-	-
1,367	357	430	4,611	261	406
-	-	-	-	-	-
-	-	-	-	-	-

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

Income statement (€k)	Full Year 2019 Total related companies *	 Autogrill S.p.A.	 %
Revenue	14,861	14,861	-
Other operating income	1,897	4,167	46%
Other operating expense	2,186	14,660	15%
Leases, rentals, concessions and royalties	(546)	178	-307%
Personnel expense	9,218	17,945	51%
Financial income	32,907	33,519	98%
Financial expense	-	4,469	-

Statement of financial position (€k)	31.12.2019 Total related companies *	 Autogrill S.p.A.	 %
Trade receivables	308	529	58%
Other receivables	67,914	75,097	90%
Financial receivables	72,598	73,444	99%
Finance lease receivables	11,653	11,653	100%
Financial payables	5,687	14,099	40%

* The heading "Total related companies" covers transactions with Edizione S.r.l., subsidiaries, other related companies and executives with strategic responsibilities

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 2019:

Name	Office held	Term of office	Remuneration (€)	Bonuses and other incentive (€)	Non-monetary benefits (€)	Other fees (€)
Paolo Zannoni	Chairman	since 07.02.2019	447,507	-	-	-
Gianmario Tondato Da Ruos	CEO	2017/2019	520,000	807,839	15,423	403,297
Alessandro Benetton	Director	2017/2019	60,000	-	-	-
Paolo Roverato	Director	2017/2019	100,000	-	-	-
Massimo Di Fasanella D'Amore di Ruffano	Director	2017/2019	100,000	-	-	25,000
Francesco Chiappetta	Director	2017/2019	90,000	-	-	-
Ernesto Albanese	Director	2017/2019	70,000	-	-	-
Marco Patuano	Director	from 26.01.2017 to 24.06.2019	38,356	-	-	-
Franca Bertagnin Benetton	Director	from 25.05.2017 to 2019	60,000	-	-	-
Cristina De Benetti	Director	from 25.05.2017 to 2019	80,000	-	-	-
Catherine Gérardin-Vautrin	Director	from 25.05.2017 to 2019	80,000	-	-	-
Maria Pierdicchi	Director	from 25.05.2017 to 2019	80,000	-	-	-
Elisabetta Ripa *	Director	from 25.05.2017 to 2019	90,000	-	-	25,000
Barbara Cominelli	Director	since 19.12.2019	2,137	-	-	-
Total directors			**1,818,000**	**807,839**	**15,423**	**453,297**
Corporate General Manager **				636,085	21,589	542,216
Key managers with strategic responsibilities ***				1,928,021	287,214	2,508,069
Total			**1,818,000**	**3,371,945**	**324,226**	**3,503,582**

* 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 Business Service S.p.A. since 19.11.2018
*** Three key management personnel are employed by subsidiaries

On 7 February 2019, on the advice of the Human Resources Committee and with input from the Board of Statutory Auditors, the Board of Directors decided to pay Paolo Zannoni — chairman of the board, co-opted after the death of Gilberto Benetton and later elected chairman — a set fee for this position, in addition to the annual remuneration he is due as a member of the Board of Directors.

A significant portion of the variable compensation received by the CEO, the Corporate general manager, 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. In particular, the CEO, Corporate general manager and key managers participated during the year in an annual bonus system involving earnings and financial targets and other strategic objectives for the Group and/or the relevant business unit, as well as individual objectives. 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.

For the Corporate general manager and key managers with strategic responsibilities, any rights acquired under incentive plans (including options) shall be null and void in the event of termination for just cause, subjective justified cause, or voluntary resignation ("bad leavers"). In the event of termination for objective justified cause or retirement ("good leavers"), the beneficiary does not lose the pro-rata rights acquired under the plans.

In 2019 one key manager left the employment of Autogrill S.p.A. The termination indemnities were already included under "Bonuses and other incentives" in the 2018 financial statements.

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 29 June 2017, 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 are also in place with the assistant Corporate general manager and with key managers with strategic responsibilities.

STATUTORY AUDITORS' FEES

The following fees accrued to members of the Board of Statutory Auditors in 2019:

Name	Office held	Term of office	Fees (€)	Other fees (€)
Marco Giuseppe Maria Rigotti	Chairman	01.01.2018-31.12.2020	75,000	-
Eugenio Colucci *	Standing auditor	15.01.2018-31.12.2020	-	40,000
Massimo Catullo	Standing auditor	24.05.2018-31.12.2020	50,000	-
Antonella Carù **	Standing auditor	01.01.2018-31.12.2020	50,000	15,000
Total Statutory Auditors			**175,000**	**55,000**

* Other fees are for serving as chairman of the Board of Statutory Auditors at Autogrill Europe S.p.A. and Autogrill Italia S.p.A.
** Other fees are for serving as auditor at Autogrill Advanced Business Service S.p.A.

INDEPENDENT AUDITORS' FEES FOR AUDIT AND OTHER SERVICES

Type of service	Service Provider	Recipient	Fees (€k)
Auditing	Deloitte & Touche S.p.A.	Autogrill S.p.A.	418
Attestation	Deloitte & Touche S.p.A.	Autogrill S.p.A.	91
Total			**509**

INCENTIVE PLANS FOR DIRECTORS AND KEY MANAGEMENT PERSONNEL

2014 PHANTOM STOCK OPTION PLAN

On 28 May 2014, the general meeting of shareholders approved a new incentive plan referred to as the "2014 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 2021, 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 16 July 2014, the plan was implemented and the terms and conditions of Wave 1 and Wave 2 were defined. Under Wave 1 (vesting period from 16 July 2014 to 15 July 2016), a total of 3,268,995 options were assigned. A total of 2,835,967 options were assigned under Wave 2 (vesting period from 16 July 2014 to 15 July 2017). In 2018, all options outstanding at 31 December 2017 (37,700 Wave 1 options and 924,150 Wave 2 options) were exercised.

On 12 February 2015, under Wave 3 (vesting period from 12 February 2015 to 11 February 2018), a total of 2,752,656 options were assigned. All of the remaining 518,306 Wave 3 options were exercised in 2019.

Under the 2014 Phantom Stock Option Plan, the CEO received 883,495 options in Wave 1, 565,217 options in Wave 2 and 505,556 options in Wave 3. In 2018 he exercised all of his Wave 1 and Wave 2 options and 395,652 of the Wave 3 options granted under that plan. In 2019 the CEO exercised the remaining 109,904 Wave 3 options.

Movements in options in 2018 and 2019 are shown below:

	Options		
	Wave 1	Wave 2	Wave 3
Options at 31 December 2017	**37,700**	**924,510**	**2,474,594**
Options exercised in 2018	(37,700)	(924,510)	(1,849,038)
Options cancelled in 2018	-	-	(107,250)
Options at 31 December 2018	**-**	**-**	**518,306**
Options exercised in 2019	-	-	(518,306)
Options cancelled in 2019	-	-	-
Options at 31 December 2019	**-**	**-**	**-**

Throughout the plan's duration, an independent external advisor calculated the fair value of the Phantom Stock Options, based on the value of shares on the grant date and the reporting 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 2014 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).

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 July 2019, a total of 4,825,428 options were assigned. In 2019, 3,181,810 options were exercised and 39,923 were cancelled.

Under the 2016 Phantom Stock Option Plan described below, the CEO has been assigned 679,104 options in Wave 1, with a minimum holding commitment as detailed in the Remuneration Report. In 2019 the CEO exercised 543,283 of his Wave 1 options.

Movements in options in 2018 and 2019 are shown below:

	Options
Options at 31 December 2017	**4,402,903**
Options exercised in 2018	-
Options cancelled in 2018	(385,696)
Options at 31 December 2018	**4,017,207**
Options exercised in 2019	(3,181,810)
Options cancelled in 2019	(39,923)
Options at 31 December 2019	**795,474**

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).

The costs incurred in 2019 for the 2014 and 2016 Phantom Stock Option Plans amounted to € 3,397k (zero in 2018) and stem mainly from the adjustment of estimates with respect to the provisions made at 31 December 2018 on the basis of the stock market performance of Autogrill shares.

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.

During the course of 2019, 135,311 Wave 1 options, 145,659 Wave 2 options and 29,864 Wave 3 options were cancelled.

	Options		
	Wave 1	Wave 2	Wave 3
Options at 31 December 2018	**866,032**	**789,906**	**-**
Options assigned in 2019	-	-	956,206
Options exercised in 2019	-	-	-
Options cancelled in 2019	(135,311)	(145,659)	(29,864)
Options at 31 December 2019	**730,721**	**644,247**	**926,342**

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 € 1.4m in 2019 (€ 0.8m the previous year).

2.2.11 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

In 2019, 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.

2.2.12 ATYPICAL OR UNUSUAL TRANSACTIONS

In 2019 there were no atypical and/or unusual transactions as defined by Consob Communication DEM/6064293 of 28 July 2006.

The Corporate Reorganization, although it had a major impact on the Company's operations, is non-recurring and does not fall within the scope of the resolution.

2.2.13 SUBSEQUENT EVENTS

Since the close of the reporting period, no events have occurred that would require an adjustment to the financial statement figures or additional disclosures in these Notes. As mentioned earlier, pursuant to IAS 10, the impact of the COVID-19 pandemic on estimated financial statement figures will be analyzed during 2020.

In January 2020 Autogrill S.p.A. received a dividend of $ 35m from the US subsidiary HMS Host corporation.

2.2.14 AUTHORIZATION FOR PUBLICATION

The Board of Directors authorized the publication of these draft financial statements at its meeting of 12 March 2020.

The Annual General Meeting of shareholders called to approve 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/ Quota capital	% held at 31.12.2019	Shareholders/Quota holders
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	7,500,000	100.0000%	Autogrill Europe S.p.A.
Autogrill D.o.o.	Lubjana	Eur	1,342,670	100.0000%	Autogrill Europe S.p.A.
Autogrill Hellas Single Member Limited Liability Company	Avlonas	Eur	3,696,450	100.0000%	Autogrill Europe S.p.A.
Autogrill Polska Sp. z.o.o. (in liquidation)	Katowice	Pln	40	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	894,761	98.8700%	Autogrill Deutschland GmbH
				1.1300%	Le Fournil de Frédéric Neuhauser GmbH
Le CroBag Polska Sp. Z.o.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.	Antwerpen	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.	Antwerpen	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
HMSHost Tollroads Inc.	Delaware	Usd	-	100.0000%	HMSHost Corporation

Company	Registered office	Currency	Share/ Quota capital	% held at 31.12.2019	Shareholders/Quota holders
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.
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	31,351,237	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	3,910,104	100.0000%	Host International, Inc.
HMSHost Services India Private, Ltd.	Bangalore	Inr	668,441,680	99.0000%	Host International, Inc.
				1.000%	HMSHost International, Inc.
HMSHost Singapore Private, Ltd.	Singapore	Sgd	8,470,896	100.0000%	Host 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	100,000,000	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-Chelsea Joint Venture #3	Texas	Usd	-	63.8000%	Host International, Inc.
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.
Host-Chelsea Joint Venture #1	Texas	Usd	-	65.0000%	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.

Company	Registered office	Currency	Share/ Quota capital	% held at 31.12.2019	Shareholders/Quota holders
Seattle Restaurant Associates	Olympia	Usd	-	70.0000%	Host International, Inc.
Bay Area Restaurant Group	California	Usd	-	49.0000%	Host International, 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.
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.

Company	Registered office	Currency	Share/ Quota capital	% held at 31.12.2019	Shareholders/Quota holders
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.
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.
Host VDV DTW SB, LLC	Delaware	Usd	-	75.0000%	Host International, Inc.
MCO Retail Partners, LLC	Delaware	Usd	-	80.0000%	Stellar Partners, Inc.
Host VDV DTW 3 SB, LLC	Delaware	Usd	-	79.0000%	Host International, 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	89,000,000	100.0000%	HMSHost International B.V.
HMSHost - UMOE F&B Company AS	Bærum	Nok	150,000	51.0000%	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.
				0.3330%	HMSHost Nederland 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.

Company	Registered office	Currency	Share/ Quota capital	% held at 31.12.2019	Shareholders/Quota holders
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	1,182,464	99.0000%	HMSHost International B.V.
				1.0000%	HMSHost Nederland B.V.
HMSHost Rus Limited Liability Company	Russia	Rub	10,000	90.0000%	HMSHost International B.V.
				10.0000%	HMSHost Nederland B.V.
HMSHost (Shanghai) Catering Management Co., Ltd.	China	Cny	30,900,000	51.0000%	HMSHost Huicheng (Beijing) Catering Management Co., Ltd
				49.0000%	HMSHost International B.V.
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.

Company	Registered office	Currency	Share/ Quota capital	% held at 31.12.2019	Shareholders/Quota holders
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.
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 WSE SJC, LLC	Delaware	Usd	-	80.0000%	Host International, 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 DOG LAS FB, LLC	Delaware	Usd	-	55.0000%	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.
Associates					
Caresquick N.V.	Brussels	Eur	1,020,000	50.000%	Autogrill Belgie N.V.
Autogrill Middle East, LLC	Abu Dhabi	Aed	100,000	50.000%	HMSHost International B.V.
Dewina Host Sdn. Bhd.	Kuala Lumpur	Myr	350,000	49.000%	Host International, Inc.
Arab Host Services LLC	Qatar	Qar	200,000	49.000%	Autogrill Middle East, LLC
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 2019.

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) provide 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 issuer, along with the main risks and uncertainties to which they are exposed.

Milan, 12 March 2020

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

INDEPENDENT AUDITORS' REPORT

Deloitte.

Via Tortona, 25
20144 Milano
Italia

Tel: + 39 02 83322111
Fax: + 39 02 83322112
www.deloitte.it

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 2019, 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 2019, 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, 2019 include investments in subsidiaries for Euro 713.6 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 78% of the total assets and have been subject to Impairment Test, considering the relevance of the intangible assets held by the U.S. subsidiary and the relevant amount of the investments in the Italian subsidiaries.

The Impairment Test have been executed, for each investment, through the comparison between the carrying amount reported in the separate financial statements as at December 31, 2019 and the recoverable amount determined as 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 for geographic areas.

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.

For the determination of the recoverable amount, the Company based its assumptions on financial forecasts of the investments operations for the 3-years period 2020-2022, as validated by the Chief Executive Officer and the Group Chief Financial Officer, and reviewed by the Board of Directors. The determination of forecasted future cash flows, used in the Impairment Tests resulting from the financial forecasts mentioned above, is based also on external factors such as the traffic forecasts developed by third parties, when available, renewal rates for existing contracts estimated on the basis of the historical awarding trends, and the capex expenditure linked to contract expiration.

As a result of the Impairment Test exercise performed, no need for write-down of investments resulted; in addition, the Directors have indicated in the notes that the sensitivity analysis developed on the Impairment Test model do not show any indicator for risk of write-down of these assets.

Taking into consideration the relevant book value of the investments in the Italian subsidiaries and the extensive intangible assets held by the subsidiary based in US, as well as the subjectivity of the estimates used to determine future cash flows and key variables for the Impairment Tests exercise, we considered that the Impairment Tests of the carrying amount of Investments represents 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 3-years period 2020-2022, 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.

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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, 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;
- analysis on actual data compared to initial forecasts, with the aim to evaluate their differences 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.

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.

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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.

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, 2019, 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, 2019 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, 2019 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 9, 2020

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 2019 close with a profit of €35.4m, compared with a profit of €15.2m the previous year. At the consolidated level, the profit allocable to the group amounted to €205.2m, with respect to €68.7 million in 2018. The results for 2019 reflect application of the new IFRS accounting standard. Net of IFRS application, profit for the year comes to €35.9 million and the profit allocable to the group to €236.8 million.

On 9 April 2019, 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 2019. Deloitte & Touche's report on the consolidated financial statements for the year ended 31 December 2019 of the Autogrill S.p.A. and its subsidiaries, issued on the same date, was also unqualified.

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

The Board of Statutory Auditors was appointed by the annual general meeting of 24 May 2018, as the three-year term of the prior Board had ended, and will remain until the annual general meeting is called to approve the Company's separate financial statements at 31 December 2020. In accordance with the law and the corporate by-laws the appointment was made based on the lists presented by the shareholders, also taking in to account the provisions governing gender equality.

More in detail, the standing auditors Antonella Carù and Massimo Catullo, and the alternate auditor Patrizia Paleologo Oriundi, were appointed from the list submitted by the majority shareholder Schematrentaquattro, while the standing auditor Marco Rigotti and the alternate auditor Roberto Miccù were appointed from the minority list, submitted by 10 shareholders who are investment fund managers. In accordance with the law and the corporate by-laws, the standing auditor Marco Rigotti was appointed chairman of the Board of Statutory Auditors at the same time. The auditors Antonella Carù and Marco Rigotti were members of the prior Board.

During the year ended 31 December 2019 the Board of Statutory Auditors 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 the Board of Statutory Auditors:
- held 18 meetings, which as a rule were attended by all statutory auditors in office;
- attended, generally as a board, the 11 meetings of the Board of Directors;
- attended, generally as a board, the 7 meetings of the control, risks and corporate governance committee;
- attended, generally through the participation of the chairman, the 8 meetings of the human resources committee;
- attended, through the participation of one or more statutory auditors, the 4 meetings of the related party transactions committee;
- attended, as a board, the ordinary shareholders' meeting held to approve the 2018 financial statements, which also renewed the authorization to purchase treasury shares for up to a maximum of 5% of the share capital;
- 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 internal audit director and the enterprise risk management department;
- met with the Board of Statutory Auditors of the Italian subsidiaries, leading to no findings of note.

During the Board of Directors' meetings, the Statutory Auditors 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 they 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 responsible for North America and International), and through attendance at the meetings of the control, risks and corporate governance committee and the other Board 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 2019:
- we received no complaints pursuant to Art. 2408 of the Italian Civil Code;
- no statements/reports were received.

2. AUTOGRILL GROUP COMPANY PROFILES

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

On 1 January 2018 the corporate reorganization process, which consisted in the spin-off of three of the Company's business units to three Italian wholly-owned subsidiaries, took effect. As a result of the reorganization the Company is a holding company which carries out the following activities in its role as parent company: strategic guidance and coordination; administration, finance, control, and enterprise risk management; IT systems; investor relations; legal, corporate and regulatory affairs; communication; public affairs; strategic marketing; group engineering & procurement; human resources and organization; internal audit; corporate social responsibility.

This organizational structure entails the rendering of intragroup services for which fees are paid based on the provisions of specific contracts. More in detail, 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 Services S.p.A., Autogrill controls the US company HMSHost Corporation and, through the latter, Host International B.V.

In terms of operations, the business units include North America (HMSHost Corporation and subsidiaries), Europe (Autogrill Europe, Autogrill Italia and subsidiaries) and International, comprised of the Far East, Middle East and Northern Europe (Host International and subsidiaries). This led to a lack of symmetry between the business areas and the corporate divisions (International is controlled by North America and includes Northern Europe, while Autogrill Italia is controlled directly by the parent company, even though it is part of the business unit Europe).

More information in this regard can be found in the Directors' Report on consolidated operations (in the sections "Simplified corporate structure" and "Organizational structure at 12March 2020").

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 during the meeting held on 28 September 2017 following a review of the conclusions reached in the past requested by the statutory auditors. The Board of Directors confirmed that no evidence of management or coordination on the part of the direct parent Schematrentaquattro S.r.l. or the indirect parent Edizione S.r.l. existed.

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

In the Directors' Report no reference is made to transactions with a major impact on the balance sheet, income statement and financial position carried out by the Company in 2019, but we would like to point out the following "Changes in the Scope of Consolidation" that occurred in the year:

- In May 2019 the Group expanded its presence in the airport convenience retail sector by acquiring Pacific Gateway Concessions, which operates 51 locations at 10 airports in the United States. The acquisition, for $35.9m (€32.2m), also commits the Group to spending an additional $8.8m (€7.8m) to carry out investments the seller had agreed to under contract. Pacific Gateway Concessions contributed $29.0m (€25.9m) to revenue in 2019.
- In May 2019, the Group disposed of all of its motorway operations in Canada by selling its interests in the Canadian companies HMSHost Motorways Inc. and HMSHost Motorways L.P., along with its concession businesses at three Canadian rest stops owned and operated by SMSI Travel Centres, Inc. These sales took place for $183.6m (€164.0m). Until they were sold, they contributed $34.3m (€30.6m) to the Group's revenue in 2019, compared with $103m (€87.3m) for all of 2018. The capital gain net of transaction costs amounted to $176.4m (€157.6m).
- Also in May 2019, the Group sold its interest in Autogrill Czech S.r.o., which operates at Prague's two railway stations and one outlet in the Czech Republic. The sale price was €9.5m for a capital gain of €8.0m. For the five months before they were sold, these operations contributed €3.1m to revenue in 2019, compared with €8.0m the previous year.

The Statutory Auditors did not find nor were 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 2018 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 above was noted by the directors in the Directors' Report.

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 the Group'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 Board of Directors pursuant to and in accordance with Autogrill's RPT Procedures." The Statutory Auditors duly monitored the implementation of this part of the procedure.

In that regard, on 29 June 2017 the Board of Directors approved the new Group Capital Expenditure Policy which focuses 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; and (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 in relation to the capital expenditure policy.

On 19 December 2017, as part of the three-year review of the RPT Procedure, the Board of Directors approved a new version that took effect on 8 March 2018. The new version of the 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 Group companies 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.

The Board of Directors receives information on the relations with related parties 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 mentioned above, the profit allocable to the group amounted to €205.2m versus a profit of €68.7m the previous year.

The consolidated net financial position was a negative €2,947.9 m at the end of 2019 versus €671.1m at the end of 2018. The year-end 2019 figure was impacted significantly by IFRS 16 adoption which resulted in the recognition of €2,389.3 million in net financial liabilities for leased assets (of which €373.8m in current financial liabilities). Excluding the impact of IFRS 16 adoption, the figure comes to €558.6 million at year-end 2019. More in detail, the result reflects the positive impact of consolidated net operating cash flow (€372.0m), offset by net capital expenditure during the year (€332.7m). The adjusted 2019 figure reflects the decrease in the consolidated net financial position explained by the proceeds from the sale of the Canadian motorway operations (€164.2m), and the disposal of Autogrill Czech S.r.o., the costs incurred for the Pacific Gateway Concessions (€32.2 million) and Le Crobag (€6.0 million, in addition to the €59.0m paid in 2018) acquisitions. In the notes to the consolidated financial statements, the directors explain that in 2019 the Group generated net cash flow before dividends of €174.7m versus net absorption of €42.9m in the comparison period. In 2019 the Group paid dividends of €50.8m to shareholders (€48.3 million in 2018). The net balance between capital increases of minority shareholders and the dividends paid to them by the consolidated companies was positive for €7.3m in 2019 (compared to net absorption of €7.5 million in 2018). The current consolidated net financial position was negative €96.9m at the end of 2019, compared with positive €173.9m at the end of 2018. Excluding IFRS 16 application, the balance is positive for €260.1m.

Net capex amounted to €343.4m in 2019, compared to €300.9m in the previous year. These investments, an essential part of the group’s business, were made in HMS Host North America (€207.5m versus €153.7m in the previous year), Host International (€29.3m versus €35.7m in the previous year) and Europe (€104.6m versus €106.8m in the previous year), along with Corporate (€2.0m versus €4.7m in the previous year). Contributions to EBITDA can be broken down as follows: HMSHost North America (€581.6m and €403.8m excluding IFRS 16 application versus €261.6m in the prior year, which reflects the capital gain from the sale of the motorway operations in Canada which, net of ancillary costs, amounted to USD 133.9m), Host International (€107.6 m and €59.5m adjusted compared to €60.0 m in the previous year) and Europe (€301.2m and €141.4m adjusted compared to €89.5 m in the prior year). Corporate costs came to €29.8 m (€30.7m adjusted), higher than the €24.1m recorded in the previous year.

Consolidated net equity attributable to the owners of the parent rose from €685.9 m at the end of the 2018 to € 858.3 m at the end of 2019 (€ 889.8m adjusted).

The group's loans and bond issues are subject to covenants, described in the notes to the financial statements. The directors' report and the notes state that all of the covenants were amply satisfied at the end of 2019. 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 the Annual Report, the directors included comments made on 12 March 2020 relating to the foreseeable management and impact of COVID-19, explaining how the epidemic is spreading rapidly and that currently it is difficult to make reliable forecasts about future short-term developments. The directors specified that the Group has taken significant measures to protect the health and safety of its workers and customers, while continuing to provide an essential public service. The directors explained that in light of declining revenue, the Group has taken a series of steps to stem the impact of COVID-19 in the countries where it operates (modifying business hours, managing and optimizing locations, limiting overheads and administrative costs, etc.) and has set up a task force to stay abreast of the situation at all times. Given the persistent uncertainty as to the potential impact and duration of COVID-19, the directors conclude by stating that Group guidance for the year 2020 will be announced when the situation is more stable. Considering the short-term uncertainty of the situation, the Board of Directors is taking a prudent approach and proposing to the shareholders that the net profit for 2019 be carried forward instead of paying a dividend this year.

5. ORGANIZATIONAL STRUCTURE, INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

The Statutory Auditors 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 mentioned above, the Group is organized in three business units: North America, International and Europe. Given its current status as a holding company, the Company also has an internal corporate unit.

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, as mentioned above, 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.

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 the Group’s code of conduct.

In 2019 the Company continued its ongoing reinforcement of 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, risk and corporate governance committee.

The chief executive officer, in his capacity as director in charge of the internal control and risk management system, 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 Borsa Italiana's new Corporate Governance Code, since January 2013 reports directly to the chair of the Board of Directors.

Internal audit activities 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 meeting held on 12 March 2020 the Board of Directors examined the information gathered with the assistance of the control, risks and corporate governance committee, the assumptions and assessments of 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, as well as the Group’s business.

INTERNAL AUDIT

On 7 February 2019 the Board of Directors, in accordance with the proposal received from the director in charge of the control and risk management system and the positive opinion of the internal control and corporate governance committee, appointed a new director in charge of the control and risk management system 1 March 2019. The Group's head of internal audit has no ties to operating units, interacts frequently with the control, risks and corporate governance committee by sharing the annual plan of work and reporting periodically on activities performed. The Board of Statutory Auditors, including in its capacity as internal control 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 2019 the Internal Audit department carried out cross unit verifications in order to ensure that internal audit is compliant with the profession's Code of Ethics, the definition of Internal Auditing, international standards and the basic principles guiding the profession.

At the same time, beginning December 2019, an international working group, comprised of resources from each business unit, was also formed with a view to defining the audit standards to be applied across the Group, as well as ensuring a positive outcome of the Quality Assurance Review carried out by the external certification body. Based on this project the standards should be shared and applied as of the second half of 2020 and, at the same time, the selection process for the certification body should also begin. The operative phase of the Quality Assurance Review is slotted to begin in the first few months of 2021 and should be completed in the first half of the same year.

ENTERPRISE RISK MANAGEMENT

On the subject of risk management, the Company 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.

As of March 2018, the Enterprise Risk Management unit is part of a single division, together with the CSR (corporate social responsibility) division, led by the Group Risk Management and Sustainability Director, who reports to the Group CFO. The Enterprise Risk Management unit has incorporated ESG risks (which include risks relating to Climate Change) in its Risk Model.

The first assessment of the operational risks based on the Integrated Risk Model, which allows for the identification of specific KPIs (Key Performance Indicators) to be used in understanding the impact that strategic and operational risks may have on strategic goals, is in the process of being finalized. On 7 February 2019, the Board of Directors reviewed a risk analysis carried out on the group's financial projections for 2019-2021 and determined that the risk profile is consistent with the current management approach, in light of the business objectives and financial projections described at the meeting. The risk profile is updated every quarter.

On 17 December 2019, the Board of Directors acknowledged the risk analysis carried out by Enterprise Risk Management on the group's financial projections for 2020-2022.

On 6 February 2020, the Board of Directors reviewed a risk analysis carried out on the group's Budget 2020 and the risk management steps identified by the group's management. On 12 March 2020 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. In the Corporate Governance and Ownership Report, the directors clarify that this opinion was made independent of any considerations relating to the effects that the COVID-19 epidemic might have on 2020 as the impact was not quantifiable at that time.

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, risk and corporate governance committee, approved a new version of the 231 Model which was necessary in the wake of the above mentioned corporate reorganization based on which Autogrill became the Group's holding company and, therefore, is not involved in operations nor does it provide certain types of services. The main changes made to the 231 Model involved special 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.

As of 2016 a procedure is in place which allowed every 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" took 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 on behalf of the Company 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").

A "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 has been in effect since 2016. This policy was updated, in order to comply with new whistleblowing regulations, and approved by the Board of Directors on 18 December 2018.

The Company, as resolved by the Board on 24 May 2018, adopted a Privacy Policy which includes the important changes in the handling and protection of personal data stemming from EU regulation 2016/679 ("GDPR") which seeks to project the handling of personal data, as well as free circulation of these data (Regulation which repeals EC directive 95/46) and subsequent implementation laws (Decree 101/2018).

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

The Company complied with all privacy obligations and prepared the Security Program.

HANDLING AND DISCLOSURE OF PRIVILEGED INFORMATION

On 30 June 2016 the Company adopted a procedure for the disclosure of privileged information to the market in accordance with EU Regulation n. 596/2014 relating to market abuse and its regulation.

With regard to obligatory disclosures pursuant to art. 114.2 of TUF, the above procedure also establishes that the chairmen and chief executive officers in charge of the relevant subsidiaries (i.e. Autogrill's directly controlled subsidiaries and the sub-holdings) are responsible for the application of the procedure, as well as ensuring that all the companies controlled directly and indirectly by Autogrill share privileged information with the Chief Executive Officer of the parent company in a timely manner. The relevant subsidiaries, in addition to adopting the procedure, must also appoint a supervisor responsible for the application and implementation of the procedure by the relevant subsidiaries and their subsidiaries.

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

6. ACCOUNTING-ADMINISTRATIVE SYSTEM

In the Corporate Governance and Ownership 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.

The Company 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.

On 7 February 2019, following the resignation of the manager in charge of financial reporting, Alberto De Vecchi, and after receiving the favorable opinion of the Board of Statutory Auditors and the control, risk and corporate governance committee, the Board of Directors appointed Camillo Rossotto, the Company's Corporate GM, to act as the new manager in charge of financial reporting. The latter is subject to the above mentioned regulation and was granted adequate powers and means which are further strengthened by the position held in the Company.

As mentioned above, there are numerous accounting policies and procedures applicable across the Group.

The manager in charge of financial reporting evaluates the internal accounting control system. In his annual report, presented to the Board of Directors on 12 March 2020, 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 in need of improvement, in order to further minimize risk exposure and guarantee optimization of all phase of the process, were found.
- 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 implemented, and will be followed up by the internal audit department and the manager in charge of financial reporting.

The Statutory Auditors acknowledged the steps taken to constantly update the Law 262 Model and, specifically: the updating of the scoping process and the adoption of a dedicated scoping tool with a view to identifying relevant accounts and processes based on major classes of transactions which will be used by all the most relevant reporting units beginning in 2019; the inclusion of the Business Unit Europe in the Law 262 Model, the updating of the processes and controls relating to Italy in order to reflect any revised control activities and changes as a result of the corporate reorganization; the updating of the Process Level Controls in North America in light of current operations and the updated scoping; testing of the relevant processes mapping project begun in 2017 relating to the most important legal entities for the purposes of Law 262 which are part of International.

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., unchanged since the previous year) have suitable procedures in place for the regular transmission to Autogrill S.p.A.'s management and independent auditors of information related to the statement of financial position, results of operations and cash flows for the preparation of 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 disclosure 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 directors' report contains the consolidated non-financial statement ("NFS") pursuant to Arts. 3 and 4 of Legislative Decree 254/2016 and Consob resolution n. 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, personnel, human rights, 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. 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 2019 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.

8. INDEPENDENT AUDITORS

The accounts of all Group companies (or in some cases, the individual or consolidated reporting packages prepared for Autogrill's consolidated financial statements) undergo full 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.

There were no significant changes in the scope of consolidation with respect to 31 December 2018, with the exception of the disposal of the motorway operations in Canada and the sale of the Czech Republic subsidiary, as well as the acquisition of Pacific Gateway Concessions ("PGC"), which all took place in May 2019.

During the year the Statutory Auditors met with the independent auditors to discuss the plan of work, and in its capacity as internal control and audit committee, on 9 April 2020 received the additional report required by Art. 11 of European Regulation 537/2014 from the independent auditors.

In November, during the review of the audit plan, the significant risks that were mapped and subsequently confirmed in the additional report concerned the valuation of investments in subsidiaries, and the book value of the equity investments recognized as a result of the corporate reorganization (separate financial statements) which was tested for impairment, as was goodwill (consolidated financial statements), the recognition of revenues and management override of control in procedures connected to fraudulent financial reporting, and the adequacy of the information relating to IFRS 16 application. These issues were discussed with group 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 impairment testing of goodwill, first-time application of IFRS 16 and with regard to the separate financial statements, the impairment testing of the book value of equity investments.

With regard to the first-time application of "IFRS 16 – Leases", effective beginning 1 January 2019, while the Group did analyze the existing contracts and clauses in order to estimate the impact of first-time application and deploy the IT systems needed to manage the new accounting for leases, in their audit plan the independent auditors referred to the following additional audit activities need to be carried out:
- examination of the IFRS 16 Group Accounting Policy with the support of IFRS Deloitte network IFRS specialists;
- use of specific test procedures in order to verify that the impact of first-time application included in the explanatory notes was calculated correctly;
- verification that the information relating to the Group's consolidated financial statements at 31 December 2019 is consistent with the standard's provisions and comparability with the 2018 figures.

The additional report also mentions the method used for IFRS 16 adoption.

INDEPENDENCE OF THE AUDITING FIRM

The Statutory Auditors note that no questions have arisen regarding the independence of the auditing firm and that on 9 April 2020 they received its confirmation of independence in accordance with Art. 6(2)(a) of European Regulation 537/2015 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 2019 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 in 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 n. 537/2014 of 16 April 2014 relative to the statutory audit of public interest entities ("EIP Regulation"), the Company issued a new NAS Procedure which defines the general principles and methods used by Autogrill and/or the parent company and/or Group companies to grant assignments for Non Audit Services ("NAS") to the Group's independent auditors and/or entities of the same network as the granting of NAS is outside the scope of the new procedure and remains governed by art. 16 of the EIP Regulation.

The NAS Procedure was adopted by the Board of Directors on 14 March 2019 effective 1 April 2019. This procedure also defines the NAS that are not allowed in the EU and extra-EU countries and defines the authorization process for the services allowed that the Internal Control Committee and financial auditors must adhere to in order to grant assignments to the Group's auditors and the entities belonging to its network. This process, 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 extra-EU countries, in particular.

In 2019, in accordance with EU regulations, we examined and authorized the assignment of any NAS in 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	418
	Parent's auditor	Subsidiaries	267
	Parent's auditor network	Subsidiaries	2,274
Attestation	Parent's auditor	Parent	91
	Parent's auditor	Subsidiaries	98
	Parent's auditor network	Subsidiaries	718

9. CORPORATE GOVERNANCE

Detailed information on how Autogrill has implemented the corporate governance principles included in Borsa Italiana's Corporate Governance Code, is provided by the directors in the annual corporate governance report, approved on 12 March 2020 and attached to the financial statements.

The 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 Borsa Italiana 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 board 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 found in the version of the Corporate Governance Code approved by Borsa Italiana's corporate governance committee. During the meeting held on 18 December 2018, the board also approved the changes made in order to comply with the amendments made to the Code by Borsa Italiana 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").

As resolved by the Board of Directors on 14 March 2019, Autogrill intends to comply with the Corporate Governance Code as amended in July 2018.

The following remarks make reference, in general, to the sources listed above.

The chief executive officer is the person primarily responsible for running the business, and the only executive member of the Board of Directors. When the new Chairman of the Board of Directors was appointed on 7 February 2019, he was granted similar, but broader powers (relating primarily to corporate governance, control and functions supporting the Chief Executive Officer), but no executive powers (with the exception of stipulating consulting agreements, as well as contracts for intellectual or professional services with a duration of less than twelve months and payments of an amount less than €300,000 per contract).

The board, 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.

During the year the Company verified the true independence of the directors qualifying as such, in accordance with the Corporate Governance Code, providing their statements to the Statutory Auditors for review. The Company also ascertained the continued independence of the statutory auditors, according to the provisions of the same Code. The independent directors met twice 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 in other companies, the Board of Directors resolved to reconfirm the previous guidelines, explaining the reasons why it was deemed unnecessary to consider participation in board committees. As the Statutory Auditors recommended in the prior year, during the year the Board eliminated the possibility of excluding any offices held in other companies belonging to the Edizione group from the calculation of the number of assignments held.

During the meeting held on 12 March 2020, the Board of Directors confirmed that each of the directors in office had 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 plan for the succession of executive directors has yet to be adopted, in 2019 the Board of Directors resolved to begin work on the definition of a succession plan for both Top management and the Chief Executive Officer. The Human Resources Committee, with the support of a premiere consulting company, is responsible for this process. The Committee updated the Board of Directors as to the progress made thus far in the definition of a succession plan. The guidelines relating to the methods to be used to substitute Top Management and the Chief Executive Officer, if needed, were approved by the Board of Directors on 12 March 2020.

The human resources committee has been granted the functions in the Corporate Governance Code relating to the compensation committee. The committee is currently made up of two independent directors and one non-executive director.

Beginning in 2017 this 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).

There is also a strategies and investments committee which is currently comprised of three independent directors and two non-executive directors, one of whom serves as chair. This committee provides background information and advice on group strategy and investment policies, as well as on particularly strategic or sizeable investment projects.

The Board of Directors' annual self-assessment process was carried out through direct interviews with the individual directors conducted by the lead independent director. The outcome was discussed during the board meeting of 12 March 2020 and detailed information is provided in the Corporate Governance and Ownership Report.

The corporate governance report contains information on induction activities in 2019.

The Statutory Auditors reiterate their view that this type of activity is key to increasing the efficacy of the non-executive directors and statutory auditors, and believe that it would be useful to increase such efforts in 2020. We also believe that adequate preparation should be made for the induction initiatives that will follow the renewal of the Board of Directors in 2020.

CHANGES TO REGULATIONS AND BY-LAWS

On 12 March 2020, the Board of Directors - in accordance with the powers granted in art. 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 should be of the least 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 the law relating to gender equality.

10. SELF-ASSESSMENT OF THE BOARD OF STATUTORY AUDITOR

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

The Statutory Auditors carried out the self-assessment by evaluating the information gathered and provided by all the members of the Board of Statutory Auditors without the use of questionnaires or availing ourselves of consultants.

The activity focused on the most relevant topics referred to in the regulations for the self-assessment of statutory auditors, relating in particular to:

- size of the board, as well as gender and the age of the statutory auditors;
- the compliance of the statutory auditors with requirements relating to professionalism, integrity and independence;
- number of other assignments held, other professional activities carried out and the availability of the time needed to fulfill the duties assigned to each member;
- the effectiveness and quality of information exchanged with the board of directors, board committees and other corporate functions;
- exchange of information with the independent auditors;
- collaboration of and interaction between the members of the Board of Statutory Auditors;
- functioning and organization of the work.

The Board of Statutory Auditors analyzed and discussed the information gathered in order to ascertain whether or not the premise needed to ensure the efficacy of our supervisory activities existed.

At end of this process, we found that we are able to carry out the assignment in a timely manner, with the maximum collaboration through an equal balance of professional expertise. No shortcomings relative to the qualifications of each member or any other critical issues which require the adoption of corrective measures were found.

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, the Statutory Auditors 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 2019. 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 2019 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.

With the necessary conditions satisfied, the Board of Directors has opted to convene the shareholders' meeting for approval of the 2019 financial statements by the extended deadline allowed by Italian Civil Code Art. 2364 and Art. 21 of the Company's by-laws. The financial statement documentation will in any case be made available to the public well before the deadline set by Art. 154 ter TUF (120 days from the close of the year). As explained in the directors' report, this decision was made in order to fulfil the obligations linked to the preparation of the consolidated financial statements by Autogrill S.p.A.

The annual general meeting called to approve the financial statements for 2019 is also asked to vote on other matters within its sphere of authority, including the renewal of the board of directors 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 2019 and the motions presented by the Board of Directors.

Milan, 9 April 2020

The Board of Statutory Auditors of Autogrill S.p.A.
Marco Rigotti
Antonella Carù
Massimo Catullo

AUTOGRILL S.P.A.

REGISTERED OFFICE
Via Luigi Giulietti 9
28100 Novara - Italy

Share capital: € 68,688,000 fully paid-in
Tax code/Novara Registrar of Companies: 03091940266
VAT number: 01630730032

HEADQUARTERS
Centro Direzionale Milanofiori
Palazzo Z, Strada 5
20089 Rozzano (MI) - Italy

Group Corporate Communication
Telephone (+39) 02 48263250

Group Investor Relations
Telephone (+39) 02 48261

Group Corporate & Regulatory Affairs
Telephone (+39) 02 48263706

www.autogrill.com

Co-ordination
zero3zero9

Design
Leftloft

Layouts
t&t

Pictures
Pol Montserrat

May 2020

www.autogrill.com