



2023 PRM Proposal of charges: December update

Dec. 2022

ADR's PRM service charge update for 2023

On Nov. 24 parties convened to discuss ADR's proposal of a PRM charge increase of 12% y/y (from € 1,47/pax to € 1,65/pax) in FCO and 0% y/y in CIA (unchanged at € 0,29/pax)

As of Nov. 10, ADR had made available to users the abovesaid charge proposals and relevant information material to support them

Both FCO users representing around 58% of voting rights and CIA users representing 89% of voting rights by respective WLUs, voted unanimously against ADR's proposal, citing bearishness of traffic forecasts for 2023 (please see minutes of the November 25 hearing now available on the PRM consultation pages of our website)

In the wake of voting and related comments (please see minutes of the hearing and "additional Q&A material" published on our website), ADR has further requested users to provide updated 2023 forecast traffic information relevant for FCO, whilst CIA forecast traffic is predicated on the newly imposed daily cap and thus leaves no room for upsides

By deadline set for Dec. 6 to receive the abovesaid traffic information, ADR has been reached with worthy contributions by a fair share of participants

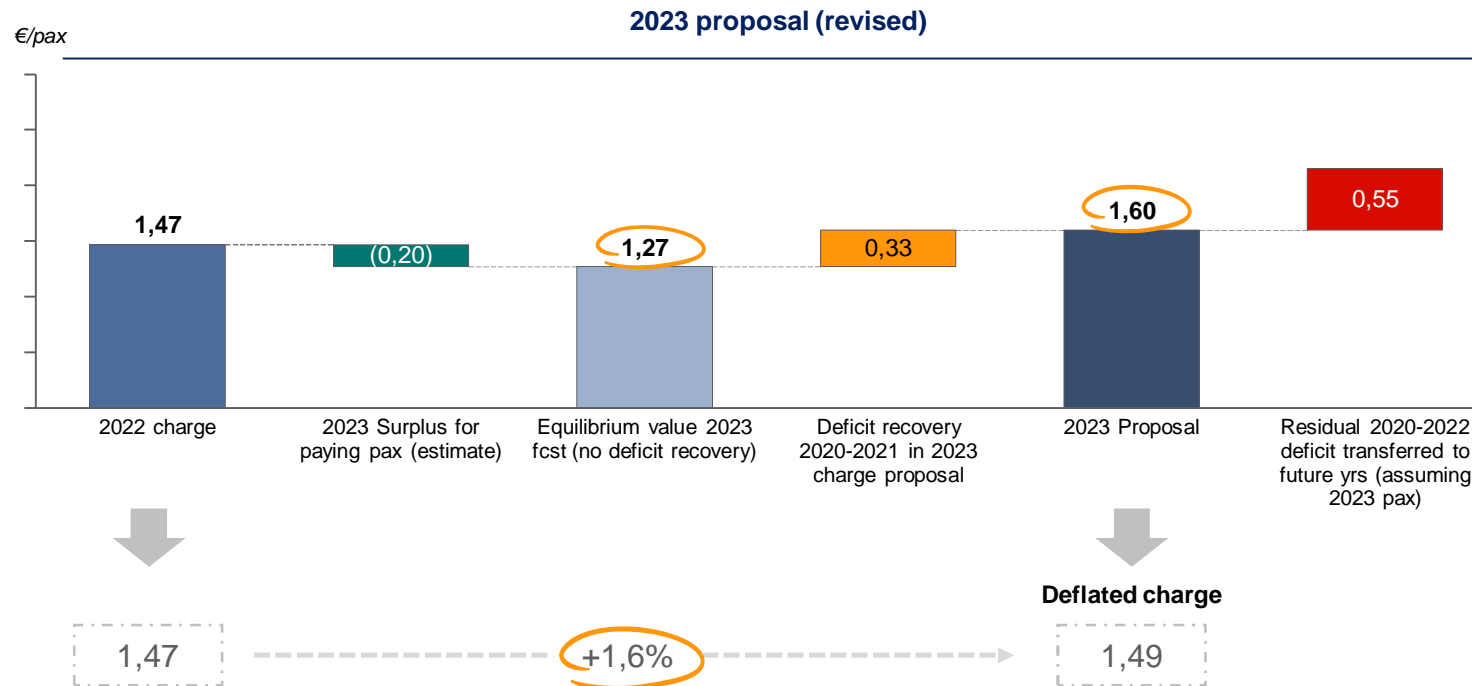
Consequent to that and new internally available data providing slightly better visibility on market in Q1 2023, today ADR is happy to share with users a new, lower equilibrium charge for PRM service in FCO that it shall present for further discussion in a second PRM hearing to be held on Dec. 20 at 11:30 CET (please see your mailbox for more details)

Newly proposed FCO PRM charge for 2023 is € 1,60/pax or 9% above the currently applied € 1,47/pax. Given running Italian inflation at 7,1% the reviewed charge is a mere 1,6% above current level in real terms. PRM charge proposed for 2023 for CIA remains unchanged (please see information material of November 24)

The revised charge (downwards) is predicated on (i.) a 2% traffic uplift relative to the company's proposal discussed on Nov. 24; (ii.) an unchanged cost structure in spite of the abovesaid traffic increase, adding to ADR Assistance's efforts to streamline costs while keeping its noteworthy track record on service quality; (iii.) a 36% recovery rate of forgone losses in 2020-21, coherent with ENAC's instructions dated 24.08.2020, after a further year of service deficit (regulated revenue minus allowable costs) in 2022



FCO 2023 – Update



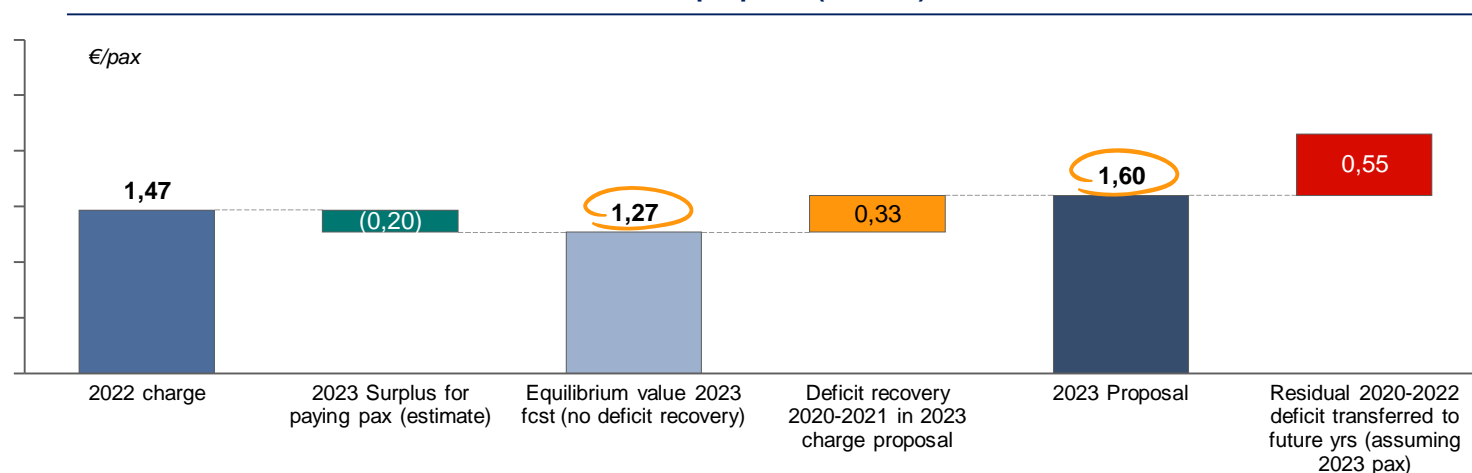
Key facts (update)

- 2023 traffic = **+2%** relative to ADR's former fcst; (paying pax = 17.413.000)
- Charge proposed at FCO of **€1,60 per pax (down from previous €1,65)**, up 9% from current level
- Corresponds to a recovery of 36% of 2020-21 forgone deficit (2020 and 2021 cumulated losses expressed in CCA @ inflation)
- Residual 2020-21 deficit transferred to future yrs is worth € 9,6M (€ 0,55/2023 pax volume)



FCO 2023 – Update, detail

2023 proposal (revised)



	FIUMICINO DEFICIT (€'000)	2020 (Act)	2021 (Act)	2022 (fcst)	2023 (fcst)	Deficit Transferred (fcst)
(a)	Same yr Deficit/(Surplus)	7.178	5.397	902	(5.461)	8.016
(b)= (c(yr-1))*(1+(g(same yr)))	Inflation revaluation *		36	895	620	1.551
(c)=(c(yr-1))+c(same yr)	Progressive Deficit/(Surplus)	7.178	12.612	14.409	9.567	9.567
(d)	Paying pax	4.814	5.702	14.299	17.413	17.413
(e)=(a)/(d)	same year per paying pax **	1,49	0,95	0,06	(0,31)	0,55
(f)=(c)/(d)	cumulate per paying pax **	1,49	2,21	1,01	0,55	0,55
(g)	Planned inflation rate (TPI) *		0,5%	7,1%	4,3%	



(*) https://www.dt.mef.gov.it/en/attivita_istituzionali/analisi_programmazione_economico_finanziaria/inflaz_programmata/index.html; ** on effective months of applied charges

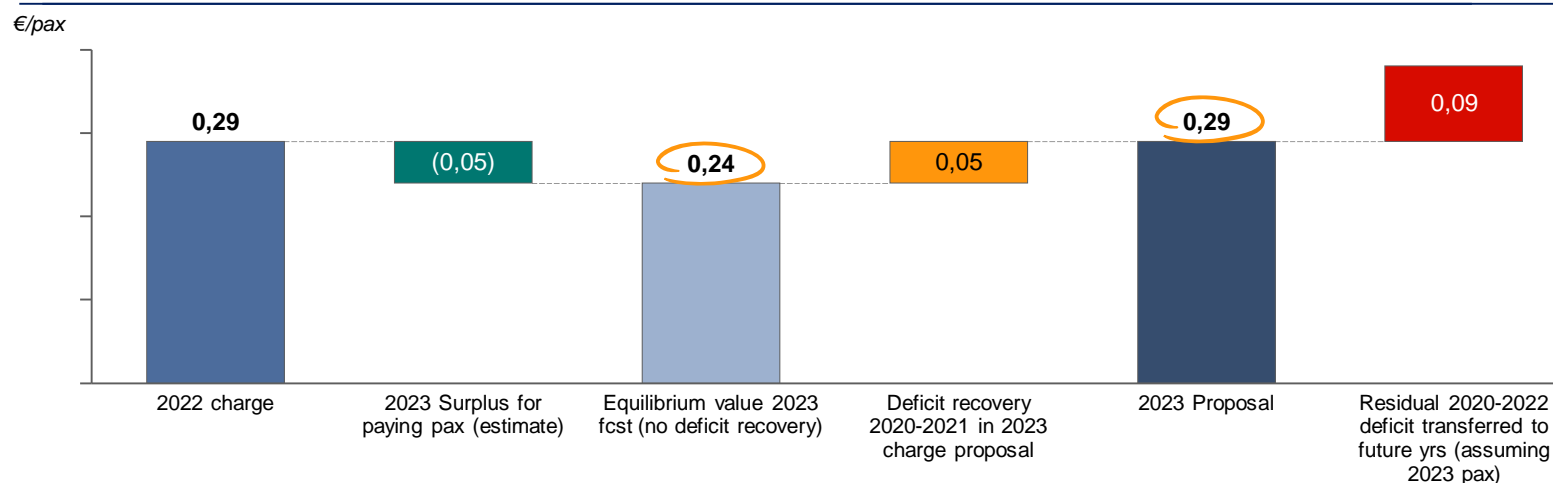
FCO 2020-2023 – Costs and Surplus/(Deficit)

(€000)	FIUMICINO					
	ACT 2020	ACT 2021	FRC 2022	24 Nov FRC 2023 (a)	FRC 2023 UPD (b)	Var (b) vs (a)
Personnel costs/IRAP	9.183	8.892	17.428	19.052	19.052	-
Other Operating Costs	1.799	1.822	2.341	2.667	2.667	-
Amortization	571	507	572	343	343	-
Cost of capital	187	144	126	73	73	-
Recovery (Surplus)/Deficit previous years	127	-	-	-	-	-
(1) Total Costs + Recovery Previous year	11.868	11.365	20.466	22.136	22.136	-
Total Paying Pax (/000)	4.814	5.702	14.299	17.057	17.413	355
	ACT 2020	ACT 2021	FRC 2022	24 Nov FRC 2023 (a)	FRC 2023 Upd (b)	Var (b) vs (a)
Charge Applied January-February (*)	0,96	0,99	1,05	1,47	1,47	-
Charge Applied March-December (*)	0,99	1,05	1,47	1,65	1,60	(0,05)
(2) Total revenues	4.689	5.968	19.564	27.788	27.597	(191)
(3) = (2-1) Surplus / (Deficit) at 31 December	(7.178)	(5.397)	(902)	5652	5461	(191)
(3) = (2-1) Surplus / (Deficit) postponed		(12.612)	(14.409)	(9.377)	(9.567)	(191)
	ACT 2020	ACT 2021	FRC 2022	24 Nov FRC 2023 (a)	FRC 2023 Upd (b)	Var (b) vs (a)
Total passengers (/000)	9.831	11.663	28.657	34.508	35.227	719
Assistances	78.498	99.726	244.643	300.873	307.141	6.268
PRM Index/1000 pax	8,0	8,6	8,5	8,7	8,7	0,0
FTEs (*)	279,3	270,5	382,9	375,1	375,1	0,0
Net CIGS/CIGD FTEs	172,4	196,4	376,6	375,1	375,1	0,0
FTEs "full HR"	282,2	270,7	400,2	384,9	384,9	0,0
NET CIGS/CIGD FTEs "full HR"	175,3	196,6	393,9	384,9	384,9	0,0
Assistances / FTE "full HR" (monthly average)	23,2	30,7	50,9	65,1	66,5	1,4
Net CIGS/CIGD Assistances / FTE "full HR" (monthly average)	37,3	42,3	51,8	65,1	66,5	1,4



CIA 2023

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%

- CIA service charge proposed for 2023 is €0.29 per pax, in line with currently applied charge



(*) https://www.dt.mef.gov.it/en/attivita_istituzionali/analisi_programmazione_economico_finanziaria/inflaz_programmata/index.html; ** on effective months of applied charges