



2023 PRM Proposal of charges update

Nov. 2022

ADR's PRM service charges update for 2023: setting the scene

Since 2011, each year ADR presents users with proposal for **PRM charges update**

Financial data shared with users are taken from the annual report of ADR Assistance, a company wholly owned by Aeroporti di Roma, entrusted with the management of the PRM service in Fiumicino and Ciampino airports

The costs that ADR represents to users are entirely derived from ADR Assistance's annual report, in consideration of absence of G&A costs in ADR's PRM charges

Given the prolonged contraction in demand caused by the **health emergency**, also through 2022 management actions to contain costs are not proving sufficient to avoid service deficit at the applied charge level (revenue minus costs: <0)

Fiumicino airport

- With the aim of avoiding piling up excess deficit, FCO's PRM charge proposed for 2023 is € 1.65 / pax, 12% up with respect to the charge in effect from 15 May 2022
- The proposed charge provides for a partial recovery of the deficits recorded in previous years
- As from this year ADR is to provide users with detailed information on how it intends to comply with ENAC's ruling on spreading to future years of service deficit arising from the health emergency: on fixed costs and volumes, assuming charge update as of March 1st, ADR estimates that by year-end 2023 residual deficit to carry forward will amount to 14.4 € mln

Ciampino airport

- CIA's PRM charge proposed for 2023 is € 0.29 / pax, in line with the currently applied charge
- The proposed charge provides for a partial recovery of the deficits recorded in previous years
- The remainder of CIA deficits – accounted for separately – will also find room in next years' charge updates, on which ADR will keep users informed

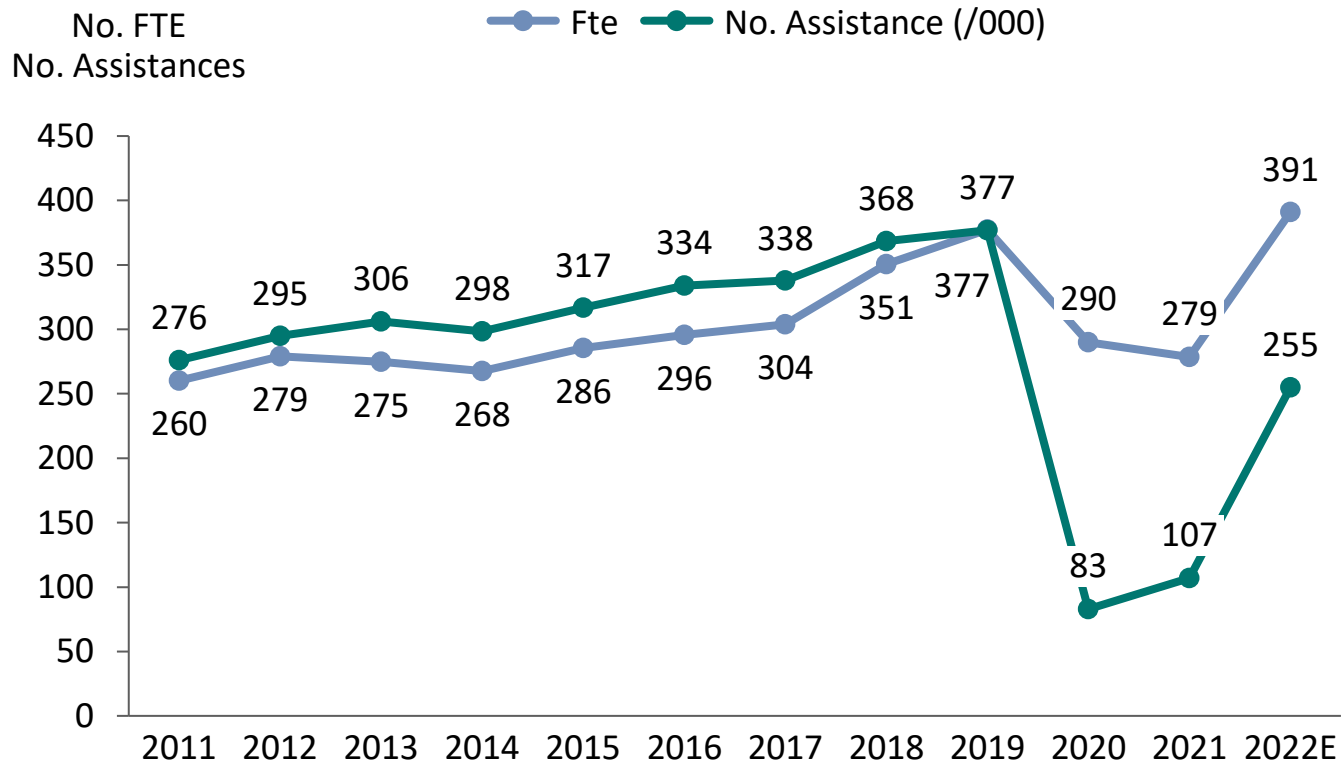


Agenda:

- **ADR Assistance**
- 2023 charge proposal
- Other info



ADR Assistance: figures and people (1/2)



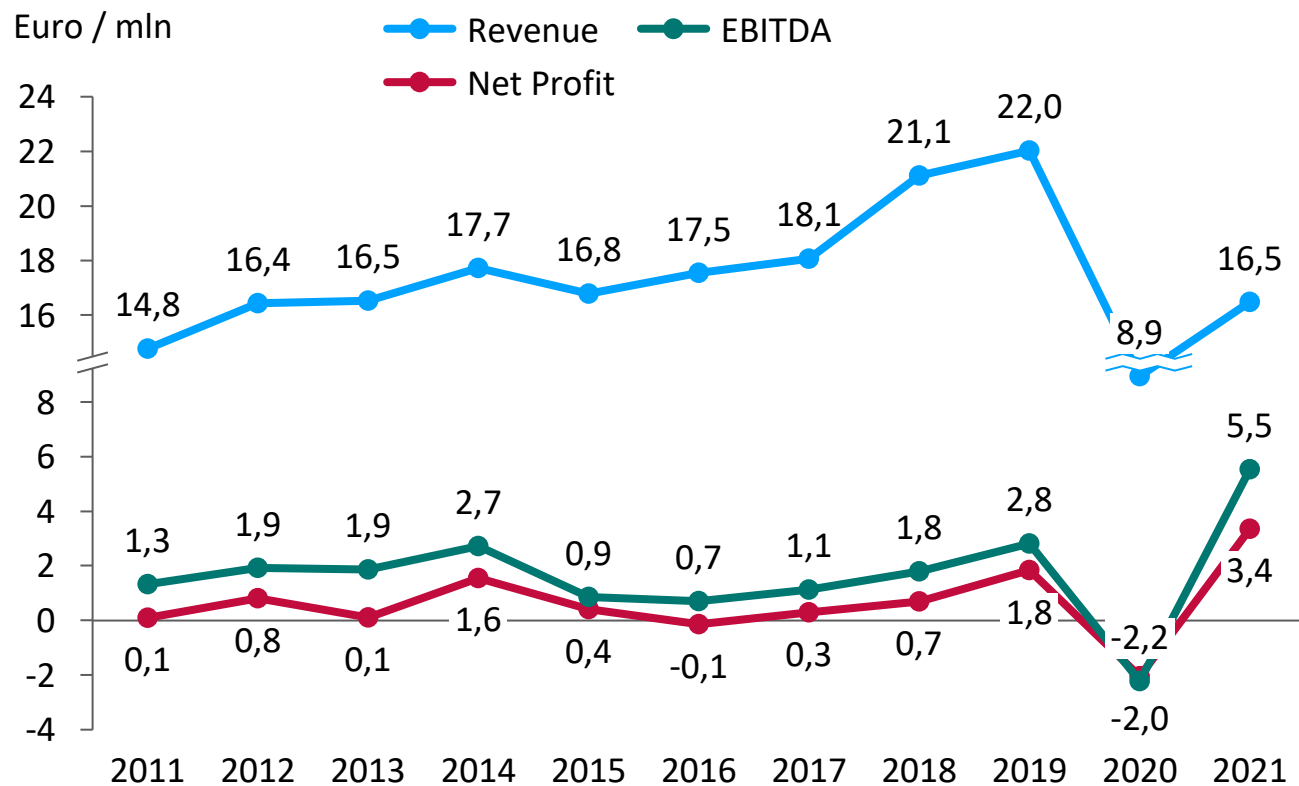
ADR Assistance (ADRA) is a 100% owned by ADR service company that was set up at the onset of PRM regulation (2008)

A dedicated service company, since its start ADRA has solely served the purpose of providing trained staff for assisting PRM needs and delivering PRM quality at an affordable cost

In 2011-2019, ADRA staff (FTE) has grown by 4,7% CAGR in the wake of a p.a. rise in assistances by 4,0%



ADR Assistance: figures and people (2/2)

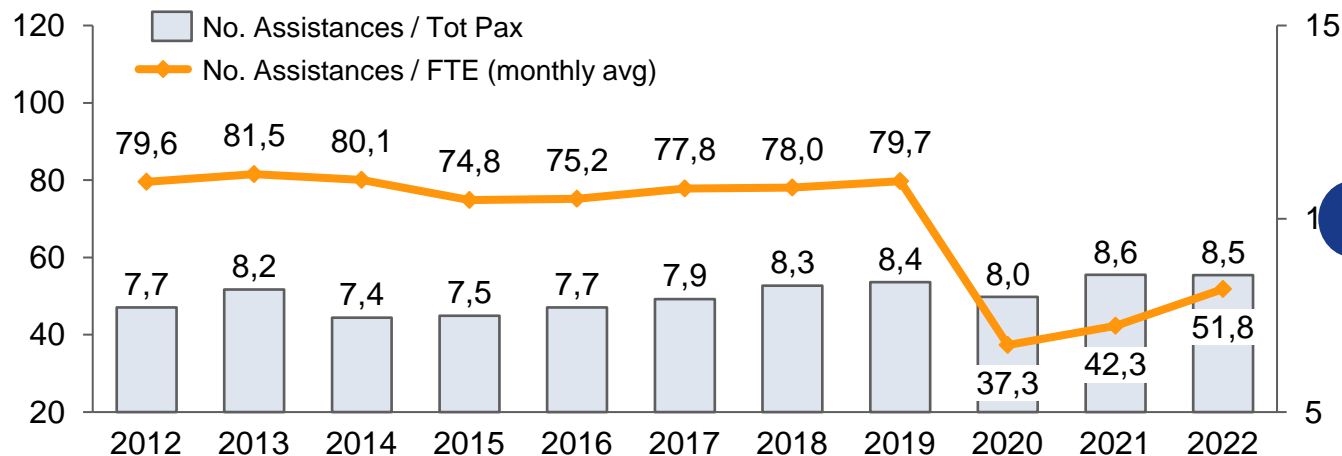


ADRA's EBITDA and Net Profit show **significant consistency** (pre-Covid) tied to the service contract with parent ADR

PRM indicators (FCO): productivity and charges

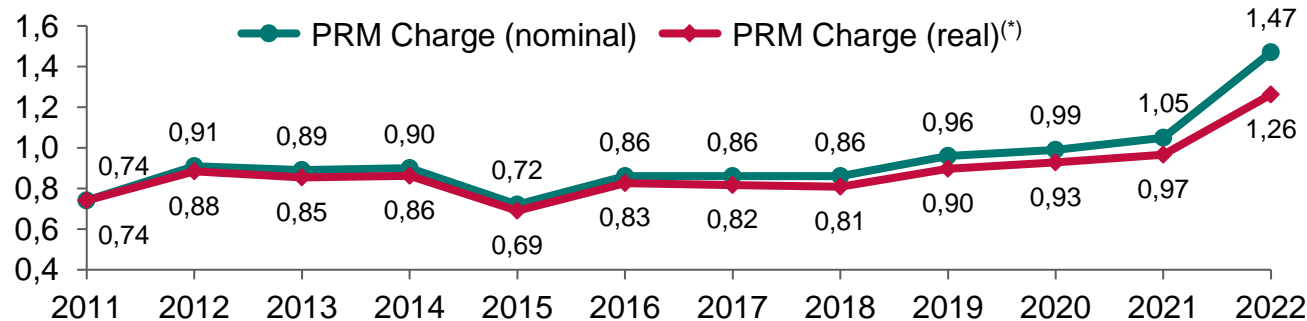
Assistance / FTE

Assistance / pax (/000)



Pre-COVID, labour productivity has slightly risen while PRM inflows have intensified

Euro / Pax

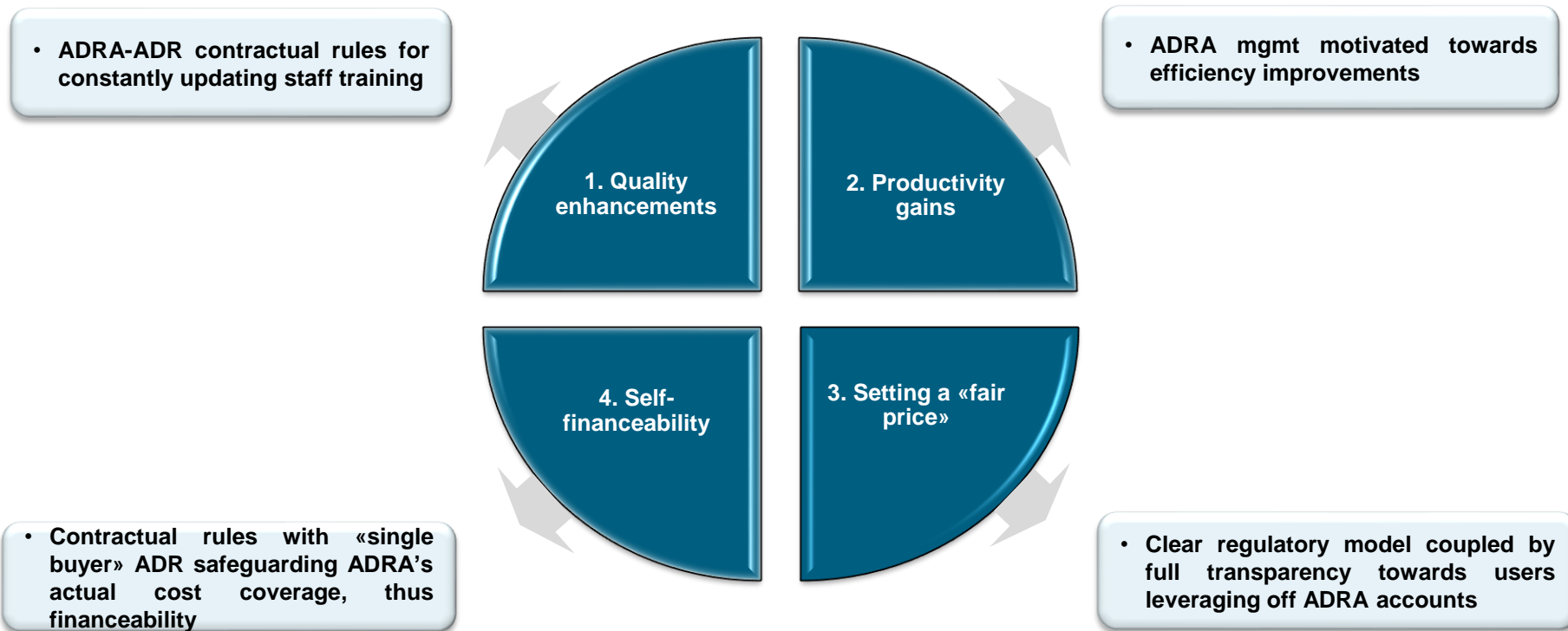


Service charge essentially flat in real terms in last 10 years



(*): F.O.I. CONSUMER PRICES - EXCLUDING TOBACCO

ADR and dedicated co. ADR Assistance



ADR Assistance is a special purpose company fully committed to PRM service



ADR and dedicated co. ADR Assistance

Since 2012 relations between ADR and ADRA («single buyer» parent and service company) are foreseen in a **comprehensive contract** that is predicated on three pillars:

- **Service fees linked to effective costs** – The more demand rises compared to budget forecasts, the more the fee for assistance is reduced on expected economies of scale. A quarterly monitoring is carried out for fee updating
- **Quality bonus/penalty** – Through surveys annually carried out by a third party, the performance of ADR Assistance is evaluated on service quality indicators. Linked to this is a reward mechanism that encourages company performance (+/-0,5% fee increase in over/under-achievement)
- **Staff training programme** – Level of service compatible with monitored European standards are pursued via a comprehensive training plan updated at the beginning of each year and constantly verified
- Interaction with ADR – ADRA's staff participates in working group of ADR aimed at incorporating PRM needs in infrastructure planning and daily operations

Clear contractual rules between ADR and ADRA play a significant role in our mission to deliver enhanced quality at an affordable cost



Application of Economic Regulation's KPIs at FCO airport

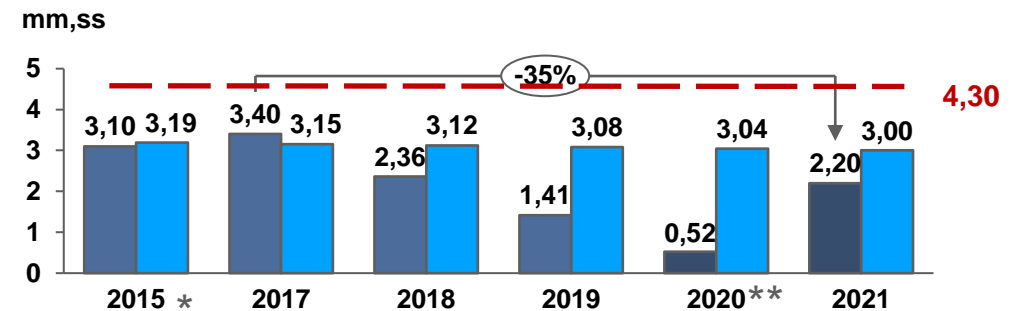
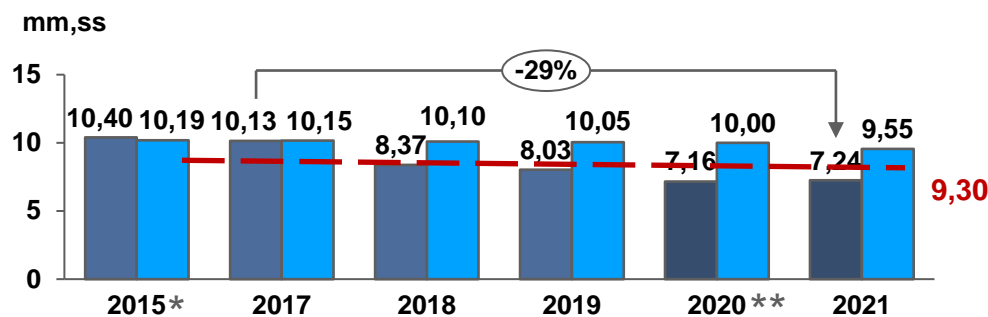
PRM's operational performance

Assistance waiting times (90% of cases)

Departures with reservation

Arrivals with reservation

■ Performance ■ ERA Target — — Service charter



(*) 2015 excluding period from 7 May to 30 September due to fire; (**) Monitoring suspended on COVID (March 2020) and partially re-activated (July 2020) only for FCO

Application of Economic Regulation's KPIs at CIA airport

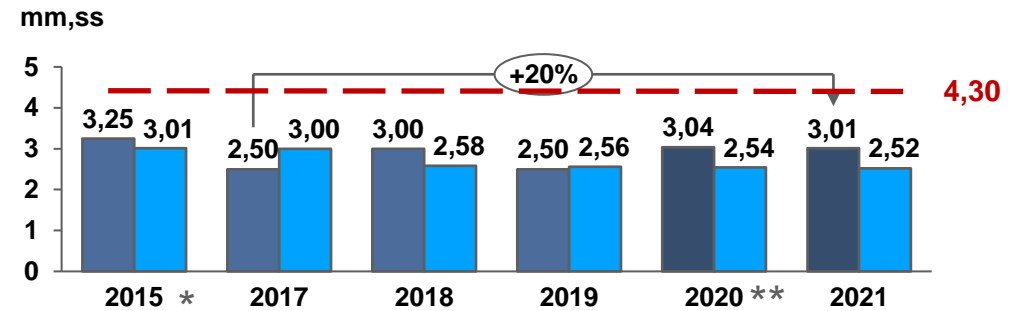
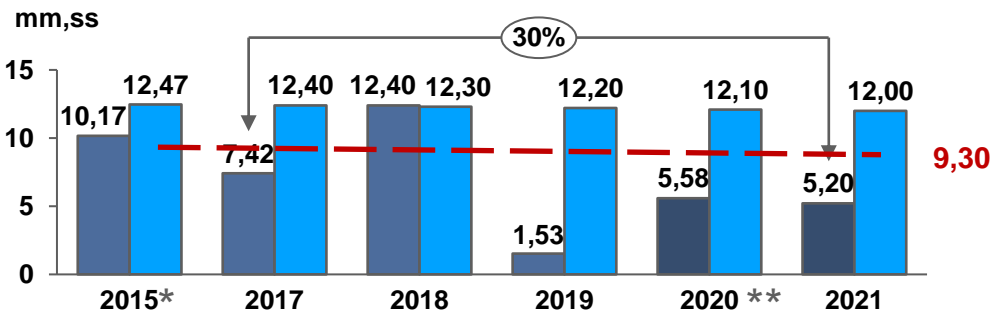
PRM's operational performance

Assistance waiting times (90% of cases)

Departures with reservation

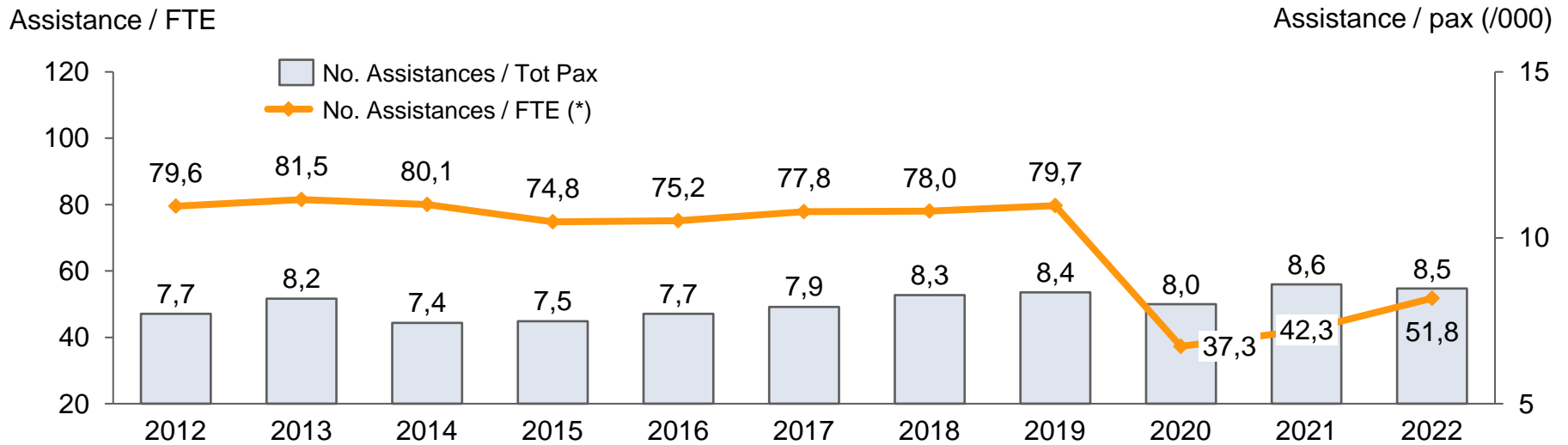
Arrivals with reservation

■ Performance ■ ERA Target - - - Service charter



(*) 2015 excluding period from 7 May to 30 September due to fire; (**) Monitoring suspended on COVID (March 2020) and partially re-activated (July 2020) only for FCO

PRM indicators (FCO): productivity gains in tough times



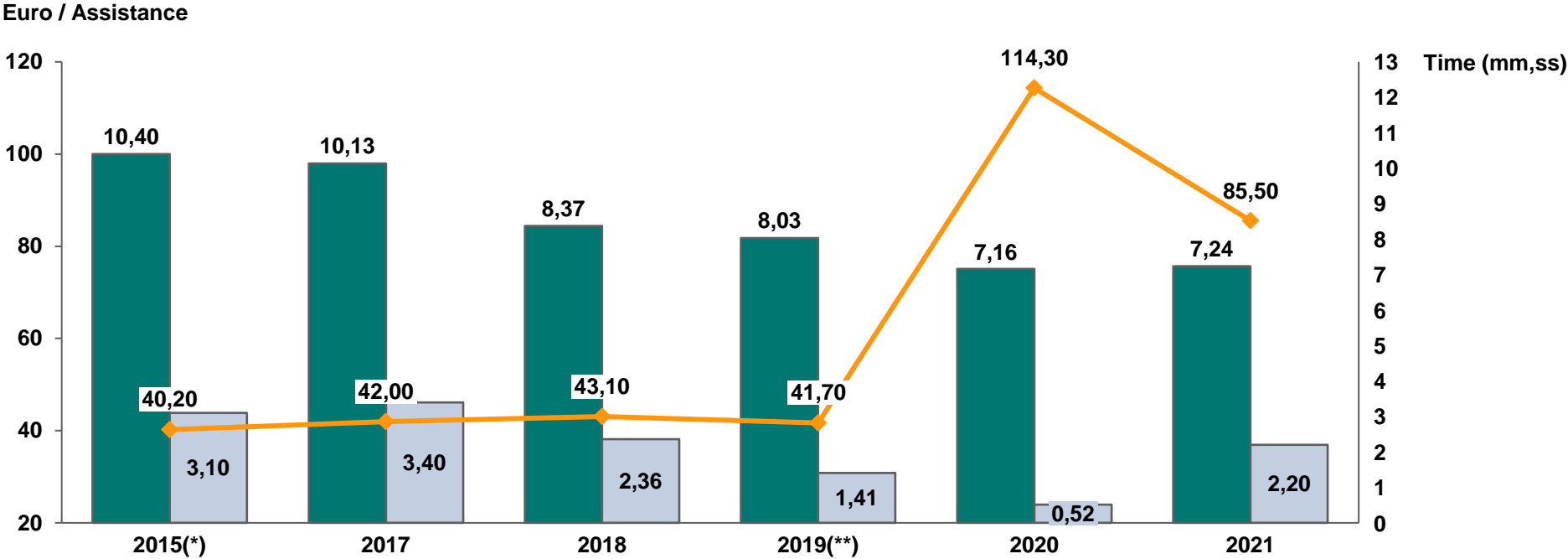
- Pre-COVID, labour productivity has slightly risen while PRM inflows have intensified in Rome adding stress to cost structure (see performance in 2015-19, in particular)



(*) Represented as monthly average

PRM indicators (FCO): productivity and quality both up pre-COVID

- Assistance waiting times (departures with reservation)
- Assistance waiting times (arrivals with reservation)
- ◆ Staff cost / assistance (excluding inflation)



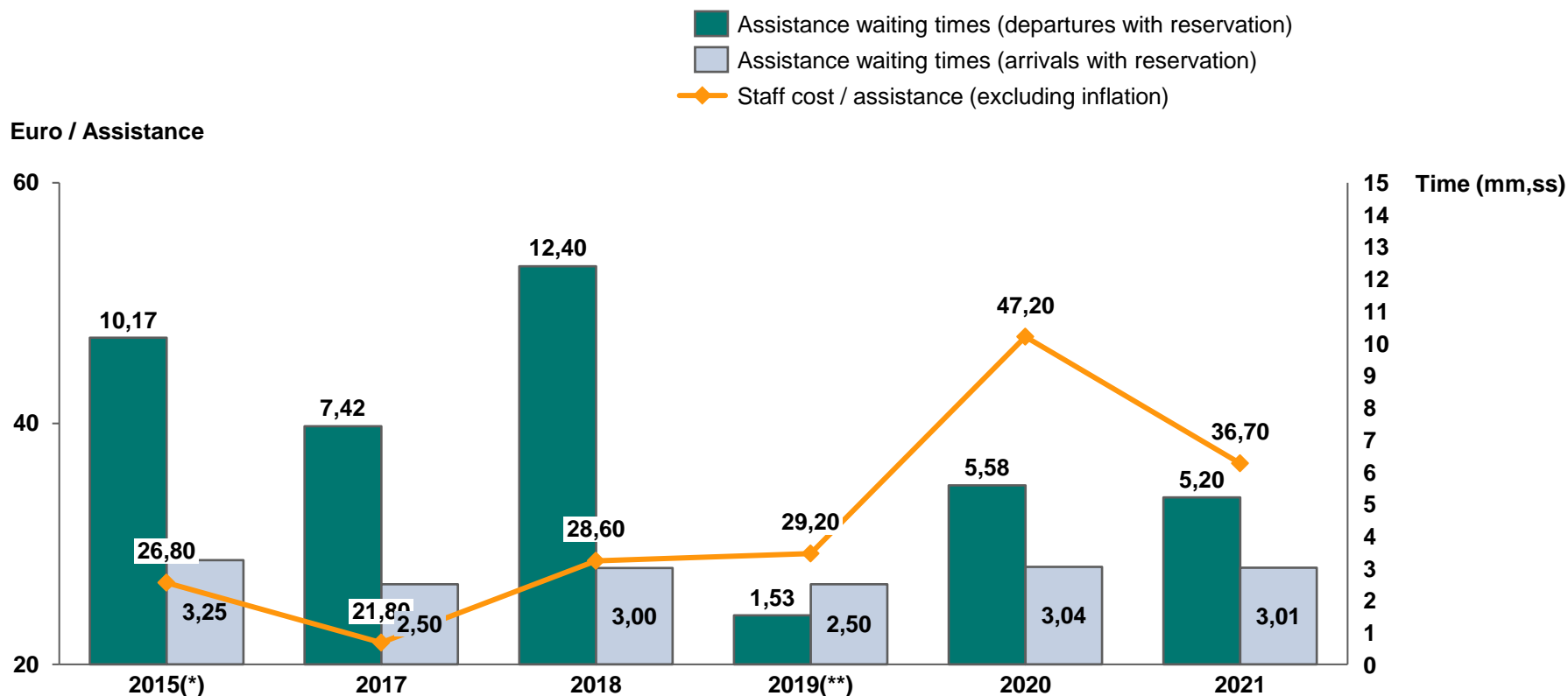
▪ Pre-COVID, unit labour cost has been kept flat while PRM key quality indicators have consistently improved



(*) 2015 excluding period from 7 May to 30 September due to fire

(**) Summary indicators Jul 2019 - Mar 2020

PRM indicators (CIA): productivity and quality both up pre-COVID



- Pre-COVID, unit labour cost has been kept flat while PRM key quality indicators have consistently improved



(*) 2015 excluding period from 7 May to 30 September due to fire

(**) Summary indicators Jul 2019 - Mar 2020

Leveraging off ADRA accounts in a clear regulatory environment

The determination of the PRM charge is based on ADRA's financial statements - The update of the annual charge proposal for the PRM service is based exclusively on ADRA's costs, without any consideration for the allocation of ADR's general costs

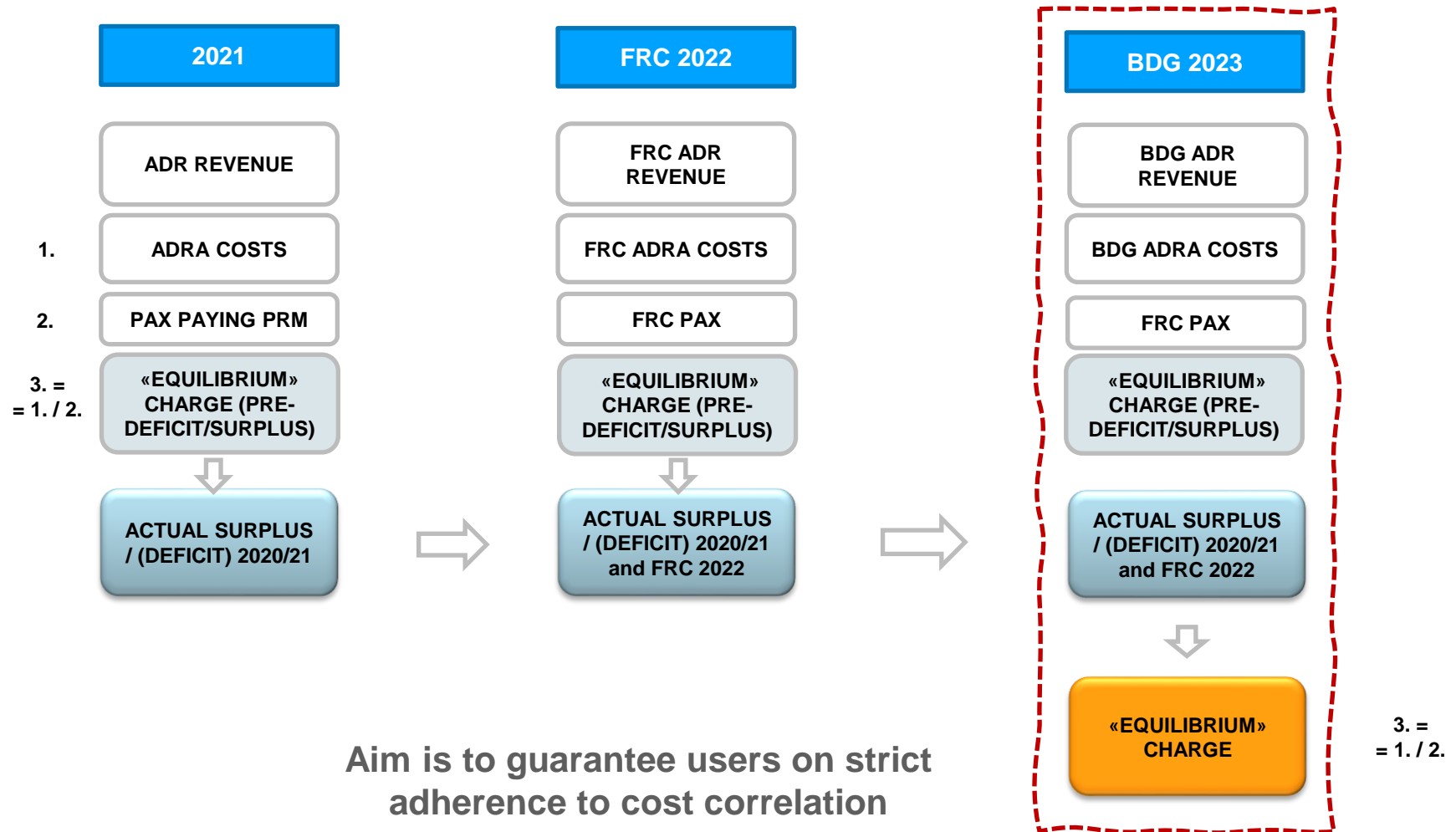
- **Completely sterilized annual surplus / deficit** - ADR verifies that any surplus / deficit between revenues and costs of the service is completely sterilized by determining the charge for the following year (see next page)
- **Constant involvement of users** - ADR and users meet regularly (at least twice a year; more frequently on quality monitoring^(*)) to review costs, define new quality objectives and share suggestions for improving the quality of the service

A clear and non-conflictual regulatory context - In 2019-20 ENAC ^(**) issued two key documents that contributed to the transparency and flexibility of the regulatory context

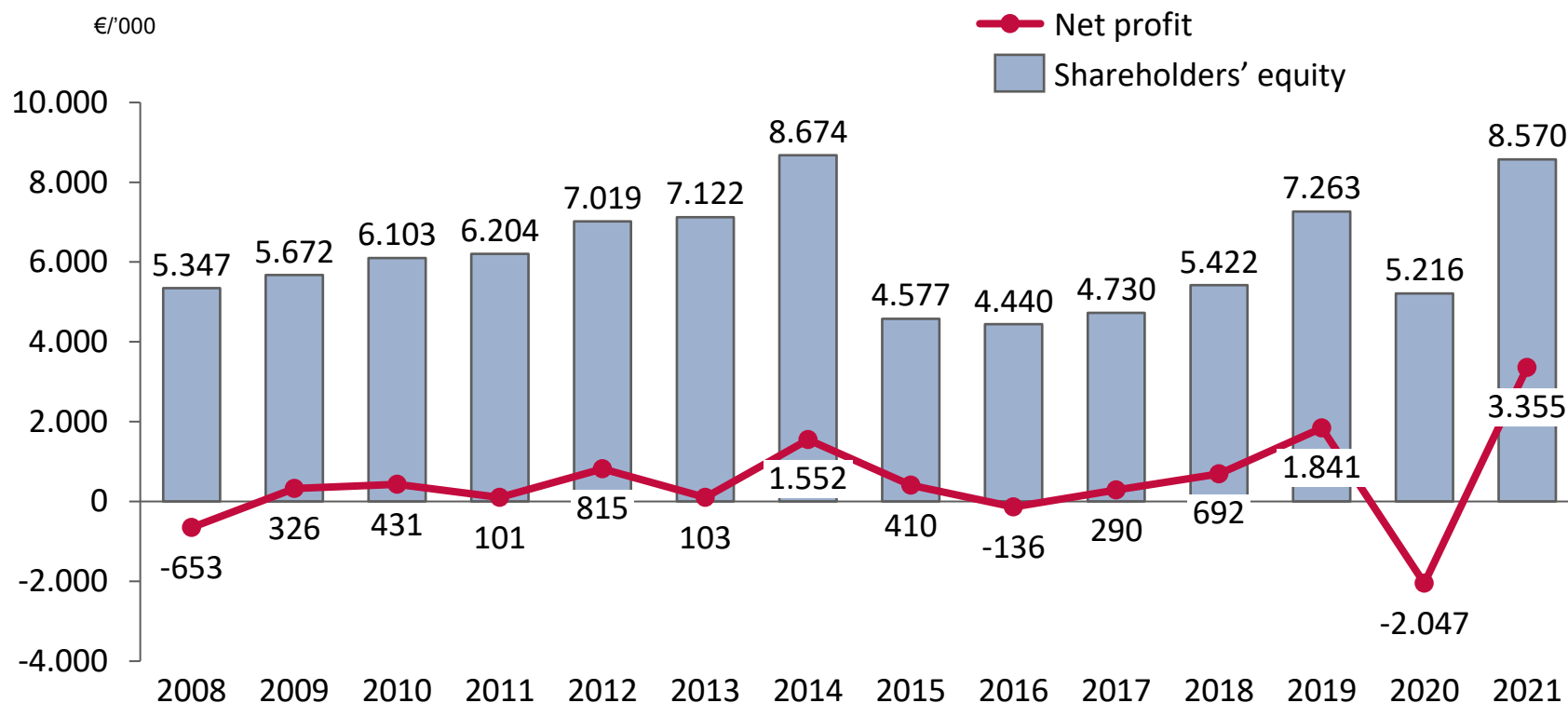
- I. **On quality indicators:** the concept of applicable KPIs has been expanded; elimination of the mandatory nature of some indicators; increase in the weight of indicators relating to the quality of the service
- II. **On Covid deficit spreading:** due to the extraordinary conditions of the pandemic crisis, which do not allow a rapid recovery of the deficits in 2020 and 2021, ENAC provided for the option of spreading the costs over a longer period



Charge setting process: annually adjusted to reflect costs



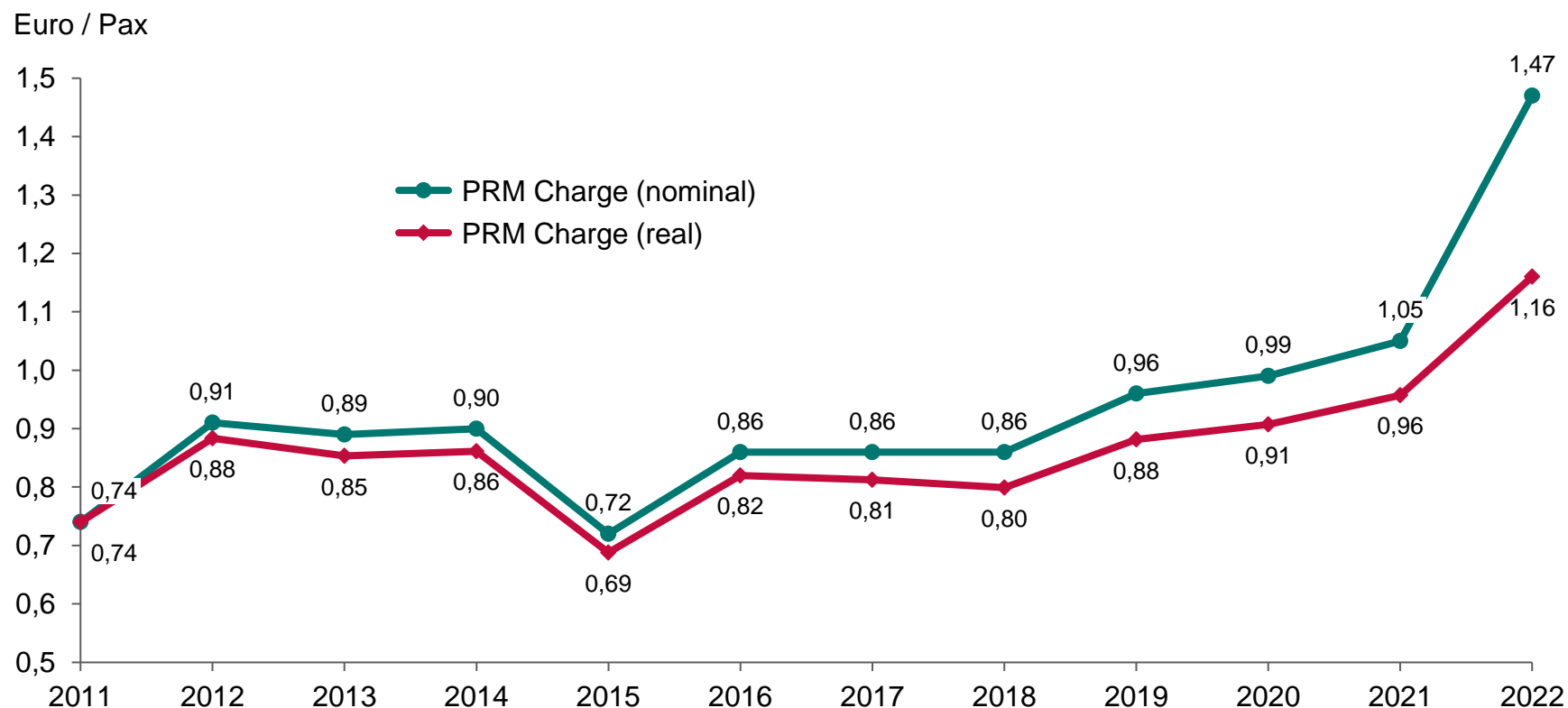
Self-financed through the various challenges



Set up in 2008 with a € 5mln equity contribution, in these years ADRA has met **self-financeability objectives**: at YE2021 its net worth was above start despite significant erosion through COVID

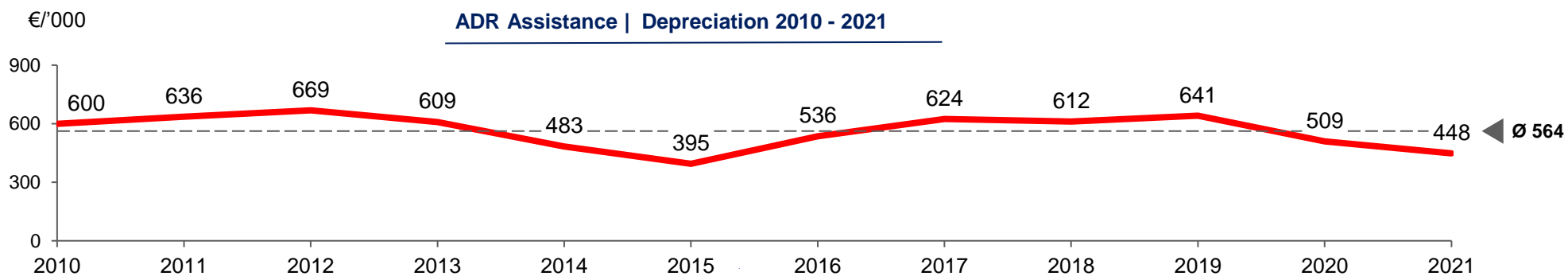
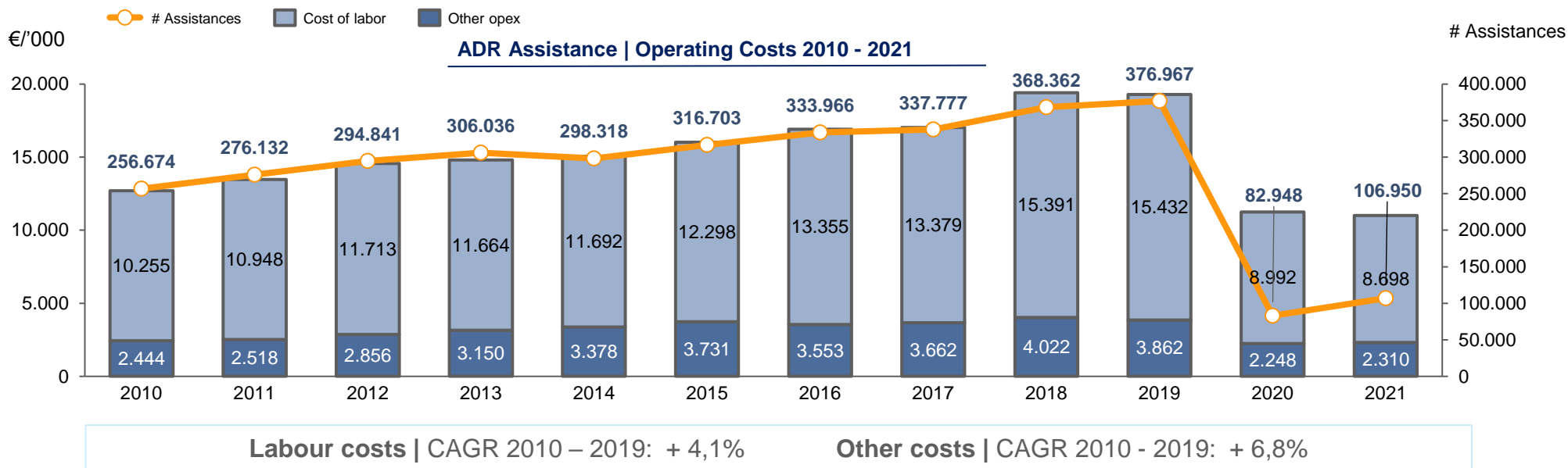


FCO PRM: flat real charges in 2012-2021



- Service regulated charge essentially flat in real terms in 10 years before COVID-led volume collapse

ADR Assistance from P&L: cost analysis | 2010 - 2021



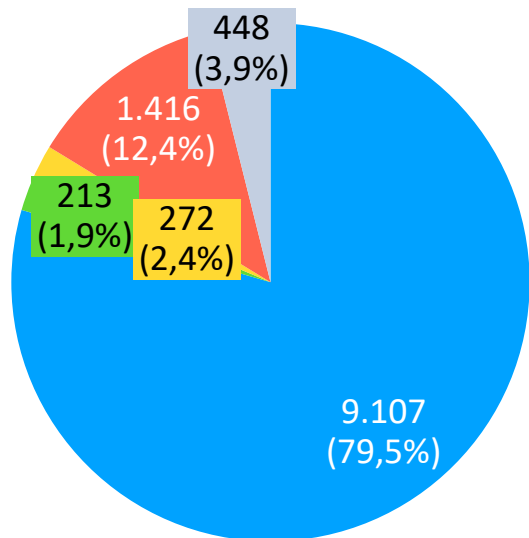
PRM Service | ADR Assistance: Annual Report 2021

- From ADRA's 2021 annual report, operating costs and depreciation amount to € 11,5 million (€ 8,7 mln + 2,3 mln + 0,5 mln in previous page)
- Allowed costs for 2021 are slightly different at € 11,7 million (€11,4 for FCO; € 0,3 million for CIA)

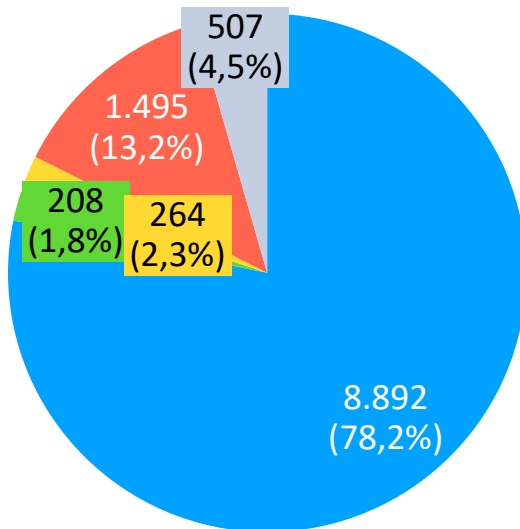
€/’000

■ Cost of labour
 ■ Utilities
 ■ Maintenance
 ■ Other opex
 ■ Depreciation

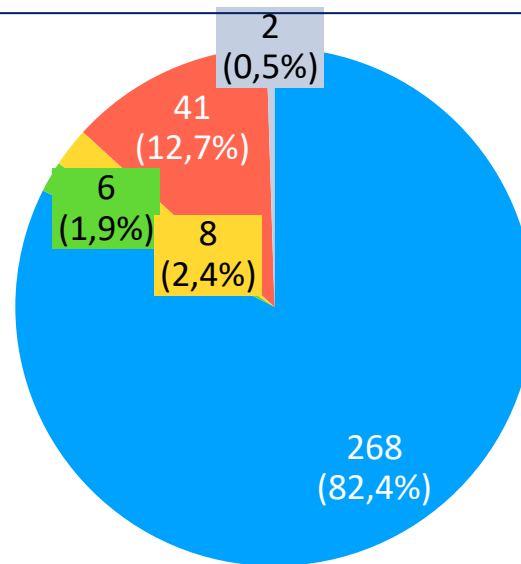
Opex and depreciation from P&L 2021



FCO 2021 – Allowed Cost



CIA 2021 – Allowed Cost



Total

11.456

11.365

325



Agenda:

- ADR Assistance

- **2023 charges proposal**

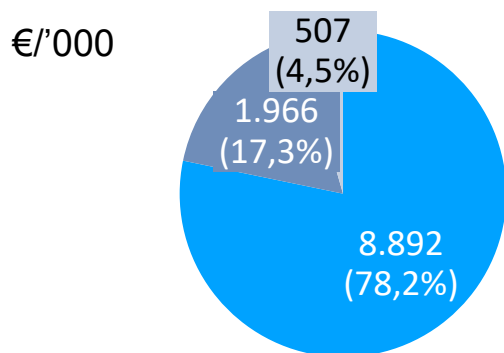
- Other information



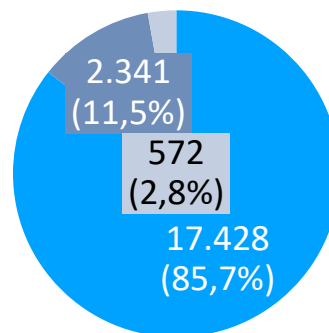
FCO 2021-2023

■ Cost of labor / IRAP
 ■ Other operating costs
 ■ Depreciation

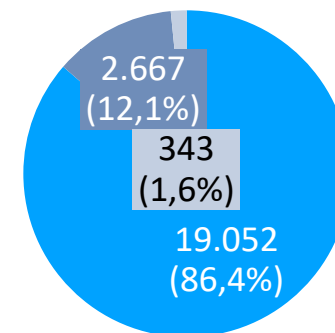
Actuals 2021



Forecast 2022



Forecast 2023



Total cost (€/'000):

A =	11.221	20.341	22.062
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Return on capital (€/'000) (*)

B =	144	126	73
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Total allowed costs (pre-adjustments from previous years) (€ /'000)

C =	11.365	20.467	22.135
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Paying Passengers (/'000):

D =	5.702	14.299	17.057
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E = C/D (**)

1,99(*)**

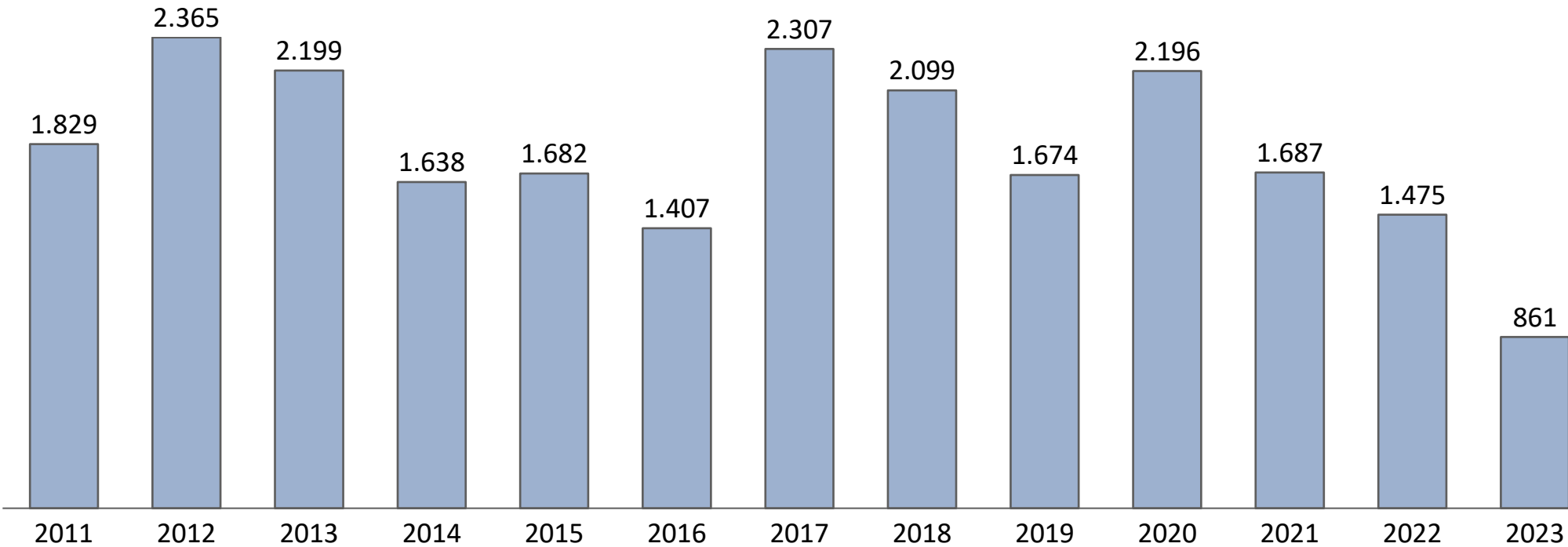
1,43

1,30

(*) Return on invested capital subject to regulation outcome for the period 2017-2021; (**) Equilibrium charge for period 1 January – 31 December; (***) 1,99 per pax does not include € 7.18 million (additional € 1.26 per pax) for deficit recorded in 2020

ADR Assistance | RAB FCO 2011-2023

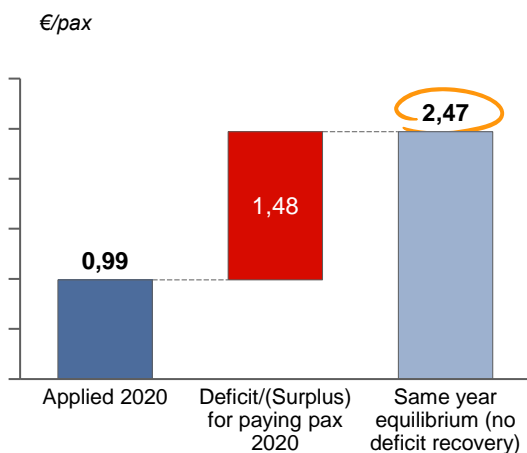
€/’000



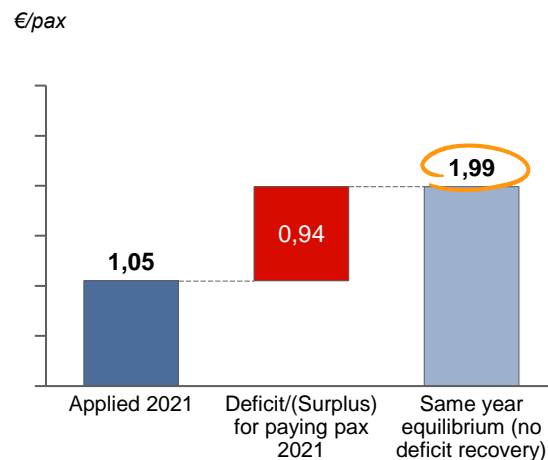
(*) 2023 RAB is a forecast value at begin of year

FCO 2021-2023

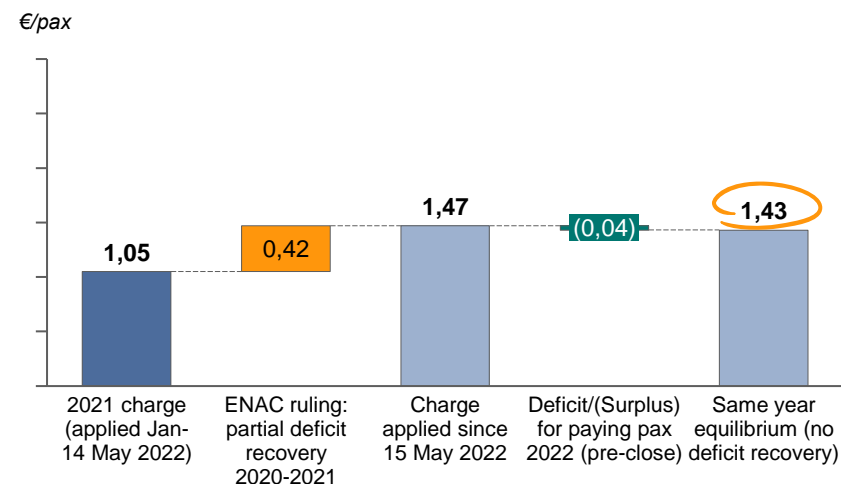
2020 (final)



2021 (final)



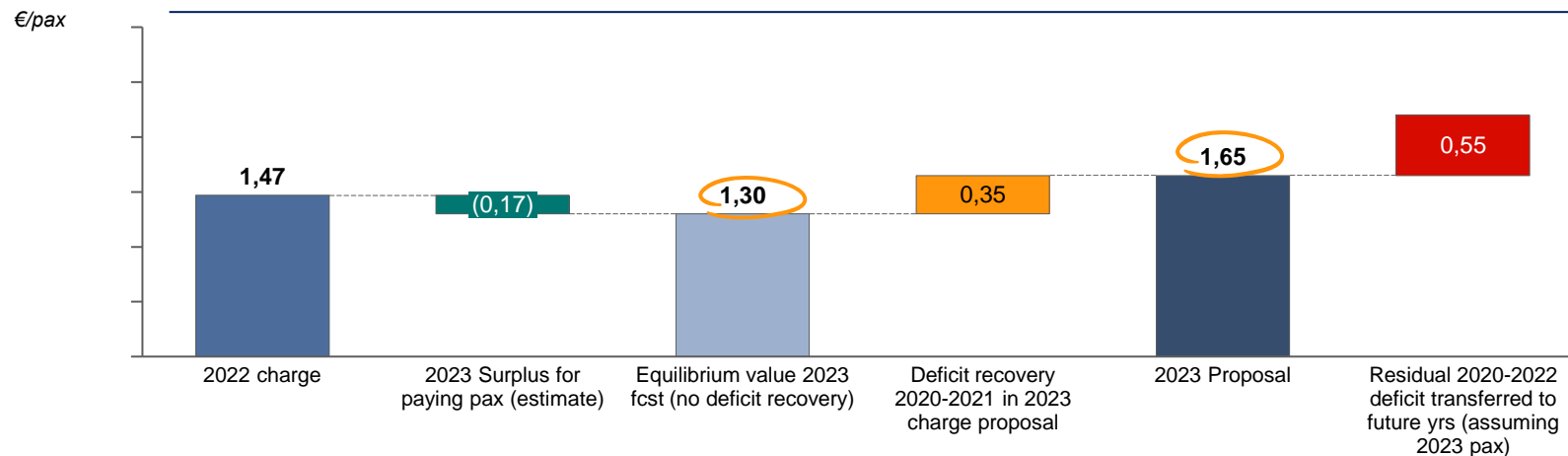
2022 forecast



- The cost-revenue correlation principle, as established by ENAC (*), allows ADR to add allowed costs suitable to cover the deficit/surplus of previous years to the equilibrium value (**)
- Given 2020 and 2021 actuals, FCO “equilibrium charge” would be equal, respectively, to € 2.47 and € 1.99 / pax (allowing for full cost recovery in the same year **)
- At the consultations for 2021 charge update the crisis situations, combined with uncertainty on the prospects, suggested postponing the recovery of the deficit accumulated in the two-year period (2020-2021) to the following years (ENAC note 0080054 of 24.08.2020)
- As for the 2022 charge update, ENAC note 0031838 of 16.03.2022 resolved a charge of € 1.47 / pax to be applied from 15 May 2022, accounting for a limited recovery of the said deficit
- On 2022 pre-closing figures, FCO re-forecast “equilibrium charge” would be equal to € 1.43 / pax, allowing for a very limited surplus (revenues > costs) in the same year, directed towards the significant 2020-21 deficit



2023 proposal



	FIUMICINO DEFICIT (€'000)	2020 (Act)	2021 (Act)	2022 (fcst)	2023 (fcst)
(a)	Same yr Deficit/(Surplus)	7.178	5.397	902	(5.652)
(b)=(c(yr-1))*(1+(g(same yr)))	Inflation revaluation *		36	895	620
(c)=(c(yr-1))+c(same yr)	Progressive Deficit/(Surplus)	7.178	12.612	14.409	9.377
(d)	Paying pax	4.814	5.702	14.299	17.057
(e)=(a)/(d)	same year per paying pax **	1,49	0,95	0,06	(0,33)
(f)=(c)/(d)	cumulate per paying pax **	1,49	2,21	1,01	0,55
(g)	Planned inflation rate (TPI) *		0,5%	7,1%	4,3%

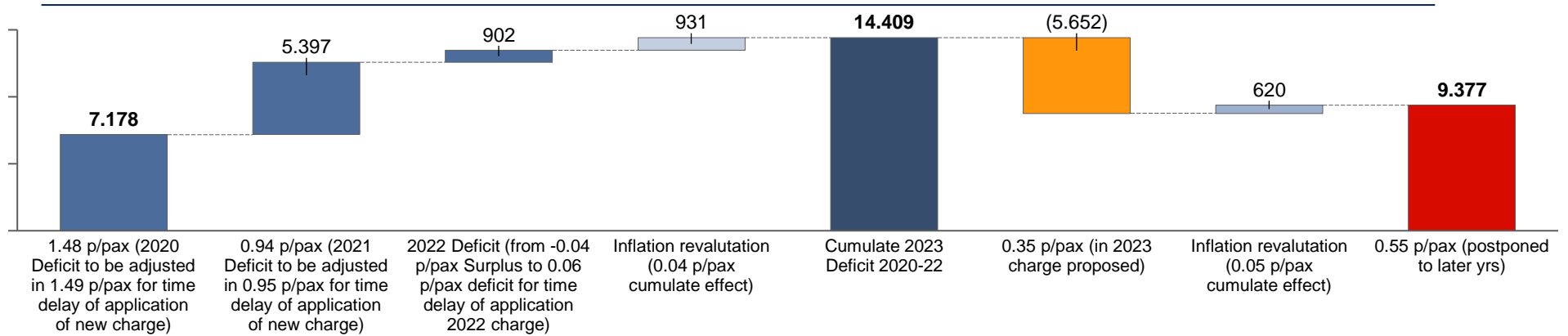
- Charge proposed for 2023 is € 1.65 per pax, up 12% from current level



FCO 2023 (2/2)

€/000

2020 – 2023 Deficit recap (fcst 2022-2023 values)

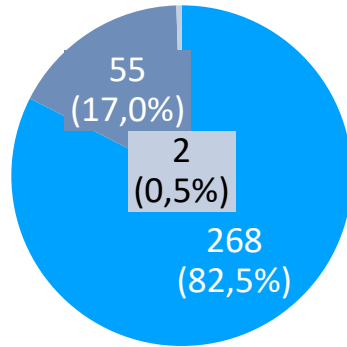


CIA 2021-2023

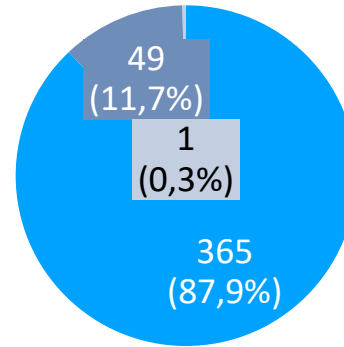
■ Cost of labour
 ■ Other operating costs
 ■ Depreciation

Actuals 2021

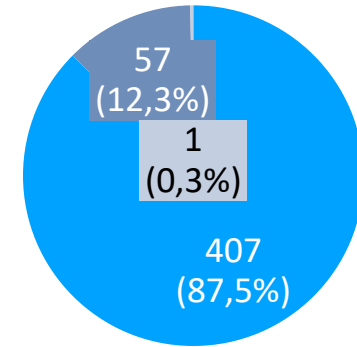
€/’000



Forecast 2022



Forecast 2023



Total cost (€/’000):

A =	324	415	465
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Return on capital (€/’000) (*)

B =	1	1	0.5
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Total allowed costs (pre-adjustments from previous years) (€/’000)

C =	325	416	466
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Paying Passengers (’000):

D =	1.141	1.543	1.903
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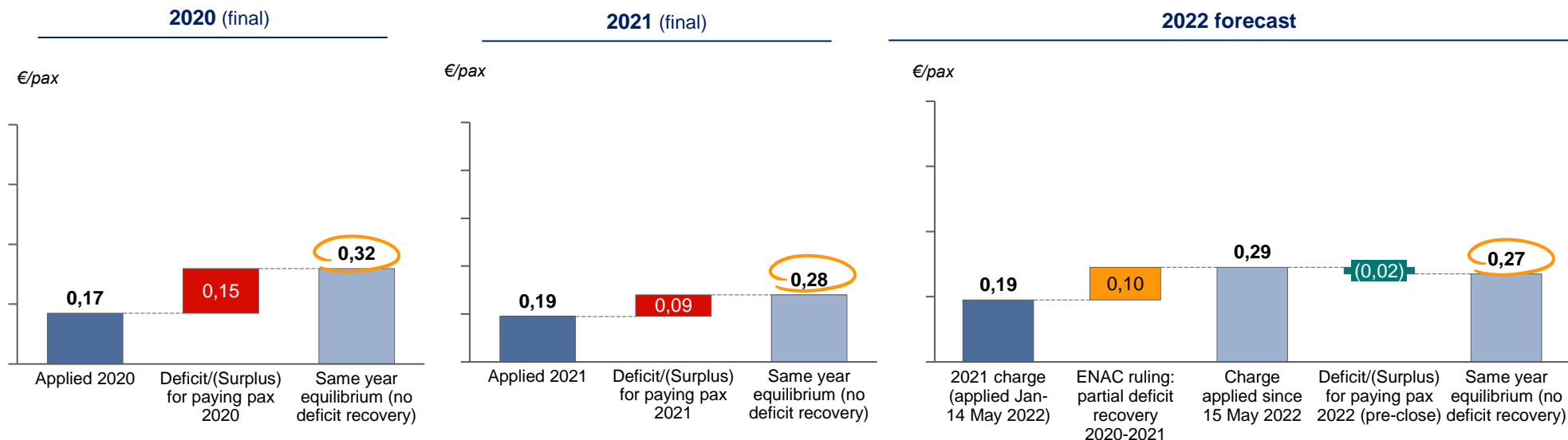
E = C/D (**)

0,28

0,27

0,24

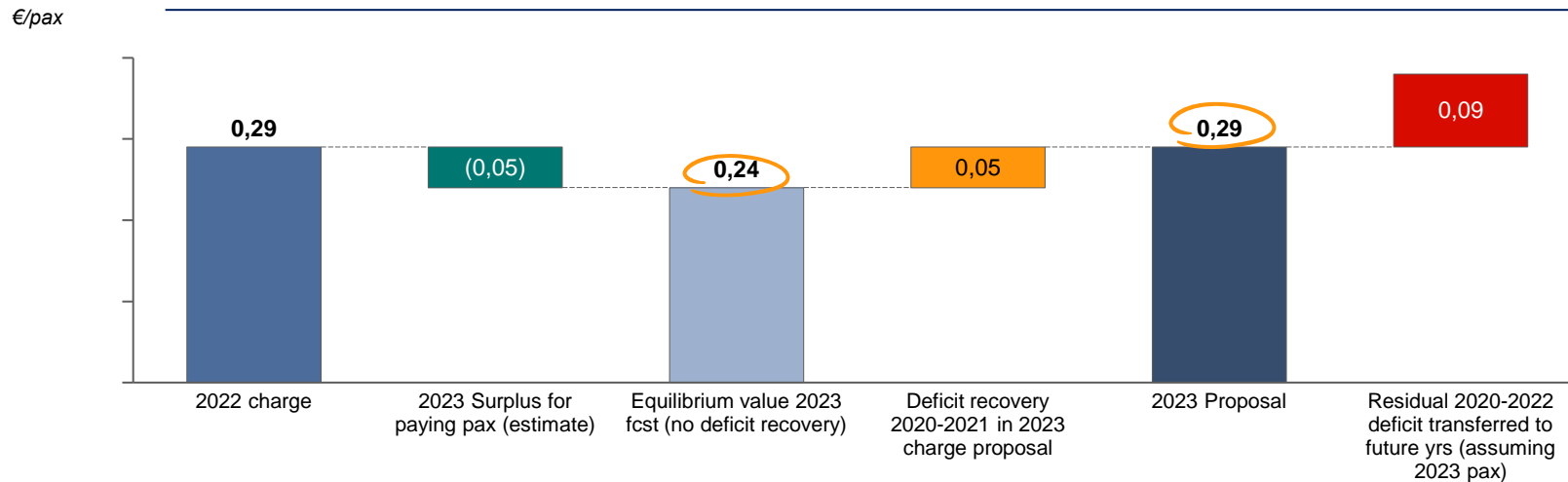
(*) Return on invested capital subject to regulation outcome for the period 2017-2021; (**) Equilibrium charge for period 1 January – 31 December;



- The cost-revenue correlation principle, as established by ENAC (*), allows ADR to add allowed costs suitable to cover the deficit/surplus of previous years to the equilibrium value
- Given 2020 and 2021 actuals, for CIA “equilibrium charge” would be equal, respectively, to € 0.32 and € 0.28 /pax (allowing for full cost recovery in the same year **)
- At the consultations for 2021 charge update the crisis situations, combined with uncertainty on the prospects, suggested postponing the recovery of the deficit accumulated in the two-year period (2020-2021) to the following years (ENAC note 0080054 of 24.08.2020)
- Given 2022 pre-closing, CIA re-forecast “equilibrium charge” would be equal to € 0.27 /pax (allowing for full cost recovery in the same year)



2023 proposal



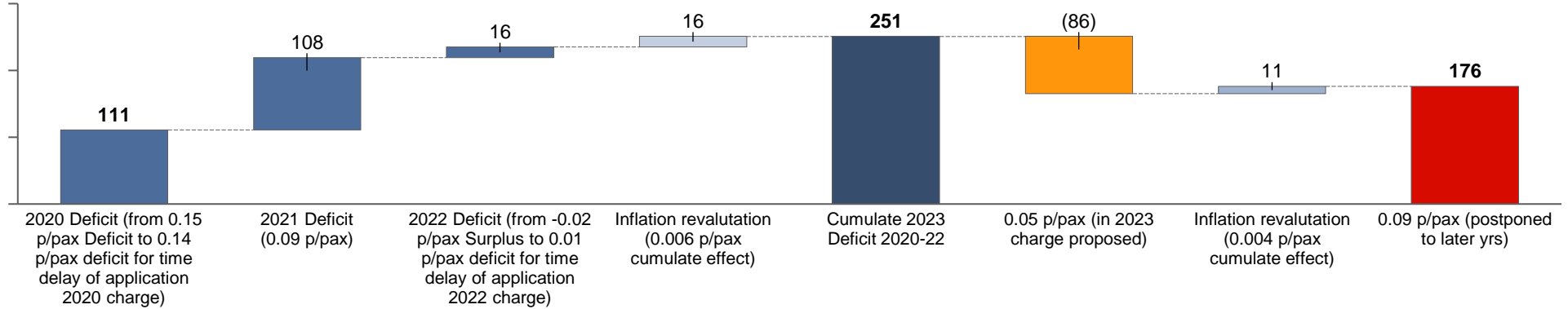
	CIAMPINO DEFICIT (€'000)	2020 (Act)	2021 (Act)	2022 (fcst)	2023 (fcst)
(a)	Same yr Deficit/(Surplus)	111	108	16	(86)
(b) = (c(yr-1)) * (1 + (g(same yr)))	Inflation revaluation *		1	16	11
(c) = (c(yr-1)) + (c(same yr))	Progressive Deficit/(Surplus)	111	220	251	176
(d)	Paying pax	812	1.141	1.543	1.903
(e) = (a)/(d)	same year per paying pax **	0,14	0,09	0,01	(0,05)
(f) = (c)/(d)	cumulate per paying pax **	0,14	0,19	0,16	0,09
(g)	Planned inflation rate (TPI) *		0,5%	7,1%	4,3%

- Charge proposed for 2023 is € 0.29 per pax, in line with the current charge



€/000

2020 – 2023 Deficit recap (fcst 2022-2023 values)



FCO 2020-2023: Costs and Surplus/(Deficit)

	FIUMICINO				
	(€.000)	ACT 2020	ACT 2021	FRC 2022	FRC 2023
Personnel costs/IRAP		9.183	8.892	17.428	19.052
Other Operating Costs		1.799	1.822	2.341	2.667
Amortization		571	507	572	343
Cost of capital		187	144	126	73
Recovery (Surplus)/Deficit previous years		127	-	-	-
(1) Total Costs + Recovery Previous year		11.868	11.365	20.466	22.136
Total Paying Pax (/000)		4.814	5.702	14.299	17.057
	ACT 2020	ACT 2021	FRC 2022	FRC 2022	
Charge Applied January-February (*)	0,96	0,99	1,05	1,47	
Charge Applied March-December (*)	0,99	1,05	1,47	1,65	
(2) Total revenues	4.689	5.968	19.564	27.788	
(3) = (2-1) Surplus / (Deficit) at 31 December	(7.178)	(5.397)	(902)	5652	
(3) = (2-1) Surplus / (Deficit) postponed		(12.612)	(14.409)	(9.377)	
	ACT 2020	ACT 2021	FRC 2022	FRC 2023	
Total passengers (/000)	9.831	11.663	28.657	34.508	
Assistances	78.498	99.726	244.643	300.873	
PRM Index/1000 pax	8,0	8,6	8,5	8,7	
FTEs (*)	279,3	270,5	382,9	375,1	
Net CIGS/CIGD FTEs	172,4	196,4	376,6	375,1	
FTEs "full HR"	282,2	270,7	400,2	384,9	
NET CIGS/CIGD FTEs "full HR"	175,3	196,6	393,9	384,9	
Assistances / FTE "full HR" (monthly average)	23,2	30,7	50,9	65,1	
Net CIGS/CIGD Assistances / FTE "full HR" (monthly average)	37,3	42,3	51,8	65,1	



(*) for 2023 charge update effective on May 15

CIA 2020-2023: Costs and Surplus/(Deficit)

(€.000)	CIAMPINO			
	ACT 2020	ACT 2021	FRC 2022	FRC 2023
Personnel costs/IRAP	212	268	365	407
Other Operating Costs	45	55	49	57
Amortization	1	2	1	1
Cost of capital	0	1	1	0
Recovery (Surplus)/Deficit previous years	- 10	-	-	-
(1) Total Costs + Recovery Previous year	249	325	416	466
Total Paying Pax (/000)	812	1.141	1.543	1.903
	ACT 2020	ACT 2021	FRC 2022	FRC 2022
Charge Applied January-February (*)	0,17	0,17	0,19	0,29
Charge Applied March-December (*)	0,17	0,19	0,29	0,29
(2) Total revenues	138	216	400	552
(3) = (2-1) Surplus / (Deficit) at 31 December	(111)	(108)	(16)	86
(3) = (2-1) Surplus / (Deficit) postponed		(220)	(251)	(176)
	ACT 2020	ACT 2021	FRC 2022	FRC 2023
Total passengers (/000)	1.621	2.326	3.502	3.848
Assistances	4.450	7.224	10.373	11.362
PRM Index/1000 pax	2,7	3,1	3,0	3,0
FTEs (*)	9,0	8,1	8,0	8,0
Net CIGS/CIGD FTEs	7,5	6,0	7,2	8,0
FTEs "full HR"	9,4	8,1	8,1	8,0
NET CIGS/CIGD FTEs "full HR"	7,9	6,0	7,3	8,0
Assistances / FTE "full HR" (monthly average)	39,4	74,4	107,0	117,7
Net CIGS/CIGD Assistances / FTE "full HR" (monthly average)	46,9	100,8	118,8	117,7



FCO – CIA 2020-2023: Details by nature of cost

FIUMICINO				
(€.000)	ACT 2020	ACT 2021	FCST 2022	FCST 2023
Personnel costs	9.183	8.888	17.274	18.883
Consumables	221	210	383	443
Ordinary maintenance	234	264	320	353
Cleaning/Utilities	259	275	323	333
Services from third parties	684	688	789	829
Professional Consultancy/Services	56	39	60	149
Rentals/Fees/Leases	176	177	330	418
Insurance/General Expensive	169	169	136	142
Depreciation	571	507	572	343
IRAP tax rate	-	4	154	169
Remuneration of Invested Capital	187	144	126	73
Total Costs FCO (no deficit/suplus recovery)	11.740	11.365	20.466	22.136
RAB FCO	2.196	1.687	1.475	861

CIAMPINO				
(€.000)	ACT 2020	FCST 2021	FCST 2022	FCST 2022
Personnel costs	212	268	361	403
Consumables	6	6	8	9
Ordinary maintenance	6	8	7	8
Cleaning/Utilities	7	8	7	7
Services from third parties	17	21	16	18
Professional Consultancy/Services	1	1	1	3
Rentals/Fees/Leases	5	5	7	9
Insurance/General Expensive	4	5	3	3
Depreciation	1	2	1	1
IRAP tax rate	-	0	4	4
Remuneration of Invested Capital	0	1	1	0
Total Costs CIA (no deficit/suplus recovery)	259	325	416	466
RAB CIA	5	8	7	6
WaCC Real Pre-tax	8,52%	8,52%	8,52%	8,52%



ADR Assistance: reclassification ITA GAAP / allowed costs (2021A)

(Values expressed in € '000)

Statutory Summary	2021	Management Detail	Income statement 2021 (a)
6. For Raw Materials, Subsidiaries, Consumables and Goods	229	Personnel costs(2)	9.107
7. For Services	1.815	Recovery of personnel costs (3)	0
8. For Use of third party assets	199	IRAP	0
9. For Staff	8.698	Consumables	219
10. Depreciation, amortization and write-downs	448	Ordinary maintenance	272
12. Provisions for risks and charges	333	Cleaning	70
14. Other operating expenses	67	Utilities and Heating	213
		Provisions (4)	333
		Services from third parties	711
		Professional Consultancy/Services	41
		Rentals/Fees/Leases	199
		Insurance companies	71
		General Expenses	106
		Depreciation (5)	448
Total Production Costs	11.789	Total costs	11.789

2021	Determination of IRAP
8.698	Production Costs - B.9 - For Personnel
(8.606)	Personnel costs that are non-deductible for IRAP
92	Personnel costs that are non-deductible for IRAP
4,82%	IRAP tax rate (2020: negative taxable)

Allowed Costs			
System (b)	FCO	CIA	CHANGE compared to the income statement (c=b-a) (1)
9.170	8.902	268	64
(15)	(14)	(0)	(15)
4	4	0	4
216	210	6	(2)
272	264	8	0
69	67	2	(1)
214	208	6	0
0	0	0	(333)
709	688	21	(2)
40	39	1	(1)
183	177	5	(16)
70	68	2	(1)
104	101	3	(1)
508	507	2	61
11.690	11.365	325	(99)

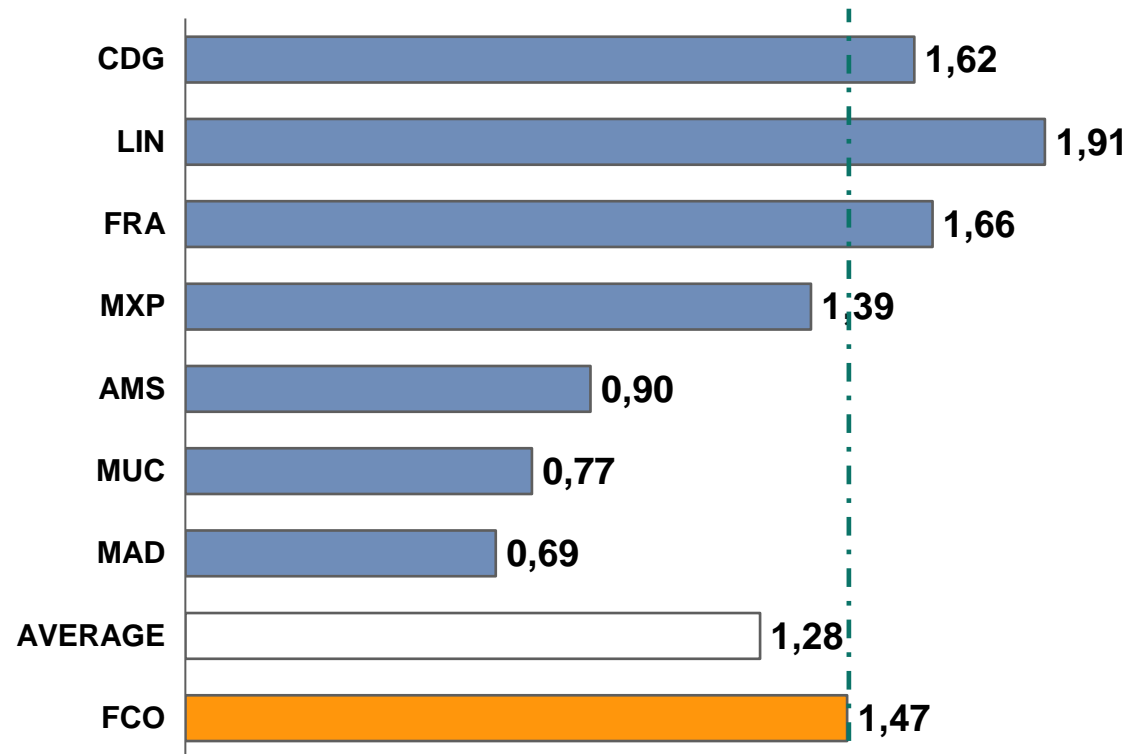
System	FCO	CIA
92	89	3
4	4	0

- (1) Some differences of operating costs with respect to the financial statement values are due to revaluation updates of previous years, excluded from allowable costs
- (2) The costs of personnel includes the reclassification of some costs for personnel services (canteen, transport, training, per diem, ect.)
- (3) lower labour costs include recoveries for seconded personnel, or personnel employed in other services which are reported in the financial report in the value of production item
- (4) Provisions for risks, financial and extraordinary charges are excluded from allowable costs
- (5) Values deriving from the application of economics-technical amortization accruals; fixed asset are recognized in the year following the year of actual acquisition (annual revaluation)



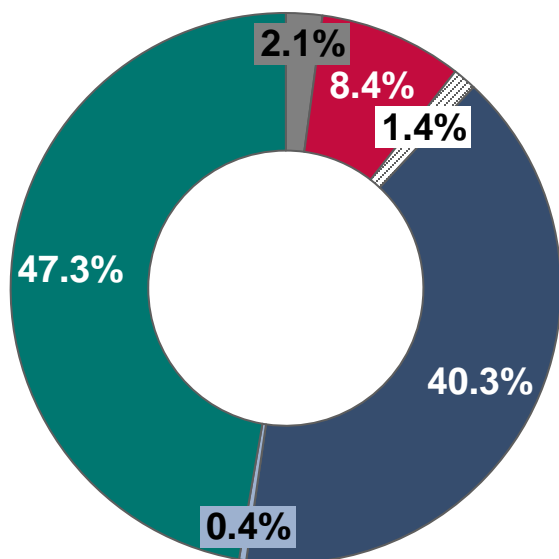
PRM charges | 2022 benchmark

PRM charges in 2022 at peer airports (Euro pax)

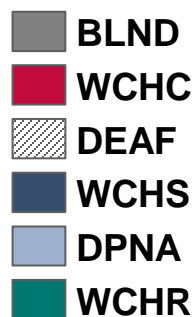
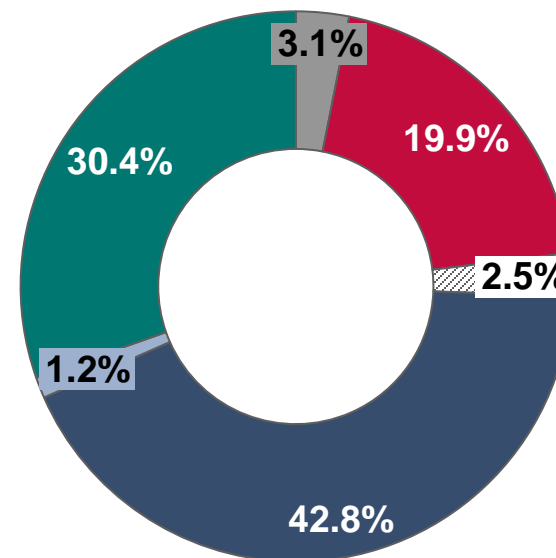


PRM assistances by airport

Fiumicino



Ciampino



Type of Assistance	2021	% 2021	2020	% 2020	2021 VS 2020
BLND	2.130	2,1%	1.464	1,9%	45,5%
DEAF	1.387	1,4%	776	1,0%	78,7%
DPNA	420	0,4%	346	0,4%	21,4%
WCHC	8.406	8,4%	5.920	7,5%	42,0%
WCHS	40.235	40,3%	34.119	43,5%	17,9%
WCHR	47.148	47,3%	35.873	45,7%	31,4%
Total	99.726	100,0%	78.498	100,0%	27,0%

Type of Assistance	2021	% 2021	2020	% 2020	2021 VS 2020
BLND	225	3,1%	149	3,3%	51,0%
DEAF	181	2,5%	102	2,3%	77,5%
DPNA	88	1,2%	83	1,9%	6,0%
WCHC	1.441	19,9%	947	21,3%	52,2%
WCHS	3.094	42,8%	1.790	40,2%	72,8%
WCHR	2.195	30,4%	1.379	31,0%	59,2%
Total	7.224	7,2%	4.450	100,0%	62,3%



Assistances

WCHR

People who cannot travel long distances; they can go up and down the stairs and move on board the aircraft independently.

WCHS

People who need assistance in the main movements at the airport (e.g., up and down the stairs); they can travel short distances and move on board independently.

WCHC

People with physical disabilities who need assistance in moving to the airport and to their assigned seat on board the aircraft and vice versa.

DEAF

People with hearing disabilities; if they travel unaccompanied, they may need assistance in orientation around the Terminal and in the boarding areas.

BLIND

Visually impaired or blind people; if they travel unaccompanied, they require orientation assistance during their entire stay at the airport up to their assigned seat on board and vice versa.

DPNA

People with cognitive or behavioral disabilities; if they travel unaccompanied, they must be looked after throughout their stay at the airport up to their assigned seat on board and vice versa.



PRM | Other information

Vehicles and Infrastructure

Main infrastructures and equipment used in carrying out the PRM assistance service at 31/12/2021:

- UFIS-GRAMS information system for dispatching and traceability of the service
- Software for forecasting service volumes on a daily and fortnightly basis
- Stations for the reception of PRMs in the terminals and boarding areas (8 at FCO and 1 at CIA)
- Wheelchairs for transporting passengers with and without hand luggage compartment and for WCHC boarding (aisle chair)
- Wheelchairs for passenger transport with pushing aid
- Seats for transporting children on minivans
- 38 Minivans (36 on FCO and 2 on CIA)
- 18 Ambulift vehicles (16 on FCO, of which 2 electric and 2 on CIA)
- 2 Stairlifts (1 on FCO and 1 on CIA) to be used in emergency situations caused by adverse weather conditions

Following the effects of the Covid-19 pandemic, the methods of providing the assistance service were rationalized in 2020, 2021 and 2022

Staff and Costs

- Workforce at 31/12/2021: 343 resources (of which 335 HC at FCO and 8 at CIA)
- Full Time Equivalent at 31/12/2021: 278,6 Fte (of which 270,5 Fte FCO and 8,1 Fte CIA)
- Allowed staff cost 2021: 9,2 € / mln of which FCO 8,9 € / mln and CIA 0,27 € / mln

