AUTOGRILL GROUP
ANNUAL REPORT 2020

AUTOGRILL

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ANNUAL REPORT 2020

(Translation from the original version issued in Italian)

LETTER TO SHAREHOLDERS

Dear Shareholders,

2020 has been a difficult year, affected by uncertainties and by the consequences of the pandemic on all of the world's markets that have deeply impacted on people's safety, consumer behaviours and the company's business.

The financial year that has just ended saw a 60% reduction in revenue, down to 2.0 billion euros, with a mitigated impact on the EBITDA at minus 23%, while special attention has been paid to preserving liquidity, which amounted to 600 million euros at the end of the year.

The efforts of the entire company, all its managers and partners – to whom we express our gratitude and respect for the devotion, strength and cohesion they have shown over the last few months – have been mainly focussed on safeguarding our clients and our employees and on carefully, smoothly managing the company's operations and economic variables, to reshape its organisational model and adjust the efforts required to overcome this critical time.

At the first signs of the serious global crisis that was coming on, we rapidly reduced our costs, preserved our cash and secured more liquidity, partly through the lines of credit provided by the Italian Export Credit Agency SACE. All such measures, as we have seen, have remarkably mitigated the impact of the reduction in revenue on our margins.

Despite this year's problems, we have still managed to develop our business portfolio with new and renewed contracts, with the latter worth over 5 billion euros, mainly from the airports of Las Vegas and Amsterdam.

Even if the situation is still fairly difficult, in January we decided to announce a fully subscribed 600 million euros' capital increase.

The arrival of the vaccines is the first sign that the post-Covid era is coming, and, partly through the capital increase, Autogrill wants to be ready for such date with a strong financial position; ready to fund future investments and to continue its innovation and growth process; determined to increase its flexibility and agility to seize any potential opportunity that might come up on the market.

Our strategic goals are the same as before, and we believe that our structural growth will be supported by sound market dynamics: in the long term, we aim to make the most of all the potentials of Autogrill and go back to a profitable, sustainable growth, with even higher margins than those pre-Covid-19.

As we have seen in the past, a crisis always provides important break times and unexpected opportunities, and Autogrill will be there, strong and well prepared, at the time of recovery, to face new challenges and further strengthen its leadership in all of the world's markets.

Gianmario Tondato Da Ruos

Chief Executive Officer

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BOARDS AND OFFICERS

BOARD OF DIRECTORS [1]

Chairman [2]
Paolo Zannoni

CEO [2]
Gianmario Tondato Da Ruos [E]

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

Secretary
Paola Bottero

Board of Statutory Auditors [8]

Chairman
Marco Rigotti [9]

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

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

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

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

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DIRECTORS' REPORT

1

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COMPARABILITY OF FIGURES; ALTERNATIVE PERFORMANCE MEASURES AND DEFINITIONS

COMPARABILITY OF FIGURES

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

As in previous years, more than half the Group's operations are located in countries which use a non-euro currency, primarily the United States of America, Canada, Switzerland, and most of the countries in the International division. Due to the local nature of the business, in each country revenue is generally expressed in the same currency as costs and investments. The Group also has a currency risk policy, financing a portion of its net assets in the principal non-euro currencies with debt in the same currency, or entering into currency hedges that achieve the same effect. However, this does not entirely neutralize the impact of exchange rate fluctuations when translating individual financial statement items. The comparability of data is therefore affected by exchange rate trends, which are neutralized through the comparisons "at constant exchange rates" as described in the section below.

ALTERNATIVE PERFORMANCE MEASURES AND DEFINITIONS

The Directors' Report and the consolidated financial statements include the consolidated financial and economic measures used by management to monitor the Autogrill Group's performance. These measures are not defined or specified in the applicable regulations for financial reporting. As the specific makeup of these measures is not governed by the accounting standards, the criteria used by the Autogrill Group to determine them could be different from those used by other groups, so they may not be comparable.

The Alternative Performance Measures are constructed solely on the basis of the Group's historical financial figures and are determined in accordance with the ESMA Guidelines on Alternative Performance Measures of 5 October 2015 (ESMA 2015/1415) as per CONSOB Communication no. 92543 of 3 December 2015, considering the additional ESMA guidance of 17 April 2020 "ESMA Guidelines on Alternative Performance Measures (APMs)".

The following Alternative Performance Measures were used in this Directors' Report:
- Revenue: in the Directors' Report this refers to operating revenue, excluding fuel sales. Costs as a percentage of revenue are calculated on this basis. Fuel sales are classified net of the corresponding cost under "Other operating income".
- Change "at constant exchange rates": in comparisons with prior-year figures, the phrase "at constant exchange rates" signifies the increase or decrease that would have occurred had the comparative figures of consolidated companies with functional currencies other than the euro been calculated at the same exchange rates employed in the previous year's consolidated financial statements.
- Organic revenue growth: this is calculated by adjusting sales for the two years for the effect of acquisitions, disposals and exchange rates (by translating prior-year sales at the current-year exchange rate) and then comparing the two figures. Organic revenue growth is expressed at constant exchange rates.
- Like-for-like revenue growth: calculated by adjusting organic revenue growth for the impact of new store openings and the revenue generated in the comparison

period by stores that are no longer in the portfolio, as well as calendar differences (e.g. leap years) which are shown separately. Like-for-like revenue growth is expressed at constant exchange rates.

- EBITDA: profit for the year excluding "Income tax", "Financial income", "Financial expense", "Share of the profit (loss) of equity method investments", "Revaluations (writedowns) of financial assets", "Depreciation and amortization", and "Impairment losses on property, plant and equipment, intangible assets and right-of-use assets", and can be gleaned directly from the consolidated 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 groups.
- EBITDA margin: EBITDA expressed as a percentage of revenue.
- EBIT (earnings before interest and tax): the "Operating profit" gleaned directly from the consolidated income statement.
- EBIT margin: EBIT expressed as a percentage of revenue.
- Underlying Alternative Performance Measures: results for the year and their comparison with other periods may include elements that are unusual or unrelated to the operating performance which significantly impact the Group's results over time in an inconsistent, non-systematic way. This could hinder a correct interpretation of the Group's normalized profit when comparing it to the normalized figure for the previous year or future periods, which would limit the value of the information provided in the comparative condensed consolidated income statement and the comparative consolidated income statement prepared in accordance with IAS 1. These elements, specified in Section 1.2.3 of the Directors' Report, can be grouped as follows:
- capital gains and capital losses from the sale of businesses, with the corresponding transaction costs;
- costs incurred for successful acquisitions, treated as transaction costs unrelated to the Group's operating performance;
- costs for stock option plans (phantom stock options and performance share units). The estimated cost of the phantom stock option plan is heavily impacted by the performance of Autogrill shares and their fluctuation;
- the costs for strategic, non-recurring corporate reorganization and efficiency projects which temporarily penalize the performance measures gleaned from the consolidated income statement prepared in accordance with IAS 1.

These elements are identified separately and described in specific statements of reconciliation, and result in the following underlying Alternative Performance Measures:

- Underlying EBITDA: determined by excluding the impact of the above mentioned unusual or unrelated elements from EBITDA. These elements are identified separately and described in the specific statements of reconciliation;
- Underlying EBITDA margin: underlying EBITDA expressed as a percentage of revenue;
- Underlying EBIT: determined by excluding the impact of the above mentioned unusual or unrelated elements from EBIT. These elements are identified separately and described in the specific statements of reconciliation;
- Underlying EBIT margin: underlying EBIT expressed as a percentage of revenue;
- Drop-through: underlying EBITDA/EBIT variation between two given years divided by the revenue variation between those two years;
- Underlying net profit: determined by excluding the impact of the above mentioned unusual or unrelated elements from net profit. These elements are identified separately and described in the specific statements of reconciliation;
- Underlying basic earnings per share: underlying net profit attributable to owners of the parent company divided by the weighted average number of the outstanding shares during the same period, considering purchases and sales of treasury shares as, respectively, cancellations and issues of shares;

- Underlying diluted earnings per share: underlying net profit attributable to owners of the parent company divided by the weighted average number of the outstanding shares during the same period, adjusted for the dilution effect of potential shares. In the calculation of outstanding shares purchases and sales of treasury shares are considered, respectively, as cancellations and issues of shares.

In the Directors' Report the following definitions are also used:

- Capital expenditure: the investments referred to in the notes "Property, plant and equipment" and "Other intangible assets" to the consolidated financial statements;
- Corporate costs: these represent the costs of the Group's central structures;
- Underlying Corporate costs: represent the costs of the Group's central structures excluding the effect of unusual or unrelated elements to the Group's operating performance;
- Net financial position (net financial indebtedness): the sum of net debt, determined in accordance with CONSOB Communication of 28 July 2006 and the ESMA/2011/81 Guidelines, non-current "Lease receivables" and "Other financial assets", excluding "Security deposits" and "Interest-bearing sums with third parties";
- Net financial position (net financial indebtedness) excluding lease receivables and liabilities: the net financial position less current and non-current assets and liabilities arising from leases.

Unless otherwise specified, amounts in the report are expressed in millions of euros (€m) or millions of US dollars ($m). In the notes to the financial statements, unless otherwise specified, amounts are expressed in thousands (€k and $k).

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.

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1.1 THE AUTOGRILL GROUP

OPERATIONS

Autogrill is the world's largest provider of food & beverage services for travelers and the recognized leader of the North American and Italian markets.

Present in 30 countries with a workforce of more than 31,000, it manages about 3,800 establishments in approximately 950 locations. It operates mainly through concessions and subconcessions: at airports, along motorways and in railway stations, as well as on high streets and at shopping centers, trade fairs and cultural attractions.

The Group manages a portfolio of over 300 brands, both international and local, and offers a highly varied selection including both proprietary brands and concepts (including Ciao, Puro Gusto, Motta, Bubbles, Burger Federation, Grab & Fly, Le CroBag) and others owned by third parties. The latter include international household names (including Starbucks Coffee, Burger King, Prêt à Manger) as well as emerging national brands (such as Chick-fil-A, Panera, Leon, Panda Express).

STRATEGY

Over the next few years, Autogrill aims to strengthen its global leadership by leveraging a clear, targeted strategy focused on three pillars:
- using the recovery phase to best advantage by optimizing the concession portfolio, taking opportunities offered by the market, and implementing new projects such as those in digital innovation, data analysis, and a sharper focus on the customer;
- strengthening the Group's business model by concentrating on cash-generating locations, shifting towards more profitable products and menus, and taking full advantage of the structural cost efficiencies achieved in 2020;
- making the financial structure more flexible, to accelerate growth and support the creation of long-term value.

In 2020 the Group reacted promptly to the global difficulties caused by the Covid-19 pandemic. In this delicate phase, its top priority was to protect the health and safety of its employees, customers, and the communities it serves, while preserving liquidity and taking measures to limit costs in all areas where it operates.

The new initiatives taken in 2020, especially as regards productivity and cost cutting, are the foundation on which the Group will develop its strategy for 2021 and the coming years, until global traffic returns to 2019 levels which the Group expects in 2024.

THE AUTOGRILL GROUP HAS OPERATIONS IN 30 COUNTRIES

Australia, Austria, Belgium, Canada, China, Denmark, Finland, France, Germany, Greece, India, Indonesia, Ireland, Italy, Malaysia, Maldives,

LOCATIONS IN THE WORLD

943

Norway, New Zealand, Netherlands, Poland, Qatar, Russia, Slovenia, Sweden, Switzerland, Turkey, United Arab Emirates, United States, United Kingdom, Vietnam.

NORTH AMERICA

84

AIRPORTS

INTERNATIONAL

42

AIRPORTS

EUROPE

469

MOTORWAY AREAS

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EAST KALIMANTAN, INDONESIA | © contains modified Copernicus Sentinel data (2019), processed by ESA, CC BY-SA 3.0 IGO

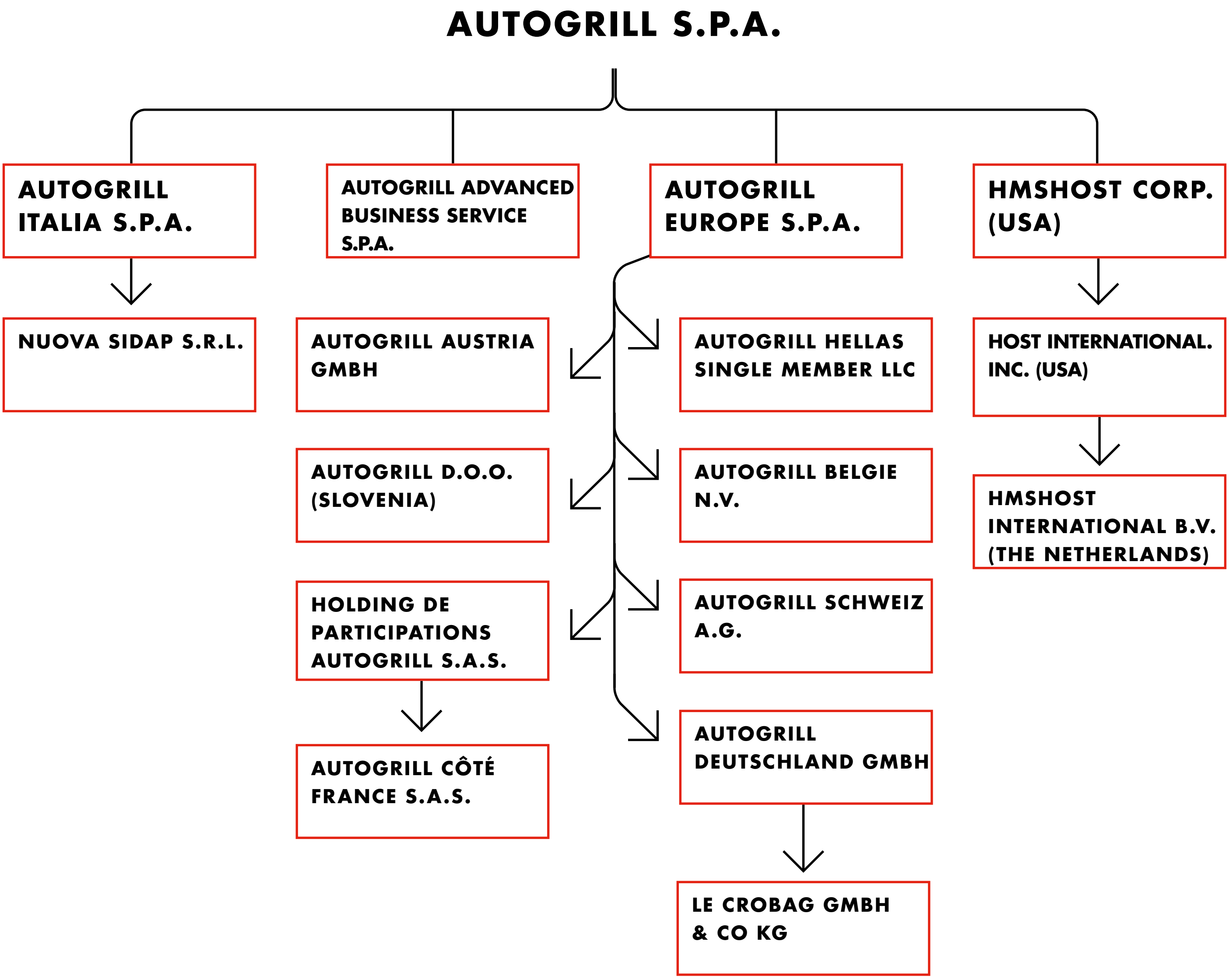
LOCATION BY CHANNEL

CHANNEL OF ACTIVITY	NORTH AMERICA	INTERNATIONAL	EUROPE	TOTAL
Airports	84	42	16	**142**
Motorways	79	-	469	**548**
Other	1	41	211	**253**
TOTAL	**164**	**83**	**696**	**943**

PROPRIETARY BRANDS

LICENSED BRANDS

SIMPLIFIED GROUP STRUCTURE[1-2-3]



1. Where not otherwise specified, all companies are wholly owned. See the annexes to the Notes for a complete list of investments
2. Company names and the Group structure are up-to-date as of March 2021
3. On 29 December 2020, finalized with a deed of transfer dated 14 January 2021, Autogrill Iberia S.L.U. was sold and is therefore no longer included in the organizational chart

ORGANIZATIONAL STRUCTURE AS OF 11 MARCH 2021

BOARD OF DIRECTORS

GROUP INTERNAL AUDIT DIRECTOR

GROUP CHIEF EXECUTIVE OFFICER

GENERAL MANAGER CORPORATE & GROUP CFO (FINANCIAL REPORTING OFFICER LAW 262)

GROUP GENERAL COUNSEL

HEAD OF GROUP CORPORATE COMMUNICATION

GROUP CHIEF MARKETING OFFICER

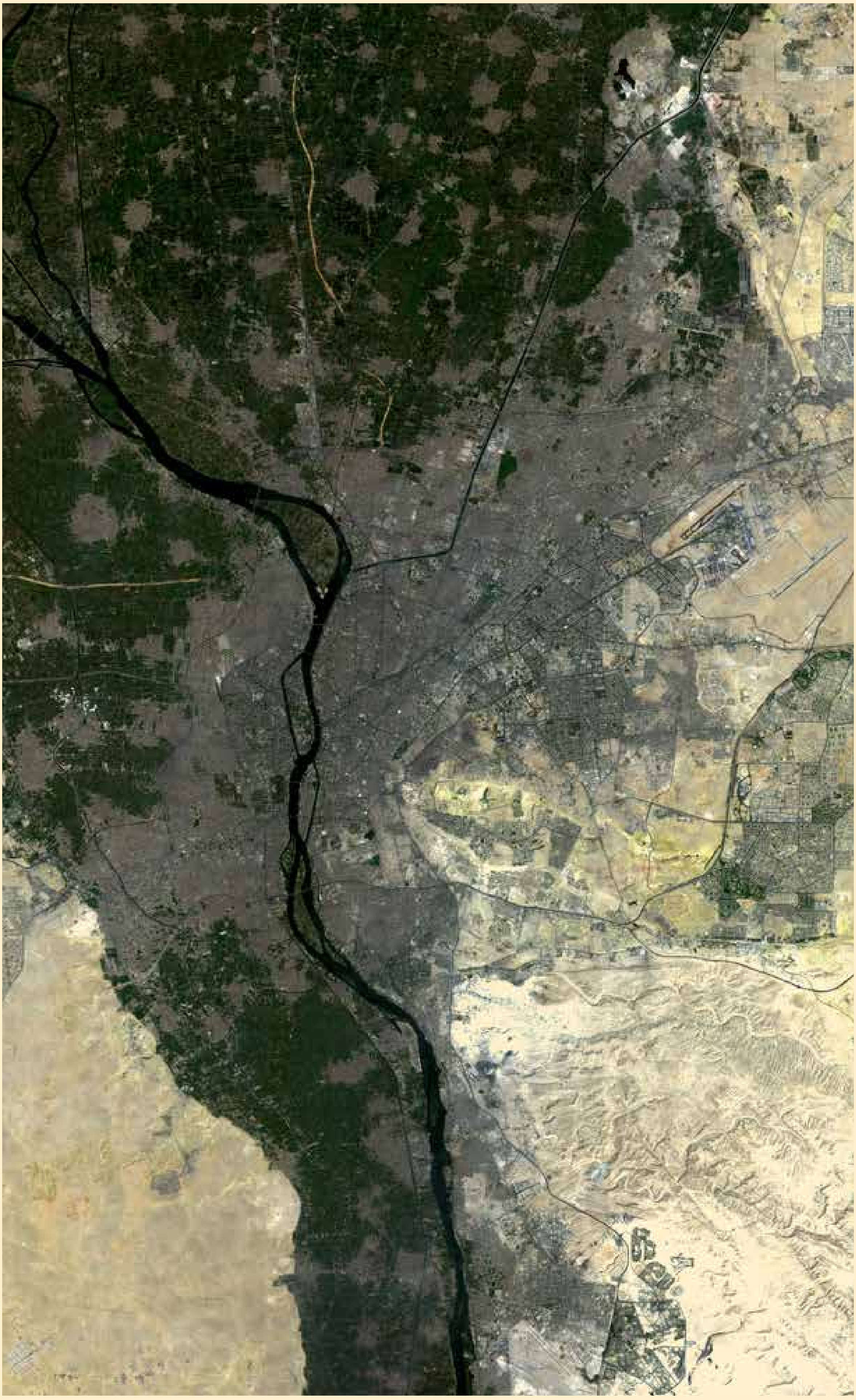
GROUP PUBLIC AFFAIRS DIRECTOR

CEO BU NORTH AMERICA[4]

CEO BU INTERNATIONAL[5]

CEO BU EUROPE[6]

4. USA and Canada
5. Northern Europe (Denmark, Finland, Ireland, Norway, Netherlands, United Kingdom and Sweden) and Rest of the World (Australia, China, United Arab Emirates, India, Indonesia, Malaysia, Maldives, New Zealand, Qatar, Russia, Turkey and Vietnam)
6. Italy and Other European countries (Austria, Belgium, France, Germany, Greece, Poland, Slovenia and Switzerland)



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1.2 GROUP PERFORMANCE

1.2.1 GENERAL BUSINESS CONTEXT

1.2.1.1 THE TREND IN AIRPORT TRAFFIC[7]

Airports are the Group's primary channel and generate around 48% of total revenue, with a widespread presence in North America, Europe, Asia and the Pacific.

Starting in the early months of 2020, the national and international scenario was overwhelmed by the spread of the SARS-CoV-2 virus (and the resulting illness, Covid-19) and the restrictive measures taken by public authorities in the affected countries in order to limit contagion. Such measures included limiting personal movement both within and beyond national borders, which reduced the volumes of travelers passing through airports to a bare minimum.

In North America, the Group's largest airport market, passenger traffic in 2020 fell by 61% with respect to the previous year, as a result of the measures taken to combat the Covid-19 pandemic. In Europe as well, efforts to control the pandemic caused a 69% drop in airport traffic. Traffic in Asia decreased by 53% and in the Middle East by 72%.

1.2.1.2 THE TREND IN MOTORWAY TRAFFIC

In the motorway channel the Group operates mainly in Europe, with a strong presence in Italy, France, Belgium and Switzerland.

Motorway traffic, although to a lesser extent than airport traffic, also suffered from the restrictive measures taken by countries to limit the spread of the Covid-19 pandemic.

In Italy, the Group's largest motorway market, traffic in 2020 decreased because of the restrictions imposed by the government to limit the spread of Covid-19 within the country. Motorway traffic fell by 21%[8] in the first quarter of 2020, 56%[8] in the second quarter, 9%[8] in the third quarter, and 36%[8] in the fourth.

In North America, Autogrill's presence in the motorway channel is concentrated in the eastern United States. In the United States, traffic was down by 13%[9] with respect to 2019.

7 Source: IATA – International Air Transport Association. Traffic data expressed in RPK (Revenue Passenger Kilometers)
8 Source: Estimate based on available motorway figures
9 Source: Federal Highway Administration

1.2.2 CHANGE IN SCOPE OF CONSOLIDATION

In early 2020 the Autogrill Group, through its subsidiary HMSHost International B.V., acquired all remaining shares of the Malaysian company HMSHost Catering Malaysia SDN. BHD. (formerly Dewina Host SDN.BHD. and owned 49%), for consideration of € 1.7m (RMB 7.9m). The company has 11 locations at Kuala Lumpur airport. Prior to becoming a wholly-owned subsidiary, it was consolidated using the equity method; revenue in 2020 amounted to € 2.1m (€ 7.9m in 2019).

Also in early 2020, through the subsidiary HMSHost International B.V., the Autogrill Group finalized the acquisition of the remaining 50% of Autogrill Middle East LLC (United Arab Emirates) for € 7.9m (AED 32m). This company, too, was formerly consolidated using the equity method.

The transaction brought the company Arab Host Services LLC (Qatar), previously consolidated using the equity method, into the scope of consolidation.

This is because Autogrill Middle East, LLC owns 49% of Arab Host Services LLC, but has de facto control of the company thanks to a set of agreements carried out by its local partner in Qatar, giving it title to 98% of profits earned.

The two companies operate in the airport food & beverage business with 12 locations at Abu Dhabi and Dubai airports for Autogrill Middle East, LLC and 4 locations at Doha airport for Arab Host Services LLC. Their combined revenue in 2020 came to € 6.0m (€ 11.1m in 2019).

On 29 December 2020, further to approval by the Spanish antitrust authorities, Autogrill S.p.A. – through its subsidiary Autogrill Europe S.p.A. – concluded the sale of Autogrill Iberia S.L.U. to the AREAS Group (the sale was formalized on 14 January 2021). That includes the sale of 60 locations, mainly on Spanish motorways. The sale price was € 2.1m, for a capital gain net of transaction costs of € 19.2m. In 2020, the company's revenue amounted to € 25.5m (€ 81.9m in 2019).

1.2.3 GROUP PERFORMANCE

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

Under these circumstances, Group-wide revenue fell by 59.8% at constant exchange rates (60.3% at current exchange rates), with a negative impact on margins and results for the year. Underlying EBITDA for 2020 came to € 155.3m, a decrease of 81.5% at constant exchange rates (81.7% at current exchange rates), or 7.8% of revenue compared with 17.0% the previous year.

Underlying EBIT went from € 228.2m in 2019 to a negative € 515.8m in 2020.

The 2020 underlying net result attributable to shareholders of the parent company was a loss of € 485.7m, compared with a profit of € 85.0m the previous year.

In 2020 the Group obtained new contracts and contract renewals worth a total of € 5.3 billion, with an average duration of about 6 years.

Below are the details by geographical area.

NEW AND RENEWED CONTRACTS

(€billion)	New	Renewed
North America	0.2	2.8
International	0.0	1.8
Europe	0.0	0.6
Total	**0.2**	**5.1**

In 2020 the Group focused mainly on renewals of its most important contracts, including those at Las Vegas and Amsterdam airports, which make up the largest share.

CONDENSED CONSOLIDATED INCOME STATEMENT[10]

					Change	
(€m)	Full year 2020	% on revenue	Full year 2019	% on revenue	At current exchange rates	At constant exchange rates
Revenue	1,983.7	100.0%	4,996.8	100.0%	-60.3%	-59.8%
Other operating income	126.1	6.4%	230.9	4.6%	-45.4%	-44.7%
Total revenue and other operating income	**2,109.8**	**106.4%**	**5,227.7**	**104.6%**	**-59.6%**	**-59.1%**
Raw materials, supplies and goods	(716.0)	-36.1%	(1,534.8)	-30.7%	-53.3%	-52.8%
Personnel expense	(773.2)	-39.0%	(1,673.8)	-33.5%	-53.8%	-53.2%
Leases, rentals, concessions and royalties	(64.3)	-3.2%	(578.4)	-11.6%	-88.9%	-88.7%
Other operating expense	(416.0)	-21.0%	(607.8)	-12.2%	-31.6%	-30.7%
Gains on operating activity disposal[11]	19.2	1.0%	127.6	2.6%	-84.9%	-84.7%
EBITDA	**159.5**	**8.0%**	**960.6**	**19.2%**	**-83.4%**	**-83.1%**
Depreciation, amortisation and impairment losses	(671.1)	-33.8%	(624.0)	-12.5%	7.5%	8.9%
EBIT	**(511.6)**	**-25.8%**	**336.6**	**6.7%**	**n.s.**	**n.s.**
Net financial income (expense)	(112.9)	-5.7%	(99.0)	-2.0%	14.1%	15.8%
Income (expenses) from investments, revaluation (write-down) of financial assets	(13.4)	-0.7%	36.4	0.7%	n.s.	n.s.
Pre-tax profit (loss)	**(638.0)**	**-32.2%**	**273.9**	**5.5%**	**n.s.**	**n.s.**
Income tax	134.1	6.8%	(47.7)	-1.0%	n.s.	n.s.
Net profit (loss) attributable to:	**(503.9)**	**-25.4%**	**226.3**	**4.5%**	**n.s.**	**n.s.**
– owners of the parent	(479.9)	-24.2%	205.2	4.1%	n.s.	n.s.
– non-controlling interests	(24.0)	-1.2%	21.1	0.4%	n.s.	n.s.
Earnings per share (€):						
– basic	-1.9049		0.8071			
– diluted	-1.8944		0.8008			

10 "Revenue" and "Raw materials, supplies and goods" differ from the amounts shown in the consolidated income statement primarily because they do not include revenue from fuel sales and related costs, the net amount of which is classified as "Other operating income" in accordance with management's protocol for the analysis of Group figures. This revenue came to € 232.1m in 2020 (€ 397.0m in 2019) and the cost to € 219.1m (€ 376.6m the previous year)

11 "Gains on operating activity disposal" in 2020 were net of € 0.4m in ancillary expenses (€ 1.2m in 2019)

REVENUE

The Group earned consolidated revenue of € 1,983.7m in 2020, a decrease of 59.8% at constant exchange rates (-60.3% at current exchange rates) compared with the previous year's revenue of € 4,996.8m.

(€m)	Full year 2020	Full year 2019	FX	Organic growth					Acquisitions	Disposals	Calendar
				Like-for-like		Openings	Closings[12]				
North America *	855.8	2,635.6	(54.5)	(1,634.9)	-67.0%	43.5	(61.3)		7.4	(30.2)	(49.9)
International	230.0	647.1	(14.9)	(381.0)	-63.9%	6.2	(37.2)		8.1	-	1.6
Europe	897.9	1,714.1	5.9	(777.7)	-46.5%	4.8	(49.7)		-	(3.0)	3.5
of which:											
Italy	*573.9*	*1,021.7*	*-*	*(432.3)*	*-43.0%*	*-*	*(17.1)*		*-*	*-*	*1.5*
Other European countries	*324.0*	*692.4*	*5.9*	*(345.4)*	*-52.0%*	*4.8*	*(32.5)*		*-*	*(3.0)*	*2.0*
Total Revenue	**1,983.7**	**4,996.8**	**(63.3)**	**(2,793.4)**	**-59.3%**	**54.5**	**(148.2)**		**15.5**	**(33.2)**	**(44.9)**
* *North America ($m)*	*977.5*	*2,950.6*	*(2.4)*	*(1,867.3)*	*-67.0%*	*49.7*	*(70.0)*		*8.5*	*(34.5)*	*(57.0)*

In 2020, the contribution of new North American stores (Denver, Fort Lauderdale, Las Vegas, and Seattle airports) and of revised concepts was more than offset by the streamlining of the Group's presence in North America, as well as in Europe and the International area, and by the impact of closures due to the normal dynamics of contract renewals.

The balance between new revenue from acquisitions and lost revenue from sales was a negative € 17.7m, as the revenue from the acquisitions of Pacific Gateway Concessions, LLC (acquired at the end of May 2019) and HMSHost Catering Malaysia SDN. BHD., Autogrill Middle East, LLC, and Arab Host Services LLC (consolidated since January 2020) did not fully compensate for the impact of selling, in late May 2019, the Canadian motorway operations and the Group's businesses in other channels in the Czech Republic.

In 2020 there was a net negative exchange effect of € 63.3m, due mainly to the devaluation of the US dollar against the euro.

The "calendar" effect had a net negative impact of € 44.9m: North America had 53 business weeks in 2019 but only 52 in 2020. This was partially balanced out by the fact that 2020 was a leap year.

12 "Closings" refer to the permanent closure of stores and not the temporary closures attributable to the Covid-19 pandemic

REVENUE BY CHANNEL

(€m)	Full year 2020	Full year 2019	Change	
			At current exchange rates	At constant exchange rates
Airports	961.5	3,080.8	-68.8%	-68.2%
Motorways	867.7	1,521.6	-43.0%	-42.8%
Other	154.5	394.3	-60.8%	-60.8%
Total Revenue	**1,983.7**	**4,996.8**	**-60.3%**	**-59.8%**

(€m)	Full year 2020	Full year 2019	FX	Organic growth				Acquisitions	Disposals	Calendar
				Like-for-like		Openings	Closings[13]			
Airports	961.5	3,080.8	(59.0)	(1,986.1)	-68.8%	45.2	(93.8)	15.5	-	(41.2)
Motorways	867.7	1,521.6	(4.8)	(585.1)	-40.5%	8.0	(37.7)	-	(30.2)	(4.1)
Other	154.5	394.3	0.4	(222.2)	-59.2%	1.3	(16.7)	-	(3.0)	0.4
Total Revenue	**1,983.7**	**4,996.8**	**(63.3)**	**(2,793.4)**	**-59.3%**	**54.5**	**(148.2)**	**15.5**	**(33.2)**	**(44.9)**

The like-for-like decrease, of 59.3% at Group level, was more pronounced for the airport channel (-68.8%) and other channels (-59.2%) than for motorways (-40.5%), which proved to be more resilient. At 31 December 2020, 42% of locations were closed as a result of quarantines and other government mandates.

EBITDA

EBITDA in 2020 amounted to € 159.5m, compared to € 960.6m the previous year, or 8.0% of revenues (19.2% in 2019). Last year's figure was heavily influenced by the capital gains from the sale of operations on Canadian motorways and in the Czech Republic, which totalled € 127.6m net of transaction costs, while in 2020 the effect of capital gains net of transaction costs amounted to € 19.2m.

Unusual, non-recurring elements in 2020 or the previous year whose amounts can be compared were as follows:

- for both years, costs for stock option plans (phantom stock options and performance share units). The estimated cost of the phantom stock option plan is heavily impacted by the performance of Autogrill shares and their fluctuation;
- the capital gains (net of transaction costs) realized in 2020 from the sale of all operations in Spain and in 2019 by the sale of the motorway business in Canada and all businesses operated by the Group in the Czech Republic;
- the costs incurred for the acquisition of Pacific Gateway Concessions, LLC in 2019;
- the costs incurred in both years for efficiency projects at the three business units[14].

13 "Closings" refer to the permanent closure of stores and not the temporary closures attributable to the Covid-19 pandemic
14 Efficiency programs mostly related to robotic process automation in the United States (in progress since 2019), the permanent centralization of the Europe unit's strategic functions at the headquarters in Rozzano, a permanent reorganization at Corporate, and a permanent change in the organization of operating activities in the Netherlands, including in relation to cost cutting in response to the effects of the pandemic. In 2019, other than robotic process automation in the United States, all programs related to the streamlining of channels in China in the International area

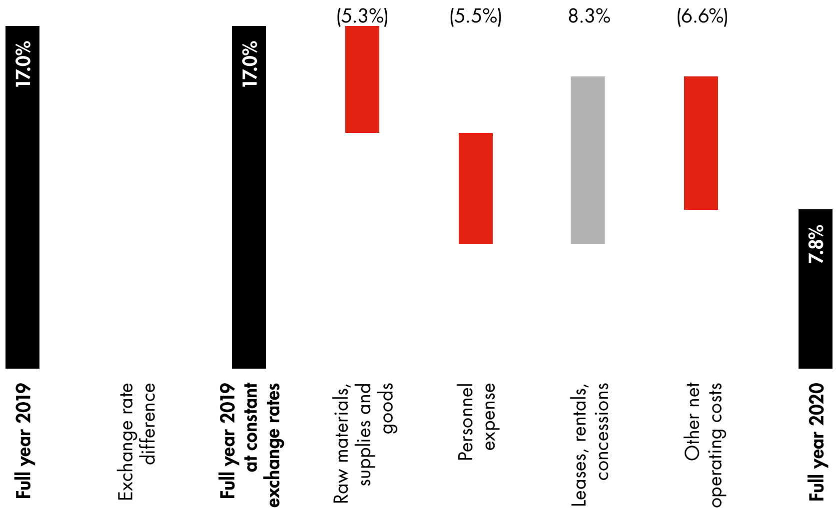
The impact of these elements by business segment is broken down below.

(€m)	Full year 2020	Full year 2019
North America	**2.2**	**(111.0)**
Stock-based management incentive plans	(0.1)	2.9
Gain on operating activity disposal net of transaction costs	-	(119.6)
Efficiency projects costs	2.3	4.8
Acquisition fees	-	0.9
International	**4.3**	**2.2**
Stock-based management incentive plans	-	1.3
Efficiency projects costs	4.3	0.9
Europe	**(11.9)**	**(7.1)**
Stock-based management incentive plans	(0.2)	0.7
Gain on operating activity disposal net of transaction costs	(19.2)	(8.0)
Efficiency projects costs	7.5	0.2
Corporate	**1.2**	**4.8**
Stock-based management incentive plans	(0.2)	4.8
Efficiency projects costs	1.4	-
Total	**(4.2)**	**(111.1)**

After factoring out these elements, underlying EBITDA amounts to € 155.3m (€ 849.5m in 2019), a decrease of 81.5% at constant exchange rates (-81.7% at current exchange rates), or 7.8% of revenue compared with 17.0% the previous year. The drop-through was 23%.

			Change	
(€m)	Full year 2020	Full year 2019	At current exchange rates	At constant exchange rates
EBITDA	**159.5**	**960.6**	**-83.4%**	**-83.1%**
EBITDA margin	**8.0%**	**19.2%**		
Stock-based management incentive plans	(0.5)	9.6		
Gain on operating activity disposal net of transaction costs	(19.2)	(127.6)		
Efficiency projects costs	15.5	5.9		
Acquisition fees	-	0.9		
EBITDA underlying	**155.3**	**849.5**	**-81.7%**	**-81.5%**
EBITDA margin underlying	**7.8%**	**17.0%**		

CHANGE IN UNDERLYING EBITDA MARGIN



IMPACT OF THE COVID-19 PANDEMIC

Regarding the disclosures called for by ESMA, CONSOB and IOSCO[15] in terms of the impact of Covid-19 on operations, the Group is unable to distinguish what portion of the reduction in performance measures from 2019 to 2020 is directly attributable to the pandemic. The overall effects on performance measures and results for which the pandemic is largely if not exclusively responsible are discussed below.

As described previously, in 2020 sales were sharply curtailed by the significant reduction in passenger traffic at retail locations and shopping areas and by the temporary and in some cases indefinite closures as a result of quarantines and other government orders, causing an overall net decline of 59.8% at constant exchange rates (-60.3% at current exchange rates).

The cost of raw and ancillary materials, consumables and goods decreased by 52.8% at constant exchange rates (-53.3% at current exchange rates); this was directly related to the trend in sales but disproportionate, due in part to products expiring or becoming damaged, which led to a total non-recurring cost of about € 9.2m.

In this context, Group management took a number of steps to mitigate the negative impact of the Covid-19 pandemic, and achieved a steep reduction in:

- personnel expense (-53.2% at constant exchange rates, -53.8% at current exchange rates) through measures such as reduced hours in line with the drop in traffic, a hiring freeze, and voluntary salary cuts. Also contributing to the decrease in personnel expense were the various relief programs enacted by local governments and equivalent measures in the countries served by the Group, for about € 155.5m;
- other operating costs (-30.7% at constant exchange rates, -31.6% at current exchange rates), which did, however, suffer from the final reckoning of non-recurring costs for logistics and for the important measures taken to protect the health and safety of employees and customers (about € 5.7m).

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

In addition, to mitigate the impact of the pandemic, many Group companies have engaged in negotiations with some of their landlords in order to revise the terms of their leases (which contributed to the reduction of -88.7% at constant exchange rates or -88.9% at current exchange rates). As a result of these negotiations:

- the Group recognized rent reductions and cancellations of about € 182.6m directly in the income statement as of the effective date of the relief, in accordance with the amendment to IFRS 16 ("Amendment to IFRS 16 Leases - Covid-19 Related Rent Concessions") of 28 May 2020 (endorsed on 9 October 2020) which gives lessees the option to account for Covid-19 related rent concessions without the need to determine from the contracts whether they constitute lease modifications as defined by IFRS 16 (subject to certain conditions);
- the Group recognized € 21.8m less in depreciation of right-of-use assets than stated in the original amortization schedule and € 1.1m in "Finance expense on lease liabilities" where it was not possible to apply the expedient provided for by the IFRS 16 amendment, and remeasured lease contracts in accordance with IFRS 16.

Further negotiations with landlords are in progress, the benefits of which will be recognized in 2021 as they have not yet been realized and cannot be fully quantified at this time. Furthermore, the negotiations will continue during the next few months of 2021 to mitigate the impact of the Covid-19 pandemic on profitability for the year in course.

Financial charges have also been incurred in connection with the new agreements with lender banks and bondholders and tax benefits achieved according to the carry-back mechanism recently introduced by US tax law, better described in the notes to the financial statements and in the paragraphs "Net financial expense, income (expense) from equity investments, revaluations (writedowns) of financial assets" and "Income tax" of this Directors' Report.

DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

These came to € 671.1m in 2020, an increase of 8.9% at constant exchange rates (7.5% at current exchange rates) compared with the previous year's figure of € 624.0m. The net change reflects greater impairment losses, which amounted to € 61.7m in 2020 (€ 11.7m the previous year, including € 2.8m in China for various shopping center locations as a result of efficiency measures) and were charged primarily in the United States.

Indeed, because of the Covid-19 pandemic and medium-term expectations of a return to pre-pandemic levels of profitability, the revised earnings projections of certain locations led management to change their strategies for managing those locations and plan for the Group to pull out of the relative contracts before they expire; this led to the impairment losses mentioned above, which are directly attributable to the pandemic.

EBIT

EBIT for 2020 came to € –511.6m, compared with € 336.6m the previous year. The trend was significantly affected by the pandemic as well as the aforementioned capital gains from the sale of operations.

Underlying EBIT stood at € –515.8m, down from € 228.2m the previous year, a decrease of € 744.0m. The drop-through was 25%.

			Change	
(€m)	Full year 2020	Full year 2019	At current exchange rates	At constant exchange rates
Operating profit (EBIT)	**(511.6)**	**336.6**	**n.s.**	**n.s.**
EBIT margin	**-25.8%**	**6.7%**		
Stock-based management incentive plans	(0.5)	9.6		
Gain on operating activity disposal net of transaction costs	(19.2)	(127.6)		
Efficiency projects costs	15.5	8.7		
Acquisition fees	-	0.9		
Operating profit (EBIT) underlying	**(515.8)**	**228.2**	**n.s.**	**n.s.**
EBIT margin underlying	**-26.0%**	**4.6%**		

NET FINANCIAL EXPENSE, INCOME (EXPENSE) FROM EQUITY INVESTMENTS, REVALUATIONS (WRITEDOWNS) OF FINANCIAL ASSETS

For 2020, net financial expense of € 112.9m (€ 99.0m the previous year) includes € 60.5m (€ 72.1m in 2019) in implicit interest in lease liabilities in accordance with IFRS 16.

As a result of the Covid-19 pandemic, a "covenant holiday" was agreed with the Group's lender banks and bondholders for the temporary suspension of required parameters (leverage ratio and consolidated EBITDA/consolidated net finance charges). The covenant holiday is effective for 15 months starting on 30 June 2020, and can be extended until 31 December 2021 under specified conditions. These contractual changes, in accordance with IFRS 9, led to the immediate recognition in the income statement of the difference between the present value of the modified cash flows discounted using the original effective interest rate and the present value of the original cash flows, for about € 22.3m, which is the main component of the increase in net financial charges attributable to the Covid-19 pandemic. On 10 March 2021, new agreements were signed with the lender banks and American bondholders to extend the covenant holiday for an additional 12 months beyond the deadline agreed in 2020 (see Section 1.5 "Subsequent events").

The weighted average cost of debt in 2020 was 4.1%, up from 3.4% in 2019, due mainly to the higher interest rates on bank facilities for which covenant holidays were requested and obtained.

Income (expense) from equity investments and revaluations (writedowns) of financial assets include € 13.2m for the writedown of receivables for capital advances granted to the non-controlling shareholders of subsidiaries in North America, considered difficult to collect as a result of the Covid-19 pandemic. The 2019 amount, € 36.4m, consisted mainly of € 38.0m from the sale of joint ventures as part of the disposal of the motorway business in Canada; this is non-recurring income counted towards underlying net profit (loss), as better explained below.

INCOME TAX

Income tax in 2020 amounted to a positive € 134.1m, compared to a negative € 47.7m the previous year.

The main component is a tax refund of $ 119m to which the subsidiary HMSHost Corporation is entitled, by offsetting the federal tax loss incurred in 2020 as a result of the Covid-19 pandemic against the taxable income of prior years since 2015, according to the carry-back mechanism recently introduced by US tax law. It will also be possible to carry forward net operating losses for state tax purposes, for an additional deferred tax benefit of $ 17m that has likewise been recognized in the 2020 income statement.

This item also includes taxes charged on operating profit (IRAP in Italy and CVAE in France), amounting to € 0.8m (€ 4.5m in 2019).

The 2019 figure included a provision of € 29.6m for the capital gains tax on the sale of the business in the motorway channel in Canada.

PROFIT FOR THE YEAR

The net loss attributable to shareholders of the parent company in 2020 was € 479.9m, compared with a profit of € 205.2m the previous year. Non-controlling interests amount to a loss of € 24.0m (profit of € 21.1m in 2019).

The 2019 profit was heavily influenced by capital gains from the sale of operations in Canada and the Czech Republic, net of the tax effects.

The underlying net loss for 2020 attributable to shareholders of the parent company came to € 485.7m, compared with a profit of € 85.0m the previous year.

			Change	
(€m)	Full year 2020	Full year 2019	At current exchange rates	At constant exchange rates
Net profit (loss) of the period (attributable to owners of the parent)	**(479.9)**	**205.2**	**n.s.**	**n.s.**
Stock-based management incentive plans	(0.5)	9.6		
Gain on operating activity disposal net of transaction costs	(19.2)	(127.6)		
Efficiency projects costs	15.5	8.7		
Acquisition fees	-	0.9		
Gain on interest in Canadian JV sold [16]	-	(38.0)		
Tax effect	(1.6)	26.1		
Net profit (loss) of the period underlying (attributable to owners of the parent)	**(485.7)**	**85.0**	**n.s.**	**n.s.**
Earnings per share – basic (€)	**(1.9049)**	**0.8071**		
Earnings per share – diluted (€)	**(1.8944)**	**0.8008**		
Earnings per share – basic underlying (€)	**(1.9280)**	**0.3344**		
Earnings per share – diluted underlying (€)	**(1.9174)**	**0.3326**		

16 This refers to the disposal of the Canadian motorway travel center operations, for equity-measured investments only

1.2.4 FINANCIAL POSITION

RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION[17]

Comments on changes in the consolidated statement of financial position at 31 December 2020 can be found in the notes to the financial statements.

These changes include the effect of acquisitions and disposals reflected in the cash flow table shown below.

				Change	
(€m)		31.12.2020	31.12.2019	At current exchange rates	At constant exchange rates
	Intangible assets	925.2	985.8	(60.6)	(15.7)
	Property, plant and equipment	967.9	1,090.9	(123.0)	(64.2)
	Right-of-use assets	1,748.8	2,359.0	(610.2)	(501.7)
	Financial assets	31.3	38.0	(6.7)	(4.2)
A)	**Non-current assets**	**3,673.2**	**4,473.6**	**(800.4)**	**(585.8)**
	Inventories	97.4	133.7	(36.3)	(32.3)
	Trade receivables	36.7	55.4	(18.7)	(17.0)
	Other receivables	141.9	125.1	16.8	17.2
	Trade payables	(292.1)	(397.2)	105.1	90.6
	Other payables	(294.8)	(391.5)	96.7	78.2
B)	**Working capital**	**(310.8)**	**(474.5)**	**163.7**	**136.6**
	Invested capital (A + B)	**3,362.4**	**3,999.2**	**(636.8)**	**(449.1)**
C)	**Other non-current non-financial assets and liabilities**	**10.9**	**(115.3)**	**126.2**	**119.4**
D)	**Net invested capital (A + B + C)**	**3,373.3**	**3,883.8**	**(510.5)**	**(329.8)**
	Equity attributable to owners of the parent	339.8	858.3	(518.5)	(464.7)
	Equity attributable to non-controlling interests	59.9	77.6	(17.7)	(11.2)
E)	**Equity**	**399.7**	**935.9**	**(536.2)**	**(475.9)**
	Non-current financial liabilities	3,028.5	2,924.6	103.9	237.8
	Non-current financial assets	(68.7)	(73.6)	4.9	0.1
F)	**Non-current financial indebtedness**	**2,959.7**	**2,851.0**	**108.7**	**237.9**
	Current financial liabilities	690.6	462.0	228.6	248.2
	Cash and cash equivalents and current financial assets	(676.7)	(365.1)	(311.6)	(339.9)
G)	**Current net financial indebtedness**	**13.9**	**96.9**	**(83.0)**	**(91.7)**
Net financial indebtedness (F + G)		**2,973.6**	**2,947.9**	**25.7**	**146.2**
Net lease liabilities		**(1,890.9)**	**(2,389.3)**	**498.4**	**390.2**
Net financial indebtedness excluding lease receivables and lease liabilities		**1,082.7**	**558.6**	**524.1**	**536.3**
H)	**Total (E + F + G), as in D)**	**3,373.3**	**3,883.8**	**(510.5)**	**(329.8)**

17 The figures in the reclassified consolidated statement of financial position are directly derived from the consolidated financial statements and notes, with the exception of "Financial assets", which include "Investments" and "Other financial assets" with the exception of "Financial receivables from third parties" (€ 2.3m) and "Fair value of interest rate hedging derivatives "(€ 4.7m) classified as non-current financial receivables in the net financial position

CASH FLOW

(€m)	Full year 2020	Full year 2019	Change
EBITDA	159.5	960.6	(801.1)
Gain on operating activity disposal net of transaction costs [18]	(19.2)	(127.6)	108.4
Change in net working capital	(127.1)	(9.7)	(117.4)
Principal repayment of lease liabilities	(102.9)	(325.0)	222.1
Renegotiation for Covid-19 on lease liabilities	(182.6)	-	(182.6)
Other non-cash items	(6.2)	(2.2)	(4.0)
Cash flow (absorbed by) from operating activities, managerial (*)	**(278.6)**	**496.1**	**(774.7)**
Tax paid	(2.0)	(27.0)	25.0
Net interest paid	(31.5)	(24.7)	(6.8)
Implicit interest in lease liabilities	(26.6)	(72.4)	45.8
Net cash flow (absorbed by) from operating activities, managerial (*)	**(338.7)**	**372.0**	**(710.7)**
Net operating investment	(182.0)	(332.7)	150.7
Net cash flow after operating investment (free cash flow)	**(520.7)**	**39.3**	**(560.0)**
Cash flow generated from the sale of motorway travel center operations in Canada	-	164.2	(164.2)
Cash flow generated from the sale of Autogrill Czech S.r.o.	-	9.5	(9.5)
Cash flow absorbed by the acquisition of Pacific Gateway Concessions, LLC	-	(32.2)	32.2
Cash flow absorbed by the acquisition of Le CroBag GmbH	-	(6.0)	6.0
Cash flow absorbed by the acquisition of Autogrill Middle East, LLC and HMSHost Catering Malaysia SDN. BHD.	(1.9)	-	(1.9)
Cash flow absorbed by the disposal Autogrill Iberia S.L.U.	(1.4)	-	(1.4)
Free operating cash flow pre dividend and pre treasury shares	**(523.9)**	**174.7**	**(698.6)**
Dividend payment [19]	1.4	(43.5)	44.9
Treasury shares	(12.3)	-	(12.3)
Free operating cash flow	**(534.8)**	**131.2**	**(666.0)**

(*) Including "Principal repayment of lease liabilities" and "Renegotiation for Covid-19 on lease liabilities", shown under cash flow from financing activities in the consolidated statement of cash flows (2.1.5)

The following table summarizes cash flow after capital expenditure, excluding the impact of the non-recurring transactions in the United States.

(€m)	Full year 2020	Full year 2019
Net cash flow after operating investment (free cash flow)	**(520.7)**	**39.3**
Net cash flow after the investments in non-recurring transactions in the United States	(19.8)	(18.1)
Net cash flow after operating investment excluding the effect relating to non-recurring transactions carried out in the United States	**(500.9)**	**57.4**

Cash flow from operating activities managerial decreased by a net € 710.7m since the previous year, due to the steep reduction in revenues and the negative change in net working capital, partially offset by the reduction in lease payments (principal and implicit interest on lease installments, due to Covid-19 renegotiations) and in taxes paid.

18 "Gains on operating activity disposal" in 2020 were net of €0.4m in ancillary expenses (€ 1.2m in 2019)
19 Including dividends paid to Group shareholders (nul in 2020, € –50.8m in 2019) and minority partners' capital injections net of dividend paid to minorities (€ 1.4m in 2020, € 7.3m in 2019)

Cash flow after capital expenditure also decreased, by € 560.0m, with a slight improvement compared with cash flow from operating activities managerial because of a reduction in net capex payments.

Cash flow after capital expenditure stemming from the non-recurring transactions in the United States is detailed below:

(€m)	Full year 2020	Full year 2019
Tax paid on the capital gain from the disposal of the motorway travel center operations in Canada	(19.8)	(10.3)
Net cash flow from operating activities managerial relating to non-recurring transactions carried out in the United States	**(19.8)**	**(10.3)**
Investments made following the commitment entered into as part of the purchase of Pacific Gateway Concessions, LLC for which the seller had agreed to under contract	-	(7.8)
Net cash flow after operating investment relating to non-recurring transactions carried out in the United States	**(19.8)**	**(18.1)**

The balance between the proceeds of disposals and outlays for acquisitions during the year was immaterial, while it was strongly positive in 2019 (+€ 135.5m), due particularly to the disposal of the Canadian motorway operations.

The combined effect of the above components means that in 2020 the Group absorbed net cash of € 523.9m before dividends and the purchase of treasury shares, while in 2019 it generated net cash of € 174.7m.

As a reminder, due to the short-term uncertainty caused by the Covid-19 pandemic, the Annual General Meeting of 21 May 2020 voted not to distribute a dividend and to carry forward the 2019 net profit. In 2019 the Group paid dividends of € 50.8m; the balance between capital increases from non-controlling shareholders and dividends paid to them by the consolidated companies generated cash of € 1.4m in 2020 (€ 7.3m the previous year).

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

NET FINANCIAL INDEBTEDNESS

The net financial indebtedness at 31 December 2020 amounted to € 2,973.6m (€ 2,947.9m the previous year), including € 1,890.9m in net lease liabilities (€ 2,389.3m at the end of 2019).

As of the same date, the Group net financial indebtedness excluding lease receivables and liabilities stood at € 1,082.7m, compared with € 558.6m at 31 December 2019. The increase in the Group net financial indebtedness excluding lease receivables and liabilities is explained by the net absorption of cash for the year.

Below is the net financial indebtedness purged of the effects of IFRS 16 application:

Note	(€m)	31.12.2020	31.12.2019	Change
	Net financial indebtedness (a)	**(2,973.6)**	**(2,947.9)**	**(25.7)**
XII	Lease receivables - current	(15.0)	(16.8)	1.8
XII	Lease receivables - non current	(61.8)	(66.1)	4.3
	Lease receivables (b)	**(76.8)**	**(82.9)**	**6.1**
XXII	Lease liabilities – current	377.3	373.9	3.3
XXII	Lease liabilities – non current	1,590.4	2,098.4	(507.6)
	Lease liabilities (c)	**1,967.7**	**2,472.3**	**(504.3)**
	Net financial indebtedness excluding lease receivables and lease liabilities (a) + (b) + (c)	**(1,082.7)**	**(558.6)**	**(523.9)**

At the close of 2020, 51% of net financial indebtedness excluding lease receivables and lease liabilities was denominated in US dollars (50% a year earlier) and the rest in euros. Fixed-rate debt, including debt converted to fixed-rate by means of interest rate swaps, was 17% of the total compared with 40% at the end of 2019.

The fair value of interest rate hedging derivatives at 31 December 2020 was a positive € 6.4m (€ 2.8m at the close of 2019).

Debt to banks and bondholders consists primarily of committed non-current credit lines from banks and of long-term bonds (private placements). Loans have an average remaining life of about 2 years and 11 months, compared with 2 years and 10 months at 31 December 2019.

In 2020, including in connection with financial reinforcement strategies to contrast the unpredictable effects of the Covid-19 pandemic, Autogrill S.p.A.:

- contracted a € 300m term loan on 27 November 2020 from a pool of major banks, maturing in June 2025. The loan is guaranteed by SACE S.p.A. pursuant to Art. 1 of Decree Law 23/2020, converted with amendments into Law 40/2020 "Decreto Liquidità" ("Liquidity Decree"). It will be repaid in constant quarterly installments starting on 31 December 2023 and is used by the parent company, directly or through its Italian subsidiaries, to pay for personnel expense, capital expenditure, working capital, and/or lease installments for operations located in Italy, in accordance with the Liquidity Decree and SACE regulations;
- renegotiated, in February, the € 100m amortizing term loan and € 200m revolving credit line taken out in 2018 by extending the original maturities by two years. As a result, the amortizing term loan now involves two annual payments of € 25m starting in January 2023 and reimbursement of the remaining € 50m in 2025, while for the revolving credit line, the commitment will be reduced through two annual payments of € 62.5m as from January 2023 and the remaining commitment of € 75m will be settled in 2025;
- obtained, in March, an amortizing term loan of € 150m maturing in March 2025, used to prepay the amortizing term loan of nominal € 150m that was due to mature in 2021. The new facility involves two annual payments of € 50m starting in March 2023, with reimbursement of the remaining € 50m on maturity;
- drew down the entire revolving credit facility (€ 225m by Autogrill S.p.A. and $ 200m by HMSHost Corporation available at the end of the 2019) in order to increase cash on hand;
- obtained government loans of € 30m in France, € 5m in Belgium, and CHF 4m in Switzerland.

As mentioned above, as a result of the Covid-19 pandemic, in June a "covenant holiday" was agreed with the Group's lender banks and American bondholders for the temporary suspension of required parameters (leverage ratio and consolidated EBITDA/consolidated net finance charges). The covenant holiday is effective for 15 months starting on 30 June 2020, and can be extended until 31 December 2021 under specified conditions. On 10 March 2021, new agreements were signed with the lender banks and American bondholders to extend the covenant holiday for an additional 12 months beyond the deadline agreed in 2020 (see Section 1.5 "Subsequent events").

Regarding operations to strengthen the financial structure, Section 1.5 "Subsequent events" also provides details of the capital increase approved by the shareholders on 25 February 2021.

Since the onset of the Covid-19 crisis, the Group has strived to preserve liquidity and to reach the cash flow break-even point; thanks to a number of important measures implemented worldwide, its absorption of cash gradually decreased throughout 2020.

In conclusion, at 31 December 2020 the Group had liquidity of about € 600m, an expected free cash flow of between € -120m and € -70m in 2021, and no significant debts maturing before 2023, considering the covenant holidays agreed in March 2021. This ensures it sufficient flexibility to face the challenging road ahead.

1.3 OPERATING SEGMENTS

REVENUE BY GEOGRAPHICAL AREA

			Change	
(€m)	Full year 2020	Full year 2019	At current exchange rates	At constant exchange rates
North America	855.8	2,635.6	-67.5%	-66.8%
International	230.0	647.1	-64.5%	-63.6%
Italy	*573.9*	*1,021.7*	*-43.8%*	*-43.8%*
Other European countries	*324.0*	*692.4*	*-53.2%*	*-53.6%*
Total Europe	897.9	1,714.1	-47.6%	-47.8%
Total Revenue	**1,983.7**	**4,996.8**	**-60.3%**	**-59.8%**

EBITDA BY GEOGRAPHICAL AREA

					Change	
(€m)	Full year 2020	% on revenue	Full year 2019	% on revenue	At current exchange rates	At constant exchange rates
North America	81.0	9.5%	581.6	22.1%	-86.1%	-85.8%
International	10.6	4.6%	107.6	16.6%	-90.2%	-89.9%
Europe	87.9	9.8%	301.2	17.6%	-70.8%	-70.9%
Corporate costs	(19.9)	-	(29.8)	-	33.2%	33.2%
Total EBITDA	**159.5**	**8.0%**	**960.6**	**19.2%**	**-83.4%**	**-83.1%**

EBIT BY GEOGRAPHICAL AREA

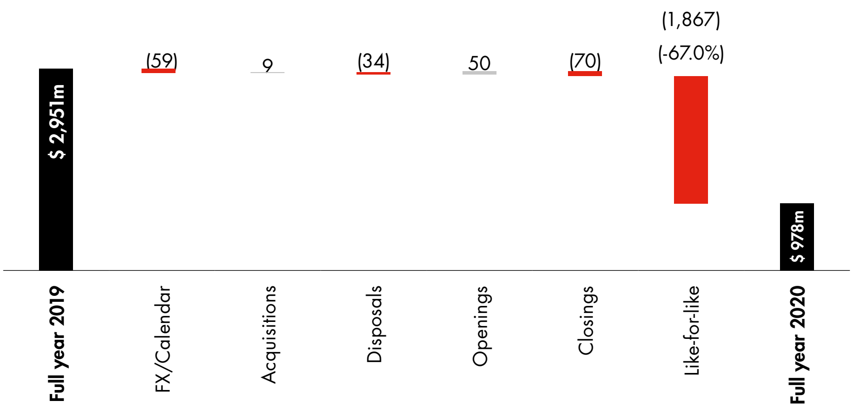
					Change	
(€m)	Full year 2020	% on revenue	Full year 2019	% on revenue	At current exchange rates	At constant exchange rates
North America	(260.5)	-30.4%	281.2	10.7%	n.s.	n.s.
International	(80.4)	-35.0%	26.4	4.1%	n.s.	n.s.
Europe	(148.7)	-16.6%	60.6	3.5%	n.s.	n.s.
Corporate costs	(22.0)	-	(31.7)	-	30.5%	30.5%
Total EBIT	**(511.6)**	**-25.8%**	**336.6**	**6.7%**	**n.s.**	**n.s.**

CAPITAL EXPENDITURE BY GEOGRAPHICAL AREA

			Change	
(€m)	Full year 2020	Full year 2019	At current exchange rates	At constant exchange rates
North America	77.8	207.5	-62.5%	-61.8%
International	18.2	29.3	-37.8%	-35.2%
Europe	99.2	104.6	-5.2%	-5.3%
Corporate	0.3	2.0	-86.1%	-86.1%
Total Capital expenditure	**195.4**	**343.4**	**-43.1%**	**-44.3%**

NORTH AMERICA [20]

REVENUE



In 2020 North America generated revenue of $ 977.5m, a decrease of 66.8% at constant exchange rates (-66.9% at current exchange rates of the Canadian vs. the US dollar[21]), compared with $ 2,950.6m the previous year.

The like-for-like decrease was 67.0%. At 31 December 2020, 49% of locations were closed due to quarantines and other government mandates.

The balance between new revenue from acquisitions and lost revenue from disposals was a negative $ 26m, as the revenue from the acquisition of Pacific Gateway Concessions, LLC (acquired at the end of May 2019) was more than offset by the impact of selling, in late May 2019, the operations in the motorway channel in Canada.

Revenue from new openings in the airport channel, including Denver, Fort Lauderdale, Las Vegas, and Seattle airports, was more than offset by the impact of closures due to the normal dynamics of contract renewals.

Another factor that decreased revenue by $ 57.0m was the fact that the 2019 calendar had 53 weeks, as opposed to 52 in 2020.

REVENUE BY GEOGRAPHY

			Change	
(m$)	Full year 2020	Full year 2019	At current exchange rates	At constant exchange rates
United States of America	932.2	2,719.1	-65.7%	-65.7%
Canada	45.3	231.4	-80.4%	-80.2%
Total Revenue	**977.5**	**2,950.6**	**-66.9%**	**-66.8%**

20 This division includes operations in the United States of America and Canada
21 The change at current exchange rates includes the impact of the appreciation of the US dollar against the Canadian dollar

REVENUE BY CHANNEL

(m$)	Full year 2020	Full year 2019	Change At current exchange rates	Change At constant exchange rates
Airports	803.5	2,527.1	-68.2%	-68.2%
Motorways	166.6	401.8	-58.5%	-58.5%
Other	7.4	21.7	-66.0%	-66.0%
Total Revenue	**977.5**	**2,950.6**	**-66.9%**	**-66.8%**

EBITDA

(m$)	Full year 2020	Full year 2019	Change At current exchange rates	Change At constant exchange rates
EBITDA	**92.5**	**651.1**	**-85.8%**	**-85.8%**
% on revenue	*9.5%*	*22.1%*		
EBITDA underlying	**95.0**	**526.9**	**-81.9%**	**-81.9%**
% on revenue	*9.7%*	*17.9%*		

EBITDA in 2020 amounted to $ 92.5m, down from $ 651.1m the previous year, a decrease of 85.8% at both constant and current exchange rates. As a percentage revenue EBITDA stood at 9.5%. The previous year's profit was heavily influenced by the capital gain on the sale of operations in the motorway channel in Canada, which came to $ 133.9m net of transaction costs.

Underlying EBITDA in 2020 amounted to $ 95.0m, compared with $ 526.9m the previous year, a decrease of 81.9% at both constant and current exchange rates and amounting to 9.7% of revenue. The drop-through was 22%.

During the year, local management took a number of steps to mitigate the negative effects of the Covid-19 pandemic, including:

- a sharp decrease in personnel expense through reduced hours in line with the drop in traffic, a hiring freeze, voluntary salary cuts, and use of the CARES Act (this latter with an impact of about $ 22.7m);
- negotiations with various landlords in order to have the terms of local leases revised. As a result of these negotiations, lease and concession installments were cancelled for a net positive effect on the income statement of about $ 115.4m.

EBIT

(m$)	Full year 2020	Full year 2019	Change At current exchange rates	Change At constant exchange rates
EBIT	**(297.6)**	**314.8**	**n.s.**	**n.s.**
% on revenue	*-30.4%*	*10.7%*		
EBIT underlying	**(295.1)**	**190.5**	**n.s.**	**n.s.**
% on revenue	*-30.2%*	*6.5%*		

EBIT in 2020 came to € –297.6m (€ 314.8m the previous year), a net decrease of € 612.4m; the 2019 figure was affected by the capital gain on the sale of operations in the motorway channel in Canada.

Underlying EBIT stood at -$ 295.1m, down from $ 190.5m in 2019, a net decrease of $ 485.6m. The drop-through was 25%.

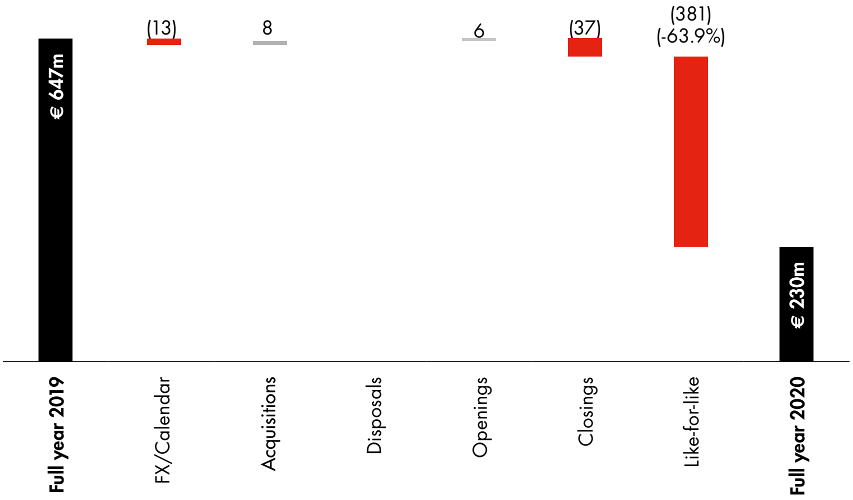
CAPITAL EXPENDITURE

			Change	
(m$)	Full year 2020	Full year 2019	At current exchange rates	At constant exchange rates
Capex	**88.8**	**232.3**	**-61.8%**	**-61.8%**
% on revenue	*9.1%*	*7.9%*		

Capital expenditure in 2020 amounted to $ 88.8m, down sharply on the previous year, in keeping with the prudent management of liquidity in the face of pandemic-related uncertainty and as a result of halted construction sites. A significant portion of the expenditure concerns the continued restyling of locations on the New Jersey Turnpike and the Garden State Parkway. Other investments went mainly toward airport locations in Boston, Detroit, and Salt Lake City.

INTERNATIONAL[22]

REVENUE



Revenue in the International area in 2020 amounted to € 230.0m, compared with € 647.1m in 2019, for a decrease of 63.6% at constant exchange rates (-64.5% at current exchange rates).

The like-for-like decrease was 63.9%. At 31 December 2020, 46% of locations were closed due to quarantines and other government mandates.

The balance between closures and new openings caused revenue to decrease by around € 31m on the previous year, due mainly to closures at Dublin airport.

Acquisitions contributed € 8.1m to revenue, as a result of the line-by-line consolidation, from January 2020, of the subsidiaries HMSHost Catering Malaysia SDN. BHD. (Malaysia), Autogrill Middle East, LLC (United Arab Emirates), and Arab Host Services LLC (Qatar), previously consolidated using the equity method.

There was a positive "calendar" effect of € 1.6m, due to the fact that 2020 was a leap year, and a net exchange loss of € 14.9m.

REVENUE BY GEOGRAPHY

			Change	
(€m)	Full year 2020	Full year 2019	At current exchange rates	At constant exchange rates
North Europe	150.5	449.4	-66.5%	-66.2%
Rest of the world	79.5	197.7	-59.8%	-57.4%
Total Revenue	**230.0**	**647.1**	**-64.5%**	**-63.6%**

REVENUE BY CHANNEL

			Change	
(€m)	Full year 2020	Full year 2019	At current exchange rates	At constant exchange rates
Airports	187.0	549.3	-66.0%	-65.0%
Other	43.0	97.8	-56.1%	-55.9%
Total Revenue	**230.0**	**647.1**	**-64.5%**	**-63.6%**

22 This area covers locations in Northern Europe (Schiphol Airport in Amsterdam; railway stations and outlet malls in the Netherlands, the United Kingdom, Ireland, Sweden, Denmark, Finland and Norway) and other countries (United Arab Emirates, Qatar, Turkey, Russia, India, Indonesia, Malaysia, Maldives, Vietnam, Australia, New Zealand and China)

EBITDA

(€m)	Full year 2020	Full year 2019	Change At current exchange rates	Change At constant exchange rates
EBITDA	**10.6**	**107.6**	**-90.2%**	**-89.9%**
% on revenue	*4.6%*	*16.6%*		
EBITDA underlying	**14.8**	**109.8**	**-86.5%**	**-86.1%**
% on revenue	*6.4%*	*17.0%*		

EBITDA in 2020 amounted to € 10.6m, a decrease of 89.9% at constant exchange rates (-90.2% at current exchange rates) compared to the previous year's EBITDA of € 107.6m. The EBITDA margin decreased from 16.6% in 2019 to 4.6% in 2020.

Underlying EBITDA of € 14.8m (€ 109.8m in 2019) decreased by 86.1% at constant exchange rates (-86.5% at current exchange rates) and fell from 17.0% of revenue the previous year to 6.4%. The drop-through was 23%.

During the year, local management took a number of steps to mitigate the negative effects of the Covid-19 pandemic, including:

- a sharp decrease in personnel expense through reduced hours in line with the drop in traffic, a hiring freeze, voluntary salary cuts, and the use of relief programs (the latter saving an about € 40.3m);
- negotiations with various landlords in order to have the terms of local leases revised. As a result of these negotiations, lease and concession installments were cancelled for a net positive effect on the income statement of about € 28.3m.

EBIT

(€m)	Full year 2020	Full year 2019	Change At current exchange rates	Change At constant exchange rates
EBIT	**(80.4)**	**26.4**	**n.s.**	**n.s.**
% on revenue	*-35.0%*	*4.1%*		
EBIT underlying	**(76.1)**	**31.4**	**n.s.**	**n.s.**
% on revenue	*-33.1%*	*4.8%*		

EBIT in 2020 came to € –80.4m (€ 26.4m the previous year), a decrease of € 106.8m.

Underlying EBIT stood at € –76.1m, down from € 31.4m in 2019, a decrease of € 107.5m. The drop-through was 26%.

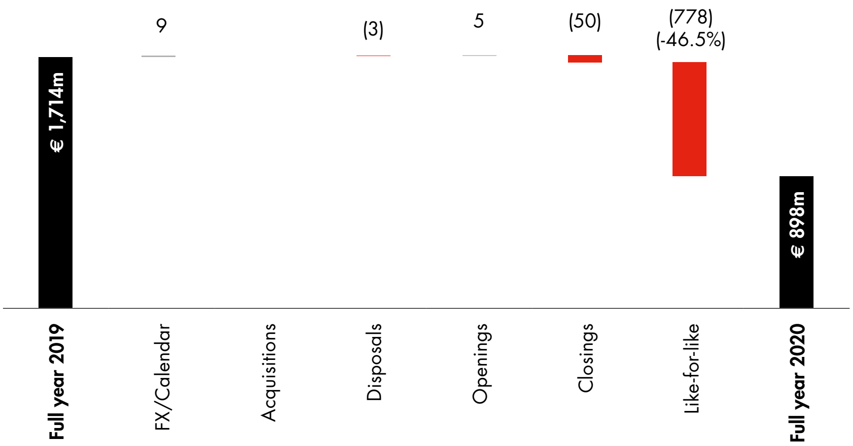
CAPITAL EXPENDITURE

(€m)	Full year 2020	Full year 2019	Change At current exchange rates	Change At constant exchange rates
Capital expenditure	**18.2**	**29.3**	**-37.8%**	**-35.2%**
% on revenue	*7.9%*	*4.5%*		

The largest investments in this area concerned Manchester and Dubai airports.

EUROPE

REVENUE



Revenue in Europe in 2020 amounted to € 897.9m, compared with € 1,714.1m in 2019, for a decrease of 47.8% at constant exchange rates (-47.6% at current exchange rates).

The like-for-like decrease was 46.5%, with the motorway channel providing to be more resilient than the airport and other channels. At 31 December 2020, 25% of locations were closed due to quarantines and other government mandates (21% in Italy and 36% in the rest of Europe).

Closures and new openings produced a net revenue decrease of € 45m due to selective renewals in the Italian motorway channel and the gradual exit from Tank & Rast motorway operations in Germany, as well as the decision to leave non-strategic businesses.

Note should be taken of the effect of the disposal of operations in the Czech Republic with effect from May 2019 (€ -3.0m) and the positive "calendar" effect of € 3.5, due to the fact that 2020 was a leap year, as well as the net exchange gain of € 5.9m from operations in Switzerland.

REVENUE BY GEOGRAPHY

			Change	
(€m)	Full year 2020	Full year 2019	At current exchange rates	At constant exchange rates
Italy	573.9	1,021.7	-43.8%	-43.8%
Other European countries	324.0	692.4	-53.2%	-53.6%
Total Revenue	**897.9**	**1,714.1**	**-47.6%**	**-47.8%**

REVENUE BY CHANNEL

(€m)	Full year 2020	Full year 2019	Change At current exchange rates	 At constant exchange rates
Motorways	721.8	1,162.7	-37.9%	-38.1%
Airports	70.9	274.1	-74.1%	-74.3%
Other	105.2	277.2	-62.1%	-62.2%
Total Revenue	**897.9**	**1,714.1**	**-47.6%**	**-47.8%**

EBITDA

(€m)	Full year 2020	Full year 2019	Change At current exchange rates	 At constant exchange rates
EBITDA	**87.9**	**301.2**	**-70.8%**	**-70.9%**
% on revenue	*9.8%*	*17.6%*		
EBITDA underlying	**76.0**	**294.1**	**-74.1%**	**-74.3%**
% on revenue	*8.5%*	*17.2%*		

EBITDA in 2020 amounted to € 87.9m, worsening by € 213.3m with respect to the previous year (-70.9% at constant exchange rates, -70.8% at current exchange rates). Both years benefited from a capital gain net of transaction costs: of € 19.2m in 2020, from the sale of operations in Spain, and of € 8.0m in 2019 from the disposal of businesses in the Czech Republic.

Underlying EBITDA in 2020 amounted to € 76.0m, a decrease of 74.3% at constant exchange rates (-74.1% at current exchange rates) compared to the previous year's figure of € 294.1m. As a percentage of revenue, underlying EBITDA also dropped significantly, from 17.2% in 2019 to 8.5% this year. The drop-through was 27%.

Local management took a number of steps to mitigate the negative effects of the Covid-19 pandemic, including:
- a sharp decrease in personnel expense through reduced hours in line with the drop in traffic, a hiring freeze, voluntary salary cuts, and the use of relief programs (the latter saving an about € 94.9m);
- negotiations with various landlords in order to have the terms of local leases revised. As a result of these negotiations, lease and concession installments were cancelled for a net positive effect on the income statement of about € 53.2m.

EBIT

(€m)	Full year 2020	Full year 2019	Change At current exchange rates	 At constant exchange rates
EBIT	**(148.7)**	**60.6**	**n.s.**	**n.s.**
% on revenue	*-16.6%*	*3.5%*		
EBIT underlying	**(160.5)**	**53.6**	**n.s.**	**n.s.**
% on revenue	*-17.9%*	*3.1%*		

EBIT in 2020 came to € –148.7m (€ 60.6m the previous year), a decrease of € 209.3m which also reflects the capital gains from the sale of operations in Spain (2020) and the Czech Republic (2019), as mentioned above.

Underlying EBIT stood at € -160.5m, down from € 53.6m in 2019, a decrease of € 214.1m. The drop-through was 26%.

CAPITAL EXPENDITURE

(€m)	Full year 2020	Full year 2019	Change At current exchange rates	Change At constant exchange rates
Capital expenditure	**99.2**	**104.6**	**-5.2%**	**-5.3%**
% on revenue	*11.0%*	*6.1%*		

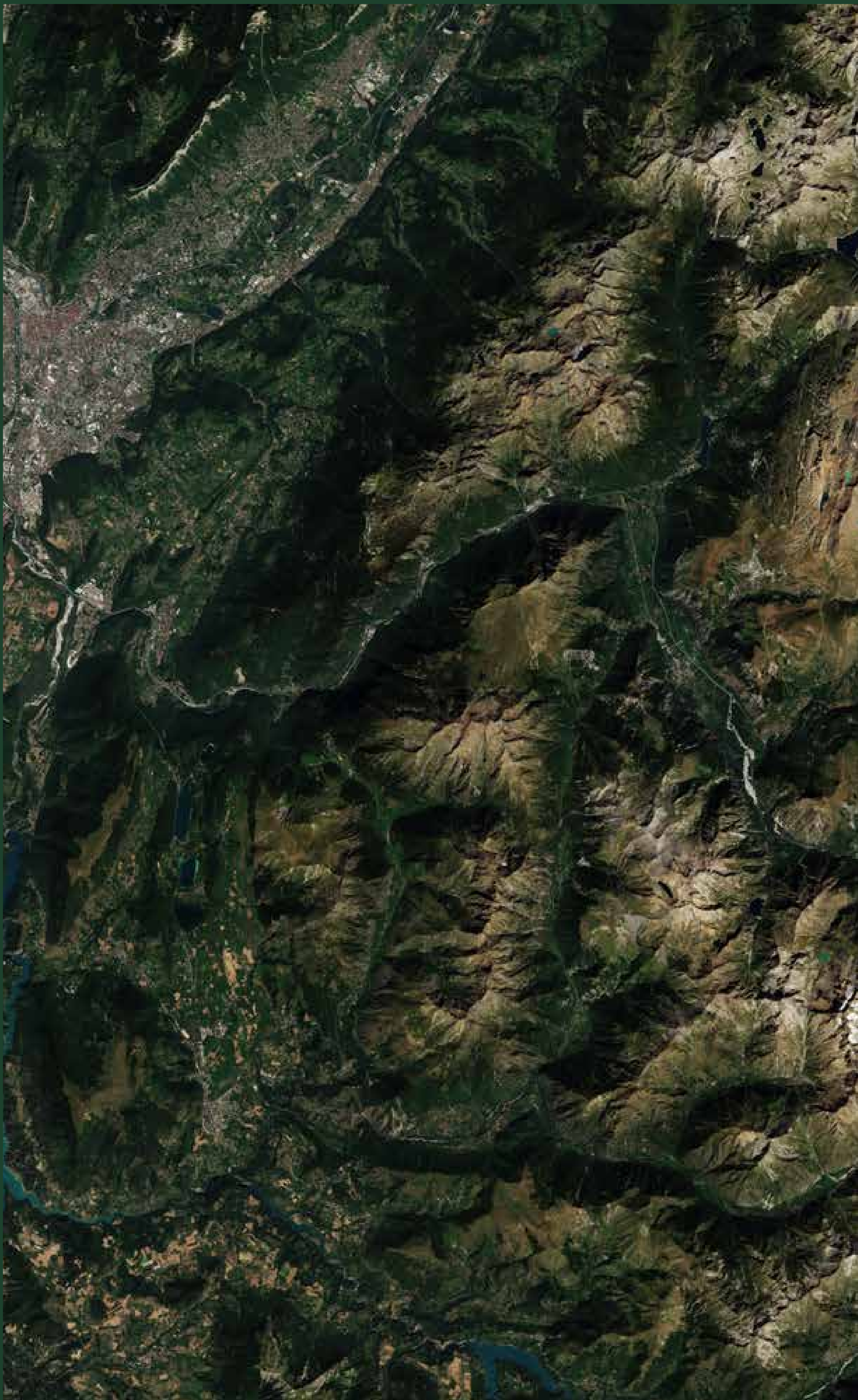
Most capital expenditure concerned rest stops on Italian motorways, where the Group followed the non-delayable motorway investment plan announced in 2019. Other investments mainly concerned rest stops on French motorways.

CORPORATE COSTS

In 2020, centralized corporate costs amounted to € 19.9m (€ 29.8m in 2019), a decrease of 33.2% thanks to the initiatives taken by management.

Underlying corporate costs fell from € 25.1m in 2019 to € 18.8m.

Management took a number of steps to mitigate the negative consequences of the Covid-19 pandemic, achieving a reduction in the cost of labor through a hiring freeze, voluntary salary cuts, and the use of relief programs (the latter saving an about € 0.4m).



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1.4 OUTLOOK[23]

From the beginning of 2021 until the end of February, the Autogrill Group's revenue was 65% lower than in the first two months of 2020. Some encouraging signs are beginning to appear, with revenue for the first week of March down by 56% compared with the same week last year.

In the United States, passenger traffic through Transportation Security Administration (TSA) control points at airports continues to show improvement. In particular, on 25 February 2021 passenger traffic surpassed the threshold of one million travelers, which since the start of the pandemic had only occurred on weekends or during holiday periods. Airlines in the United States, with cautious optimism, are forecasting an upturn in flight occupancy and demand.

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

For 2021, the Group has set the following objectives:
- renewed commitment to ensuring the health and safety of employees and customers;
- focus on margins and ability to generate cash;
- maintenance of a highly flexible income statement structure and efficient cost base by preserving the structural improvements achieved in 2020;
- protection and reinforcement of the core business.

When developing forecasts for 2021, the Autogrill Group focused on the dynamics of how revenue will impact margins (both upward and downward) and cash generation. These objectives derive from the following actions planned for each category listed below:
- cost of labor: use of relief programs, reduction of permanent and temporary staff;
- rent: ongoing negotiations with all owners for the suspension/reduction of guaranteed minimums;

23 This section includes forecasts and estimates that reflect management's current thinking (forward-looking statements), especially as regards future performance, capital expenditure, cash flow, and changes in the financial structure. By nature, forward-looking statements have an element of risk and uncertainty because they depend on the occurrence of future events. Actual results may differ, even significantly, as a result of various factors such as travel trends in the countries and channels served; the outcome of concession contract renewals and bids for new concessions; how the competition develops; the trend in exchange rates against the euro, especially of the US dollar and British pound; the trend in interest rates on those currencies; future demand; the price of oil and food raw materials; general macroeconomic conditions; geopolitical factors and regulatory changes in the countries served; and other changes in business conditions. The Group's business volumes correlate with travel trends

- other costs: suspension of all non-essential expenses;
- capital expenditure: ongoing review of the extent, size, and construction costs of existing investment plans;
- working capital: optimization of cash outflows by arranging longer payment times and discounts with suppliers.

Below are the main earnings and cash flow variables forecast for 2021, shown in comparison with the final 2019 and 2020 figures and developed on the basis of two scenarios: a base scenario and a conservative scenario, which differ by speed of GDP recovery, inclination to travel, and impact of remote working.

			Forecast 31.12.2021	
	31.12.2019	31.12.2020	Base scenario	Conservative scenario
Revenue (€/billion)	5.0	2.0	2.8	2.4
Free Cash Flow (€/million)	57 (*)	(501) (*)	~ (70)	~ (120)

(*) Free cash flow net of non-recurring operations in the United States

The euro/US dollar exchange rate was estimated at 1.21.

Monthly cash expenditure is expected to vary depending on seasonal factors and the course of the pandemic. In addition, the Group's strong commitment to reaching its free cash flow target is reflected in the management incentive plan for 2021.

FORECASTS FOR 2024

Below are the main earnings and cash flow variables forecast for 2024, when the Group expects to return to pre-pandemic levels of business, shown in comparison with the final 2019 and 2020 figures.

	31.12.2019	31.12.2020	Forecast at 31.12.2024
Revenue (€/billion)	5.0	2.0	4.7
Underlying EBIT margin	4.6%	-26.0%	6.0%
Capex/Revenue	6.9%	9.8%	5%-5.6%
Free cash flow (€/million)	57 (*)	(501) (*)	120-150

(*) Free cash flow net of non-recurring operations in the United States.

The euro/US dollar exchange rate was estimated at 1.22 for 2024.

The Group expects to take the following actions to boost revenue:
- like-for-like: revenue growth will be driven mainly by traffic recovery curves;
- non like-for-like:
- net openings at airports, for further expansion in this channel;
- diversification into convenience retail, another source of growth in the airport channel;
- net closures in the motorway channel and minor channels, as the portfolio is further streamlined;
- net openings at railway stations, due to additional expansion of this channel.

By 31 December 2024 these specific actions will permit the Group to achieve revenue of € 4.7 billion, for a CAGR 2020-2024 of 20-25%, provided the euro/US dollar exchange rate remains at the levels assumed by management. For each 0.01 change in the EUR/USD rate, revenue for 2024 could increase or decrease by € 20-25m.

The Group plans to maintain a strong focus on cost optimization by taking discretionary initiatives in support of operating profits, including in light of all the actions taken and competencies developed during the pandemic. In particular:

- revenue: new initiatives to stimulate sales (e.g. more grab & go products; streamlined contract portfolio);
- cost of goods sold: greater standardization, focus on menus and number of referrals;
- cost of labor: revised organizational model in some regions and different allocation of labor;
- leases/minimum guaranteed annual rent: negotiations with landlords to protect stores' ability to generate cash.

The Group aims to gradually return to a normal level of capital expenditure as a percentage of revenue through the following discretionary actions:

- ongoing review of the extent, size, and construction costs of existing investment plans;
- greater focus on shoring up strategic markets as opposed to expanding in less profitable ones.

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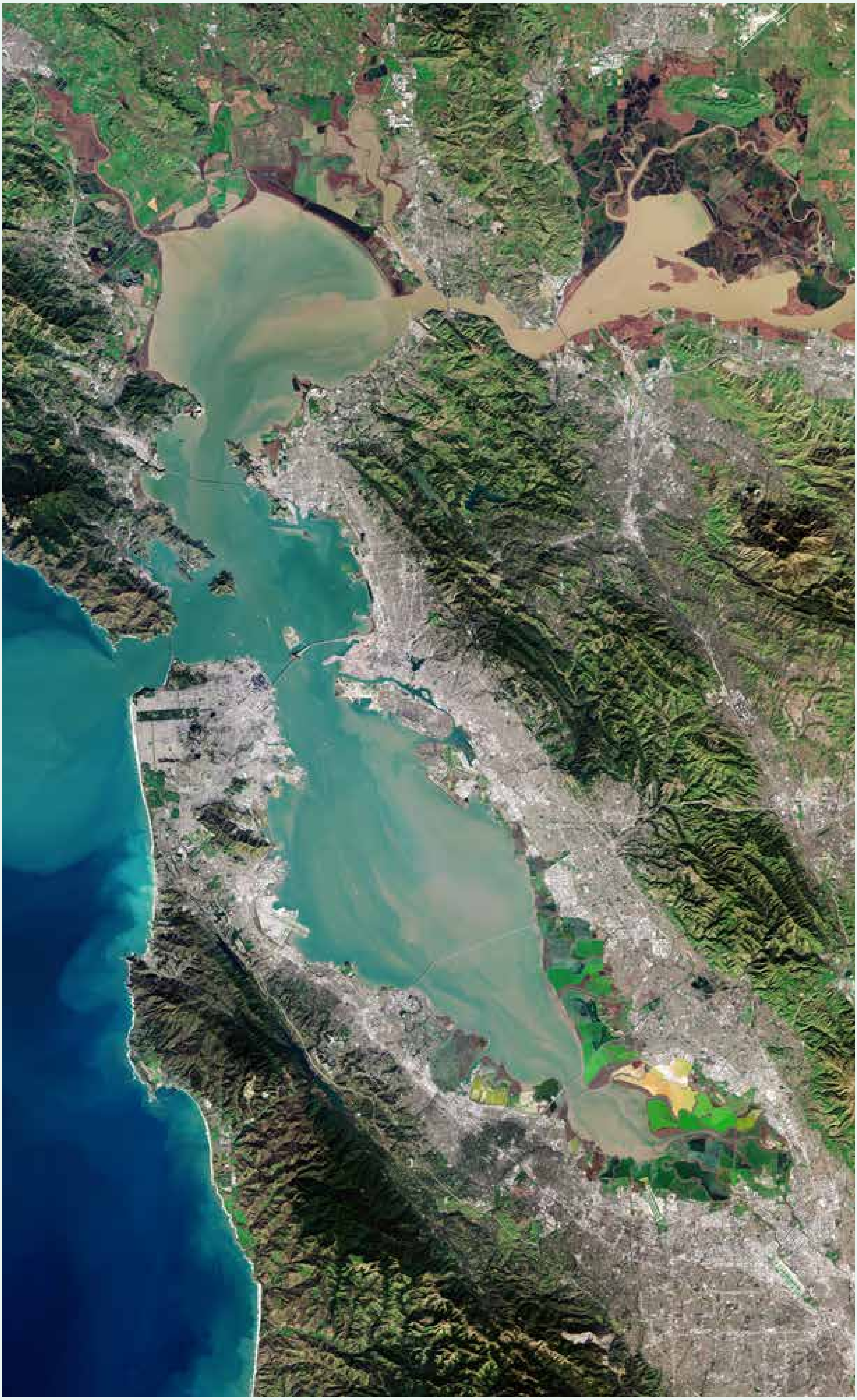
1.5 SUBSEQUENT EVENTS

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

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

- HMSHost Corporation: extension for contracts already granted a covenant holiday last June until September 2022, with an additional extension until 31 December 2022 assuming a positive outcome of the covenant test in September 2022;
- Autogrill S.p.A.: extension for contracts already granted a covenant holiday last June until 31 December 2022, and granting of a covenant holiday until 31 December 2022 for the loan guaranteed by SACE S.p.A., assuming a positive outcome of the covenant test by HMSHost Corporation in September 2022.

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



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1.6 CONSOLIDATED NON-FINANCIAL STATEMENT

PURSUANT TO ARTS. 3 AND 4 OF LEGISLATIVE DECREE 254/2016

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1.6.1 INTRODUCTION

The Autogrill Group's Consolidated Non-Financial Statement (NFS) is structured according to the four sustainability areas identified as material to its business.

A-Company: this area covers the creation of economic value, the effectiveness and transparency of decision-making processes, and anti-corruption measures.

Autogrill People: the Autogrill People area expresses the Group's employee care policies and initiatives that put its team in a position to provide quality service to customers and the local communities. It covers the quality of employee relations, human resource development and training, talent attraction and retention, occupational health and safety, labor union relations, diversity, inclusion and equal opportunities, and community development and engagement.

Autogrill Product: this area describes the Group's commitment to offering safe, high-quality products that add value and content to the consumer experience. It covers product quality and safety, customer satisfaction and experience, product labeling and marketing, supply chain management, accessibility, quality of services, digital innovation, and healthy, balanced menus.

Autogrill Planet: Autogrill Planet represents the Group's policies and initiatives for protecting the environment. It covers the management of energy, emissions, waste disposal, and food waste.

The NFS is introduced by chapters on the sustainability management model and stakeholder engagement.

The NFS provides the disclosures required by Legislative Decree 254/2016 (the "Decree"), sometimes by referencing other corporate documents drawn up in compliance with the applicable law (the Directors' Report and the Consolidated Annual Report and the Corporate Governance and Ownership Report) if the information is contained therein.

In particular:
- **the management and organizational model** on corporate liability is presented in the Directors' Report, in the sections "The Autogrill Group" and "Group performance";
- **risk management**, including with regard to non-financial risks, is described in the Directors' Report under "Financial and non-financial risk management";
- **Group policies and social and environmental performance indicators** are reported in the sections below.

The following table reconciles the disclosures required by the Decree (where identified as material) with the corporate documents that provide those disclosures.

REQUIRED DISCLOSURES AND WHERE TO FIND THEM

Area covered by Decree 254/2016	Disclosures required by Decree 254/2016	2020 documents containing the disclosures	
Business management model	Art. 3.1(a) Description of the business management and organizational model, including any corporate liability policies pursuant to Legislative Decree 231/2001	DR	pp. 8-39
		CGR	sections 2, 4, 6-10, 13-14
		NFS	Policies and guidelines of the Autogrill Group
Policies	Art. 3.1(b) Description of corporate policies, including due diligence	NFS	Policies and guidelines of the Autogrill Group Preventing corruption People: the people of the Autogrill Group Planet: environmental protection Product: product quality and safety
Risk management	Art. 3.1(b) Description of the main risks generated by or incurred in business operations	DR	pp. 111-122
People	Art 3.2(d) Information on human resource management, including gender equality, adoption of international organization conventions and dialogue with workers' rights groups	NFS	People: the people of the Autogrill Group
	Art 3.2(c) Health and safety disclosures	NFS	People: Health and safety in the workplace
Environment	Art 3.2(a)(b)(c) Use of energy, distinguishing between renewable and non-renewable sources; water consumption; emissions of greenhouse gases and pollutants; impact on the environment	NFS	Planet: environmental protection
Social	Art 3.2(d) Information on social aspects	NFS	Product: product quality and safety and focus on the customer Product: responsible supply chain management People: community. Development and engagement
Human rights	Art 3.2(e) Information on respect for human rights and measures taken to prevent violations and discrimination	NFS	People: protection of human rights Product: Responsible supply chain management
Anti-corruption	Art 3.2(f) Disclosures on countering active and passive corruption	NFS	Preventing corruption

Key:
DR: Directors' Report; CGR: Corporate governance and ownership report; NFS: Consolidated Non-financial Statement.

GRI Standard 103-2, 103-3

SOCIO-ENVIRONMENTAL POLICIES AND GUIDELINES OF THE AUTOGRILL GROUP

The Autogrill Group has a system of socio-environmental policies and guidelines that start with the Group's Code of Ethics and the Sustainability Policy (approved by Autogrill S.p.A.'s Board of Directors in December 2018) and are also detailed in the Corporate Liability Policy and protocols pursuant to Law 231/01, the Anti-Corruption Policy, and the Supply Chain Sustainability Guidelines of Autogrill S.p.A. (the "parent company"). The Sustainability Policy defines social and environmental standards and provide the business units with guidelines for defining a sustainable approach to their operations. The parent company, in its own Corporate Liability Policy pursuant to Legislative Decree 231/01, has also established a protocol for environmental compliance specifying the principles to be followed with respect to the environment and natural resources.

Autogrill Group Sustainability Policy - key content

PEOPLE

We want to take care of our employees so that they can provide valuable services to customers and to the local community.

DIVERSITY

Autogrill respects the personality and dignity of each individual, and believes in enhancing diversity without distinction.

DISCRIMINATION

Autogrill rejects all forms of discrimination and abuse, including during the hiring process and along career paths.

FREEDOM OF ASSOCIATION

Autogrill protects the right to freedom of association and collective bargaining, recognizing the undeniable importance of these freedoms, in accordance with national laws.

CHILD LABOUR

Autogrill rejects the use of child labour inside its structures nor will tolerate child labour as defined by international standards.

FORCED LABOUR

Autogrill is opposed to any exploitation of workers.

DEVELOPMENT

Autogrill believes in the value of human capital and seeks to enhance and support the development of each individual's expertise and the sharing of know-how.

HEALTH AND SAFETY

Autogrill guarantees adequate standards for the protection of workplace health and safety.

MINIMUM WAGE

Autogrill guarantees the respect of local minimum wage

LOCAL CULTURE

Autogrill firmly believes that enhancing diversity and multiculturalism contributes to the growth of a successful corporate culture.

COMPLIANCE

Autogrill complies with all current local, national, and international laws regarding the protection of human rights.

AUTOGRILL AND THE ANTI-CORRUPTION

The Autogrill Group **repudiates and prohibits** corruption without exception (with respect to both public and private counterparties) and complies with anti-corruption laws in all the countries in which it operates.

All employees are strongly committed to carrying out their activities **ethically**, **correctly**, **transparently**, **honestly**, as well as in full compliance with the law, and must follow, apply and enforce the application of the rules included in the Anti-Corruption Policy when carrying out their duties.

Policies and guidelines are inspired by the principles of fairness, transparency, honesty and integrity that characterize the Group in all it does, consistently with the main international guidelines and standards on responsible business management. The management of and responsibility for everyday operations are strongly local affairs. This is reflected at the procedural level, where observance of the Group's founding principles is balanced with consideration for the local setting and full compliance with the laws of the countries served. The policies and guidelines are enforced by the individual business units, which define the necessary processes, procedures, roles, and responsibilities. Environmental policies and procedures are managed by the individual business units in relation to the specificities of the business and local laws and regulations.

PRODUCT

We want to think innovatively in order to offer our customers products which guarantee safety and quality criteria and which allow them to enjoy and take away a positive memory of their experience in our points of sale.

FOOD QUALITY AND SAFETY

Autogrill guarantees every day the safety and quality of the products served and promotes the development of concepts, menus and recipes using products that are good, safe and nutritious.

CUSTOMERS

The Group is therefore constantly looking for innovative solutions that can meet and anticipate consumer requests in the long term with the aim of increasing the level of excellence of the food experience across travel channels.

ANIMAL WELFARE

The Group acknowledges its responsibility to promote respect for and protection of animal welfare as a fundamental element to ensure the safety and quality of the products served. Autogrill is committed to promoting sustainable and responsible procurement, respecting the fundamental principles of animal welfare in accordance with internationally agreed laws, regulations and beindicst practice.

SUPPLY CHAIN

Autogrill favours the creation of stable, long-term relationships with suppliers in order to create reciprocal value. It, therefore, acts with transparency, integrity, impartiality and contractual fairness. In addition, it fosters the adoption of socially responsible behaviour by suppliers, privileging commercial relationships with entities that comply with international regulations and principles relating to individual dignity, working conditions, health, safety and the environment. Moreover, Autogrill supports local production by favouring, wherever possible, sourcing from national suppliers for the different types of products and services it needs. Thanks to the focus on the local dimension, the Group is also able to provide customers with a range of "regional" and "local" products in all the countries in which it operates.

COMPLIANCE

Autogrill works in accordance with local laws and approved food safety standards .

PLANET

We want to safeguard the environment by involving our partners, suppliers and with the contribution of our employees and customers.

ENERGY CONSUMPTION

Autogrill promotes the reduction of energy consumption, through the use of natural resources in favour of renewable energies.

WATER

The Group promotes programs focused on reducing waste and responsible waste management, including projects to support circular economy practices in food chain.

RECYCLING

Autogrill promotes the use of recycled and, wherever possible, low environmental impact materials.

WASTE

The Group promotes programs focused on reducing waste and responsible waste management, including projects to support circular economy practices in food chain.

FOOD WASTE

Autogrill is committed to ensuring that consumption does not result in waste, adopting solutions that keep food waste to a minimum and supporting initiatives that support local communities

COMPLIANCE

The Group carry out its activities in full compliance with all current local, national, and international laws.

1.6.2 A-COMPANY: THE AUTOGRILL GROUP

OUR VISION

To be recognized as the world's best company in food & beverage services for travelers, in terms of dependability and focus on the customer.

OUR MISSION

We want travelers to reach their destination happier, safer, and more satisfied thanks to our services. We value their time and make their trip more enjoyable by adding value to their experience, whether it's about eating, drinking or shopping.

OUR VALUES

Every person the Group employs, in locations all over the world, has the same objective: their own and their customers' wellbeing. Be passionate, be open, set the pace, be reliable and keep it simple are the values which guide us everyday.

AUTOGRILL ON THE FRONT LINES OF THE CORONAVIRUS CRISIS

GRI Standard 403-2

The Covid-19 pandemic took hold in the second half of January 2020 and spread quickly around the world starting in February. This impacted motorway, rail, and air traffic, with more serious consequences in certain countries. Autogrill Group companies were faced with a significant reduction in passenger traffic at retail locations and shopping areas and with the temporary and in some cases indefinite closures as a result of quarantines and other government orders.

As soon as the pandemic began to spread, Autogrill took steps to ensure continuity of service while respecting the restrictions imposed by local mandates and ensuring the strictest safety standards for employees and consumers, in particular by involving the top management of the Group through the set up of a "Crisis Committee" to manage business continuity and monitor the Group's financial position

In addition to taking specific sanitization measures at all locations, continuing to procure ingredients, and supporting local communities, the Group set up local crisis management and monitoring teams overseen by designated coordinators. Some of the responsibilities of these teams, in the form of task forces or ad hoc committees, included interpreting regulations, organizing reopenings post-lockdown, analyzing and updating risk management protocols, supervising the correct use and procurement of personal protective equipment (PPE), formalizing safety measures within internal policies and procedures, and maintaining relations with landlords. There were also regular meetings among various departments to discuss government regulations and mandates, share updates on operating the business during the pandemic, and foster ongoing dialogue with third parties such as labor unions and government or health authorities. Further, it was also envisaged the systematic sharing of actions proposed by management functions with the Board of Directors of the individual business units and with the Group Board of Directors.

In accordance with the Revised 2020 Audit Plan, during the year the Internal Audit team assessed the measures and controls put in place in the different countries where the Group operates ("H&S measures for Covid-19"). More specifically, the responsible units in each country[24] completed a self-assessment ("Understanding of measures for Covid-19") designed to investigate topics such as risk management, policies and procedures, health and safety systems, personal protective equipment for employees and customers, PPE procurement, hygiene measures and inspections by external authorities, and training and communication for employees, customers, and third parties.

Where compatible with the travel restrictions and lockdowns imposed by local authorities, the Internal Audit team also carried out on-site audits, sometimes with third-party assistance, to look into the issues that emerged from the self-assessment and check compliance with the prevention measures established by the Group in accordance with specific regulations. Overall, the outcome of the audits was positive. Where areas for improvement were found, the Group addressed and resolved them promptly as confirmation of Autogrill's commitment to excellence.

Autogrill Italia S.p.A. certified for pandemic management

In 2020, Autogrill was awarded specific certification in Italy for its handling of the Covid-19 pandemic: it scored full marks and became the first Italian company to achieve "IMQ Covid-19 Restriction" certification for correctly taking all required measures to combat the health emergency at both stores and headquarters. For each of the operational areas examined, the at-risk zones were cross-checked against the safety measures implemented and the requirements of the specific IMQ Protocol, which reflects the protocol agreed on by the workers' rights groups on 14 March 2020 (as later amended). In addition to inspecting stores, IMQ also audited the measures taken at the headquarters in Rozzano (outside Milan), which after a period of closure reopened with anti-Covid measures above and beyond those required by law with a view to ensuring total safety.

The following chapters contain disclosures about the practices and procedures used by the Group and its local Business Units in response to the Covid-19 pandemic.

24 For the Europe BU, information on Germany does not refer to Le CroBag. In the International BU, Ireland and Malaysia were involved in the questionnaire even though their locations were still closed when it was sent out

CREATING AND DISTRIBUTING ECONOMIC VALUE

GRI Standard 103-2, 103-3, 201-1, 102-43

Creating and distributing economic value is the ability to generate wealth and spread it among the stakeholders. In 2020, the Group created about € 2.3 billion in economic value, and distributed more than € 2.1 billion. Of all value created, 93% was distributed to the internal and external stakeholders, while the remaining 7% was retained within the Group.

Statement of economic value (€k)	2020	Stakeholders
Economic value created by the Group	**2,271,214**	
Revenue and other operating income	2,328,892	Consumers
Financial income	8,394	
Adjustment to the value of financial assets	(13,433)	
Impairment losses on receivables	(10,545)	
Impairment losses	(61,656)	
Capital gains from the disposal of operating activities	19,562	
Economic value distributed	**2,113,638**	
Reclassified operating costs	1,359,606	Landlords, suppliers and brand partners
Remuneration of personnel	767,712	Personnel
Remuneration of lenders and shareholders[25]	97,299	Lenders and shareholders
Remuneration of public institutions [26]	(114,402)	Government
Donations	3,423	Community
Economic value retained by the Group	**157,576**	
Depreciation and amortization	609,442	
Provisions	28,002	
Reserves	(479,868)	

GOVERNANCE AND COMPLIANCE

GRI Standard 103-2, 103-3

Autogrill has adopted a traditional governance system based on the proper balance between international best practices and the particularities of its business. The Group is geared toward transparency in managerial decisions and on behavioral practices that create a relationship of trust with the stakeholders. For all information on Corporate Governance matters, see the Corporate Governance and Ownership Report drawn up in accordance with Art. 123-*bis* of Legislative Decree 58 of 24 February 1998 and approved by the Board of Directors together with the Directors' Report (with reference to Legislative Decree 254/2016 in particular, see Section 4 "Board of Directors", Section 6 "Board committees", including the "Strategies and Sustainability Committee" integrated in May 2020 with respect to the original "Strategies and Investments Committee", Section 7 "Nominations Committee", Section 8 "Human Resources Committee", Section 10 "Control, Risk and Corporate Governance Committee", Section 13 "Election of the Board of Statutory Auditors", and Section 14, "Membership and functioning of the Board of Statutory Auditors").

ANTI-CORRUPTION

GRI Standard 103-2, 103-3, 205-3

In addition to the Corporate Liability Policy pursuant to Legislative Decree 231/01of Autogrill S.p.A. and its Italian subsidiaries, the Group has an Anti-corruption Policy, approved by the Board of Directors, which formalizes obligations and rules of conduct applying throughout the Group. Through this document, the Group confirms its

25 The remuneration of shareholders consists of the share of the year's profits that will be paid as dividends in the following year, as proposed to the annual general meeting by the Board of Directors. In light of the uncertainty brought by the Covid-19 emergency, the Board of Directors has decided for this year as well not to distribute a 2021 dividend (for 2020) and to carry forward the parent company's loss

26 The main component is a tax refund of $ 119m to which the subsidiary HMSHost Corporation is entitled, by offsetting the federal tax loss incurred in 2020 as a result of the Covid-19 pandemic against the taxable income of prior years since 2015, according to the carry-back mechanism recently introduced by US tax law

across-the-board commitment to reject and prohibit corruption under all circumstances, with public officials and private parties alike, and its promise to observe anti-corruption laws in every country served. Group General Counsel is in charge of monitoring proper enforcement of the policy, while the local Legal Counsels monitor its implementation and enforcement by other companies in the Group. The Group's Internal Audit department independently reviews and evaluates the internal control system to make sure the policy provisions are duly observed, on the basis of the annual audit program approved by the Board of Directors, while Group General Counsel goes over the policy periodically to ensure its effective enforcement. Group companies and their individual personnel must report any infringement (or reasonable suspicion of infringement) of the policy and/or anti-corruption laws, using the Group's whistleblowing system.

All new hires, during the induction or onboarding phase, are informed of the standards of conduct to be followed on the job in accordance with the Code of Ethics or Code of Conduct. In some countries the Group offers specific courses and information sessions on anti-corruption and ethics, as well as targeted instruction on individual pieces of legislation. This latter includes, in Italy, training every three years in the Corporate Liability Policy governed by Legislative Decree 231/01 (since 2019 this has been part of the "School of Excellence" program for new managers and future store managers), and in North America and the International area (for higher-risk positions), training in the Foreign Corrupt Practices Act (FCPA).[27]

TAX RESPONSIBILITY

With tax responsibility becoming an area of increasing scrutiny, Autogrill has strengthened its overall management of these risks through the implementation of a Tax Control Framework. The aim is to define new roles and responsibilities, formalize internal regulatory tools, and create new information and reporting flows, but above all to implement a routine process of identification, evaluation and management of tax risks, using testing and other innovative tools to ensure constant monitoring and provide assurance of the operational effectiveness of controls.

Currently in the development phase, the project will improve and formalize the current policy of tax transparency and full compliance with the tax laws in effect in the countries where the Group operates. Note that country-by-country reporting has been transferred to the ultimate parent, Edizione S.r.l., which is responsible for filing it with the Italian tax authorities.

GRI Standard 103-2, 103-3

SUSTAINABILITY FOR THE AUTOGRILL GROUP

The Autogrill Group is committed to doing business in a climate of dialogue and openness with all stakeholders and to fostering respect for individuals, their fundamental rights, and the specifics of their local context. Over the years, Autogrill has developed projects regarding various aspects of sustainability, placing them conceptually within three broad areas: "People", "Planet", and "Product". Operations are defined within the A-future Roadmap, considering analyses of materiality and the international context as well as the United Nations Sustainable Development Goals. The Roadmap is part of the A-future Framework, the instrument the Group has created to define sustainability-related topics and set priorities for them within operational and reporting activities.

27 A legal corpus with rules to prevent American companies from bribing foreign public officials in order to create or maintain business relationships

In light of the pandemic situation, which was especially penalizing for the Group's industry, it was necessary to revise the plan of action and place the strongest emphasis on "Health and safety for all" and "Food quality and safety". Within those areas, management set certain Group-wide priorities that each Business Unit was asked to implement. Specifically, the Group committed to ensuring the health and safety of its employees and customers and to maintaining customer confidence by assuring a reliable supply chain, the utmost food quality, and transparency, while also leveraging the possibilities offered by digitalization.

The Autogrill Group's CSR department continues to promote a shared philosophy of sustainable development and to facilitate stakeholder engagement. For every topic identified in the A-future Framework, Autogrill has also named a sustainability leader, responsible for implementing and monitoring the initiatives pertinent to his or her area.

STAKEHOLDER ENGAGEMENT

GRI Standard 102-40, 102-42, 102-43, 102-44

The Group's care for its stakeholders is based on the values laid down in the Code of Ethics, which sets guidelines for relations with each kind of stakeholder and the applicable priorities, principles and forms of conduct. In 2020 the Group maintained its commitment to constant dialogue by fostering the conditions for cooperation and long-lasting partnership with its stakeholders. Some of the more traditional occasions were cancelled due to the pandemic, and dialogue was more heavily focused on how to manage the situation and the public health emergency.

Stakeholders	Feedback and engagement
Autogrill for employees	Email address for reporting problems, SA8000 mailbox, Aconnect intranet portal, open line
Autogrill for consumers	Annual "Feel good?" customer satisfaction survey, CRM activities, market research
Autogrill for suppliers	Assessment and development process for new products/concepts, quality audits, one-on-one conferences
Autogrill for concession grantors and brand partners	Collaboration for the development of ad hoc projects, concepts and services; participation at trade events; one-on-one conferences; participation in socio-environmental surveys
Autogrill for shareholders and the financial community	Top executives meet regularly with investors and financial analysts to discuss the Group's strategy, objectives, risks and opportunities and to present its periodic results. The Group also pursues an active Investor Relations program to foster an understanding of what it does and put investors in direct contact with the people who work day in and day out in the service of consumers. The annual general meeting of Autogrill S.p.A. is a chance to interact with the shareholders and for the shareholders to meet the executive and non-executive members of the Board of Directors and Autogrill's management
Autogrill for the community	Support and engagement projects; one-on-one meetings; participation in national and international events and conferences
Autogrill for the environment	Support and engagement projects; collaboration with partners and employee engagement; meetings with non-profits and participation in trade events/multi-stakeholder roundtables

MATERIALITY ANALYSIS

GRI Standard 102-11, 102-47, 103-1

In terms of sustainability reporting, the topics deemed as material (or relevant) are those that have a significant impact on the economic, social, and environmental performance of the Company or that may substantially influence stakeholders' perceptions and decisions. The materiality analysis is therefore two-fold, as it takes into account the standpoint of the Company but also of its stakeholders. In 2019 the Group began to revise its materiality analysis, following a structured process directly involving senior management, which took place in three phases:

- all potential material aspects were identified by analyzing company documentation, external documents on the changing scenario, and assessment questionnaires of the sustainability rating companies and by conducting an

industry comparison, according with the Global Reporting Initiative (GRI) topics and the aspects included in Legislative Decree 254/2016;
- managers of the individual Business Units rated the material aspects on a scale from 1 to 10, from the Company's perspective (as representatives of Autogrill's vision), and from the stakeholders' perspective (as the parties who interact with them);
- the results obtained by the various Business Units were compiled into relevant topics for the Group, which were then discussed and presented to senior management.

The process was resumed in 2020 in order to reflect possible changes in assessments of materiality, in light of the Covid-19 pandemic. After conversations with the Group's management and sustainability leaders, 13 topics were identified, of which "Health and safety for all" and "Food quality and safety" were deemed most relevant for both the business and the stakeholders.

MATERIALITY TOPICS OF THE AUTOGRILL GROUP

Area	Topic
A-People	Employee engagement and talent retention
	Occupational health and safety
	Employee training and development
	Diversity, inclusion and equal opportunity
	Impact on local communities
A-Product	Transparent labeling and marketing
	Healthy, balanced menus
	Digitalization and innovative services
	Customer satisfaction and customer experience
	Product quality and safety
A-Planet	Food waste
	Climate change (energy efficiency and emissions)
	Management and reduction of waste and packaging

In revising the analysis, aspects related to corporate governance, regulatory compliance, and anti-corruption were considered prerequisites; as such, they were not individually included in the process but are nevertheless accounted for in this Statement.

North America

11,662 employees

64% women

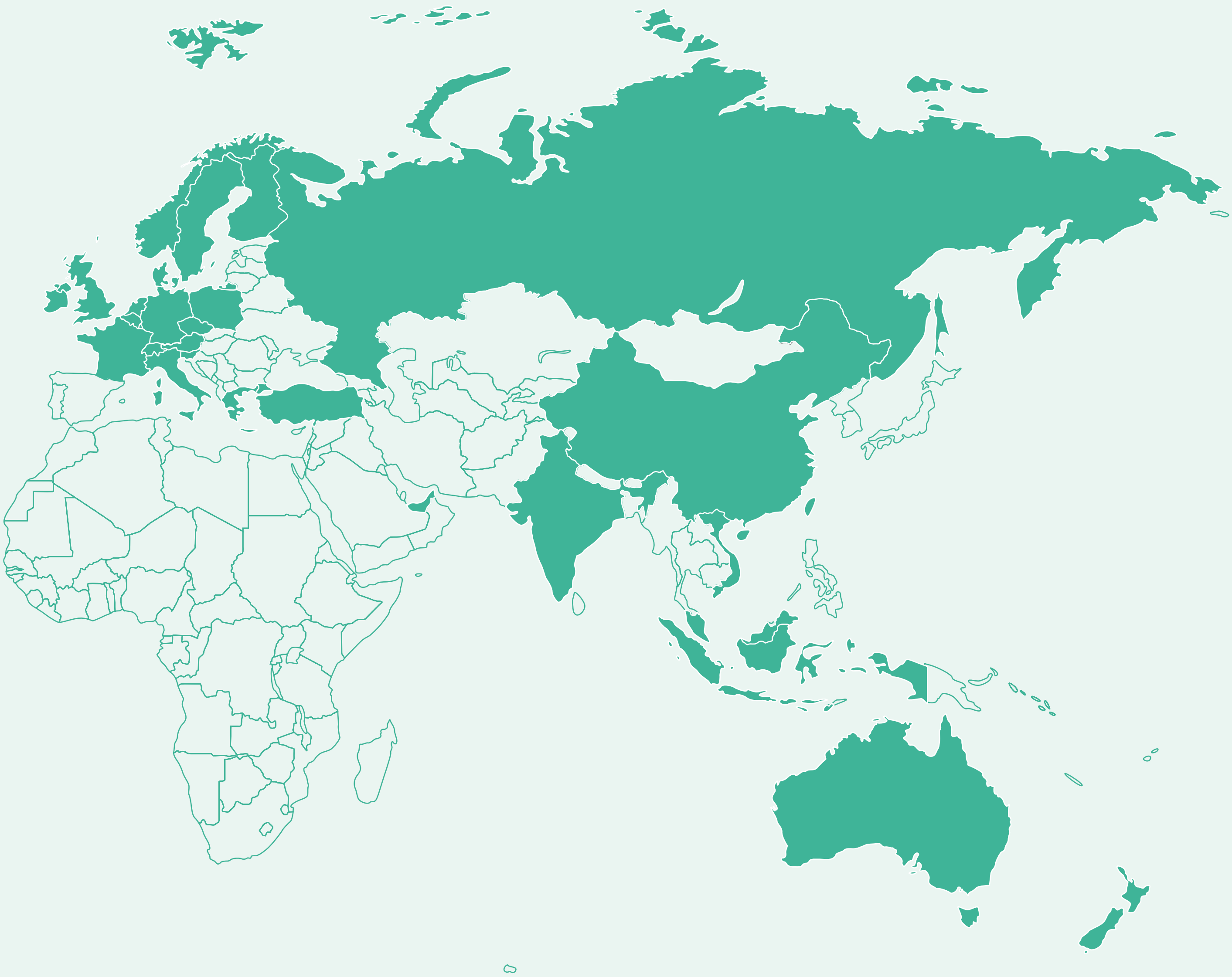
International

5,932 employees

49% women

Europe

13,498 employees
64% women



World

31,092 employees in the Group
61% women

1.6.3 PEOPLE: THE PEOPLE OF THE AUTOGRILL GROUP

GRI Standard
102-43, 102-44,
103-2, 103-3,
102-8, 405-1

4 QUALITY EDUCATION · 5 GENDER EQUALITY · 8 DECENT WORK AND ECONOMIC GROWTH · 10 REDUCED INEQUALITIES

Autogrill is a "people" company that offers products and services to the public: the centrality of the human being is the foundation of all its policies concerning employees, customers, and communities. Passion, openness, rapidity, reliability, and simplicity are the values the Group promotes in the management of activities and people. During this unprecedented and extremely challenging year, many Autogrill People were on the front line of the pandemic response and proved their exceptional resilience, optimism, and care for one another.

With the Covid-19 pandemic, the world is dealing with a global health, social, and economic emergency like no other, and the transportation and tourism industries are surely among the hardest hit due to the restrictions on movement and social interaction around the world, border closures, and lockdowns that have shut down businesses.

The Autogrill Group has faced periods of great uncertainty and several months of store closures, and has had to adapt its personnel management policies in accordance with the laws and other measures mandated by government authorities. The Group has responded to the emergency by taking advantage, where offered, of labour flexibility instruments and government-sponsored relief measures.

The significant change in the number of employees (-50%) reflects the drastic reduction in business as a result of the pandemic. The largest changes occurred in North America and the International area, where the Group operates primarily at airports and shopping centers, where restrictions had a severe impact.

	2020				2019				2018			
	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total
Total employees	11,662	13,498	5,932	31,092	33,113	16,920	12,028	62,061	32,030	16,624	11,398	60,052
Of which: women	7,423	8,650	2,891	18,964	20,575	10,637	6,021	37,233	19,581	10,417	5,699	35,697
	64%	64%	49%	61%	62%	63%	50%	60%	61%	63%	50%	59%
Headquarters	276	611	481	1,368	603	682	711	1,996	604	651	731	1,986
Locations	11,386	12,887	5,451	29,724	32,510	16,238	11,317	60,065	31,426	15,973	10,667	58,066

In this context, human resource management required the utmost attention and responsiveness, to make sure employees received the same care Autogrill has always reserved to its people. The Group promoted and encouraged several online get-togethers for its employees, to keep interpersonal relationships alive and provide moments of contact and interaction, and arranged for broader personal development training including stress management, leadership, personal growth, digital and remote working skills, and foreign languages. It also tried to put employees on the most direct path forward by fostering new abilities and redesigning organizational structures to be more resilient, with the capacity to adapt and transform in light of the events of 2020.

PART-TIME VS. FULL-TIME AND PERMANENT VS. TEMPORARY EMPLOYEES[28] (NO.)

Temporary employees are managed differently from country to country, depending on local legislation and business needs. In general, because the Group mainly hires temporary workers to cover the busy summer and Christmas seasons, in 2020 there was a substantial decrease in this type of contract.

	2020			
	North America	Europe	International	Total
Total employees	**11,662**	**13,498**	**5,932**	**31,092**
Of which: women	7,423	8,650	2,891	18,964
	64%	*64%*	*49%*	*61%*
Permanent	**11,662**	**13,229**	**4,206**	**29,097**
Of which: women	7,423	8,496	2,326	**18,245**
Temporary	**n,a,**	**269**	**1,726**	**1,995**
Of which: women	n,a,	154	565	**719**
Full time	**9,895**	**6,131**	**3,973**	**19,999**
Of which: women	6,231	3,163	1,595	**10,989**
Part time	**1,767**	**7,367**	**1,959**	**11,093**
Of which: women	1,192	5,487	1,296	**7,975**

Once again this year, in fact, permanent contracts outnumbered temporary ones for both men (89%) and women (96%). As for part-time vs. full-time, part-time contracts prevailed in Europe (55%), due to the intrinsic characteristics of the business on Italian motorways.

GRI Standard 103-2, 103-3, 404-1, 404-2

HUMAN RESOURCE DEVELOPMENT, TRAINING, AND APPRAISAL

Staff training is evolving constantly thanks to direct, pro-active involvement that puts the person at the center, as the active protagonist of his or her professional growth.

Training methods have always been a mix of traditional classroom teaching and increasingly widespread learning through online, social and interactive platforms, which predominated in 2020. Over the years the Group has put together leadership development programs, conducted internally through coaching or in collaboration with outside institutions. Its induction, onboarding, and training programs give new hires a sense of belonging and inclusion and take the form group or individual orientation days and online courses. Sales personnel receive on-the-job training, to help them do their jobs and improve their service and product preparation skills, and as a way to attract the best talent.

In 2020, training activities were reorganized in response to the Covid-19 pandemic. In most cases they focused on pandemic-related aspects and were taught as e-learning modules, accelerating the transition towards digital learning and in particular the use of Learning Management Systems (LMS), or through webinars that reached both HQ and store personnel. Most of the training concerned the correct use of PPE, rules of conduct for shared spaces, good hygiene practices, how to safely interact with customers and third parties, and menu adjustments. In many cases, participation was a

28 The "temporary" category does not apply to workers in North America, who are classified according to current legislation by which both parties can terminate employment at any time ("at-will employment")

requirement for returning to the physical workplace, in the interests of health and safety on the job.

School of excellence

Since 2019 Autogrill Italia has been developing a training program for store managers. Called the *Scuola di Eccellenza*, it lasts for 25 weeks, 10 of them in the classroom and the rest on the job. Topics range from hands-on store concept training to customer-centric managerial and administrative skills. The managerial courses address people management, leadership, and team working, and are taught internally via coaching or in partnership with outside trainers. There are also team building activities to strengthen the soft skills of store managers in training. At the end of the program, trainees are challenged to develop a commercial project for their store, making them genuine managers of the future. In 2020 the program was converted into online courses so it could continue in total safety.

As mentioned earlier, alongside specific training in pandemic-related issues, the Group offered instruction in various subjects including stress management, leadership, foreign languages, and digital skills, personal growth, and distance learning practices, for a 360° embrace of employee development. In Italy, for example, senior managers were given the chance to take a personal development course to better manage relations with people and with their teams.

During the year, in response to the new context and the uncertainty as to how it would evolve, the Group promoted and encouraged several online get-togethers for its employees, to keep interpersonal relationships alive and provide moments of contact and interaction. In addition, in light of the growing use of digital technologies to allow remote working, in various countries where the Group operates it has implemented specific cybersecurity measures to protect the IT infrastructure, and employees have been trained in video collaboration policies.

On the whole, in 2020 the Group provided about 210 thousand hours of training[29].

GROUP PER CAPITA TRAINING HOURS[30]

Stores (hours)	2020
Area managers	11.8
Store managers	12.7
Managers	13.1
Service Supervisors	8.8
Crew members	6.0

HQ (hours)	2020
Top managers	6.2
Senior managers	7.6
Managers	9.5
White collars	5.2

29 Not including the numerous hours of training and awareness-raising delivered via webinar, especially in North America, as these took place outside the Learning Management System (LMS)
30 The figures available as of this writing are partially estimated on the basis of the individual training plan for new hires. They do not include the recently acquired companies, Stellar Partners Inc. and Le CroBag GmbH. Figures for Autogrill Austria are temporarily unavailable and are therefore likewise excluded

HUMAN RESOURCE DEVELOPMENT AND APPRAISAL

With a view to fostering professional growth, Autogrill has defined a performance appraisal system that measures the skills applied in pursuit of assigned objectives, assessing the technical capacities specific to the role as well as managerial skills. It has also developed various talent mapping processes, which aim to thoroughly assess training needs and potential in order to define tailor-made career plans for the Group's best performers.

In 2020, with remote working suddenly so widespread as a result of the pandemic, the Group worked to find new ways of managing and supervising operations so that teams could be fruitfully led from a distance, and to set up personal development paths and innovative learning solutions. In most cases, formal performance evaluation systems were temporarily suspended in favor of feedback sessions between employees and their managers. The Group plans to reinstate the formal procedures as soon as the situation becomes more stable.

EMPLOYEE ENGAGEMENT AND TALENT ATTRACTION

The Group's HR units work constantly to create a working environment that attracts and develops talented people, through team-building initiatives and employer branding activities at the global and local level. Over the last few years the Group has gradually developed talent attraction strategies to give it greater visibility in its various markets, thanks to effective online communication and a number of employer branding campaigns on job boards, social networks, and the major job search sites. Recently it has been leaning towards new talent attraction solutions using structured, online recruitment systems designed to make employment offers more visible and accessible to the new generations. This has involved simplifying the online application process while also making it possible to add video interviews in addition to the standard résumé.

When the pandemic and the resulting slowdown made it necessary to implement a hiring freeze, the Group favored collaboration between stores and the reinstatement of people who had already worked with the Group. It also continued to screen the unsolicited applications it received in 2020, with a view to future hiring and to keeping Autogrill attractive to new talents.

In the highly challenging situation presented by the Covid-19 pandemic, the Group encouraged constant feedback from its employees and structured a two-way communication system in order to keep them involved and respond promptly to any needs. There were many initiatives during the year to foster employee engagement, one of the pillars of employee relations in 2020. These were designed to increase the quality and frequency of internal communication, allow employees to bring up any issues, share useful information and best practices, and create a general climate of trust within the Group.

For example, management held regular online meetings to give updates on the Group's operations, sometimes with input from the CEOs of the various business units, and to encourage direct dialogue with employees by answering questions and clearing up doubts. Other initiatives included webinars, newsletters, internal online platforms where employees can post thoughts and questions, and specific courses where managers learn to be more sensitive to employee feedback and to keep their teams highly engaged.

GRI Standard
103-2, 103-3,
401-2, 403-3,
403-6

REMUNERATION AND BENEFITS

Autogrill's remuneration policies are designed to ensure competitiveness in the labor market in line with its objectives of growth and employee retention and to differentiate pay according to skills and qualifications (job description, role and level), working constantly with market data and external benchmarks and ensuring compliance with collective employment agreements and local laws. Remuneration policies include salary adjustments that are likewise tied to performance and growth targets, through a fixed and a variable component, which reinforce the equal opportunity principle and avoid the risk of discriminatory pay. In all countries with a local minimum wage, Autogrill studies economic conditions and employment levels to ensure stability. Entry-level wages are established in accordance with the local laws and collective employment contracts in place in the various countries.

For years the Group has had a Compensation & Benefits systems based on competencies and merit, which aims to create a level playing field while fostering diversity in every form. Regarding benefits, too, the Group insists on treating employees with clarity and transparency and ensuring their welfare by promoting education and healthcare. Benefits are roughly the same for temporary and permanent contracts and for full- and part-time workers, but vary by geographical region, depending on laws that include or exclude certain benefits and/or social security and insurance coverage (health insurance, accident insurance, maternity and paternity leave, disability payments, etc.). They may include healthcare, life insurance, accident and disability insurance, parental leave, vouchers for cultural events or sports, and discounts on public transportation. In some countries, there are retirement benefits such as the 401K plan in the United States.

Because of the pandemic, some benefits such as healthcare, sick leave, and insurance for employees and their families have taken on greater importance. In some cases, and where provided for by law, the Group has offered additional coverage and extended leave, for example by guaranteeing that health insurance will be immediately effective (without the usual waiting period) in case of infection with Covid-19 or extending insurance coverage to the quarantine period. In Italy, employees were provided with extra insurance to cover expenses due to hospitalization for Covid-19 and with medical assistance for headquarters personnel and their families.

Employee benefits were also expanded, for instance, to include courses on mental health, exercise, mindfulness, and stress management, in recognition of how difficult it is to work under the present conditions.

DIVERSITY, EQUAL OPPORTUNITIES, AND INCLUSION

GRI Standard 102-13, 103-2, 103-3, 102-16

The Group recognizes that valuing a diverse, multicultural workforce is a core trait of a successful business, one that makes the most of human capital to the benefit of the company climate. In every country where it operates, Autogrill welcomes the individuality of its people with interest and respect, fostering open, ongoing dialogue and building trust and mutual respect. As it expands internationally and adds to its human capital, the Group has not only grown in quantity but also diversified in terms of nationalities, cultures, and skill sets.

As defined in the Group's policy documents like the Code of Ethics and the Sustainability Policy, in keeping with the highest standards of the International Labour Organization, respect for diversity and equal opportunity and the prevention of all forms of discrimination are the principles to which Autogrill is committed at every stage of the employment relationship: recruitment and selection, the salary offer, growth opportunities, and the eventual parting of ways. This commitment is also recognized externally: in Italy Autogrill has had SA8000 certification since 2009.

In an ongoing effort to encourage transparency and a sense of individual and collective responsibility, the Group has equipped its employees with various platforms to report to the Ethics Committee any conduct inconsistent with the Code of Ethics, and also to signal virtuous behavior in the workplace, while ensuring the confidentiality of information and the privacy of individuals in accordance with the Group's whistleblowing policy. One of these platforms, Open Line, was already up and running in various European countries and in 2020 it was extended to the International area,[31] where the new Speak Up policy was implemented during the year. Open Line is now active in 15 International countries, by way of a dedicated section in the internal communication tool Be Connected. The launch was supported by an internal communication campaign that was extended to the countries where the Open Line platform is not yet available, and included posters and newsletters on the new Speak Up policy featuring the slogan "Share. We Care".

Many initiatives are in place to promote a culture of tolerance and respect: targeted training and awareness programs, contractual provisions sometimes reflecting laws and regulations, and participation in external initiatives that foster gender parity and non-discrimination. In Spain, for example, the Management Committee is tasked with enforcing the Equality Plan signed in 2009, which calls for equal treatment of women and men, a healthy work-life balance, and zero discrimination based on gender or sexual orientation. In North America, a program called Women's Leadership network (WLN) provides women with opportunities for networking and improved leadership skills to enhance their personal and professional growth.

HMSHost named as 2020 Associate Inclusion Champion

The Airports Council International – North America (ACI-NA), which represents commercial airports in the United States and Canada, awarded HMSHost with the title of 2020 Associate Inclusion Champion. Every year, ACI-N/A honors a company for its leadership in promoting inclusion and diversity within its business and its workforce, its awareness and advocacy initiatives, and its mentoring programs for aviation professionals. Specifically, the award is a tribute to the 120 certified Airport Concessions Disadvantaged Business Enterprise (ACDBE) partners that HMSHost supports as part of its commitment to building strong commercial relationships with minority- or women-owned businesses.

GRI Standard 102-41, 103-2, 103-3, 402-1

LABOR RELATIONS

Over the years the Group has maintained an open dialogue with the labor unions in the various countries served, so it can help find the best solutions to reconcile its needs with those of its people. All employees enjoy a transparent working relationship and full protection of their rights, regardless of the contracts typical of their countries. Autogrill protects their right to freedom of association and collective bargaining, recognizing the paramount importance of these freedoms, in accordance with national laws governing collective contracts, individual bargaining and freedom of association.

This commitment to transparency translates to the management of various forms of contract: from national collective bargaining to collective contracts by company and/or location, to individually negotiated agreements. These figures reflect the legislation in different countries[32]. When it needs to make organizational changes, Autogrill complies with all provisions of laws and collective contracts by informing the unions and involving them, where applicable, in talks. The minimum notice period in case of organizational changes thus depends on national and local laws, and ranges from one

31 Open Line is currently available in Europe in Italy, Spain, France, Switzerland, Belgium, Germany, and Greece, and since 2020, in the following International countries: China, Denmark, Finland, France, India, Indonesia (Bali), Netherlands, Norway, Qatar, Sweden, Turkey, United Arab Emirates, United Kingdom, and Vietnam. A different whistleblowing platform is used in North America; while it is based on another operating system, its purposes and functions are similar to those of Open Line and are in line with the Group's policy

32 Countries have their own worker protection policies and regulations. For example, Canada has the Provincial Employment Standards Act, in Great Britain the Works Council protects the rights of workers not covered by collective bargaining, and in the United States disputes are resolved by arbitration committees

to 16 weeks. Labor relations and talks follow the highest standards of transparency and fair dealing, in strict accordance with the law, and promote constructive dialogue with a view to hearing feedback from workers' representatives and maintaining a mutually beneficial working environment.

	2020		
	North America	Europe	International
Employees covered by collective bargaining[33]	US 42% Canada 70%	86%	82%

Throughout the Covid-19 pandemic the labor unions, in the countries where they are present, have been constantly involved in discussions of how to manage the emergency; including through the mediation of workers' representatives, they have been kept up-to-date on health and safety protocols, workforce management, any use of government relief programs, talent retention measures, and necessary organizational changes.

OCCUPATIONAL HEALTH AND SAFETY

GRI Standard 103-2, 103-3, 403-1, 403-2, 403-3, 403-4, 403-5

The health and safety of its workers is a fundamental standard on which Autogrill has always placed maximum emphasis by means of preventive measures, technological progress, training, and day-to-day monitoring. In all of the main countries served, health and safety commissions have been set up and include various positions (depending on local policies), from executives to workers' representatives, who monitor compliance with applicable laws and find the best solutions to reduce the risk of injuries to a minimum.

The Group assures all employees high standards of health and safety, in strict compliance with local laws and regulations. Operating principles are based on the measurement and monitoring of occupational risks, by way of certified management systems (in Italy, for example, Autogrill was one of the first airport operators worldwide to obtain ISO 45001 certification) as well as policies and manuals on preventing accident and illness and on virtuous behavior that reflects the Group's standards and values. In North America, individual locations have their own Safety Teams made up of managers and front-line personnel, who conduct audits to map the most frequent causes of injuries. There is also an app called Mobile Data Safety Tool that automates monthly self-assessments on in-store safety issues. This tool makes it possible to take corrective measures during the audit procedure itself, which reduces the frequency of accidents and promotes a safer workplace. Occupational health and safety is further assured by way of courses, audits, and initiatives to foster workers' physical and mental wellbeing.

To protect the health and safety of employees during the Covid-19 pandemic, the Group implemented all of the measures required by law and in many cases exceeded them out of an abundance of caution. These measures included distributing PPE (face masks, visors, gloves) and hand sanitizer, installing plexiglass dividers, creating one-way paths inside stores to ensure distancing at entrances and exits, measuring employees' temperature, and training workers in prevention protocols. The Group also arranged for specific disinfection and maintenance work on its HVAC systems.

The Group's three business units worked on guidelines for the implementation of protocols and the adjustment of health and safety standards in the context of the pandemic response. In April 2020, the "Start-up manual HMSHost after Covid-19" was distributed to all countries in the International unit, to provide universally applicable instructions and useful tools for reopening stores, in light of the highly fragmented

33 The percentage refers to the countries where Group employees are covered by collective bargaining agreements

laws and restrictions imposed by local authorities. In addition, all countries have adopted specific protocols in case of infection: any employees who test positive are isolated until complete recovery, their close contacts at work are traced, and the premises undergo extra sanitization to further reduce the risk of spread. Thanks to prompt reporting, all positive cases among the Group's workforce have been properly handled.

In accordance with national regulations, movement was reduced to a minimum and HQ staff was immediately switched to remote working, in the interests of employee health and safety. As the emergency evolved, within the confines of the rules in force at any given time, employees were gradually brought back to the office on a rotating schedule at reduced capacity, with the option to work from home always offered. For highly vulnerable employees or those with particular needs, additional measures were taken to ensure their safety.

To ensure the Group's proper implementation of all anti-Covid health and safety measures in the workplace, some stores have been audited by external bodies (such as local and/or government authorities, police units, public health agencies, landlords, and franchising partners) or by members of management or the Group's H&S units. Most of these inspections have had a positive outcome, and where necessary, improvements have been identified and swiftly put in place.

	2020			
Injury rates	**North America**	**Europe**	**International**	**Total**
Workplace injuries (no.)	**299**	**335**	**96**	**730**
Frequency rate	17.3	28.1	12.6	**19.8**
Serious injury rate	0.0	0.0	0.0	**0.0**
Death rate	0.0	0.0	0.0	**0.0**

Injury rates include workplace injuries only (not commuting accidents).
Frequency rate: ((total number of injuries + total number of deaths) / total hours worked) x 1,000,000
Serious injury rate: (total number of serious injuries / total hours worked) x 1,000,000
Death rate: (total number of deaths / total hours worked) x 1,000,000

GRI Standard 103-2, 103-3, 414-1

PROTECTION OF HUMAN RIGHTS

In addition to respecting and protecting the rights of its own employees, as an international leader that does business around the world, Autogrill acknowledges its responsibility to promote the rights of all people. Following its Code of Ethics at all times and embracing the highest international standards, Autogrill works to instill a responsible business culture in everything it does and along the entire value chain, by building trust and mutual satisfaction with its trading partners and employees and observing all local, national, and supranational laws for the protection of human rights.

Autogrill rejects the exploitation of minors throughout its organization and does not use or support child labor, as defined by the International Labour Organization (ILO). In addition, Autogrill is opposed to forced labor and all other forms of exploitation, abuse or psychological or physical coercion of its own employees and of workers employed along the production chain, and strongly condemns human trafficking and exploitation in any form. In the materiality analysis, this issue did not emerge as being highly relevant, due in part to the fact that most operations take place under concession arrangements inside airports that are highly regulated and supervised by airport authorities. One aspect that is very relevant to the Group is the evaluation and monitoring of suppliers, governed by the Autogrill Group Supply Chain Sustainability Guidelines, which set the standards for a sustainable supply chain management approach.

COMMUNITY DEVELOPMENT AND ENGAGEMENT

GRI Standard 102-13, 102-43, 102-44, 201-1

Autogrill believes firmly in respecting and valuing local cultures and works to protect traditions, customs, and environmental and cultural assets, thereby contributing to the economic wellbeing and growth of the communities it serves. Under its concession arrangements, the Group sometimes deals directly with local institutions, and its widespread presence often makes Autogrill one of the leading employers in the region.

Autogrill partners with LIFC to raise awareness of cystic fibrosis

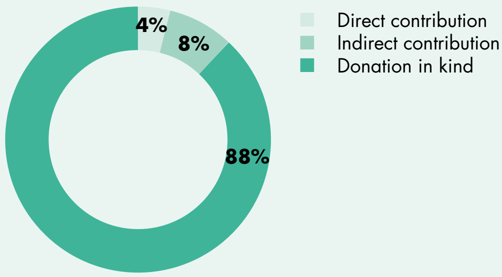
In Italy, Autogrill has joined forces with the Lega Italiana Fibrosi Cistica (LIFC), an association representing cystic fibrosis patients, to support the national awareness and fundraising campaign for this serious genetic disease. The campaign kicked off in September 2020 at Autogrill locations and features “Martino”, the LIFC mascot in the likeness of a kingfisher, a symbol of strength and perseverance. “Martino” is made on an exclusive basis by Trudi and the proceeds will be donated to the families of cystic fibrosis patients. Thanks to its widespread presence throughout Italy, Autogrill can make a real contribution by raising travelers’ awareness of an illness that still strikes many children and brings serious hardship to them and their families.

Autogrill has always been committed to developing projects consistent with its own business, such as the donation of food and meals to non-profits serving the needy. Because of the pandemic and the temporary closure of locations, in 2020 the Group had to manage larger quantities of extra food. In some cases, to the extent permitted by regulations that were often tightened during the emergency to prevent contagion within the community, efforts were made to prevent this food from going to waste, e.g. by donating excess food or items close to their best-buy date to local volunteer organizations or employees and their families, and offering extra discounts for employees to buy food directly from their place of work. At times, employees contributed to community support projects, such as helping out at harvest time when farmers found themselves short-handed because seasonal workers were unable to travel.

In North America Autogrill works with Food Donation Connection, which serves as the liaison between restaurants/food service companies interested in donating surplus food and local social service agencies that distribute it to people in need. About 121 locations at airports, rest stops and malls take part in the program, working with over 100 associations that in 2020 received more than 5.6 million servings of food. In the rest of the world, Autogrill works with associations and foundations involved in healthcare and medical research, child welfare, and famine and poverty relief, with which it builds lasting relationships built on trust. Through HMSHost Foundation, the Group also supports efforts to fight poverty in local communities and provide jobs to the younger generations.

In 2020 the Group's donations exceeded € 3.6 million (4% direct, 8% indirect and 88% in kind).

GROUP DONATIONS BY TYPE



Street art in Italy for a message of hope in the post-pandemic recovery

During the reopening phase, through the street art project "Thanks to our heroes", Autogrill brought 10 murals by artist Alessio-B to various locations on Italian motorways – mostly in the Northwest, where Covid-19 struck especially hard – to send a message of hope to summer travelers. Selected from among the artist's most representative works, the murals were created using special Airlite paints, which purify the air of pollutants when activated by light.

1.6.4 PLANET: ENVIRONMENTAL PROTECTION

GRI Standard
103-2, 103-3

The Autogrill Group is fully aware that the environment is a global priority involving people, organizations and institutions around the world, which is why it takes responsibility for helping to reduce energy consumption and the use of natural resources in favor of clean energy, recycled materials, and a lesser environmental impact. It therefore promotes strategies to reduce its impact by improving environmental performance and finding innovative, energy-efficient concepts and solutions, while strictly complying with environmental laws and regulations. Autogrill endorses and develops programs for the reduction and correct management of waste, supporting the circular economy along the food chain. At locations where it is not directly responsible for procuring energy and related services, the Group works to develop virtuous, cooperative relationships with concession grantors and business partners in order to find areas for improvement and greater efficiency. The responsible use of resources is also encouraged through internal awareness campaigns and imaginative ways of involving stakeholders in a philosophy of sustainability and care for the natural environment.

While the Covid-19 pandemic has momentarily shifted Autogrill's attention to sustainability issues more closely tied to social and economic aspects, the Group reaffirms its commitment to environmental engagement, which remains crucial for ensuring future sustainable growth that is respectful of the planet we live on.

ENERGY AND EMISSIONS MANAGEMENT

GRI Standard
103-2, 103-3,
302-1

At new locations where the Group handles energy resources directly, it installs the latest-generation plants and monitoring systems to oversee efficiency and take corrective measures to reduce consumption and waste. Where utilities are managed by the landlord, as they are at many airport and railway locations, the Group does not always have access to consumption details. This reduces the Group's leverage considerably, although in recent years, landlords have become increasingly attentive to the subject.[34] Autogrill is committed to creating stores with the latest-generation tools for the monitoring and reduction of waste, especially in the motorway and similar channels, and to developing consumption curtailment plans in every country served. These efforts take several forms, such as equipment optimization (changing set point temperatures, using alarms), energy audits, training and information programs for store employees, and the development of increasingly accurate ways to measure and monitor consumption.

In 2020, to the extent possible, the Group maintained its commitments to making stores more energy efficient. Because of the pandemic, it was sometimes necessary to suspend or postpone new energy investments and plans, e.g. for the installation of energy-saving technologies, which will be resumed as soon as the situation allows. In any case, steps were taken to prevent waste and overconsumption during the store closures imposed by the lockdown, for example by having utility contracts adjusted to reflect the reduced need for energy. Even at locations where utilities are managed by the landlord, the Group fostered constructive dialogue to encourage measures that

34 Given these circumstances, the Group's footprint depends strictly on the infrastructure where its companies operate (e.g. airports). On motorways, efforts are made to improve the overall efficiency of stores. For further information on the considerations related to the impact of environmental policies on the financial statements, see Section 1.7.1 "Financial and non-financial risk management" of the Directors' Report

would streamline energy use at stores that were temporarily closed.

Autogrill Italia's Energy Saving Plan

The Energy Saving Plan developed in Italy is based on three pillars: efficient technological solutions, conservation awareness, and the implementation of self-produced energy from renewable sources. To limit energy consumption at locations to be opened in the future, or that will be undergoing major renovations, an Energy Saving Book has been printed with design, construction, and management guidelines for the creation of more energy-efficient, environmentally sensitive locations. For locations not scheduled to be renovated, an investment plan aims to reduce consumption by replacing obsolete technology (e.g. with LED lighting), installing high-tech solutions like quality power systems, choosing optimal equipment settings (e.g. set point temperatures, regulation of lighting and air conditioning), and using remote monitoring and control technologies.

In Italy, Autogrill has embarked on an intensive utilities streamlining program. At stores temporarily closed because of the pandemic, it makes sure non-essential utilities are shut off, lighting is kept to the minimum required for safety, and air conditioning systems are calibrated to actual customer flows. In parallel with these initiatives, employees are encouraged to adopt more rational energy consumption habits.

GROUP ENERGY CONSUMPTION - GJ[35]

		2020			
		North America	Europe	International	Total
HQ + stores					
Total direct energy consumption	GJ	153,388	92,612	9,259	255,259
From non-renewable sources:					
Natural gas	m^3	2,788,346	1,083,957	102,774	3,975,077
Diesel	l	-	735,658	2,322	737,980
LPG	l	1,643,097	161,012	150,042	1,954,151
By vehicle fleet:					
Gasoline	l	-	13,363	26,140	39,503
Diesel	l	-	445,472	6,637	452,109
Biogas	kg	-	-	917	917
Total indirect energy consumption	**GJ**	**177,350**	**571,884**	**80,722**	**829,956**
From non-renewable sources	MWh	49,264	151,944	17,926	219,134
From renewable resources	MWh	-	6,913	3,941	10,854
Emissions	**t $CO_{2\,eq}$**	**32,751**	**56,687**	**10,614**	**100,052**
Total direct emissions	**t $CO_{2\,eq}$**	**8,195**	**5,479**	**521**	**14,195**
From non-renewable sources:		8,195	4,316	447	12,959
By vehicle fleet:		-	1,163	74	1,237
Total indirect emissions	**t CO_2**	**24,556**	**51,208**	**10,093**	**85,857**
Electricity		24,556	51,208	10,093	85,857

35 Figures for direct and indirect energy consumption refer mainly to motorway locations where utilities are managed directly by the Group. In the other channels these figures are based on available data for each location. See the methodological note ("Preparation criteria" section) for further details

Direct energy[36] use consists of the primary consumption of diesel and gasoline for company vehicles, and the consumption of natural gas for the heating systems in various countries. Indirect energy[37] consumption refers mainly to electricity, used for interior comfort (e.g. air conditioning), quality maintenance (e.g. refrigeration), and cooking and preparing foods for customers.

The trend in consumption was heavily influenced by business volumes at the various locations in 2020, making the amounts not comparable with previous years. Also, in North America, data is limited to motorway locations and performance reflects the lengthy restrictions on movement as a result of the Covid-19 pandemic.

ENVIRONMENTAL CERTIFICATION

One consequence of Autogrill's care for the environment is the chance to obtain important certifications.

Certification	Scope
LEED® Gold	Italy – Autogrill Italia S.p.A.: Villoresi Est
	USA – HMSHost: Bethesda HQ
LEED® Silver	USA – HMSHost: Delaware House Travel Plaza
ISO 50001: 2015	Italy – Autogrill Italia S.p.A.: Villoresi Est
ISO 14001: 2015	Italy – Autogrill Italia S.p.A.: HQ, Villoresi Est, Brianza Sud and for locations at Caselle Airport in Turin; Nuova Sidap: HQ
	Greece – Athens International Airport
EMAS	Italy – Autogrill Italia S.p.A.: HQ, Villoresi Est, Brianza Sud
ISO 14064 (greenhouse gases)	Italy – Autogrill Italia S.p.A.: Rozzano headquarters and Sebino
HQE (High Quality Environmental)	France – Autogrill Côté France: Canaver, Ambrussum
RT 2012 (Low Consumption Building)	France – Autogrill Côté France: Ambrussum, Manoirs du Perche, Plaines de Beauce, Chartres Gasville, Chartres Bois Paris, Lochères, Miramas, Villeroy, JdArbres, Wancourt, Porte de la Drôme N&S, Granier
California Green Building Code - Level I and California Energy Standard - Title 24	USA – HMSHost: locations at Los Angeles International Airport
Energy Star	USA – Equipment at locations

Note also that the Adda Sud location in Italy has obtained energy rating A1.

WASTE MANAGEMENT AND PACKAGING

GRI Standard 103-2, 103-3, 306-2

Waste is produced during food preparation and service: preparation requires the disposal of scraps and packaging, and once customers are served, there might be leftovers or disposable tableware. The right approach to each of these phases is a fundamental aspect of Autogrill's commitment to environmentally sound practices. The Group's business units have a country-by-country program for monitoring the volume of waste produced, based on local laws and the characteristics of each location, including the collection and recycling system. In the vast majority of cases, especially at malls, railway stations, and airports, the Group does not have direct control over the collection and disposal of waste, which is up to the infrastructure operator. Conversely, on Italian motorways, Autogrill takes care of waste collection and disposal directly using the public service and private collectors.

The Group has adopted several waste management initiatives around the globe. An increasing number of locations separate frying oil (for the production of biodiesel and

36 Direct energy is the use of energy sources like natural gas, diesel, and gasoline, which generate emissions directly
37 Indirect energy is purchased externally, like electricity, and generates emissions indirectly

green energy), plastic, and paper, and have customers separate plastic and glass bottles wherever possible. There are numerous efforts to reduce the quantity of waste: from initiatives with external partners, to employee awareness programs that help decrease the amount of packaging that will end up being discarded. The Group is always seeking new ways of evolving toward a more responsible, sustainable consumption model and works with brand partners, suppliers, and concession grantors to find effective, scalable solutions. Some of Autogrill's long-term commitments include a focus on using recyclable materials instead of plastic and making existing solutions more efficient, with a general emphasis on multi-use rather than single-use through the installation of water distributors, the reduced use of plastic bottles for soft drinks and water, and so forth. Where waste management is handled directly, the Group is working to select collectors and disposal plants that can guarantee adequate rates of reuse and recycling.

Autogrill and the circular economy: the WASCOFFEE project

Innovation and sustainability are an integral part of Autogrill's development strategy and the proof is in WASCOFFEE®, a new material made from coffee grounds. The Group launched this open innovation project to find a way to recycle one of its most emblematic raw materials: Autogrill serves more than 100 million cups of coffee every year in Italy alone. Through a partnership with CMF Greentech, an Italian innovator specialized in eco-sustainable products, WASCOFFEE® was developed and patented as a 100% natural, recyclable material suited for furnishings and ecodesign.

WASCOFFEE® was first introduced at the Bistrot in Milan's City Life complex in late 2017 and was later adopted as a design element of newly opened Puro Gusto and Bistrot locations in Italy and the rest of Europe. These include the Puro Gusto at Milano Linate airport, where the tables, counter, and wall panels — depicting the lifecycle of a coffee bean and a map in honor of the city of Milan — are made entirely of WASCOFFEE®. Recently used for some Puro Gusto and Bistrot locations in France and Turkey, the material will soon make its overseas debut at San Francisco airport.

Autogrill maintained a strong focus on packaging in 2020, confirming a tendency to favor sustainably sourced, compostable, recycled materials. However, because of the pandemic emergency, at times the priority was shifted to using materials already on hand in order to keep stores fully operational. Moreover, the rise in takeaway orders as a result of anti-Covid safety measures, along with the need to meet the strictest hygiene and safety standards, increased the use of single-use packaging in 2020 and therefore the production of plastic and other waste. These trends should be viewed as temporary, as a necessary response to the pandemic, and do not change the Group's long-term commitments or its customers' inclination to more responsible consumption. In that regard, with a view to the European ban on single-use plastic starting in 2021, the Group is supporting research into a new assortment of products (including cutlery, plates, takeaway packaging, cups, and straws) made entirely of sustainable, compostable, recycled materials.

HMSHost receives the Aviation Environmental Excellence Award

The "Startsomewhere" program, underway in the North American region, aims to convince employees that they can each make a difference to environmental sustainability and to ensure that the most sustainable, innovative practices are followed at all of its restaurants and offices. Thanks to this initiative, the Port of Seattle honored HMSHost with the Aviation Environmental Excellence Award for outstanding environmental performance and strong leadership in helping Seattle-Tacoma Airport (SEA) reach its sustainability targets. The Startsomewhere program involves donating leftover food, encouraging good waste management practices, giving away restaurant furnishings, and taking action to reduce single-use plastic and energy consumption.

FOOD WASTE

Autogrill's internal management systems, developed and refined over the years thanks to experience and technology, allow it to calculate with a relatively low margin of error the number of people that each location should be ready to welcome on each day of the year. To reduce food waste to a minimum, Autogrill works constantly on several fronts. While making its back-end processes (recipe design, product preparation, etc.) as efficient as possible, it strives to find newer and better ways of cutting down waste, for example by improving production planning, raising customer awareness, and partnering with external organizations.

As mentioned above, the leftovers that remain inevitable are donated to food banks, where possible, or sold at a discount at day's end. In some European countries, Autogrill has partnered with the app "Too Good to Go" that helps ensure food does not go to waste.

In 2020, due to the pandemic-induced store closures and collapse in sales, the Group stepped up its controls of inventory and foods nearing their use-by date in order to reduce waste to a minimum, and in accordance with applicable laws it made efforts to speed up its donations to food banks and employees. Among other measures it streamlined menus, redistributed inventory to stores that were open for business, reached agreements with suppliers to return stocks likely to go unsold, and adapted its commercial offers at individual locations depending on the inventory on hand or at risk of going to waste.

The new Soup & Bakery concept by the Netherlands' De Verspillingsfabriek wins the Innovation Award

This year, HMSHost International won two of the Schiphol Business Awards assigned by the Royal Schiphol Group. In addition to the Team Spirit Award won by the "chefs of the future" team working in Dutch restaurants as F&B hospitality ambassadors, the Innovation Award was given to the new sustainable Soup & Bakery concept of De Verspillingsfabriek. The shop, which serves dishes made from ingredients that would otherwise be tossed out as waste at Amsterdam Schiphol airport, is the perfect example of sustainability and of how raw materials, innovation, and talent can be combined to create new sustainable solutions.

In 2020 HMSHost International also added Vrumona's local mineral water Sourcy to its Amsterdam Schiphol menu; the water is sold in bottles made of 100% recycled plastic (rPET). Other initiatives will follow in 2021 to encourage travelers to recycle the bottles in turn, which will mark significant progress toward the sustainability, zero waste, and circular economy targets set for 2030 by HMSHost International.

1.6.5 PRODUCT: PRODUCT QUALITY AND SAFETY AND FOCUS ON THE CUSTOMER

The Autogrill Group is committed to ensuring the safety and quality of what it serves, day after day: from raw materials to the finished product, following the right preparation standards and using quality ingredients in accordance with all local regulations and food safety standards. The Group requires its foods to be prepared under strict hygiene and sanitary conditions and actively involves its employees in understanding and appreciating these rules. For Autogrill, serving quality products also means assuring food safety throughout the procurement and production chain. In this vein the Group develops concepts, menus, and recipes made from safe, nutritious ingredients that meet different dietary needs and preferences.

In 2020, in light of the pandemic, it was more important than ever to put the customer at the center of attention. To keep customers up-to-date on Autogrill's pandemic response and how it was continuing to serve them while following government regulations, the Group acted promptly to print and display information at its stores. It posted the Group's Covid protocols and guidelines, explained contactless payment and ordering methods, and described the hygiene and other anti-contagion practices customers should follow while on the premises. Autogrill gave its employees a fundamental role in the communication process, as key players in creating a climate of mutual trust.

To communicate with customers, answer their questions, and summarize the measures and strict safety standards adopted, the Group also used various channels including the Autogrill website, special ad hoc websites, social media, advertising campaigns, and radio ads.

Stores were adapted for social distancing by, for example, setting a maximum occupancy limit per table, rearranging tables and seating space, and reducing the number of staff. Where required by local regulations, customer information was collected for the purpose of contact tracing.

GRI Standard 102-43, 102-44, 103-2, 103-3

CONSUMERS: ENGAGEMENT AND QUALITY OF SERVICES

Autogrill encourages customer feedback and the development of innovative products and services that will meet society's demands over the long-term horizon. The new consumption patterns we seek constantly lead to ideas for increasing the excellence of the travel food experience and pursuing the utmost satisfaction of customers and all other stakeholders.

In every country served, the Group has set up customer care services to handle feedback and any complaints. Store employees are suitably trained in this respect and learn to handle the most delicate situations promptly and in accordance with protocols.

To monitor how the pandemic has changed customers' needs and preferences, the market was analyzed using studies and various sources of information, and the Group encouraged the exchange of insights and best practices within its perimeter and between Autogrill and its commercial partners. No less important was the direct observation of new purchasing and consumption habits and direct requests for feedback, which were used to adapt product assortments and business models so that customers would continue to have a pleasant experience (for example, by spending less time indoors and avoiding crowded spaces) in accordance with regulations in force.

The Group adapted its product assortment to the new consumption patterns, increasingly geared towards takeaway and pre-packaged foods in snack or travel formats, and simplified the complexity and variety of its assortment as the market affirmed a back-to-basics trend. Other measures included setting up new outdoor areas where travelers can eat and drink more safely, replacing tableware with single-use packaging for takeaway, shutting down buffets and self-service stations, adding home delivery where appropriate, and, as better described below, making greater use of digital technologies such as online or app-based ordering platforms and electronic or contactless payments.

DIGITIZATION AND INNOVATION OF SERVICES

GRI Standard 103-2, 103-3

Over the years, digitalization has been used to improve the customer experience by providing better, clearer information, with screens showing photo and video content and messages customized to the time of day and target clientele. Dedicated apps, virtual payment, and digital kiosks have likewise enhanced the purchasing phase. In the United States, the Network Operation Center ensures the highest level of security for electronic payments and the best customer experience for all of the wi-fi-linked services offered at most Autogrill locations.

Anti-contagion measures like social distancing required the rapid adjustment of business models and operations to the new needs of travelers and to changes in their mobility and purchasing patterns, allowing Autogrill to maintain its traditional level of service while keepings its customers safe. The changes led to the increased development of rapid shopping and an acceleration in digital payment methods, by way of innovative, high-tech solutions that continued to deliver a quality experience to travelers.

The digitalization projects supported by the Group include the use of apps and of QR codes placed in strategic, highly visible positions inside and in the vicinity of stores. Using a smartphone from outside the store, travelers can consult menus and order a meal, pay digitally, and receive a pick-up notification, reducing their time indoors to a minimum. Automatic digital kiosks were another way to encourage self-service ordering. On that note, the Group is testing a completely self-service concept involving takeaway items, a self check-out device for digital payment methods, and a coffee machine that unlocks automatically when the purchase is complete. Finally, the Group improved its collaboration with delivery partners, where this service is offered, in order to guarantee the faster, more efficient coordination and delivery of orders.

PRODUCT QUALITY AND SAFETY

GRI Standard 103-2, 103-3, 403-7, 416-1

Autogrill has a primary responsibility to ensure the safety and quality of what it serves, day after day: from raw materials to the finished product, following the right preparation standards and using quality ingredients in accordance with all local regulations and food safety standards.

The quality and safety of the products served are guaranteed by a management system that begins with the supplier selection process and is based on values and objectives that are strongly shared by the Group and its trading partners. To that end, suppliers are periodically screened by way of questionnaires, direct or indirect information gathering, spot checks, and annual audits. In addition to these assessments and controls is a self-screening program falling within the management system used in the various countries, consisting of a set of centrally coordinated procedures carried out on-site to ensure compliance with all hygiene and sanitary standards. The results of HACCP[38] audits on individual locations count towards the MBO[39] system followed for store managers. In North America, the Group has a quality control and food safety program administered by an outside company, based on the Food and Drug Administration Food Code in the United States and the Safe Food for Canadians Act in Canada. Each location is inspected without notice at least twice a year, after which the Quality Assurance department reviews the audits and oversees implementation of the improvement plans proposed by the store managers.

Direct suppliers also go through a pre-approval process to test their level of compliance with the Group's HACCP standards, which call for strict microbiological, content and chemical/physical analyses along the entire supply chain, at intervals defined according to the degree of risk. As a brand licensee, the Group itself is subject to audits by brand partners as well as concession grantors. Staff training in food safety standards and HACCP processes completes the Group's oversight program.

Already fully inclusive of the strictest national and local regulations, the quality management system allowed the Group to operate in total safety from the outset of the Covid-19 pandemic by taking a few additional precautions, such as the mandatory use of gloves and face masks or visors by all food preparation staff. Numerous locations were inspected for compliance with anti-Covid protocols, by both internal and external bodies, including government agencies and certification or control authorities. The outcome of all inspections was positive and any shortcomings were promptly addressed and resolved.

GRI Standard 103-2, 103-3

HEALTHY, BALANCED MENUS

The Autogrill Group develops concepts, menus, and recipes made from safe, nutritious ingredients that meet a variety of dietary needs and preferences. Trends do indicate that consumers are showing a growing preference for healthy, balanced lifestyles, starting with what they eat. Autogrill interprets travelers' needs so it can quickly respond to the complexity of these changes and translate them into innovative menus.

The portfolio has been expanded to include concepts focusing on well-balanced assortments (like Leon and La Place), while at existing locations solutions are developed from simple, genuine ingredients and balanced menus are created with input from nutritionists and science communicators. In North America, for example, various initiatives were taken during the year to expand the "Eat Well. Travel Further" concept by introducing healthy, nutritious menu items consistent with a plant-based diet. External partnerships are developed to guarantee a supply of quality gluten-free and organic foods. Many options are available throughout the Group for those who choose a vegetarian or vegan diet, and in some markets, where relevant, halal products are marked with their own sticker.

ANIMAL WELFARE

The Group acknowledges its responsibility to promote animal welfare as a key element in ensuring the safety and quality of its menus. Carefully considering its different markets and their cultures, Autogrill is committed to sustainable, responsible purchasing that protects animal welfare in accordance with laws, regulations, and international best practices. In Italy, for its directly managed locations and proprietary brands, Autogrill only uses shell eggs and egg mixes sourced, at a minimum, from

38 HACCP: Hazard Analysis and Critical Control Points
39 MBO: Management by Objectives

cage-free hens. It was one of the first in the Italian industry to promise not to use eggs from battery-grown hens, which in 2009 won it the Good Egg award from Compassion in World Farming, the largest international farm animal welfare organization.

In North America and Europe it has committed to using only cage-free eggs by 2025. In the Netherlands, an agreement has been struck with a zero-impact organic farm that guarantees the highest animal welfare standards.

PRODUCT LABELING AND MARKETING

GRI Standard
103-2, 103-3

Laws on disclosing the ingredients of food products are followed scrupulously in all countries served, with particular attention for information on allergens and the food's role in a healthy diet. In the United States, for example, in accordance with Food and Drug Administration rules, all prepackaged, grab-and-go products are labeled for allergens and for their nutritional and calorie content, similarly to the policy in Northern Europe. Every International location keeps detailed pamphlets on allergens, including gluten and dairy, and for some products the information can be viewed directly with a barcode reader.

Autogrill strictly complies with the laws in each country regarding alcohol and tobacco sales, and is committed to the responsible consumption of these products. In North America, the Serve Safe Alcohol program trains all employees in the correct serving of alcoholic beverages. Marketing at U.S. locations includes the "We ID" message asking all customers to present identification when they purchase alcohol.

PRINCIPAL CERTIFICATIONS

The Group views the certifications it has obtained as proof of its successful business models and as encouragement to strive for constant improvement.

Certification	Applies to:
ISO 9001:2015 on Quality Management Systems	Italy: Autogrill Italia S.p.A. and Nuova Sidap
ISO 22000 on Food Safety Management	Italy: Autogrill Italia S.p.A (HQ and MAO); Greece: Autogrill Hellas EPE
ISO 9001:2015 (provision of technical project management services)	Italy: Autogrill Italia S.p.A. Greece: Autogrill Hellas EPE
BS OHSAS 18001:2007, UNI ENI ISO 450001	Italy: Autogrill Italia S.p.A. – HQ and airport locations
Halal certification from MUI (Majelis Ulama Indonesia)	Pizza Hut at Bali airport, locations at Bangalore airport (HMSHost International), Majia Sumai (China), Pizza Hut and Burger King in Jakarta, airport locations at Bangalore and Hyderabad (HMSHost International)
Diverse Food Safety program	Locations in Bali (HMSHost International), locations at Schiphol airport (HMSHost International)
FSSAI (Food Safety and Standards Authority of India)	Airport locations at Bangalore and Hyderabad (HMSHost International)
NVWA (Netherlands Food and Consumer Product Safety Authority)	Locations at Schiphol airport (HMSHost International)
EIQA Irish Food Safety Quality Awards	HMSHost Ireland
IMQ Covid-19 Restriction	Italy: Rozzano HQ and stores

RESPONSIBLE SUPPLY CHAIN MANAGEMENT

GRI Standard
103-2, 103-3,
102-9, 102-12,
308-1, 414-1

The Autogrill Group strives to create stable, long-term relationships based on transparency, integrity, impartiality, and contractual fairness, favoring domestic suppliers wherever possible as a way of supporting each country's economy. Autogrill's supply chain is made up chiefly of food and beverage vendors: for fresh foods they are mostly local, while for general categories the Group takes advantage of its multinational dimension to enter into supply contracts in different countries. There is also a small number of providers of technical goods and services, such as maintenance and cleaning. The procurement processes and partnership arrangements with suppliers are guided by the Procurement units and by specialists working at head offices in the different countries, sometimes with support from specialized brokers as well as the supply chains of brand partners.

It is in Autogrill's interest to verify the suitability of suppliers, from an ethical point of view and in terms of product quality and safety, for the sake of an enduring relationship. For this reason Autogrill has adopted the Group Supply Chain Sustainability Guidelines, developed with input from the Global Compact Network Italy Foundation, which defines general standards for the evaluation of suppliers and the basic principles reflecting the Group's sustainable supply chain management approach.

All suppliers sign the Group Code of Ethics, or a specific Supplier Code of Conduct in North America, as part of the qualification process. This applies to suppliers the Group contracts directly and to any intermediaries that help it manage the procurement process. The International area has made the Supply Chain Sustainability Guidelines part and parcel of all new vendor contracts. In Italy, suppliers are bound to the certification standards of SA8000. It is important to note that especially in countries where supplier quality cannot be audited, supply chain risk is managed by giving priority to large companies that are already certified and subject to external audits.

In managing the Covid-19 emergency, the Group conducted a thorough due diligence to monitor any pandemic-related interruptions in the supply chain; no such problems were found. It also identified the key products within its assortment, with a view to ensuring their constant supply and in general to monitoring inventory levels. Because the pandemic has made it difficult to predict customer traffic, in fact, the Group has pursued agreements with suppliers for the return of unsold stocks. Where necessary, it has also sought potential alternative buyers for unsold merchandise or foods nearing their use-by date, and solutions to render the supply chain more flexible (for example by having suppliers modify the weight or quantity of certain deliveries).

To ensure the health and safety of its employees and customers, the Group struck commercial agreements ensuring the timely delivery of items for the prevention of contagion. The procurement of PPE and similar materials is the responsibility of the process owner assigned to manage the emergency in each country, with assistance from the Quality and Purchasing departments. Where appropriate, the Group's usual procurement standards were supplemented with additional criteria such as certification marks or particular specifications.

1.6.6 AUTOGRILL GROUP SOCIAL AND ENVIRONMENTAL DATA

EMPLOYEES BY AGE, GENDER, AND PROFESSIONAL CATEGORY

GRI Standard 102-8, 405-1

	2020				2019				2018			
(no.)	North America	Europe	International	Total	North America	Europe	International	Total	North America	Europe	International	Total
TOTAL EMPLOYEES	**11,662**	**13,498**	**5,932**	**31,092**	**33,113**	**16,920**	**12,028**	**62,061**	**32,030**	**16,624**	**11,398**	**60,052**
Of which: women	7,423	8,650	2,891	18,964	20,575	10,637	6,021	37,233	19,581	10,417	5,699	35,697
	64%	*64%*	*49%*	61%	*62%*	*63%*	*50%*	60%	*61%*	*63%*	*50%*	59%
Headquarters	**276**	**611**	**481**	**1,368**	**603**	**682**	**711**	**1,996**	**604**	**651**	**731**	**1,986**
Top managers	**16**	**37**	**41**	**94**	**19**	**42**	**46**	**107**	**86**	**40**	**47**	**173**
Women	4	7	9	20	7	8	9	24	34	5	7	46
< 30 years	0	0	0	0	0	0	0	0	0	0	0	0
30-50 years	0	19	23	42	5	20	28	53	38	19	31	88
> 50 years	16	18	18	52	14	22	18	54	48	21	16	85
Senior managers	**63**	**48**	**49**	**160**	**77**	**51**	**55**	**183**	**128**	**47**	**59**	**234**
Women	23	14	19	56	27	16	22	65	55	18	24	97
< 30 years	0	0	1	1	0	2	2	4	1	2	2	5
30-50 years	24	31	38	93	36	35	45	116	77	32	48	157
> 50 years	39	17	10	66	41	14	8	63	50	13	9	72
Managers	**98**	**147**	**125**	**370**	**177**	**166**	**151**	**494**	**172**	**162**	**134**	**468**
Women	45	77	58	180	81	83	70	234	74	84	64	222
< 30 years	1	3	17	21	7	7	21	35	10	8	15	33
30-50 years	60	96	95	251	108	113	118	339	108	115	111	334
> 50 years	37	48	13	98	62	46	12	120	54	39	8	101
White collars	**99**	**379**	**266**	**744**	**330**	**423**	**459**	**1,212**	**218**	**402**	**491**	**1,111**
Women	65	236	136	437	206	269	241	716	149	260	207	616
< 30 years	9	37	79	125	35	52	206	293	35	48	233	316
30-50 years	51	208	171	430	180	234	230	644	112	233	237	582
> 50 years	39	134	16	189	115	137	23	275	71	121	21	213

(no.)	2020 North America	2020 Europe	2020 Interna-tional	2020 Total	2019 North America	2019 Europe	2019 Interna-tional	2019 Total	2018 North America	2018 Europe	2018 Interna-tional	2018 Total
Stores	11,386	12,887	5,451	29,724	32,510	16,238	11,317	60,065	31,426	15,973	10,667	58,066
Area managers	131	67	70	268	136	64	95	295	137	56	80	273
Women	43	15	15	73	40	14	18	72	41	10	15	66
< 30 years	1	1	4	6	0	0	8	8	0	0	8	8
30-50 years	63	42	62	167	68	38	81	187	66	36	70	172
> 50 years	67	24	4	95	68	26	6	100	71	20	2	93
Store managers	505	503	221	1,229	1,254	549	290	2,093	1,219	517	243	1,979
Women	249	187	87	523	596	203	111	910	577	178	91	846
< 30 years	51	17	46	114	183	22	74	279	155	19	64	238
30-50 years	303	345	160	808	733	373	201	1,307	708	361	168	1,237
> 50 years	151	141	15	307	338	154	15	507	356	137	11	504
Managers	289	495	237	1,021	744	520	336	1,600	858	533	481	1,872
Women	140	271	90	501	396	283	131	810	501	270	191	962
< 30 years	22	62	80	164	179	83	130	392	245	91	200	536
30-50 years	187	303	145	635	406	320	192	918	449	322	260	1,031
> 50 years	80	130	12	222	159	117	14	290	164	120	21	305
Unit heads	841	1,938	1,074	3,853	2,873	1,999	1,646	6,518	3,311	2,118	1,121	6,550
Women	592	1,178	569	2,339	1,966	1,228	852	4,046	2,237	1,309	536	4,082
< 30 years	254	237	509	1,000	1,144	272	892	2,308	1,402	297	651	2,350
30-50 years	405	1,240	516	2,161	1,244	1,306	703	3,253	1,333	1,376	451	3,160
> 50 years	182	461	49	692	485	421	51	957	576	445	19	1,040
General employees	9,620	9,884	3,849	23,353	27,503	13,106	8,950	49,559	25,901	12,749	8,742	47,392
Women	6,262	6,665	1,908	14,835	17,256	8,533	4,567	30,356	15,913	8,283	4,564	28,760
< 30 years	2,948	1,555	2,504	7,007	11,718	3,316	6,667	21,701	11,117	3,027	6,746	20,890
30-50 years	3,655	5,708	1,100	10,463	9,563	7,059	1,959	18,581	8,848	6,911	1,722	17,481
> 50 years	3,017	2,621	245	5,883	6,222	2,731	324	9,277	5,936	2,811	274	9,021
Protected categories/ employees with disabilities	0	447	48	495	n.a.	488	73	561	n.a.	535	61	596

These figures are a snapshot of the Group's workforce at 31 December 2020. Changes across the three-year period reflect the trend in business volumes as a result of the Covid-19 pandemic. For North America, information on employees in protected categories is not available because of privacy laws.

EMPLOYEES BY TYPE OF CONTRACT[40]

GRI Standard 102-8, 405-1

(no .)	2020 North America	2020 Europe	2020 Interna-tional	2020 Total	2019 North America	2019 Europe	2019 Interna-tional	2019 Total	2018 North America	2018 Europe	2018 Interna-tional	2018 Total
Total employees	**11,662**	**13,498**	**5,932**	**31,092**	**33,113**	**16,920**	**12,028**	**62,061**	**32,030**	**16,624**	**11,398**	**60,052**
Of which: women	7,423	8,650	2,891	18,964	20,575	10,637	6,021	37,233	19,581	10,417	5,699	35,697
	64%	*64%*	*49%*	*61%*	*62%*	*63%*	*50%*	*60%*	*61%*	*63%*	*50%*	*59%*
Permanent	**11,662**	**13,229**	**4,206**	**29,097**	**33,113**	**14,503**	**6,356**	**53,972**	**32,030**	**13,720**	**5,692**	**51,442**
Of which: women	7,423	8,496	2,326	18,245	20,575	9,181	3,407	33,163	19,581	8,736	3,003	31,320
Temporary	**0**	**269**	**1,726**	**1,995**	**n.a.**	**2,417**	**5,672**	**8,089**	**n.a.**	**2,904**	**5,706**	**8,610**
Of which: women	0	154	565	719	n.a.	1,456	2,614	4,070	n.a.	1,681	2,696	4,377
Full time	**9,895**	**6,131**	**3,973**	**19,999**	**26,791**	**6,942**	**7,553**	**41,286**	**25,410**	**7,396**	**7,122**	**39,928**
Of which: women	6,231	3,163	1,595	10,989	16,438	3,624	3,174	23,236	15,455	3,771	3,050	22,276
Part time	**1,767**	**7,367**	**1,959**	**11,093**	**6,322**	**9,978**	**4,475**	**20,775**	**6,620**	**9,228**	**4,276**	**20,124**
Of which: women	1,192	5,487	1,296	7,975	4,137	7,013	2,847	13,997	4,126	6,646	2,649	13,421

PER CAPITA TRAINING HOURS BY EMPLOYEE CATEGORY[41]

GRI Standard 404-1

Group (hours)	2020	2019	2018
HEADQUARTERS			
Top managers	**6.2**	**14.4**	**8.3**
Women	10.3	25.0	11.2
Men	5.1	11.9	7.3
Senior managers	**7.6**	**8.0**	**10.2**
Women	16.0	10.0	11.0
Men	3.6	6.9	9.7
Managers	**9.5**	**7.2**	**12.9**
Women	11.8	8.3	15.3
Men	7.4	6.2	10.7
White collars	**5.2**	**6.7**	**9.3**
Women	5.5	6.9	8.9
Men	4.9	6.3	9.7

Group (hours)	2020	2019	2018
STORES			
Area managers	**11.8**	**21.6**	**15.3**
Women	11.7	15.1	8.8
Men	11.8	23.4	17.3
Store managers	**12.7**	**38.3**	**31.8**
Women	8.8	33.4	28.5
Men	15.5	42.1	34.3
Managers	**13.1**	**30.4**	**32.2**
Women	12.0	30.3	27.5
Men	14.0	30.6	37.1
Unit heads	**8.8**	**37.5**	**35.1**
Women	8.2	37.9	35.0
Men	9.6	36.9	35.1
General employees	**6.0**	**41.7**	**18.0**
Women	5.3	43.4	17.8
Men	7.4	39.1	18.4

The change in training hours reflects the heavy impact of the health emergency on the Group's operations. In addition, most of the hours consisted of in-store training in safety and Covid management protocols, which were not always possible to correctly record. The calculation does not include the many hours of training and awareness-raising provided by the business unit via webinar, as the delivery method did not allow for proper tracing.

40 The "temporary" category does not apply to workers in North America, who are classified according to current legislation by which both parties can terminate employment at any time ("at-will employment")

41 The figures available as of this writing are partially estimated on the basis of the individual training plan for new hires. They do not include the recently acquired companies, Stellar Partners Inc. and Le CroBag GmbH. Figures for Autogrill Austria are temporarily unavailable and are therefore likewise excluded

GRI Standard 401-1

NEW HIRES AND DEPARTURES

	2020				2019				2018			
	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total	North America	Europe[42]	Interna-tional	Total
Hires (no.)	**7,115**	**1,960**	**1,969**	**11,044**	**27,692**	**9,746**	**9,013**	**46,451**	**24,256**	**9,731**	**8,751**	**42,738**
Women	4,556	1,082	1,002	6,640	17,835	5,688	4,406	27,929	15,057	5,702	4,393	25,152
Men	2,559	878	967	4,404	9,857	4,058	4,607	18,522	9,199	4,029	4,358	17,586
< 30 years	4,480	1,276	1,595	7,351	18,906	5,765	7,186	31,857	17,177	5,838	7,204	30,219
30-50 years	1,861	587	344	2,792	6,863	3,479	1,635	11,977	5,602	3,424	1,395	10,421
> 50 years	774	97	30	901	1,923	502	192	2,617	1,477	469	152	2,098
Departures (no.)	**27,645**	**5,524**	**8,045**	**41,214**	**24,415**	**9,976**	**8,056**	**42,447**	**23,173**	**9,821**	**7,397**	**40,391**
Women	17,083	3,172	4,137	24,392	15,524	5,874	3,941	25,339	14,325	5,761	3,785	23,871
Men	10,562	2,352	3,908	16,822	8,891	4,102	4,115	17,108	8,848	4,060	3,612	16,520
< 30 years	13,231	2,708	5,964	21,903	16,242	5,435	6,395	28,072	15,976	5,326	6,078	27,380
30-50 years	9,429	2,208	1,900	13,537	6,160	3,597	1,521	11,278	5,486	3,588	1,181	10,255
> 50 years	4,985	608	181	5,774	2,013	944	140	3,097	1,711	907	131	2,749
Turnover, incoming (%)	**57%**	**15%**	**33%**	**35%**	**84%**	**58%**	**75%**	**75%**	**76%**	**59%**	**77%**	**71%**
Women	57%	13%	35%	34%	87%	53%	73%	75%	77%	55%	77%	70%
Men	58%	18%	32%	36%	79%	65%	77%	75%	74%	65%	76%	72%
< 30 years	124%	67%	49%	84%	143%	154%	90%	127%	132%	167%	91%	124%
30-50 years	37%	7%	15%	18%	56%	37%	46%	47%	48%	36%	45%	43%
> 50 years	20%	3%	8%	12%	26%	14%	41%	22%	20%	13%	40%	18%
Turnover, outgoing (%)	**237%**	**41%**	**136%**	**133%**	**74%**	**59%**	**67%**	**68%**	**72%**	**59%**	**65%**	**67%**
Women	230%	37%	143%	129%	75%	55%	65%	68%	73%	55%	66%	67%
Men	249%	49%	129%	139%	71%	65%	69%	69%	71%	65%	63%	68%
< 30 years	403%	142%	184%	260%	122%	145%	80%	112%	123%	153%	77%	112%
30-50 years	199%	28%	82%	90%	50%	38%	43%	44%	47%	38%	38%	42%
> 50 years	137%	17%	47%	76%	27%	26%	30%	27%	23%	24%	34%	24%

Percentages represent employee turnover rates (incoming and outgoing) and are calculated in relation to the total number of employees for each area, gender, and age range. The differences in turnover rates across regions is explained by diverse trends in the markets and in Group operations as a result of the public health emergency, with particular reference to the International area and North America.

42 The 2018 figures for Europe have been restated following an improvement to the turnover rate reporting and calculation systems, in order to harmonize data across the different regions

INJURY RATES[43]

GRI Standard 403-9

	2020				2019				2018			
	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total
Workplace injuries (no.)	**299**	**335**	**96**	**730**	**1,176**	**630**	**307**	**2,113**	**1,122**	**555**	**291**	**1,968**
Women	170	212	49	431	744	391	172	1,307	703	372	164	1,239
Men	129	123	47	299	432	239	135	806	419	183	127	729
Frequency rate	**17.25**	**28.10**	**12.60**	**19.80**	**28.49**	**29.40**	**22.19**	**27.61**	**28.13**	**25.03**	**22.94**	**26.33**
Women	16.51	30.02	14.06	20.66	30.35	29.97	28.91	30.04	30.06	28.11	28.81	29.28
Men	18.34	25.31	11.32	18.68	25.78	28.51	17.12	24.40	25.38	20.48	18.16	22.47
Serious injury rate	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.5**	**0.1**	**0.0**	**0.1**	**0.0**	**0.0**
Women	0.0	0.0	0.0	0.0	0.0	0.0	1.2	0.2	0.0	0.2	0.0	0.0
Men	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Death rate	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**	**0.0**
Women	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
Men	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0

Injury rates include workplace injuries only (not commuting accidents).
Frequency rate: ((total number of injuries + total number of deaths) / total hours worked) x 1,000,000
Serious injury rate: (total number of serious injuries / total hours worked) x 1,000,000
Death rate: (total number of deaths / total hours worked) x 1,000,000

The number of injuries and the trend in the injury rate reflects operating volumes and the reduction in staff employed at stores during the year.

DONATIONS BY TYPE AND REGION

	2020				2019				2018			
Donations (€)	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total	North America	Europe	Interna-tional	Total
Direct donations	-	61,929	87,217	149,146	638	186,814	56,544	243,996	10,627	223,255	33,444	267,326
Indirect donations	280,160	-	2,897	283,057	520,780	-	30,526	551,306	438,142	23,968	37,542	499,653
Donations in kind	2,542,715	606,340	70,137	3,219,192	3,387,217	109,411	19,541	3,516,169	3,268,177	360	15,950	3,284,486
Total	**2,822,875**	**668,269**	**160,251**	**3,651,395**	**3,908,635**	**296,225**	**106,611**	**4,311,471**	**3,716,946**	**247,583**	**86,936**	**4,051,464**

In 2020 the Group's donations exceeded € 3.6 million (4% direct, 8% indirect and 88% in kind). Most of them consisted of food donated through partnerships with local and national food banks, mostly in North America. The amount of donations in kind in Europe benefited from work with Banco Alimentare, where excess provisions are donated.

43 The reporting area does not include APAC, Germany (including Le CroBag), the Netherlands, Stellar Partners, and Canada for 2018; the Netherlands, Germany (including Le CroBag), Stellar Partners, and Canada for 2019; and Stellar Partners and Canada for 2020

GRI Standard 302-1, 305-1, 305-2

ENVIRONMENT – ENERGY CONSUMPTION AND EMISSIONS[44]

		2020				2019			2018		
Donations (€)		North America	Europe	Interna-tional	Total	North America	Europe	Total	North America	Europe	Total
HQ + stores											
Total direct energy consumption	**GJ**	**153,388**	**92,612**	**9,259**	**255,259**	**227,932**	**133,591**	**361,523**	**274,124**	**135,940**	**410,064**
From non-renewable sources:											
Natural gas	m^3	2,788,346	1,083,957	102,774	3,975,077	3,540,210	1,591,106	5,131,316	3,738,273	1,659,503	5,397,776
Diesel	l	-	735,658	2,322	737,980	-	1,036,066	1,036,066	-	977,039	977,039
LPG	l	1,643,097	161,012	150,042	1,954,151	3,409,454	237,278	3,646,732	4,880,099	298,612	5,178,711
Propane	kg	-	-	-	-	-	-	-	-	-	-
By vehicle fleet:											
Gasoline	l	-	13,363	26,140	39,503	-	5,241	5,241	-	5,598	5,598
Diesel	l	-	445,472	6,637	452,109	-	643,392	643,392	-	639,128	639,128
Biogas	kg	-	-	917	917						
Total indirect energy consumption	**GJ**	**177,350**	**571,884**	**80,722**	**829,956**	**249,792**	**808,899**	**1,058,691**	**357,598**	**851,044**	**1,208,642**
From non-renewable sources	MWh	49,264	151,944	17,926	219,134	69,387	223,599	292,986	99,333	236,323	335,656
From renewable resources	MWh	-	6,913	3,941	10,854	-	1,095	1,095	-	78	78
Emissions	**t CO_{2e}**	**32,751**	**56,687**	**10,614**	**100,052**	**46,965**	**79,430**	**126,395**	**64,576**	**86,046**	**150,622**
Total direct emissions	**t CO_{2e}**	**8,195**	**5,479**	**521**	**14,195**	**12,380**	**7,960**	**20,340**	**15,064**	**8,076**	**23,140**
From non-renewable sources:	t CO_{2e}	8,195	4,316	447	12,959	12,380	6,279	18,659	15,064	6,385	21,449
By vehicle fleet:	t CO_{2e}	-	1,163	74	1,237	-	1,681	1,681	-	1,691	1,691
Total indirect emissions	**t CO_{2e}**	**24,556**	**51,208**	**10,093**	**85,857**	**34,585**	**71,470**	**106,055**	**49,512**	**77,970**	**127,482**
Electricity	t CO_{2e}	24,556	51,208	10,093	85,857	34,585	71,470	106,055	49,512	77,970	127,482

44 Environmental data does not include Stellar Partners Inc. The "market-based" calculation method is not applicable because for electricity contracts, managed at the individual country level, the Group refers to the corresponding market mix. Following a process of improvement of the reporting system, the 2018 and 2019 data relating to direct energy consumption for North America have been restated. The change also impacted on direct emissions data. For previously published data, please refer to the 2019 Consolidated Non-Financial Statement, on www.autogrill.com

Data on direct and indirect energy consumption refers mainly to headquarters and motorway locations, where utilities are contracted directly by the Group. The increase in renewable energy consumption is attributable to France, where 30% of the electricity sourced is from renewable sources. The trend in consumption is closely correlated with the Group's business volumes in the different countries, sharply curtailed as a result of the pandemic and the months-long closures of stores. At locations where utilities are included in the rent, it is not always possible to know how much is consumed; these locations, therefore, will continue to be excluded from reporting. This limitation applies mainly to airports and malls in North America. The factors used to compute indirect emissions were published by the Department for Business, Energy & Industrial Strategy (BEIS) in 2015 (complete with emissions factors by country), while for direct emissions, the Group used the more recent document published in 2020.

ENVIRONMENT – WASTE DISPOSAL

GRI Standard 306-3

		Europe		
Disposal method stores (tonnes) [45]	uom	2020	2019	2018
Hazardous waste	**tonnes**	**13.7**	**17.6**	**17.0**
Recycled	tonnes	7.1	8.3	7.5
Incinerator	tonnes	6.6	9.3	9.5
Landfill	tonnes			
Non-hazardous waste	**tonnes**	**18,632.4**	**35,793.6**	**30,608.1**
Recycled	tonnes	5,519.1	9,661.7	9,470.9
Incinerator	tonnes	4,985.6	7,954.8	7,057.6
Landfill	tonnes	8,127.7	18,177.1	14,079.5

Because of the particularities of the Group's business, it is important to note that waste disposal data can only cover locations where the Group uses a private waste management firm. To give a more complete picture of the reporting area, since 2018 the Group has provided some estimates, mostly in the Italian motorway channel for waste collected by local public operators. The figures are thus partially estimated and do not include locations in Switzerland and Spain where all waste is collected by public entities. The change in performance over the three-year period should therefore be interpreted in light of the constant improvement in the calculation method. International and North American locations are not included because waste management is primarily handled by the infrastructure operators.

45 Hazardous waste includes electronic devices, batteries, waste oils, oil filters, absorbent materials, and packaging containing hazardous substances (produced by the oil business)

GRI Standard 103-2, 103-3, 201-1, 102-43

CREATING AND DISTRIBUTING ECONOMIC VALUE

Statement of economic value (€k)	2020	2019	2018
Economic value created by the Group	**2,271,214**	**5,761,530**	**5,215,052**
Revenue and other operating income	2,328,892	5,604,364	5,223,912
Financial income	8,394	5,147	2,061
Adjustment to the value of financial assets [46]	(13,433)	36,357	13
Impairment losses on receivables	(10,545)	(1,496)	(1,859)
Impairment losses	(61,656)	(11,653)	(9,075)
Capital gains from the disposal of operating activities	19,562	128,811	
Economic value distributed	**2,113,638**	**4,933,000**	**4,956,642**
Reclassified operating costs	1,359,606	3,075,627	3,253,606
Remuneration of personnel	767,712	1,652,876	1,538,525
Remuneration of lenders and shareholders [47]	97,299	125,215	99,840
Remuneration of public institutions [48]	(114,402)	75,522	61,119
Donations	3,423	3,760	3,552
Economic value retained by the Group	**157,576**	**828,530**	**258,410**
Depreciation and amortization	609,442	612,367	227,807
Provisions	28,002	10,975	12,823
Reserves	(479,868)	205,188	17,780

46 For 2019 include profit/loss from discontinued operations
47 The remuneration of shareholders consists of the share of the year's profits that will be paid as dividends in the following year, as proposed to the annual general meeting by the Board of Directors. In light of the uncertainty brought by the Covid-19 emergency, the Board of Directors has decided for this year as well not to distribute a 2021 dividend (for 2020) and to carry forward the parent company's loss
48 The main component is a tax refund of $ 119m to which the subsidiary HMSHost Corporation is entitled, by offsetting the federal tax loss incurred in 2020 as a result of the Covid-19 pandemic against the taxable income of prior years since 2015, according to the carry-back mechanism recently introduced by US tax law

TAX RESPONSIBILITY

GRI Standard 207-4

Tax responsibility	Employees at 31.12.2020 by area (no .)	Revenue – Total for area	Income tax paid (cash accounting method) (€k)	Income tax accrued
Italy				
Italy	9,734	1,566,190	2,672	5,560
Other European countries				
Austria			1	1
Belgium			471	453
France			2,004	883
Germany			67	383
Greece	7,186	757,215	(14)	180
Slovenia			7	1
Spain			-	-
Switzerland			1,692	1,683
Czech Republic			31	28
Poland			-	-
International				
United Arab Emirates			-	-
Australia			-	-
China			-	-
Denmark			-	-
Finland			-	-
India			900	469
Indonesia			30	19
Ireland			-	-
Turkey			214	291
Malaysia	12,028	705,153	30	-
Netherlands			5,734	5,284
New Zealand			151	-
Norway			-	-
Russia			264	340
Sweden			191	-
United Kingdom			-	-
Vietnam			2,131	2,369
Singapore			-	-
Maldives			0.1	-
North America				
Canada	33,113	3,898,230	2,589	24,171
United States			8,705	16,229

Figures refer to 2019. More specifically, taxes paid and accrued are drawn from the Country-by-Country Reporting (Note that such Country-by-Country Reporting Reporting has been transferred to the ultimate parent, Edizione S.r.l., which is responsible for filing it with the Italian tax), while data on revenue comes from the 2019 Consolidated Annual Report ("Business segments" section).

GRI Standard
102-4, 102-10,
102-13, 102-46,
102-48, 102-50,
102-51, 102-52,
102-54, 103-2,
103-3

1.6.7 PREPARATION CRITERIA

REPORTING STANDARDS

The Consolidated Non-Financial Statement of the Autogrill Group, prepared in accordance with Arts. 3 and 4 of Legislative Decree 254/2016 (as amended), contains 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.

This statement, approved by the Board of Directors on 11 March 2021, will be published annually and has been drawn up according to the GRI Sustainability Reporting Standards ("In accordance – Core" option) defined by the Global Reporting Initiative. The GRI Standards are the most widely followed in the world for non-financial reporting, and have been chosen by Autogrill as its reference standards for compliance with Decree 254/2016. To help readers locate information within the document, the GRI Content Index is provided below.

The non-financial disclosures in this statement reflect the principle of materiality (relevance), as provided for by law and featured in the GRI standards: the issues discussed are those which, following a materiality analysis, were found to be relevant as they reflect the Group's social and environmental impact or influence the decisions of its stakeholders. Given the Group's operations, the materiality analysis did not find water consumption to have a significant environmental impact, so it is not a topic addressed in this statement. The issue of human rights did not emerge as material, but is still highly important to the Group, especially in the selection and evaluation of suppliers and relations with employees and the community. These aspects are governed by policies and procedures such as the Group Sustainability Policy, the Code of Ethics, and the Supply Chain Sustainability Guidelines.

Materiality is reviewed with a frequency and according to a methodology defined on the basis of developments within and outside the Group. The document highlights the ways in which the Group's actions are connected with the United Nations Sustainable Development Goals (UN SDGs).

REPORTING BOUNDARY

The quali- and quantitative disclosures in the Consolidated Non-Financial Statement refer to the Autogrill Group for the year ended 31 December 2020. As required by Art. 4 of Decree 254/2016, the Consolidated Non-Financial Statement includes data for the parent company (Autogrill S.p.A.) and its wholly-owned subsidiaries, unless otherwise specified, and breaks down results for the Group's three business units (North America, International, and Europe, including Italy).

The boundary for income statement figures is the same as that for the Group's 2020 Consolidated Annual Report. The boundary for non-financial disclosures consists of the companies consolidated on a line-by-line basis in the Autogrill Group's consolidated financial statements for the year ended 31 December 2020, except for dormant companies, those in liquidation, and companies acquired during the year. Note that headquarters and stores where the Group does not contract utilities directly and therefore has no precise consumption data – mostly at malls, railway stations and airports – are not always included in the reporting on environmental figures.

This limitation mostly concerns North America and the International business unit. Since the previous two years, the Group has continued to work with the different business units to improve and complete the data collection process and has managed to expand the perimeter for environmental data to a larger number of locations in Europe and the International area, using estimates where necessary and as duly noted. Any other boundary limitations are stated within the document. Since 2019 it has also been possible to integrate staffing figures for Le CroBag GmbH and Stellar Partners Inc., which remain excluded from the other performance indicators.

REPORTING PROCESS

The preparation of the Autogrill Group's 2020 Consolidated Non-Financial Statement was based on a structured reporting process entailing:

- the involvement of all Company units and departments responsible for the relevant areas and related data and information subject to the Group's non-financial reporting. Each was responsible for its own area and was asked to help analyze and consolidate the relevant data and check and validate the information reported. More specifically, the disclosures in this statement derive from the Group's IT system for management and accounting and from a non-financial reporting system (data collection forms) implemented for the sake of compliance with Decree 254/2016 and the GRI Standards. Individual data points were then extracted and run through calculations; where specifically noted, estimates were also used. Data on economic performance, assets and liabilities was taken from the 2020 Consolidated Annual Report;
- approval of the Statement by the Board of Directors, called to approve the 2020 financial statements, after being reviewed by the Internal Control and Corporate Governance Committee;
- the issue of an assurance report on the Statement by independent auditor Deloitte & Touche following a limited assurance engagement;
- publication of the Statement on the parent company's website (www.autogrill.com) for consultation by all interested stakeholders.

GRI Standard 103-1

1.6.8 RECONCILIATION OF GRI/MATERIAL TOPICS

Area	Topic	GRI disclosure	Applies to: Where	Applies to: Type of impact
People	Employee engagement and talent retention	Employment	Autogrill Group employees	Direct
	Health and safety in the workplace	Health and safety	Autogrill Group employees	Direct
	Employee training and development	Training and education	Autogrill Group employees	Direct
	Diversity, inclusion and equal opportunity	Diversity and equal opportunity, Non-discrimination	Autogrill Group	Direct
	Impact on local communities	Economic performance	Autogrill Group, community	Direct and indirect
Product	Transparent labeling and marketing	Marketing and product labeling	Autogrill Group, consumers	Direct
	Healthy, balanced menus	n.a.	Autogrill Group, consumers	Direct and indirect
	Digitalization and innovative services	n.a.	Autogrill Group, supply chain, consumers	Direct and indirect
	Customer satisfaction and customer experience	n.a.		
	Product quality and safety	Customer health and safety	Autogrill Group, supply chain, consumers	Direct and indirect
Planet	Food waste [49]	n.a.		
	Climate change (energy efficiency and emissions)	Energy, emissions, environmental compliance	Autogrill Group, supply chain	Direct and indirect
	Management and reduction of waste and packaging	Waste collection	Autogrill Group, consumers, community	Direct and indirect

49 For the material topics "Healthy, balanced menus", "Digitalization and innovative services", "Customer satisfaction and customer experience", and "Food waste", not directly associated with GRI Standards, Autogrill reports its management approach

1.6.9 GRI CONTENT INDEX

GRI Standard 207-4

The Autogrill Group's Consolidated Non-Financial Statement has been prepared in accordance with the GRI Standards: Core option. The table below shows Group disclosures based on the GRI Standards published in 2016 by the Global Reporting Initiative, with reference to Autogrill's materiality analysis and pertaining to 2018, 2019, and 2020.

UNIVERSAL STANDARDS

GRI Standard	Page no.	Disclosure
GRI 102: General Disclosures		
Organizational profile		
102-1	DR, Simplified Group structure, p. 20	Name of the organization.
102-2	DR, The Autogrill Group, p. 15	Operations, brands, products and services.
102-3	Centro Direzionale Milanofiori, Palazzo Z, Strada 5, 20089 Rozzano (MI) – Italy	Place of head office.
102-4	DR, Autogrill around the world, p. 16; Preparation criteria, p. 97-98.	Number of countries where the organization operates, and the names of countries where it has significant operations and/or that are relevant to the topics covered in the report.
102-5	DR, Simplified Group structure, p. 20, AR, Organizational structure as of 11 March 2021, p. 21.	Ownership and legal status.
102-6	DR, Autogrill around the world, p. 16, AR, Group performance, p. 23, AR, Operating segments, p. 39.	Markets served (including geographic areas, sectors, and types of customers and beneficiaries).
102-7	AR, The Autogrill Group, p. 15; AR, Condensed consolidated income statement, p. 26; AR, Revenue, p. 27-28; AR, Reclassified consolidated statement of financial position, p. 34.	Scale of the organization.
102-8	People: the people of the Autogrill Group, p. 68-69; Autogrill Group social and environmental data, p. 88-89.	Information on employees and other workers.
102-9	Responsible supply chain management, p. 86-87.	Description of the organization's supply chain
102-10	DR, Change in scope of consolidation and other corporate actions, p. 24; Preparation criteria, p. 97-98.	Significant changes to the organization and its supply chain.
102-11	DR, Financial and non-financial risk management, p. 111-122; Sustainability for the Autogrill Group, p. 63-64, Materiality analysis, p. 64-65.	Precautionary principle or approach.
102-12	Responsible supply chain management, p. 86-87.	Externally developed economic, environmental, and social charters, principles, or other initiatives that the organization follows or supports.
102-13	Diversity, equal opportunities, and inclusion, p. 54; Community development and engagement, p. 76-77; Preparation criteria, p. 97-98.	Membership in associations.
Strategy		
102-14	DR, Letter to the shareholders p. 3	Statement from senior executive.
102-15	DR, Financial and non-financial risk management, p. 111-122.	Description of key impacts, risks, and opportunities.
Ethics and integrity		
102-16	Diversity, equal opportunities, and inclusion, p. 72-73; Code of Ethics, www.autogrill.com/en/governance/ethic-code-organization-model-and-anti-corruption-policy	Values, principles, standards, and norms of behavior.
Governance		
102-18	CGR, pp. 23, 53,55, 57, 65	Governance structure.
Stakeholder engagement		
102-40	Stakeholder engagement, p. 64-65.	List of stakeholder groups engaged by the organization.
102-41	Labor relations, p. 73-74.	Percentage of employees covered by collective bargaining agreements.
102-42	Stakeholder engagement, p. 64-65.	Identification and selection of stakeholders.

GRI Standard	Page no.	Disclosure
102-43	Creating and distributing economic value, p. 62; Autogrill Group social and environmental data, p. 72-73; Stakeholder engagement, p. 64-65; People: the people of the Autogrill Group, p. 68-69; Community development and engagement, p. 76-77; Consumers: engagement and quality of services, p. 83-84.	Means of engaging stakeholders, including frequency of engagement by type and stakeholder group, and an indication of whether any of the engagement was undertaken specifically as part of the report preparation process.
102-44	Stakeholder engagement, p. 64-65; People: the people of the Autogrill Group, p. 68-69; Consumers: engagement and quality of services, p. 83-84.	Key topics and concerns raised through stakeholder engagement and how the organization has responded, including through its reporting. Indication of the stakeholder groups that raised each of the key topics and concerns.
Reporting practice		
102-45	Consolidated financial statements, list of consolidated companies and other investments, p. 219-224.	Entities included in the organization's consolidated financial statements or equivalent documents.
102-46	Preparation criteria, p. 97-98.	Definition of the report content and topic boundaries
102-47	Materiality analysis, p. 64-65.	List of material topics identified in the process of defining report content.
102-48	Preparation criteria, p. 97-98.	Effects of restatements of information given in previous reports, and the reasons for such restatements.
102-49	Preparation criteria, p. 97-98.	Significant changes from previous reporting periods in the list of material topics and topic boundaries.
102-50	Preparation criteria, p. 97-98.	Reporting period.
102-51	Preparation criteria, p. 97-98.	Date of most recent report (if applicable).
102-52	Preparation criteria, p. 97-98.	Reporting cycle (annual/biennial).
102-53	IA&CSR department. Tel. (+39) 0248263490	Contact point for questions regarding the report.
102-54	Preparation criteria, p. 97-98; GRI content index, p. 100-107.	Statement of compliance with GRI standards.
102-55	GRI content index, p. 100-107.	GRI content index.
102-56	Independent auditors' report, p. 108.	External assurance.

TOPIC SPECIFIC STANDARDS

GRI Standard	Page no.	Omission	Disclosure
GRI 200: ECONOMIC SERIES			
Economic performance 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Creating and distributing economic value, p. 62.		The management approach and its components.
103-3	Creating and distributing economic value, p. 62; Community development and engagement, p. 76-77.		Evaluation of the management approach.
GRI 201: Economic Performance			
201-1	Creating and distributing economic value, p. 62; Autogrill Group social and environmental data, p. 95-96; Community development and engagement, p. 76-77.		Direct economic value generated and distributed.
Anti-corruption 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 76-77; Anti-corruption, p. 62-63.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Anti-corruption, p. 62-63.		Evaluation of the management approach.
GRI 205: Anti-corruption			
205-3	In 2020 there were no definitive rulings against employees concerning active or passive corruption.		Confirmed incidents of corruption and actions taken.

GRI Standard	Page no.	Omission	Disclosure
Anti-competitive behavior 2016			
GRI 206: Anti-competitive behavior			
206-1	In 2020 no legal action was taken against the Group for anti-competitive behavior, anti-trust, and monopoly issues.		Legal actions for anti-competitive behavior, anti-trust, and monopoly practices.
Taxes 2019			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Anti-corruption, p. 62-63.		The management approach and its components
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Anti-corruption, p. 62-63.		Evaluation of the management approach.
GRI 207: Tax 2019			
207-1	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Anti-corruption, p. 62-63.		Approach to tax
207-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Anti-corruption, p. 62-63.		Tax governance, control and risk management
207-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Anti-corruption, p. 62-63.		Stakeholder engagement and management of concerns related to tax
207-4	Autogrill Group social and environmental data, p. 96.		Country-by-Country Reporting
GRI 300: ENVIRONMENTAL SERIES			
Energy 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Energy and emissions management, p. 78-80; Preparation criteria, p. 97-98.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Energy and emissions management, p. 78-80; Autogrill Group social and environmental data, p. 93-94; Preparation criteria, p. 97-98.		Evaluation of the management approach.
GRI 302: Energy			
302-1	Energy and emissions management, p. 78-80; Autogrill Group social and environmental data, p. 93-94.		Energy consumed within the organization.
Emissions 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Energy and emissions management, p. 78-80; Preparation criteria, p. 97-98.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Energy and emissions management, p. 78-80; Autogrill Group social and environmental data, p. 93-94; Preparation criteria, p. 97-98.		Evaluation of the management approach.
GRI 305: Emissions			
305-1	Energy and emissions management, p. 78-80; Autogrill Group social and environmental data, p. 93-94.		Direct GHG emissions (Scope 1)
305-2	Energy and emissions management, p. 78-80; Autogrill Group social and environmental data, p. 93-94.		Indirect GHG emissions from energy consumption (Scope 2)
Waste 2016			

GRI Standard	Page no.	Omission	Disclosure
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Waste management and packaging, p. 80-81; Preparation criteria, p. 97-98.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Waste management and packaging, p. 80-81; Social and environmental data, p. 94; Preparation criteria, p. 97-98.		Evaluation of the management approach.
GRI 306: Effluents and waste			
306-2	Autogrill Group social and environmental data, p. 94.		Waste by type and disposal method
Environmental compliance 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Planet: environmental protection, p. 78.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Planet: environmental protection, p. 78.		Evaluation of the management approach.
GRI 307: Environmental compliance			
307-1	No significant fines or non-monetary sanctions were received in 2020.		Non-compliance with environmental laws and regulations.
Supplier environmental assessment 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Planet: environmental protection, p. 78; Responsible supply chain management, p. 86-87.		The management approach and its components.
103-3	Planet: environmental protection, p. 78; Responsible supply chain management, p. 86-87.		Evaluation of the management approach.
GRI 308: Supplier environmental assessment			
308-1	Responsible supply chain management, p. 86-87.	Supplier selection and assessment are based on specific policies applied at the regional level; all suppliers must strictly comply with local laws and regulations as well as established quality control procedures. The Group requires suppliers to sign onto its Code of Ethics and General Purchasing Conditions. It has also adopted the Autogrill Group Supply Chain Sustainability Guidelines, which set general standards for supplier evaluation. The Code of Supplier Business Conduct has been published in North America. Once the guidelines are implemented locally, it will be possible to report the exact number of suppliers assessed.	New suppliers that were screened using environmental criteria.
GRI 400: SOCIAL SERIES			
Employment 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.

GRI Standard	Page no.	Omission	Disclosure
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Human resource development, training, and appraisal, p. 69-71; Diversity, equal opportunities, and inclusion, p. 72-73; Remuneration and benefits, p. 71-72		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Human resource development, training, and appraisal, p. 69-71; Diversity, equal opportunities, and inclusion, p. 72-73; Remuneration and benefits, p. 71-72;		Evaluation of the management approach.
GRI 401: Employment			
401-1	Autogrill Group social and environmental data, p. 91.		New employee hires and employee turnover.
401-2	Remuneration and benefits, p. 71-72.		Benefits provided to full-time employees that are not provided to temporary or part-time employees.
Labor/management relations 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Labor relations, p. 73-74.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Labor relations, p. 73-74.		Evaluation of the management approach.
GRI 402: Labor/management relations			
402-1	Labor relations, p. 73-74.		Minimum notice periods regarding operational changes.
Occupational health and safety 2018			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Occupational health and safety, p. 74-75.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Occupational health and safety, p. 74-75.		Evaluation of the management approach.
403-1	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Occupational health and safety, p. 74-75		Occupational health and safety management system
403-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Autogrill on the front lines of the coronavirus crisis, p. 45-46; People: the people of the Autogrill Group, p. 68-69; Occupational health and safety, p. 74-75		Hazard identification, risk assessment and incident investigation
403-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Remuneration and benefits, p. 71-72; Occupational health and safety, p. 74-75		Occupational health services.
403-4	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Occupational health and safety, p. 74-75		Worker participation, consultation, and communication on occupational health and safety.
403-5	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Human resource development, training, and appraisal, p. 69-71; Occupational health and safety, p. 74-75		Worker training on occupational health and safety.

GRI Standard	Page no.	Omission	Disclosure
403-6	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Remuneration and benefits, p. 71-72; Occupational health and safety, p. 74-75		Promotion of worker health.
403-7	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Occupational health and safety, p. 74-75; Product quality and safety, p. 84-85.		Prevention and mitigation of occupational health and safety impacts directly linked by business relationships.
GRI 403: Occupational health and safety 2018			
403-9	Occupational health and safety, p. 74-75; Autogrill Group social and environmental data, p. 92.	Data for external personnel is currently unavailable.	Work-related injuries
Training and education 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Human resource development, training, and appraisal, p. 69-71.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Human resource development, training, and appraisal, p. 69-71;		Evaluation of the management approach.
GRI 404: Training and education			
404-1	Human resource development, training, and appraisal, p. 69-71; Autogrill Group social and environmental data, p. 90.		Average hours of training per year per employee.
404-2	Human resource development, training, and appraisal, p. 69-71.		Programs for upgrading employee skills and transition assistance programs.
Diversity and equal opportunity 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Diversity, equal opportunities, and inclusion, p. 72-73.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Diversity, equal opportunities, and inclusion, p. 72-73.		Evaluation of the management approach.
GRI 405: Diversity and equal opportunity			
405-1	People: the people of the Autogrill Group, p. 68-69; Autogrill Group social and environmental data, p. 88-91; CGR, pp. 23-36-83-89.		Diversity of governance bodies and employees.
Non-discrimination 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Diversity, equal opportunities, and inclusion, p. 72-73; Protection of human rights, p. 75.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; People: the people of the Autogrill Group, p. 68-69; Diversity, equal opportunities, and inclusion, p. 72-73; Protection of human rights, p. 75.		Evaluation of the management approach.

GRI Standard	Page no.	Omission	Disclosure
GRI 406: Non-discrimination			
406-1	In 2020 there were no significant incidents of discrimination. Any complaints received through the dedicated channels were handled promptly by the units in charge.		Incidents of discrimination and corrective actions taken.
Supplier social assessment 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Protection of human rights, p. 75; Responsible supply chain management, p. 86-87.		The management approach and its components.
103-3	Protection of human rights, p. 75; Responsible supply chain management, p. 86-87.		Evaluation of the management approach.
GRI 414: Supplier social assessment			
414-1	Responsible supply chain management, p. 86-87.	Supplier selection and assessment are based on specific policies applied at the regional level; all suppliers must strictly comply with local laws and regulations as well as established quality control procedures. The Group requires suppliers to sign onto its Code of Ethics and General Purchasing Conditions. It has also adopted the Autogrill Group Supply Chain Sustainability Guidelines, which set general standards for supplier evaluation. The Code of Supplier Business Conduct has been published in North America. Once the guidelines are implemented locally, it will be possible to report the exact number of suppliers assessed.	New suppliers that were screened using social criteria.
Customer health and safety 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Product quality and safety, p. 84-85.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Product quality and safety, p. 84-85.		Evaluation of the management approach.
GRI 416: Customer health and safety			
416-1	Product quality and safety, p. 84-85.		Assessment of the health and safety impacts of product and service categories.
Marketing and labelling 2016			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Product labeling and marketing, p. 66.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Product labeling and marketing, p. 66.		Evaluation of the management approach.
GRI 417: Marketing and labelling			

GRI Standard	Page no.	Omission	Disclosure
417-3	In 2020 there were no significant incidents of non-compliance.		Incidents of non-compliance concerning marketing communications.
Socioeconomic compliance 2016			
GRI 419: Socioeconomic compliance			
419-1	In 2020 there were no fines or non-monetary sanctions for non-compliance with laws and regulations in the social and economic area.		Non-compliance with laws and regulations in the social and economic area.
Food waste			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Waste management and packaging, p. 61-63.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Waste management and packaging, p. 61-63.		Evaluation of the management approach.
Digital innovation			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Digitization and innovation of services, p. 84.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Digitization and innovation of services, p. 84.		Evaluation of the management approach.
Customer satisfaction and experience			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Consumers: engagement and quality of services, p. 83-84.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Consumers: engagement and quality of services, p. 83-84.		Evaluation of the management approach.
Healthy and balanced menus and nutrition			
GRI 103: Management Approach			
103-1	Materiality analysis, p. 64-65; Reconciliation of GRIs/ material topics, p. 99.		Explanation of the material topic and its boundary.
103-2	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Healthy, balanced menus, p. 85-86.		The management approach and its components.
103-3	Socio-environmental policies and guidelines of the Autogrill Group, p. 57-59; Healthy, balanced menus, p. 85-86.		Evaluation of the management approach.

1.6.10 INDEPENDENT AUDITORS' REPORT

Deloitte.

Deloitte & Touche S.p.A.
Via Tortona, 25
20144 Milano
Italia

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

INDEPENDENT AUDITOR'S REPORT
ON THE CONSOLIDATED NON-FINANCIAL STATEMENT PURSUANT TO ARTICLE 3, PARAGRAPH 10 OF LEGISLATIVE DECREE No. 254 OF DECEMBER 30, 2016 AND ART. 5 OF CONSOB REGULATION N. 20267/2018

To the Board of Directors of
Autogrill S.p.A.

Pursuant to article 3, paragraph 10, of the Legislative Decree no. 254 of December 30, 2016 (hereinafter "Decree") and to article 5 of the CONSOB Regulation n. 20267/2018, we have carried out a limited assurance engagement on the Consolidated Non-Financial Statement of Autogrill S.p.A. and its subsidiaries (hereinafter "Autogrill Group" or "Group") as of December 31, 2020 prepared on the basis of art. 4 of the Decree, presented in the specific section of the report on operations and approved by the Board of Directors on March 11, 2021 (hereinafter "NFS").

Responsibility of the Directors and the Board of Statutory Auditors for the NFS

The Directors are responsible for the preparation of the NFS in accordance with articles 3 and 4 of the Decree and the "*Global Reporting Initiative Sustainability Reporting Standards*" established by GRI – Global Reporting Initiative (hereinafter "GRI Standards"), which they have identified as reporting framework.

The Directors are also responsible, within the terms established by law, for such internal control as they determine is necessary to enable the preparation of NFS that is free from material misstatement, whether due to fraud or error.

The Directors are moreover responsible for defining the contents of the NFS, within the topics specified in article 3, paragraph 1, of the Decree, taking into account the activities and characteristics of the Group, and to the extent necessary in order to ensure the understanding of the Group's activities, its trends, performance and the related impacts.

Finally, the Directors are responsible for defining the business management model and the organisation of the Group's activities as well as, with reference to the topics detected and reported in the NFS, for the policies pursued by the Group and for identifying and managing the risks generated or undertaken by the Group.

The Board of Statutory Auditors is responsible for overseeing, within the terms established by law, the compliance with the provisions set out in the Decree.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220.00 i.v.
Codice Fiscale/Registro delle Imprese Milano n. 03049560166 – R.E.A. Milano n. 1720239 | Partita IVA IT 03049560166

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Auditor's Independence and quality control

We have complied with the independence and other ethical requirements of the *Code of Ethics for Professional Accountants* issued by the International Ethics Standards Board for Accountants, which is founded on fundamental principles of integrity, objectivity, professional competence and due care, confidentiality and professional behaviour. Our auditing firm applies International Standard on Quality Control 1 (ISQC Italia 1) and, accordingly, maintains a comprehensive system of quality control including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Auditor's responsibility

Our responsibility is to express our conclusion based on the procedures performed about the compliance of the NFS with the Decree and the GRI Standards. We conducted our work in accordance with the criteria established in the "*International Standard on Assurance Engagements ISAE 3000 (Revised) – Assurance Engagements Other than Audits or Reviews of Historical Financial Information*" (hereinafter "ISAE 3000 Revised"), issued by the *International Auditing and Assurance Standards Board* (IAASB) for limited assurance engagements. The standard requires that we plan and perform the engagement to obtain limited assurance whether the NFS is free from material misstatement. Therefore, the procedures performed in a limited assurance engagement are less than those performed in a reasonable assurance engagement in accordance with ISAE 3000 Revised, and, therefore, do not enable us to obtain assurance that we would become aware of all significant matters and events that might be identified in a reasonable assurance engagement.

The procedures performed on NFS are based on our professional judgement and included inquiries, primarily with company personnel responsible for the preparation of information included in the NFS, analysis of documents, recalculations and other procedures aimed to obtain evidence as appropriate.

Specifically we carried out the following procedures:

1. Analysis of relevant topics with reference to the Group's activities and characteristics disclosed in the NFS, in order to assess the reasonableness of the selection process in place in light of the provisions of art. 3 of the Decree and taking into account the adopted reporting standard.

2. Analysis and assessment of the identification criteria of the consolidation area, in order to assess its compliance with the Decree.

3. Comparison between the financial data and information included in the NFS with those included in the consolidated financial statements of the Autogrill Group.

4. Understanding of the following matters:

   - business management model of the Group's activities, with reference to the management of the topics specified by article 3 of the Decree;
   - policies adopted by the entity in connection with the topics specified by article 3 of the Decree, achieved results and related fundamental performance indicators;
   - main risks, generated and/or undertaken, in connection with the topics specified by article 3 of the Decree.

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Moreover, with reference to these matters, we carried out a comparison with the information contained in the NFS and the verifications described in the subsequent point 5, letter a).

5. Understanding of the processes underlying the origination, recording and management of qualitative and quantitative material information included in the NFS.

In particular, we carried out interviews and discussions with the management of Autogrill Italia S.p.A. and with the employees of Nuova Sidap S.r.l., HMSHost Corporation, Stellar Partners Inc., HMSHost Vietnam Company Ltd., as well as carrying out limited documentary verifications, in order to gather information about the processes and procedures which support the collection, aggregation, elaboration and transmittal of non-financial data and information to the department responsible for the preparation of the NFS.

In addition, for material information, taking into consideration the Group's activities and characteristics:

- at the parent company's and subsidiaries' level:

  a) with regards to qualitative information included in the NFS, and specifically with reference to the business management model, policies applied and main risks, we carried out interviews and gathered supporting documentation in order to verify its consistency with the available evidence;
  b) with regards to quantitative information, we carried out both analytical procedures and limited verifications in order to ensure, on a sample basis, the correct aggregation of data.

- for Autogrill Italia S.p.A., Nuova Sidap S.r.l., HMSHost Corporation, Stellar Partners Inc., HMSHost Vietnam Company Ltd., which we selected based on their activities, their contribution to the performance indicators at the consolidated level and their location, we carried out call conferences, during which we have met their management and have gathered supporting documentation with reference to the correct application of procedures and calculation methods used for the indicators.

Conclusion

Based on the work performed, nothing has come to our attention that causes us to believe that the NFS of the Autogrill Group as of December 31, 2020 is not prepared, in all material aspects, in accordance with articles 3 and 4 of the Decree and the GRI Standards.

DELOITTE & TOUCHE S.p.A.

Signed by
Ernesto Lanzillo
Partner

Milan, Italy
April 1, 2021

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

1.7 OTHER INFORMATION

1.7.1 FINANCIAL AND NON-FINANCIAL RISK MANAGEMENT

The Autogrill Group is exposed to external risks and uncertainties arising from general economic conditions or those specific to the industries or countries in which it operates, from the financial markets, and from frequent changes in legislation, as well as to risks generated by strategic decisions and operating procedures.

The Group's Enterprise Risk Management department ensures the uniform detection and handling of risks across the different organizational units. A model has been developed based on the systematic identification, analysis and assessment of the risk areas that may hinder the achievement of strategic goals. The model helps evaluate the Group's overall exposure to risks, orient the necessary mitigation efforts, and reduce the volatility of business objectives.

The Covid-19 pandemic and the resulting economic crisis the Group is facing made it necessary to review the risk management models.

The main risk areas — strategic, internal, and external — are presented below, with a description of how the pandemic affected the risk review in terms of materiality and priority level. External risks include risks relating to social responsibility that are addressed in greater detail in Section 1.6 of the Directors' Report, in accordance with Arts. 3 and 4 of Legislative Decree 254/2016 on non-financial reporting

Strategic risks	Mitigating factors
BUSINESS AND MARKET CONTEXT	
In 2020 the Group's operations were conditioned by the Covid-19 pandemic. The spread and magnitude of the pandemic, as well as its unpredictable, uncontrollable nature, had a serious impact on Autogrill's entire business, which by nature is heavily dependent on traffic flows, people's inclination to travel, and their spending patterns. The risk consists of severe uncertainty, especially pronounced in the airport channel, where the decline in traffic was vertical due to the measures taken to contain the spread of the virus.	Given the widespread nature of the pandemic and its persistence over time, the Group took a variety of mitigation actions in order to overcome the crisis, by: • focusing strongly on all matters related to the safety of workers and consumers, with the prompt enforcement of all safety standards put in place by individual countries (regular disinfection of the premises, provision to employees of all personal protective equipment required by local regulations); • defining an ad hoc communication strategy for customers, employees, and the market,

Strategic risks

The pandemic required a fresh look at the risk hierarchy in terms of gravity of impact and mitigation actions.

In 2020 the focus was mainly on how to ensure business continuity. The most closely monitored risk factors were:
- the steep reduction in traffic, aggravated by extended lockdowns at the global level;
- the increase in unemployment, which directly affects people's inclination to travel (where allowed) and their purchasing power;
- the intensification of flexible working arrangements as an additional means of containing infection, which reduced business traffic;
- greater attention to the sanitization of workplaces, the safety of raw materials and products, and the limitation of physical contact;
- in the airport business, the introduction of more restrictive procedures, regulations, and controls that could influence consumers' propensity to buy;
- in general, competitive developments in the air traffic industry and changes in airline policies.

Mitigating factors

informing them of the measures taken to protect workers and the public;
- arranging for the systematic sharing of actions proposed by management with the Board of Directors and the individual business entities;
- forming a Crisis Committee to manage business continuity and monitor the Group's financial position;
- renegotiating contracts with landlords, in some cases by invoking special clauses (e.g. force majeure);
- monitoring all support measures implemented by the governments of the countries where the Group operates, in order to take due advantage of them in the interests of keeping workers employed;
- studying new commercial offers more closely related to consumer safety and the use of digital technology (including the improvement of grab'n'go services and digital payments);
- taking measures to optimize the deployment of resources to the more heavily trafficked stores;
- initiating a capital increase for a maximum of €600 million, through the issue of ordinary shares, to take advantage of the opportunities the crisis has brought and to strengthen the Group's international leadership position;
- optimizing credit facilities in order to shore up the erosion of cash and the stability of working capital.

Statistical tools were also used to predict how the pandemic would evolve and its impact on geographies and traffic channels of relevance to the Group, with a view to constantly measuring the short- and medium-term operational and financial risks.

CONCESSION CONTRACTS

Most of the Group's operations are conducted under long-term contracts, awarded through competitive bidding, that grant it the right to operate in designated areas of airports, motorways and railway stations. Concessions are therefore fundamental to the Group for achieving its strategic goals.

Risks in this area concern:
- the Group's ability to renew concessions or win new ones;
- the risk that contracts will be less profitable than expected at the time they were awarded, which would reduce the return on investment given that many contracts include an obligation to pay minimum

The Group mitigates these risks by following an approach aimed at building and maintaining a collaborative partnership with landlords, based in part on the constant development of innovative concepts and commercial solutions that aim to improve infrastructure efficiency and reduce its environmental impact, in the interests of both parties and also of the public.

To cope with the pandemic-related crisis, the Group negotiated with landlords to obtain new terms and conditions for existing concession contracts. These efforts produced different results at the Group level, including (i) discounts on rent

Strategic risks

Mitigating factors

guaranteed annual rent regardless of the revenue earned;

- the possibility that contracts will be terminated or otherwise cease to be valid for various reasons—some of them beyond the Group's control—such as cancellation by the authorities or the courts, the loss of permits, licenses or certificates required by national laws, or counterparties' failure to obtain approval in the case of extraordinary operations;
- any clauses that place limits on the Group's management of local operations and prevent it, for example, from adapting menus or commercial practices to customers' changing needs and preferences;
- the option generally given to concession grantors, even without breach of contract by the operator, to change certain conditions unilaterally (and sometimes without compensation for the operator) by invoking public interest or safety;
- the effect of the pandemic-related decline in traffic on the value of concessions in terms of the ability to intercept and capture traffic, with the consequent overvaluation of fixed concession fees and minimum guaranteed annual rent. The risk translates into an imbalance between the amount of rent agreed before the pandemic and the current situation faced by the food & beverage and travel industries.

(or the waiver of minimum guaranteed annual rent clauses); (ii) more flexible terms linked to results and passenger traffic; and (iii) extensions of lease durations. Additional negotiations are in progress, the benefits of which will be recognized in 2021.

BRANDS AND CONCEPTS

The Group operates through proprietary brands and concepts as well as many owned by third parties, which range from local favorites to international household names.

The main risks concern:

- the loss of significant partnerships or the inability to strike up new ones allowing the Group to attract customers with concepts and brands;
- the decreased attractiveness of concepts or brands in the portfolio, both of which could affect the ability to compete for new contracts and therefore attain development goals.

The main risk mitigation factor is the breadth of the Group's portfolio, which limits its dependence on any third-party brand.

There are teams dedicated to keeping menus up-to-date through the development of new concepts consistent with emerging trends, the monitoring of up-and-coming brands, and the ongoing review of partner brands, so that the most innovative and attractive brands the market has to offer are always in the Group's portfolio.

Finally, this risk is mitigated by the Group's emphasis on building and maintaining good relationships with its most important partners whose brands enjoy the widest popularity.

COMPETITION

The travel food & beverage industry has been among hardest hit by the pandemic, resulting in a somewhat flattened competitive landscape.

Companies with greater financial resources that were quicker to adapt to the new circumstances have proved to

The prompt restructuring of its financial position and the measures taken to reduce running costs have allowed the Group to react well to the crisis. Autogrill carefully monitors market trends in order to grasp new investment opportunities, wherever feasible.

Strategic risks

be more resilient, while newer and/or smaller operators or those with less solid finances before the pandemic now risk extinction or absorption by other entities. On the one hand, the current market offers better structured, more reactive companies an opportunity for expansion, while on the other hand it puts less structured, slower-reacting businesses in a situation of serious uncertainty that may threaten their very survival.

Mitigating factors

At the same time, the Group is always careful to uphold its reputation with landlords, which is an important factor in the awarding and renewing of concessions.

To that end, the Group's broad range of proprietary and third-party brands, both local and international, enable it to compete successfully for commercially viable and profitable locations.

In addition, its solid response to the crisis sets it apart as a reliable, sought-after tenant for landlords who as a result of the pandemic are increasingly attentive to financial solidity and business continuity in addition to brand quality, service, and technical capability.

The Group also has a system for analyzing industry and channel trends so it can monitor its market position at all times.

INNOVATION

The Group's ability to maintain a constant process of innovation for its products, concepts and services allows it to react promptly to changes in the consumption habits and tastes of its clientele and is therefore key to increasing the satisfaction of customers and concession grantors.

The risk is that this ability would be diminished, especially given the greater speed with which new trends take root. Covid-19 has aggravated this risk, by requiring businesses to anticipate what the new market trends will be and how travelers' habits will evolve. Themes such as healthy, environmentally conscious food choices have been joined by new challenges regarding product safety and the protection of consumers through reduced interpersonal contact and social distancing, in accordance with public health measures aimed at containing the spread of the virus.

The Group mitigates this risk by:
- monitoring performance (quality of service, positioning, attractiveness of menus and of the brand and concept portfolio);
- constantly revising menus in terms of products, concepts and services, while adapting to the latest technologies and the digital world. Special efforts have been made to offer an easier, safer experience for travelers, such as grab'n'go services for reservations and digital payments (in Italy, for example, the app MyAutogrill Click & Good allows travellers to order and pay before arriving at the store);
- constantly updating the portfolio of partner brands to offer the most attractive, innovative names available on the market;
- developing customer retention initiatives and client satisfaction analyses;
- training workers periodically to ensure high standards of service.

REPUTATION

The outbreak of the pandemic has highlighted the risk of in-store contagion that can compromise the safety of employees and customers. If not dealt with in a timely manner, such a risk can also hurt the Group's image.

It is important to protect our reputation with all stakeholders: customers, landlords, and licensors. An

The Group constantly monitors its quality of service with respect to customers (perceived satisfaction and product safety), landlords (quantitative and qualitative parameters set out in the contract) and licensors (observance of operating and development standards); for the largest and most sensitive brands, this includes brand champions hired by headquarters and

Strategic risks

operator's reputation is an important factor in the tendering and renewal of concessions. Serious reputational damage entails the risk of:
- making the brand less attractive to customers;
- harming relationships with landlords and licensors;
- threatening contract renewals.

The causes stem primarily from the perceived deterioration of service, an inability to satisfy contractual commitments with grantors and licensors, and an inability to let the business model evolve in response to stakeholders' expectations of social and environmental sustainability.

Loss of reputation can also have indirect causes beyond Autogrill's control. In Italy, the fact that many travelers use the Group's name to refer to highway rest stops in general ("let's stop at the autogrill") may expose its operations in the motorway channel to reputational risk caused by any shortcomings in competitors' services that are mistakenly attributed to the Group.

Likewise, for operations involving the sale of third-party brands under license or commercial partnerships (a model used widely in emerging markets), any reputational damage suffered by the licensor or partner may expose Autogrill to a potential loss of business due to factors beyond its control.

The widespread and ever growing use of online channels (websites, social media, etc.) is a powerful communications tool because large numbers of people are reached very quickly, but it also means that false or defamatory news can be magnified.

Mitigating factors

assigned to support local teams. In addition, suitable brand protection measures are taken in Italy if unpleasant experiences are wrongly attributed to Autogrill.

The Group's commitment to social and environmental sustainability is clear from the values espoused in its Code of Ethics.

On environmental issues, it works to promote responsible behavior in the conviction that protecting individuals and the environment is a global priority for people, businesses and institutions all over the world.

With particular regard to safety, in the event of Covid-19 infection, the Group has a strict plan of action entailing immediate closure, thorough sanitization, and the rotation of all personnel at the location involved.

To protect its web reputation, Autogrill has implemented specific policies designed to regulate interaction with the web community and to govern crisis management procedures.

It also engages regularly in forms of commercial, television, and social media communication to reassure the public and draw attention to the high safety and personal protection standards the Group has adopted to keep employees and consumers safe. The systematic communication of its pandemic response has also been a constant in the investor relator activities that keep investors and shareholders up to date.

DEVELOPMENT IN EMERGING MARKETS

The Group operates in various emerging markets through partnerships with local operators that in some cases require their active participation in store management.

In addition to the typical risks of such markets, it is possible that local partners will fail to meet their contractual obligations including in terms of the operating standards needed to ensure satisfactory quality and service, which could affect the Group's profitability and reputation.

In general, the pandemic and the resulting global crisis have changed the expectations of rapid expansion in certain geographical areas; this makes it necessary to rethink investment strategies and pay closer attention to the solidity of current partners.

The Group pursues and favors contracts that leave it in control of operations and commercial aspects. In any case, Autogrill is entitled by contract to perform audits ensuring compliance with service and quality standards. The spread of Covid-19 in emerging markets has caused the Group to take a prudent attitude to various countries, until the effects of the pandemic on the relevant traffic channels become clear.

Strategic risks

HUMAN CAPITAL

Autogrill believes that a transparent policy of responsibility toward its employees gives it a competitive edge, because employees are the Group's human capital: the wealth of skills, competencies and qualifications that make it stand out.

Therefore, any lessening of the Group's ability to attract, motivate and retain key employees would make it vulnerable to losing personnel with relevant expertise.

Furthermore, although Autogrill promotes behaviors that value the dignity and protect the rights of all individuals from the selection process throughout their careers, it cannot rule out the risk of discriminatory conduct in the workplace, which could damage the working environment, affect employee retention and harm its reputation.

The rapid spread of Covid-19 exposes store personnel in particular to the risk of infection on the job, making it important for the Group to maintain high safety standards to keep its employees safe and at ease.

Mitigating factors

To mitigate these risks, the Group:

- uses bonus systems designed to reward employee dedication and success, thereby fostering a sense of belonging, and follows salary policies that ensure constant comparison with multinational and Italian companies in the consumer goods industry whose complexity, distribution intensity and capital expenditure are comparable to the Group's. To foster fairer treatment among its companies, the Group distributes international guidelines on various aspects of compensation, while fully respecting national laws and local differences. It also adopts policies and initiatives designed to motivate and retain talent;
- provides dedicated phone lines or email addresses in most of the countries where it operates, to receive any complaints of behavior that does not live up to its standards of fairness, integrity, transparency, honesty, ethics and legality. It has also created a European platform as a direct means of drawing attention to any conduct inconsistent with the Group's Code of Ethics, but also of signaling excellent behavior, while ensuring the confidentiality of information and the privacy of individuals;
- develops specific training opportunities and initiatives to develop and fine-tune soft skills and meta-skills, so employees can build their professional and interpersonal qualifications; in the context of the pandemic it has provided virtual training in how to mitigate infection among employees and with the public;
- follows a human resource management policy based on principles laid down in the Code of Ethics, which encourages the Group to instill good relationships with its employees and help them develop their skills and abilities;
- is committed, as enshrined in the Code of Ethics, to promoting a safe, healthy, and non-discriminatory workplace that lets everyone reach their potential.

To protect its people, the Group follows the strictest international protocols for the protection of individuals who work indoors in contact with the public. On this note it has taken all appropriate measures to ensure safety during working hours. It has also arranged supplementary insurance coverage to further help workers in case of infection.

External risks

COUNTRY-SPECIFIC

Business may be interrupted briefly or for longer periods, generally as a result of uncontrollable events such as:
- pandemics;*
- biological risks, natural disasters and weather emergencies;
- acts or threats of terrorism;
- hostilities or wars;
- strikes;
- political instability.

Such events could:
- involve Autogrill locations directly and force them to close;
- halt or significantly reduce traffic;
- hurt critical points of the supply chain (suppliers or partners interdependent with Autogrill);
- damage or affect the functioning of IT systems and network infrastructures that support key business processes.

** The magnitude of the current pandemic makes it primarily an external risk, but its global dimension gives rise to the strategic risk discussed in the first part of this section. Specific aspects are addressed below.*

Mitigating factors

To mitigate this kind of risk, the Group has security and prevention systems and emergency management plans specific to each type of event.

See the Directors' Report for information on the measures taken with regard to the current pandemic. Autogrill has Group-wide and local policies with major insurers, which include coverage for material damage and interruption of business and for third-party liability.

In addition, many concession agreements protect the Group against infrastructure closures (and therefore lost business) caused by force majeure.

FINANCIAL

Regarding the management of financial risks, consisting mostly of interest rate, exchange rate and liquidity risk, see the financial risk management section of the Notes.

Autogrill manages its financial risks by defining Group-wide guidelines that inform financial management of its operating units, as part of an overall policy of financial independence.

The Finance department ensures that the financial risk management policies are harmonized, identifying the most suitable financial instruments and monitoring the effectiveness of the policies followed.

The Autogrill Group does not allow the use of speculative derivative instruments.

The Group also strives for a certain financial flexibility, maintaining enough cash and committed credit lines to afford constant coverage of its refinancing needs for at least 12 to 18 months.

Actions have been taken to periodically monitor working capital on a country-by-country basis, with daily estimates of revenue and weekly estimates of the main outflows (personnel, landlords, suppliers, social security).

In Italy the Group has arranged a term loan guaranteed by SACE S.p.A., in accordance with the terms of the Liquidity Decree, to support business

External risks

Mitigating factors

continuity, capital expenditure, payroll, working capital, and the payment of rent on its locations.

See the Directors' Report (section 1.2.4) for more information on the financial and cash flow reinforcement measures taken in response to the pandemic.

CORRUPTION

Violations of the Code of Ethics or of anti-corruption and other laws by Autogrill, its commercial partners, agents or other parties acting in its name or on its behalf may expose the Group and its employees to criminal or civil penalties and damage the Company's and the Group's reputation.

The Group has adopted:

- its own Code of Ethics, which requires all Group companies along with their top executives, managers and employees to conduct themselves according to the principles of legality, fairness and integrity;
- an Anti-Corruption Policy that instructs all directors, managers, employees, and internal auditors of Group companies, and everyone who works in Italy or abroad in Autogrill's name or on its behalf, what principles and rules they must follow to ensure compliance with anti-corruption legislation. Through this policy, the Group formalizes its across-the-board commitment to reject and prohibit corruption under all circumstances, with public officials and private parties alike, and its promise to observe anti-corruption laws in every country served.

ENVIRONMENT

In recent years, society's growing attention to social and environmental issues, and changes in national and international legislation, have given momentum to the disclosure and measurement of non-financial results – in particular environmental – that are now full-fledged indicators of how a company is managed and how competitive it is.

Socio-environmental topics are ever more integrated into companies' strategic decisions and increasingly attract the attention of the various stakeholders who are attentive to sustainability.

The risk is that these issues will not be adequately addressed, exposing the Company to penalties (if it fails to comply with legislation), and in some cases damaging its image and reputation if it does not effectively communicate its strategy.

The Autogrill Group is fully aware that the environment is a global priority involving people, organizations and institutions around the world, which is why it is always committed to helping reduce energy consumption and the use of natural resources in favor of clean energy, recycled materials, and a lesser environmental impact. This awareness translates into the promotion of impact-reduction strategies to improve environmental performance and define energy-efficient commercial concepts and innovative solutions, waste reduction and management programs, and circular economy projects along the supply chain. The Group also takes care to find qualified, certified business partners to ensure a supply chain that is sustainable and efficient.

Although the Covid-19 pandemic has momentarily shifted Autogrill's attention to sustainability issues more closely tied to social and economic aspects as a result of the crisis and the sharp decrease in traffic, the Group has not neglected environmental issues, especially from a strategic perspective. On the topic of energy efficiency, an Energy Saving

External risks

Mitigating factors

Book has been printed with low-impact design, construction, and management guidelines for new locations.

A concrete example of the Group's constant attention to environmental issues is the renovation of its historic Villoresi location, carried out in the midst of the pandemic. The renovation followed the highest standards of innovation and environmental sustainability, such as the installation of photovoltaic systems, high-performance triple-glazed windows with UV protection film, energy-efficient heat pumps, and air treatment systems that allow natural climate control, all operated by a building management system (BMS). The Villoresi location also features highly innovative materials, including bioactive flooring in Active Ceramic, which performs an antibacterial, self-cleaning, anti-pollution, anti-odor action throughout the day; and Airlite paint, which purifies the air and sanitizes environments by generating negative ions on surfaces where it is applied, so that the air in contact with the paint is naturally purified. Many of the materials used are the result of Autogrill-patented inventions such as WASCOFFEE®, obtained from coffee grounds, and WASORANGE®, derived from the remains of squeezed oranges.

For locations not due to be renovated, an investment plan has been drawn up aimed at boosting energy efficiency by installing high-tech solutions like quality power systems, choosing optimal equipment settings (e.g. set point temperatures, regulation of lighting and air conditioning), and using remote monitoring and control technologies. The Group has also begun to lower and rationalize its utility operating expenses at locations that are completely or partially closed, by limiting the use of non-essential utilities depending on actual customer flow.

The Group is committed to ensuring that employees at all levels take social and environmental issues to heart. In this regard, it sends out bulletins and organizes courses to encourage the more mindful use of electronic instruments and a greater attention to waste.

The investment and maintenance activities implemented as part of this strategy do not at present suggest any foreseeable short-term impact on the Group's profitability and the recoverability of investments that are not already reflected in the economic projections used for impairment tests and the assessment of the going concern assumption.

Internal risks

DATA SECURITY

Cyber risks are exacerbated by the growing enjoyment and distribution of goods and services over expanding global networks, the use of information technologies to communicate and transfer data in real time with people all over the world, and the adoption of work-from-home arrangements due to the Covid-19 pandemic.

The main cyber risks consist of:

- cyber attacks through the use of malware or ransomware;
- the hacking or counterfeiting of a company's e-mail in order to steal information or order payments to non-entitled parties.

The impact may extend to:

- reputational damage caused by an attack designed to steal sensitive data or identities or attempted extortion/blackmail schemes;
- the loss of customer data and violation of customer privacy;
- difficulty with standard operations if the attack aims to thwart access to necessary computer systems by authorized users (e.g. supply chain management);
- fines, in the event that sensitive data has not been protected in accordance with the latest international directives.

Mitigating factors

The Group conducts periodic training programs on the risks of using internet, social media and e-mail, as well as a graduated system for evaluating threats and the resiliency of existing protections to cyber attacks, including through the use of vulnerability tests.

As for work-from-home arrangements, the Group has provided staff with individual business productivity tools (laptops) along with communication and security services such as virtual private networks (VPNs), threat emulation tools/firewalls, and the use of SSL certificates and two-factor authentication. It has defined and distributed behavior policies and training activities and provided constant information on new cyber threats. It has set up a cyber risk help desk for the use of IT devices and formed a cyber security unit at the Corporate level that aims to bring all geographies into line with internationally recognized operational models and security frameworks (e.g. NIST), intensify monitoring and response to cyber issues with coordination between the various regions, and measure the level of cyber risk exposure in order to identify mitigation actions.

LABOR

Labor is a significant factor for the Group, whose business has a strong customer service component. The need to keep service quality up to customers' and concession grantors' standards, and the complexity of regulations in the many countries served by the Group, give it less flexibility to manage its workforce.

The main risk is a significant increase in the cost per employee, as a result of labor market trends caused by the economy or government regulations, with a consequent decline in productivity. For example, the recent "living wage laws" enacted in some states of the U.S. increase minimum wages and will be gradually extended to other states.

The human resource management policy is based on principles laid down in the Code of Ethics, which encourages the Group to instill good relationships with its employees and help them build their skills and abilities.

The risks in question are mitigated through the constant review of operating procedures, including the incorporation of digital technologies, to make the best, most efficient use of labor by matching skills to the tasks at hand.

The Group has systematically monitored the relief measures that states and governments have offered to support jobs during the pandemic, with the aim of taking all available opportunities to reduce economic and social hardships for its workers and their families.

QUALITY, HEALTH AND SAFETY

Autogrill's industry is highly regulated in terms of operating practices and worker and customer health and

The Group has set up region-wide quality assurance systems to ensure high standards for all

Internal risks

safety. This applies to personal protections and product quality, from raw materials to the finished product, through the use of proper food preparation processes and quality ingredients in compliance with all local regulations and accepted standards of food and environmental safety.

Any violation of or non-compliance with these complex norms at the local, national or supranational level, as they apply to concession operators or companies in the oil business, may not only expose the Group to lawsuits and civil or criminal penalties but could also diminish its reputation.

The outbreak of the pandemic has exacerbated this risk and required the food & beverage industry to adopt even higher standards of personal safety and protection. For further information, see the "Strategic risks" and "External risks" sections above.

Mitigating factors

its products and services. These are based on risk assessment processes for raw materials, products and their suppliers to measure compliance with quality standards defined by the company following an HACCP approach; on systematic monitoring and control using specific KPIs; and on verifying the effectiveness of these measures through different kinds of specialized audits conducted periodically by internal and external industry professionals.

The Group has always been committed to the highest standards of health and safety for its employees, primarily through the ongoing review of policies and procedures, but also through technical improvements, constant technology upgrades, personal protective equipment, and training on the job.

The Group also complies with the highest international safety standards in terms of Covid-19 transmission, even where not required by local laws, such as the periodic sanitization of workplaces, limited customer access, the provision and constant replacement of all medical devices required by law, and the installation of plexiglass barriers.

In almost all countries served, the Group has set up health and safety committees involving management and workers' representatives (depending on each country's policies), to monitor compliance with laws and regulations and take steps to reduce, if not eliminate, the risk of accidents.

There is also a monitoring system that constantly audits the quality of service with respect to customers' expectations and contractual/legal requirements, as well as the controls in place with regard to reducing accidents in the workplace.

SUPPLY CHAIN

There are two main risks associated with the supply chain:
- events that might interfere with the proper functioning and continuity of the supply and logistics chain, hindering the Group's ability to provide a complete, balanced and effective assortment that meets the expectations of customers;
- an increase in the cost of raw materials.

The general crisis and its effects on demand have slowed down, or in the worst cases halted, production by certain suppliers. The risk inherent to this situation is that the

The Group has contingency plans to make sure its locations are suitably stocked, including by providing support to strategic suppliers that have been hard hit by the pandemic crisis. To put these suppliers on more solid ground, where necessary, business terms have been revised with a particular focus on payment times.

Where possible, new agreements have been offered that extend rebate arrangements over a longer, multi-year term, in the expectation that the

Internal risks

Group's locations will not be adequately stocked. The impact is further magnified if such problems affect suppliers of products that are not easily replaced, logistical service providers, or vendors to which the Group is highly exposed.

Rising globalization has also raised the risk that suppliers will not adopt socially responsible behavior in their commercial dealings or will ignore international standards and principles on matters of personal dignity, working conditions, and health, safety and the environment.

Mitigating factors

macroeconomic situation will improve and business will turn around in the coming years.

As for raw material prices, specialized internal units constantly strive to meet efficiency targets by negotiating agreements with key suppliers; for strategic materials, prices may be indexed to protect the Group, at least temporarily, from spikes.

On the topic of sustainability and human rights, the Group expects its suppliers to comply with the principles laid down in its Code of Ethics.

In addition to supplier selection procedures based on a risk assessment approach, the Group has adopted the "Autogrill Group Supply Chain Sustainability Guidelines" that set general standards for the evaluation of vendors and instruct Group companies to work with suppliers that share its sustainability principles and run their businesses ethically and responsibly with respect to people and the environment. The Guidelines set supplier qualifications that are based on the most important international agreements, conventions and standards and are in line with the Group's Code of Ethics.

1.7.2 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).

1.7.3 MANAGEMENT AND COORDINATION

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

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

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

1.7.4 INTERCOMPANY AND RELATED PARTY TRANSACTIONS

Transactions with the related parties, including intercompany transactions, do not qualify as atypical or unusual and fall within the normal sphere of operations. They are conducted in the interests of Group companies 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).

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

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

1.7.6 RESEARCH AND DEVELOPMENT

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

1.7.7 TREASURY SHARES

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

At 31 December 2020 Autogrill S.p.A. owned 3,181,641 treasury shares (181,641 at the end of 2019), with a carrying amount of € 13,042k and an average carrying amount of € 4.10 per share. Purchases during the year amounted to € 12,322k.

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.

1.7.8 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

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

1.7.9 ATYPICAL OR UNUSUAL TRANSACTIONS

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

1.7.10 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.

1.7.11 RECONCILIATION BETWEEN PARENT AND CONSOLIDATED EQUITY

(€k)	Equity at 31.12.2019	Changes in the equity	Profit (loss) for the year 2020	Equity at 31.12.2020
Autogrill S.p.A. separate financial statements	**457,438**	**(11,626)**	**(38,288)**	**407,524**
Effect of the consolidation of subsidiaries' financial statements and related deferred taxation	350,006	827	(441,580)	(90,747)
Translation reserve	50,860	(27,826)	-	23,034
Group consolidated financial statements	**858,304**	**(38,625)**	**(479,868)**	**339,811**
Equity attributable to non-controlling interests	77,620	6,282	(24,021)	59,881
Total consolidated equity	**935,924**	**(32,343)**	**(503,889)**	**399,692**

CONSOLIDATED FINANCIAL STATEMENTS

2

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2.1 CONSOLIDATED FINANCIAL STATEMENTS

2.1.1 STATEMENT OF FINANCIAL POSITION

Note	(€k)	31.12.2020	Of which related parties	31.12.2019	Of which related parties
	ASSETS				
	Current assets	**952,738**		**679,338**	
I	Cash and cash equivalents	613,545		284,091	
XII	Lease receivables	15,003		16,842	
II	Other financial assets	48,129		64,181	
III	Tax assets	6,132		3,051	
IV	Other receivables	135,789	6,251	121,999	19,678
V	Trade receivables	36,696	1,423	55,424	565
VI	Inventories	97,444		133,750	
	Non current assets	**3,923,565**		**4,611,458**	
VII	Property, plant and equipment	967,946		1,090,913	
VIII	Right-of-use assets	1,748,787		2,358,973	
IX	Goodwill	819,473		854,976	
X	Other intangible assets	105,706		130,816	
XI	Investments	885		3,708	
XII	Lease receivables	61,808		66,083	
XIII	Other financial assets	37,350	-	41,775	7,591
XIV	Deferred tax assets	76,694		61,204	
XV	Other receivables	104,916		3,010	
	Assets classified as held for sale	**-**		**-**	
	TOTAL ASSETS	**4,876,303**		**5,290,796**	
	LIABILITIES AND EQUITY				
	LIABILITIES	**4,476,611**		**4,354,872**	
	Current liabilities	**1,277,433**		**1,250,735**	
XVI	Trade payables	292,097	19,108	397,183	24,196
XVII	Tax liabilities	1,176		14,070	
XVIII	Other payables	266,363	4,238	362,790	4,089
XXI	Bank loans and borrowings	265,129		56,333	
XXII	Lease liabilities	377,289	39,202	373,966	48,173
XIX	Other financial liabilities	15,340		9,479	
XXIV	Bonds	32,806		22,254	
XXVI	Provision for risks and charges	27,233		14,660	
	Non-current liabilities	**3,199,178**		**3,104,137**	
XVII	Tax liabilities	-		6,584	
XX	Other payables	29,177		17,440	
XXI	Loans, net of current portion	1,197,101		532,090	
XXII	Lease liabilities	1,590,384	210,284	2,100,406	248,797
XXIII	Other financial liabilities	1,283		925	
XXIV	Bonds	239,687		291,181	
XIV	Deferred tax liabilities	46,241		48,257	
XXV	Defined benefit plans	60,082		68,001	
XXVI	Provision for risks and charges	35,223		39,253	
	Liabilities classified as held for sale	**-**		**-**	
XXVII	**EQUITY**	**399,692**		**935,924**	
	– attributable to owners of the parent	339,811		858,304	
	– attributable to non-controlling interests	59,881		77,620	
	TOTAL LIABILITIES AND EQUITY	**4,876,303**		**5,290,796**	

2.1.2 INCOME STATEMENT

Note	(€k)	Full year 2020	Of which related parties	Full year 2019	Of which related parties
XXVIII	Revenue	2,215,774	2	5,393,753	-
XXIX	Other operating income	113,118	897	210,611	3,957
	Total revenue and other operating income	**2,328,892**		**5,604,364**	
XXX	Raw materials, supplies and goods	935,177	77	1,911,394	171
XXXI	Personnel expense	773,183	4,840	1,674,800	9,118
XXXII	Leases, rentals, concessions and royalties	64,288	(14,778)	578,422	36,881
XXXIII	Other operating expense	416,332	5,263	607,986	11,977
XXXIV	Depreciation and amortization	609,442		612,367	
XXXIV	Impairment losses on property, plant and equipment, intangible assets and right-of-use assets	61,656		11,653	
XXXV	Gain on operating activity disposal	19,562		128,811	
	Operating profit (loss)	**(511,624)**		**336,553**	
XXXVI	Financial income	8,394	-	5,147	114
XXXVI	Financial expense	(121,320)	(6,023)	(104,121)	(7,108)
XI	Share of the profit (loss) of equity method investments	(192)		36,357	
XXXVII	Revaluations (writedowns) of financial assets	(13,241)		-	
	Pre-tax profit (loss)	**(637,983)**		**273,936**	
XXXVIII	Income tax	134,094		(47,654)	
	Profit (loss) for the year	**(503,889)**		**226,282**	
	Profit (loss) for the year attributable to:				
	– owners of the parent	(479,868)		205,188	
	– non-controlling interests	(24,021)		21,094	
XXXIX	**Earnings per share (in €)**				
	– basic	-1.9049		0.8071	
	– diluted	-1.8944		0.8008	

2.1.3 STATEMENT OF COMPREHENSIVE INCOME

Note	(€k)	Full year 2020	Full year 2019
	Profit (loss) for the year	**(503,889)**	**226,282**
	Items that will never be reclassified to profit or loss		
XXVII	Remeasurements of the defined benefit (liabilities) asset	4,476	(463)
XXVII	Tax effect on items that will never be reclassified to profit or loss	(1,026)	287
	Items that will never be reclassified to profit or loss	**3,450**	**(176)**
	Items that may be subsequently reclassified to profit or loss		
XXVII	Equity-accounted investee - share of other comprehensive income	(59)	49
XXVII	Foreign currency translation differences for foreign operations	(33,364)	14,017
XXVII	Gain (loss) on net investment hedge	(95)	(81)
XXVII	Tax effect on items that may be subsequently reclassified to profit or loss	24	20
	Items that may be subsequently reclassified to profit or loss	**(33,494)**	**14,005**
	Total comprehensive income for the year	**(533,933)**	**240,111**
	– attributable to owners of the parent	(504,244)	220,210
	– attributable to non-controlling interests	(29,689)	19,901

2.1.4 STATEMENT OF CHANGES IN EQUITY (NOTE XXVII)

(€k)	Share capital	Legal reserve	Translation reserve	Other reserve and retained earnings	Treasury shares	Profit (loss) for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2019	**68,688**	**13,738**	**50,860**	**520,550**	**(720)**	**205,188**	**858,304**	**77,620**
Total comprehensive income for the year								
Profit (loss) for the year	-	-	-	-	-	(479,868)	(479,868)	(24,021)
Foreign currency translation differences for foreign operations	-	-	(27,696)	-	-	-	(27,696)	(5,668)
Gain (loss) on net investment hedge, net of the tax effect	-	-	(71)	-	-	-	(71)	-
Equity-accounted investee – share of other comprehensive income	-	-	(59)	-	-	-	(59)	-
Remeasurements of the defined benefit (liabilities) asset, net of the tax effect	-	-	-	3,450	-	-	3,450	-
Total comprehensive income for the year	**-**	**-**	**(27,826)**	**3,450**	**-**	**(479,868)**	**(504,244)**	**(29,689)**
Transaction with owners of the parent, recognised directly in equity								
Contributions by and distributions to owners of the parent								
Stock options	-	-	-	850	-	-	850	-
Allocation of 2019 profit to reserves	-	-	-	205,188	-	(205,188)	-	-
Capital increase	-	-	-	-	-	-	-	10,071
Treasury shares acquisition	-	-	-	-	(12,322)	-	(12,322)	-
Dividend distribution	-	-	-	-	-	-	-	(31)
Other movements	-	-	-	(1,855)	-	-	(1,855)	(4,360)
Total contributions by and distributions to owners of the parent	**-**	**-**	**-**	**204,183**	**(12,322)**	**(205,188)**	**(13,327)**	**5,680**
Acquisition of non-controlling interests	-	-	-	(922)	-	-	(922)	6,270
Total transactions with owners of the parent	**-**	**-**	**-**	**203,261**	**(12,322)**	**(205,188)**	**(14,249)**	**11,950**
31.12.2020	**68,688**	**13,738**	**23,034**	**727,261**	**(13,042)**	**(479,868)**	**339,811**	**59,881**

(€k)	Share capital	Legal reserve	Translation reserve	Other reserve and retained earnings	Treasury shares	Profit (loss) for the period	Equity attributable to owners of the parent	Equity attributable to non-controlling interests
31.12.2018	**68,688**	**13,738**	**35,662**	**499,848**	**(720)**	**68,660**	**685,876**	**55,159**
Total comprehensive income for the year								
Profit (loss) for the year	-	-	-	-	-	205,188	205,188	21,094
Foreign currency translation differences for foreign operations	-	-	15,210	-	-	-	15,210	(1,193)
Gain (loss) on net investment hedge, net of the tax effect	-	-	(61)	-	-	-	(61)	-
Equity-accounted investee – share of other comprehensive income	-	-	49	-	-	-	49	-
Remeasurements of the defined benefit (liabilities) asset, net of the tax effect	-	-	-	(176)	-	-	(176)	-
Total comprehensive income for the year	**-**	**-**	**15,198**	**(176)**	**-**	**205,188**	**220,210**	**19,901**
Transaction with owners of the parent, recognised directly in equity								
Contributions by and distributions to owners of the parent								
Stock options	-	-	-	3,294	-	-	3,294	-
Allocation of 2018 profit to reserves	-	-	-	68,660	-	(68,660)	-	-
Capital increase	-	-	-	-	-	-	-	42,800
Dividend distribution	-	-	-	(50,844)	-	-	(50,844)	(40,546)
Total contributions by and distributions to owners of the parent	**-**	**-**	**-**	**21,110**	**-**	**(68,660)**	**(47,550)**	**2,254**
Acquisition of non-controlling interests	-	-	-	(232)	-	-	(232)	306
Total transactions with owners of the parent	**-**	**-**	**-**	**20,878**	**-**	**(68,660)**	**(47,782)**	**2,560**
31.12.2019	**68,688**	**13,738**	**50,860**	**520,550**	**(720)**	**205,188**	**858,304**	**77,620**

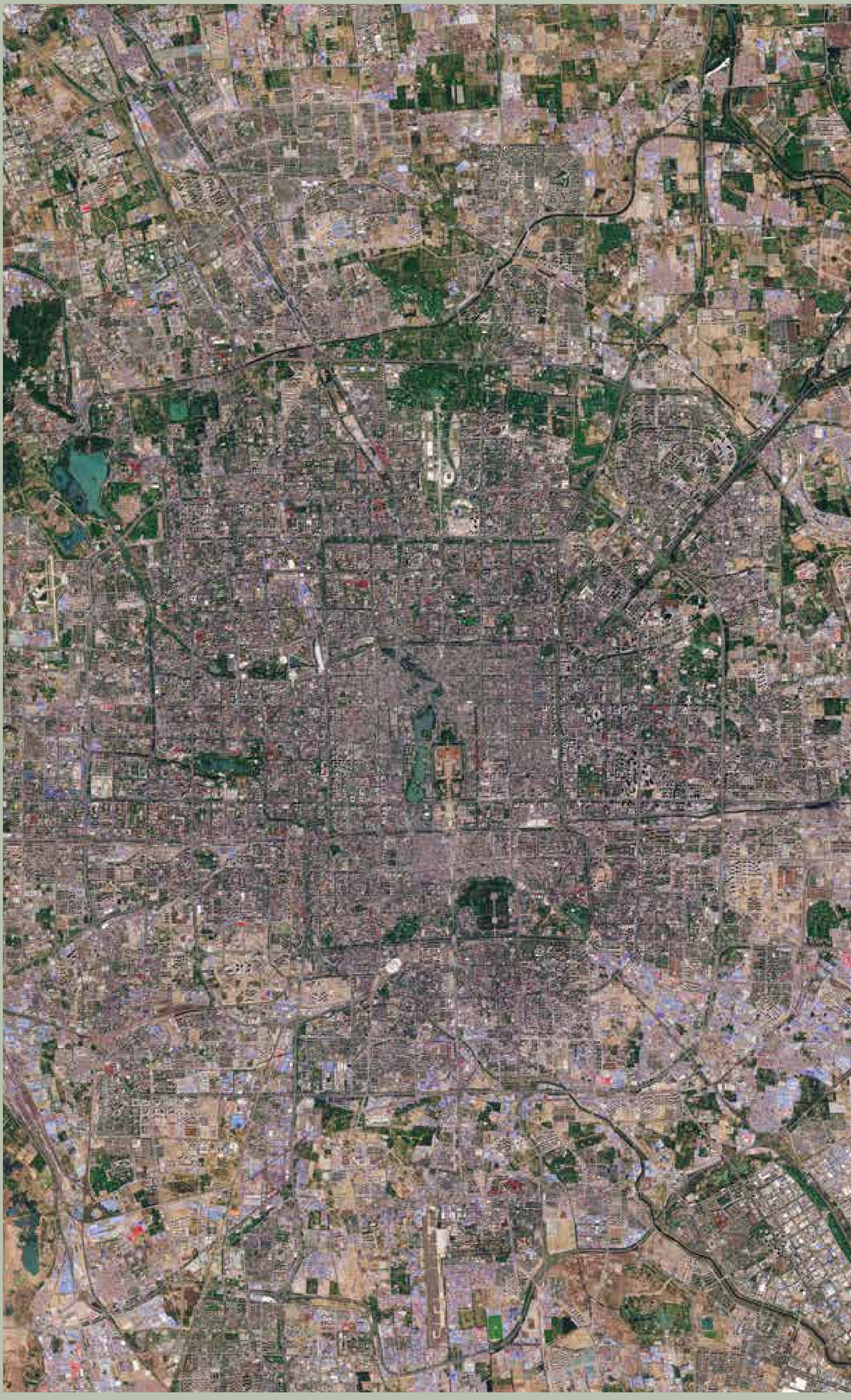
2.1.5 STATEMENT OF CASH FLOWS

(€k)	Note	Full year 2020	Full year 2019
Opening net cash and cash equivalents		**243,783**	**166,315**
Pre-tax profit (loss) and net financial expense for the year *		(525,058)	372,909
Amortisation, depreciation and impairment losses on non-current assets, net of reversals	XXXIV	671,098	624,020
Share of the profit (loss) of equity method investments		192	(36,357)
Value adjustment on financial assets		13,241	-
Gain on disposal of investment in subsidiaries	XXXV	(19,562)	(128,811)
Gain on disposal of non-current assets		(101)	(4,418)
Other non cash items		(5,706)	3,472
Change in working capital		(136,596)	2,084
Net change in non-current non-financial assets and liabilities		9,536	(11,761)
Cash flow from operating activities		**7,044**	**821,138**
Taxes paid		(2,025)	(27,051)
Net Interest paid		(31,548)	(24,670)
Net implicit interest in lease liabilities		(26,649)	(72,409)
Net cash flow from (used in) operating activities		**(53,178)**	**697,008**
Acquisition of property, plant and equipment and intangible assets paid		(183,943)	(343,587)
Proceeds from sale of non-current assets		1,964	10,893
Cash flow absorbed by acquisition of investments ** (Note 2.2.2)		(1,892)	(41,067)
Cash flow generated from disposal of investments (Note 2.2.3)		(1,352)	173,646
Net change in non-current financial assets		763	(9,044)
Net cash flow used in investing activities		**(184,460)**	**(209,159)**
Repayment of bonds		(21,888)	-
Utilisations of non-current credit lines		737,090	-
Repayments of non-current loans		-	(21,963)
Issue of new current loans, net of repayments		135,479	(20,677)
Principal repayment of lease liabilities		(102,865)	(325,027)
Renegotiation for Covid-19 on lease liabilities		(182,634)	-
Dividends paid		-	(50,844)
Treasury share purchase		(12,322)	-
Other cash flows ***		7,510	6,869
Net cash flow from (used in) financing activities		**560,370**	**(411,642)**
Cash flow for the year		**322,732**	**76,207**
Effect of exchange on net cash and cash equivalents		(11,124)	1,261
Closing net cash and cash equivalents		**555,391**	**243,783**

* Includes the item "Pre-tax profit (loss)" net of the items "Financial income" and "Financial expense"
** Also includes € 184k from a price adjustment on the acquisition of PGC, concluded in May 2019
*** Includes the distribution of dividends to the non-controlling shareholders of the consolidated companies, net of capital increases (€ 1,379 for 2020, € 7,328K for 2019). In 2020 this item also includes the effects of acquiring the remaining 49% of HMSHost Norway AS (€ 5,349k) and of the equity payment adjustment to a non-controlling shareholder in America (€ 1,916k)

RECONCILIATION OF NET CASH AND CASH EQUIVALENTS

(€k)	Full year 2020	Full year 2019
Opening - net cash and cash equivalents - balance as of 1st January 2020 and as of 1st January 2019	**243,783**	**166,315**
Cash and cash equivalents	284,091	214,699
Current account overdrafts	(40,308)	(48,384)
Closing - net cash and cash equivalents - balance as of 31 December 2020 and as of 31 December 2019	**555,391**	**243,783**
Cash and cash equivalents	613,545	284,091
Current account overdrafts	(58,154)	(40,308)



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2.2 NOTES TO THE FINANCIAL STATEMENTS

GROUP OPERATIONS

The Autogrill Group operates in the food & beverage industry, mainly at airports, motorway rest stops and railway stations, under contracts known as concessions.

2.2.1 ACCOUNTING POLICIES AND BASIS OF CONSOLIDATION

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 2020 consolidated financial statements were prepared on a going-concern basis using the euro as the presentation currency. Unless otherwise specified, the figures in the financial statements and notes are in thousands of euros (k€).

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in financial statements for years beginning on 1 January 2020:
- Amendments to References to the Conceptual Framework in IFRS;
- Amendments to IAS 1 and IAS 8: definition of "material";
- Amendments to IFRS 9, IAS 39, and IFRS 7: interest rate benchmark reform;
- Amendments to IFRS 3 - Definition of a business.

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

On 9 October 2020 the European Union endorsed the amendment to IFRS 16 – Covid-19 related rent concessions, issued by the IASB on 28 May 2020 and applicable to financial periods beginning on or after 1 June 2020, with early adoption possible as from 1 January 2020. The Autogrill Group opted for early adoption.

The amendment to IFRS 16 gives lessees the option to account for rent concessions related to the Covid-19 pandemic without the need to determine from the contracts whether they constitute lease modifications as defined by IFRS 16. Therefore, lessees taking this option can account for the effects of rent concessions directly in the income statement as of the effective date of the concession.

The expedient applies only to new agreements reached as a direct consequence of the Covid-19 pandemic and only if the following conditions are met:

- the total amount of minimum lease payments resulting from the renegotiation must be substantially the same as, or less than, those paid for the lease immediately preceding the change;
- any reduction or waiver of a reduction in minimum lease payments affects only payments originally due on or before 30 June 2021;
- there is no substantive change to other terms and conditions of the lease.

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

As mentioned in the Directors' Report, the net total benefits from negotiations with landlords and reflected in the 2020 income statement as a result of the above amendment is € 182.6m.

Finally, where under certain circumstances the conditions set by the amendment were not met, leasing contracts were remeasured in accordance with the definition of lease modification stated in IFRS 16; therefore, in these cases, the impacts from rent reductions negotiated in light of the Covid-19 pandemic and from substantial changes to other terms and conditions of the original lease are reflected in the 2020 income statement as (i) a decrease in depreciation of "Right-of-use assets" of € 21.8m, and (ii) a net overall decrease in "Finance income on lease receivables" and "Finance expense on lease liabilities" of € 1.1m.

For further details of the effects of this amendment, see Notes XXIX and XXXII.

Below are the accounting standards, amendments and interpretations issued by the IASB and endorsed by the European Union for mandatory adoption in years beginning on or after 1 January 2021 that Autogrill did not choose to apply early in the 2020 financial statements:

- Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4, and IFRS 16: Interest rate benchmark reform - Phase 2.

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

As concerns accounting policies, amendments and interpretations not yet endorsed by the European Union:

- on 23 January 2020, the IASB published "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current" and on 15 July it published "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current – deferral of Effective Date". The amendment will take effect on 1 January 2023;
- On 14 May 2020, the IASB published "Amendments to IFRS 3 Business

Combinations", "Amendments to IAS 16 Property, Plant and Equipment", "Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets", and "Annual Improvements 2018-2020". All of the amendments will take effect on 1 January 2022.

The Directors are assessing the potential effects of these amendments on the consolidated financial statements.

STRUCTURE, FORMAT AND CONTENT OF THE CONSOLIDATED FINANCIAL STATEMENTS

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

Pursuant to IAS 1(24) and IAS 1(25), the consolidated financial statements have been prepared on a going concern basis with respect to both the parent company and the Group. Confirmation of going concern status reflects *(i)* the level of capitalization, on which the capital increase approved on 25 February 2021 may also have a positive impact (Note 2.2.15), *(ii)* the availability of approximately € 600m in cash and credit facilities at 31 December 2020, *(iii)* ongoing measures to mitigate the effects of the Covid-19 pandemic on profitability and cash absorption, estimated at € 70m to € 120m for 2021, and *(iv)* the successful negotiation of a covenant holiday for the parent company's and the US subsidiary's loans, extended until 31 December 2022, for an additional 12 months with respect to the deadline negotiated in June 2020 (Note 2.2.15).

In accordance with IAS 1 and IAS 7, the formats used in the 2020 consolidated 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.

The financial statements of each company included the scope of consolidation are prepared in the currency of its primary location (functional currency). For the purposes of the consolidated financial statements, the assets and liabilities of foreign subsidiaries with a functional currency other than the euro, including goodwill and fair value adjustments generated by the acquisition of a foreign business, are translated at the rates prevailing at year end. Income and expense are converted at average exchange rates for the year, which approximate those in force when the corresponding transactions took place. Exchange differences are recognized in the statement of comprehensive income and shown under "translation reserve" in the statement of changes in equity. Exchange gains and losses arising from receivables or payables with foreign operations, the collection or payment of which is neither planned nor likely in the foreseeable future, are treated as part of the net investment in foreign operations and are recognized in other comprehensive income and shown under "translation reserve" in the statement of changes in equity.

Below are the exchange rates used to translate the financial statements of the main subsidiaries with a functional currency other than the euro:

	2020		2019	
	Rate on 31 December	Average rate for the period	Rate on 31 December	Average rate for the period
US Dollar	1.2271	1.1422	1.1234	1.1195
Canadian Dollar	1.5634	1.5311	1.4593	1.4851
Swiss Franc	1.0802	1.0705	1.0854	1.1124

BASIS OF CONSOLIDATION

The scope of consolidation includes subsidiaries for which the Group, pursuant to IFRS 10, is exposed to or has rights to variable returns and is able to affect those returns through power over these investees. The list of consolidated companies is annexed to these Notes.

The consolidated financial statements include the 2020 financial statements of Autogrill S.p.A. and all companies it directly or indirectly controls or controlled during the year. The scope of consolidation also includes a French company that is not wholly owned and others belonging to the US subsidiary HMSHost Corporation (see the annex "List of consolidated companies and other investments"), which are controlled on the basis of a 50% or lower stake and an agreement that puts their business under the management of Autogrill.

The financial statements of subsidiaries are consolidated on a line-by-line basis, i.e. by recognizing the full amount of their assets and liabilities at the close of the year and their income and expenses for the entire year or for the portion of the year during which control was maintained, and eliminating the carrying amount of the consolidated equity investments held by the parent against the relative share of equity.

Non-controlling interests in the net assets of consolidated subsidiaries are identified separately from equity attributable to the owners of the parent. They are determined on the basis of the non-controlling investors' share of the fair value of the assets and liabilities recognized at the date of acquisition (see "Business combinations") and of changes in equity attributable to non-controlling interests after that date.

Any material unrealized gains and losses arising out of transactions between consolidated companies are eliminated, as are all significant payables, receivables, income and expenses between Group companies. These adjustments, like the other consolidation adjustments, take account of any deferred tax effects.

The income and expense of subsidiaries acquired or sold during the year are included in the consolidated income statement from the actual date of acquisition or to the actual date of disposal, with slight timing adjustments where these dates do not coincide with monthly accounting dates. If necessary, adjustments are made to subsidiaries' financial statements to bring their accounting policies into line with those of the Group.

If control of a subsidiary is lost, the Group eliminates assets and liabilities, non-controlling interests, and other components of equity relating to the former subsidiaries. Gain or loss resulting from loss of control is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value on the date of loss of control. It is subsequently valued using the equity method, or as a financial asset depending on the degree of influence retained.

HMSHost Corporation and its subsidiaries, following common practice in English-speaking countries, close their fiscal year on the Friday closest to 31 December and divide it into 13 four-week periods, which in turn are grouped into 12-week quarters with the exception of the last, which was a 16-week quarter in 2020 (17 weeks the previous year), meaning that the income statement covers 52 weeks as opposed to 53 in 2019. As a result, the accounts included in the 2020 consolidated financial statements cover the period 4 January 2020 to 1 January 2021, while the previous year's accounts covered the period 29 December 2018 to 3 January 2020. This has had no significant impact on the statement of financial position at 31 December 2020 or on results for the year.

With respect to 31 December 2019 there have been no significant changes in the scope of consolidation, except for the 100% acquisitions effective 1 January 2020 of Autogrill Middle East, LLC (also entailing the line-by-line consolidation of its associate Arab Host Services, LLC) and HMSHost Catering Malaysia SDN. BHD. (formerly Dewina Host SDN. BHD.), both of which were previously consolidated using the equity method as they were owned 50% and 49%, respectively; and the disposal of the subsidiary Autogrill Iberia S.L.U. For further information see Sections 2.2.2 "Acquisitions" and 2.2.3 "Disposals", below, as well as the Directors' Report.

ACCOUNTING POLICIES

The Group 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, the Group has followed the rules of IFRS 3 (2008) - Business combinations.

The Group 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 Group, 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 Group and the acquiree, the lesser of the settlement provision, as established by contract, and the off-market price of the element is deducted from the consideration transferred and recognized under other costs.

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 combination only if this liability represents a current obligation deriving from past events and when its fair value can be reliably measured.

For each business combination, any minority interest in the acquiree is measured at fair value or in proportion to the minority share of the acquiree's net identifiable assets.

Goodwill arising from the acquisition 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.

In case of a business combination achieved in stages, the interest previously held in the acquiree is remeasured at its acquisition-date fair value and any resulting gain or loss is recognized in profit or loss.

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.

Conversely, if a disposal leads to lost control of an entity, the difference between the disposal price and the value of the net assets transferred (corresponding to the change in the scope of consolidation) is taken to profit or loss, while for disposals without loss of control (where the entity remains in the scope of consolidation) the difference between the disposal price and the value of the net assets transferred is recognized in equity.

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

The Group 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 Group 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 is recognized as an asset and valued initially at cost, i.e., the amount by which the acquisition cost exceeds the Group's interest in the fair value of the identifiable assets, liabilities and contingent liabilities recognized on acquisition.

Non-controlling interests in the acquiree are initially measured according to their percentage interest in the fair value of the assets, liabilities and contingent liabilities recognized on acquisition.

BUSINESS COMBINATIONS CARRIED OUT BEFORE 1 JANUARY 2004

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

BUSINESS COMBINATIONS UNDER COMMON CONTROL

A business combination in which the combining entities or businesses are ultimately controlled by the same party or parties both before and after the business combination, when that control is not transitory, qualifies as a combination "under common control". Business combinations under common control are outside the scope of IFRS 3 "Business Combinations" and of other IFRS. In the absence of an accounting principle that deals specifically with these transactions, the most suitable accounting principle to be chosen should meet the general object of IAS 8, that is, faithful and reliable presentation of the transaction. Furthermore, the accounting treatment of business combinations under common control should reflect the economic substance of the transaction, regardless of its legal form. The pre-eminence of economic substance is therefore the key factor guiding the method chosen to account for these business combinations. Economic substance must refer to the creation of added value that translates into significant changes in the cash flows of the net assets transferred.

The accounting treatment of the transaction should also take account of current interpretations and trends, in particular OPI 1 (*Orientamenti Preliminari Assirevi in tema di IFRS* - Preliminary Orientations on IFRS by the Italian Association of

Auditors), "Accounting treatment of business combinations of entities under common control in separate and consolidated financial statements".

The Autogrill Group recognizes the net assets transferred at the carrying amounts presented in the consolidated financial statements of the common parent and treats the resulting difference between the acquisition price and the value of the net assets transferred as an adjustment of net equity reserves attributable to the Group. Conversely, in the case of discontinued operations, the difference between the disposal price and the value of the net assets transferred is treated as an adjustment of the Autogrill Group's share of net equity reserves.

ACQUISITIONS OF NON-CONTROLLING INTERESTS

The Group applies IFRS 10 to all acquisitions carried out after control is assumed. On that basis, such acquisitions are treated as transactions carried out with shareholders in their capacity as owners, and do not give rise to goodwill. Adjustments to non-controlling interests are based on a proportional amount of the subsidiary's net assets. Previously, the recognition of goodwill from the acquisition of a non-controlling interest in a subsidiary represented the excess cost of the additional investment with respect to the book value of the interest in the net assets acquired on the transaction date.

INVESTMENTS IN ASSOCIATES AND JOINT VENTURES

An associate is a company over which the Group has a significant influence, but not control or joint control, through participation in decisions regarding the associate's financial and operational policies; a joint venture is an agreement through which the Group has rights to net assets, rather than rights to assets and obligations for liabilities.

The income, expenses, assets and liabilities of associates and joint ventures are recognized in the consolidated financial statements using the equity method, except where the investment is classified as held for sale.

Accordingly, investments in associates and joint ventures are initially recognized at cost. The cost of the investment includes transaction costs. The consolidated financial statements include the Group's share of the investees' profits or losses, recognized using the equity method, up to the date it no longer has significant influence or joint control.

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, sales revenue and costs for the purchase of goods 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.

Revenue is recognized when (or gradually as) the risks and the benefits connected to ownership of the goods are transferred to the buyer and the amount of the revenue can be accurately measured. If it is probable that discounts will be granted and the amount can be measured reliably, the discount is charged as a reduction of revenue when the sale is recognized.

Goods are transferred when the customer acquires control, meaning the ability to decide how an asset is used and to reap its benefits. In the case of a retail sale, the transfer generally takes place when the goods are delivered and the consumer has paid the consideration asked. In the instance of wholesale transactions, the transfer usually coincides with the arrival of the products in the client's warehouse.

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.

When the Group is acting as an agent and not as a principal in a sales transaction, the revenue recognized is the net amount of the Group's premium or commission.

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

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

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

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

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

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

RECOGNITION OF FINANCIAL INCOME AND EXPENSE

Financial income includes interest on invested liquidity (including financial assets available for sale), income from lease receivables, dividends approved, proceeds from the transfer of financial assets available for sale, 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 are recognized when the Group's right to receive them is established.

Financial expense includes interest on loans, expense on lease liabilities, 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.

Group companies provide defined benefit and defined contribution plans.

Post-employment benefit plans are formalized agreements whereby the Group provides post-employment benefits to one or more employees. The manner in which these benefits are provided varies according to legal, fiscal and economic conditions in the countries in which the Group operates, and are normally based on compensation and years of service.

Defined-contribution plans are post-employment benefit plans under which the Group 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 Group, 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 Group 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 Group. 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 by employees of the Group's Italian companies 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 Performance Share Unit plan, the grant-date fair value of the options granted to employees is recognized in personnel expense with a corresponding increase in equity ("Other reserves and retained earnings"), over the period in which the employees become unconditionally entitled to the awards. The fair value of options is estimated on the basis of all market-based vesting conditions, such as the performance of Autogrill shares and market indexes. Also, so that the final amount is based on the number of options that will actually vest, the cost is adjusted to reflect both service conditions and non-market conditions.

There is no true-up for differences between expected and actual conditions.

In the case of cash-settled share-based payment transactions (or those settled with equity or other financial instruments issued by a different entity), which include the Group's Phantom Stock Option plan, the fair value of the amount payable to employees is recognized as a cost, with an increase in liabilities as a contra entry over the period during which the employees have the unconditional right to receive payment. The liability is measured at each year-end and at the settlement date, based on the remeasurement of the fair value of the option rights. Any changes in the fair value of the liability are recognized in profit or loss under personnel expense (employee benefits).

INCOME TAX

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

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

For three-year period 2019-2021, Autogrill S.p.A. is following the 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 subsidiaries, 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 regulations provide 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 all Italian subsidiaries, 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 subgroup including all Italian subsidiaries, 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 Group 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.

Note that coordination between the IFRS 16 standard and calculation of the tax effect in Italy is governed by an Economy Ministry decree dated 5 August 2019.

NON-CURRENT ASSETS

GOODWILL

Goodwill arising from the acquisition of subsidiaries is shown separately in the statement of financial position.

Goodwill is not amortized, but is subject to impairment testing on a yearly basis or when specific events or changed circumstances indicate the possibility of a loss in value. After its initial recognition, goodwill is measured at cost net of any accumulated impairment losses.

Upon the sale of a company or part of a company whose previous acquisition gave rise to goodwill, account is taken of the residual value of the goodwill in determining the capital gain or loss from the sale.

OTHER INTANGIBLE ASSETS

"Other intangible assets" are recognized at purchase price or production cost or adjusted for the excess price allocation from business combinations, including ancillary charges, and amortized over their useful life when it is likely that use of the asset will generate future economic benefits.

The Group reviews the estimated useful life and amortization method of these assets at each year end and whenever there is evidence of a change in the asset's expected future profitability. If impairment losses arise - determined in accordance with the section "Impairment losses and reversals" - the asset is written down accordingly.

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

Concessions, licenses, brands and similar rights:	
Software licenses	2-10 years or term of license
License to sell state monopoly goods	Term of license
Contractual rights	Term of the rights
Other:	
Software on commission	3-6 years
Other costs to be amortized	2-10 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 Group reviews the useful life of each asset at every year end. Cost includes reasonably estimated expenses (if compatible with IAS 37) that are likely to be incurred on expiry of the relevant contract to restore the asset to the contractually agreed condition, assuming that maintenance will continue to be carried out properly and with the usual frequency. 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:

Property, plant and equipment	Useful life (years)
Industrial buildings	5-50
Plant and machinery	3-14
Industrial and commercial equipment	2-23
Other	3-23

Land is not depreciated.

For "Assets to be transferred free of charge" these rates, if higher, are replaced by those corresponding to the term of the concession contract. 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. They are depreciated over the asset's residual useful life or the term of the concession contract, whichever is shorter.

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

RIGHT-OF-USE ASSETS

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

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

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

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

The Group has made certain professional judgments involving the definition of some accounting policies and the use of estimates and assumptions. In detail:
- not to apply IFRS 16 to leases that have as underlying an intangible asset;
- 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 accurate estimation of the lease term and the useful life of leasehold improvements (as well as assets to be transferred free of charge). In 2020, after completing its analysis of the IFRS Interpretation Committee conclusions, the Group found no further impacts on the determination of right-of-use assets or lease receivables/liabilities. In particular:
  - the Group had already gone into the matter in depth upon first-time adoption, when setting rules for the accuracy of the lease term estimate in the Group Accounting Policy – IFRS 16, in a manner consistent with the subsequent interpretation published by the IFRS Interpretation Committee;
  - the companies in the Autogrill Group follow administrative processes to ensure that leasehold improvements are depreciated over their useful life or the

duration of the underlying lease, whichever is shorter. If it turns out that a lease is about to be terminated in advance, the end date of the related leasehold improvements is modified accordingly;

- as the implicit interest rate is not available for all the Group'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.

IMPAIRMENT LOSSES AND REVERSALS ON NON-CURRENT ASSETS

At each balance sheet date, the Group tests whether there are internal or external indicators of impairment or reversal of impairment for its property, plant and equipment, intangible assets, and right-of-use assets, with reference to the total amount of such assets allocated per cash generating unit. 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 Group 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. With regard to property, plant and equipment and right-of-use assets in the sales network, this minimum aggregation unit is the store or stores covered by a single concession agreement.

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

The cash generating units to which goodwill has been allocated are grouped so that the level of detection of impairment reflects the level of greatest detail at which goodwill is monitored for internal reporting purposes. Goodwill acquired in a business combination is allocated to the cash-generating units expected to benefit from the synergies of the combination.

The recoverable amount is the higher of market value (fair value less costs to sell) and value in use. In determining value in use, the estimated future cash flows are discounted to their current value using a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset or cash-generating unit is estimated to be less than its carrying amount, it 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, 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 AND DISCONTINUED OPERATIONS

A discontinued operation is part of a group whose activities and financial flows are clearly distinguishable from the rest of the group, and which:

- constitutes a major independent branch or geographical area of business,
- is part of a single coordinated plan to dispose of a major independent branch or geographical area of business, or
- is a subsidiary acquired for the sole purpose of reselling it.

An operation is listed as discontinued when it is sold or when it meets the conditions for being classified as "held for sale" whichever comes first.

When an operation is listed as discontinued, the comparative statement of comprehensive income is redetermined as if the operation had been discontinued as of the beginning of the previous year.

The assets and liabilities of operations being discontinued 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;
- financial assets and liabilities held for sale and discontinued operations are shown in the statement of financial position separately from other assets/liabilities and are not offset.

CURRENT ASSETS AND CURRENT & NON-CURRENT LIABILITIES

INVENTORIES

Inventories are recognized at the lower of purchase or production cost and market value. Purchase or production cost includes directly attributable expenses, net of discounts, rebates, annual bonuses and similar contributions from suppliers, and is calculated using the FIFO method or with criteria that approximate FIFO. When the carrying value of inventories is higher than their net realizable value, they are written down and an impairment loss is charged to the income statement. The recoverability of inventories is verified at each reporting date. If the reasons for the impairment loss cease to apply, they are reversed to an amount not exceeding purchase or production cost.

TRADE AND OTHER RECEIVABLES

Trade receivables and other receivables are initially recognized at fair value and, where necessary, 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 (expected credit losses).

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

LEASE RECEIVABLES

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

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

The lease receivable corresponds to the present value of the minimum lease payments to be received 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 Group uses the incremental borrowing rate as discount rate. The lease receivable is subsequently increased by the interest accrued and decreased by the receipts received for the lease.

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

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

See the "General standards" section above for information on the impact of adopting this practical expedient, further to negotiations with landlords in light of the Covid-19 pandemic.

OTHER FINANCIAL ASSETS

IFRS 9 applies one approach to analyze and classify all financial assets, including those containing embedded derivatives. Financial assets are classified and measured considering the business model for managing the financial asset and the contractual cash flow characteristics of the financial asset. There are three categories, according to the characteristics of the instrument and the business model adopted for its management: i) financial assets measured at amortized cost; (ii) financial assets measured at fair value through other comprehensive income (also referred as OCI); (iii) financial assets measured at fair value through profit or loss.

A financial asset is measured at amortized cost if both of the following conditions are met: the financial asset is held within a business model whose sole objective is to hold assets in order to collect contractual cash flows; and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely returns from the financial asset. Under the amortized cost method, the amount at initial recognition is subsequently adjusted to take into account principal repayments, any impairment and the amortization of the difference between the repayment amount and the amount at initial recognition. Amortization is calculated using the internal rate of return rate, i.e. the rate at which the net present value of the future cash flows is equal to the initial investment at initial recognition. Receivables and other financial assets measured at amortized cost are presented in the Statement of Financial Position net of the related impairment provisions.

Debt instruments whose business model has the objective of both collecting the contractual cash flows and realizing cash flows though sales (hold to collect and sell business model) are measured at fair through other comprehensive income. In this case the fair value changes of the instrument are recognized in equity among the other components of comprehensive income. The accumulated changes in fair value, recognized in the equity reserve that reflects other components of comprehensive income, is reversed to profit or loss upon derecognition of the instrument. The interest income, calculated using the effective interest rate, exchange differences and impairment losses are recognized in profit or loss.

Debt instruments that are not measured at amortized cost or at FVTOCI are measured at fair value through profit or loss.

CASH AND CASH EQUIVALENTS

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

LOANS, BANK LOANS, BONDS AND OVERDRAFTS

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

TRADE PAYABLES

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

LEASE LIABILITIES

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

The lease liability corresponds to the present value of the minimum lease payments due as of the commencement date, including those determined on the basis of an index or rate (initially valued using the index or rate at the commencement date of the contract), as well as any penalties in the event that the lease term 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 Group uses the incremental borrowing rate as discount rate. The lease liability is subsequently increased for the accrual of interest and reduced to reflect the lease payments made.

The lease liability is remeasured in the event of changes to the future minimum lease payments, due to:

- changes in the index or rate used to determine the lease payments: in such cases the lease liability is remeasured by discounting the new minimum lease payments at the initial discount rate;

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

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

See the "General standards" section above for information on the impact of adopting this practical expedient, further to negotiations with landlords in light of the Covid-19 pandemic.

DERIVATIVE FINANCIAL INSTRUMENTS AND HEDGE ACCOUNTING

The Group's liabilities are exposed primarily to financial risks due to changes in interest and exchange rates. To manage these risks the Group uses financial derivatives, mainly in the form of interest rate swaps, forward rate agreements, interest rate options, and combinations of these. The use of derivatives is governed by the "Financial Management and Financial Risks Policy" and the "Annual Financial Strategy" approved by Autogrill S.p.A.'s Board of Directors, which set standards and guidelines for the Group's financial risk hedging strategy. Derivative contracts have been entered into with counterparties deemed to be financially solid, with the aim of reducing default risk to a minimum. Group companies do not use derivatives for purely trading purposes, but rather to hedge identified risks.

For further information see the policy described in Section 2.2.7.2 "Financial risk management".

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

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

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

When financial instruments qualify for hedge accounting, the following rules apply:
- Fair value hedge: if a derivative financial instrument is designated as a hedge against changes in the fair value of a recognized asset or liability attributable to a particular risk that may affect profit or loss, the gain or loss arising from subsequent fair value accounting of the hedge is recognized in the income statement. The gain

or loss on the hedged item attributable to the hedged risk adjusts its carrying amount and is recognized in profit or loss;
- Cash flow hedge: if a financial instrument is designated as a hedge against exposure to variations in the future cash flows of a recognized asset or liability or a forecast transaction that is highly probable and could affect profit or loss, the effective portion of the gain or loss on the financial instrument is recognized in comprehensive income and presented in the "hedging reserve" under equity. The cumulative gain or loss is reclassified 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 reclassified immediately to profit or loss;
- Hedge of net investment: if a derivative is designated as a hedge of a net investment in a foreign operation, held directly or indirectly through an intermediary holding company, the effective portion of the gain or loss on the hedge is recognized in comprehensive income and presented in the "translation reserve" under equity, while the ineffective portion is taken to profit or loss. On disposal of the foreign operation, the gain or loss on the effective portion of the hedge that has been cumulatively recognized in the translation reserve is also taken 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 Group 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.

With the adoption of IFRS 16, provisions for onerous contracts are recognized net of the right-of-use asset pertaining to the individual store, by discounting the right-of-use assets corresponding to each onerous lease contract. 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 Group 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 Group 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 TREASURY SHARES

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

EARNINGS PER SHARE

The Group presents basic and diluted earnings per share for its ordinary shares.

Basic earnings per share is calculated by dividing the profit or loss attributable to the company's ordinary shareholders by the weighted average number of ordinary shares outstanding during the period, adjusted for treasury shares held. Diluted earnings per share is determined by adjusting the profit or loss attributable to ordinary shareholders and the weighted average number of ordinary shares outstanding, as defined above, for the effects of all dilutive potential ordinary shares and stock options granted to employees.

FOREIGN CURRENCY TRANSACTIONS

Transactions in foreign currencies are converted into the presentation 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 consolidated 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 the year-end date. Actual results may differ. Estimates are used to determine the effects of business combinations (for the purchase price allocation and its amortization), asset impairment losses/reversals (for the estimate of the value in use or the net realizable value), the fair value of financial instruments, provisions for bad debts (for the estimate of the specific and generic risk of collection), inventory obsolescence (based on the stock management strategy), amortization and depreciation (for the determination of the useful life), employee benefits (for the actuarial elements), taxes (for the recoverability of the deferred tax assets) and provisions for risks and charges (for the estimate of the outcome of the litigations). Estimates and assumptions are periodically reviewed and the effect of any change is taken to the income statement of the current year and the years to which the changes pertain. The estimation criteria used for these financial statements are the same as those followed the previous year, unless otherwise specified.

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

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

2.2.2 ACQUISITIONS

In early 2020 the Autogrill Group, through its subsidiary HMSHost International B.V., acquired all remaining shares of the Malaysian company HMSHost Catering Malaysia SDN. BHD. (formerly Dewina Host SDN. BHD. and owned 49%), for consideration of € 1.7m (RMB 7.9m). The company has 11 locations at Kuala Lumpur airport. Prior to becoming a wholly-owned subsidiary, it was consolidated using the equity method; its revenue in 2020 amounted to € 2.1m (€ 7.9m in 2019).

Also in early 2020, through the subsidiary HMSHost International B.V., the Autogrill Group finalized the acquisition of the remaining 50% of Autogrill Middle East LLC (United Arab Emirates) for € 7.9m (AED 32m). This company, too, was formerly consolidated using the equity method.

The transaction brought the company Arab Host Services LLC (Qatar), previously consolidated using the equity method, into the scope of consolidation.

This is because Autogrill Middle East, LLC owns 49% of Arab Host Services LLC, but has de facto control of the company thanks to a set of agreements carried out by its local partner in Qatar, giving it title to 98% of profits earned.

The two companies operate in the food & beverage business with 12 locations at Abu Dhabi and Dubai airports for Autogrill Middle East, LLC and 4 locations at Doha airport for Arab Host Services LLC. Their combined revenue in 2020 came to € 6m (€ 11.1m in 2019).

On the whole, these acquisitions affected the absorption of cash for the year in the amount of € 2,076k.

2.2.3 DISPOSALS

On 29 December 2020, further to approval by the Spanish antitrust authorities, Autogrill S.p.A. – through its subsidiary Autogrill Europe S.p.A. – concluded the sale of Autogrill Iberia S.L.U. to the AREAS Group (the sale was formalized on 14 January 2021). That includes the sale of 60 locations, mainly on Spanish motorways. The sale price of € 2,102k produced a capital gain of € 19,562k, recognized under "Gain on operating activity disposal".

In 2020, revenue from Autogrill Iberia S.L.U. amounted to € 25.5m, while in 2019 they contributed € 81.9m.

The disposal resulted in cash absorption of € 1,352k, as the difference between the consideration received and the € 3,454k in cash transferred.

2.2.4 NOTES TO THE STATEMENT OF FINANCIAL POSITION

CURRENT ASSETS

I. CASH AND CASH EQUIVALENTS

(€k)	31.12.2020	31.12.2019	Change
Bank and post office deposits	590,255	235,968	354,287
Cash and equivalents on hand	23,290	48,123	(24,833)
Total	**613,545**	**284,091**	**329,454**

"Cash and equivalents on hand" include cash floats at stores and amounts in the process of being credited to bank accounts. The amount may vary substantially depending on the frequency of pick-ups for deposit, which are generally handled by specialized third-party carriers.

The significant increase in "Bank accounts and post office deposits" mostly reflects the use of available credit facilities and new disbursements in the context of efforts to strengthen liquidity in order to counter the Covid-19 pandemic from a more solid financial situation, as described in Note XXI and in the Directors' Report.

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 current account overdrafts.

II. OTHER FINANCIAL ASSETS

(€k)	31.12.2020	31.12.2019	Change
Financial receivables from third parties	37,818	50,452	(12,634)
Receivables from credit card companies	5,564	13,215	(7,651)
Fair value of interest rate hedging derivatives	1,698	342	1,356
Fair value of exchange rate hedging derivatives	3,049	172	2,877
Total	**48,129**	**64,181**	**(16,052)**

"Financial receivables from third parties" consist primarily of the current portion of capital advances due back from the non-controlling shareholders of some North American subsidiaries; the amount takes account of their ability to pay the sums back with future earnings. Much of the net decrease in this item stems from the consolidation of Autogrill Middle East LLC, which involved eliminating the receivable due from the company (€ 7,249k) after its acquisition (2.2.2 Acquisitions), and from the writedowns charged in 2020 by the American subsidiary to cover the risk of uncollectability of these sums (€ 11,582k), which more than offset the additional loans granted.

The net decrease in "Receivables from credit card companies" is explained by the steep decline in sales as a result of the Covid-19 pandemic.

The "Fair value of interest rate hedging derivatives" includes the current portion of the fair value measurement of derivatives outstanding at 31 December 2020, with a combined notional value of $ 100m.

"Fair value of exchange rate hedging derivatives" refers to the fair value measurement of the derivatives entered into to hedge exchange rate risk, in particular to the forward purchase and/or sale of currency to mitigate the risk of intercompany loans and dividends. The balance relates primarily to the derivatives held by the parent company, Autogrill S.p.A.

III. TAX ASSETS

These amount to € 6,132k, compared with € 3,051k at 31 December 2019, and refer to income tax credits assets accrued mainly in the United States (€ 4,117k).

IV. OTHER RECEIVABLES

(€k)	31.12.2020	31.12.2019	Change
Suppliers	46,682	49,230	(2,548)
Lease/concession and royalties advance payment	3,237	4,553	(1,316)
Inland revenues and government agencies	29,410	14,727	14,683
Receivables from grantors for investments	14,307	11,890	2,417
Sub-concessionaires	5,911	4,983	928
Receivables from the parent for tax consolidation	-	10,229	(10,229)
Receivables from personnel	2,522	1,225	1,297
Other	33,720	25,162	8,558
Total	**135,789**	**121,999**	**13,790**

"Suppliers" refers to amounts receivable for promotional contributions and supplier bonuses awaiting settlement, as well as advances for services to be received. Most of the decrease relates to the reduced amount of contributions.

"Lease/concession and royalties advance payment" consist of lease installments paid in advance, as required by contract.

Receivables from "Inland revenues and government agencies" relate mostly to indirect taxes. The increase relates primarily to the higher net VAT credit of the Group's Italian companies (€ 12,076k at 31 December 2020 compared with € 2,577k the previous year, taking account of Autogrill S.p.A.'s transfer of the annual VAT credit for a nominal € 4,322k against a net amount received of € 4,285k) and Covid-19 benefits due from social security institutions for a total of € 4,283k (mostly in Belgium, Germany, and France).

The increase in "Receivables from grantors for investments" relates to greater commercial investments made on behalf of concession grantors in North America in accordance with contractual provisions.

Amounts due from "Sub-concessionaires" refer to businesses sublet to others and consist mainly of receivables due under lease contracts with variable rents.

"Receivables from the parent for tax consolidation" concerned the amount due from Edizione S.r.l. to the Italian companies in the Group that participate in the domestic tax consolidation scheme (see Section 2.2.12 "Other information - Related party transactions"). In 2020, further to the request for an IRES refund for the deduction from taxable income of the portion of IRAP concerning personnel expense paid from 2007 to 2011 (pursuant to Art. 2 of Decree Law 201/2011 and Decree Law 185/2008), this amount was received in full.

"Receivables from personnel" refer to wages and salaries advanced or rounded up and employees' expenses paid in advance by the Group.

"Other" consists mainly of prepayments for maintenance fees, insurance policies and reimbursements, as well as advances on local taxes and miscellaneous receivables. The net increase mainly refers to the as-yet uncollected portion of the Employee Retention Tax Credit (ERTC) to which the American subsidiary HMSHost Corporation is entitled in relation to the Covid-19 emergency ($ 13,468k).

V. TRADE RECEIVABLES

(€k)	31.12.2020	31.12.2019	Change
Third parties	44,838	61,792	(16,954)
Bad debt reserve	(8,142)	(6,368)	(1,774)
Total	**36,696**	**55,424**	**(18,728)**

The item "Third parties" refers mainly to catering service agreements and accounts with affiliated companies. The decrease in this item with respect to 31 December 2019 reflects reduced operations as a result of the Covid-19 pandemic.

As in previous years, the default risk of receivables has been estimated on the basis of the general default risk of receivables not yet due on the reporting date as inferred from past performance, in keeping with IFRS 9.

Movements in the bad debt reserve are shown below:

(€k)	
Bad debt reserve at 31 December 2019	**6,368**
Allowances, net of reversal	4,269
Other movements and exchange rate differences	(729)
Utilizations	(1,766)
Bad debt reserve at 31 December 2020	**8,142**

Net allocations of € 4,269k in 2020 reflect revised estimates as to the recoverability of disputed receivables and the general default risk applicable to receivables not yet due, which was aggravated by the pandemic. The increase relates primarily to operations in the United States and Italy.

Utilizations, amounting to € 1,766k, refer particularly to the settlement of disputes during the year against which bad debt provisions had been made in the past.

VI. INVENTORIES

Inventories amounted to € 97,444k at 31 December 2020, compared with € 133,750k a year earlier. The decrease reflects the decline in sales and therefore in items purchased as supplies. The amount is shown net of the write-down provision of € 2,856k (€ 2,347k at 31 December 2019), determined considering revised recoverability estimates of the value of slow-moving goods. Inventories are concentrated mostly in Italy and the United States and consist chiefly of food raw materials, drinks, packaged products, and goods sold under government monopoly.

As mentioned in the Directors' Report, the negative impact of inventories disposed of or no longer sellable because they were damaged or past their expiration dates as a result of the pandemic amounted to about € 9.2m.

NON-CURRENT ASSETS

VII. PROPERTY, PLANT AND EQUIPMENT

The following tables show movements in property, plant and equipment in 2020 and 2019.

(€k)	Land and buildings	Leasehold improve-ments	Plant and machinery	Industrial and commercial equipment	Assets to be transferred free of charge	Other	Assets under construct. and advances on payments	Total
Gross carrying amount								
Balance at 1 January 2019	**116,489**	**1,273,778**	**209,262**	**956,657**	**337,340**	**54,611**	**136,847**	**3,084,984**
Acquisitions	-	12,640	-	2,490	-	7	12,513	27,651
Disposals	-	(15,380)	-	(14,188)	-	-	(269)	(29,838)
Exchange rate gains (losses)	2,226	17,949	4,324	10,167	-	475	1,894	37,035
Additions	1,026	25,819	2,797	28,337	13,126	1,331	254,297	326,732
Decrease	(10,989)	(88,497)	(25,443)	(67,708)	(16,959)	(1,488)	(1,299)	(212,383)
Other movements	(4,708)	153,017	8,863	73,997	7,163	1,322	(246,896)	(7,241)
Balance at 31 December 2019	**104,044**	**1,379,326**	**199,803**	**989,752**	**340,670**	**56,258**	**157,087**	**3,226,940**
Acquisitions	-	9,449	-	5,703	-	35	2,170	17,357
Disposals	(1,174)	-	-	(19,849)	(38,898)	(1,664)	-	(61,585)
Exchange rate gains (losses)	282	(84,835)	488	(39,906)	-	(525)	(6,271)	(130,767)
Additions	5,025	21,975	5,505	16,943	20,077	2,227	114,931	186,683
Decrease	(2,165)	(27,627)	(4,252)	(29,871)	(28,394)	(1,233)	(272)	(93,814)
Other movements	2,450	98,972	8,893	52,028	18,969	837	(182,290)	(141)
Balance at 31 December 2020	**108,462**	**1,397,260**	**210,437**	**974,800**	**312,424**	**55,935**	**85,355**	**3,144,673**
Depreciation/Impairment losses								
Balance at 1 January 2019	**(67,293)**	**(811,954)**	**(169,021)**	**(741,325)**	**(262,839)**	**(49,793)**	**(77)**	**(2,102,302)**
Acquisitions	-	(2,114)	-	(1,432)	-	(7)	-	(3,554)
Disposals	-	6,471	-	10,237	-	-	-	16,708
Exchange rate gains (losses)	(1,581)	(11,055)	(3,296)	(7,365)	-	(424)	-	(23,721)
Increase (Note XXXIV)	(2,553)	(111,752)	(8,553)	(84,311)	(16,616)	(2,654)	-	(226,439)
Impairment losses (Note XXXIV)	-	(4,643)	(13)	(3,752)	(1,478)	(59)	-	(9,945)
Decrease	9,415	87,961	24,966	67,424	16,945	1,432	77	208,220
Other movements	4,235	2,205	-	(1,423)	(33)	22	-	5,006
Balance at 31 December 2019	**(57,777)**	**(844,881)**	**(155,917)**	**(761,947)**	**(264,021)**	**(51,483)**	**-**	**(2,136,027)**
Acquisitions	-	(6,536)	-	(4,250)	-	(31)	-	(10,817)
Disposals	1,161	-	-	17,366	34,117	1,539	-	54,183
Exchange rate gains (losses)	(184)	49,804	(354)	27,698	-	471	-	77,435
Increase (Note XXXIV)	(3,228)	(111,810)	(9,832)	(78,416)	(18,284)	(2,527)	-	(224,097)
Impairment losses (Note XXXIV)	(1)	(24,588)	(38)	(3,083)	(3,019)	(9)	-	(30,738)
Decrease	1,547	27,467	4,252	29,611	28,394	1,220	-	92,491
Other movements	158	1,785	-	(1,223)	(3)	126	-	843
Balance at 31 December 2020	**(58,324)**	**(908,759)**	**(161,889)**	**(774,244)**	**(222,816)**	**(50,694)**	**-**	**(2,176,727)**
Carrying amount								
31 December 2019	**46,267**	**534,445**	**43,886**	**227,805**	**76,649**	**4,775**	**157,087**	**1,090,913**
31 December 2020	**50,138**	**488,501**	**48,548**	**200,556**	**89,608**	**5,241**	**85,355**	**967,946**

Capital expenditure in 2020 amounted to € 186,683k, while the net carrying amount of disposals was € 1,323k in addition to € 7,402k in net disposals for the operations in Spain (Section 2.2.3 "Disposals"). No significant net capital gains were realized on those transactions. Acquisitions for a net amount of € 6,540k refer to HMSHost Catering Malaysia SDN. BHD., Autogrill Middle East LLC, and Arab Host Services LLC (Section 2.2.2 "Acquisitions"); other movements consist mainly of the reclassification upon completion of assets under construction. Details of capital expenditure by channel and principal locations are provided in the Directors' Report.

Depreciation came to € 224,097k for the year (€ 226,439k in 2019).

Impairment testing of individual locations resulted in net impairment losses of € 30,738k (€ 9,945k in 2019), including the reversal of losses charged in previous years (up to historical amortized cost as of the reversal date for immaterial amounts) where the reasons for impairment no longer exist. Consistently with the method followed in the 2019 financial statements, impairment testing was the value in use based on the estimated future cash flows for each location (without incorporating any assumed efficiency gains), discounted at the average cost of capital, which reflects the cost of money and the specific business risk associated with each country. The increase in impairment losses occurred primarily in the United States and reflects the new earnings projections of various locations which, due to the Covid-19 emergency and medium-term expectations regarding a return to pre-pandemic profitability, led management to change its location management strategies and to plan on exiting from these contracts before they expire.

Leasehold improvements refer to expenses incurred to set up or adapt leased premises and concessions. This includes costs for the development of locations managed at airports, at shopping centers in North America, and at several locations prevalently on Italian motorways.

Assets under construction and payments on account are concentrated mostly in the United States and include investments for new openings and contract renewals.

VIII. RIGHT-OF-USE ASSETS

The following tables detail changes in right-of-use assets in 2020 and 2019:

(€k)	Buildings	Other	Total
Gross carrying amount			
Balance at 1 January 2019	**2,463,815**	**3,747**	**2,467,562**
Acquisitions	57,705	-	57,705
Disposals	(1,154)	-	(1,154)
Exchange rate gains (losses)	27,669	1	27,670
Additions	174,778	1,310	184,117
Decrease	(17,353)	(84)	(25,466)
Other movements	5,512	719	6,231
Balance at 31 December 2019	**2,710,972**	**5,693**	**2,716,665**
Acquisitions	17,158	-	17,158
Disposals	(98,036)	(584)	(98,620)
Exchange rate gains (losses)	(121,619)	(80)	(121,699)
Additions	113,864	2,446	116,310
Decrease	(233,355)	(444)	(233,799)
Other movements	(4,388)	(42)	(4,430)
Balance at 31 December 2020	**2,384,596**	**6,989**	**2,391,585**
Depreciation/Impairment losses			
Balance at 1 January 2019	**-**	**-**	**-**
Acquisitions	-	-	-
Disposals	259	-	259
Exchange rate gains (losses)	(970)	(14)	(984)
Increase (Note XXXIV)	(354,310)	(1,861)	(356,171)
Impairment losses (Note XXXIV)	(210)	-	(210)
Decrease	3,861	17	3,878
Other movements	(3,955)	(509)	(4,464)
Balance at 31 December 2019	**(355,325)**	**(2,367)**	**(357,692)**
Acquisitions	(3,480)	-	(3,480)
Disposals	31,166	369	31,535
Exchange rate gains (losses)	26,600	42	26,642
Increase (Note XXXIV)	(354,837)	(2,077)	(356,914)
Impairment losses (Note XXXIV)	(27,661)	-	(27,661)
Decrease	40,000	342	40,342
Other movements	4,388	42	4,430
Balance at 31 December 2020	**(639,149)**	**(3,649)**	**(642,798)**
Carrying amount			
31 December 2019	**2,355,647**	**3,326**	**2,358,973**
31 December 2020	**1,745,447**	**3,340**	**1,748,787**

Right-of-use assets amount to € 1,748,787k at 31 December 2020 (€ 2,358,973k at the end of 2019).

Of the net change in this item, € 116,310k (€ 184,117k at 31 December 2019) concerns new contracts (mostly signed in the early months of the year before the Covid-19 pandemic) and the remeasurement of leases further to Covid-19 - related negotiations for which it was not possible to apply the expedient offered by the IFRS 16 amendment for extensions agreed with landlords. Other changes concerned early lease terminations (€ 193,457k, compared with € 21,588k in 2019), acquisitions (€ 13,678k; see Section 2.2.2 "Acquisitions"), and the disposal of operations in Spain (€ 67,085k; see Section 2.2.3 "Disposals"), as well as exchange differences. The above mentioned transactions were neutral from an economic standpoint.

Depreciation on this item came to € 356,914k for the year (€ 356,171k in 2019).

Impairment testing of individual locations resulted in impairment losses of € 27,661k (€ 210k in 2019), mostly in the United States (€ 19,280k) and Italy (€ 7,439k), based on the same considerations described in the preceding section.

"Buildings" refers essentially to area concessions, business leases and commercial leases, while "Other assets" consist mainly of leased vehicles.

In particular:

- area concessions are contracts with which the infrastructure operator (motorway or airport) grants a concession to a specialized entity to arrange and provide food & beverage and/or fuel services, authorizing it (i) to build and install, on land owned by the grantor, buildings, plant, furnishings and fittings designed for the sale of food and drink, complementary products and groceries and/or for the distribution of fuel, and (ii) to carry on this business against payment of a fee based on turnover, with certain stipulations regarding the means and continuity of service provision during the business hours established by the grantor.
  It frequently occurs that the subconcession for all the services of an entire motorway service area or airport terminal is assigned to a single entity, which then sub-assigns each individual service to a number of additional specialized firms. Usually, on expiry of the contract, the assets built for the provision of motorway services must be transferred free of charge to the grantor, while this is almost never the case for airport terminals;
- leasing a business or business branches allows an operator to use rights and/or buildings, equipment etc. organized to serve food and beverage products. In some cases the business consists of an authorization to operate and of administrative licenses, in which case the operator incurs the necessary capital expenditure and provides the service. In other cases, a firm leases a company consisting of both the authorization and the necessary buildings and equipment. Leasing a company in the concession business entails the obligation to ensure continuity of service and payment of a fee; for primary concession contracts between a petrol company and a motorway operator, it also entails payment of the royalties due by the petrol company;
- in a commercial lease, the operator uses buildings for business activity against payment of rent. The premises are equipped and furnished according to the specifications and at the expense of the operator, who must clear the premises when the lease expires.

These latter two types of concession are common (i) along motorways, where there are area or service sub-concessions assigned to a petrol company, which then turns to a caterer, and (ii) in cities, railway stations and shopping centers, according to the business objectives of the owner of the property.

IX. GOODWILL

At 31 December 2020 goodwill amounted to € 819,473k, compared with € 854,976k the previous year.

The cash-generating units (CGUs) were identified on the basis of business segment, following a geographical/operational logic, consistently with the governance responsibilities of the chief executive officers of those segments and the minimum level at which goodwill is monitored for internal management purposes.

The carrying amounts of goodwill by geographical CGU are as follows:

(€k)	31.12.2020	31.12.2019	Change
North America	412,950	450,578	(37,628)
International	65,544	60,566	4,978
Europe			
Italy	83,631	83,631	-
Other European countries	257,348	260,201	(2,853)
Total	**819,473**	**854,976**	**(35,503)**

Most of the change since the previous year relates to the acquisition of control of Autogrill Middle East, LLC (United Arab Emirates), Arab Host Service, LLC (Qatar), and HMSHost Catering Malaysia SDN. BHD. (€ 10,453k), which were previously consolidated as associates using the equity method, the disposal of Autogrill Iberia S.L.U. (€ 3,501k), and the impairment loss on goodwill for the Irish subsidiary (€ 2,271k). The rest consists of exchange differences (€ 40,184k).

In a context marked by the effects of the Covid-19 pandemic on 2020 economic performance and by the uncertainty of the business outlook, impairment testing was carried out following the same methods used in previous years and in the half-year ended 30 June 2020, as recommended in communications from the authorities (ESMA, CONSOB and IOSCO[50]).

In consideration of the significant amount of goodwill recognized, the recoverability of the goodwill allocated to each CGU was tested by estimating its value in use, defined as the present value of estimated future cash flows discounted at a rate differentiated by geographical area reflecting the specific risks of the individual CGUs at the measurement date. The discount rate was set using the capital assets pricing model, based on indicators and variables observable in the market.

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

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

- for 2021, the financial projections were prepared by the CGUs' management on the basis of expected traffic curves in the channels served by the Group, which were modelled in consideration of the specific features of those channels and the data provided by airport authorities and other external sources;

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

- for 2022-2025, the financial projections are based on expected traffic curves in the channels served by the Group, prepared in consideration of its channel/ geographical mix, the different customer profiles (business travel vs. travelling for tourism or to visit family), and the distinction between domestic and international flights.

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

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

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

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

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

The following table shows the discount rates used for impairment testing at 31 December 2020, 30 June 2020, and 31 December 2019:

	Discount rate at 31.12.2020	Discount rate at 30.06.2020	Discount rate at 31.12.2019
North America	6.5%	6.5%	5.7%
International	7.4%	7.5%	6.7%
Italy	6.6%	6.6%	5.8%
Other European countries	5.1%	5.2%	4.4%

On the basis of these assumptions, the amount of goodwill attributed to each CGU was found to be fully recoverable.

Sensitivity analyses were then conducted, taking into account the changes in the discount rate, to find the "breaking points" in terms of WACC and EBITDA beyond which goodwill would be subject to impairment[51].

In detail:

- the following table shows the discount rates at which there would no longer be a gap between the individual CGU's value in use and book value ("stress rates"):

	Discount rate at 31.12.2020	"Break-Even" discount rate at 31.12.2020
North America	6.5%	8.3%
International	7.4%	14.0%
Italy	6.6%	7.2%
Other European countries	5.1%	6.0%

- in the sensitivity analysis of the "stress rate" it should be noted that the likelihood of a further increase in the WACC is remote, as it would be in addition to the WACC increase of around 0.8% which incorporates the current higher volatility, the great uncertainty of the stock markets, and the impact of Covid-19 already taken into account by the Group when revising the main assumptions underlying the five-year financial projections;
- in order to eliminate the difference between the CGU's value in use and carrying amount, the Group would have to suffer EBITDA losses of around € 70m per year for the next five years, which is not a likelihood based on the five-year projections.

These analyses, therefore, also confirmed the full recoverability of goodwill.

Given that the five-year base scenario projections already prudently reflect the risks caused by the pandemic, the above sensitivity analyses show that the risk of goodwill impairment is amply covered even if the reference scenario does not materialize; therefore, despite the persistent uncertainty as to how the pandemic will unfold, the sensitivity analyses confirm that there are no signs of goodwill impairment except as concerns the non-renewed Irish concessions. The recoverability of goodwill will continue to be monitored during the yearly and periodic reporting processes.

51 Given the low growth rates used for impairment testing of the various CGUs, a sensitivity analysis was not carried out as it would have resulted, especially for Italy and Other European Countries, in a growth rate close to zero and the results would have been unrealistic

X. OTHER INTANGIBLE ASSETS

The following tables show movements in other intangible assets in 2020 and 2019.

(€k)	Concessions, licenses, trademarks and similar rights	Other	Assets under construction and advances on payments	Total
Gross carrying amount				
Balance at 1 January 2019	**217,296**	**110,155**	**8,150**	**335,601**
Acquisitions	23,297	-	-	23,297
Disposals	(28)	-	-	(28)
Exchange rate gains (losses)	2,015	(30)	-	1,985
Additions	5,045	6,155	5,260	16,460
Decrease	(14,275)	(465)	(99)	(14,839)
Other movements	3,202	6,733	(7,703)	2,232
Balance at 31 December 2019	**236,552**	**122,548**	**5,608**	**364,708**
Acquisitions	1,015	190	-	1,205
Disposals	(5,768)	-	-	(5,768)
Exchange rate gains (losses)	(9,042)	(106)	-	(9,148)
Additions	2,616	1,682	4,444	8,742
Decrease	(4,272)	(631)	(18)	(4,921)
Other movements	657	3,034	(4,415)	(724)
Balance at 31 December 2020	**221,758**	**126,717**	**5,619**	**354,094**
Amortization/Impairment losses				
Balance at 1 January 2019	**(124,310)**	**(90,070)**	**-**	**(214,380)**
Disposals	74	-	-	74
Exchange rate gains (losses)	(1,173)	9	-	(1,164)
Increase (Note XXXIV)	(19,291)	(10,466)	-	(29,757)
Impairment losses (Note XXXIV)	(1,168)	(330)	-	(1,498)
Decrease	14,100	410	-	14,510
Other movements	(1,698)	21	-	(1,677)
Balance at 31 December 2019	**(133,466)**	**(100,426)**	**-**	**(233,892)**
Acquisitions	(92)	(187)	-	(279)
Disposals	5,628	-	-	5,628
Exchange rate gains (losses)	4,605	66	-	4,671
Increase (Note XXXIV)	(18,736)	(9,695)	-	(28,431)
Impairment losses (Note XXXIV)	(875)	(111)	-	(986)
Decrease	4,249	631	-	4,880
Other movements	1	21	-	22
Balance at 31 December 2020	**(138,686)**	**(109,701)**	**-**	**(248,387)**
Carrying amount				
31 December 2019	**103,086**	**22,122**	**5,608**	**130,816**
31 December 2020	**83,071**	**17,016**	**5,619**	**105,706**

Investments in 2020 came to € 8,742k, mostly for business software, while amortization totalled € 28,431k.

Acquisitions refer to HMSHost Catering Malaysia SDN. BHD., Autogrill Middle East LLC, and Arab Host Services LLC (Section 2.2.2 "Acquisitions"), while disposals relate primarily to the operations in Spain (Section 2.2.3 "Disposals").

Other movements consist mainly of the reclassification upon completion of assets under construction.

All "Other intangible assets" have finite useful lives.

Impairment testing of individual locations, carried out in conjunction with the property, plant and equipment testing mentioned in Note VII, led to intangible asset impairment losses of € 986k for the year.

XI. INVESTMENTS

This item is mainly comprised of associates and joint ventures, measured using the equity method.

The decrease since the previous year relates to the line-by-line consolidation from 2020 of HMSHost Malaysia SDN. BHD., Autogrill Middle East LLC, and Arab Host Services LLC, previously consolidated using the equity method.

Any surplus of an investment's carrying amount over pro rata equity represents future profitability inherent in the investment.

For the sake of thoroughness, we report that the following were recognized in accordance with the equity method:

- net negative adjustments of € 192k under "Share of the profit (loss) of equity method investments" (compared with positive adjustments of € 36,357k in 2019, due mostly to the capital gain on the disposal of the Canadian partnerships in the amount of €37,951k);
- net exchange losses of € 59k (vs. net exchange gains of € 49k the previous year) in the statement of comprehensive income.

Investments at 31 December 2020 and 31 December 2019 are detailed below:

	31.12.2020								
					Revenues	Total assets	Total liabilities	Profit (loss) for the year	Carrying amount
Name	Registered office	Countries	% held	Currency	Currency/000			Eur/000	
DLV-WSE, LLC	California	USA	49%	USD	473	-	-	(69)	-
Caresquick N.V.	Antwerp	Belgium	50%	EUR	3,436	2,103	1,481	(123)	821
Other									64
Total as of 31 December 2020								**(192)**	**885**

Name	Registered office	Countries	% held	Cur-rency	31.12.2019 Revenues	Total assets	Total liabilities	Profit (loss) for the year	Carrying amount
					Currency/000			Eur/000	
Dewina Host Sdn. Bhd.	Kuala Lumpur	Malaysia	49%	MYR	36,536	14,741	5,648	103	2,699
Autogrill Middle East, LLC	Abu Dhabi	United Arab Emirates	50%	AED	30,259	123,774	89,990	33	-
Arab Host for Services, LLC	Doha	Qatar	49%	QAR	15,841	32,892	86,763	(2,425)	-
DLV-WSE, LLC	California	USA	49%	USD	2,435	324	260	197	-
Caresquick N.V.	Antwerp	Belgium	50%	EUR	8,082	2,103	215	565	944
Other									65
Total as of 31 December 2019								**(1,527)**	**3,708**

XII. LEASE RECEIVABLES

(€k)	31.12.2020	31.12.2019	Change
Lease receivables - current	15,003	16,842	(1,839)
Lease receivables - non current	61,808	66,083	(4,275)
Total	**76,811**	**82,925**	**(6,114)**

The recognition of lease receivables represents the transfer of some of the Group's rights of use to third parties under sublet agreements (mostly in North America). At 31 December 2020 this item amounted to € 15,003k (€ 16,842k at the end of 2019) under current assets and € 61,808k (€ 66,083k the previous year) under non-current assets.

Of the change for the year, € 22,523k (€ 49,840k at 31 December 2019) concerns new sublet agreements mostly signed during the early months of the year before the Covid-19 emergency, while € 8,166k relates to early lease terminations (€ 0k the previous year).

Implicit interest accrued came to € 4,342k (€ 2,041k in 2019), while amounts received totalled € 8,343k (€ 19,366k the previous year).

In addition, these receivables decreased as a result of the permanent rent reduction agreements on sublets that the Group has granted in connection with the Covid-19 emergency (see Note XXIX for the impact on the income statement).

XIII. OTHER FINANCIAL ASSETS

(€k)	31.12.2020	31.12.2019	Change
Interests-bearing sums with third parties	12,021	11,361	660
Guarantee deposits	18,398	22,892	(4,494)
Other financial receivables from third parties	2,272	5,092	(2,820)
Fair value of interest rate hedging derivatives	4,659	2,430	2,229
Total	**37,350**	**41,775**	**(4,425)**

"Interest-bearing sums with third parties" consist of security deposits on which the Group receives interest.

Most of the decrease in "Guarantee deposits" relates to the disposal of operations in Spain (€ 2,598k at 31 December 2019) and the reduction in security deposits at the North American subsidiaries.

"Other financial receivables from third parties" consist primarily of the non-current portion of capital advances due back from the non-controlling shareholders of some North American subsidiaries and non-subsidiary companies; the amount takes account of their ability to pay the sums back with future earnings. The decrease in this item refers entirely to writedowns for the year (€ 1,659k), in addition to exchange differences.

"Fair value of interest rate hedging derivatives" includes the non-current portion of derivatives outstanding at 31 December 2020, with a combined notional value of $ 100m.

XIV. DEFERRED TAX ASSETS AND LIABILITIES

At the end of 2020, deferred tax assets not offsettable against deferred tax liabilities amounted to € 76,694k (€ 61,204k at 31 December 2019). At the end of 2020, deferred tax liabilities not offsettable against deferred tax assets amounted to € 46,241k (€ 48,257k the previous year).

Deferred tax liabilities and deferred tax assets are broken down as follows:

(€k)	31.12.2020	31.12.2019
Deferred tax liabilities gross	111,823	94,187
Deferred tax assets available for offset	(65,582)	(45,929)
Deferred tax liabilities	**46,241**	**48,257**
Deferred tax assets non available for offset	**76,694**	**61,204**

The following tables show gross movements in deferred taxes in 2020 and 2019.

(€k)	31.12.2019	Recognised in profit and loss	Recognised in other comprehensive income	Exchange rate gains (losses) and other variations	Consolidation perimeter variation	31.12.2020
Deferred tax assets						
Property, plant and equipment and intangible assets	22,789	6,613	24	(641)	96	28,882
Right-of-use assets	9,270	6,173	-	(813)	(930)	13,700
Trade receivables	3,303	12,624	-	(1,101)	-	14,826
Other assets	2,165	860	-	469	-	3,494
Defined benefit plans and provisions for personnel	26,291	(6,400)	(1,026)	(997)	-	17,868
Provision for risks and charges	1,329	1,195	-	-	-	2,524
Other reserves and retained earnings	-	5,464	-	(378)	-	5,086
Other liabilities	1,791	(1,377)	-	112	-	526
Carry-forward tax losses	40,196	135,220	-	(118,963)	(1,082)	55,371
Total	**107,134**	**160,372**	**(1,002)**	**(122,314)**	**(1,916)**	**142,276**
Deferred tax liabilities						
Property, plant and equipment and intangible assets	59,340	18,320	-	(4,971)	-	72,689
Right-of-use assets	683	430	-	(65)	-	1,048
Other assets	26,166	11,489	-	(2,844)	-	34,812
Provision for risks and charges	157	(13)	-	1	-	145
Defined benefit plans and provisions for personnel	1,858	-	-	8	-	1,866
Other reserves and retained earnings	4,333	(4,275)	-	(4)	-	54
Other liabilities	1,650	(440)	-	-	-	1,211
Total	**94,187**	**25,511**	**-**	**(7,876)**	**-**	**111,823**

(€k)	31.12.2018	Recognised in profit and loss	Recognised in other comprehensive income	Exchange rate gains (losses) and other variations	Consolidation perimeter variation	31.12.2019
Deferred tax assets						
Property, plant and equipment and intangible assets	26,333	(2,678)	21	285	(1,172)	22,789
Right-of-use assets	-	9,290	-	(20)	-	9,270
Trade receivables	4,137	(904)	-	70	-	3,303
Other assets	1,872	293	-	-	-	2,165
Defined benefit plans and provisions for personnel	25,296	153	287	555	-	26,291
Provision for risks and charges	1,236	93	-	-	-	1,329
Other liabilities	411	1,388	-	(8)	-	1,791
Carry-forward tax losses	30,436	9,757	-	-	3	40,196
Total	**89,720**	**17,392**	**308**	**883**	**(1,169)**	**107,134**
Deferred tax liabilities						
Property, plant and equipment and intangible assets	57,187	1,374	-	776	3	59,340
Right-of-use assets	-	685	-	(2)	-	683
Other assets	17,977	7,904	-	285	-	26,166
Provision for risks and charges	151	-	-	6	-	157
Defined benefit plans and provisions for personnel	1,504	295	-	59	-	1,858
Other reserves and retained earnings	3,186	1,146	-	1	-	4,333
Other liabilities	2,394	(764)	-	20	-	1,650
Total	**82,399**	**10,640**	**-**	**1,145**	**3**	**94,187**

Tax losses existing at 31 December 2020 on which deferred tax assets have not been recognized amount to € 275,725k, mainly referred to Italy. The corresponding unrecognized tax benefit would be € 67,335k.

As mentioned in the section on accounting standards, deferred tax assets on tax losses are recognized prudently up to the amount that is certain to be recovered, taking into account for the Italian companies of the tax consolidation contract.

XV. OTHER RECEIVABLES

Other non-current receivables at 31 December 2020 amounted to € 104,916k (€ 3,010k at 31 December 2019). These consist mainly of an amount due to the subsidiary HMSHost Corporation for the carry-back of its tax loss for the year to offset income from prior years, as allowed by US tax law ($ 119m).

CURRENT LIABILITIES

XVI. TRADE PAYABLES

Trade payables at 31 December 2020 came to € 292,097k. The net decrease with respect to the balance of € 397,183k at 31 December 2019 is explained chiefly by the reduction in purchasing during the year, in parallel with the lost consumer traffic at retail stores and commercial areas and the closures due to quarantines and other government mandates in light of the Covid-19 pandemic.

XVII. TAX LIABILITIES

Current tax liabilities amount to € 1,176k (€ 14,070k at 31 December 2019) and refer to taxes accrued during the year net of offsettable credits. Most of the decrease is explained by the payment of the remaining tax due on the disposal of the Canadian motorway operations ($ 25m).

The non-current portion of € 0k (€ 6,584k at the close of 2019) referred to the income tax liability provided for by the US subsidiary as a result of the tax reform. This resulted from the recalculation, on the basis of the final tax law published in 2018, of the one-time tax on profits earned outside the United States by the subsidiaries of HMSHost Corporation since 1986. In 2020 the balance was offset by the credit arising from the carry back (Note XV).

XVIII. OTHER PAYABLES

(€k)	31.12.2020	31.12.2019	Change
Personnel expense	64,227	138,212	(73,985)
Due to suppliers for additions of capital expenditure	87,450	89,577	(2,127)
Social security and defined contribution plans	34,023	43,511	(9,488)
Indirect taxes	32,905	41,288	(8,383)
Withholding taxes	6,097	11,240	(5,143)
Other	41,661	38,962	2,699
Total	**266,363**	**362,790**	**(96,427)**

Most of the net decrease in “Personnel expense” reflects a series of measures taken by Group management to mitigate the effects of the Covid-19 crisis. Specifically, the Group reduced working hours consistently with the decline in traffic, instituted a hiring freeze, and reduced salaries on a voluntary basis while using the different forms of relief measures put in place by local governments.

The change in amounts “Due to suppliers for additions of capital expenditure” reflects decreased investment as a result of the pandemic.

The item “Social security and defined contribution plans” refers to the amount due to local social security institutions and payments due under defined contribution programs. The net reduction is a reflection of decreased personnel expense, partially offset by the extended payment terms granted in various countries in connection with the Covid-19 emergency.

Most of the change in “Indirect taxes” concerns value added tax/sales tax. The net reduction pertains to US operations and reflects the significant decline in sales.

The heading “Other” includes amounts due to directors and statutory auditors as well as deferred promotional contributions from suppliers and accrued liabilities for insurance, utilities, and maintenance pertaining to the year.

XIX. OTHER FINANCIAL LIABILITIES

(€k)	31.12.2020	31.12.2019	Change
Fair value of interest rate hedging derivatives	-	3	(3)
Accrued expense and deferred income for interest on loans	14,231	8,178	6,053
Liabilities due to others	989	1,269	(280)
Fair value of exchange rate hedging derivatives	97	-	97
Other financial accrued expense and deferred income	23	29	(6)
Total	**15,340**	**9,479**	**5,861**

The “Fair value of interest rate hedging derivatives” includes the current portion of the fair value measurement of derivatives with a combined notional value of $ 100m.

“Accrued expenses and deferred income for interest on loans” consists mainly of interest on the American bond loan contracted by the subsidiary HMSHost Corporation. The increase in this item relates to the negotiation of covenant holidays (Note XXI).

“Liabilities due to others” refer mainly to financial payables to the non-controlling shareholders of certain subsidiaries.

The “Fair value of exchange rate hedging derivatives” refers to the fair value measurement of the derivatives entered into to hedge currency risk, in particular to the forward sale and/or purchase of currency by the American subsidiary to mitigate the risks of intercompany loans and dividends.

NON-CURRENT LIABILITIES

XX. OTHER PAYABLES

These amount to € 29,177k (€ 17,440k at 31 December 2019) and include mainly the liability to personnel for defined contribution plans of € 7,837k (€ 8,821k al 31 December 2019).

The increase concerns a non-offsettable liability recognized by the American subsidiary for reimbursement of part of the Employee Retention Tax Credit (ERTC) after the credit was recalculated ($ 11,566k).

XXI. LOANS

(€k)	31.12.2020	31.12.2019	Change
Current account overdrafts	58,154	40,308	17,846
Unsecured bank loans	206,975	16,025	190,950
Total current	**265,129**	**56,333**	**208,796**
Unsecured bank loans	1,190,681	533,523	657,158
Fair value adjustment of contractual cash flow modification	11,722	-	11,722
Commissions on loans	(5,302)	(1,433)	(3,869)
Total non-current	**1,197,101**	**532,090**	**665,011**
Total	**1,462,230**	**588,423**	**873,807**

The current unsecured bank loans consist mainly of ultra-short-term borrowings by the parent company and the American subsidiaries. The net change reflects the use of these borrowings, concentrated in the first half of 2020 in the context of efforts to strengthen the financial structure, as well as the reclassification of the current portion of Autogrill S.p.A.'s amortizing term loan maturing in August 2021 (€ 12.5m) and the current portion of HMSHost Corporation's amortizing term loan maturing in June 2021 ($ 50m).

The breakdown of unsecured bank loans at the close of 2020 and 2019 is presented below:

		31.12.2020		31.12.2019	
	Expiry	Amount (k€)	Drawdowns (k€ *)	Amount (k€)	Drawdowns (k€ *)
Term Amortizing Facility - HMS Host Corporation	June 2023	122,239	122,239	133,523	133,523
Revolving Amortizing Facility - HMS Host Corporation	June 2023	162,986	162,986	178,031	-
2018 Line		**285,225**	**285,225**	**311,554**	**133,523**
Term Amortizing Facility - Autogrill S.p.A.	January 2025	100,000	100,000	100,000	100,000
Revolving Amortizing Facility - Autogrill S.p.A.	January 2025	200,000	200,000	200,000	-
2018 Line		**300,000**	**300,000**	**300,000**	**100,000**
Revolving Facility - Autogrill S.p.A.	January 2023	100,000	100,000	100,000	100,000
2018 Line		**100,000**	**100,000**	**100,000**	**100,000**
Term Loan Facility - Autogrill S.p.A.	August 2021	-	-	150,000	150,000
2017 Line		**-**	**-**	**150,000**	**150,000**
Revolving Facility - Autogrill S.p.A.	August 2024	25,000	25,000	25,000	-
2019 Line		**25,000**	**25,000**	**25,000**	**-**
Term Amortizing Facility - Autogrill S.p.A.	August 2024	50,000	50,000	50,000	50,000
2019 Line		**50,000**	**50,000**	**50,000**	**50,000**
Term Amortizing Facility - Autogrill S.p.A. **	March 2025	150,000	150,000	-	-
Term Loan Facility (guaranteed by SACE)	June 2025	300,000	300,000	-	-
2020 Line		**450,000**	**450,000**	**-**	**-**
Other credit lines		42,703	38,703	-	-
2020 Line		**42,703**	**38,703**	**-**	**-**
Total		**1,252,928**	**1,248,928**	**936,554**	**533,523**
of which current portion * **		**58,247**	**58,247**	**-**	**-**
Total lines of credit net of current portion		**1,194,681**	**1,190,681**	**936,554**	**533,523**

* Drawdowns in foreign currency are valued based on exchange rates at 31 December 2020 and 31 December 2019
** Credit line obtained in March 2020 and used to prepay the amortizing term loan of € 150m originally maturing in 2021
*** Includes $ 50m for the American amortizing term loan, € 12.5m for Autogrill S.p.A.'s amortizing term facility (2019 line), and € 5m for other credit lines held by the Belgian subsidiary

At 31 December 2020 the Group's committed credit facilities were fully drawn down.

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

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

In January 2018 the parent company obtained two credit lines:

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

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

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

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

On 26 June 2018 the subsidiary HMSHost Corporation obtained a new loan maturing in June 2023, comprised of a term loan and a revolving credit facility, both in the amount of $ 200m. The term loan involves two annual payments of $ 50m starting in January 2020, with reimbursement of the remaining $ 50m on maturity. The two lines have been used to prepay the revolving loan of nominal $ 300m (of which $ 200m has been drawn down) ahead of its original maturity. The contract includes a change of control clause.

In 2019, the $ 50m payment due in June 2020 was settled in advance, using cash from the sale of the Canadian motorway operations.

The contract for the facility contracted by HMSHost Corporation requires it to uphold a leverage ratio (gross debt/EBITDA) of 3.5 or less and interest coverage ratio (EBITDA/net financial expense) of at least 4.5, calculated for the companies headed up by HMSHost Corporation. In June 2020 HMSHost Corporation signed "covenant holiday" agreements with its lenders for the temporary suspension of required leverage ratio and interest coverage ratio parameters. The covenant holiday is effective for 15 months starting on 30 June 2020, and can be extended until 31 December 2021 under specified conditions. On 10 March 2021 the Group obtained an extension for contracts already granted a covenant holiday last June until September 2022, with an additional extension until 31 December 2022 assuming a positive outcome of the covenant test in September 2022.

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.

"Other credit facilities" refer to government loans granted to various European subsidiaries in the face of the Covid-19 emergency.

"Fair value adjustment for change in contractual flows" includes the effect of applying IFRS 9, as a result of the negotiation of the covenant holiday mentioned above, which led to the immediate recognition in the income statement of the difference between the present value of the modified cash flows discounted using the original effective interest rate and the present value of the original cash flows (€ 17,674k: € 11,974k for the parent company and € 5,700k for HMSHost Corporation). At 31 December 2020, the balance of this item reflected € 5,672k released to the income statement in the second half of the year and an exchange effect of € 280k.

XXII. LEASE LIABILITIES

(€k)	31.12.2020	31.12.2019	Change
Lease liabilities – current	377,289	373,966	3,323
Lease liabilities – non current	1,590,384	2,100,406	(510,022)
Total current	**1,967,673**	**2,474,372**	**(506,699)**

This item includes the current and non-current portion of liabilities arising from the discounting of minimum guaranteed lease payments, as a result of applying IFRS 16 accounting standard.

Of the change in this item, € 139,509k (€ 225,937k at 31 December 2019) concerns new contracts (mostly signed in the early months of the year before the spread of the Covid-19 pandemic) and the remeasurement of leases further to Covid-19-related negotiations for which it was not possible to apply the expedient offered by the IFRS 16 amendment for extensions agreed with landlords. Other changes concerned early lease terminations (€ 208,179k, compared with € 19,366k in 2019), acquisitions (€ 16,239k; see Section 2.2.2 "Acquisitions"), and the disposal of operations in Spain (€ 81,688k; see Section 2.2.3 "Disposals").

Implicit interest accrued came to € 64,850k (€ 74,451k in 2019), while amounts paid totalled € 138,532k (€ 416,801k the previous year).

These liabilities did increase as a result of the temporary rent reductions the Group obtained through negotiations with landlords, but the effect was amply offset by decreases reflecting the permanent rent reductions agreed with landlords as a result of the Covid-19 emergency which fall within the scope of application of the amendment to IFRS 16 (see Note XXXII for the impact on the income statement).

XXIII. OTHER FINANCIAL LIABILITIES

(€k)	31.12.2020	31.12.2019	Change
Liabilities due to others	1,283	925	358
Total	**1,283**	**925**	**358**

Liabilities due to others refer mainly to financial payables to the non-controlling shareholders of certain subsidiaries.

XXIV. BONDS

(€k)	31.12.2020	31.12.2019	Change
Bonds (current)	32,597	22,254	10,343
Fair value adjustment of contractual cash flow modification	209	-	209
Total current	**32,806**	**22,254**	**10,552**
Bonds (non-current)	238,021	292,006	(53,985)
Fair value adjustment of contractual cash flow modification	2,883	-	2,883
Commissions on bond issues	(1,217)	(825)	(392)
Total non-current	**239,687**	**291,181**	**(51,494)**
Total	**272,493**	**313,435**	**(40,942)**

Bonds refer to private placements issued by HMSHost Corporation:

- in January 2013 for a total of $ 150m, maturing in January 2023 and paying interest half-yearly at a fixed annual rate of 5.12%;
- in March 2013 for a total of $ 200m (of which $ 25m was redeemed in September 2020), paying interest half-yearly and split into tranches as summarized in the table below:

Nominal amount ($m)	Issue date	Annual fixed rate	Expiry
40	March 2013	4.97%	September 2021
80	March 2013	5.40%	September 2024
55	March 2013	5.45%	September 2025

At 31 December 2020, bonds as a whole amounted to € 272,493k, compared with € 313,435k a year earlier. The net decrease reflects the redemption at maturity in September 2020 of the first $ 25m tranche of the bonds issued in March 2013, the fair value change, the exchange effect (€ 26,488k), and the effect of applying IFRS 9 as a result of the covenant holiday described above (€ 4,626k, of which € 1,304k was released to the income statement during the second half of 2020).

Regarding the interest rate hedges of a notional $ 100m covering the bonds issued in 2013, a loss of € 3,534k was recorded at 31 December 2020 and a gain of similar amount was recognized on the hedging instrument, for a substantially zero effect on the income statement.

The fair value of the bonds outstanding is measured using valuation techniques based on parameters other than price that can be observed in the open market. They can therefore be classified in level 2 of the fair value hierarchy (as defined by IFRS 7), with no change on the previous year.

The regulations for these bonds require the maintenance of 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, calculated with respect to HMSHost Corporation and its subgroup. For the calculation of these ratios, gross debt, EBITDA and financial charges are measured according to contractual definitions, which differ from the amounts valid for financial reporting purposes and are therefore not readily apparent from the financial statements.

In June 2020 HMSHost Corporation signed "covenant holiday" agreements with its bondholders for the temporary suspension of required leverage ratio and interest coverage ratio parameters, in exchange for higher coupons throughout the bond's duration. The covenant holiday is effective for 15 months starting on 30 June 2020, and can be extended until 31 December 2021 under specified conditions. On 10 March 2021 the Group obtained an extension from the bondholders for contracts already granted a covenant holiday last June until September 2022, with an additional extension until 31 December 2022 assuming a positive outcome of the covenant test in September 2022.

According to the bond regulations, if there is a change of control at HMSHost, each bondholder is entitled to the early redemption of all bonds possessed.

XXV. DEFINED BENEFIT PLANS

At 31 December 2020 net defined benefit plans amounted to € 60,082k (€ 68,001k at the close of the previous year).

The table below shows details of employee benefits recognized as defined benefit plans. The legal obligation for Italian post-employment benefits (trattamento di fine rapporto or "TFR") is € 36,537k, compared with € 40,707k determined on an actuarial basis.

(€k)	31.12.2020	31.12.2019	Change
Defined benefit plans:			
Post-employment benefit	40,707	42,289	(1,582)
Other defined benefit plans	19,375	25,712	(6,337)
Total	**60,082**	**68,001**	**(7,919)**

The following is a reconciliation of the present value of the obligation and the fair value of assets against the liability recognized:

(€k)	31.12.2020	31.12.2019	31.12.2018	31.12.2017	31.12.2016
Present value of the funded plans	98,630	101,714	94,741	92,547	99,076
Fair value of the plan assets	(82,841)	(80,103)	(71,695)	(69,430)	(70,457)
	15,789	**21,611**	**23,046**	**23,117**	**28,619**
Present value of the unfunded plans	44,293	46,390	47,990	56,993	62,216
Net liabilities recognised	**60,082**	**68,001**	**71,036**	**80,110**	**90,835**

The actuarial assumptions used to calculate defined benefit plans are summarized in the following table:

	Italy		Switzerland		Other plans	
	2020	2019	2020	2019	2020	2019
Discount rate	0.0%	0.4%	0.2%	0.3%	0.0%-1.1%	0.6%-1.1%
Inflation rate	0.8%	1.2%	0.6%	0.6%	0.6%-1.4%	0.6%-1.4%
Yield on assets	-	-	0.0%	0.0%	1.9%	1.9%
Salary increase rate	-	-	1.0%	1.0%	1.0%-1.8%	1.0%-2.0%
Pension increase rate	2.1%	2.4%	-	-	-	-

The discount rates were determined based on the yield of corporate bonds of high standing at the date of these financial statements.

Below are the amounts recognized in the income statement for defined benefit plans:

(€k)	Full year 2020	Full year 2019	Change
Current service costs	3,264	2,395	869
Past service costs	(516)	-	(516)
Net interest expense	233	579	(346)
Total	**2,981**	**2,974**	**7**

Interest expense is recognized under "Financial expense" net of interest income on plan assets, while the post-employment benefit cost is recognized under "Personnel expense".

Movements in the present value of post-employment benefit obligations are as follows:

(€k)	Italy	Switzerland	Other plans	Total
Present value of the obligation at 31.12.2018	**44,173**	**90,527**	**8,032**	**142,731**
Current service costs	-	1,717	677	2,395
Past service cost	-	-	-	-
Interest expense	321	889	136	1,346
Actuarial losses (gains) due to:				
– demographic assumptions	(34)	-	(38)	(73)
– financial assumptions	1,798	10,363	716	12,877
– experience adjustments	(545)	(6,433)	107	(6,870)
Employees' share of contributions	-	2,698	-	2,698
Benefit paid	(3,628)	(6,730)	(359)	(10,717)
Exchange rate losses (gains)	-	3,524	7	3,531
Other	205	-	(17)	188
Present value of the obligation at 31.12.2019	**42,289**	**96,554**	**9,261**	**148,105**
Current service costs	-	2,460	804	3,264
Past service cost	-	-	(516)	(516)
Interest expense	139	287	90	516
Actuarial losses (gains) due to:				
– demographic assumptions	-	(2,581)	82	(2,499)
– financial assumptions	394	1,408	614	2,417
– experience adjustments	316	(2,352)	(43)	(2,078)
Employees' share of contributions	-	2,149	-	2,149
Benefit paid	(2,430)	(6,024)	(363)	(8,817)
Exchange rate losses (gains)	-	507	(12)	494
Other	-	-	(110)	(110)
Present value of the obligation at 31.12.2020	**40,707**	**92,408**	**9,808**	**142,923**

This table shows movements in the present value of plan assets:

(€k)	Italy	Switzerland	Other plans	Total
Fair value of the assets at 31.12.2018	**-**	**67,597**	**4,098**	**71,695**
Interest income	-	688	79	766
Estimated yield on plan assets, except interest income	-	4,839	631	5,472
Employees' share of contributions	-	2,698	-	2,698
Group's share of contributions	-	3,302	380	3,681
Benefits paid	-	(6,730)	(182)	(6,913)
Exchange rate gains (losses)	-	2,704	-	2,704
Fair value of the assets at 31.12.2019	**-**	**75,097**	**5,006**	**80,103**
Interest income	-	231	52	283
Estimated yield on plan assets, except interest income	-	1,732	584	2,316
Employees' share of contributions	-	2,149	-	2,149
Group's share of contributions	-	3,256	361	3,617
Benefits paid	-	(6,024)	(58)	(6,082)
Exchange rate gains (losses)	-	456	-	456
Fair value of the assets at 31.12.2020	**-**	**76,897**	**5,944**	**82,841**

The main categories of plan assets are:

(€k)	Switzerland		Belgium	
Cash and cash equivalents	1,301	1.7%	5,944	100.0%
Equity instruments	17,929	23.3%	-	0.0%
Bonds	34,773	45.2%	-	0.0%
Real estate	16,206	21.1%	-	0.0%
Other securities	6,688	8.7%	-	0.0%

Equity instruments and bonds have official market prices.

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.

	Italy		Switzerland		Belgium	
(€k)	+0.25%	-0.25%	+0.25%	-0.25%	+0.5%	-0.5%
Discount rate	(2,248)	(895)	(817)	4,349	510	1,611
Salary increase rate	-	-	(3,165)	n.a.	-	-
Pension increase rate	-	-	-	-	-	-
Inflation rate	(1,160)	(1,997)	-	-	-	-

As a result of the revised estimate, the liability for defined benefit plans increased by € 4,476k gross of the tax effect; after € 1,026k in taxes the net impact of € 3,450k was recognized in comprehensive income (Note XXVII). Most of the change reflects demographic trends in Switzerland.

XXVI. PROVISIONS FOR RISKS AND CHARGES

The change is due to normal allocations and utilizations for the year and to the release of provisions as described below.

(€k)	31.12.2019	Other movements and exchange rate	Allocations	Reversals	Utilizations	31.12.2020
Provision for taxes	2,319	(250)	241	-	533	2,843
Other provisions	8,325	2,697	7,886	-	(12,158)	6,750
Provision on investment	1,416	(1,413)	-	-	40	43
Restructuring provision	-	(87)	6,620	-	-	6,533
Provision for legal disputes	2,408	(561)	10,083	(117)	(1,184)	10,629
Onerous contracts provision	192	(13)	256	-	-	435
Total provisions for current risks and charges	**14,660**	**373**	**25,086**	**(117)**	**(12,769)**	**27,233**
Other provisions	29,724	(5,114)	1,545	(60)	(587)	25,508
Provision for legal disputes	2,028	(1,406)	2,298	(493)	(446)	1,981
Provision for the refurbishment of third party assets	7,500	(143)	1,168	-	(792)	7,733
Total provisions for non-current risks and charges	**39,253**	**(6,663)**	**5,011**	**(553)**	**(1,825)**	**35,223**

(€k)	31.12.2018	Other movements and exchange rate	Allocations	Reversals	Utilizations	31.12.2019
Provision for taxes	3,051	8	-	(625)	(116)	2,319
Other provisions	10,483	(4,580)	15,640	-	(13,218)	8,325
Provision on investment	-	1,416	-	-	-	1,416
Provision for legal disputes	2,723	5,922	183	(3,512)	(2,908)	2,408
Onerous contracts provision	-	-	192	-	-	192
Total provisions for current risks and charges	**16,257**	**2,767**	**16,015**	**(4,136)**	**(16,242)**	**14,660**
Other provisions	26,975	4,843	63	(473)	(1,684)	29,724
Provision for legal disputes	1,836	-	1,595	(806)	(598)	2,028
Provision for the refurbishment of third party assets	8,238	170	556	(1,270)	(194)	7,500
Onerous contracts provision	1,197	(106)	-	(1,091)	-	-
Total provisions for non-current risks and charges	**38,246**	**4,907**	**2,214**	**(3,640)**	**(2,475)**	**39,253**

PROVISION FOR TAXES

The current portion relates primarily to disputes over US companies' indirect tax obligations and reflects the advice of the Group's tax advisors. No allocations were made during the year.

OTHER PROVISIONS

These consist primarily of a United States "self-insurance" provision covering the deductibles on third-party liability contained in insurance plans, settled on an annual basis. In 2020, € 9,371k was allocated to the current and non-current portions of this provision, determined by independent appraisers on the basis of track records and forecasts regarding accidents, while settlements for the year came to € 12,745k.

PROVISION FOR LEGAL DISPUTES

This provision covers the risk of losing lawsuits brought against Group companies, and takes account of the opinions of the Group's legal advisors. Utilizations concern actual payments, in line with forecasts. Allocations during the year were greater than reversals of excess amounts in connection with revised risk estimates, by a net amount of € 11,771k referring chiefly to the North American companies.

PROVISION FOR THE REFURBISHMENT OF THIRD PARTY ASSETS

This represents the estimated liability for ensuring that leased assets are returned in the contractually agreed condition.

RESTRUCTURING PROVISION

This provision, recognized in 2020, concerns restructuring plans implemented in Italy and Europe. The plans aim to centralize the strategic functions of the Europe business unit at the Rozzano headquarters (Milan) and to permanently reorganize the corporate functions.

XXVII. EQUITY

Movements in equity items during the year are detailed in the statement of changes in shareholders' equity.

SHARE CAPITAL

At the end of 2020 the share capital of Autogrill S.p.A., fully subscribed and paid in, amounts to € 68,688k and consists of 254,400,000 ordinary shares with no par value.

At 31 December 2020 Schematrentaquattro S.p.A., wholly owned by Edizione S.r.l., held 50.1% of the share capital.

As described in Section 2.2.15 and in the Directors' Report, in the first half of 2021, after the extraordinary shareholders' meeting of 25 February 2021 approved the mandate to increase the share capital providing market conditions permit and the necessary authorizations are given by the pertinent authorities, the Group expects to complete a capital increase of a maximum amount of € 600m including any share premium, by issuing ordinary shares on an pre-emptive right basis to the persons entitled to the option rights pursuant to Art. 2441(1) of the Italian Civil Code.

Edizione S.r.l. – owner of Schematrentaquattro S.p.A., which in turn controls 50.1% of Autogrill S.p.A. – has expressed appreciation of the capital increase, specifying that it fully agrees with the strategic reasoning, and therefore plans to provide its subsidiary Schematrentaquattro S.p.A. with the necessary financial resources.

Also, in accordance with the pre-underwriting agreement, the pool of banks involved in the capital increase have committed (under conditions consistent with market practice for similar operations) to underwriting the subscription and release of any newly issued ordinary shares that have not been subscribed following the auction of unexercised rights, up to the maximum amount of the capital increase.

LEGAL RESERVE

The legal reserve (€ 13,738k) is the portion of Autogrill S.p.A. profits that cannot be paid out as dividends, in accordance with Art. 2430 of the Italian Civil Code.

TRANSLATION RESERVE

Translation differences are generated by the translation into euros of the foreign currency financial statements of companies consolidated on a line-by-line basis or using the equity method, net of the fair value of instruments designated as net investment hedges. Of the decrease, € 27,696k concerns exchange rate differences from the translation of financial statements in foreign currencies, € 59k refers to the portion of comprehensive income for investments valued using the equity method (Note XI), and € 71k reflects the change in the fair value of instruments designated as net investment hedges, net of the tax effect.

OTHER RESERVES AND RETAINED EARNINGS

These include the profits of subsidiaries not distributed as dividends and the amount set aside in connection with the recognized costs of the stock option plans.

Other reserves and retained earnings also include unrealized actuarial gains and losses (net of the tax effect) arising from the remeasurement of defined benefit plan assets and liabilities.

The change in this item was caused mainly by the allocation to reserves of the 2019 profit on the basis of the shareholders' meeting resolution of 21 May 2020, as well as the tax effect of the sale of the ICT and Payroll divisions by the Group company Autogrill Advanced Business Service S.p.A. to the two subsidiaries Autogrill Italia S.p.A. and Autogrill Europe S.p.A. (positive € 59k), the equity payment adjustment in America (negative € 1,916k), and the acquisition of the remaining 49% of HMSHost Norway AS (negative € 922k).

TREASURY SHARES

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

At 31 December 2020 Autogrill S.p.A. owned 3,181,641 treasury shares (181,641 at the end of 2019), with a carrying amount of € 13,042k and an average carrying amount of € 4.10 per share. Purchases during the year amounted to € 12,322k.

NON-CONTROLLING INTERESTS

Non-controlling interests amount to € 59,881k, compared with € 77,620k at 31 December 2019. The change is due primarily to the loss for the year (€ 24,021k), capital injections (€ 10,071k), the adjustment in value of the PGC acquisition (carried out in 2019, € 4,360k) and the reclassification of non-controlling interests in shareholders' equity (€ 6,270k) due to the acquisition of the remaining 49% of HMSHost Norway AS.

OTHER COMPREHENSIVE INCOME

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

	Full year 2020			Full year 2019		
(€k)	Gross amount	Tax benefit (expense)	Net amount	Gross amount	Tax benefit (expense)	Net amount
Remeasurements of the defined benefit (liabilities) asset	4,476	(1,026)	3,450	(463)	287	(176)
Items that will never be reclassified to profit or loss	**4,476**	**(1,026)**	**3,450**	**(463)**	**287**	**(176)**
Equity-accounted investee - share of other comprehensive income	(59)	-	(59)	49	-	49
Foreign currency translation differences for foreign operations	(33,364)	-	(33,364)	14,017	-	14,017
Gain (loss) on net investment hedge	(95)	24	(71)	(81)	20	(61)
Items that may be subsequently reclassified to profit or loss	**(33,518)**	**24**	**(33,494)**	**13,985**	**20**	**14,005**
Total comprehensive income	**(29,042)**	**(1,002)**	**(30,044)**	**13,522**	**307**	**13,829**

2.2.5 NOTES TO THE INCOME STATEMENT

XXVIII. REVENUE

Revenue is detailed below:

(€k)	Full year 2020	Full year 2019	Change
Food & Beverage sales	1,983,668	4,996,787	(3,013,119)
Oil sales	232,106	396,966	(164,860)
Total	**2,215,774**	**5,393,753**	**(3,177,979)**

Revenue decreased sharply in 2020 as a result of the Covid-19 pandemic.

See the Directors' Report for a detailed review of sales performance.

XXIX. OTHER OPERATING INCOME

(€k)	Full year 2020	Full year 2019	Change
Marketing services from suppliers	36,223	46,754	(10,531)
Income from business leases	19,143	48,709	(29,566)
Affiliation fees	2,921	5,074	(2,153)
Gain on sales of property, plant and equipment	300	5,234	(4,934)
Other income	54,531	104,840	(50,309)
Total	**113,118**	**210,611**	**(97,493)**

"Marketing services from suppliers" decreased by € 10,531k, due mostly to the lower purchase and sale volumes as a result of the Covid-19 emergency in the countries where the Group operates.

"Income from business leases" refers to variable rent received under such arrangements. The reduction was caused by the impact of the pandemic on businesses, as well as the completed renegotiations with sub-lessees of the terms and conditions of leases in light of the emergency (€ 11,625k).

"Affiliation fees" pertain mostly to the companies Le CroBag and Autogrill Italia S.p.A. for franchised locations; the significant decrease with respect to the previous year is due to the temporary closures caused by the Covid-19 pandemic.

"Gains on sales of property, plant and equipment" fell sharply with respect to 2019, when they included the gain on the sale of a hotel in Switzerland.

"Other income" which also includes income from services, reimbursements from third parties, and insurance payments, decreased by € 50,309k mostly for the following two reasons:

- the decline in revenue, due to the Covid-19 pandemic, from the sale of food & beverage at American Airlines airport lounges (from $ 74,109k in 2019 to $ 28,096k in 2020) under an exclusive five-year contract with the airline (since May 2019) through the subsidiary HMSHost Corporation;
- the decrease in commissions from the sale of goods and services (from € 17,898k the previous year to € 10,896k) for which the Group acts as an agent (mostly telephone cards, fuel, and lottery tickets).

XXX. RAW MATERIALS, SUPPLIES AND GOODS

(€k)	Full year 2020	Full year 2019	Change
Purchases	902,267	1,921,062	(1,018,795)
Change in inventories	32,910	(9,668)	42,578
Total	**935,177**	**1,911,394**	**(976,217)**

The net decrease in this item correlates mainly with the Group's reduced operations as a result of the Covid-19 pandemic. See the Directors' Report for further details.

XXXI. PERSONNEL EXPENSE

(€k)	Full year 2020	Full year 2019	Change
Wages and social security contribution	671,614	1,508,310	(836,696)
Employee benefits	29,118	41,162	(12,044)
Other costs	72,451	125,328	(52,877)
Total	**773,183**	**1,674,800**	**(901,617)**

The significant decrease in this item relates chiefly to the decrease in revenue and other income during the pandemic, which led management to undertake efficiency initiatives aimed at reducing personnel expense. The steps management took to mitigate the negative consequences of the pandemic included reduced working hours consistently with the decline in traffic, a hiring freeze, and voluntary salary cuts, as well as the use of the various relief programs enacted by local governments and equivalent measures in the countries served by the Group, for about € 155.5m.

"Other costs" include the portion of the stock option plans pertaining to the year and fees paid during the period to the Board of Directors, as detailed in Section 2.2.12 below.

The headcount was 31,092 (62,061 in 2019).

XXXII. LEASES, RENTALS, CONCESSIONS AND ROYALTIES

(€k)	Full year 2020	Full year 2019	Change
Leases, rentals and concessions	18,956	448,563	(429,607)
Royalties	45,332	129,859	(84,527)
Total	**64,288**	**578,422**	**(514,134)**

"Leases, rentals and concessions" at 31 December 2020 include variable lease and concession fees (€ 153,885k), fees for short-term leases (€ 51,565k) and low-value leases (€ 4,270k), and fees for access rights (€ 2,781k), largely offset by the gain from the release to the income statement of liabilities due to the renegotiations concluded with landlords in connection with the Covid-19 pandemic, which entailed a reduction in minimum guaranteed lease payments (€ 194,260k).

Therefore, with respect to the previous year, most of the sizeable decrease concerns that gain, as well as the revision of the variable component of leases due to the slowdown in business as a result of Covid-19.

"Royalties" also suffered a sharp decline because of the pandemic's impact on the business.

XXXIII. OTHER OPERATING EXPENSE

(€k)	Full year 2020	Full year 2019	Change
Utilities	60,888	89,967	(29,079)
Maintenance	65,757	89,213	(23,456)
Cleaning and disinfestations	29,606	53,618	(24,012)
Consulting and professional services	39,580	42,656	(3,076)
Commissions on credit card payments	23,596	65,909	(42,313)
Storage and transport	11,799	21,378	(9,579)
Advertising	8,361	19,217	(10,856)
Travel expenses	12,804	32,222	(19,418)
Telephone and postal charges	16,368	18,592	(2,224)
Insurance	5,484	6,646	(1,162)
Surveillance	2,065	3,636	(1,571)
Transport of valuables	2,652	4,461	(1,809)
Banking services	3,723	5,818	(2,095)
Sundry materials	19,702	43,147	(23,445)
Other services	43,629	56,847	(13,218)
Costs for materials and services	**346,014**	**553,327**	**(207,313)**
Impairment losses on receivables (Note V)	**10,545**	**1,496**	**9,049**
For taxes	240	(625)	865
For legal disputes	11,771	(2,540)	14,311
For onerous contracts	-	(1,091)	1,091
For restructuring	6,620	-	6,620
For other risks	9,371	15,230	(5,859)
Allocation to provisions for risks (Note XXVI)	**28,002**	**10,974**	**17,028**
Indirect and local taxes	**19,692**	**27,868**	**(8,176)**
Other operating expense	**12,079**	**14,321**	**(2,242)**
Total	**416,332**	**607,986**	**(191,654)**

In general, the net decrease in costs for materials and services relates to the cost-cutting measures taken by Group companies in light of the decrease in sales due to the Covid-19 pandemic. As better detailed in the Directors' Report, however, note that this item was affected by the final reckoning of non-recurring logistics costs, and by the introduction of important measures to protect the health and safety of employees and customers for approximately € 5.7m.

The increase in "Allocations to provisions for risks" relates mainly to provisions by the North American subsidiaries against legal disputes with employees and third parties (€ 10,025k) and provisions for restructuring costs (€ 6,620k). See Note XXVI and the Directors' Report for additional details.

XXXIV. DEPRECIATION, AMORTIZATION AND IMPAIRMENT LOSSES

The following table summarizes depreciation and amortization by asset category:

(€k)	Full year 2020	Full year 2019	Change
Other intangible assets	28,431	29,757	(1,326)
Property, plant and equipment	205,813	209,823	(4,010)
Assets to be transferred free of charge	18,284	16,616	1,668
Right-of-use assets	356,914	356,171	743
Total	**609,442**	**612,367**	**(2,925)**

Depreciation of right-of-use assets is broken down below by asset category:

(€k)	Full year 2020	Full year 2019	Change
Buildings	354,837	354,310	527
Other	2,077	1,861	216
Total	**356,914**	**356,171**	**743**

The reduction for property, plant and equipment is due to lower capital expenditure in 2020 and to the impairment losses charged in 2020 in relation to the Covid-19 pandemic.

The depreciation of right-of-use assets was in line with the previous year, as a result of fewer store openings in 2020 and the remeasurement of leases further to Covid-19-related negotiations for which it was not possible to apply the expedient offered by the IFRS 16 amendment for extensions agreed with landlords to mitigate the contingent negative effects of the pandemic, which reduced depreciation by € 21,844k with respect to the original depreciation schedules.

Also, in 2020, impairment losses (net of reversals) were recognized for a total of € 61,656k (€ 11,653k in 2019), following tests of the recoverability of carrying amounts on the basis of the projected cash flows of each food & beverage location. Most of the impairment losses in 2020 concerned the United States, Belgium, and Italy and reflect the new earnings projections of various locations which, due to the Covid-19 emergency and medium-term expectations regarding a return to pre-pandemic profitability, led management to change its location management strategies and to plan on exiting from these contracts before they expire.

Goodwill impairment refers to the Irish subsidiary, for which goodwill is no longer considered to be recoverable because of unrenewed concession contracts at Dublin airport.

The following table provides a breakdown by type of asset:

(€k)	Full year 2020	Full year 2019	Change
Goodwill	2,271	-	2,271
Other intangible assets	986	1,498	(512)
Property, plant and equipment	27,719	8,468	19,251
Assets to be transferred free of charge	3,019	1,477	1,542
Right-of-use assets	27,661	210	27,451
Total	**61,656**	**11,653**	**20,281**

See notes VII, VIII, IX and X for details of the assumptions and criteria used to measure the recoverability of these categories of non-current assets.

XXXV. GAINS ON OPERATING ACTIVITY DISPOSAL

For 2020 this item refers to the sale of the entire investment in Autogrill Iberia S.L.U. (€ 19,562k); for 2019 it concerns the disposal of the Canadian motorway operations (€ 120,853k) and of Autogrill Czech S.r.o. (€ 7,958k). For further details see Section 2.2.3 of these Notes.

XXXVI. FINANCIAL INCOME AND EXPENSE

(€k)	Full year 2020	Full year 2019	Change
Interest income	1,320	1,429	(109)
Exchange rate income	1,103	405	698
Finance income on lease receivables	4,342	2,041	2,301
Other financial income	1,629	1,272	357
Total financial income	**8,394**	**5,147**	**3,247**

(€k)	Full year 2020	Full year 2019	Change
Interest expense	54,785	27,696	27,089
Finance expense on lease liabilities	64,850	74,451	(9,601)
Discounting of long-term liabilities	426	895	(469)
Interest differential on exchange rate hedges	504	553	(49)
Fees paid on loans and bonds	199	122	77
Ineffective portion of hedging instruments	6	14	(8)
Other financial expense	550	390	160
Total financial expense	**121,320**	**104,121**	**17,199**
Total net financial expense	**(112,926)**	**(98,974)**	**(13,952)**

Most of the increase in net financial expense relates to interest expense, which includes the effect of applying IFRS 9 in the amount of € 22,300k (Notes XXI and XXIV). As a result of the Covid-19 pandemic, in 2020 the previously mentioned “covenant holidays” were agreed with the lender banks for the temporary suspension of required parameters (leverage ratio and consolidated EBITDA/consolidated net finance charges). These contractual changes, in accordance with IFRS 9, led to the immediate recognition in the income statement of the difference between the present value of the modified cash flows discounted using the original effective interest rate and the present value of the original cash flows.

The increase was mitigated by the reduction in finance expense on lease liabilities, due to the general decrease in the incremental borrowing rate used for new contracts and for remeasurements not related to index updates. Regarding these latter, the impact from renegotiations due to the Covid-19 pandemic for which it was not possible to apply the expedient offered by the IFRS 16 amendment came to € 1,127k.

XXXVII. REVALUATION (WRITEDOWNS) OF FINANCIAL ASSETS

This item includes the writedown of loans granted to the non-controlling shareholders of some North American subsidiaries, which are classified under financial receivables from third parties and considered difficult to collect as a result of the Covid-19 pandemic.

XXXVIII. INCOME TAX

The positive amount of € 134,094k (€ -47,654k in 2019) includes € 6k in current taxes (€ 49,913k the previous year) and € 134,861k in net deferred tax assets (€ 6,752k in 2019). The 2020 amount includes a tax refund of $ 119m to which the subsidiary HMSHost Corporation is entitled, by offsetting the federal tax loss incurred in 2020 as a result of the Covid-19 pandemic against the taxable income of prior years since 2015, according to the carry-back mechanism recently introduced by US tax law. It will also be possible to carry forward net operating losses for state tax purposes, for an additional deferred tax benefit of $ 17m that has likewise been recognized in the income statement.

Net of that component, the positive effect of deferred tax assets in Italy (€ 2,743k), Switzerland (€ 2,824k), Germany (€ 753k) and Le CroBag (€ 1,032k) was offset by the reversal of deferred tax assets on prior losses in Belgium (€ 4,097k), which are no longer thought to be recoverable in light of revised profit forecasts reflecting the Covid-19 pandemic, and in France (€ 1,033k) because of the change in tax rates.

At 31 December 2020 this item also includes IRAP of € 71k (€ 3,241k the previous year), which is charged on Italian operations and whose basis is essentially EBIT plus personnel expense for fixed-term labor, and CVAE of € 690k (€ 1,252k in 2019), charged on French operations and calculated on the basis of revenue and value added.

The 2019 figure included a provision of € 29,565k for the capital gains tax on the sale of the motorway business in Canada.

Below is the reconciliation between theoretical income tax and recognized income tax:

(€k)	Full year 2020	%	Full year 2019	%
Theoretical income tax	**155,372**	**24.4%**	**(56,933)**	**20.8%**
Reduced tax due to the direct taxation of minority partners in fully consolidated US joint ventures	(5,975)		4,310	
Net effect of unrecognised tax losses, of utilization of unrecognised prior-year tax losses and the revision of estimates on the taxability/deductibility of temporary differences	(17,405)		2,179	
Adjustment on Belgium deferred tax liabilities due to the variation on tax rate from 29.6% to 25%	-		(1,636)	
Adjustment on French deferred tax liabilities due to the variation on tax rate from 28% to 25%	(1,267)		-	
Gain on operating activity disposal	6,309		-	
Tax concession on the labour cost in the United States	1,442		9,954	
Other net permanent differences	(3,621)		(1,035)	
Income tax, excluding IRAP and CVAE	**134,855**	**21.1%**	**(43,161)**	**15.8%**
IRAP and CVAE	(761)		(4,492)	
Recognised income tax	**134,094**	**21.0%**	**(47,654)**	**17.4%**

XXXIX. BASIC AND DILUTED EARNINGS PER SHARE

Basic earnings per share is calculated as the Group's share of net profit divided by the weighted average number of ordinary Autogrill S.p.A. shares outstanding during the year; treasury shares held by the Group are therefore excluded from the denominator.

Diluted earnings per share takes account of dilutive potential shares deriving from stock option plans when determining the number of shares outstanding.

Basic	Full year 2020	Full year 2019
Profit (loss) for the period attributable to owners of the parent (€k)	(479,868)	205,188
Weighted average no. of outstanding shares (no./000)	251,915	254,218
Basic earnings per share (€)	**(1.9049)**	**0.8071**

Diluted	Full year 2020	Full year 2019
Profit (loss) for the period attributable to owners of the parent (€k)	(479,868)	205,188
Weighted average no. of outstanding shares (no./000)	251,915	254,218
Dilution effect of shares included in stock option plans (no./000)	1,389	2,018
Weighted average no. of ordinary shares outstanding, after dilution (no./000)	253,303	256,236
Diluted earnings per share (€)	**(1.8944)**	**0.8008**

2.2.6 NET FINANCIAL INDEBTEDNESS

Details of the net financial position (net financial indebtedness) at 31 December 2020 and 31 December 2019 are as follows:

Note	(€m)		31.12.2020	31.12.2019	Change
I	A)	Cash on hand	23.3	48.1	(24.8)
I	B)	Cash equivalents	590.3	236.0	354.3
	C)	Securities held for trading	-	-	-
	D)	**Liquidity (A + B + C)**	**613.5**	**284.1**	**329.5**
*	**E)**	**Current financial assets**	**63.1**	**81.0**	**(17.9)**
XXI	F)	Bank loans and borrowings, current	(265.1)	(56.3)	(208.8)
XXIV	G)	Bond issued	(32.8)	(22.3)	(10.6)
**	H)	Other financial liabilities	(392.6)	(383.4)	(9.2)
	I)	**Current financial indebtedness (F + G + H)**	**(690.6)**	**(462.0)**	**(228.5)**
	J)	**Net current financial indebtedness (I + E + D)**	**(13.9)**	**(96.9)**	**83.0**
XXI	K)	Bank loans and borrowings, net of current portion	(1,197.1)	(532.1)	(665.0)
XXIV	L)	Bond issued	(239.7)	(291.2)	51.5
***	M)	Due to others	(1,591.7)	(2,101.3)	509.7
	N)	**Non-current financial indebtedness (K + L + M)**	**(3,028.5)**	**(2,924.6)**	**(103.9)**
	O)	**Net financial indebtedness as per CONSOB Communication (J + N)** [1]	**(3,042.3)**	**(3,021.5)**	**(20.8)**
****	**P)**	**Non-current financial assets**	**68.7**	**73.6**	**(4.9)**
		Net financial indebtedness	**(2,973.6)**	**(2,947.9)**	**(25.7)**

1 As required by the CONSOB circular of 28 July 2006 and in accordance with ESMA/2011/81 recommendations
* Includes the following current assets: Note XII - Lease receivables for € 15.0m and Note II - Other financial assets for € 48.1m.
** Includes the following current liabilities: Note XXII - Lease liabilities for € 377.3m and Note XIX - Other financial liabilities for € 15.3m
*** Includes the following non-current liabilities: Note XXII - Lease liabilities for € 1,590.4m and Note XXIII - Other financial liabilities for € 1.3m
**** Includes the following non-current assets: Note XII - Lease receivables for € 61.8m and Note XIII - Other financial assets for € 6.9m

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

For further comments, see the notes indicated for each item.

RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES

As required by IAS 7 (§44A), the following table reconciles changes in liabilities arising from financing activities, distinguishing between those arising from cash flows and other non-monetary changes.

			Non monetary movements			
(€m)	01.01.2020	Cash Flow [3]	Exchange rate gains (losses) [4]	Other Movements [6]	Total Movements	31.12.2020
Bank loans and borrowings [1 2]	549.9	879.0	(28.3)	11.0	(17.3)	1,411.8
Bond issued [1]	319.8	(22.8)	(26.0)	8.1	(17.9)	279.0
Other financial liabilities [1]	2,476.6	(109.1)	(104.8)	(292.6)	(397.4)	1,970.1
Other financial assets [5]	(151.4)	0.7	11.0	18.0	29.0	(121.7)
Total	**3,195.0**	**747.8**	**(148.1)**	**(255.5)**	**(403.6)**	**3,539.2**

1 "Other financial liabilities" at 31 December 2020 include the current liabilities Note XXII - Lease liabilities for € 377.3m (€ 373.9m at 1 January 2020) and Note XIX - Other financial liabilities for € 15.3m (€ 9.4m at 1 January 2020), and the non-current liabilities Note XXII - Lease liabilities for € 1,590.4m (€ 2,100.4m at 1 January 2020), Note XXIII - Other financial liabilities for € 1.3m (€ 0.9m at 1 January 2020), net of accrued interest on loans listed under "Due to banks" for € 7.7m (€ 1.8m at 1 January 2020) and "Bonds" for € 6.5m (€ 6.3m at 1 January 2020)

2 "Due to banks" at 31 December 2020 include the items reported in Note XXI - Loans, net of current account overdrafts of € 58.2m (€ 40.3m at 1 January 2020)

3 Amounts shown in the statement of cash flows

4 The main change concerns the translation difference on leases

5 "Other financial assets" at 31 December 2020 include the current assets Note II - Other current financial assets for € 48.1m (€ 64.1m at 1 January 2020) and Note XII - Current lease receivables for € 15.0m (€ 16.8m at 1 January 2020), and the non-current assets Note XII - Non-current lease receivables for € 61.8m (€ 66.0m at 1 January 2020) and Note XII - Other non-current financial assets for € 37.4m (€ 41.8m at 1 January 2020), net of security deposits for € 30.4m (€ 34.2m at 1 January 2020) and the value of hedge derivatives for € 9.4m (€ 3.0m at 1 January 2020)

6 The column "other changes" includes interest accrued for the year, changes in lease receivables and liabilities as a result of applying the exemption, and the writedown of financial receivables by the US subsidiary

2.2.7 FINANCIAL INSTRUMENTS - FAIR VALUE AND RISK MANAGEMENT

2.2.7.1 FAIR VALUE HIERARCHY

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

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

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

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

The Group 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.

	31.12.2020							
	Carrying amount				Fair value			
(€k)	FVTPL - hedging instruments	Amortised cost	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Fair value of interest rate hedging derivatives	6,356	-	-	6,356	-	6,356	-	6,356
Fair value of exchange rate hedging derivatives	3,049	-	-	3,049	-	3,049	-	3,049
	9,405	**-**	**-**	**9,405**				
Financial assets not measured at fair value								
Cash and cash equivalent	-	613,545	-	613,545	-	-	-	-
Trade receivables	-	36,696	-	36,696	-	-	-	-
Other current receivables	828	88,233	-	89,061	-	-	-	-
Other non current receivables	-	104,916	-	104,916	-	-	-	-
Other financial assets (current)	-	58,374	-	58,374	-	-	-	-
Other financial assets (non-current)	-	92,604	-	92,604	-	-	-	-
	828	**994,368**	**-**	**995,196**				
Financial liabilities measured at fair value								
Fair value of interest rate hedging derivatives	-	-	-	-	-	-	-	-
Fair value of exchange rate hedging derivatives	97	-	-	97	-	97	-	97
	97	**-**	**-**	**97**				
Financial liabilities not measured at fair value								
Bank overdrafts	-	58,154	-	58,154	-	-	-	-
Unsecured bank loans *	-	1,404,076	-	1,404,076	-	916,309	-	916,309
Leases	-	1,967,673	-	1,967,673	-	-	-	-
Financial liabilities due to others	-	2,273	-	2,273	-	-	-	-
Bonds	-	272,493	-	272,493	-	292,359	-	292,359
Trade payables	-	292,097	-	292,097	-	-	-	-
Due to suppliers for investments	-	87,450	-	87,450	-	-	-	-
	-	**4,084,215**	**-**	**4,084,215**				

* Fair value refers to the credit lines of Autogrill S.p.A., used at 31 December 2020 for € 925,000k.

	31.12.2019							
	Carrying amount				Fair value			
(€k)	FVTPL - hedging instruments	Amortised cost	FVTOCI	Total	Level 1	Level 2	Level 3	Total
Financial assets measured at fair value								
Fair value of interest rate hedging derivatives	2,772	-	-	2,772	-	2,772	-	2,772
Fair value of exchange rate hedging derivatives	172	-	-	172	-	49	-	49
	2,944	**-**	**-**	**2,944**				
Financial assets not measured at fair value								
Cash and cash equivalent	-	284,091	-	284,091	-	-	-	-
Trade receivables	-	55,424	-	55,424	-	-	-	-
Other current receivables	936	78,499	-	79,435	-	-	-	-
Other non current receivables	-	3,010	-	3,010	-	-	-	-
Other financial assets (current)	-	80,518	-	80,518	-	-	-	-
Other financial assets (non-current)	-	105,429	-	105,429	-	-	-	-
	936	**606,970**	**-**	**607,906**				
Financial liabilities measured at fair value								
Fair value of interest rate hedging derivatives	3	-	-	3	-	3	-	3
Fair value of exchange rate hedging derivatives	-	-	-	-	-	-	-	-
	3	**-**	**-**	**3**				
Financial liabilities not measured at fair value								
Bank overdrafts	-	40,308	-	40,308	-	-	-	-
Unsecured bank loans *	-	548,115	-	548,115	-	400,825	-	400,825
Leases	-	2,474,372	-	2,474,372	-	-	-	-
Financial liabilities due to others	-	2,194	-	2,194	-	-	-	-
Bonds	-	313,435	-	313,435	-	337,545	-	337,545
Trade payables	-	397,185	-	397,185	-	-	-	-
Due to suppliers for investments	-	89,577	-	89,577	-	-	-	-
	-	**3,865,185**	**-**	**3,865,185**				

* Fair value refers to the credit lines of Autogrill S.p.A., used at 31 December 2019 for € 400,000k.

Information on the fair value of assets and liabilities is not included when the carrying amount is a reasonable approximation of fair value.

In 2020 there were no transfers between different hierarchical levels.

(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.

For level 2, the specific valuation techniques are as follows:
- the fair value of interest rate swaps has been estimated considering the present value of future cash flows based on observable yield curves. This fair value takes into account the credit risk of the counterparty determined based on observable market data. It also takes into account the credit risk of the Group, calculated on the basis of credit and other financial ratios and benchmarking. The adjustments to the aforementioned risks are considered not significant at 31 December 2020;
- the fair value of loans and bonds 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.

2.2.7.2 FINANCIAL RISK MANAGEMENT

The Group is exposed to the following risks:
- market risk;
- credit risk;
- liquidity risk.

The overall responsibility for the creation and supervision of a Group risk management system lies with Autogrill S.p.A.'s 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.

The Group's risk management policies are designed to identify and analyze the risks to which the Group 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 the Group's operations. Through training, standards and official procedures, the Group 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 Group'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 arises from exposure to fluctuations in variables relevant to financial transactions or in the prices of factors relevant to the Group's activities, due to changes in exchange rates, interest rates or equity instrument prices. The aim of market risk management is to take steps to minimize the impact of the volatility of such variables on the income statement or the consolidated financial statements. Minimizing volatility means keeping it within acceptable limits, also considering the cost-effectiveness of transactions to hedge the underlying risk.

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, given the extent of the Group's borrowings and its international profile.

INTEREST RATE RISK

The aim of interest rate risk management is to ensure the constant monitoring of 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. The derivatives used are mainly interest rate swaps (IRS).

Hedging instruments are allocated to companies with significant exposure to interest rate risk, through debt charging a floating rate (thus exposing the Group to higher finance costs if interest rates rise) or a fixed rate (which means that lower or higher interest rates do not bring about a reduction or an increase in the amount payable).

Interest rate hedging instruments are accounted for as cash flow hedges in the financial statements of Group companies exposed to this risk. They are recognized under financial assets or liabilities, on a separate line of the statement of comprehensive income, and in the "Hedging reserve" in net equity.

Financial instruments hedging the risk of changes in the fair value of liabilities are accounted for as fair value hedges in the financial statements of Group companies exposed to this risk, and recognized as financial assets or liabilities with a balancing entry in the income statement.

At 31 December 2020, fixed-rate debt, including debt converted to fixed-rate by means of interest rate swaps, was 17% of the total compared with 40% at the end of 2019.

Gross debt denominated in US dollars amounted to $ 2,292m at the close of the year, including $ 336m in bond loans. Part of the interest rate risk is hedged by fixed-to-floating interest rate swaps for $ 100m, classified as fair value hedges.

Below are the details of financial instruments used to hedge fixed-rate debt of $ 100m at the close of the year:

Underlying	Notional amount		Expiry	Average fixed rate received	Floating rate received	Fair value (€k)
Bond issue	k$	25,000	January 2023	2.24%	USD Libor 6 months	1,008
Bond issue	k$	45,000	September 2024	2.38%	USD Libor 6 months	2,951
Bond issue	k$	30,000	September 2025	2.44%	USD Libor 6 months	2,397

A hypothetical 1-point unfavorable change in the interest rates applicable to assets and liabilities and to interest rate hedges outstanding at 31 December 2020 would increase net financial expense by € 4.3m.

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 Group's exposure to currency translation risk is detailed below, in local currency:

(Currency/000)	USD	CAD	CHF
Equity	336,229	53,857	26,904
Profit	(216,467)	(29,841)	(13,205)

If the euro had risen or fallen by 10% against the above currencies, at 31 December 2020 equity and profit for the year would have been altered as shown in the following table (in thousands of euros):

	USD 1.2271		CAD 1.5634		CHF 1.0802	
(€k)	+10%	-10%	+10%	-10%	+10%	-10%
Equity	(24,909)	30,445	(3,132)	3,828	(2,264)	2,767
Profit	17,229	(21,058)	1,772	(2,166)	1,121	(1,371)

This analysis was based on the assumption that the other variables, especially interest rates, remain unchanged.

Hedging instruments are allocated to companies with significant exposure to currency risk in terms of translation risk (i.e., the risk attending conversion into euros in the parent company's or its subsidiaries' accounts of equity investments denominated in foreign currency) or financial assets or liabilities in a currency other than the reporting currency. These transactions are recognized at fair value under financial assets or liabilities.

Fluctuations in the fair value of hedges of foreign currency financial assets or liabilities are taken to profit or loss, as is the corresponding change in the amount of the hedged assets and liabilities.

The fair value of exchange rate hedges outstanding at 31 December 2020 is shown below:

Notional amount (currency/000)		Expiry	Forward rate	Fair value (€k)
USD	75,000	January 2021	1.1749	2,757
USD	24,997	January 2021	1.2113	250
SEK	25,000	January 2021	10.5939	31
GBP	4,000	January 2021	0.8934	11
NOK	25,000	March 2021	11.0980	(97)

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 the Group's trade receivables and financial investments.

The carrying amount of the financial assets is the Group's maximum exposure to credit risk, in addition to the face value of guarantees given for the borrowings or commitments of third parties, as detailed in Section 2.2.11.

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

Financial assets (€k)	31.12.2020	31.12.2019	Change
Bank and post office deposits	590,255	235,968	354,287
Other current financial assets	58,374	80,518	(22,144)
Trade receivables	36,696	55,424	(18,728)
Other current receivables	89,061	79,435	9,626
Derivative instruments	9,405	2,944	6,461
Other non-current financial assets	94,500	105,429	(10,929)
Other non-current receivables	104,916	3,010	101,906
Total	**983,207**	**562,728**	**420,479**

Exposure to credit risk is modest because the Group serves consumers who pay in cash or by credit/debit card; this means that trade receivables and thus the relative degree of risk is of limited significance in relation to total financial assets.

In most cases, the Group's trade receivables stem from catering service agreements and commercial affiliations.

Other receivables (current and non-current) consist mainly of amounts due from Inland Revenue and other government agencies, fees paid in advance, and advances for services or commercial investments made on behalf of concession grantors, for which the degree of credit risk is low.

Financial assets are recognized net of impairment losses calculated on the basis of the counterparty's risk of default. Impairment is determined according to local procedures, which 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.

	31.12.2020					
		Expired not impaired				
Trade receivables (€k)	Not expired	1-3 months	3-6 months	6 months-1 year	Over 1 year	Total
Airlines	4,042	1,373	25	33	104	**5,577**
Franchises	3,874	3,353	323	67	1,629	**9,246**
Catering services agreements	1,327	304	90	122	471	**2,314**
Motorway partners	6,637	233	172	168	576	**7,786**
Other	5,995	3,997	692	544	546	**11,773**
Total	**21,875**	**9,258**	**1,302**	**934**	**3,327**	**36,696**

	31.12.2019					
		Expired not impaired				
Trade receivables (€k)	Not expired	1-3 months	3-6 months	6 months-1 year	Over 1 year	Total
Airlines	11,787	2,559	339	981	-	**15,666**
Franchises	5,194	4,106	362	125	1,468	**11,255**
Catering services agreements	1,741	356	97	188	435	**2,817**
Motorway partners	3,551	113	129	268	615	**4,676**
Other	13,985	5,218	349	1,049	408	**21,009**
Total	**36,259**	**12,352**	**1,276**	**2,611**	**2,926**	**55,424**

There is no significant concentration of credit risk: the top 10 customers account for 26% of total trade receivables, and the largest customer (American Airlines) for 7%.

LIQUIDITY RISK

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

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

The defining elements of the Group's liquidity situation are the resources generated or absorbed by operating and investing activities, the characteristics of its debt, the liquidity of its financial investments, and financial market conditions.

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

	31.12.2020							
		Contractual cash flows						
Non-derivative financial liabilities (€k)	Carrying amount	Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Current account overdrafts	58,154	**58,154**	58,154	-	-	-	-	-
Unsecured bank loans	1,409,378	**1,409,378**	161,229	-	45,746	48,795	1,123,608	30,000
Lease payments due to others	1,967,673	**1,967,673**	96,436	82,489	198,365	397,394	619,826	573,164
Liabilities due to others	2,273	**2,273**	989	1	-	633	328	322
Bonds	273,710	**273,710**	-	-	32,806	-	240,904	-
Trade payables	292,097	**292,097**	287,994	1,591	2,513	-	-	-
Due to suppliers for investments	87,450	**87,450**	86,877	486	87	-	-	-
Total	**4,090,735**	**4,090,735**	**691,678**	**84,567**	**279,517**	**446,822**	**1,984,665**	**603,486**

	31.12.2020							
		Contractual cash flows						
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
Forward foreign exchange derivatives	97	**97**	97	-	-	-	-	-
Interest rate swap	-	**-**	-	-	-	-	-	-
Total	**97**	**97**	**97**	**-**	**-**	**-**	**-**	**-**

Non-derivative financial liabilities (€k)	Carrying amount	31.12.2019 Contractual cash flows Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Current account overdrafts	40,308	**40,308**	40,308	-	-	-	-	-
Unsecured bank loans	549,548	**549,548**	16,025	-	-	232,508	301,015	-
Lease payments due to others	2,474,372	**2,474,372**	153,943	73,586	146,438	397,715	934,094	768,597
Liabilities due to others	2,194	**2,194**	1,172	97	-	604	321	-
Bonds	314,260	**314,260**	-	-	22,254	35,606	206,377	50,023
Trade payables	397,183	**397,183**	397,183	-	-	-	-	-
Due to suppliers for investments	89,577	**89,577**	89,577	-	-	-	-	-
Total	**3,867,442**	**3,867,442**	**698,208**	**73,683**	**168,692**	**666,433**	**1,441,807**	**818,620**

Derivative financial liabilities (€k)	Carrying amount	31.12.2019 Contractual cash flows Total	1-3 months	3-6 months	6 months-1 year	1-2 years	2-5 years	Over 5 years
Forward foreign exchange derivatives	-	-	-	-	-	-	-	-
Interest rate swap	3	3	3	-	-	-	-	-
Total	**3**	**3**	**3**	**-**	**-**	**-**	**-**	**-**

With regard to exposure to trade payables, there is no significant concentration of suppliers, of which the largest 10 account for 16.17% of the total and the leading supplier (Autostrade per l'Italia) for 3.34%.

The bond regulations call for compliance with certain financial ratios, calculated solely with respect to the companies headed up by HMSHost Corporation. They are not guaranteed by Autogrill S.p.A. There are also limits on the distribution of dividends by HMSHost Corporation to the parent, Autogrill S.p.A., if the leverage ratio of the HMSHost subgroup exceeds a certain amount.

The loans (Note XXI) and bonds (Note XXIV) outstanding at 31 December 2020 require the satisfaction of certain financial ratios, specifically, the leverage ratio (net debt/EBITDA) and interest coverage ratio (EBITDA/net financial expense). These are measured with different criteria and for different groupings of companies depending on the loan and the beneficiary. In particular, Autogrill S.p.A. has outstanding loans for which the above ratios are calculated on figures pertaining to the Autogrill Group as a whole.

In June 2020, as part of a broader, Group-wide plan of action aimed at mitigating the financial and operational impact of the Covid-19 crisis, Autogrill S.p.A. and the subsidiary HMSHost Corporation signed "covenant holiday" agreements with their lenders and bondholders for the temporary suspension of required leverage ratio and interest coverage ratio parameters. The covenant holiday is effective for 15 months starting on 30 June 2020, and can be extended until 31 December 2021 under specified conditions. On 10 March 2021, new agreements were signed with the lender banks and bondholders to extend the covenant holiday for an additional 12 months beyond the deadline agreed in 2020. In particular:

- HMSHost Corporation: extension for contracts already granted a covenant holiday last June until September 2022, with an additional extension until 31 December 2022 assuming a positive outcome of the covenant test in September 2022;

- Autogrill S.p.A.: extension for contracts already granted a covenant holiday last June until 31 December 2022, and granting of a covenant holiday until 31 December 2022 for the loan guaranteed by SACE S.p.A., assuming a positive outcome of the covenant test by HMSHost Corporation in September 2022.

The weighted average term of bank loans and bonds at 31 December 2020, including unutilized credit lines, is approximately 2 years and 11 months (2 years and 10 months at the end of 2019).

2.2.8 DISCLOSURE OF NON-CONTROLLING INTERESTS

Non-controlling interests refer mainly to investments in US subsidiaries held by accredited Disadvantaged Business Enterprises (DBE), whose participation in the operation of concessions is regulated by state and federal law. The Group maintains control of these companies and is principally responsible for the concession fees due to the grantor.

At 31 December 2020, these companies had net assets of \$ 259.3m (\$ 310m at 31 December 2019); in 2020 they reported revenue of \$ 421.3m (\$ 1,198.3m in 2019) and a net loss of \$ 88.9m (net profit of \$ 89m the previous year). Non-controlling interests in shareholders' equity amount to \$ 63.6m (\$ 79.9m at 31 December 2019) and in net profit to \$ 23.7m (\$ 19.7m the previous year).

2.2.9 SEGMENT REPORTING

The Group operates in the food & beverage industry, mainly at airports, motorway rest stops and railway stations, serving a local and international clientele. The business is conducted in Italy by Autogrill S.p.A.; in France, Switzerland, Germany, Belgium, Austria, and Greece by Autogrill Europe S.p.A. through its own direct subsidiaries; and in North America, the Netherlands, the United Kingdom, Ireland, Scandinavian countries, the Middle East, and Asia by HMSHost Corporation and its subsidiaries. The Group serves its own proprietary brands as well as third-party brands under license. The operational levers are typically assigned to local organizations and coordinated, at the European level, by central facilities.

Business units were identified on the basis of a geographical/operational logic, consistently with the governance responsibilities of the chief executive officers of those segments.

Performance is monitored separately for each of the three business units: Europe, North America, and International (the latter covering Northern Europe, the Middle East, and Asia). Because of the distinct characteristics of the Italian market, "Europe" distinguishes between the "Italy" and "other European countries" cash generating units; there are therefore four CGUs overall.

Costs are shown separately for "Corporate" functions, which include the centralized units in charge of administration, finance and control, investor relations, strategic planning, legal and corporate affairs, enterprise risk management, communications, marketing, IT systems, internal audit, human resources, and organization for the Group as a whole.

The accounting policies used for segment reporting are the same as those applicable to the consolidated financial statements.

Segment reporting in table form is provided below.

	Full Year 2020				
Profit & Loss (€k)	**North America**	**International**	**Europe**	**Corporate**	**Consolidated**
Total revenue and other operating income	**892,160**	**238,006**	**1,198,456**	**269**	**2,328,892**
Depreciation, amortisation and impairment losses on property, plant, equipment, intangible assets and right-of-use assets	(341,508)	(90,935)	(236,596)	(2,059)	**(671,098)**
Operating profit (loss)	**(260,537)**	**(80,383)**	**(148,711)**	**(21,994)**	**(511,624)**
Net financial income (expense)					(112,926)
Share of the profit (loss) of equity method investments					(192)
Revaluation (write-down) of financial assets					(13,241)
Pre-tax profit (loss)					**(637,983)**
Income tax					134,094
Profit (loss) for the year					**(503,889)**

	Full Year 2019				
Profit & Loss (€k)	**North America**	**International**	**Europe**	**Corporate**	**Consolidated**
Total revenue and other operating income	**2,727,640**	**657,016**	**2,219,592**	**116**	**5,604,364**
Depreciation, amortisation and impairment losses on property, plant, equipment, intangible assets and right-of-use assets	(300,430)	(81,212)	(240,540)	(1,837)	**(624,020)**
Operating profit (loss)	**281,177**	**26,394**	**60,646**	**(31,666)**	**336,553**
Net financial income (expense)					(98,974)
Share of the profit (loss) of equity method investments					36,357
Pre-tax profit (loss)					**273,936**
Income tax					(47,654)
Profit (loss) for the year					**226,282**

The Directors' Report highlights, by segment, the impact of elements that are unusual in terms of amount or likelihood of recurrence which, in the directors' opinion, condition the perception of the normalized profitability of the Group and its segments. The corresponding adjusted figures are expressed as underlying EBIT and underlying profit.

	31.12.2020				
Net invested capital (€k)	North America	International	Europe	Corporate	Consolidated
Goodwill	412,950	65,544	340,979	-	**819,473**
Other intangible assets	38,243	12,557	53,244	1,661	**105,706**
Property, plant and equipment	510,114	74,882	377,887	5,063	**967,946**
Right-of-use assets	855,435	205,968	683,211	4,174	**1,748,787**
Financial assets [52]	10,212	14,419	5,821	853	**31,304**
Non-current assets	**1,826,954**	**373,370**	**1,461,142**	**11,751**	**3,673,217**
Net working capital	**(139,644)**	**(58,919)**	**(132,251)**	**20,005**	**(310,809)**
Other current & non-current financial activities and liabilities	29,188	4,721	(42,025)	19,004	**10,888**
Net invested capital	**1,716,499**	**319,171**	**1,286,866**	**50,760**	**3,373,296**

	31.12.2019				
Net invested capital (€k)	North America	International	Europe	Corporate	Consolidated
Goodwill	450,578	60,566	343,832	-	**854,976**
Other intangible assets	51,224	15,842	61,438	2,312	**130,816**
Property, plant and equipment	628,519	88,653	368,105	5,636	**1,090,913**
Right-of-use assets	1,122,331	247,578	984,794	4,271	**2,358,973**
Financial assets [52]	12,101	16,338	8,678	845	**37,962**
Non-current assets	**2,264,753**	**428,976**	**1,766,847**	**13,064**	**4,473,639**
Net working capital	**(283,226)**	**(54,175)**	**(196,475)**	**59,395**	**(474,480)**
Other current & non-current financial activities and liabilities	(78,890)	(118)	(55,879)	19,566	**(115,321)**
Net invested capital	**1,902,637**	**374,683**	**1,514,494**	**92,025**	**3,883,838**

52 The item "Financial assets" include "Investments" and "Other financial assets" with the exception of "Financial receivables from third parties" (€ 2.3m) and "Fair value of interest rate hedging derivatives" (€ 4.7m)

2.2.10 SEASONAL PATTERNS

The Group's volumes are closely related to the flow of travellers, which is highly seasonal in some businesses, and this in turn affects consolidated results. The breakdown of 2020 results by quarter shows how the spread of the Covid-19 pandemic altered the seasonal pattern of previous years, when volumes were mostly concentrated in the second six months of the year when business is stronger due to the summer holidays. This year, nearly half of all revenue was earned during the first quarter, before the pandemic was widespread, then dropped sharply during the second quarter when the first wave reached its peak and governments strictly curtailed personal movement. In the second half of 2020, business performance followed the pandemic curve: sales improved in the third quarter, as the pandemic eased, and then worsened in the fourth quarter when infection rates rose once again.

	Full year 2020			
(€m)	First quarter	First six months	First nine months	Full year
Revenue *	910.8	1,096.5	1,564.1	1,983.7
% of full year	*45.9%*	*55.3%*	*78.9%*	*100.0%*
Operating profit (loss)	(80.3)	(300.5)	(372.6)	(511.6)
% of full year	*15.7%*	*58.7%*	*72.8%*	*100.0%*
Pre-tax profit (loss)	(100.7)	(357.2)	(471.7)	(638.0)
% of full year	*15.8%*	*56.0%*	*73.9%*	*100.0%*
Profit (loss) attributable to owners of the parent	(87.3)	(271.0)	(365.8)	(479.9)
% of full year	*18.2%*	*56.5%*	*76.2%*	*100.0%*

* For consistency with the data in the Directors' Report, revenue does not include fuel sales, which take place mainly at Italian and Swiss service stations

The percentages shown are general indications only and should not be used to predict results or the generation of cash.

2.2.11 GUARANTEES GIVEN, COMMITMENTS AND CONTINGENT LIABILITIES

GUARANTEES

At 31 December 2020 the guarantees given by the Autogrill Group amounted to € 460,077k (€ 449,775k at the close of 2019) and referred mainly to performance bonds and other personal guarantees issued in favor of grantors and business counterparties.

COMMITMENTS

Commitments outstanding at 31 December 2020 concern:
- the value of goods on consignment held at Group locations (€ 161,073k);
- commitments for service contracts (€ 130,081k);
- commitments for access rights (€ 18,006k);
- commitments under low-value and short-term leases (€ 15,203k).

An access concession exists when ownership of the land and buildings along the motorway is in the hands of a private firm (like Autogrill), which negotiates access rights with the motorway company with the commitment to sell fuel and lubricants and/or food and beverages to motorway users. The firm accepts the obligation to pay rent to the motorway as well as certain stipulations regarding the way the services are to be provided and the hours of operation.

CONTINGENT LIABILITIES

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

2.2.12 OTHER INFORMATION

RELATED PARTY TRANSACTIONS

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

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

In 2020 Autogrill S.p.A. and its subsidiaries conducted no transactions with the direct parent, Schematrentaquattro S.p.A.

	Revenue		Other operating income		Raw materials, supplies and goods	
Income statement (€k)	**Full year 2020**	**Full year 2019**	**Full year 2020**	**Full year 2019**	**Full year 2020**	**Full year 2019**
Parent:						
Edizione S.r.l.			13	19		
Other related parties:						
Atlantia group	2		885	2,597	77	171
Verde Sport S.p.A.						
Edizione Property S.p.A.						
Investments at equity				1,343		
Other related parties *						
Total related parties	**2**		**897**	**3,957**	**77**	**171**
Total Group	**2,215,774**	**5,393,753**	**113,118**	**210,611**	**935,177**	**1,911,394**
Incidence	**0.0%**	**0.0%**	**0.8%**	**1.9%**	**0.0%**	**0.0%**

	Trade receivables		Other receivables		Trade payables	
Statement of financial position (€k)	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**	**31.12.2020**	**31.12.2019**
Parent:						
Edizione S.r.l.				10,229	1	1
Other related parties:						
Atlantia group	1,423	554	6,248	6,995	19,106	24,187
Benetton Group S.r.l.						
Edizione Property S.p.A.		11				
Investments at equity			2	2,455		8
Other related parties *						
Total related parties	**1,423**	**565**	**6,251**	**19,678**	**19,108**	**24,196**
Total Group	**36,696**	**55,424**	**135,789**	**121,999**	**292,097**	**397,183**
Incidence	**3.9%**	**1.0%**	**4.6%**	**16.1%**	**6.5%**	**6.1%**

* The other related parties refer to transactions with directors and executives with strategic responsibilities

	Leases, rentals, concessions and royalties		Other operating expense		Personnel expense		Financial (expense) income	
	Full year 2020	Full year 2019	Full year 2020	Full year 2019	Full year 2020	Full year 2019	Full year 2020	Full year 2019
			6	13	112	100		
	(14,298)	38,465	5,151	11,769			(6,023)	(7,108)
			45	45				
	(408)	(1,584)	(298)	(375)				114
			360	525	4,728	9,018		
	(14,778)	**36,881**	**5,263**	**11,977**	**4,840**	**9,118**	**(6,023)**	**(6,994)**
	64,288	**578,422**	**416,332**	**607,986**	**773,183**	**1,674,800**	**(112,926)**	**(98,974)**
	-23.0%	**6.4%**	**1.3%**	**2.0%**	**0.6%**	**0.5%**	**5.3%**	**7.1%**

	Other payables		Other financial assets - Non current		Lease liabilities - Current		Lease liabilities - Non current	
	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019	31.12.2020	31.12.2019
	874	102						
	2,176	993			39,202	48,173	210,284	248,797
				7,591				
	1,188	2,993						
	4,238	**4,089**		**7,591**	**39,202**	**48,173**	**210,284**	**248,797**
	266,363	**362,790**	**37,350**	**41,775**	**377,289**	**373,966**	**1,590,384**	**2,100,406**
	1.6%	**1.1%**	**0.0%**	**18.2%**	**10.4%**	**12.9%**	**13.2%**	**11.8%**

Edizione S.r.l.
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 Autogrill Italia S.p.A.'s purchase of Edizione S.r.l.'s tax credit (IRES) for the year 2019, amounting to € 750k, which will be paid for in 2021.

The decrease in "Other receivables" refers to the collection in January, May, and July 2020 of the IRES (corporate income tax) refund requested by the consolidating company Edizione S.r.l., for the deduction of the portion of IRAP (regional tax) paid from 2007 to 2011 and pertaining to personnel expense (Art. 2 of Decree Law 201/2011 and Decree Law 185/2008), in the amount of € 10,229k including Nuova Sidap S.r.l.'s share of € 13k).

Atlantia Group
"Leases, rentals, concessions and royalties" refer to variable concession fees and accessory costs pertaining to the period. The amount is negative, hence a reduction in costs, due to the acceptance of the landlords' offers to cancel Autogrill Italia S.p.A.'s fixed concession fees during the lockdown period in addition to significant reductions in those fees in the subsequent periods, in part so as to maintain an adequate level of service along the motorways.

"Other operating expense" refers chiefly to the management of motorway locations. Autogrill Italia S.p.A. was granted a reduction in maintenance fees and reporting and control fees as part of the agreements mentioned in the preceding paragraph.

"Financial expense" also concerns the application of accounting standard IFRS 16, which requires the recognition of implicit interest previously included under "Leases, rentals, concessions and royalties".

"Trade payables" originate from the same contractual relationships.

"Lease liabilities" arise from the application of IFRS 16 and the consequent recognition of € 249,486k deriving from the discounting of fixed or substantively fixed future minimum lease payments outstanding at 31 December 2020. This item decreased in line with the cancellation of fixed concession fees as mentioned above.

"Other receivables" refers mainly to credit notes to be received from Autostrade per l'Italia S.p.A., as well as fees for rest stop cleaning services.

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".

REMUNERATION OF DIRECTORS AND KEY MANAGEMENT PERSONNEL

The following remuneration accrued to members of the Board of Directors and to key management personnel in 2020:

Name	Office held	Term of office	Remuneration (€)	Bonus and other incentives (€)	Non-monetary benefits (€)	Other fees (€)
Paolo Zannoni	Chairman	2020/2022	346,315			
Gianmario Tondato da Ruos	CEO	2020/2022	405,000		13,002	401,099
Alessandro Benetton	Director	2020/2022	50,000			
Paolo Roverato	Director	2020/2022	102,329			
Massimo Fasanella D'Amore di Ruffano *	Director	2020/2022	90,000			20,833
Francesco Chiappetta	Director	2020/2022	80,000			
Ernesto Albanese	Director	2020/2022	60,000			
Franca Bertagnin Benetton	Director	2020/2022	50,000			
Cristina De Benetti	Director	From 25/05/2017 to 21/05/2020	31,123			
Catherine Gérardin Vautrin	Director	From 25/05/2017 to 21/05/2020	31,123			
Maria Pierdicchi	Director	2020/2022	70,000			
Elisabetta Ripa *	Director	From 25/05/2017 to 21/05/2020	35,013			25,000
Barbara Cominelli	Director	2020/2022	70,000			
Rosalba Casiraghi	Director	From 21/05/2020 to 2022	43,151			
Simona Scarpaleggia	Director	From 21/05/2020 to 2022	43,151			
Laura Cioli	Director	From 21/05/2020 to 2022	49,315			
Total directors			**1,556,520**	**-**	**13,002**	**446,932**
Camillo Rossotto **	Corporate General Manager				19,557	528,874
Key managers with strategic responsibilities					245,995	1,916,937
Total			**1,556,520**	**-**	**278,554**	**2,892,743**

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

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

For the Corporate General Manager and key management personnel, 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.

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

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

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

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

STATUTORY AUDITORS’ FEES

The following fees accrued to members of the Board of Statutory Auditors in 2020:

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

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

INDEPENDENT AUDITORS’ FEES FOR AUDIT AND OTHER SERVICES

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

INCENTIVE PLANS FOR DIRECTORS AND KEY MANAGEMENT PERSONNEL

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

2016 PHANTOM STOCK OPTION PLAN

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

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

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

	Number of options
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**
Options exercised in 2020	-
Options cancelled in 2020	(7,464)
Options at 31 December 2020	**788,010**

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

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

The costs incurred in 2020 for this plan amounted to € -1.4m (€ 6,3m the previous year), due to the adjustment of estimates with respect to the provisions made at 31 December 2019 on the basis of the stock market performance of Autogrill shares, as well as the greater volatility and uncertainty currently present in the Group's industry and in the equity market in general.

2018 PERFORMANCE SHARE UNITS PLAN

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

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

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

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

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

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

Movements in options in 2019 and 2020 are shown below:

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

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

Thorough information on the 2018 performance share units plan is provided in the Disclosure Document prepared in accordance with Art. 84 *bis* (1) and Annex 3A

(Schedule 7) of CONSOB Regulation 11971/1999, which is available to the public at www.autogrill.com (/Governance/Shareholders' meeting).

Costs for this plan amounted to € 0.8m in 2020 (€ 3.3m the previous year). The cost was affected by the remeasurement of non-market conditions included in the regulations, given the effects of the Covid-19 pandemic on the Group's results.

2.2.13 SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

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

2.2.14 ATYPICAL OR UNUSUAL TRANSACTIONS

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

2.2.15 SUBSEQUENT EVENTS

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

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

- HMSHost Corporation: extension for contracts already granted a covenant holiday last June until September 2022, with an additional extension until 31 December 2022 assuming a positive outcome of the covenant test in September 2022;
- Autogrill S.p.A.: extension for contracts already granted a covenant holiday last June until 31 December 2022, and granting of a covenant holiday until 31 December

2022 for the loan guaranteed by SACE S.p.A., assuming a positive outcome of the covenant test by HMSHost Corporation in September 2022.

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

2.2.16 AUTHORIZATION FOR PUBLICATION

The Board of Directors authorized the publication of this annual report and consolidated financial statements at its meeting of 11 March 2021.

Annexes

LIST OF CONSOLIDATED COMPANIES AND OTHER INVESTMENTS

Company	Registered office	Currency	Share capital	% held at 31.12.2020	Shareholders
Parent					
Autogrill S.p.A.	Novara	EUR	68,688,000	50.1000%	Schematrentaquattro S.p.A.
Companies consolidated line by line:					
Nuova Sidap S.r.l.	Novara	EUR	100,000	100.0000%	Autogrill Italia S.p.A.
Autogrill Europe S.p.A.	Novara	EUR	50,000,000	100.0000%	Autogrill S.p.A.
Autogrill Italia S.p.A.	Novara	EUR	68,688,000	100.0000%	Autogrill S.p.A.
Autogrill Advanced Business Service S.p.A.	Novara	EUR	1,000,000	100.0000%	Autogrill S.p.A.
Autogrill Austria GmbH	Gottlesbrunn	EUR	600,000	100.0000%	Autogrill Europe S.p.A.
Autogrill D.o.o.	Lubljana	EUR	1,342,670	100.0000%	Autogrill Europe S.p.A.
Autogrill Hellas Single Member Limited Liability Company	Avlonas	EUR	3,696,330	100.0000%	Autogrill Europe S.p.A.
Autogrill Iberia S.L.U.*	Madrid	EUR	7,000,000	100.0000%	Autogrill Europe S.p.A.
Autogrill Deutschland GmbH	Munich	EUR	205,000	100.0000%	Autogrill Europe S.p.A.
Le CroBag GmbH & Co KG	Hamburg	EUR	928,478	98.8700%	Autogrill Deutschland GmbH
				1.1300%	Le Fournil de Frédéric Neuhauser GmbH
Le CroBag Polska Sp. 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.	Antwerp	EUR	6,700,000	99.9900%	Autogrill Europe S.p.A.
				0.0100%	Ac Restaurants & Hotels Beheer N.V.
Ac Restaurants & Hotels Beheer N.V.	Antwerp	EUR	3,250,000	99.9900%	Autogrill Belgie N.V.
Autogrill Schweiz A.G.	Olten	CHF	23,183,000	100.0000%	Autogrill Europe S.p.A.
Restoroute de Bavois S.A.	Bavois	CHF	2,000,000	73.0000%	Autogrill Schweiz A.G.
Restoroute de la Gruyère S.A.	Pont-en-Ogoz	CHF	1,500,000	54.3300%	Autogrill Schweiz A.G.
Holding de Participations Autogrill S.a.s.	Marseille	EUR	84,581,920	100.0000%	Autogrill Europe S.p.A.
Autogrill Côté France S.a.s.	Marseille	EUR	31,579,526	100.0000%	Holding de Participations Autogrill S.a.s.
Volcarest S.a.s.	Champs	EUR	1,050,144	50.0000%	Autogrill Côté 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 Côté France S.a.s.
Autogrill FFH Autoroutes S.àr.l.	Marseille	EUR	375,000	100.0000%	Autogrill Côté 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

* The sale has been concluded on 29 December 2020, further to approval by the Spanish antitrust authorities. the sale was formalized on 14 January 2021

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

Company	Registered office	Currency	Share capital	% held at 31.12.2020	Shareholders
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.
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.

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

Company	Registered office	Currency	Share capital	% held at 31.12.2020	Shareholders
Host TGI DEN STA FB, LLC	Delaware	USD	-	55.0000%	Host International, Inc.
Host D&D STL 3KG FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host JAVA DFW SBC-GAB, LLC	Delaware	USD	-	50.0100%	Host International, Inc.
Host IBC MCO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host BGB ARG MSP, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
HMSHost Maldives Pvt Ltd	Republic of Maldives	USD	1,507,464	99.0000%	HMSHost International B.V.
				1.0000%	HMSHost Nederland B.V.
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	38,000,000	51.0000%	HMSHost Huicheng (Beijing) Catering Management Co,. Ltd
				49.0000%	HMSHost International B.V.
Autogrill Middle East, LLC	Abu Dhabi	AED	100,000	100.0000%	HMSHost International B.V.
HMSHost Catering Malaysia SDN. BHD.	Kuala Lumpur	MYR	350,000	49.0000%	Host International, Inc.
				51.0000%	HMSHost International B.V.
Arab Host Services LLC	Qatar	QAR	200,000	49.0000%	Autogrill Middle East, LLC
Host CEG KSL LGA FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host TRA BNA STA FB, LLC	Delaware	USD	-	84.0000%	Host International, Inc.
Host TRA BNA FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
HSI BFF SEA FB, LLC	Delaware	USD	-	51.0000%	Host Services, Inc.
Stellar PHL, LLC	Delaware	USD	-	65.0000%	Stellar Partners, Inc.
Stellar Retail Group PHX, LLC	Delaware	USD	-	55.0000%	Stellar Partners, Inc.
Stellar LAM PHX, LLC	Tampa	USD	-	70.0000%	Stellar Partners, Inc.
Host NMG EWR SB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host PHE LDL MCO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host AAC SFO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
HSI MCA LBL LAX T6-TBIT, LLC	Delaware	USD	-	75.0000%	Host Services, Inc.
Host LDL MCO FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host WSE SJC FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Host LDL BWI FB, LLC	Delaware	USD	-	90.0000%	Host International, Inc.
Stellar DOC1 DCGG DEN, LLC	Delaware	USD	-	75.0000%	Stellar Partners, Inc.
Host LPI SEA FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Stellar MGV BWI, LLC	Delaware	USD	-	60.0000%	Stellar Partners, Inc.
HSI MCA MIA SB, LLC	Delaware	USD	-	51.0000%	Host Services, Inc.
HSI MCA BOS FB, LLC	Delaware	USD	-	80.0000%	Host Services, Inc.
Host DCG AUS FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.
Host IBC PIE FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
HSI HCL SEA FB, LLC	Delaware	USD	-	75.0000%	Host Services, Inc.
Stellar BDI PIE, LLC	Delaware	USD	-	90.0000%	Stellar Partners, Inc.
Stellar DCA BNA, LLC	Delaware	USD	-	50.0100%	Stellar Partners, Inc.
Stellar DCA SLA BNA, LLC	Delaware	USD	-	50.0100%	Stellar Partners, Inc.
HSI KIND EDMV PHX T3, LLC	Delaware	USD	-	60.0000%	Host Services, Inc.
Host IAV EWR FB, LLC	Delaware	USD	-	65.0000%	Host International, Inc.
HSI CEG ALB BK, LLC	Delaware	USD	-	80.0000%	Host Services, Inc.
Host ETL ORD FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host LB NMG MKE FB, LLC	Delaware	USD	-	75.0000%	Host International, Inc.

Company	Registered office	Currency	Share capital	% held at 31.12.2020	Shareholders
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 MBC LAS FB, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Stellar CGS LGA, LLC	Delaware	USD	-	80.0000%	Stellar Partners, Inc.
Host DOC1 EDMV DEN FB, LLC	Delaware	USD	-	67.0000%	Host International, Inc.
Host JAVA Howell DFW F, LLC	Delaware	USD	-	50.0100%	Host International, Inc.
Host KIND DOC1 DEN FB, LLC	Delaware	USD	-	51.0000%	Host International, Inc.
Stellar DOC1 DCGG DEN II, LLC	Delaware	USD	-	75.0000%	Stellar Partners, Inc.
Stellar ACAF DFW TERM A RTL 3, LLC	Delaware	USD	-	60.0000%	Stellar Partners, Inc.
Stellar DOC1 AGL DEN, LLC	Delaware	USD	-	75.0000%	Stellar Partners, Inc.
Host CAL EDMV TMGS SLC FB, LLC	Delaware	USD	-	74.0000%	Host International, Inc.
Host CAL TMGS SLC FB, LLC	Delaware	USD	-	82.0000%	Host International, Inc.
Host EDMV TMGS SLC FB, LLC	Delaware	USD	-	82.0000%	Host International, Inc.
Host KIND SLC FB, LLC	Delaware	USD	-	70.0000%	Host International, Inc.
Host VDV CMH FB II, LLC	Delaware	USD	-	80.0000%	Host International, Inc.
Stellar LAM PHX II, LLC	Delaware	USD	-	80.0000%	Stellar Partners, Inc.
Stellar ACAF DFW Term D, LLC	Delaware	USD	-	65.0000%	Stellar Partners, Inc.
HMSHost Middle East DMCC	United Arab Emirates	AED	-	100.0000%	HMSHost International B.V.
HMSHost Norway AS	Norway	NOK	180,000	100.0000%	HMSHost International B.V.
Companies consolidated using the equity method					
Caresquick N.V.	Brussels	EUR	1,020,000	50.000%	Autogrill Belgie N.V.
DLV-WSE, LLC	California	USD	-	49.000%	Host International, Inc.

ATTESTATION BY THE CEO AND MANAGER IN CHARGE OF FINANCIAL REPORTING

Certification of the consolidated 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 consolidated financial statements during the course of 2020.

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

3. We also confirm that:
   3.1 the consolidated 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 financial position and results of operations of Autogrill S.p.A. and the companies included in the consolidation;
   3.2 the Directors' Report includes a reliable description of the performance and financial position of the issuer and the entities in the scope of consolidation, along with the main risks and uncertainties to which they are exposed.

Milan, 11 March 2021

Gianmario Tondato Da Ruos
Chief Executive Officer

Camillo Rossotto
Manager in Charge of Financial Reporting

INDEPENDENT AUDITORS' REPORT

Deloitte.

Deloitte & Touche S.p.A.
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 CONSOLIDATED FINANCIAL STATEMENTS

Opinion

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

In our opinion, the accompanying consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at December 31, 2020, and of its consolidated financial performance and its consolidated 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 Consolidated Financial Statements* section of our report. We are independent of Autogrill S.p.A. (the "Company") in accordance with the ethical requirements applicable under Italian law to the audit of the consolidated 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 consolidated financial statements of the current year. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters, accordingly.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

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Impacts of the COVID-19 pandemic on profitability and actions taken for enhancing the Group's capital and financial position

Description of the key audit matter

The 2020 results of Autogrill Group were sharply affected by the COVID-19 pandemic, which took hold in the second half of January 2020 and spread quickly around the world after February, affecting motorway, rail and air traffic, with more serious consequences in certain countries. Due to the pandemic, Autogrill Group faced a significant reduction in passenger traffic at retail locations and shopping areas, as well as temporary and sometimes indefinite closures as a result of quarantines and other government prescriptions. Overall, the Group net reduction in revenues for 2020 was about 60%.

The Directors' Report in the paragraph "Impact of the COVID-19 pandemic" and the notes to the consolidated financial statements summarize the main impacts of the pandemic on the consolidated income statement. In particular, Management's actions to mitigate the revenues reduction impact on the Group profitability are put in evidence including *(i)* the personnel expense decrease through internal measures such as reduced hours, hiring freeze and voluntary salary cuts, added to the access to various relief program enacted by local governments and equivalent measures in the countries served by the Group, totaling approximately to Euro 155.5 million, *(ii)* the rent reduction, cancellation and remeasurement as a result of the renegotiations with landlords, with the effects indicated in the next key audit matter; in view of these cost-saving components, the abovementioned Directors' Report paragraph includes, as well the evidence of the increased costs for logistics and for the important measures taken to protect the health and safety of employees and customers and the negative impacts of products expiring or becoming damaged. In addition, in the consolidated financial statements as at December 31, 2020, the Group recognized a tax refund of $ 119 million, related to the *federal tax* the subsidiary HMSHost Corporation is entitled to obtain, according to the carry-back mechanism recently introduced by the US tax law in connection with the COVID-19 pandemic, and an additional deferred tax benefit of $ 17 million, in the form of deferred tax benefits linked to the *state tax* that the US subsidiary has the possibility to obtain, as well.

In addition, during the financial year and after the financial statements cut-off date, the Group put in place actions aimed to the capital and financial strengthening, in order to better face the COVID-19 pandemic future impacts. In particular, at the end of 2020, the Group finalized a financing operation of Euro 300 million, guaranteed by SACE, and in February 2021 the Group resolved for a capital increase transaction to up to a maximum of Euro 600 million, with regulatory procedure under way; in the first days of March 2021, new agreements were signed with the lender banks and American bondholders to extend the covenant holiday until December 31, 2022 with the possibility of anticipation in September 2022 in case of some future occurrences, after the same covenant holiday until December 31, 2021, was already obtained in June 2020, incurring in a renegotiation charge determined under IFRS 9 of approximately Euro 22.3 million.

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Finally, after the Board of Directors' approval of the financial statements, on March 31, 2021 the Group announced to the market the signature of an agreement for the sale of the U.S. motorways business for a price of $ 375 million, subject to post-closing adjustments on 2022 and 2023 revenues, and confirmed its intention to finalize the abovementioned capital increase transaction, also to reach sufficient financial flexibility.

The significance of the economic and financial impacts of the abovementioned circumstances determined the execution of specific audit procedures to verify their recognition, the correctness of the quantification of the related effects and the appropriateness of the disclosure. We have considered the impacts of the COVID-19 pandemic on profitability and actions taken for enhancing the Group's capital and financial position to represent a key audit matter for the Group consolidated financial statements, taking into consideration both their importance for understanding the consolidated financial statements as a whole, and the specific added of the audit procedures related to such occurrences.

The paragraph "Impact of the COVID-19 pandemic" and "Subsequent events" in the Directors' Report and referred to in the notes to the consolidated financial statements include the disclosure associated to this key audit matter.

Audit procedures performed

We performed, among others, the following procedures:

- meet and discuss with the Group Management in order to understand the impacts of the COVID-19 pandemic on the Group's results and financial position and the actions put in place to deal with it;
- acquire and analyze of the relevant documentation, including the minutes of the corporate governance bodies and the press releases issued by the Company;
- execute audit procedures on the criteria of recognition and accounting for the rent concession renegotiations covered by the specific subsequent key audit matter;
- observe the procedures and the relevant controls undertaken by the Group on the process of recognition of incomes and charges related to the relief programs on personnel, to the increased costs for logistics and for the protection of the health and safety of employees and customers, to the negative impact of products expiring or becoming damaged, to the renegotiation charge under IFRS 9 of the agreements signed with the lender banks and bondholders, as well as the U.S. tax benefits;
- check the compliance, to the accounting policies indicated in the notes, of the methodology used by Management to determine the impact of the abovementioned topics;

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- obtain and analyze, through the support of Deloitte specialists on IFRS adoption and interpretation, the accounting policies defined by the Group for the recognition of the abovementioned incomes and charges, also through the collection and analysis of the supporting documentation, information and inquiries with the Group Management;

- obtain and analyze the agreements with the lender banks and the American bondholders related to the covenant holiday and to the financing agreement guaranteed by SACE;

- execute - in coordination with the audit teams of the subsidiaries of the Group, in particular the U.S. audit team in relation to the tax benefits – specific audit procedures in order to check the complete and accurate recognition of incomes and charges connected to the abovementioned topics;

- check of the appropriateness of the disclosure included in the notes to the consolidated financial statements and in the Directors' Report as well as their compliance in accordance with the related accounting standards.

Effects of the rent concession renegotiations determined by the COVID-19 pandemic

Description of the key audit matter	On October 9, 2020 the European Union endorsed the amendment to IFRS 16 – COVID-19 related rent concession issued by the IASB on May 28, 2020; Autogrill Group opted for adoption of this amendment in the consolidated financial statements as at December 31, 2020. This amendment gives lessees the option to account for rent concessions related to the COVID-19 pandemic, if specific conditions are met, without the need to determine, through the contracts analysis, whether they constitute lease modifications as defined by IFRS 16, and allows to reflect these effects directly in the income statement as of the effective date of the rent concession. Where the terms of the amendment are not met, lease contracts are remeasured in accordance with the lease modification definition stated in IFRS 16. The net total benefits from negotiation with landlords, reflected in the 2020 income statement as a result of the amendment, total Euro 182.6 million. The lease contracts remeasurements in accordance with the lease modification definition are reflected in the 2020 income statement as *(i)* a decrease in depreciation of right-of-use assets of Euro 21.8 million and *(ii)* a net overall decrease in "Finance income on lease receivables" and "Finance expense on lease liabilities" of Euro 1.1 million. Taking into consideration the significance of the impacts, we considered the application of the amendment in the recognition of the rent concession renegotiations related to the COVID-19 pandemic, as well as the related disclosure, to represent a key audit matter for the Group consolidated financial statements.

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The paragraph “2.2.1 – Accounting Policies and basis of consolidation” of the notes to the consolidated financial statements provides the effects of the amendment application.

Audit procedures performed

We performed, among others, the following procedures:

- observe the procedures and the relevant controls undertaken by the Group on the recognition process of the rent concession renegotiations related to the COVID-19 pandemic;
- check the compliance of the methodology used by Management to determine the impact of the rent concession renegotiations related to the COVID-19 pandemic to the accounting policies indicated in the notes, including the amendment to IFRS 16 – COVID-19 related rent concessions;
- obtain and analyze, through the support of Deloitte specialists on IFRS adoption and interpretation, the accounting policy defined by the Group for the adoption of the amendment in the recognition of the effects of the rent concession renegotiations related to the COVID-19 pandemic, also by gathering information and inquiries with Group Management;
- execute, in coordination with the Audit Teams of the Group subsidiaries, specific procedures on a sample basis in order to check the complete and accurate recognition of the rent concession renegotiations related to the COVID-19 pandemic;
- check of the appropriateness of the disclosure included in the notes to the consolidated financial statements and its compliance in accordance with the related accounting standards.

Impairment Test of the carrying amount of Goodwill

Description of the key audit matter

Non-Current Assets of the consolidated financial statements as at December 31, 2020 include goodwill for Euro 819.5 million which, during the financial year, had a net decrease of Euro 35.5 million due to (i) the acquisition of control of companies previously consolidated at “equity method”, (ii) the disposal of Autogrill Iberia S.L.U., (iii) the impairment loss on goodwill for the Irish subsidiary, and (iv) the effect of exchange differences. Goodwill represents approximately 17% of the total assets and is subject to Impairment Test, at least on a yearly basis, as established by the accounting standard IAS 36.

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Consistently with the minimum level at which goodwill is monitored by the Group's management for internal management purposes, the CGUs (Cash Generating Units) identified are North America, International, Italy and Other European Countries; for each CGU, the Impairment Test has been executed through the comparison between the carrying amount of goodwill and the other assets attributable to each CGU (including the right of use assets accounted in accordance with the accounting standard IFRS 16) reported in the consolidated financial statements as at December 31, 2020 and the related recoverable amount, determined as the value in use, defined as the present value of estimated future cash flows of the operations realized by each CGU, discounted at different rate for each 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 of each CGU, 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 Management based its assumptions, for the 5-years period 2021-2025, on financial forecasts of the operations managed by the Group, validated by the Chief Executive Officer and the Group Chief Financial Officer, and reviewed by both the Board of Directors of the subsidiaries and the Company. The determination of forecasted future cash flows used in the Impairment Test is based on the traffic expectations of the different business segments as well as on customer profiling, developed by airport authorities and other qualified external sources.

For all the CGUs, growth capital expenditures are set considering the expiration of contracts, while maintenance capital expenditures are assumed to be consistent with historical trends.

Additional multi-scenario five-year projections have been developed, defining a best-case and a worst-case (conservative) paths, in order to corroborate the reasonableness of the basic scenario projections considered by the Management to be the most appropriate for representing the forecasted results the Group considers most probable and which take into account the uncertainties of the outlook resulting from the COVID-19 pandemic. In particular, Management alternative scenarios incorporate different assumptions about several variables, including the speed of GDP recovery, inclination to travel, and the impact of remote working.

As a result of the Impairment Test exercise performed, no need for further goodwill write-down resulted, in addition to the goodwill associated with the Irish activities from which the Group decided to exit; moreover, the sensitivity analysis on the Impairment Test model developed by the Management, and reported in the notes, confirms the complete recoverability of the goodwill.

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Taking into consideration the relevant book value of goodwill reported in the consolidated financial statements and the subjectivity of the estimates used to determine future cash flows and key variables for the Impairment Test exercise, as well as the uncertainty of the outlook resulting from the COVID-19 pandemic, we considered the Impairment Test of the carrying amount of Goodwill to represent a key audit matter for the Group consolidated financial statements.

The notes "IX - Goodwill" and the paragraph "2.2.1 – Accounting Policies and basis of consolidation – Use of estimates" of the notes to the consolidated financial statements provide the disclosure on the caption content and on the Impairment Test exercise, including the results of the sensitivity analysis.

Audit procedures performed

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

- analyze the accounting procedures applied in the determination of the value in use of the CGUs;

- check of the compliance to accounting policies indicated in the notes of the Impairment Test exercises adopted by Management;

- update the observation of the procedures and relevant controls undertaken by the Group on the Impairment Test exercise; in this respect, we analyzed also the Fairness Opinion of the independent advisor, prepared for the Directors' benefit, as well organizing meetings for the comprehension and analysis of data and methodology adopted;

- analyze the appropriateness of the main assumptions adopted for the determination of financial forecasts, also through the analysis of sector data and external sources;

- analyze actual data in comparison to initial forecasts, with the aim to identify the reasons for the differences, also considering the effects of the COVID-19 pandemic, for concluding on the reliability on the financial forecasts determination process, checking as well the consistency between contract renewal rates and historical data;

- check the discount and long-term growth rates reasonable determination as well as test the mathematical accuracy of the model used for the determination of the CGUs' value in use;

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

- check of the appropriateness of the disclosure included in the notes to the consolidated financial statements on Impairment Test and its compliance in accordance with IAS 36.

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

The Directors are responsible for the preparation of consolidated 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 consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the Directors are responsible for assessing the Group'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 the termination of the business or have no realistic alternatives to such choices.

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

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

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- we identified and assessed the risks of material misstatement of the consolidated 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 Group's internal control;

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

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- 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 Group'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 consolidated 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 Group to cease to continue as a going concern;

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

- we obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

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 inform 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 determine those matters that were of most significance in the audit of the consolidated financial statements of the current year and are therefore the key audit matters. We described these matters in this auditors' report.

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

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

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 consolidated 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.

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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 the ownership structure of Autogrill Group as at December 31, 2020, including their consistency with the related consolidated 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 the ownership structure set forth in art. 123-bis, n. 4 of Legislative Decree 58/98, with the consolidated financial statements of Autogrill Group as at December 31, 2020 and on their compliance with the law, as well as to make a statement about any material misstatement.

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

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

Statement pursuant to art. 4 of the CONSOB Regulation for the implementation of Legislative Decree 30 December 2016, no. 54

The Directors of Autogrill S.p.A. are responsible for the preparation of the non-financial statement pursuant to Legislative Decree 30 December 2016, no. 254.

We verified the approval by the Directors of the non-financial statement.
Pursuant to art. 3, paragraph 10 of Legislative Decree 30 December 2016, no. 254, this statement is subject of a separate attestation issued by us.

DELOITTE & TOUCHE S.p.A.

Signed by
Ernesto Lanzillo
Partner

Milan, Italy
April 1, 2021

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

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

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Leftloft

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t&t

Picture of the CEO (p, 2)
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