Management Report & Accounts 2021

ANA
AEROPORTOS DE PORTUGAL

Powered by VINCI AIRPORTS

GLOSSARY

Abreviatura (abbreviation)	Designação (designation)
ACI	Airports Council International (Conselho Internacional de Aeroportos)
A-CDM	Airport Collaborative Decision-Making (Tomada de Decisão Colaborativa do Aeroporto)
AMPAP	Airport Management Professional Accreditation Programme (Programa de Acreditação Profissional de Gestão Aeroportuária)
ANA, S.A.	ANA – Aeroportos de Portugal, S.A.
ANAC	Autoridade Nacional da Aviação Civil (Portuguese Civil Aviation Authority)
ANAM, S.A.	ANAM – Aeroportos e Navegação Aérea da Madeira, S.A.
APA	Agência Portuguesa do Ambiente (Portuguese Agency for the Environment)
ATEC	ATEC - Academia de Formação (Training Academy)
BEI	Banco Europeu de investimento (European Investment Bank)
CIRC	Código do Imposto sobre o Rendimento das Pessoas Coletivas (Corporate Income Tax Code)
CUPPS CUSS BRS	Sistema de Processamento de Passageiros de Uso Comum (Common Use Passenger Processing System) Quiosques de Self-service de Uso Comum (Common Use Self Service) Sistema de Reconciliação de Bagagem (Baggage Reconciliation System)
DI	Direção de Inovação (Innovation Direction)
DIA	Declaração de Impacte Ambiental (Environmental Impact Declaration)
EBIT	Earnings Before Interest and Taxes
EBITDA	Earnings Before Interest, Taxes, Depreciation and Amortization
Eurocontrol	Organização Europeia para a Segurança da Navegação Aérea (European Organisation for the Safety of Air Navigation)
GO (AODB/FIDS)	Pacote de Operações Aeroportuárias que inclui (operations' package which includes: AODB - Airport Operational Data Base; FIDS - Flight Information Display System (Airport)
I&D	Investigação e Desenvolvimento (Research and Development)
IAS	International Accounting Standard
IASB	International Accounting Standards Board
IATA	International Air Transport Association (Associação Internacional de Transportes Aéreos)
IBOR	Interbank Offered Rates
ICAO	International Civil Aviation Organization (Organização da Aviação Civil Internacional)
IDI	Investigação, Desenvolvimento e Inovação (Research, Development and Inovation)
IFRIC	International Financial Reporting Interpretations Committee
IFRS	International Financial Reporting Standards
INESC	Instituto de Engenharia de Sistemas e Computadores (Systems and Computer Engineering Institute)
LIS_iAOP	Lisboa_Plano inicial de Operações Aeroportuárias (Lisboa_initial Airport Operations Plan)
MEGE	Monitorização Estrutural de Grandes Estruturas (Structural Monitoring of Large Structures)
MONA	Assistente de viagem virtual com uso de tecnologia de reconhecimento facial (Virtual travel assistant using facial recognition technology)
MPP	Monitorização Permanente da Pista (Permanent Runway Monitoring)

NAL	Novo Aeroporto de Lisboa (New Lisbon Airport)
NAV, E.P.E.	Navegação Aérea de Portugal — NAV Portugal, E. P. E.
OPA	Oficial de Operações Aeroportuárias (Airport Operations Officer)
OPS	Oficial de Operações de Socorros (Fire Fighting Operations Officer)
PMR	Pessoa com Mobilidade Reduzida (Person with Reduced Mobility)
Portway, S.A.	Portway - Handling de Portugal, S.A. (Handling of Portugal)
RAC	Rent-a-car (Car Rental)
RETGS	Regime Especial de Tributação dos Grupos de Sociedades (Special Tax Scheme for Groups of Companies)
RGPD	Regulamento Geral da Proteção de Dados (General Data Protection Regulation)
RUMO	Plataforma do processo de avaliação de desempenho da ANA (ANA performance evaluation process platform)
VPN	Virtual Private Network (Rede Privada Virtual)

I. MANAGEMENT REPORT

1. KEY PERFORMANCE INDICATORS

Table 1. **ANA Group – Indicators** (2019-2021)

SÍNTESE DE INDICADORES	Real 2021	2020	2019	Δ % 2021/2020	Δ % 2021/2019
OPERATIONAL					
Commercial traffic					
Passengers	24,898,965	17,967,669	59,120,491	38.6	(57.9)
Aircraft movement	239,671	182,268	428,684	31.5	(44.1)
Cargo (tonnes)	180,651	139,526	194,681	29.5	(7.2)
Activities					
Turnover (thousand euros)[1]	422,768	287,256	898,465	47.2	(52.9)
Construction contracts (thousand euros)	10,244	54,515	21,501	(81.2)	(52.4)
Aviation (share of total %)	67.8	64.6	73.2	3.2 p.p.	(5.4) p.p.
Extra-aeronautical (share of total %)	32.2	35.4	26.8	(3.2) p.p.	5.4p.p.
Staff					
Staff at 31 December	2,510	2,645	3,258	(5.1)	(23.0)
Average staff	2,557	2,921	3,405	(12.5)	(24.9)
Staff costs (thousand euros)	109,061	115,001	138,040	(5.2)	(21.0)
Productivity					
Passengers/staff	9,737	6,151	17,363	58.3	(43.9)
Earnings					
EBITDA[2] (thousand euros)*	175,238	35,269	584,454	396.9	(70.0)
EBITDA[3] margin (%)*	41.5	12.3	65.1	29.2p.p.	(23.6)p.p.
EBIT (thousand euros)	72,003	(57,812)	486,734	224.5	(85.2)
EBIT margin (%)	17.0	-	54.2	17.0 p.p.	(37.2)p.p.
FINANCIAL					
Earnings					
Net profit (thousand euros)	25,531	(79,704)	303,435	132.0	(91.6)
Financial structure					
Equity (thousand euros)	698,910	672,466	751,664	3.9	(7.0)
Debt (thousand euros)	1,034,419	1,131,609	1,034,605	(8.6)	(0.0)
Capital employed (thousand euros)	1,733,328	1,804,075	1,786,269	(3.9)	(3.0)
Cash flow					
Operational cash flow (thousand euros)	174,354	31,996	458,923	444.9	(62.0)

[1] Does not include amounts related to construction contracts (IFRIC 12).

[2] EBITDA without construction contracts IFRIC 12.

[3] EBITDA without construction contracts IFRIC 12/ turnover.

[4] Indicators detailed in point 6. Economic and Financial Analysis.

Table 2. **ANA, S.A. – Indicators** (2019-2021)

INDICATORS	Real 2021	2020	2019	Δ % 2021/2020	Δ % 2021/2019
OPERATIONAL					
Commercial traffic					
Passengers	24,898,965	17,967,669	59,120,491	38.6	(57.9)
Aircraft movement	239,671	182,268	428,684	31.5	(44.1)
Cargo (tonnes)	180,651	139,526	194,681	29.5	(7.2)
Activities					
Turnover (thousand euros)[1]	389,386	262,419	847,077	48.4	(54.0)
Construction contracts (thousand euros)	10,244	54,515	21,501	(81.2)	(52.4)
Aviation (share of total %)	64.0	59.5	71.0	4.5 p.p.	(7.0) p.p.
Extra-aeronautical (share of total %)	36.0	40.5	29.0	(4.5) p.p.	7.0p.p.
Staff					
Staff at 31 December	1,186	1,240	1,304	(4.4)	(9.0)
Average staff	1,205	1,272	1,273	(5.3)	(5.3)
Staff costs (thousand euros)	70,093	77,586	84,594	(9.7)	(17.1)
Productivity					
Passengers/staff	20,663	14,126	46,442	46.3	(55.5)
Earnings					
EBITDA[2] (thousand euros)*	175,596	42,926	577,184	309.1	(69.6)
EBITDA[3] margin (%)*	45.1	16.4	68.1	28.7 p.p.	(23.0) p.p.
EBIT (thousand euros)	74,325	(48,341)	481,145	253.8	(84.6)
EBIT margin (%)	19.1	-	56.8	19.1 p.p.	(37.7) p.p.
FINANCIAL					
Earnings					
Net profit (thousand euros)	27,486	(72,139)	301,864	138.1	(90.9)
Financial structure					
Equity (thousand euros)	701,756	673,357	744,990	4.2	(5.8)
Debt (thousand euros)	1,037,979	1,141,004	1,050,171	(9.0)	(1.2)
Capital employed (thousand euros)	1,739,735	1,814,361	1,795,161	(4.1)	(3.1)
Cash flow					
Operational cash flow (thousand euros)	178,686	36,460	451,957	390.1	(60.5)

[1] Does not include amounts related to construction contracts (IFRIC 12).

[2] EBITDA without construction contracts IFRIC 12.

[3] EBITDA without construction contracts IFRIC 12/ turnover.

[4] Indicators detailed in point 6. Economic and Financial Analysis.

2. THE ANA GROUP AT A GLANCE

The ANA Group comprises ANA - Aeroportos de Portugal, S.A. (hereinafter also referred to as “ANA, S.A.” or “Company”), the parent company, and Portway, S.A. (hereinafter also referred to as “Subsidiary”).

Through the 50-year Concession Contract signed with the Portuguese State in 2012, ANA, S.A. is responsible, until 2062, for providing public airport facilities and services in support of civil aviation at Lisbon, Porto, and Faro airports and at the Beja Civilian Terminal, all on mainland Portugal, at the airports of Ponta Delgada, Santa Maria, Horta and Flores in the Autonomous Region of the Azores.

Also in 2014, and following the merger by incorporation of ANAM, S.A., ANA, S.A. succeeded ANAM, S.A. as contract concessionaire for the provision of public airport services in support of aviation at the two regional airports in the Autonomous Region of Madeira: Madeira and Porto Santo.

On 31 December 2021, ANA, S.A.'s share capital stood at 200,000,000 euros, fully subscribed and paid up, represented by 40,000,000 shares, each with a nominal value of 5 euros. On 31 December 2021, ANA, S.A. was fully owned by Vinci Airports, SAS.

ANA, S.A. fully owns Portway, S.A., which has a share capital of 4,500,000 euros.

Through ANA, S.A., the ANA Group manages the airport infrastructures that service aircraft, passengers and cargo. It also operates commercial and advertising spaces inside the airport as well as property and car parks and it provides support to car rental services (all of which are classified as non-aviation business). In 2021, these businesses accounted for 90.3% of the Group’s turnover.

Through its subsidiary, the ANA Group also offers the full range of ground handling services required for air traffic operations. This business accounts for 9.7% of Group turnover in 2021.

In the following chapters, namely in Part III – Notes to the Financial Statements, more detailed information could be accessed, namely in what regards the business framework, the constitution of the share capital of the companies comprising the ANA Group and the transactions between related parties.

3. ECONOMIC ENVIRONMENT

3.1. IMPACT OF THE COVID-19 PANDEMIC

In 2021, the COVID-19 pandemic continued to decisively and negatively affect worldwide demand for air transport, just as it had done in 2020, although, in overall terms, the picture was slightly improved. Despite the fact that the general effect of the pandemic-related restrictions was negative, this impact varied to some degree in different regions around the world and in different traffic segments.

There were also significant differences in the impact on, and speed of recovery of, the domestic and international segments. The latter was clearly more affected by the imposition and duration of the limitations placed on non-resident travel between countries and parts of the world (in some cases, these lasted a long time).

The main factors that held back the growth of air transport volumes were:

- the restrictive measures or travel bans between countries with different levels of contagion and/or vaccination;
- the diversity and instability of the contagion mitigation measures in place in different countries and regions and for differing types of businesses. This particularly impacted the tourism sector;
- the strong commitment to teleworking and to minimising in-person events and other work-related travel. This impacted the business travel segment.

A range of other factors and risks that predated the COVID-19 pandemic may also be added to this list:

- the effects of Brexit on air connectivity in Europe;
- the volatility of fossil fuel prices;
- trends in economic activity, environmental taxation and consumption stimulus policy;
- terrorist threats, regional tensions, wars, etc.

3.2. MACROECONOMIC OVERVIEW

The World Bank estimates that global economic growth for 2021 will be around 5.6%, a clear recovery after the shrinkage of about 3.5% in 2020.

According to Bank of Portugal projections released in March 2022, Portugal's gross domestic product grew by 4.9% in 2021, will grow by 4.9% in 2022 and 3.1% in 2023, after having fallen by around 8.4% in 2020. For the same years, the forecast for the eurozone is 5.4% (2021), 3.7% (2022) and 2.8% (2023), which shows that there is sufficient room for a sustained and gradual recovery in the economy, after having fallen by 6.6% in 2020.

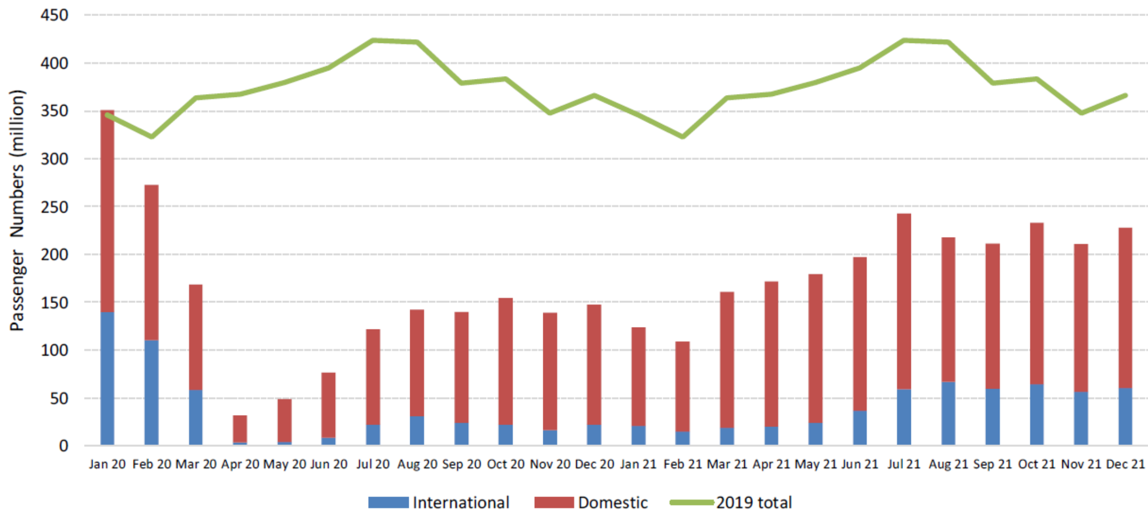
The European consumer confidence index is also recovering, after having hit a low point in the first quarter of 2020. Although it was still below its pre-pandemic level in December 2021, it was converging on its long-term average.

Eurostat has calculated that, in line with this confidence index, the gross household savings rate for the European Union rose substantially in 2020. It went up from approximately 12% in 2018 and 2019 to 19% by the end of 2020. It then remained at this level through the second quarter of 2021.

3.3. THE AIR TRANSPORT SECTOR

According to ICAO, global passenger volume dropped by about 60% in 2020 and 49% in 2021, when compared to 2019. In Europe, this decrease equated to a loss of some 770 million and 650 million passengers, respectively.

Graph 1 - Number of passengers per month in 2020-21 vs. 2019 (Source: ICAO)



ACI data for Europe indicates that the total number of passengers fell by 59% in 2021, when compared to 2019.

Eurocontrol has reported that intra-European aircraft movements decreased by 43% in 2021, when compared to 2019. The latest Eurocontrol data, from early January 2022, shows that the downturn was similar for Low Cost and Legacy companies, but slightly higher in the case of the former. In overall and absolute terms, there were 4.9 million fewer flights than in 2019.

As in previous years, Portugal won a number of awards from World Travel Awards Europe. Portuguese winners include the Algarve, best beach destination in Europe, the Azores, best adventure destination, and Madeira, best island destination. Turismo de Portugal came first in the best official tourism organisation in Europe category.

4. BUSINESS REVIEW

4.1. AIR TRAFFIC EVOLUTION

The drop in passenger traffic at ANA airports followed the same downward as the rest of Europe. Traffic was down 57.9% in 2021 and 69.6% in 2020, when compared to 2019.

In the first half of 2021, passenger traffic fell 80.9% from 2019 levels and aircraft movements were down 65.4%.

It is worth noting that these results were significantly influenced by the measures introduced during the State of Emergency, in force in Portugal until the end of April 2021. These included restrictions on Portuguese citizens travelling abroad from the mainland and travel checks at land borders.

In the second half of 2021, passenger numbers were down 38% on 2019 and aircraft movements were down 25%, which reflected a significant recovery in these segments.

However, the appearance of the COVID-19 Omicron variant in late November, accompanied by the new restrictions imposed by the Portuguese State and the mandatory testing of passengers upon arrival, worked against the nascent recovery. In November, numbers dropped by 21.9%, when compared to the same month in 2019. In December, numbers fell by 32.3%, thus clearly confirming the downturn.

In 2021, around 24.9 million commercial passengers passed through the ANA's ten airports (6.9 million more than in 2020). This equates to overall annual growth of 38.6%. Passenger traffic in the ANA network was back to 2006 levels (in 2020, traffic numbers were the same as they had been in 1998). Aircraft movements increased by 31.5% (57.4 thousand more movements than in 2020) and the average load factor on commercial flights was 66.9%, 2.7 p.p. up on 2020.

Around 49.0% of all ANA network passengers passed through Lisbon Airport, which handled 12.1 million passengers (up 31.2% on 2020). The capital's airport has been particularly affected by restrictions on intercontinental and transfer traffic.

Passenger traffic at Porto Airport, which grew by 31.8%, accounted for around 23.5% of all ANA network traffic. This airport benefitted from its specific characteristics, namely higher levels of intra-European traffic and Visit Friends and Relatives trips, both of which were less affected than long-haul traffic.

Faro airport managed the highest relative increase of all mainland airports (up 48%). This was largely due to the improved performance of United Kingdom traffic, especially between September and mid-November.

Traffic at the airports in the Azores and on Madeira grew at the fastest rates and came much closer to returning to 2019 levels. This can be attributed to their traffic profile, which is mostly domestic and was not subject to hard-hitting travel restrictions, and due to the good results in managing pandemic which lead these destinations to be considered as predominant touristic alternatives in the European market. This profile helped operational numbers to get back to near their 2019 levels.

The Legacy airlines segment is recovering at the slowest pace (down 35% on 2019). A total of 13.1 million passengers were carried in this segment (3.4 million more than in 2020). The low-cost segment carried around 11.4 million passengers in 2021 (up 41.0% in year-on-year terms). The lower recovery is related with those airlines' route profile which are greater exposure to intercontinental destinations and to business traffic.

Although all the main origin/destination markets all performed better than they had in 2020, the highest areas of passenger growth were Portugal, France, Spain, the United Kingdom and Switzerland. These markets accounted for 57% of total passenger growth in the ANA network.

Despite the challenges faced in 2021, ANA network airports put in a very good showing at the ACI awards. The following achievements are of particular note:

- Highly Commended: Lisbon Airport and Porto Airport.
- Airport service quality / Best airports by size and region: Ponta Delgada Airport in the Azores (up to 2 million passengers); Faro Airport and Porto Airport (between 5 and 15 million passengers); Lisbon Airport (between 25 and 40 million passengers.
- Best Hygiene Measures by Region: Faro Airport, Porto Airport, Ponta Delgada Airport in the Azores and Madeira Airport.
- Voice of the Customer Recognition: Faro Airport, Ponta Delgada Airport in the Azores, Lisbon Airport, Madeira Airport, Porto Airport.

The table below shows the main commercial traffic indicators for ANA airports in 2021:

Table 3 – **Commercial traffic by area** (2021)

	Lisbon	Porto	Faro	Beja	Azores	Madeira	ANA Network
Passengers (unit)	12,149,201	5,841,856	3,265,182	338	1,616,223	2,026,165	24,898,965
Variation 2021-2020	*31.17%*	*31.76%*	*47.99%*	*43.83%*	*80.46%*	*72.93%*	*38.56%*
Variation 2021-2019	*(61.03%)*	*(55.42%)*	*(63.76%)*	*(56.10%)*	*(34.38%)*	*(39.87%)*	*(57.88%)*
Aircraft movements (unit)	111,598	51,839	32,317	160	25,214	18,543	239,671
Variation 2021-2020	*28.47%*	*23.45%*	*43.50%*	*90.48%*	*36.99%*	*49.16%*	*31.47%*
Variation 2021-2019	*(48.74%)*	*(46.30%)*	*(45.03%)*	*73.91%*	*(14.52%)*	*(28.87%)*	*(44.09%)*
Air cargo (ton.)	126,714	42,295	1,956	88	7,689	3,863	180,651
Variation 2021-2020	*41.72%*	*6.58%*	*(91.45%)*	*47467.57%*	*8.04%*	*17.24%*	*29.47%*
Variation 2021-2019	*(10.59%)*	*1.67%*	*(98.30%)*	-	*11.80%*	*(11.68%)*	*(7.21%)*
Seats(unit)	18,285,084	8,280,222	5,377,974	2,842	2,430,502	2,857,532	37,234,156
Variation 2021-2020	*28.04%*	*28.09%*	*43.63%*	*99.58%*	*40.55%*	*60.08%*	*32.95%*
Variation 2021-2019	*(51.78%)*	*(46.50%)*	*(47.61%)*	*24.21%*	*(22.66%)*	*(30.06%)*	*(47.48%)*
Load factor (%)	66.44%	70.55%	60.71%	11.89%	66.50%	70.91%	66.87%
Variation 2021-2020	1.6 p.p.	2.0 p.p.	1.8 p.p.	(4.6 p.p.)	14.7 p.p.	5.3 p.p.	2.7 p.p.
Variation 2021-2019	(15.76) p.p.	(14.85) p.p.	(27.69) p.p.	(21.81) p.p.	(13.60) p.p.	(11.99) p.p.	(16.83) p.p.

Portway, S.A.'s business indicators followed the same trend of recovery. The number of flights handled rose to 30,797 (up 33.7% on 2020) and the number of passengers handled went up by 63.8%. Finally, there was a 19.5% upturn in the tonnage handled by the cargo segment.

Uneven demand throughout the year, in line with the above-mentioned trend in passenger volume, meant that Portway found itself needing to constantly adjust its resource deployment, particularly that of its human resources. This proved especially challenging in a labour market in which there was a shortage of jobseekers.

The table below summarises the main business indicators for Portway, S.A.:

Table 4 – **Business indicators for Portway, S.A.** (2021-2019)

Business	2021	2020	2019	Δ % 2021/2020	Δ % 2021/2019
No. of flights handled	30,797	23,036	53,834	***33.7%***	***(42.8%)***
No. of passengers handled [1]	7,937,188	4,846,640	15,603,903	***63.8%***	***(49.1%)***
No. of tonnes handled	72,686	60,807	84,401	***19.5%***	***(13.9%)***

[1] Includes passengers assisted by other handlers in the passenger area

4.2. AVIATION BUSINESS

Over the last few years, ANA has engaged in an ongoing effort to enhance the monitoring of its service quality indicators, both by adapting processes and by making direct financial investments.

4.2.1 SERVICE QUALITY AT THE TERMINAL

The Company aims to modernise its monitoring and information gathering systems, thus fulfilling the Airport Service Quality System (RQSA)[2] commitments it made to the airlines in Annexe 7 of the Concession Agreement[2].

In addition to many other important initiatives, two passenger satisfaction projects were launched at all airports in 2021:

- improved mobility and enhanced ease of access to information for passengers, by means of a virtual assistant (automated Chatbot service) deployed via WhatsApp, Facebook and ANA's website;
- creation of a new digital platform - U-monitor - for QR code recording of passenger feedback in real time.

Although the last two years have been significantly affected by the global pandemic, ANA has made a major effort, in conjunction with official entities, to implement (health, infrastructure, equipment and other) measures designed to minimise the impact of the pandemic on services and ensure the safety of all passengers and airport staff. Given the pressures and uncertainties that have ensued from the disruptions to airline operations and service provider resource levels and also from the constant changes in travel restrictions, ANA has also had to redefine/adapt its resources, processes and procedures to match the requirements of the various destination countries.

The recognition of this effort - and of the thoroughness and comprehensiveness with which mitigating measures have been implemented - has resulted in ANA's airports being certified and highly commended by such entities as Turismo de Portugal and ACI, as mentioned above.

4.2.2 REGULATED AVIATION REVENUES

As in previous years, the ANA Group's aviation business, which includes Portway, was responsible for the lion's share of the group's turnover. In 2021, this area generated 286.6 million euros, or 67.8% of total ANA Group turnover. This figure includes the allocation of incentives to airlines, in a total amount of 10.6 million euros.

Regulated revenues, in the amount of 239.4 million euros, accounted for by far the greater part of ANA's aviation revenues.

ANAC approved the regulated charge structure for 2021, after this had been subjected to user consultation. This structure came into effect in April 2021 (except for the security charge, because, as at the end of 2021, the relevant ordinance had not yet been published).

The regulatory model applicable to ANA network airports stipulates that authorised unit revenue should fall at times of reduced traffic flow. This is why the 2021 charges for Porto and Faro airports were based on tariffs that were significantly lower than they had been in 2019.

Working within the framework provided by the regulatory model and the applicable legislation, ANA, S.A. has continued to apply the successful pricing strategy of adapting airport charges to the

[2] For ease of understanding, it should be noted that the service evaluation indicators whose typology is defined in Annexe 7 of the Concession Agreement cover two evaluation areas: (i) airport infrastructure availability measures and (ii) passenger satisfaction level measures.

seasonality of demand, particularly as regards the winter period in Faro, Porto Santo and Porto airports, developing growth in transfer traffic and fostering a more efficient use of installed capacity.

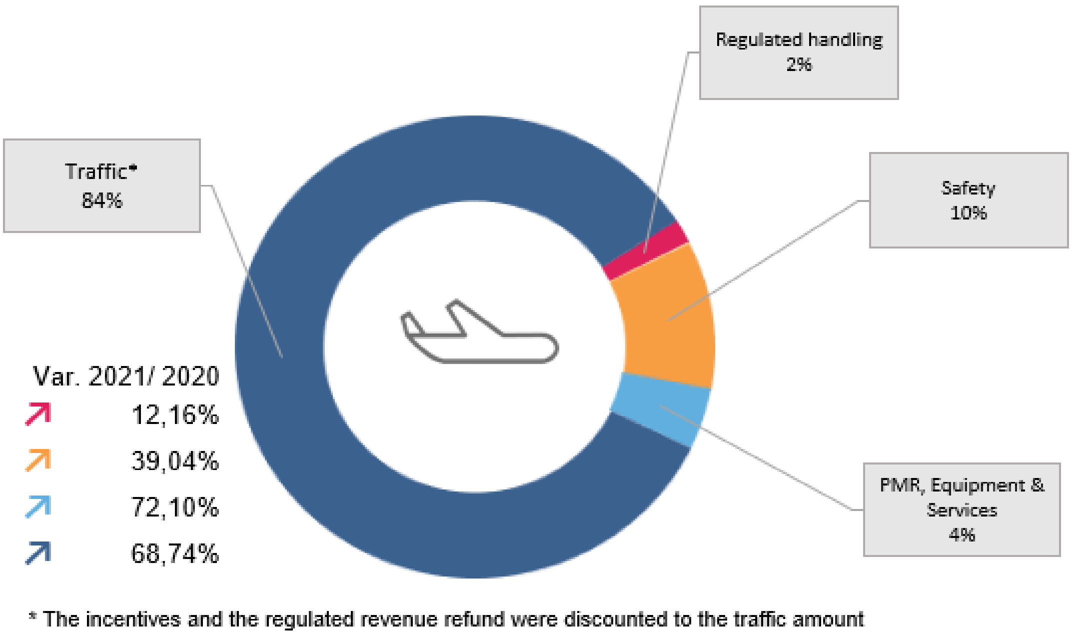
The charges subject to the economic regulation, paid in return for use of airport installations and services, are detailed in the Guide to Charges, which can be accessed on the ANA website (www.ana.pt).

In May and June 2021, ANA, S.A. returned the remainder of the excess regulated revenue from 2020 to its users, in line with the figures published in the 2020 regulated revenue report. As mentioned during 2020, the early refund of revenues, totalling around 18 million euros, was an important source of support for and helped underpin the sustainability of their business activities at ANA airports.

The aviation business in the ANA Group is divided into two revenue categories: regulated aviation revenue and non-regulated aviation revenue, which includes revenue generated by handling services (including the revenue generated by Portway, S.A.).

The following graphs summarise the growth of both ANA Group businesses, by income stream, and their year-on-year performance.

Chart 1. **Change in regulated aviation revenue in the ANA Group (2021)**



In 2021, the ANA Group's regulated aviation revenue grew by 63.8% year-on-year, to 227.2 million euros. This figure is for total regulated aviation revenues (258.3 million euros) less the total sum of route incentives (10.6 million euros) and the regulated revenue refund (20.8 million euros).

The year-on-year across-the-board growth in the various items underscores the trend of recovery that began in 2021, particularly for PRM, Equipment and Services.

4.2.3 CALCULATION OF THE REGULATED REVENUE REFUND IN 2021[3]

For the purpose of applying the regulatory framework, only ANA, S.A. revenues, in the amount of 227.2 million euros, should be taken into account.

In short, the amount to be refunded to, or additionally collected from, users is obtained by multiplying the actual passenger number by the amount obtained by subtracting the Maximum Average Regulated Revenue per passenger, as established in the concession contract, from the actual regulated revenue per passenger. For more information, see Annexe 12 of the Concession Contract.

Given the materiality of the amounts involved, the tables below clarify the procedure followed in calculating the refund of regulated revenue.

Table 5. Calculation of Regulated Revenue Excess/Shortfall with reference to **2020**[4]

Group	Maximum Average Revenue per Passenger	Retail Component (CRLA) per Passenger	Authorised Regulated Revenue per Passenger	Actual Revenue per Passenger	Regulated Revenue Excess/Shortfall per Passenger	Estimated passengers[5] (millions)	Regulated Revenue Excess/Shortfall (€ million)
Lisbon	12.87	(3.38)	**9.49**	12.95	**(3.46)**	11.16	**(38.56)**
Porto	8.80	(1.52)	**7.27**	8.93	**(1.66)**	4.34	**(7.19)**
Faro	9.51	(4.46)	**5.05**	9.18	**(4.12)**	2.17	**(8.95)**
Total (regulated revenue excess) - amount to be refunded to airlines							**(54.70)**[6]

The negative differences calculated for the Lisbon Group[7] and Porto and Faro airports reflect a surplus of revenue collected. These amounts were refunded in 2021.

In both 2019 and 2020, ANAC and ANA had different understandings of the calculation of the adjustment for estimation errors, for the Lisbon Group. ANAC's interpretation of the calculation for 2020 meant that the Lisbon Group's surplus revenue of 38.6 million euros turned into a surplus of approximately 45.7 million euros. The difference was recognised in the income statement for the year ending 31 December 2021.

---

[3] The procedure described here reflects ANA, S.A.'s understanding of the calculation of the regulated revenue refund, although the regulator may interpret this calculation differently. For further information, see contingent assets and contingent liabilities in the Notes to the financial statements.

[4] The amounts shown are drawn from passenger and revenue estimates calculated at the time of closure of the accounts.

[5] Estimated passengers as per year end closing

[6] This does not include the amount of 0.4 million euros pertaining to differences in passenger numbers found after the closure of the 2019 accounts.

[7] The Lisbon Group comprises the airports in Lisbon, the Azores (Ponta Delgada, Santa Maria, Horta and Flores), Madeira (Madeira and Porto Santo) and the Beja Civil Terminal.

Table 6. Calculation of Regulated Revenue Excess/Shortfall with reference to **2021**[8]

Group	Maximum Average Revenue per Passenger	Retail Component (CRLA) per Passenger	Authorised Regulated Revenue per Passenger	Actual Revenue per Passenger	Regulated Revenue Excess/Shortfall per Passenger	Estimated passengers[9] (millions)	Regulated Revenue Excess/Shortfall (€ million)
Lisbon	13.19	(2.42)	**10.77**	11.35	**(0.58)**	15.72	**(9.07)**
Porto	8.84	(1.16)	**7.68**	7.55	**0.13**	5.77	**0.78**
Faro	9.56	(3.00)	**6.56**	7.54	**(0.98)**	3.26	**(3.18)**
Total (regulated revenue excess) - amount to be refunded to airlines							**(12.25)**[10]
Total (regulated revenue shortfall) - amount to be claimed from the airlines							**0.78**

For 2021, and given the actual regulated revenue per terminal passenger, a negative difference was calculated for the Lisbon Group and for Porto and Faro airports. This means that ANA charged 12.25 million euros more in regulated revenue than was actually due and it has an obligation to refund this to the airlines, as established in the business regulation in the Concession Contract. Regulated revenue for Porto Airport was calculated to be around 780 thousand euros less than it should have been. This amount will be recovered through the rates charged in 2023.

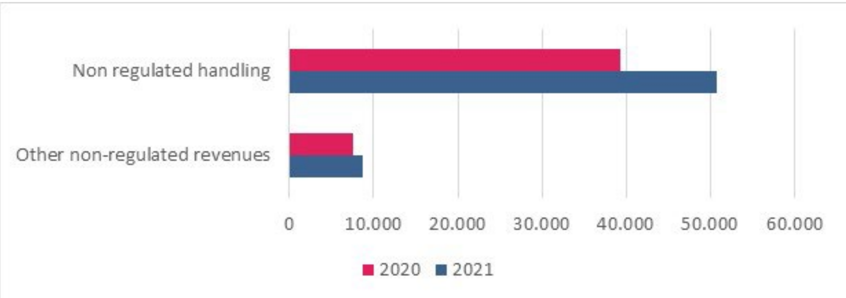
4.2.4 NON-REGULATED AVIATION REVENUE

The amounts in question are subtracted from the intragroup adjustments.

In 2021, the ANA Group's non-regulated aviation revenue grew by 26.9% year-on-year, to 59.4 million euros.

Portway, S.A. made a significant contribution to this result, by bringing in 41.1 million euros (40.9 million euros in non-regulated handling services and 0.2 million euros in equipment and services). ANA, S.A. contributed the remaining 18.3 million euros to this category of revenue, of which non-regulated handling, fuel sales and the sale of other services and equipment are part.

Chart 2- **Change in non-regulated aviation revenue for the ANA Group** (2020, 2021, thousands of euros)



[8] The amounts shown are drawn from passenger and revenue estimates calculated at the time of closure of the accounts.

[9] Estimated passengers as per year end closing

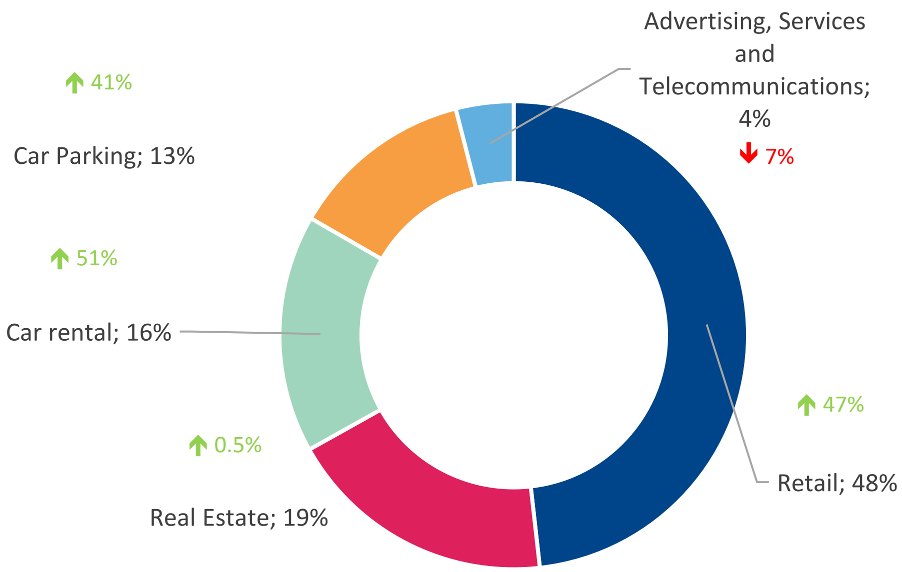
[10] This does not include the amount of 0.3 million euros pertaining to differences in passenger numbers found after the closure of the 2020 accounts.

4.3. EXTRA-AERONAUTICAL ACTIVITIES

In 2021, the global proliferation of the pandemic continued to affect ANA's extra-aeronautical activities. Although the results from this business were better than they had been in 2020, they were still far below 2019 revenues.

Extra-aeronautical activities' revenues came to 140.4 million euros (taking into account the impact of intragroup operations, which amounted to 4.2 million euros), a year-on-year increase of 32.2%. However, revenues were still 42.9% down on the 2019 figure, but were in line with the growth in passenger traffic (38.6% up on 2020 and 57.9% down on 2019). In 2021, revenues from the extra-aeronautical activities were distributed as follows:

Chart 3 - **Distribution of the ANA Group's extra-aeronautical activities** (2021)



Despite the ongoing pandemic, ANA continued to work closely with its business partners, analysing indicator development and assessing the implementation of the measures that had to be applied, at any given time, to comply with the legal restrictions in force. ANA's constant priority, in doing this, was to safeguard the continuity of the airport service to passengers, product and service offer and quality.

4.3.1 RETAIL

The retail business revenues, at 67.7 million euros, were 46.7% up on 2021, although they were still 50.2% below the 2019 figure.

The higher growth of retail business when compared with passenger traffic, resulted from a positive evolution of the revenue per passenger. In terms of segmentation, specialised retail accounts for close to 72% of revenues, followed by restaurants at 25%. Compared to the previous year, most segments saw a sharp increase in revenues, in line with the rise in passenger traffic numbers, although these revenues were still far below 2019 \levels.

A number of development initiatives for the commercialisation of new spaces and the reformulation of existing spaces are planned for 2022. In developing these projects, ANA, S.A. intends to respond to the current consumer profile, by creating offers that are more closely attuned to this profile and have strong links to Portuguese products.

4.3.2 CAR RENTAL

Year-on-year revenues, which totalled 23.1 million euros, rose by 51.1%. Despite this recovery, revenues were still about 39.8% down on 2019.

Throughout 2021, quarterly meetings were still held with the heads of the RAC companies, so ANA and these companies could work together to find solutions to mitigate the effects of the pandemic and traffic restrictions, continuously adjust supply to growing demand and monitor the various aspects of market trends.

Car rental companies responded to the pandemic by investing in “Key and Go” systems for the various national airports. These help optimise car rental check-in processes and reduce physical contact with customers, thus making the whole experience safer. ANA, S.A. will continue to work on providing the conditions required for the implementation of systems of this type.

4.3.3 CAR PARKING

In 2021, revenues from the car parking business, which amounted to 17.8 million euros, were about 41.4% lower than they had been in 2019 but were 40.5% up in year-on-year terms.

Unlike the downward trend in demand seen throughout 2020, parking space occupancy rates began rising at the start of the second quarter of 2021. Year-on-year revenues and occupancy rates both ended up higher.

This recovery was most notable in the rotation and online segments, as a result of passenger numbers being higher than they had been in 2020. In contrast, the drop in revenue from flat-rate fees in the staff segment seen in 2020 continued to be felt in 2021, due to cancellations and/or transfers to parks further away from the terminal.

The online platform for the management of flat-rate fees at Porto, Faro, Funchal and Ponta Delgada airports was implemented in full in the first quarter of 2021. This innovative solution, which was first applied to Lisbon Airport in 2020, allows each of ANA’s parking partners and customers to directly manage all their parking flat-rate fees, thus greatly optimising and streamlining the whole process.

The new car parking scheme for Official Entities working in ANA, S.A. airports was also brought into operation in 2021.

Growth in the parking business in 2022 will quite naturally depend on the path taken by the pandemic and on the restrictions that the Portuguese state puts in place. However, a series of initiatives for the implementation of new products and offers have already got off the ground. These include an increased number of charging points for electric vehicles within the perimeter of Lisbon Airport, as well as the extension of this offer to the other airports, with the aim of meeting clearly stated customer needs.

4.3.4 REAL ESTATE

Despite the adverse conditions, the real estate business performed well in 2021. This even included taking advantage of the opportunities generated by the crisis, as evidenced by year-on-year revenues, which grew slightly (up 0.5%) to 26.2 million euros (22.1 million euros if the full impact of the intragroup operations in this segment is taken into account).

The hotel and aviation segments were the most affected parts of the real estate business. Nevertheless, it proved possible to keep the client portfolio largely intact and revenues only fell by 3.3%, when compared to 2019.

In 2022 there are expectations of a return to normality which is expected to have a positive impact on the hotel sector and the office market.

On the other hand, the rise of electronic commerce, as well as logistic sector had a positive impact in the development of air cargo volume handled and, consequently, the promotion of real estate projects linked to air cargo business.

4.3.5 OTHER SERVICES

Revenue from other services, i.e. advertising, telecommunications and other businesses, amounted to around 5.5 million euros, down 7.3% on the previous year and down 60.8% on 2019.

In 2021, there was an overall decrease in advertising revenue to 1.8 million euros, a year-on-year fall of 24.4% and a drop of 60%, when compared to 2020 and 2019, respectively.

In 2022, the perpetuation of a certain degree of instability regarding the perspectives of traffic growth, plus the economic reality experienced by some promoters may constraint the demand of advertising within airports. This is why it is so important to establish new communication formats that are both differentiating and impactful.

ANA’s response to this is to develop a range of initiatives, in conjunction with its specialist advertising partner. These include the preparation of dynamic content linked to passenger origin/destination, increased prevalence of digital equipment and the running of branding initiatives aimed at the profiles of the different target audiences that visit the network’s airports.

In 2021, revenue from the telecommunications business was around 1.5 million euros, which was up 8.7% and 15.2% on 2020 and 2019, respectively.

Finally, although revenues from other businesses continued to be affected by the pandemic, they showed signs of a slight recovery. These revenues, which amounted to 2.2 million euros, grew 1% year-on-year, but were still 72.9% down on 2019. This fall in revenues reflects the fact that ANA, S.A. lounges have been closed since February 2021.

5. SUSTAINABILITY

5.1. HUMAN RESOURCES

5.1.1. RECRUITMENT

The pandemic, which continued to have a significant effect on the airport sector, made 2021 a truly challenging year for human resources. Quite naturally, one of the Company's main focuses had to be the protection of employee health.

5.1.2. HUMAN RESOURCES DEVELOPMENTS

The Company remained committed to the promotion, enhancement and development of employee skills throughout 2021. Due to the pandemic and the ensuing need for self-isolation, as well as the drive to implement best training practices and make the most of current trends, there were fewer face-to-face training sessions along the year and more short- and medium-duration digital training courses.

The only face-to-face courses that were run were those that were both mandatory and required this format. The number of participants in each group was kept down, so as to comply with social distancing rules and prioritise employee well-being.

Some of the training highlights of 2021 were:

- a revision of the operational first aid training module, with the aim of delivering:
  - enhanced feasibility, by reducing the number of hours of mandatory training for each operative;
  - greater flexibility, by integrating e-learning courses;
  - increased homogenisation and standardisation of content whilst respecting local specificities;
  - better adaptation to local needs, as each airport is able to select the components of its own training offer.
- launch of the basic operational safety training course;
- the use of various e-learning courses provided through the Vinci Airports Academy platform, particularly those that cover airport operations;
- adoption of new training management software, to be shared with the Vinci Airports Academy and with all airports in the VINCI network. This initiative aims to forge closer ties within the group and encourage the sharing of knowledge through e-learning courses;
- start on the revision of the training programme for the maintenance area.

The ongoing investment in developing workforce competences translated into a group-wide delivery of 123,679 hours of (internal and external) training, of which 34,845 hours were delivered to ANA, S.A. employees and 88,834 hours to Portway, S.A. employees.

5.1.3. HUMAN RESOURCES IN NUMBERS

As at 31 December 2021, the ANA Group had a total workforce of 2,510. Of these employees, 1,186 were employed by ANA, S.A., and 1,324 by Portway, S.A., as detailed in the table below.

Table 7. **Distribution of ANA Group employees by company, gender and age group (2020-2021)**

	ANA, S.A.			Portway, S.A.			Grupo ANA		
	2021	2020	Var. % 2021/20	2021	2020	Var. % 2021/20	2021	2020	Var. % 2021/20
Total staff	1,186	1,240	-4.35%	1,324	1,405	-5.77%	2,510	2,645	-5.10%
Gender									
Male	770	809	-4.82%	1,012	1,073	-5.68%	1,782	1,882	-5.31%
Female	416	431	-3.48%	312	332	-6.02%	728	763	-4.59%
Age									
< 30	39	59	-33.90%	77	70	10.00%	116	129	-10.08%
30-50	659	702	-6.13%	1,025	1,139	-10.01%	1,684	1,841	-8.53%
>50	488	479	1.88%	222	196	13.27%	710	675	5.19%
Average age	48.3	47.3	2.16%	42.1	41.8	0.79%	45.2	44.55	1.52%

As can be seen from the table above, there were 5.03% fewer employees in 2021 (-4.35% at ANA, S.A. and -5.62% at Portway, S.A.) than in the previous year.

5.1.4. OCCUPATIONAL HEALTH AND SAFETY

ANA, S.A. has implemented an occupational health and safety (OHS) management system that has been ISO 45001-2018 certified by an accredited entity. The main objective of this system is to prevent work-related injuries and illnesses and to promote safe and healthy working practices and workplaces.

In 2021, the ongoing pandemic led the Company to retain and adapt its internal contingency plan. The plan establishes the prevention, control and surveillance procedures required to protect the health and safety of ANA, S.A. employees, service providers and visitors against SARS-CoV-2 infection, thus helping limit its effect on the company, on the VINCI Group and, in a broader sense, on the domestic and global economy and society.

The VINCI Group and ANA, S.A. are committed to a “ZERO ACCIDENTS” target and this underpins the design of all the occupational risk prevention and health protection programmes aimed at employees.

Despite the 7.4% increase in the frequency rate, there was a 50% decrease in the work accident severity rate in 2021.

With a view to reducing accidents and promoting safety, health and well-being at work, initiatives designed to control other risk factors were also developed. These included: safety checks of work equipment; the assessment of indoor air quality; the assessment of exposure to biological agents; the control of exposure to ionising radiation and the adequacy of the radiological protection programme; the microbiological control of building water networks to prevent exposure to legionella.

During VINCI Safety Week 2021, a number of events were held at ANA, S.A. to promote occupational health and safety and incident prevention under the maxim “*Stay Alert! Be Aware! Keep Safe!.*”

The “Act to Prevent Accidents” webinar, which was a great success, showcased the development of the work accidents platform for recording Near Accidents and the establishment of a transversal working group to analyse safety-related aspects of the maintenance work carried out on airport lighting towers.

Other Safety Week highlights included ANA's production of two videos on OSH topics that were then disseminated by the VINCI Group, the implementation of "Safety Walks & Safety Talks" at all airports and the involvement of partners and service providers in the prevention and safety of the airport-working community.

Having been adapted to pandemic-related constraints, the OHS training courses proved to be highly successful. Twenty-four such training courses were delivered and attended by 3,390 participants over a total of 9,235 training hours.

The 2021 indicators at Portway, S.A. were not as good as they had been in 2020, although they were still above 2019 levels. The following results are worth highlighting:

- LTIR (lost time injury rate - a frequency rate): 19.03 workplace accidents with lost days per million man-hours worked; and
- SR (severity rate): 0.42 days lost per thousand man-hours worked.

5.2. ENVIRONMENT

The environment is a key strategic area for ANA, S.A. and the company is currently employing new approaches that are designed to continuously improve its environmental performance. The company develops and fosters initiatives that aim to reduce impacts and drive the sustainability of its membership of the community neighbouring its airports.

This commitment to the environment was reinforced in 2020 and 2021 through the alignment of ANA's strategic objectives with VINCI Airports' new environmental strategy for 2030 and, at the same time, with participation in the various initiatives launched by the VINCI Group, namely the VINCI Environment Day and the VINCI Environment Awards.

VINCI's environmental strategy, which has set ambitious goals for 2030, focuses on three major areas: i) energy and climate change, ii) circular economy and waste management and iii) protection of natural resources (water and biodiversity). To help achieve these, a change was also made to the organisation and operation of ANA's environment and sustainability team in 2021, with the aim of ensuring it has the right tools to be able to respond to the growing challenges in this area. Progress was also made with the drawing up a guiding environmental strategy aligned with the company's priorities and with the subsequent establishment of the basis required for the preparation of specific action plans for each area and airport.

For ANA, environmental issues are part of the daily management routine and its environmental management system (integrated, in a single management system, with the areas of quality, occupational health and safety and innovation) has been certified under ISO 14001:2015 since 2008.

The Company is also still a member of the Business Mobility Pact for the City of Lisbon, which brings together leading companies that are committed to making mobility in Lisbon more sustainable. This initiative is promoted by Lisbon City Council, WBCSD - World Business Council for Sustainable Development, and BCSD Portugal - Business Council for Sustainable Development.

Another major initiative that took place in 2021 was the implementation of ANA's action plan under BCSD Portugal's Act4Nature initiative. This international initiative aims to mobilise and encourage companies to protect, promote and restore biodiversity and ecosystem services, one of the most important challenges, along with climate change, that the world is currently facing.

In late 2021, the Company signed up to BCSD Portugal's Charter of Principles for Sustainability, which meant that it also committed to Jornada 2030. Jornada 2030 is the instrument that demonstrates the contribution companies make to the United Nations Sustainable Development Goals (SDGs), and aligns this with EU strategy and that of Portugal.

ANA, S.A. has also retained the collaboration protocols it has established with a number of environmental associations (CERVAS, RIAS and QUERCUS) for support in different areas of technical, operational or environmental expertise (some local in nature). The objective of these partnerships is to strengthen the Company's capabilities and know-how in these matters, by working with entities that have specialised skills in a range of areas related to preservation of the environment.

In 2021, ANA took the first steps towards creating a new cycle for the company's sustainability. This will focus on aligning the company with VINCI group policy and making ANA a more environmentally, socially and economically responsible business.

Finally, great care has been taken at ANA, S.A. to foster operational sustainability. This concern is increasingly clear in the environmental initiatives being developed by the company. These include the ongoing initiatives to reduce water and energy consumption, lower the amount of waste generated, increase recycling rates and raise environmental awareness. The following areas of intervention are both relevant to this report and of significant note in their own right.

For further information on ANA, S.A.'s environmental performance, please see the separate report available on the Company's official website (www.ana.pt).

5.2.1. NOISE AND AIR QUALITY

One strategic area that ANA, S.A. prioritises for action and is comprehensively covered in the Company's environmental policy is the management of the negative impacts of noise emissions. This is why round-the-clock noise monitoring system has been implemented at airports (continuously operating) where environmental noise is a matter of concern. The system monitors and controls noise levels, particularly those generated by aircraft. The noise monitoring system comprises:

- at Lisbon Airport, 6 fixed monitoring stations, supplemented by 2 stations inside the airport perimeter that are used to check the use of engine braking procedures;
- at Porto Airport, Faro Airport and Madeira Airport, 3 stations each. The monitoring is supplemented by 1 portable station at each airport, so that locations not covered by the fixed stations can be analysed or in order to respond to any complaints that are made.
- at Porto Santo Airport, there is 1 portable continuously operating monitoring station.

In 2021, ANA, S.A. continued its dialogue with the Agência Portuguesa de Ambiente (Portuguese Environment Agency) on the Bairro - Acoustic Insulation Programme, which is part of the Noise Reduction Action Plan for Lisbon Airport. The launch of the Programme depends on the definition of the external funding.

ANA, S.A. continues to exercise tight control over all gaseous emissions at its airports, particularly as regards one-off releases, in compliance with its legal obligations.

Finally, air quality at the airports, as measured by the relevant air quality index classifications, continued to be broadly favourable in 2021, just as it was in 2020.

5.2.2. VOLUNTARY CARBON MANAGEMENT

In 2021, the VINCI Group and ANA, S.A. strengthened their commitment to climate change and determined that working towards carbon neutrality would be an environmental management priority.

A strategy designed to take ANA, S.A. through to carbon neutrality was drawn up last year. This is largely based on a continuous reduction of its carbon footprint, through the implementation of energy efficiency measures, the study and adoption of zero-emission technologies (e.g. photovoltaic energy production for self-consumption) and the exploration of ways in which it can collaborate with clean technology innovation projects (e.g. hydrogen). In 2021, the company developed ambitious carbon and energy management plans for each airport. These plans will require the company to make significant investments from 2022 onwards.

ANA is fully aware that there will always be a certain, albeit ever smaller, amount of emissions that it will not be able to avoid generating, which is why it is essential to engage with projects that involve capturing such emissions. The purchase of carbon credits on the voluntary market does not currently contemplate projects in Portugal. Therefore, and in line with the VINCI Group's overall strategy, ANA, S.A. has begun to draw up plans to implement projects at the national level. The ultimate goal of such projects will be to have them recognised as credits that can offset carbon emissions, for internal use.

As a result, and in line with the guiding maxim of "Together We Plant the Future," the Company has begun reforestation projects in two distinct geographical areas:

- Five hundred trees were planted on the island of Porto Santo in 2021 and a commitment has been made to plant a further 100 trees a year by 2026, to give a total of 1,000 trees. This initiative is the result of close collaboration with the Regional Government of Madeira and the [Regional] Institute for Forests and Nature Conservation.
- The company has fostered the planting of 2,500 trees on land in the Conceição de Tavira forest owned by the Institute for Nature Conservation and Forests. This project was carried out in partnership with QUERCUS and involved a number of regional entities and students from a local primary school. Besides contributing to the control of climate change, these projects have an important role to play at the local level, both as regards their social impacts and the promotion of biodiversity.

Alongside the reduction of emissions that are the company's direct responsibility (scope 1) and the emissions associated with its electricity consumption (scope 2), ANA, S.A. plays a key role in influencing and contributing to the reduction of indirect emissions (scope 3), through collaborative arrangements with its stakeholders. One example of this is the stakeholder engagement project that was started up in 2021. This began with the hosting of a Global Carbon Management Forum, attended by all the stakeholders who have a part to play in reducing the carbon footprint of ANA airports (airlines, handling companies, municipalities, passenger transport companies and companies with high electricity consumption).

The next step, which was designed to maximise the sharing of knowledge and best practices and the drawing up of a plan of action appropriate to each stakeholder's area of work, was to create three transversal working groups (aviation, handlers and energy) and 5 local working groups (for the Lisbon mobility area, Porto, Faro, Azores and Madeira). After some six months of preparatory work, a Partnership Plan was produced for each airport and each stakeholder signed a Declaration of Commitment.

In 2021, more than 40 companies formally took up this commitment with ANA, S.A. This number is expected to increase further in 2022.

All this hard work has enabled most airports[11] to apply for level 4 (Transformation) of the Airport Carbon Accreditation Programme (ACA) run by the Airports Council International (ACI). This accreditation should be granted in early 2022.

Although the group's environmental objectives in this area are already quite ambitious, ANA intends to go a little further as far as carbon neutrality is concerned and is currently studying the possibility of reaching such neutrality before 2030, potentially between 2022 and 2023. If this goal is achieved, ANA and all its airports can aspire to be accredited at the highest ACA level (level 4+, Transformation) sometime during the next 2 years.

[11] Beja is expected apply for such accreditation in 2022.

5.2.3. CONSERVATION OF NATURAL RESOURCES AND WASTE MANAGEMENT

In 2021, water audits were conducted at all ANA airports. These resulted in the definition of a set of airport-specific short-, medium- and long-term measures that will reduce airport water consumption and increase airport water efficiency.

ANA, S.A. has invested substantially in improving the drainage systems designed to deal with effluents, rainwater and contaminated run-off. Entire networks have been reconfigured at some airports and programmes have been installed to monitor the quality of wastewater, rainwater and run-off.

Waste management diagnostics were initiated in 2021 for Lisbon, Porto and Faro airports (the remaining airports are scheduled for 2022), with the aim of improving the circular economy. The intended outcome is to identify and build a set of improvement actions for the management of waste. The ultimate goal is to increase recovery rates and reduce the amount of waste sent directly to landfill to zero.

In a similar fashion, and as a direct result of ANA's participation in the Act4Nature Portugal initiative, the foundations were laid in late 2021 for the phased implementation of biodiversity diagnoses at all ANA airports over the next few years. In fact, ANA, S.A. is already promoting biodiversity, in conjunction with its reforestation work, through projects that range from the installation of a sentinel apiary at Ponta Delgada Airport to participation in the Azorean regional campaign SOS Cagarro.

The company has also made a significant commitment to raising environmental awareness through specific actions aimed at and involving airport stakeholders, namely ANA employees, passengers and the surrounding communities. This is exemplified by the successive campaigns associated with the 1st VINCI Environment Award, the VINCI Environment Day, the reduction of water consumption and the promotion of biodiversity, as well as the external campaign to present ANA's new environmental strategy.

Appreciation and protection of the natural and human environment is embedded in ANA, S.A.'s corporate strategy and the company actively fosters biodiversity. This is why the protection and conservation of species and ecosystems, which are essential to maintaining a true balance in the environment, form an integral part of the corporate action plan.

Two legal cases have been brought following the presentation of the Environmental Impact Declaration (DIA) on the construction plans for the Montijo Complementary Airport, issued on 21 January 2020 by the Agência Portuguesa do Ambiente (APA). These are described in more detail in the notes to the accounts.

5.3. RESEARCH, DEVELOPMENT AND INNOVATION

In 2021, ANA, S.A. updated its SGIDI - Research, Development and Innovation Management System, having obtained renewed certification under Portuguese standard 4457:2007. The main objective of this update was to integrate innovative methods and services relating to airport management, as well as the commitment to promote and develop innovation, as a way of ensuring success for the company.

This year, the strategic innovation lines were based on four main factors:

- **Development and implementation of ideas and opportunities** that will ensure success throughout the innovation life cycle. It should be noted: Computer vision initiatives (which include the LIS biometrics[12] - biometric experience in Lisbon airport which includes the use of new solutions with aim of simplifying passengers and suppliers procedures), chatbot, airport structures' analysis, and mobile asset management;

[12] After registration, passengers are biometrically read. At the boarding gate, only facial biometric recognition is used and passengers do not need to present their boarding card again. GDPR requirements were fully taken into account when designing this procedure.

- **Environment:** Active collaboration with the environment team, with a view to achieving the strategic objectives set by VINCI Airports SAS. In January 2021, an application was submitted to Horizon Europe under the European Union Green Deal. This focused on prolonging long-term transformational initiatives (e.g. SAF and hydrogen fuel) and new short-term innovative initiatives (e.g. waste management);
- **Cost reduction:** The pursuit of digital solutions and new technologies for reducing operational costs, from organisational issues to airport operations systems; and
- **Innovation culture**: Exploration of ideas / opportunities and definition of new innovation priorities. The focus was on disseminating key initiatives, aligning the design process and maintaining positive employee engagement. This objective was also broadened to include ANA, S.A.'s external surroundings, so as to ensure community involvement.

As in previous years, ANA, S.A. has continued to foster the effective management of its innovation culture, by favouring the development of creativity and entrepreneurship and underpinning the quest for innovative solutions. It is leading and encouraging the shaping of innovative ideas, supporting the implementation of these ideas and removing barriers. There is also a strong focus on those objectives that pertain to obtaining financial incentives for the development of research, development and innovation.

The Company has also promoted employee participation in the dissemination of good innovation practices, thus contributing not only to knowledge transfer but also to knowledge retention.

As an example of this, a number of ANA, S.A. employees have been participating in meetings with airport directors, with the aim of disseminating the main initiatives and developing a list of operational priorities. This process has helped the working up of airport-specific ideas and has led to some of the proposed solutions being replicated at the other airports.

ANA, S.A. is also engaged in the development and implementation of initiatives in such emerging areas as artificial intelligence, robotics, biometrics, IoT (Internet of Things) and video, among others. Projects such as the Chatbot or the Airport Community app have resulted in an overall improvement in passenger and staff communication, by increasing interactivity and participation. Similarly, the experiments with biometrics have placed ANA, S.A. at the forefront of the simplification of passenger handling - an area in which both video and analytical data processing will play an important role in the near future. Other initiatives will generate results in the longer term. These include passenger communication based on robotics, which is already at the voice-based interaction stage. The overarching aim here is to increase and sustain communication with passengers as traffic continues to grow.

A number of RDI Projects are co-financed by Portuguese and European Programmes:

- The **"MEGE - Structural Monitoring of Large Structures"** project, at Funchal airport, which was completed in February 2021. The outcome of this project was in full alignment with the initial plan. The funder has already performed a final audit and the company awaits payment of the remaining incentive.
- The **LIS_iAOP (Inicial Airport Operational Plan),** project at Lisbon airport, which aimed to help optimize the air traffic management system in Europe. Although the original deadline could not be met because of the pandemic, the company has been allowed to carry on working on the tasks that have not yet been completed. The deadline has been pushed to December 2022, when the final report is due to be presented.
- The "MPP - Ongoing Runway Monitoring" project, currently underway at the Lisbon Airport through smart cameras. The project has been slightly held back by pandemic-related restrictions that have hindered the delivery of components and limited some airside work. The project has a small delay, which has been recovered until the end of 2021.

The ACI awards that a number of ANA, S.A. have won can be attributed to these innovation policies, particularly as regards the attitudes of responsibility and commitment that were maintained despite the COVID-19 pandemic, driven by the agility and adaptability of the teams and infrastructures, and the focus on using innovation to improve the passenger experience.

5.4. INFORMATION SYSTEMS

The fact that the pandemic continued for another year significantly held back a number of investment initiatives that had been planned for 2021.

The company sought to prioritise system operability and availability, which was particularly demanding due to the reduction in team capacity caused by shortened working hours and voluntary redundancy plans.

Contract optimisation was also ongoing in 2021, with an emphasis on software licensing. The following were just some of the main improvements achieved during the year:

- replacement of all the CUPPS workstations in all airports;
- substantial reinforcement of the mobile equipment supporting the BRS system (baggage reconciliation);
- implementation of a new system to monitor infrastructure availability. This system allowed for the leveraging of a new reporting method for the RQSA monitoring of the systems managed by the Information Technologies Department whilst also meeting audit recommendations;
- implementation of a new system for managing the information technologies projects and initiatives portfolio;
- a new information security management model that will underpin the transition to new national regulation challenges in the area of cyber security as well as compliance with the Group.

5.5. INFORMATION SECURITY AND PRIVACY

European Parliament and Council Regulation (EU) 2016/679, of 27 April 2016, the General Data Protection Regulation (GDPR), has led to significant changes in the way that personal data is processed and the free circulation of these data. The regulation came into force in Portugal in May 2018. Subsequently, Law no. 58/2019 and Law no. 59/2019, both of 8 August, transcribed GDPR execution and rules into the Portuguese legal system.

As was the case in 2020, 2021 was also inextricably associated with the COVID-19 pandemic, which has had a profound impact in all areas, including privacy. This impact was exacerbated by the necessary increase in innovative airport healthcare practices - screening and measuring of temperatures and diagnostic testing - and the consequent processing of special/sensitive personal data.

Teleworking, which continued to be much used, also threw up specific challenges for privacy and information security.

In this regard, the following initiatives are worth highlighting:

- awareness-raising on information security;
- data protection impact assessments in such areas as biometrical face reading (Lisbon Airport) and the CCTV system in Porto Airport;

- the establishment of policies on video-surveillance, personal data breaches and data owner rights;
- internal audit of the data protection system.

5.6. SOCIAL RESPONSIBILITY

In 2021, ANA, S.A. continued to support such social welfare charities as Comunidade Vida e Paz and the Portuguese Federation of Food Banks Against Hunger. The development of partnerships with *EPIS – Empresas para a Inclusão Social* and GRACE and supported the PROMOVA program, an initiative of CIP which focused on gender equality/leadership for females.

The company also sees the development of the various regions that host the airports as a priority. This is one reason why certain areas of artistic expression, such as music, continue to deserve its support. For a number of years now, the company has encouraged the Youth Symphony Orchestra, has been an associate member of the National Culture Centre and has supported the Serralves Foundation. Also, in the social field, support was promoted for regional nature institutions' activities.
Since 2004, the Company has also been a partner of the Business Council for Sustainable Development, a public service entity that brings together and represents companies that are actively committed to sustainability, which is also an active member of BCSD.

5.6.1. VINCI PROGRAMME FOR CITIZENSHIP

The company's corporate engagement with its social responsibility work was underscored by the creation of the VINCI Programme for Citizenship (PVPC) in 2019, which provides continuity for the VINCI Group's social intervention strategy in the various European countries in which it operates.

The PVPC, which aims to contribute to the inclusive and sustainable progress and development of local communities, was run for the third time in 2021, through the founding companies in Portugal (ANA, S.A., Sotécnica Sociedade Eletrotécnica, S.A. and Axianseu - Digital Solutions, S.A., part of VINCI Energies Portugal, S.A.). The selection of projects and allocation of donations is planned for the first quarter of 2022..

With a common desire to contribute to the progress and development of the closest communities, the founders join efforts and resources to give substance to a Program that, due to the effects of network and scale, allows the expansion of individual intervention capacity. The VINCI Programme for Citizenship supports projects in four areas of activity: access to employment, inclusive mobility, integration though housing, building better communities. The supported projects are sponsored by group employees promoting and increasing the spirit of solidarity and social responsibility.
In the two previous editions, around 30 associations were selected for support, out of the more than 140 who applied. The sponsors, employees of the three founding companies, oversaw the projects, offered support and strengthened the connection between the associations and the PVPC. The PVPC also has an emergency fund that provided extraordinary support to 13 associations, to help them deal with the impact of COVID-19.

In 2021, the VINCI Programme for Citizenship, VINCI Airports and VINCI Energies were among the 35 social investors who sponsored the EPIS (Entrepreneurs for Social Inclusion) Grants, by awarding grants to 11 secondary school students and 19 students preparing to enter higher education. EPIS runs the largest programme for involving civil society in the promotion of the social inclusion of young people through educational attainment and professional placement.

6. ECONOMIC AND FINANCIAL ANALYSIS

6.1. RESULTS

ANA Group turnover[13] in 2021 amounted to 422.8 million euros, a rise of 47.2% compared to the preceding year. However, ANA Group turnover in 2021 was still about 52.9% below the 2019 figure. The aviation business grew by 54.4% year on year and the extra-aeronautical activities by 33.9% (compared to 2019, this represents a decrease of 56.4% and 43.5%, respectively).

ANA, S.A. contributed about 389.4 million euros to the Group's turnover, not excluding intragroup operations for the invoicing of its Subsidiary. This is equivalent to a 48.4% increase over 2020.

Table 8. **ANA Group turnover (2019-2021; thousands of euros)**

ANA Group	2021	2020	2019	Δ% 2021/2020	Δ% 2021/2019
ANA, S.A.	389,386	262,419	847,077	48.4%	(54.0%)
Portway, S.A.	51,407	40,607	83,321	26.6%	(38.3%)
Intra-group operations	(18,025)	(15,770)	(31,933)	14.3%	(43.6%)
ANA Group	**422,768**	**287,256**	**898,465**	**47.2%**	**(52.9%)**

Although 2021 was still much affected by COVID-19, as significant travel restrictions remained in place, the spread of vaccination and of more and better health measures meant that the Group's EBITDA reached 175.2 million euros in 2021, considerably higher than it had been the year before. This result translates into an EBITDA margin, without construction contracts, of 41.5%, 29.17 p.p. above the preceding year.

Net profits for the ANA Group were 25.5 million euros. This represents a substantial recovery from the preceding year.

The ANA Group achieved this result by keeping its cost base close to the 2020 figures, whilst simultaneously growing revenue by 91.3 million euros in year-on-year terms, as detailed in Chapter 4 of this Report.

Net external supplies and services to the ANA Group rose by 11.8% to 142.8 million euros (excluding the 8.8 million euro impact of construction contracts). Nevertheless, construction contracts were 43.5 million euros down on the preceding year and analysis of this figure from a strictly accounting point of view would give a decrease of 15.8%.

Staff costs at the ANA Group fell by 5.2% when compared to 2020. This reflects the state aid that ANA, S.A. accepted between 1 February and 31 July, as well as the fall in staff numbers resulting from the voluntary redundancy plan.

With respect to financial earnings, financing costs decreased by 5.9% when compared with the preceding year, and ANA, S.A. is currently discussing the terms for the refinancing of its debt to its shareholder. This loan matures on 31 July 2022.

In view of the above, ANA, S.A. closed the year with a net profit of 27.5 million euros. Although Portway made a loss of 2.0 million euros, this can still be interpreted as an important year-on-year improvement (in 2020, the loss at the subsidiary amounted to 7.6 million euros).

Throughout the year, Portway, S.A. continued to work on restructuring and adapting its teams to the current size of the business. The main focus of this effort was on cost reduction and cost containment. The cost reduction initiatives that were implemented enabled Portway to make structural savings,

[13] This figure does not include construction services (IFRIC 12).

particularly as regards space rental, communications, electricity and fuel consumption and equipment maintenance and repair.

The following table offers a breakdown of the net income for the ANA Group companies in 2021:

Table 9 – **Net income of ANA Group (2019-2021; thousands of euros)**

Ana Group	2021	2020	2019	Δ% 2021/2020	Δ% 2021/2019
ANA, S.A.	27,486	(72,139)	301,864	138.1%	(90.9%)
Portway, S.A.	(1,955)	(7,566)	4,343	74.2%	(145.0%)
Intra-group operations	-	-	(2,772)	-	100.0%
ANA Group	**25,531**	**(79,704)**	**303,435**	**132.0%**	**(91.6%)**

6.2. FINANCIAL SITUATION

At the end of 2021, the capital invested in the ANA Group totalled more than 1.7 thousand million euros.

The growth in net investments is essentially attributable to the fall in (tangible and intangible fixed) assets and the sum of the investments made, on the one hand, and the amortisation and depreciation for the year, on the other.

The drop in Capital Employed is largely the result of the fall in net debt to other entities, which was partially offset by the rise in equity ensuing from the incorporation of the net profits.

The net debt to other entities item reflects a reduction in the outstanding debt to the EIB, following the repayment of loans (14.1 million euros). It was also influenced by the excess liquidity achieved as at the end of 2021 (340 million euros).

Table 10. **Financial situation in the ANA Group** (2019-2021; thousands of euros)

ANA, S.A.				Grupo ANA		
2021	2020	2019		2021	2020	2019
167,042	187,993	209,256	Tangible Fixed Assets (net of subsidies)	171,291	192,722	214,272
1,694,930	1,731,866	1,717,830	Intangible Assets (net of subsidies)	1,696,360	1,733,296	1,719,260
67,579	69,085	51,802	(+) Deferred tax assets	69,534	71,352	52,048
492	486	401	(+) Inventories	1,159	1,201	1,159
70,360	79,111	87,624	(+) Third party debt	74,662	80,427	92,324
(266,880)	(259,834)	(277,147)	(+) Debt to third parties and other liabilities	(281,437)	(276,222)	(293,615)
1,733,523	1,808,707	1,789,766	**(=) Net use of capital**	1,731,570	1,802,777	1,785,448
6,212	5,655	5,395	(+) Financial investments	1,759	1,299	821
1,739,735	1,814,361	1,795,161	**(=) Total use of capital**	1,733,328	1,804,075	1,786,269
701,756	673,357	744,990	Equity	698,910	672,466	751,664
1,272,200	1,272,200	1,332,200	(+) Debt to shareholder	1,272,200	1,272,200	1,332,200
(234,221)	(131,196)	(282,029)	(+) Net debt to other entities[A]	(237,781)	(140,591)	(297,595)
1,739,735	1,814,361	1,795,161	**(=) Capital employed**	1,733,328	1,804,075	1,786,269

[A] Includes other loans and derivative financial instruments, less cash and cash equivalents.

6.3. RISK MANAGEMENT

Risk management in the ANA Group is an integral part of the organisation's processes and is based on the principle that the "owners" of the various risks are responsible for managing them, under the supervision of senior management.

The ANA Group presents its main risks into five main categories:

- strategic - dependent on external forces that can impact the ANA Group's strategy, performance, operations and organisation in the mid to long term;
- operational - arising from the engagement in the business activities and from the Group's internal processes;
- financial - associated with the Group's financial performance. The financial risk management policy for the ANA Group is detailed in the Notes to the Financial Statements;
- conformity - pertaining to compliance with the domestic and international legislation and regulations that govern the Group's business activity;
- fraud - associated with deliberate misconduct, whether originating inside or outside the Group (including corruption risks).

In 2021, the ANA Group reviewed the main corruption and influence peddling risks (included in fraud risk) to which it is exposed, aligning them with the ones identified for the VINCI Group as a whole. At the local level, the company places great emphasis on the fight against business corruption and this concern tops its list of ethical principles.

The various risks are prioritised on the basis of an assessment of their inherent risk (probability/impact) and their residual risk, along with the appropriate mitigation measures (limit, control or balance).

7. INVESTMENTS

In 2021, ANA, S.A. invested some 25.7 million euros in the ten airports it manages. Although this year's level of investment was much lower than the 76.2 million euros invested in 2020, it is worth pointing out that ANA, S.A. plays a key role in the careful management of its investments, with the aim of ensuring that it both complies with the demanding standards to which the airport concessionaire is subject and manages its monetary resources efficiently.

As the operating environment proved to be so challenging in 2021, capacity expansion projects planned in the pre-COVID phase had to be postponed or suspended. As a result, the investment effort was much more focused on maintenance/upgrade projects or the replacement of obsolete equipment (around 50% of the total invested).

The following key investments were made in 2021:

- Maintenance / improvement
  - In-depth refurbishment of the surfaces of taxiway F at Porto Airport. This investment of around 5.9 million euros covered the refurbishment of around 45,000 m^2 of taxiway surface;
  - An investment of around 2.5 million euros in the refurbishment/conservation of Floor -1/ Basement at Faro Airport. This project involved the adaptation/reorganisation of the terminal space, a necessary consequence of the recent expansion and remodelling of the passenger terminal. This work involved an area of around 7,000 m^2.
- Capacity expansion
  - FOX Taxiway - Extension and illuminated signage and command control at Porto Airport. In 2021, the project required an investment of some 2.9 million euros. This project, which involves extending taxiway F by about 1,300 metres, will deliver significantly enhanced operational safety and an increase in capacity from 20 to 32 movements/hour. On this regard, it should be noted that the FOX Taxiway was rehabilitated and enlarged, having entered into production in October 2021;
  - Enlargement of the international area in Terminal 2 – Phase 1, at Lisbon Airport. In 2021, an investment of around 1.1 million euros was made in this project, which is designed to overcome current limitations and expand boarding capacity in the non-Schengen and international area. A number of other improvements were also made during the course of the works. These included the installation of new border control equipment, the redesign and expansion of bathroom facilities to bring them up to VINCI Group standards and the creation of a new waiting area, which includes a smoking zone.
- Optimisation - reduction of operating expenses / maximisation of equipment yields
  - Alteration of the power supply voltage at Lisbon Airport. This investment, which cost around 2.4 million euros in 2021, is designed to the increase the supply voltage for airport infrastructures, through the construction of HV/MV substations. This change will result in a reduction in the cost of the electricity required for airport operations.
- Regulatory - compliance with legal or operational obligations
  - Investments made with a view to maintenance of EASA (European Aviation Safety Agency) certification. The aim of this project, which is being implemented across the ANA network, is to have all these airports certified in compliance with EASA legislation requirements. In 2021, ANA spent 0.6 million euros on this project and it is likely that there will be further significant investments through to 2026.

A total of 1.1 million euros was invested by Portway, S.A., most of which was spent on acquiring operations support equipment. The main assets that were purchased were two pushback tractors (0.6 million euros), one loader (0.3 million euros) and one transporter (0.1 million euros).

7.1. LISBON AIRPORT CAPACITY EXPANSION

One of the underlying factors holding back and limiting the programming of investments previously planned for capacity expansion projects, besides the crisis caused by the pandemic, has been the Portuguese State's intention, announced at the end of 2020, to conduct a strategic environmental assessment of the new Lisbon Airport.

In 2021, the Portuguese State announced the tender for a strategic environmental assessment (AAE) for the new Lisbon area airport. The conclusions of this assessment may well affect the execution of the 2019 plans for airport capacity expansion in the Lisbon region. The scheduling built into the AAE tender process indicates that the study is due to be completed in the second quarter of 2023. Given this circumstance, in 2021, ANA, S.A. continued work on the studies and projects that had already been started for both the new airport and the operational improvement plan for Lisbon Airport.

Once the Granting Authority issues its guidelines and the conclusions of the AAE are known, ANA, S.A. will be able to develop the solution chosen for airport expansion in the Lisbon region.

In relation to this, it should also be noted that there is some ongoing litigation regarding the DIA for Montijo. This is more fully described in the notes to the accounts.

Regardless of the outcome of the process, capacity in the Lisbon region is unlikely to rise much in the short term.

8. MEASURES IMPLEMENTED TO ADDRRESS COVID-19

The challenges thrown up in 2021 very much forced ANA to reinvent itself in a number of ways, so it would be able to both respond to successive legislative changes and transform its spaces to make them compliant with the stipulated health measures:

- **28 January** - two COVID-19 antigen (rapid detection) testing stations for passengers were set up: one in the P1 Car Park for local passengers and the other in front of boarding gate 24 for transfer passengers.
- **2 February** - opening of a new Synlab Laboratory station in the Departures area, for COVID-19 screening through both PCR and rapid antigen tests.
- **1 December** - disembarkation health control measures. Subsequent to Council of Ministers Resolution No. 157/2021, complemented by Order No. 11888-A/2021, mainland Portugal entered a state of calamity.
  - This meant that all arriving passengers, except those on domestic flights, were required to present a digital EU COVID certificate (in test or recovery mode) and proof of a negative laboratory test in the form of a nucleic acid amplification test (NAT) or rapid antigen test (RAT) for COVID-19 infection carried out within 72 hours or 48 hours before boarding, respectively.
  - It also meant that ANA, S.A. had to organise the hiring of appropriate and sufficient private security resources to supervise the previously mentioned information in Lisbon, Porto and Faro airports. The cost of this operation amounted to approximately 0.7 million euros per month.

Moreover, ANA, S.A. has also ensured that arriving passengers have their temperatures taken since July 2020, as well as the testing centre of Non-Schengen flights.

9. SUBSEQUENT EVENTS

In Ordinance no. 92/2022, of 9 February, the Government approved the update of the security fees that ANA, S.A. is entitled collect through its normal business activity. It is worth noting that, after approval by the Minister of Infrastructures and Housing, the company was left waiting about a year for the said approval. The fee will apply as from the time that it comes into force and it will not be retroactive.

On February 24, 2022, Ukraine was invaded by Russia causing direct and indirect impacts on the activity. The tourism and aviation sectors might be heavily exposed to these events. Among other factors, it is possible to highlight closed airspaces and routes, increase in fuel prices (and consequent impact on airlines' costs) and passengers' fear of travelling.

The contract signed between ANA, S.A. and LFP - Lojas Francas Portuguesas, S.A. regarding the licence to occupy and operate the shops in network airports will expire on 31 May 2022 (the initial date of 28 February 2022 was extended by agreement between the parties).

In July 2021, ANA, S.A. launched a tender to choose a business partner for the joint exploration of duty free, duty paid and luxury shops, at eight national airports. In this joint venture, ANA, S.A. will hold a 51% share of the company's share capital and the remaining 49% will be held by the minority partner, AER Rianta International (ARI).

In the coming months, ANA, S.A. and its partner will set in motion a set of processes and procedures with a view to ensuring the PTDF-Portugal Duty Free, Lda. starts trading on 1 June 2022.

In 2022, ANA, S.A. and its shareholder, VINCI Airports SAS, will agree the terms for the refinancing of the debt (approximately 1,272.2 million euros) which matures on 31 July 2022. The parties are currently engaged in negotiations to establish the format and conditions to be implemented.

10. 2022 OUTLOOK

It would appear that 2022 is going to be a year of great uncertainty and numerous challenges for the ANA Group. On the plus side, the business should be able to grow on the back of the reduction or disappearance of the effects of the pandemic and traffic restrictions. However, it is also the case that 2019 traffic levels are only likely to be reached after 2024.

In addition to the issues surrounding the new Lisbon airport, there are a number of other matters that ANA, S.A. will be keeping a close eye on throughout 2022:

- **GROUNDFORCE INSOLVENCY PROCEEDINGS**

  In August 2021, SPdH, Serviços Portugueses de Handling, S.A. was declared insolvent, following an insolvency petition filed by TAP, S.A.

  ANA, S.A. belongs to the group of creditors involved in the insolvency process, as Groundforce is one of the main handler partners at ANA airports, the way in which this case is resolved will have a decisive effect on both the amount that is owed to ANA, S.A. and on the operational constraints that might ensue from any significant reorganisation of Groundforce's business activity.

- **TAP RESTRUCTURING PLAN**

  In late 2021, the European Commission approved TAP, S.A.'s restructuring plan, thus allowing the Portuguese government to inject more capital into the airline and ensure it can remain in business. In conjunction with the capital injection, approval was given to a set of restructuring measures that are to be applied to the airline, namely the assignment of 18 daily slots to an airline competitor, through a European Commission selection process to take place in the winter of 2022.

  The pandemic crisis and consequent reduction in TAP, S.A.'s movements significantly impacted ANA's business activity, as the airline is one of the company's main partners. The prospect of resumed traffic flows in 2022, together with the approved restructuring plan, mean the outlook for the coming year is definitely more positive.

- **RESTRUCTURING PLAN FOR THE SATA GROUP**

  On 30 April 2021, the European Commission approved compensation for losses caused by the pandemic and liquidity support for SATA Air Açores - Sociedade Açoriana de Transportes Aéreos S.A.

  Throughout 2021, the SATA Group and the Azores Regional Government have been working together with Brussels to develop a restructuring plan for the company with a view to keeping it in business.

- **COMPENSATION RELATING TO SLOT COORDINATION**

  Article 5(4) of Decree-Law no. 96/2018, of 23 November, stipulates that ANA, S.A. is entitled to receive compensation equivalent 50% of its cost and investment outgoings when it was acting as national slot coordinator.

  ANA, S.A. has, therefore, been providing ANAC with all the information required to prove these costs and investments, with the dual aim of having these accepted and of receiving a special additional component to the slot allocation fee for the post-privatisation period in which it bore all the relevant costs, i.e. September 2013 to February 2020.

11. PROPOSED ALLOCATION OF NET PROFIT

ANA, S.A. closed out the 2021 financial year with a positive net result of 27,486,045.97 euros.

Given the level of commitment shown by employees during the pandemic and the positive net result of 2021, the Board of Directors proposes that the amount of 1,475,000.00 euros be shared with its employees, to cover this year and also 2019, when this payment was frozen. In accordance with the accounting principles underpinning the preparation of the company's financial statements, these amounts were already reflected in the net profits of the corresponding years.

The Board of Directors proposes that the net profits for the year be appropriated in the following manner: Retained earnings: 27,486,045.97euros.

Lisbon, 8 April 2022

Board of Directors

Chairman:

____

José Luís Fazenda Arnaut Duarte

Member of the Board and Chairman of the Executive Committee:

____

Thierry Franck Dominique Ligonnière

Members of the Board:

____

Chloé Anne Cecile Tanguy Lapeyre

____

Francisco José Simões Crespo Vieira Pita

____

Raphaël Alain Louis Pourny

____

Miguel Frutuoso Lopo Hipólito Pires Mateus

____

Luís Manuel dos Santos Silva Patrão

____

Nicolas Dominique Notebaert

____

Remi Guy Ferdinand Maumon-Falcon de Longevialle

____

Eric Marc Jacques Delobel

____

Patricia Fernandez Garcia

____

Pierre Hughes Paul Louis Schmit

II. FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION SEPARATE AND CONSOLIDATED

(thousand euros)

ANA, S.A. 2021	ANA, S.A. 2020	Description	Notes	ANA Group 2021	ANA Group 2020
		ASSETS			
		Non-Current			
		Tangible fixed assets			
66,431	71,259	State property acquired	5	66,431	71,259
95,999	104,327	Company assets	5	99,999	108,215
13,013	21,667	Fixed assets in progress	5	13,113	22,384
1,582	2,597	Right-of-use asset	6	1,730	2,722
-	-	Goodwill	8	1,430	1,430
1,690,715	1,729,160	Concession right	7	1,690,715	1,729,160
4,215	2,706	Other intangible assets	7	4,215	2,706
4,574	4,574	Investment in subsidiaries and associates	9	-	-
1,638	1,081	Financial investments	11	1,759	1,299
986	986	Receivables and others	12	987	986
69,167	70,491	Deferred tax assets	13	71,123	72,758
1,948,320	2,008,848			1,951,502	2,012,919
		Current			
492	486	Inventories	14	1,159	1,201
74,594	51,673	Receivables and others	15	80,138	53,845
620	29,823.23	Current tax	18	622	29,827.22
339,569	258,393	Cash and cash equivalents	19	340,150	259,117
415,275	340,375			422,069	343,990
2,363,595	2,349,223	Total assets		2,373,571	2,356,909
		EQUITY			
200,000	200,000	Share capital	20	200,000	200,000
83,219	82,521	Reserves	21	83,219	82,521
391,051	462,975	Retained earnings	22	390,160	469,649
27,486	(72,139)	Net profit	23	25,531	(79,704)
701,756	673,357			698,910	672,466
701,756	673,357	Total equity		698,910	672,466
		LIABILITIES			
		Non-Current			
68,620	1,355,008	Loans	24	68,620	1,355,008
669	1,440	Lease liabilities	25	770	1,522.56
958	1,497	Derivatives financial liabilities	26	958	1,497
23,572	10,190	Provisions	27	24,717	12,307
1,167	1,623	Retirement benefits obligations	17	1,167	1,623
1,589	1,406	Deferred tax liabilities	13	1,589	1,406
125,605	101,926	Payables and other liabilities	28	126,094	102,322
222,180	1,473,090			223,914	1,475,686
		Current			
1,306,389	40,325	Loans	24	1,303,245	31,520
913	1,127	Lease liabilities	25	976	1,179
132,358	161,324	Payables and other liabilities	29	146,526	176,058
1,439,660	202,776			1,450,747	208,758
1,661,840	1,675,866	Total liabilities		1,674,661	1,684,443
2,363,595	2,349,223	Total of equity and liabilities		2,373,571	2,356,909

The notes are part of the financial position at the end of 31 December 2021.

INCOME STATEMENT SEPARATE AND CONSOLIDATED

(thousand euros)

ANA, S.A. 2021	ANA, S.A. 2020	Description	Notes	ANA Group 2021	ANA Group 2020
401,439	318,589	Revenue	30	433,938	342,610
436	763	Work executed by the entity and capitalised	5	436	763
(1,559)	(1,334)	Goods sold and materials consumed	31	(2,031)	(2,010)
(157,932)	(184,764)	External supplies and services	32	(151,679)	(180,126)
(70,093)	(77,586)	Personnel expenses	33	(109,061)	(115,001)
(3,224)	(16,707)	Impairment in receivables and other assets	16	(3,355)	(17,119)
(15,375)	(1,996)	Provisions	27	(14,984)	(2,479)
182	302	Other income	34	211	2,844
(1,748)	(3,010)	Other expenses	35	(1,949)	(3,030)
1,613	2,364	Investment subsidies	29	1,613	2,364
(79,414)	(84,962)	Amortisation and depreciation	36	(81,136)	(86,628)
74,325	(48,341)	**Operating results**		72,003	(57,812)
(40,903)	(43,459)	Finance costs	37	(40,903)	(43,462)
-	70	Share in the results of associates and others	38	-	70
487	716	Other financial results	39	485	652
(40,416)	(42,673)	**Financial results**		(40,418)	(42,740)
33,909	(91,014)	Results before income tax		31,585	(100,552)
(6,423)	18,875	Corporate income tax expenditure	40	(6,054)	20,848
27,486	(72,139)	**Net profit**		25,531	(79,704)
		Earnings per share (euros)	41		
0.69	(1.80)	Basic earnings per share		0.64	(1.99)
0.69	(1.80)	Diluted earnings per share		0.64	(1.99)

The notes are part of the income statement at the end of 31 December 2021.

COMPREHENSIVE INCOME STATEMENT SEPARATE AND CONSOLIDATED

(thousand euros)

ANA, S.A. 2021	ANA, S.A. 2020	Description	Notes	ANA Group 2021	ANA Group 2020
27,486	(72,139)	Net profit		25,531	(79,704)
		Other income not qualified as results			
240	259	Remeasurements	17	240	259
(26)	(141)	Deferred tax	13	(26)	(141)
		Other income qualified as results			
538	367	Fair value variation of swaps coverage	26	538	367
498	163	Fair value variation of assets available-for-sale	11	498	163
-	-	IFRS 9 - Financial Instruments			
(338)	(141)	Deferred tax	13	(338)	(141)
28,398	(71,632)	**Total comprehensive income**		26,444	(79,198)
		Net profit			
27,486	(72,139)	Allocated to shareholders		25,531	(79,704)
27,486	(72,139)			25,531	(79,704)
		Total comprehensive income			
28,398	(71,632)	Allocated to shareholders		26,444	(79,198)
28,398	(71,632)			26,444	(79,198)

The notes are part of the comprehensive income statement at the end of 31 December 2021.

STATEMENT OF CONSOLIDATED CHANGES IN EQUITY

(thousand euros)

Description	Notes	Allocated to shareholders: Capital	Reserves	Retained earnings	Net profit	Total Group
Balance as of 1 January 2020		200,000	83,093	165,136	303,435	751,664
Application of the result of the previous year	22	-	-	303,435	(303,435)	-
Other movements	21 e 22	-	(961)	961	-	-
Total income in the period	21 e 22	-	389	116	(79,704)	(79,199)
Balance as of 31 December 2020	23	200,000	82,521	469,648	(79,704)	672,466
Balance as of 1 January 2021		200,000	82,521	469,648	(79,704)	672,466
Application of the result of the previous year	22	-	-	(79,704)	79,704	-
Total income in the period	21 e 22	-	698	215	25,531	26,444
Balance as of 31 December 2021	23	200,000	83,219	390,160	25,531	698,911

The notes are part of the statement of consolidated changes in equity at the end of 31 December 2021.

STATEMENT OF SEPARATE CHANGES IN EQUITY

(thousand euros)

Description	Notes	Allocated to shareholders				Total ANA
		Capital	Reserves	Retained earnings	Net profit	
Balance as of 1 January 2020		200,000	82,132	160,994	301,864	744,990
Application of the result of the previous year	22	-	-	301,864	(301,864)	-
Total income in the period		-	389	117	(72,139)	(71,633)
Balance as of 31 December 2020	23	200,000	82,521	462,975	(72,139)	673,357
Balance as of 1 January 2021		200,000	82,521	462,975	(72,139)	673,357
Application of the result of the previous year	22	-	-	(72,139)	72,139	-
Total income in the period		-	698	215	27,486	28,399
Balance as of 31 December 2021	23	200,000	83,219	391,051	27,486	701,756

The notes are part of the statement of separate changes in equity at the end of 31 December 2021.

Direct method

CASH FLOW STATEMENT SEPARATE AND CONSOLIDATED

(thousand euros)

ANA, S.A. 2021	ANA, S.A. 2020		Notes	ANA Group 2021	ANA Group 2020
		Operating activities			
400,535	339,143	Receipts from customers		428,070	368,574
(160,684)	(160,359)	Payments to suppliers		(159,845)	(162,063)
(70,183)	(76,170)	Payments to personnel		(102,256)	(110,800)
25,495	(54,384)	Payments and receipts of income tax		24,033	(54,987)
(16,477)	(11,770)	Other operating payments and receipts		(15,648)	(8,728)
178,686	36,460	**Operating cash flows**		174,354	31,996
		Investment activities			
		Receipts from:			
39	22	Tangible fixed assets		39	22
577	258	Investment subsidies		577	258
-	70	Dividends		-	70
		Payments regarding:			
(55)	(28)	Financial investments		(55)	(28)
(35,881)	(83,810)	Tangible fixed assets and intangible assets		(37,279)	(85,480)
(35,320)	(83,488)	**Investments cash flows**		(36,718)	(85,158)
		Financing activities			
		Receipts from:			
-	45	Interest and similar income	24	-	45
-	-	Other financing operations		-	1
		Payments regarding:			
(14,133)	(117,725)	Loans	24	(14,133)	(117,725)
(1,133)	(1,215)	Lease liabilities	24 e 25	(1,206)	(1,323)
(41,259)	(44,347)	Interest and similar costs	24	(41,261)	(44,347)
(5,665)	(6,664)	Other financing operations (Cash Pooling)	24	-	-
(62,190)	(169,906)	**Financing cash flows**		(56,600)	(163,349)
81,176	(216,934)	Variation of cash and equivalents		81,036	(216,511)
258,393	475,327	Cash and equivalents at the beginning of the period	19	259,114	475,625
339,569	258,393	Cash and equivalents at the end of the period	19	340,150	259,114

The notes are part of the cash flow statement at the end of 31 December 2021.

III. NOTES TO THE FINANCIAL STATEMENTS

PRELIMINARY NOTE

ANA, S.A. was set up by Decree-Law no. 404/1998, of 18 December. This law transformed the former Empresa Pública Aeroportos e Navegação Aérea, ANA, E.P., itself set up by Decree-Law no. 246/1979, of 25 July, into a legal person under private law, with the status of a public limited liability company.

The Company is governed by its articles of association, by the regulatory standards applicable to limited liability companies, by the Concession Contracts to which it is party and also by the special regulations applicable because of the Company's specific business activity.

ANA - Aeroportos de Portugal, S.A. is currently the concessionaire for the provision of public airport services in support of civil aviation operations at ten national airports. These are located in continental Portugal (Lisbon, Porto, Faro and Beja), in the Autonomous Region of the Azores (Ponta Delgada, Santa Maria, Horta and Flores) and in the Autonomous Region of Madeira (Madeira and Porto Santo).

The legal framework for these concessions is set out in decree-Law no. 254/2012, of 28 November, and in the amendments to this introduced by Decree-Law no. 108/2013, of 31 July, which brings the airports in the Autonomous Region of Madeira into the airport network managed by ANA, S.A.

This legal framework is completed by the Concession Contracts for the provision of public airport services in support of civil aviation operations at national airports: (i) in continental Portugal and the Azores, through the contract signed by ANA, S.A. and the Portuguese State on 14 December 2012, and (ii) in the airports in the Autonomous Region of Madeira, accordingly to the contract signed on 10 September 2013. Under this latter contract, ANA, S.A. succeeded to ANAM, S.A. as concessionaire, as from October 2014, when ANAM, S.A. was incorporated by merger into ANA, S.A.

ANA, S.A. has its registered office at Rua D, Edifício 120, Lisbon Airport, and is the "parent company" of the ANA Group. The shareholder structure and business purpose are described in the following points.

The Financial Statements given refer to the individual financial statements for ANA, S.A. and the consolidated financial statements for the ANA Group.

All values are expressed in thousands of euros, unless otherwise indicated.

Some of the monetary figures referred to in these Notes may slightly differ from the sum of their parts or from amounts stated in other points. This is due to the automatic rounding up or down of such figures.

1. ACTIVITY

1.1. GROUP STRUCTURE AND FRAMEWORK OF ACTIVITY

SHAREHOLDER:

On December 31, 2021, ANA, S.A. was 100% owned by VINCI Airports, SAS.

GROUP COMPANIES:

ANA, S.A., the parent company, is the sole owner of Portway, S.A., its handling subsidiary.

The main business purpose of ANA, S.A. is to operate public airport services, as a concession, in support of civil aviation in Portugal. Additionally, the Company may carry out business activities and commercial or financial operations that are directly or indirectly related, wholly or partially, to the main purpose, or that may help or ease the achievement of this main purpose.

1.2. CONCESSION OF PUBLIC AIRPORT SERVICES CONTRACTS

ANA, S.A. is a concessionaire of the public airport service in support of aviation at eight national airports in mainland Portugal (Lisbon, Porto, Faro and Beja) and in the Autonomous Region of Azores (Ponta Delgada, Santa Maria, Horta and Flores), under the Concession Contract signed with the Portuguese State on 14 December 2012.

Following the merger by incorporation of ANAM, S.A., ANA, S.A. succeeded ANAM, S.A. as contract concession holder for the provision of public airport services in support of aviation at the two airports in the Autonomous Region of Madeira (Madeira and Porto Santo), as provided for under the contract signed by ANAM, S.A. and the Portuguese State on 10 September 2013 (clause 43.4).

Thus, ANA, S.A. has been the concession holder under two Concession Contracts since October 2014. Although these contracts are independent, the grantor is the same and the form of the contracts is entirely identical.

SERVICES PROVIDED BY THE CONCESSIONAIRE

The aim of public airport services contracts is the management, the operation and provision of airport activities and services, as well as obligations related with the maintenance of assets and the development of airports.

The main activities are:

a) Airport activities and services – directly provided by the Concessionaire and for which it provides airport infrastructures detailed in Annexe 1 of the concession contracts, being the most significant associated with:

   1. The availability of airport infrastructures consisting of runways, taxiways and aprons;
   2. The availability of airport infrastructures necessary for air traffic control;
   3. The parking of aircraft on the aprons, as well as their shelter in hangars, when applicable;
   4. The safety of airport operations within the entire airport perimeter;
   5. The provision of emergency, rescue and firefighting services;

6. The availability of areas specifically designed for the embarking, disembarking, transfer or transit of passengers, cargo and mail;
7. The availability of airport infrastructures for the provision of assistance services to aircraft, passengers, cargo and mail, including the supply of fuel, oil and meals (catering);
8. The supply, operation and maintenance of equipment for embarking and disembarking passengers and equipment for remote embarking of persons with reduced mobility, as well as supply of energy to aircraft;
9. The availability of passenger check-in counters or any other infrastructure associated with the processing of passengers, including common use computer platforms;
10. The supply, operation and maintenance of infrastructures for the reception, treatment, handling and collection of baggage;
11. The availability of car parks with public access to airports;
12. General maintenance and upkeep of airport infrastructures.

b) The provision of activities for design, projects, construction, strengthening, reconstruction, expansion, deactivation and closing of airports, under the terms of the contract;

c) The carrying out of business activities that may be performed in airports or other areas affected by the concession.

CONCESSION ASSETS AND ASSOCIATED OBLIGATIONS

The Concession Contract was awarded for a period of 50 years, from the date of the signing of the contract (14 December 2012) for the airports in mainland Portugal and in the Autonomous Region of Azores. The contract signed with the Autonomous Region of Madeira has the same term.

In return for being granted this concession, ANA, S.A. paid the grantor the amount of 1,200 million euros, maintaining the right of use over all the airport infrastructures that make up the concession and assuming the responsibilities inherent in the maintenance of airport infrastructures according to the parameters of service quality set forth in the contract.

In addition to the initial payment of 1,200 million euros, ANA, S.A. is obligated to share with the grantor, in two equal annual payments (31 March and 30 September) between the 11th and 50th years of the concession, an amount corresponding to a percentage of the gross income from the concession, which varies between 1 and 10% according to the defined time intervals. Under IFRIC 12 these variable remunerations will be recognized in the income statement at the moment of its occurrence due to its contingent nature.

The establishment of the concession includes all the assets allocated to the concession, regardless of their ownership, which includes: (i) buildings and land; (ii) other tangible assets; and (iii) intangible assets.

Under the Concession Contract, ANA, S.A. assumes specific obligations for development, including the maintenance of the airports in good operating conditions, assuming the total and exclusive responsibility for the operation, repair, replacement, maintenance and management of airports, and in particular to:

a) Maintain the runways, aprons, taxiways and cargo and mail infrastructures, as well as all the areas of the airport essential to the secure access to air transports, in conditions that are at least equal to those at the date of the contract;

b) Maintain all the passenger terminals at a C service level, according to the IATA manual (currently designated by “optimum”);

c) Keep airports free from any environmental damage resulting from the concession activity;

d) Guarantee, on the expiration date of the contract, the delivery of the assets allocated to the concession in operating conditions that meet the minimum reversion conditions.

At the end of the concession, all the concession assets revert to the grantor, with the concessionaire retaining no rights of indemnification, except for investments greater than 30 million euros made in the last five years of the Concession Contract with the approval of the grantor. In these cases, the grantor shall pay the residual amount of the assets or extend the concession period.

NEW AIRPORT FOR LISBON

The Concession Contract grants the exclusive right to the Concessionaire to present a proposal for the design, construction, financing and/or operation and management of the NAL.

Under Clause 42.3 of the Concession Contract, the Concessionaire is also entitled to present alternatives that it believes are more efficient and less costly for the Concession Grantor than the development of the NAL. In this context, the Concessionaire submitted to the Concession Grantor a set of technical studies on a solution to expand airport capacity in the Lisbon region, based on the operational improvement of the Lisbon airport and the development of supplementary airport capacity at Air Base no. 6 in Montijo.

The DIA was obtained on 21 January 2020. This marked a significant step forward in the development of the expansion project.

At the end of 2020, the Portuguese State announced its intention to conduct a strategic environmental assessment for the new Lisbon Airport. The conclusions of this assessment may well have an effect on the development and timing of the planned expansion project.

In 2021, the Portuguese State announced the tender for a strategic environmental assessment (AAE) for the new Lisbon area airport. The conclusions of this assessment may well affect the execution of the 2019 plans for airport capacity expansion in the Lisbon region. The scheduling built into the AAE tender process indicates that the study is due to be completed in the second quarter of 2023.

FINANCING

As concessionaire, ANA, S.A. assumes full financing of the concession, although this may be renegotiated, provided that the debt servicing coverage ratio stipulated in the Concession Contract is maintained.

INCOME AND REBALANCING OF THE CONCESSION

The concession income consists of proceeds from charges issued by the concessionaire in return for providing airport activities and services and includes income from commercial or other activities related to the management of the concession.

The charges under the provision of public service are regulated by ANAC, which sets the maximum values that can be put into practice.

The concessionaire assumes complete responsibility for all the risks inherent in the concession, rebalancing only being permitted in those cases expressly provided for in the contract. Rebalancing can take one or more forms:

a) Change in the charges subject to economic regulation;

b) Attribution of co-payment or direct compensation by the grantor;

c) Extension of the concession period; or

d) Any other form agreed upon between parties.

1.3. ECONOMIC REGULATION LEGAL FRAMEWORK

- Decree-Law no. 254/2012 approved the rules applicable to the airport sector. The aforesaid Decree-Law regulates: (i) the licensing regime for the private use of airport assets in the public domain and the performance of activities and services in airports and national public aerodromes, as well as the fees related to these activities; (ii) a set of fees applied to all airports and aerodromes located in Portuguese territory, specifically the security fee due on the number of passengers boarded; (iii) the conditions for applying the juridical regime related to the rights of passengers with disabilities and passengers with reduced mobility; (iv) the rules and common principles applicable to the fees subject to economic regulation and setting the indicators of quality in service, to be followed at airports and aerodromes located in Portuguese territory;
- Under article 49 of Decree-Law no. 254/2012, the security fee consists of two distinct components. One part covers the charges levied by ANAC and the security forces. The other part covers the costs incurred by the airport management bodies in providing civil aviation security services and also in installing, operating and maintaining the systems for screening all hold baggage. The part of the charge pertaining to this second component is fixed by ministerial order issued by the members of the government responsible for finance, internal administration and the economy. Prior to this, the airport management body makes a proposal that has been guided by the opinions of airport users, or their representatives, and is based on the costs of the security services provided, as per no. 2 of article 52 of the same Decree-Law;
- In order to cover the costs inherent to providing assistance to persons with reduced mobility, a fee was created that came into effect in December 2008, complying with Regulation no. 1107/2006, of 5 July. This fee is paid by the airlines using airports or aerodromes in Portugal. The amount is fixed, per passenger embarked, by decision of the administrative board of ANAC. Prior to this, the airport management body makes a proposal that has been guided by the opinions of airport users, or their representatives, or users' associations, as per nos. 1 and 3 of article 61 of Decree-Law no. 254/2012.

1.3.1. ECONOMIC REGULATION ESTABLISHED IN THE CONCESSION CONTRACTS

The economic regulation, detailed in Annexe 12 of the Concession Contracts, defines the principles and rules applicable to the charges paid by airport customers for the use of available facilities and for services provided by the airport operator related to the landing, take-off, lighting and parking of aircraft and for the processing of passengers, cargo and mail.

The Concession Contracts for the provision of public airport services in support of aviation at the national airports in mainland Portugal, the Azores and Madeira specify the economic regulation applicable to the business carried out at these airports, through a common and materially standardised model.

In terms of the regulation model adopted, the activities provided by the airport managing entity are divided into:

a) Regulated activities: i) directly related to aircraft operations; ii) related to the processing and assistance to passengers, on arrival, departure and in transfer; and

b) Monitored activities: i) the commercial activities on the airside not included in the “airside retail activities”; ii) availability of ticket sale counters or for support of the airline operations; iii) activities for supplying fuel and catering to aircraft and other categories of assistance during stopover; and iv) activities related to flights exclusively operated by cargo planes.

The economic regulation is based on the Maximum Regulated revenue per passenger.

The setting of the income per terminal passenger is made by airport or set of airports,

i) Lisbon group [Lisbon, Azores, Madeira (Madeira and Porto Santo) and Beja Civilian Terminal

ii) Porto and

iii) Faro,

the concessionaire being free to set the structure and amounts of the charges owed, as long as the limits established for the Regulated Price Cap are observed.

A regulatory description of rates due for using the airport facilities and services and for operating commercial activities can be found in the ‘Regulated Charges Guide’ available online at ANA, S.A.’s official website (www.ana.pt).

1.3.2. GROUND HANDLING SERVICES

Via Portway, S.A., the Group is involved in the activity of providing the aircraft that use Lisbon, Porto, Faro, Madeira, Porto Santo and Ponta Delgada airports with assistance during stopovers, as defined by Decree-Law no. 275/99 dated 23 July, under licence from ANAC for the following activities:

- Administrative assistance on the ground and supervision;
- Assistance to passengers;
- Assistance with baggage;
- Assistance for cargo and mail;
- Assistance for runway operations;
- Assistance for cleaning and servicing aircraft;
- Assistance for air operations and crew management;
- Assistance for ground transport.

2. ACCOUNTING POLICIES

The main accounting policies applied while preparing these financial results are described below. These policies were applied consistently to all the years presented herein, unless otherwise indicated.

2.1. BASIS FOR THE PRESENTATION

These financial statements sheets were prepared according to the IFRS adopted by the European Union, issued and in force at 31 December 2021.

Financial assets and liabilities are recognized in the balance sheet when the Company becomes part of the corresponding contractual provisions.

The preparation of the financial statements in accordance with the IFRS requires the use of some important estimates that affect the amounts of assets and liabilities as well as the amounts of income and costs during the reported period. These estimates and assumptions are derived from a better knowledge of management with regard to current events and activities. However, it is not expected that significant adjustments of the values of assets and liabilities in future years will result from these estimates. The areas that involve a greater degree of judgement or where the estimates are more significant for the financial statements are described in note 4.

The Board of Directors assessed the company's ability to continue operating as a going concern. This assessment was based on all relevant information, facts and circumstances of a financial, commercial or other nature, including events subsequent to the reference date for the financial statements, as revealed through consultation.

There continues to be a degree of uncertainty about the end of the pandemic and the return of the world economy to normality, particularly as regards the aviation sector. Given the company's current liquidity position, the management measures that have been and are being implemented and the beginning of recovery in the sector, the Board of Directors believes that the company has sufficient resources to allow it to continue in business in 2022 (assuming, naturally, that its debt to its shareholder is refinanced, which will happen before the current loan comes to term) and there is no intention of halting its business activity in the short term. Therefore, the Board of Directors reiterates its opinion that it is appropriate to apply the going concern assumption in the preparation of the attached consolidated financial statements.

2.2. IFRS DISCLOSURES – NEW RULES

2.2.1. STANDARDS AND INTERPRETATIONS THAT CAME INTO FORCE ON JANUARY 1, 2021, AND THAT THE GROUP APPLIED IN PREPARING ITS FINANCIAL STATEMENTS

As at the date of approval of these financial statements, the following accounting standards, interpretations, amendments and revisions have been endorsed by the European Union. Application of these was mandatory as of the fiscal year beginning 1 January 2021:

- **Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 – Phase 2 of the interest rate benchmark reform (IBOR Reform).** These additional amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16 relate to the second phase of the interest rate benchmark reform (or "IBOR reform") project. These addresses changes in reference interest rates and the impacts in terms of modifications to financial assets, financial liabilities and lease liabilities, hedge accounting and disclosures.

- **Amendment to IFRS 16 - Leases - "Covid-19 Related Rent Concessions beyond 30 June 2021."** This amendment extends the application of the optional practical expedient by which lessees are exempted from analysing whether COVID-19 related rent concessions, typically rent suspensions or rent reductions, correspond to contractual modifications. This expedient will now stay in place until 30 June 2022.
- **Amendment to IFRS 4 Insurance Contracts - Deferral of IFRS 9**. This amendment to IFRS 4 extends the deferral of the application of IFRS 9 to initial years starting on or after 1 January 2023.

The adoption of the amendments referred above had not significant effects on the Group's financial statements for the year ended December 31, 2021.

2.2.2. STANDARDS, CHANGES AND INTERPRETATIONS ISSUED AND ENDORSED BY THE EUROPEAN UNION. APPLICATION OF THESE WILL BE MANDATORY IN FUTURE YEARS

- **Amendments to IFRS 3, IAS 16, IAS 37 and Annual Improvements 2018-2020. These amendments are updates of the various standards mentioned, namely:** (i) IFRS 3 - update of the reference to the 2018 conceptual framework; additional requirements for analysing liabilities under IAS 37 or IFRIC 21 at the acquisition date; and explicit clarification that contingent assets are not recognised in a business combination. (ii) IAS 16 - prohibition on deducting any income accruing from the sale of products from the cost of a tangible asset before the asset is available for use. (iii) IAS 37 - clarification on which costs of fulfilling an onerous contract correspond to incremental costs directly related to the contract. (iv) Annual improvements 2018-2020, which essentially comprise amendments to 4 standards: IFRS 1, IFRS 9, IFRS 16 and IAS 41. These amendments are not expected to have a significant impact on the Group's financial statements.
- **IFRS 17 – Insurance contracts:** This standard establishes the principles underpinning the recognition, measurement, presentation and disclosure of insurance contracts that fall within its scope. This standard replaces IFRS 4 - Insurance contracts. The future adoption of this standard will have no impact on the Group's financial statements.

2.2.3. STANDARDS, AMENDMENTS AND INTERPRETATIONS THAT HAVE BEEN PUBLISHED BUT HAVE NOT YET BEEN ENDORSED BY THE EUROPEAN UNION

As at 31 December 2021, the IASB had issued the following standards and interpretations that have not yet been endorsed by the European Union:

- **Amendment to IAS 1 - Presentation of Financial Statements - Classification of liabilities as current or non-current:** This amendment published by the IASB clarifies the classification of liabilities as current or non-current through analysis of the contractual conditions existing at the reporting date.
- **Amendment to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2 – Disclosure of accounting policies:** This amendment, published by the IASB in February 2021, clarifies that material accounting policies should be disclosed, rather than significant accounting policies, and has introduced examples for the purposes of identifying material accounting policies.
- **Amendment to IAS 8 - Accounting policies, changes in accounting estimates and errors - Defining accounting estimates:** This amendment, published by the IASB in February 2021, changes the definition of accounting estimate to a monetary amount in the financial statements that is subject to measurement uncertainty.

- **Amendment to IAS 12 - Income Taxes - Deferred Taxes.** This amendment, published by the IASB in May 2021, clarifies that the exemption from initial recognition of deferred taxes does not apply to transactions in which equal amounts of deductible and taxable temporary differences arise.
- **Amendment to IFRS 17 - Insurance contracts - initial application of IFRS 17 and IFRS 9 - comparative information.** This amendment, published by the IASB in December 2021, introduces changes regarding the comparative information to be presented when an entity adopts IFRS 17 and IFRS 9 simultaneously.

The future adoption of these amendments, is not expected to have any significant impact on the accompanying financial statements.

2.3. CONSOLIDATION

SUBSIDIARIES

The financial holdings in companies over which the Group exercises control are consolidated by means of the full consolidation method. The method is applied from the date on which the Group gains control over the financial and operational activities of the subsidiary and until the date on which it relinquishes such control.

The Group is presumed to have control when it is exposed, or is entitled, to variable returns arising from its involvement in the holding and where it is able to influence such returns through the power it exercises over the holding, irrespective of the percentage of equity that it owns.

On an individual basis, investments in financial holdings that are not classified as non-current assets held for sale or included in a disposal Group that is classified as non-current assets held for sale are recognized at acquisition cost. They are also subject to periodic impairment tests, whenever there are signs that a given financial holding may be impaired.

Business combinations are measured using the purchase method. The cost of an acquisition is assessed by the fair value of the goods handed over, capital instruments issued and liabilities incurred or undertaken on the date of the acquisition. The transaction costs are recorded as expenses when incurred, in accordance with IFRS 3.

The identifiable assets that were acquired and the liabilities and contingent liabilities undertaken in a merger have initially been measured at the fair value on the date of the acquisition, irrespective of the existence of non-controlled interests. The surplus cost of acquisition with regard to the fair value of the Group's share of the identifiable liquid assets that have been recorded has been recorded as goodwill. If the cost of the acquisition was lower than the fair value of the Group's share of the net assets of the subsidiary that has been acquired, the difference is recorded directly on the income statement.

Internal transactions, balances and unrealised gains in transactions between Group companies have been eliminated. Unrealised losses have also been eliminated, except in cases where the transaction proves to be evidence of the impairment of a transferred asset. The accounting policies of subsidiaries are altered whenever necessary, so as to ensure consistency with the policies adopted by the Group.

Investments in companies over which the Group exercises control, shown in the separate financial statements of ANA, S.A., are measured at acquisition cost, less any impairment losses.

2.4. FOREIGN EXCHANGE CONVERSIONS

A. OPERATING CURRENCY

The figures in the financial statements are expressed in thousands of euros (the currency of the economic environment in which the ANA Group operates).

B. TRANSACTIONS AND BALANCES

Transactions in currencies other than the euro have been converted into the operational currency using the exchange rates in effect on the date of the transaction.

The differences in exchange rates during the financial year, as well as those that were not realised, identified regarding the monetary assets and liabilities that existed on the date of the balance sheet, at the exchange rates in effect on that date, have been included in the income statement.

The following exchange rates with regard to the Euro were used for the conversion of monetary assets and liabilities in foreign currencies, which existed on the date of the balance sheet:

Currency	2021	2020
USD	1.1326	1.2271
GBP	0.8403	0.8990

2.5. CONCESSIONS ASSETS

The concessions granted to ANA, S.A. include the following concession assets.

2.5.1. FIXED TANGIBLE ASSETS

The fixed tangible assets include the State property and Company assets:

a) State property - includes all assets acquired by the Group companies that are implanted on lands in the public domain and attributable to the activities of providing public service;

b) Patrimony:

- ✓ Property assigned to the concession - includes all the assets used in providing the public service and, thus, assigned to the operation of the concession but which are, in substance, controlled by the concessionaire;
- ✓ Others – remaining assets not used in providing the public service, but which have been acquired by Group companies.

The concession operator is deemed to have substantial control over the concession assets when it can independently, and without prior authorisation from the grantor, make decisions on the timing of the replacement of such assets, the size of the investment to be made and the specifications of the equipment to be procured (see note 2.5.2).

Fixed tangible assets are recorded at the value of the initial exchange paid and are subject to legal revaluations, within the scope of the former standards, which constitutes the presumed cost at the date of transition. The fixed tangible assets are being amortised by the respective estimated useful life, the linear method.

Subsequent expenditure is included in the sum recorded on the amount of the property or shown as separate assets, when appropriate, only when it is likely that the future outflow of the economic benefits for the companies and the cost can be reliably measured. Other expenditure related to repairs and maintenance has been shown as an expense during the period in which it was incurred.

The costs incurred with loans obtained for the construction of qualifiable assets have been capitalised during the period required to complete and prepare the asset for its intended use. Other costs with loans have been shown as expenditure for the period.

Direct costs related to the technical areas involved in constructing the Group's assets are likewise capitalised into tangible assets. This capitalisation is carried out according to the internal resources used and the time spent, as a counterpart to the heading of work executed by the entity and capitalised.

The gains or losses derived from the sale or writing off of assets are determined by the difference between the receipts from the sale and the sum recorded on the amount of the asset and is shown as income or expenses on the income statement.

The period of useful life of the main fixed tangible assets can be summarised as follows:

Buildings	10 to 50 years
Other constructions	10 to 50 years
Basic equipment	3 to 20 years
Transport equipment	4 to 7 years
Administrative equipment	4 to 10 years

Amortisation for the period is calculated using the linear method.

2.5.2. INTANGIBLE ASSETS – CONCESSION RIGHT

In accordance with the Concession Contracts of ANA, S.A. and the economic regulation established in those instruments, as described in note 1.3, the model for recording the concession assets as applied under IFRIC 12 is that of intangible asset, since there is no unconditional right to receive fixed or determinable amounts associated with public service provided. There is only the right to charge the airport users, while the concessionaire is exposed to the risk of demand.

In determining the property to be classified as assets comprising the concession right, the classes associated to the various activities carried out were identified, being considered as assets integrating the concession right those that are related to the services/activities in which:

i) the grantor controls or regulates:

   a) which services are to be provided – the concessionaire is obligated to provide the services set forth in the Concession Contract;

   b) the users – the concessionaire is obligated to provide access to the public service to all users indiscriminately; and

   c) the price – the concessionaire is obligated to practice the prices established by the grantor or other equivalent entity (e.g., the regulator);

ii) concession grantor substantially controls any significant interest in the infrastructure and the concessionaire cannot make free use of the assets without permission from the grantor.

The value of subsidies received for these investments was deducted from the total of these assets, the net amounts invested in the concession right being presented in the accounts, according to the policy defined for the ANA Group.

The concession right presented on the statement of the financial position includes the increased amounts agreed to with the grantor for the construction/acquisition of assets for the establishment of the concession that consist of investments for the expansion or renewal of infrastructures (see note 1.2).

The concession right is amortised until the end of the concession term (2062), on a straight-line basis.

2.6. OTHER INTANGIBLE ASSETS

Other intangible assets are valued at the cost of acquisition less accumulated amortisation and impairment losses.

Intangible assets are only recognised if identifiable and if it is likely that they will result in future economic benefits controlled by the Group and can be reliably measured.

Other intangible assets refer to research expenses and software.

RESEARCH AND DEVELOPMENT EXPENDITURE

Expenditure on research carried out while pursuing new technical or scientific knowledge, or a quest for alternative solutions, is shown in the results when incurred.

The expenditure incurred on account of development is capitalised when it is proved that the product or process being developed can be executed in technical terms and that the Group has the intention and the capacity to complete its development and begin its use or sale.

SOFTWARE

The costs incurred with the acquisition of software are capitalised whenever it is expected that they will be used by the Group, with an estimated 3-year lifetime.

2.7. GOODWILL

Goodwill represents the surplus of the cost of acquisition as compared to the fair value of the identifiable assets and liabilities of the subsidiary/associate at the date of acquisition. In the individual accounts, goodwill is included in investments in associates and is measured at the initial value less any accumulated impairment losses. Gains or losses arising from the sale of an entity include the goodwill value of this entity.

The goodwill is allocated to the units that generate the cash flows for purposes of conducting impairment tests. The tests are conducted at least once a year with reference to the financial reporting date.

2.8. IMPAIRMENT OF NON-FINANCIAL ASSETS

The assets of the ANA Group are analysed during each report period so as to detect possible losses due to impairment.

Impairment losses are recognised as the difference between the carrying amount and the recoverable amount.

The determination of the value recoverable is made considering the following operating segments:

- The airport activity managed by ANA, S.A.;
- The handling activity developed by Portway, S.A..

2.9. FINANCIAL ASSETS

The Group determines the classification of its financial assets on the date that the asset is first shown in accordance with the objective of its purchase, re-evaluating this classification on the date of each report.

Financial assets can be classified as:

- Assets measured at amortised cost – this includes non-derivative financial assets, the business model of which involves holding financial assets in order to receive contractual cash flows, where such flows are solely repayments of capital and the payment of interest on the outstanding capital.
- Financial assets at fair value through other comprehensive income – these assets are classified at fair value through other comprehensive income if they are held under a business model objective of which is attained by collecting contractual cash flows and selling financial assets, where the contractual terms of the financial asset result in specifically dated cash flows that are solely repayments of capital and the payment of interest on the outstanding capital.
- Financial instruments classified at fair value through profit or loss – the assets classified in this category are derivative financial instruments and capital instruments that the Company has not classified, on initial recognition, as financial assets through other comprehensive income. This category also covers all financial instruments contractual cash flows of which do not solely comprise capital and interest.

Financial assets are removed when the rights to receive the monetary flows created by these investments expire or are transferred, along with all the risks and benefits associated with their possession.

2.10. IMPAIRMENT OF FINANCIAL ASSETS

At each reporting date, the ANA Group assesses whether financial assets at amortised cost are impaired and recognises any expected credit losses for trade receivables, debtors and other receivables.

Under IFRS 9, in those situations in which the credit risk of a given financial asset has not increased significantly since it was initially recognised, an accumulated impairment equal to the loss that is judged likely to be incurred over the next 12 months should be recognised. If the credit risk has increased significantly, an accumulated impairment equal to the loss that is judged likely to be incurred over the next 12 months should be recognised.

With respect to expected losses, this standard covers both financial assets measured at amortised cost and those measured at fair value through other comprehensive income. Investments in capital instruments, loan commitments issued that are measured at fair value and other financial instruments measured at fair value are all excluded from the scope of this standard.

The Group applies the expected losses impairment model to contracts covered by IFRS 9. Expected losses through to maturity are carried on the basis of actual loss experience and the specific characteristics of the underlying credit risk.

2.11. INVENTORIES

Inventories are valued as the lesser of the cost of acquisition or the net sale value. Inventories essentially refer to fuels, spare parts and other materials. Inventories are initially shown at the cost of acquisition, which includes all the expenses associated with the purchase. The cost is determined using the pondered average cost method.

2.12. CASH AND CASH EQUIVALENTS

The cash and cash equivalents item includes: cash, bank deposits, other short-term investments with high levels of liquidity, insignificant risk of changes in value and with an initial maturity of up to 3 months and bank overdrafts.

It also includes the cash pooling figure, as the ANA Group is now part of the VINCI Group cash pooling mechanism. Cash pooling qualifies as being a cash equivalent because there are no restrictions on the way it is used, it is immediately available because it meets all the other pertinent criteria.

Bank overdrafts are shown on the statements of the financial position, in current liabilities under the loans item. For the purposes of cash flow statements, the bank overdrafts are included in the cash and cash equivalents item.

2.13. DIVIDENDS

Dividends are shown as a liability whenever approved by Shareholders General Meeting.

2.14. FINANCIAL LIABILITIES

The IFRS 9 classifies financial liabilities into two categories:

- Financial liabilities at amortized cost;
- Financial liabilities at fair value.

Financial liabilities at amortized cost include Loans obtained (note 2.15) and Payables and other liabilities (note 2.16).

Financial liabilities at fair value refer to derivative financial instruments contracted within the scope of managing the Group's financial risks.

Derivative financial instruments are shown on the date they are contracted at their fair value. Subsequently, the fair value of the derivative financial instruments is regularly evaluated. The gains or losses resulting from this evaluation are shown directly in the results for the period or in coverage reserves, in equity, in situations that these gains or losses qualify for cash flow hedge accounting (note 3.3).

The financial liabilities are removed when the underlying obligations are eliminated by payment or are cancelled or expire.

2.15. LOANS OBTAINED

A financial instrument is classified as a financial liability when the issuer is contractually obliged to pay back the capital and/or interest by disbursing money or handing over some other financial asset, irrespective of its legal form. Financial liabilities are recognised (i) initially, at fair value, less the transaction costs incurred and (ii) subsequently, at amortised cost, which is calculated using the effective rate method.

They are classified as current liabilities, except if the Group has an unconditional right to defer the liquidation of the liability for, at least, 12 months after the date of the balance sheet. In this case they are classified as non-current liabilities.

2.16. PAYABLES AND OTHER LIABILITIES

The balances of suppliers and other payables are initially shown at the fair value and are subsequently measured at the amortised cost in accordance with the effective interest rate method.

2.17. RETIREMENT BENEFITS

The parent company has responsibilities with complementary retirement benefits.

ANA, S.A. has a Complementary Pension Fund, managed by an autonomous entity, which includes two plans:

- Defined contribution plan – covers all employees, contributions for this plan are shown as a cost, in the financial year in which they occur;
- Defined benefits plan – covers only the employees who had already retired before 1 January 2004 (the date the defined benefits fund was changed to the defined contributions fund). The actuarial calculation of the Company's responsibilities is carried out annually using the immediate annuity method. The actuarial differences (re-measurements) are recognised immediately and only in 'Other comprehensive income'. The financial cost of funded plans is calculated on the basis of the net non-funded liability.

2.18. PROVISIONS, CONTINGENT ASSETS AND CONTINGENT LIABILITIES

Provisions are shown when:

- There is a legal, contractual or a constructive obligation, as a result of past events;
- It is likely that an outflow of resources will be necessary to satisfy the obligation; and
- A reliable estimate of the amount of the obligation can be made.

When there are similar obligations, the probability of generating an outflow of resources is determined together. The provision is shown even if the likelihood of an outflow owing to one element included in the same class of obligations might be lower.

Provisions are reviewed at each reporting date and are adjusted so that they reflect the best estimate. Provisions are measured based on their nominal value, plus any legally applicable interest, so that the outflow of resources arising from the liability is duly accounted for.

For ongoing legal cases, management bases its judgement on external legal advice in conjunction with the assessment of the internal Legal and Litigation Office.

Those situations in which there is a present obligation resulting from a past event but for which there is unlikely to be an outflow of resources or any situations that cannot be reliably estimated are classified as contingent liabilities. Such liabilities are disclosed in the financial statements, unless the possibility of any outflow is remote (note 45.2).

Contingent assets are not recognised in the financial statements but are only disclosed whenever it is likely that there will be a future economic inflow of resources (note 45.1).

The provision designed to cover the renovation and replacement liabilities associated with the Concession is constituted in accordance with the quality parameters required for Concession infrastructure and the estimated wear and tear, based on its state of use and usage.

This liability is evaluated annually, both in terms of amount and of occurrence date. The accrued costs carried correspond to the present value of the best estimate of the contractual liabilities at each reporting date.

When the expected usage period is more than 12 months, this provision is carried as a non-current liability, in the accounts payable and other liabilities item. The remaining balance is classified as accounts payable and other current liabilities.

2.19. SUBSIDIES

Subsidies are shown at their fair value when there is a reasonable assurance that they will be received and that the Group will fulfil the inherent obligations.

Subsidies received for financing acquisitions of tangible fixed assets are recorded under liabilities and shown in the results, in proportion to the amortisation of the subsidised assets.

The subsidies granted under the public service activities are deducted from the value of construction contracts provided in concession right by constituting reimbursement of certain expenses incurred.

Subsidies concerning expenses are deferred and recognised in the balance sheet for the period necessary to balance them with the expenses that they are meant to compensate.

Subsidies are classified as non-current liabilities, under the Accounts payable and other liabilities item, when the period of deferral is greater than 12 months. The remaining balance is classified under current Accounts payable and other liabilities.

2.20. LEASING

The Group classifies leases in accordance with IFRS 16.

IFRS 16 establishes the principles that apply to the recognition, measurement, presentation and disclosure of leasing contracts. Its main objective is to ensure that the information provided by lessees and lessors accurately reflects their lease-related transactions.

The Group carries the right-of-use asset and the lease liability in separate items on the statement of financial position.

A lease is defined as a contract that confers the right to control the use of an identifiable asset over a fixed period of time, in exchange for a specified payment.

The Group assesses whether or not each contract equates to a leasing contract, or if it contains a lease, as at its start date. If it does, a right-of-use asset and a lease liability are recognised.

The right-of-use asset is measured at the initial value of the lease liability, adjusted for any payments made at or before the start date, initial direct costs incurred, estimated decommissioning and restoration costs (if applicable) and deducted of any incentives obtained.

The lease liability is valued at the current value of the lease payments that have not been made to date, discounted using the interest rate implicit in the lease or, if this cannot be easily identified, the Group’s incremental borrowing rate.

The lease term is also a factor in calculating the value of the lease asset and liability. It is defined as the non-cancellable part of the contract term plus any extension options and less any lease rescission, where these are reasonably certain.

The Group subsequently measures right-of-use assets at cost less amortisations and impairment losses. The lease liability is subsequently measured on the basis of its amortised cost.

The value of the lease liability increases to account for the interest on the liability and decreases as a function of lease payments made during the period.

The lease liability may also be remeasured if there are any changes to future payments. The Group will recognise such amounts as adjustments to the right-of-use asset. If the book value of the right-of-use asset is reduced to zero, the remaining remeasurement amount must be recognised in the income statement.

2.21. HEDGING POLICY

The ANA Group follows a policy of resorting to derivative financial instruments which comply with the provisions of IFRS 9, with a view to covering the financial risks to which it is exposed, resulting from variations in interest rates.

Derivative financial instruments are shown on their trade date, at their fair value. Subsequently, the fair value of the derivative financial instruments is regularly re-evaluated, the resulting gains or losses of this re-evaluation are shown directly in the results for the period, except in cases that refer to cash flow coverage derivatives. The recognition of the variations of the fair value of the coverage derivatives depends on the nature of the risk covered and the model of coverage used.

COVERAGE ACCOUNTING

Derivative financial instruments used for purposes of coverage can be classified in accounting terms as coverage as long as they fulfil, cumulatively, the following conditions:

i) On the date the transaction is initiated, the coverage relation has been identified and formally documented, including the identification of the covered item, the coverage instrument and an evaluation of the effectiveness of the coverage;

ii) There is an expectation that the coverage relation will be highly effective, at the date the transaction is initiated and over the life of the operation;

iii) The effectiveness of the coverage can be reliably measured at the date the transaction is initiated and over the life of the operation;

iv) For cash flow coverage operations, there must be a high probability that they will occur.

INTEREST RATE RISK (COVERAGE OF FAIR VALUE)

Coverage instruments that are designated and qualify as fair value coverage are shown in the statement of financial position at their fair value. Simultaneously, the change in the fair value of the hedged instruments, in the component that is being covered, is adjusted as a counterpart to results. Consequently, any ineffectiveness of the coverages is immediately shown in the results.

If the coverage ceases to comply with the criteria required for coverage accounting, the derivative financial instrument is transferred to the trading portfolio and the coverage accounting is prospectively discontinued.

INTEREST RATE RISK (CASH FLOW COVERAGE)

The operations that qualify as coverage instruments with regard to cash flow coverage are shown in the statement of financial position at their fair value and, insofar as they are considered to be effective coverages, the variations in the fair value of the instruments are initially shown as a counterpart to equity and are later reclassified under the finance costs item.

If the coverage operations are ineffective, this is directly shown in the results. Thus, in net terms, the flows associated with covered operations are accrued at the rate inherent to the contracted coverage operation.

When a coverage instrument expires or is sold, or when the coverage ceases to comply with the criteria required for coverage accounting, the variations of the fair value of the derivative accumulated in reserves are shown under results when the covered operation also shows results.

2.22. FAIR VALUE OF FINANCIAL ASSETS AND LIABILITIES

While determining the fair value of a financial asset or liability, if there is an active market, the market quotation is used. This constitutes level 1 of the fair value hierarchy.

In case there is no active market, which is the case for some financial assets and liabilities, valuation techniques that are generally accepted by the market are used, based on market assumptions. This constitutes level 2 of the fair value hierarchy.

The Group uses valuation techniques for non-quoted financial instruments, such as derivatives, fair value financial instruments by means of results and for financial assets available for sale. The valuation models that are used most frequently are discounted cash flow models and options evaluation models that incorporate, for example, interest rate curves and market volatility.

For financial assets and liabilities for which there is no market data or equivalent, more advanced valuation models are used containing assumptions and data that are not directly observable in the market, for which the Group uses internal estimates and assumptions. This constitutes level 3 of the fair value hierarchy.

2.23. INCOME TAX AND DEFERRED TAX

In 2017, VINCI, S.A. opted to apply the RETGS to an extended number of companies that have their registered offices in Portugal and meet the conditions set out in articles 69.º and 69-A of the CIRC.

ANA, S.A. was named the designated controlled company by VINCI, S.A. and, as a result, bears the responsibility for compliance with all the obligations incumbent on the controlling company, in the terms of no. 3 of article 69 and 69-A of the CIRC.

In 2021, the RETGS covered 10 companies, including ANA, S.A. (see note 18).

Income comprises current tax and deferred tax. Current tax is calculated on the basis of net book profit/loss, adjusted in line with the applicable tax legislation.

Deferred taxes, calculated using the balance sheet liability method, reflect the temporary differences between consolidated asset and liability values for accounts reporting purposes and the respective values for tax purposes.

However, if the deferred tax ensues from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the transaction date, does not affect either the book result or the tax result, it is not recognised.

Deferred tax assets and liabilities are determined and annually evaluated at the tax rates in force or announced at the balance sheet date and expected to be applicable in the period in which the deferred tax asset or the settlement of the deferred tax liability occurs.

Deferred tax assets are recognised to the extent that it is likely that future taxable profits will allow the Company to make use of the temporary difference.

Deferred taxes are carried on the income statement, unless they result from amounts recognised directly in equity, in which case the tax is carried in the same equity item.

2.24. INCOME

IFRS 15 is based on the principle that the revenue from the sale of goods and the provision of services is recognised on the date on which control is transferred to the customer. The transaction price is allocated to the various performance obligations agreed with the customer and subject to adjustment on measurement, whenever the consideration is variable or subject to a significant financial effect.

The standard's revenue recognition model is based on a five-step analysis that determines when the revenue should be recognised and what the amount of this revenue is:

a. Identify the contract with the customer;
b. Identify the performance obligations;
c. Determine the transaction price;
d. Allocate the transaction price;
e. Recognition of the revenue.

Recognition of the revenue depends on whether the performance obligations are fulfilled over time or whether, on the contrary, control over the good or service is transferred to the customer at a given time. Revenue is measured as the amount that the entity expects to receive.

SALES

Sales of merchandise are recognised in the accounting period in which the Group transfers control over the same to the purchaser and comprise the fair sale value of the goods, net of taxes and discounts. The new model did not result in any change in the recognition of sales revenue, as the performance obligation is discharged at the time that the entity hands over the good to the customer.

SERVICES

The providing of services essentially encompasses charges for services in the areas of traffic, security, PMR, handling services, rents, exploitation and other commercial rates, as foreseen in economic regulation.

Under IFRS 15, the revenue is only recognised at the time at which the performance obligation is discharged. The Group's performance obligations for service provisions are discharged at the time that the following services are duly provided:

- Traffic, handling, security and PMR charges are recognised in the reporting period in which the services are provided. They are carried as the fair value of the service provision, net of taxes and the air traffic development incentives paid to airlines;
- Rents are recognised by the linear method over the period of the occupancy licence;

- Exploitation charges have a fixed component and/or a variable component. The fixed component is recognised by the linear method over the licence period. The variable component is arrived at by applying a set percentage to the concessionaire's revenues. This amount is recognised in the period in which the concessionaire earns these revenues. Moreover, most of the operating licences incorporate a minimum guaranteed earnings component.

Other business charges are recognised in the period in which the services are provided.

CONSTRUCTION CONTRACTS

The construction contracts item refers to the carrying of construction contracts associated with the Concession Contracts. The Group carries the costs associated with the acquisition/construction of expansion assets or the upgrade of concession infrastructures in the income statement, recognising the revenue of the corresponding construction. The calculation of construction contracts income also takes into account the direct costs of the technical areas involved in the construction of the expansion assets.

OTHER EARNINGS

The other earnings item mainly comprises services debited to Portway, S.A., the Company's handling subsidiary. These services are: technical and management services, staff secondments, occupational health, maintenance of information systems and others.

3. MANAGEMENT OF FINANCIAL RISK

3.1. FACTORS FOR FINANCIAL RISK

The Group's activities are exposed to a variety of financial risk factors: credit risk, liquidity risk and cash flow risk associated to interest rates.

The Group has a risk management programme that seeks to minimize potential adverse effects, using the appropriate instruments to cover certain risks to which it is exposed.

A. CREDIT RISK

Credit risk may result from counterpart risk, risk of cash balances and cash equivalents, deposits and derivative financial instruments in financial institutions, as well as the credit risk related to receivables from clients and other debtors.

The table below summarises the credit quality of the deposits and applications at financial institutions, in terms of counterpart risk. It should be noted that the Group places its excess liquidity with institutions that have an Aa3 level of risk.

Rating	Balances 2021	Balances 2020
Cash equivalents		
Aa3	321,172	257,704
A3	629	1
Baa1	-	773
Baa2	45	45
Ba3	21	21
B1	891	522
	322,758	259,067

Rating assigned by Moody's at 31.12.2021.

The cash equivalents item, detailed in the table above, does not include an amount of 17.346 thousand euros for cash pooling in 2021.

The ANA Group is exposed to the risk inherent in the credit extended to its portfolio of customers.

The Group assesses the credit risk of its customers by evaluating the impact any potential default could have on the group's financial situation.

The assessment of this risk, which underpins the credit decision, involves combining in-house information on the client with information provided by a specialist risk management company.

The Group has adopted a set of credit risk mitigation measures. These include the provision of guarantees, as a function of the loan amount, and a review of the credit limits allowed to each client, which are established in line with the information provided through the systematic monitoring of risk.

Closer monitoring of client credit has become particularly important during the pandemic, due to the deterioration of creditworthiness within the ANA Group's client portfolio. This has made it necessary to adjust the measures and credit conditions for a set of customers according to the new estimated risk parameters.

B. LIQUIDITY RISK

The management of liquidity risk implies the maintenance, at a sufficient level, of availability of cash and its equivalents, the consolidation of floating debt, via an adequate amount of credit facilities, and the ability to liquidate market positions.

Through the cash pooling mechanism established with the VINCI Group, the ANA Group has unconditional access to short-term cash funds, up to an amount equivalent to 2 months of sales (average amounts for n-1.) This has allowed the Group to manage its floating debt in a much more flexible manner.

The table below details the Group's liabilities by maturity intervals:

2021	0 - 6 Months	6 - 12 Months	1 - 5 Years	> 5 Years
Accounts payable - current	11,387	-	-	-
Accounts payable - investments	4,668	-	-	-
Lease liabilities [1]	549	442	783	-
Other creditors	6,469	-	-	-
Guarantees by third parties	275	264	9,179	97
Bank loans [1]	21,703	1,306,709	45,084	27,112
Derivatives	195	169	590	-
Contractual liabilities [2]	4,432	3,587	67,725	499,169
Accrual of costs, except banking interest and contractual liabilities	82,001	-	-	-
	131,680	1,311,171	123,362	526,378

[1] Include interests until the end of the financing
[2] Contractual liabilities with substitution/ replacement

As at 31 December 2021, the bank loans (6 to 12-month terms) item includes loans from the VINCI Group that mature in July 2022, in the amount of 1,272,200 thousand euros. These loans will be refinanced.

2020	0 - 6 Months	6 - 12 Months	1 - 5 Years	> 5 Years
Accounts payable - current	11,909	-	-	-
Accounts payable - investments	17,892	-	-	-
Lease liabilities [1]	642	571	1,552	-
Other creditors	3,338	-	-	-
Guarantees by third parties	132	159	4,646	836
Bank loans [1]	22,297	34,092	1,367,660	34,680
Bank overdrafts	3	-	-	-
Derivatives	233	215	996	55
Contractual liabilities [2]	4,103	6,477	66,686	489,892
Accrual of costs, except banking interest and contractual liabilities	74,863	-	-	-
	135,412	41,514	1,441,539	525,463

[1] Include interests until the end of the financing
[2] Contractual liabilities with substitution/ replacement

C. CASH FLOW RISKS AND FAIR VALUE RISKS ASSOCIATED TO INTEREST RATES

The Group's operating cash flows are independent of changes in market interest rates.

The Group's risk associated to interest rates is derived from long term loans that have been obtained. Such loans that have been issued with floating interest rates are exposed to cash flow risks associated to interest rates and those issued with fixed rates are exposed to the fair value risk of the debt.

The prevailing interest rates at 31 December 2021, plus a stress factor of +0.20% to -0.20%, were used in analysing sensitivity to changes in interest rates, as a way of estimating the impact on results for the 12-month period ending on 31 December 2022.

This analysis of sensitivity to interest rate changes shows the following likely impacts on results:

2021	Scenario at present rate *	Scenario +0.20%	Scenario -0.20%
Loans at variable rate	(38,995)	(1,297)	1,297
Loans at fixed	(748)	-	-
Financial leasing interest	(21)	-	-
Approximate impact on results/ present rate scenario		(1,297)	1,297

* Estimated cost of interest in 2022

3.2. CAPITAL RISK MANAGEMENT

The Group's objective with regard to the management of capital is:

- To safeguard the Group's capacity to continue its activities and carry out the necessary investments to pursue the object of the concession;
- Maintain the debt ratio within the limits established in the Concession Contract (see note 24);
- To create value in the long term for the shareholder.

The gearing ratios as of 31 December 2021 and 2020 were as follows:

	ANA Group	
	2021	2020
Total loans	1,371,865	1,386,527
Lease liabilities	1,745	2,701
Cash pooling [(1)]	(17,346)	(11,519)
Cash and cash equivalents	(322,803)	(247,598)
Net debt	1,033,460	1,130,112
Equity	698,910	672,466
Total capital	**1,732,370**	**1,802,578**
Gearing (%)	*59.7*	*62.7*

[(1)] Cash pooling is included in the cash and cash equivalents item in the statement of financial position

The change in the ratio is mainly the result of an overall reduction in borrowing, following capital repayments made in 2021, a year-on-year increase in the liquidity surplus generated over the year and an increase in equity resulting from the net profit booked for 2021.

3.3. DERIVATIVE FINANCIAL INSTRUMENTS ACCOUNTING

As at 31 December 2021, the Group has one active derivative financial instrument, held for the purposes of hedging interest rate risk.

The method used to recognise the changes in fair value depends on whether or not the instrument is classified as a hedge and the nature of the item that is covered.

The fair value of the interest rate swap contract incorporates the ANA Group's credit risk.

4. IMPORTANT ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are continuously evaluated and are based on past experiences and other factors, including expectations about future events that are reasonable in the existing circumstances.

The intrinsic nature of the estimates may differ in the future from the amounts originally estimated.

4.1. ASSET IMPAIRMENT

Whenever the accounting value of a set of assets that constitute a cash generating unit exceeds the recoverable quantity, corresponding to the highest value between the value in use and fair value less costs to sell, it is reduced to the recoverable amount and this impairment loss is recognized in the results of the financial year.

4.2. ESTIMATE OF THE FAIR VALUE OF FINANCIAL ASSETS

Whenever the financial assets available for sale are not quoted on the market, their fair value is estimated.

This estimate is carried out on the basis of the discounted cash flow method, and the best management estimate with regard to profitability, growth and discount rate, which may occur in the future.

4.3. ESTIMATE OF THE FAIR VALUE OF DERIVATIVE FINANCIAL INSTRUMENTS

The fair value of financial instruments is determined based on the interest rate curves estimated in the medium term, resulting from market transactions stated for those maturities and the credit risk rating for the ANA Group.

4.4. RENOVATION/REPLACEMENT RESPONSIBILITIES

The accrual for the renewal and replacement liabilities associated with the Concession is constituted as described in note 2.18.

The calculated liabilities result from the assessment by the technical team of the periodicity, the working periods and the amounts to be disbursed. These liabilities were discounted using the discount rates estimated for each period, based on a "basket" of risk-free interest rates from eurozone countries.

4.5. IMPAIRMENT OF ACCOUNTS RECEIVABLE

IFRS 9 establishes a new impairment model based on expected losses, as described in note 2.10.

The Group opted to take a simplified approach to the calculation and recognition of impairments (switching from the incurred loss model to expected loss) that was underpinned by a risk table aligned with the company's risk management policy. This approach involves taking the following main steps:

1. The identification of commercial debts, stratified into current debt and non-current debt, net of guarantees given (sureties and bank guarantees);
2. Estimate of the customer default risk, based on the information provided by a specialist risk management company, and the customer's transaction record with ANA, S.A..

In this context, current debt credit risk is stratified into four levels, from one to four, with four representing the highest default risk.

A default risk percentage of 100% is attributed to all debt that is over one year old and has been deemed hard to collect. If the debt is between 6 months and 1 year old, a default risk percentage of 50% is attributed.

5. FIXED TANGIBLE ASSETS

ANA, S.A.					ANA Group			
State	Patrimony	In progress	Total		State	Patrimony	In progress	Total
				Gross value				
355,977	824,840	21,667	1,202,485	Balance 01-January-2021	355,977	854,656	22,384	1,233,017
24.00	233	8,346	8,603	Increases	24	804	8,915	9,743
-	-	436	436	Capitalised work	-	-	436	436
3,717	20,669	(17,438)	6,949	Transfers	3,717	21,853	(18,622)	6,948
(9)	(1,542)	-	(1,551)	Write-offs	(9)	(1,701)	-	(1,710)
-	(346)	-	(346)	Sales	-	(892)	-	(892)
359,709	843,855	13,013	1,216,577	Balance 31-December-2021	359,709	874,720	13,113	1,247,542
				Accumulated depreciations				
284,718	720,513	-	1,005,231	Balance 01-January-2021	284,718	746,441	-	1,031,159
8,568	28,523	-	37,091	Reinforcements	8,568	30,166	-	38,734
1	701	-	702	Transfers	1	701	-	702
(9)	(1,540)	-	(1,549)	Write-offs	(9)	(1,699)	-	(1,708)
-	(342)	-	(342)	Sales	-	(888)	-	(888)
293,278	747,856	-	1,041,134	Balance 31-December-2021	293,278	774,721	-	1,067,999
				Net value				
71,259	104,327	21,667	197,254	Balance 01-January-2021	71,259	108,215	22,384	201,858
66,431	95,999	13,013	175,442	Balance 31-December-2021	66,431	99,999	13,113	179,543

Major investments in 2021 included (i) the change in the power supply voltage at Lisbon Airport (ii) the Fox taxiway - light signalling and control command, at Porto Airport and (iii) the investment in conserving and remodelling transformer station 1, at Faro Airport.

ANA, S.A.						ANA Group				
State	Patrimony	In progress	Advances	Total		State	Patrimony	In progress	Advances	Total
					Gross value					
351,727	812,963	18,618	5	1,183,313	Balance 01-January-2020	351,727	842,137	18,997	5	1,212,866
-	1,518	17,193	-	18,710	Increases	-	2,216	17,876	-	20,092
-	-	763	-	763	Capitalised work	-	-	763	-	763
4,250	11,524	(14,906)	-	868	Transfers	4,250	11,868	(15,252)	-	866
-	(356)	-	(5)	(361)	Write-offs	-	(202)	-	(5)	(207)
-	(808)	-	-	(808)	Sales	-	(1,363)	-	-	(1,363)
355,977	824,840	21,667	-	1,202,485	Balance 31-December-2020	355,977	854,656	22,384	-	1,233,017
					Accumulated depreciations					
274,150	688,330	-	-	962,480	Balance 01-January-2020	274,150	713,071	-	-	987,221
10,568	33,151	-	-	43,719	Reinforcements	10,568	34,740	-	-	45,308
-	185	-	-	185	Transfers	-	185	-	-	185
-	(354)	-	-	(354)	Write-offs	-	(200)	-	-	(200)
-	(799)	-	-	(799)	Sales	-	(1,355)	-	-	(1,355)
284,718	720,513	-	-	1,005,231	Balance 31-December-2020	284,718	746,441	-	-	1,031,159
					Net value					
77,577	124,633	18,618	5	220,833	Balance 01-January-2020	77,577	129,066	18,997	5	225,645
71,259	104,327	21,667	-	197,253	Balance 31-December-2020	71,259	108,215	22,384	-	201,858

Major investments in 2020 included (i) an increased number of parking spaces - RAC auto silo and (ii) the reformulation of the departures curbside, both at Lisbon Airport; and (iii) the conservation and remodelling of transformer station 1 at Faro Airport.

In accordance with the policy outlined in point 2.5, the direct costs pertaining to technical areas involved in constructing Group assets have been capitalised under tangible assets in the 2021 period.

The capitalised amounts are as follows:

	2021	2020
Goods sold and consumable materials	1	2
Supplies and external services	27	59
Personnel costs	408	702
	436	763

6. RIGHT OF USE ASSET

The right-of-use assets item breaks down as follows:

ANA, S.A.					ANA Group			
Vehicles	Administrative equipment	Other equipments	Total		Vehicles	Administrative equipment	Other equipments	Total
				Gross value				
1,297	3,808	23	5,128	Balance 01-January-2021	1,552	3,808	23	5,383
116	47	-	163	Increases	218	47	-	265
-	(726)	-	(726)	Transfers	-	(726)	-	(726)
(66)	(59)	-	(125)	Write-offs	(113)	(59)	-	(171)
1,346	3,070	23	4,440	Balance 31-December-2021	1,658	3,070	23	4,751
				Accumulated depreciations				
465	2,052	14	2,531	Balance 01-January-2021	595	2,052	14	2,661
364	797	7	1,168	Reinforcements	443	797	7	1,247
-	(726)	-	(726)	Transfers	-	(726)	-	(726)
(56)	(59)	-	(115)	Write-offs	(102)	(59)	-	(161)
773	2,065	21	2,858	Balance 31-December-2021	936	2,065	21	3,022
				Net value				
832	1,756	9	2,597	Balance 01-January-2021	957	1,756	9	2,722
574	1,006	2	1,582	Balance 31-December-2021	722	1,006	2	1,730

The increases are due to new leasing contracts for: (i) servers and (ii) vehicles, carried under IFRS 16.

ANA, S.A.					ANA Group			
Vehicles	Administrative equipment	Other equipments	Total		Vehicles	Administrative equipment	Other equipments	Total
				Gross value				
823	3,623	23	4,469	Balance 01-January-2020	1,082	3,623	23	4,728
588	369	-	958	Increases	590	369	-	960
-	(185)	-	(185)	Transfers	-	(185)	-	(185)
(114)	-	-	(114)	Write-offs	(120)	-	-	(120)
1,297	3,808	23	5,128	Balance 31-December-2020	1,552	3,808	23	5,383
				Accumulated depreciations				
278	1,315	7	1,600	Balance 01-January-2020	334	1,315	7	1,656
301	921	7	1,229	Reinforcements	378	921	7	1,306
-	(185)	-	(185)	Transfers	-	(185)	-	(185)
(114)	-	-	(114)	Write-offs	(117)	-	-	(117)
465	2,052	14	2,531	Balance 31-December-2020	595	2,052	14	2,661
				Net value				
545	2,308	16	2,869	Balance 01-January-2020	748	2,308	16	3,072
832	1,756	9	2,597	Balance 31-December-2020	957	1,756	9	2,722

7. CONCESSION RIGHT AND OTHER INTANGIBLE ASSETS

The amounts carried in the concession right item refer to the amounts invested in respect of the management/ operation of the Portuguese airports covered by the concession contracts.

The figures for the concession right and other intangible assets have the following detail:

ANA, S.A.			ANA Group					
Concession right	Other intangible assets		Concession right: Assets	Subsidies	Advances	In progress	Total	Other intangible assets
		Gross value						
2,440,781	34,637	Balance 01-January-2021	2,640,865	(273,011)	19	72,908	2,440,781	34,637
8,340	57	Increases	-	-	-	8,340	8,340	57
(6,729)	2,575	Transfers	48,580	-	-	(55,309)	(6,729)	2,575
(1)	(28)	Write-offs	-	-	(1)	-	(1)	(28)
2,442,391	37,241	Balance 31-December-2021	2,689,445	(273,011)	18	25,939	2,442,391	37,241
		Accumulated depreciations						
711,622	31,931	Balance 01-January-2021	836,583	(124,961)	-	-	711,622	31,931
40,054	1,100	Reinforcements	43,585	(3,531)	-	-	40,054	1,100
-	23	Transfers	-	-	-	-	-	23
-	(28)	Write-offs	-	-	-	-	-	(28)
751,676	33,026	Balance 31-December-2021	880,168	(128,492)	-	-	751,676	33,026
		Net value						
1,729,159	2,706	Balance 01-January-2021	1,804,282	(148,050)	19	72,908	1,729,159	2,706
1,690,715	4,215	Balance 31-December-2021	1,809,277	(144,519)	18	25,939	1,690,715	4,215

The main expansion investments made in 2021 were as follows: (i) the refurbishment of Floor -1 /Basement at Faro Airport; (ii) the extension of the FOX taxiway at Porto Airport; and (iii) Phase 1 of the extension of the international area in Terminal 2, at Lisbon Airport.

ANA, S.A.			ANA Group					
Concession right	Other intangible assets		Concession right: Assets	Subsidies	Advances	In progress	Total	Other intangible assets
		Gross value						
2,387,624	33,951	Balance 01-January-2020	2,619,646	(273,011)	18	40,971	2,387,624	33,951
54,672	74	Increases	-	-	130	54,542	54,672	74
(1,386)	817	Transfers	21,219	-	-	(22,605)	(1,386)	817
(129)	(205)	Write-offs	-	-	(129)		(129)	(205)
2,440,781	34,637	Balance 31-December-2020	2,640,865	(273,011)	19	72,908	2,440,781	34,637
		Accumulated depreciations						
672,316	31,429	Balance 01-January-2020	793,745	(121,429)	-	-	672,316	31,429
39,306	707	Reinforcements	42,838	(3,532)	-	-	39,306	707
-	(205)	Write-offs	-	-	-	-	-	(205)
711,622	31,931	Balance 31-December-2020	836,583	(124,961)	-	-	711,622	31,931
		Net value						
1,715,308	2,522	Balance 01-January-2020	1,825,901	(151,582)	18	40,971	1,715,308	2,522
1,729,160	2,706	Balance 31-December-2020	1,804,282	(148,050)	19	72,908	1,729,160	2,706

The main investments made in 2020 were as follows: (i) capacity expansion at Lisbon Airport; (ii) extension of the FOX taxiway at Porto Airport; and (iii) those relating to the development of Montijo Airport, in the amount of 9 million euros. A total of 16 million euros was invested in Montijo Airport in 2020.

The amortisations for the period were calculated using the linear method over the concession term.

8. GOODWILL

The goodwill can be summarised in the following manner:

	2021	2020
Acquisition of 40% of Portway, S.A. in 2006	1,430	1,430

The goodwill ascertained with reference to Portway, S.A. was generated in January 2006, when ANA, S.A. acquired the entire stake that Fraport held in this company, thus becoming the sole shareholder. The capital stake acquired, 40%, was assessed at 2,704 thousand euros, a sum paid in cash by ANA, S.A. Taking into consideration Portway, S.A.'s equity as of 1 January 2006, the goodwill was ascertained at the sum of 1,430 thousand euros.

According to the policies defined by the Management, an impairment test was carried out for this goodwill at the end of the year.

The main assumptions used in carrying out the impairment test were as follows:

CALCULATION OF THE RECOVERABLE VALUE

The recoverable value was determined by the value of use, as there was no fair value established under the terms provided for in IAS 36.

The assumptions applied were underpinned by the Portway, S.A. budget for 2022. Cash flows have been projected through to the end of the concession, by using the discounted cash flows method.

The discount rate used was 9.40%.

No impairment loss was identified.

SENSITIVITY ANALYSIS OF THESE ASSUMPTIONS

The sensitivity analyses carried out took into account the prevailing conditions in the financial markets, the situation of the Portuguese market for ground handling, as well as Portway, S.A.'s competitive position.

This sensitivity test did not result in any potential impairment loss.

9. INVESTMENTS IN SUBSIDIARIES

The following investments were made in ANA subsidiaries and associates:

	Head office	% Held	Share capital
Portway - Handling de Portugal, S.A.	Lisbon	100	4,500

	ANA, S.A.	
	2021	2020
Portway- Handling de Portugal, S.A.	4,574	4,574

There were no entries in the investments in subsidiaries item for 2021 or for 2020.

10. FINANCIAL ASSETS AND LIABILITIES BY CATEGORY

The breakdown of assets and liabilities of the Group by category is as follows:

2021	Financial assets at amortized cost	Assets at fair value via other comprehensive income	Assets at fair value via results	Cover liabilities at fair value	Financial liabilities at amortized cost	Non financial assets/ liabilities	Total
Assets							
Financial investments	-	1,386	373	-	-	-	1,759
Customers and other receivables [1]	74,040	-	-	-	-	-	74,040
Other assets	-	-	-	-	-	7,085	7,085
Cash and cash equivalents	340,150	-	-	-	-	-	340,150
	414,190	1,386	373	-	-	7,085	423,034
Liabilities							
Loans obtained	-	-	-	-	1,371,865	-	1,371,865
Lease liabilities	-	-	-	-	1,745	-	1,745
Derivative instruments	-	-	-	958	-	-	958
Suppliers and other payables	-	-	-	-	38,999	-	38,999
Other liabilities	-	-	-	-	-	233,621	233,621
	-	-	-	958	1,412,609	233,621	1,647,188

[1] The amount of customers and other receivables is deducted from impairment losses.

2020	Financial assets at amortized cost	Assets at fair value via other comprehensive income	Assets at fair value via results	Cover liabilities at fair value	Financial liabilities at amortized cost	Non financial assets/ liabilities	Total
Assets							
Financial investments	-	888	411	-	-	-	1,299
Customers and other receivables (1)	49,655	-	-	-	-	-	49,655
Other assets	-	-	-	-	-	5,176	5,176
Cash and cash equivalents	259,117	-	-	-	-	-	259,117
	308,772	888	411	-	-	5,176	315,247
Liabilities							
Loans obtained	-	-	-	-	1,386,527	-	1,386,527
Lease liabilities	-	-	-	-	2,701	-	2,701
Derivative instruments	-	-	-	1,497	-	-	1,497
Suppliers and other payables	-	-	-	-	41,853	-	41,853
Other liabilities	-	-	-	-	-	236,529	236,529
	-	-	-	1,497	1,431,081	236,529	1,669,107

(1) The amount of customers and other receivables is deducted from impairment losses.

The fair value hierarchy used in measuring assets and liabilities of the Group (note 2.22) is as follows:

2021	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value via results	373	-	-	373
Assets at fair value via other comprehensive income (1)	-	-	1,386	1386
	373	-	1,386	1,759
Financial liabilities				
Covering financial liabilities	-	(958)	-	(958)
	-	(958)	-	(958)

(1) The disclosures demanded on measurable assets at level 3 fair value are included in note 11 - Financial Investments

2020	Level 1	Level 2	Level 3	Total
Financial assets				
Financial assets at fair value via results	411	-	-	411
Assets at fair value via other comprehensive income (1)	-	-	888	888
	411	-	888	1,299
Financial liabilities				
Covering financial liabilities	-	(1,497)	-	(1,497)
	-	(1,497)	-	(1,497)

(1) The disclosures demanded on measurable assets at level 3 fair value are included in note 11 - Financial Investments

11. FINANCIAL INVESTMENTS

	2021	2020
Assets at fair value via other comprehensive income		
Capital shares - Futuro	1,386	888
Financial assets at fair value via results		
Reserve fund	129	115
Labour compensation fund	244	296
	1,759	1,299

FUTURO

The financial assets at fair value through other comprehensive income item pertains to the 3.89% holding in Futuro - Sociedade Gestora de Fundos de Pensões, S.A..

The fair value of the stake in Futuro is estimated considering perpetuity for the evolution of the cash flow released, adjusted to the opportunity cost of the capital (4.60%).

	Futuro
Balance as of 1 January 2020	725
Variation in fair value	163
Balance as of 31 December 2020	888
Variation in fair value	498
Balance as of 31 December 2021	1,386

The fair value sensitivity analysis, with growth rates varying between plus 10 base points and minus 10 base points and the cost of capital varying between plus 100 basis points and minus 100 basis points, resulted in the following:

	Futuro	Growth rate		
		0.40%	0.50%	0.60%
Cost of capital	3.60%	1,679	1,724	1,772
	4.60%	1,360	1,386	1,413
	5.60%	1,163	1,180	1,198

RESERVE FUND E AND WORK COMPENSATION FUND

The financial assets at fair value through profit or loss only concern the Reserve Fund and to the Work Compensation Fund (FCT), established by Law No. 70/2013, of 30 August.

The Reserve Fund corresponds to the overfunding existing in the Pensions Fund – ANA Complements.

The fair value of these investments is assessed based on market quotations.

	Reserve fund
Balance as of 1 January 2020	96
Variation in fair value	19
Balance as of 31 December 2020	115
Variation in fair value	14
Balance as of 31 December 2021	129

As at 31 December 2021 and 2020, the value of the Work Compensation Fund was as follows:

Work Compensation Fund	2021	2020
ANA, S.A.	123	78
PORTWAY, S.A.	121	218
Balance as of 31 December	244	296

12. RECEIVABLES AND OTHERS – NON-CURRENT

Non-current commercial and other debts receivable breakdown as follows:

ANA, S.A.			ANA Group	
2021	2020		2021	2020
41	41	Guarantees to third parties	41	41
946	946	Accrual and deferred	946	946
986	986		987	986

13. ASSETS AND LIABILITIES FOR DEFERRED TAXES

For purposes of assessing assets and liabilities for deferred taxes the following rates of taxation were used:

	2021	2020
ANA, S.A.	30.81%	29.59%
Portway, S.A.	22.50%	22.50%

In 2021, the rates used for calculating deferred tax took into account the corporate income tax (IRC) rate estimated for 2022.

The breakdown of deferred tax assets and liabilities, as a function of the temporary differences that generate these, is as follows:

	ANA Group								
	2020			Movements 2021				2021	
				Impact on results		Impact on equity			
	Base	Deferred tax	Rate	Rate change	Results movement	Rate change	Equity movement	Base	Deferred tax
Assets due to deferred taxes									
Provisions not accepted for tax purposes	32,752	9,691	30.81%	400	(974)	-	-	29,592	9,117
Contributions not accepted for tax purposes	5,209	1,541	30.81%	64	-	-	-	5,209	1,605
Retirement benefits	2,305	682	30.81%	(20)	141	48	(74)	2,521	777
Derivative instruments	1,494	442	30.81%	28	(1)	(9)	(166)	953	294
Amortisation not accepted for tax purposes	11,747	3,476	30.81%	143	(1,030)	-	-	8,404	2,589
Contractual liabilities - Concession	138,875	41,093	30.81%	1,694	6,315	-	-	159,371	49,102
Tax losses	64,599	13,566	21.00%	-	(7,883)	-	-	27,063	5,683
Total ANA	256,981	70,491		2,309	(3,432)	39	(240)	233,113	69,167
Provisions not accepted for tax purposes	1,017	229	22.50%	-	184	-	-	1,835	413
Tax losses	9,705	2,038	21.00%	-	(495)	-	-	7,347	1,543
Total subsidiaries	10,722	2,267		-	(311)	-	-	9,182	1,956
ANA- Assets due to deferred taxes	256,981	70,491		2,309	(3,432)	39	(240)	233,113	69,167
Group ANA- Assets due to deferred taxes	267,703	72,758		2,309	(3,743)	39	(240)	242,295	71,123
Liabilities due to deferred taxes									
Re-evaluations of fixed assets	3,836	1,135	30.81%	47	(33)	-	-	3,727	1,149
Financial assets	916	271	30.81%	2	4	10	153	1,428	440
Total ANA	4,752	1,406		49	(29)	10	153	5,155	1,589
ANA- Liabilities due to deferred taxes	4,752	1,406		49	(29)	10	153	5,155	1,589
Group ANA- Liabilities due to deferred taxes	4,752	1,406		49	(29)	10	153	5,155	1,589

	ANA Group								
	2019		Movements 2020					2020	
				Impact on results		Impact on equity			
	Base	Deferred tax	Rate	Rate change	Results movement	Rate change	Equity movement	Base	Deferred tax
ssets due to deferred taxes									
Provisions not accepted for tax purposes	14,464	4,502	29.59%	(223)	5,412	-	-	32,752	9,691
Contributions not accepted for tax purposes	5,209	1,622	29.59%	(81)	-	-	-	5,209	1,541
Retirement benefits	2,310	718	29.59%	29	76	(64)	(77)	2,305	682
Derivative instruments	1,856	578	29.59%	(34)	1	6	(109)	1,494	442
Amortisation not accepted for tax purposes	13,356	4,158	29.59%	(206)	(476)	-	-	11,747	3,476
Contractual liabilities - Concession	133,936	41,695	29.59%	(2,063)	1,461	-	-	138,875	41,093
Tax losses	-	-	21.00%	-	13,566	-	-	64,599	13,566
Total ANA	171,131	53,273		(2,578)	20,040	(58)	(186)	256,981	70,491
Provisions not accepted for tax purposes	995	246	22.50%	(22)	5	-	-	1,017	229
Tax losses	-	-	21.00%	-	2,038	-	-	9,705	2,038
Total subsidiaries	995	246		(22)	2,043	-	-	10,722	2,267
ANA- Assets due to deferred taxes	171,131	53,273		(2,578)	20,040	(58)	(186)	256,981	70,491
Group ANA- Assets due to deferred taxes	172,126	53,519		(2,600)	22,083	(58)	(186)	267,703	72,758
abilities due to deferred taxes									
Re-evaluations of fixed assets	3,947	1,229	29.59%	(61)	(33)	-	-	3,836	1,135
Derivative instruments	43	14	29.59%	(1)	(13)	-	-	-	-
Financial assets	734	228	29.59%	(1)	6	(10)	48	916	271
Total ANA	4,724	1,471		(63)	(40)	(10)	48	4,752	1,406
NA- Liabilities due to deferred taxes	4,724	1,471		(63)	(40)	(10)	48	4,752	1,406
roup ANA- Liabilities due to deferred taxes	4,724	1,471		(63)	(40)	(10)	48	4,752	1,406

14. INVENTORIES

Inventories have the following breakdown:

ANA, S.A.			ANA Group	
2021	2020		2021	2020
99	67	Goods	767	782
393	419	Raw, subsidiary and consumable materials	393	419
492	486		1,159	1,201

15. RECEIVABLES AND OTHERS – CURRENT

The breakdown for the Commercial Debts and Other Receivables – Current item is as follows:

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
98,707	72,614	Customers	105,779	76,235
-	3,285	VAT receivable	-	3,654
12,394	10,001	Debtors and other receivables	12,849	10,422
1,543	-	Accrued income	1,994	25
733	1,310	Subsidies receivable	733	1,310
3,352	3,372	Advanced payments	4,145	4,206
116,729	90,582		125,500	95,852
(38,508)	(35,281)	Losses due to impairment of customers debts[1]	(41,673)	(38,317)
(3,626)	(3,628)	Losses due to impairment of third party debts[1]	(3,688)	(3,690)
(42,134)	(38,909)		(45,361)	(42,007)
74,595	51,673		80,138	53,845

[1] See note 16

The book value deducted from impairment losses of commercial debts is approximately its fair value.

The customers item comprises amounts invoiced to customers but not paid in 2021. The increase in this item is directly related to the year-on-year increase in operational activity in 2021. In 2020, this item was severely affected by the fall in revenues attributable to the COVID-19 pandemic.

The Company calculated that VAT was payable for the year ending 31 December 2021. In 2020, VAT was recoverable due to the drop in business activity.

The accrued income item comprises the estimated amounts for which customers will be invoiced after the accounts have been closed.

The advance payments item essentially comprises supplies and external services that have already been paid for, but for which the cost is not yet effective as it pertains to subsequent periods.

The increase in the losses due to the impairment of client debts is largely attributable to the pandemic, which has had a significant impact on client liquidity.

The antiquity of receivables in the Group is as follows:

2021	Debt not due	Arrears 0 - 6 months	Arrears 6 - 12 months	Arrears > 12 months	Total
Customers	35,839	24,709	5,071	40,160	105,779
Debtors and other receivables	1,551	6,933	370	3,995	12,849

2020	Debt not due	Arrears 0 - 6 months	Arrears 6 - 12 months	Arrears > 12 months	Total
Customers	16,749	27,090	11,753	20,643	76,235
Debtors and other receivables	1,734	3,187	-	5,501	10,422

Credit risk is managed as described in note 3.1.

16. LOSSES DUE TO ASSET IMPAIRMENT

The impairment losses ascertained during the financial year were shown as expenses in the income statement. In the same manner, the reversal of impairment losses has been recognised as income in the financial statements.

The movements shown under the impairment losses item are as follows:

	2021			
		Impact on results		
	Opening Balance	Increase	Reversal	Closing Balance
Losses due to impairment of customers' debts				
ANA, S.A.	35,281	8,924	(5,697)	38,508
Portway, S.A.	3,034	360	(229)	3,165
	38,317	9,284	(5,927)	41,673
Losses due to impairment of other third party debts				
ANA, S.A.	3,629	-	(2)	3,626
Portway, S.A.	62	-	-	62
	3,690	-	(2)	3,688
	42,007	9,284	(5,929)	45,361

The impairment losses carried reflect the risk management policy described in note 3 and were based on the present value of the cash flows for debt receivables.

	2020			
		Impact on results		
	Opening Balance	Increase	Reversal	Closing Balance
Losses due to impairment of customers' debts				
ANA, S.A.	18,572	18,005	(1,296)	35,281
Portway, S.A.	2,684	354	(4)	3,034
	21,256	18,360	(1,300)	38,317
Losses due to impairment of other third party debts				
ANA, S.A.	3,631	-	(2)	3,629
Portway, S.A.	-	62	-	62
	3,631	62	(2)	3,690
	24,887	18,421	(1,302)	42,007

The increase in impairment losses in 2020 is essentially attributable to the COVID-19 pandemic, which has affected the liquidity position of the ANA Group's clients.

17. OBLIGATIONS ON ACCOUNT OF RETIREMENT BENEFITS

These obligations only concern ANA, S.A. as mentioned in note 2.17. The Complementary Pension Fund has two associated plans, one of which is a defined benefits plan.

DEFINED BENEFITS PLAN

Actuarial calculations using the immediate annuity method were carried out to ascertain the responsibilities with services of the Defined Benefits Plan, which only covers a population of pensioners.

The actuarial assumptions used to ascertain responsibilities with past services of the Defined Benefits Plan were as follows:

	2021	2020
Mortality table	TV 88/90	TV 88/90
Technical rate	1.05%	0.80%
Pension growth rate (CGA)	1.50%	1.50%
Pension growth rate (SS)	1.50%	1.50%

Based on actuarial studies, the following values were ascertained:

	2021	2020	2019	2018	2017
Fund patrimony	3,244	3,345	3,618	3,751	4,024
Responsibilities undertaken	4,411	4,968	5,497	5,196	5,249
(Insufficiency)/Surplus	(1,167)	(1,623)	(1,879)	(1,445)	(1,225)

The Fund presents financing gap. The respective responsibility is registered by the Company.

After carrying out a sensitivity analysis for the amounts as of 31 December 2021, varying the technical rate by plus 50 bp and minus 50 bp, the actuarial results are as follows:

Technical rate	0.55%	1.55%
Fund patrimony	3,244	3,244
Responsibilities undertaken	4,595	4,240
(Insufficiency)/Surplus	(1,351)	(996)

The Fund patrimony demonstrated the following average proportions by financial asset class:

	2021	2020
Shares	21.90%	21.40%
Bonds	56.90%	55.70%
Real estate	0.10%	3.10%
Other funds	18.80%	16.80%
Liquidity	2.30%	3.20%
	100%	100%

An analysis of the composition of the portfolio allows one to conclude that there is sufficient diversification with regard to the various financial products and it is in accordance with the need for liquidity to pay pensions.

The movements that occurred in the fund's patrimony are as follows:

	2021	2020
Initial balance	3,345	3,618
Pensions paid	(413)	(439)
Contributions	229	9
Fund revenue	83	157
Final balance	3,244	3,345

The movements in the liabilities of the plan were as follows:

	2021	2020
Opening balance	4,968	5,497
(Gain) / Loss of Benefits	(30)	(41)
Net interest [1]	37	31
Remeasurements - financial assumptions	(90)	(84)
Remeasurements - adjusting experience	(61)	4
Paid benefits	(413)	(439)
Final balance	4,411	4,968

[1] Net interest effect on the liabilities of the plan as of January 1st

The changes in the liabilities plan – impacts on staff costs and the statement of comprehensive income and the statement of financial position, present the following breakdown:

	Income Statement	Comprehensive Income Statement	Statement of Financial Position
Balance as of 1 January 2020			(1,879)
Cost of the year 2020			
Net interest	(12)		
	(12)		
Contributions			9
Return on assets		137	
Gains/ (losses) financial assumption variation		84	
Gains/ (losses) experience adjustments		(4)	
Gains/ (losses) of benfits		42	
		259	
Balance as of 31 December 2020			(1,623)
Cost of the year 2021			
Net interest	(13)		
	(13)		
Contributions			229
Return on assets		59	
Gains/ (losses) financial assumption variation		90	
Gains/ (losses) experience adjustments		61	
Gains/ (losses) of benfits		30	
		240	
Balance as of 31 December 2021			(1,167)

DEFINED CONTRIBUTION PLAN

ANA's Executive Committee decided to suspend the monthly contributions stipulated in the ANA Pension Fund constitutive contract. This suspension will run between 1 November 2021 and November 2024.

The defined contribution plan encompasses all workers of ANA, S.A. As at 31 October 2021, the Company's contribution is made in line with the following criteria:

- 2.8% of the reference salary, in case the worker does not provide own contributions;
- 3.5% of the reference salary, in case the worker chooses to make a contribution of, at least, 1%.

The value of the contributions made by ANA, S.A. to this fund during the year 2021 rose to 1,297 thousand euros (1,527 thousand euros in 2020).

18. CURRENT TAX

The current tax item breaks down as follows:

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
		Assets		
(5,285)	(433)	Tax provision	(4,604)	(429)
(332)	(837)	Tax provision (R.E.T.G.S)	(1,011)	(837)
6,236	6,432	Withholding taxes by third parties	6,236	6,432
-	24,661	Payments on account	-	24,661
620	29,823	Receivable income tax	622	29,827

ANA Group, and the other 9 Portuguese companies that fall within the VINCI Group perimeter and comply with the conditions set out in article 69 and subsequent of the Corporate Income Tax Code (CIRC), are subject to Corporate Income Tax (IRC) under the Special Taxation Schedule for Groups of Companies (RETGS) (see note 2.23).

ANA, S.A. carries the calculated taxable income for each of these companies on its books. In the year ending 31 December 2021, the amount payable to and receivable from these companies was 1,184 thousand euros (of which 679 thousand euros pertain to Portway) and 1,515 thousand euros, respectively, as detailed in note 46.

The following companies fall within this RETGS perimeter:

Company	Year of integration in the RETGS
ANA, S.A.	2017
Portway, S.A.	2017
VINCI Energies Portugal, S.A.	2017
Sotécnica, S.A.	2017
Sotécnica Açores, Lda.	2017
Cegelec, Lda.	2017
Rodio Portugal, S.A.	2017
Sixense Portugal, Lda.	2017
Freyssinet, Lda.	2018
Axianseu, S.A.	2019

In 2022, ANA, S.A. intends to apply for tax incentives under SIFIDE, the tax incentives system for R&D in business, that pertain to research and development carried out in 2021. The tax credit in question is estimated to be 84 thousand euros, based on eligible R&D expenditure in the amount of 256 thousand euros.

The tax credit for 2020 was 144 thousand euros, underpinned by R&D investment of 352 thousand euros. As the taxable base was insufficient in that year, this credit was carried forward to 2021.

19. CASH AND CASH EQUIVALENTS

Cash and cash equivalents were as follows, at 31 December 2021 and 2020:

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
		Cash		
25	29	Cash	46	50
		Cash equivalents		
322,198	246,846	Bank deposits - account	322,758	247,548
17,346	11,519	Cash pooling	17,346	11,519
339,569	258,393	**Cash and cash equivalents in the statement of financial position**	340,150	259,117
-	-	Bank overdrafts - Portway (note 24)	-	(3)
339,569	258,393	**Cash and cash equivalents in the cash flow statement**	340,150	259,114

Financial applications in the form of deposits or cash pooling mechanisms are remunerated at market rates.

20. SHARE CAPITAL

The share capital is represented by 40,000,000 shares with a face value of 5 euros each, which are registered and follow the regime of nominal shares. The share capital is entirely subscribed and realised.

On December 31, 2021, ANA, S.A. was 100% owned by the VINCI Airports, SAS (see note 1.1).

21. RESERVES

Reserves showed the following movements:

ANA, S.A.	Not distributable			Distributable			Total
	Legal	Others	Total	Free	Others	Total	
Balance as of 1 January 2020	40,000	1,175	41,175	40,703	254	40,957	82,132
Others movements	-	-	-	-	264	264	264
Change in fair value of financial assets and liabilities	-	125	125	-	-	-	125
Balance as of 31 December 2020	40,000	1,300	41,300	40,703	518	41,221	82,521
Balance as of 1 January 2021	40,000	1,300	41,300	40,703	518	41,221	82,521
Others movements	-	-	-	-	363	363	363
Change in fair value of financial assets and liabilities	-	335	335	-	-	-	335
Balance as of 31 December 2021	40,000	1,635	41,635	40,703	881	41,584	83,219

ANA Group	Not distributable			Distributable			Total
	Legal	Others	Total	Free	Others	Total	
Balance as of 1 January 2020	40,944	1,176	42,120	40,720	253	40,973	83,093
Others movements	-	-	-	-	264	264	264
Subsidiary reserves	(944)	-	(944)	(17)		(17)	(961)
Change in fair value of financial assets and liabilities	-	125	125	-	-	-	125
Balance as of 31 December 2020	40,000	1,301	41,301	40,703	517	41,220	82,521
Balance as of 1 January 2021	40,000	1,301	41,301	40,703	517	41,220	82,521
Others movements	-	-	-	-	363	363	363
Change in fair value of financial assets and liabilities	-	335	335	-	-	-	335
Balance as of 31 December 2021	40,000	1,636	41,636	40,703	880	41,583	83,219

As from the year ending 31 December 2020, the group's reserves are presented on the basis of ANA, S.A.'s individual position. The reserves relating to the subsidiary are included in retained earnings (see note 22).

22. RETAINED EARNINGS

Retained earnings breakdown as follows:

ANA, S.A.				ANA Group		
Not distributable	Distributable	Total		Not distributable	Distributable	Total
20,003	140,991	160,994	Balance as of 1 January 2020	20,003	145,133	165,136
-	301,864	301,864	Application of results	-	303,435	303,435
-	-	-	Subsidiary reserves	944	17	961
-	117	117	Retirement benefits	-	116	116
20,003	442,972	462,975	Balance as of 31 December 2020	20,947	448,701	469,648
20,003	442,972	462,975	Balance as of 1 January 2021	20,947	448,701	469,648
-	(72,139)	(72,139)	Application of results	-	(79,704)	(79,704)
-	215	215	Retirement benefits	-	215	215
20,003	371,048	391,051	Balance as of 31 December 2021	20,947	369,212	390,159

The Retained earnings item includes an amount of 20,003 thousand euros pertaining to legal revaluations. As established in the relevant legislation, this reserve can only be used to cover accumulated losses until the date to which the revaluation or the incorporation in the share capital refers.

As from the year ending 31 December 2021, the retained earnings figure includes the subsidiary's reserves (see note 21).

23. CONCILIATION BETWEEN INDIVIDUAL EQUITY AND CONSOLIDATED EQUITY

The changes to individual and consolidated equity were as follows:

2021	Equity before net profit for the year	Net profit	Equity after net profit for the year
ANA, S.A.	674,270	27,486	701,756
Impact of Subsidiaries and Associates			
Equity	2,253	(1,955)	298
Elimination of financial investment	(4,574)	-	(4,574)
Goodwill	1,430	-	1,430
	673,379	25,531	698,910

2020	Equity before net profit for the year	Net profit	Equity after net profit for the year
ANA, S.A.	745,496	(72,139)	673,357
Impact of Subsidiaries and Associates			
Equity	9,819	(7,566)	2,253
Elimination of financial investment	(4,574)	-	(4,574)
Goodwill	1,430	-	1,430
	752,171	(79,704)	672,466

24. LOANS

Loans have the following breakdown:

ANA, S.A.		Non-current loans	ANA Group	
2021	2020		2021	2020
68,620	1,355,008	Loans	68,620	1,355,008
68,620	1,355,008		68,620	1,355,008

ANA, S.A. 2021	ANA, S.A. 2020	Current loans	ANA Group 2021	ANA Group 2020
1,286,388	14,133	Loans	1,286,388	14,133
-	-	Bank overdraft	-	3
3,143	8,808	Portway, S.A. loans	-	-
16,857	17,384	Interest payable	16,857	17,384
1,306,389	40,325		1,303,245	31,520

The breakdown of the changes in funding liabilities is as follows:

	ANA, S.A.				
	Loans	Loan interest	Subtotal	Lease liabilities (note 25)	Total
Balance 01-January-2021	1,377,949	17,384	1,395,333	2,567	1,397,900
Changes due to cash flows					
Financial activities	(19,798)	(40,766)	(60,564)	(1,178)	(61,743)
Other movements through balance sheet	-	-	-	152	152
Other movements through results	-	40,239	40,239	41	40,280
Balance 31-December-2021	1,358,151	16,857	1,375,008	1,582	1,376,590

	ANA Group				
	Loans	Loan interest	Subtotal	Lease liabilities (note 25)	Total
Balance 01-January-2021	1,369,144	17,384	1,386,528	2,701	1,389,229
Changes due to cash flows					
Financial activities	(14,136)	(40,766)	(54,902)	(1,252)	(56,154)
Other movements through balance sheet	-	-	-	253	253
Other movements through results	-	40,239	40,239	43	40,282
Balance 31-December-2021	1,355,008	16,857	1,371,865	1,745	1,373,610

The loans have the following composition:

Contract	Interest Rate	Amount owed					
		Non-current		Current		Fair value	
		2021	2020	2021	2020	2021	2020
EIB 02	Fixed	14,191	21,200	7,009	6,954	20,567	27,615
EIB 02	Floating + fixed spread	7,500	9,375	1,875	1,875	9,375	11,250
	Fixed	7,500	9,375	1,875	1,875	8,784	10,531
EIB 09	Revisable fixed	21,905	23,810	1,905	1,905	21,544	23,352
	Floating + fixed revisable spread	17,524	19,048	1,524	1,524	19,048	20,571
Bonds 2013/2022	Floating [a)]	-	100,000	100,000	-	100,000	100,000
Bonds 2013/2022	Floating [a)]	-	732,200	732,200	-	732,200	732,200
Credit Line	Floating [a)]	-	440,000	440,000	-	440,000	440,000
		68,620	1,355,008	1,286,388	14,133	1,351,518	1,365,519

[a)] Financing with VINCI, S.A. (see note 46)

No new loans were taken out in 2021. The capital repayments of loans taken out with the EIB totalled 14,133 thousand euros, which is in line with the debt service plan.

The analysis of the terms for refinancing the loans from the VINCI Group, totalling 1,272,200 thousand euros and maturing on 31 July 2022, is currently in ongoing.

The market value of the Group's medium/long-term loans, contracted at fixed rates and revisable fixed rates, is calculated on the basis of future cash flows, discounted at estimated medium/long-term interest rates (forward rates).

It is assumed that fixed-rate loans will switch to floating rates in the next rate review period.

In 2021, reference interest rates remained negative and very close to zero. This had the effect of bringing down the financial costs associated with loans contracted at variable rates.

Financial charges were also lower because the debt capital was reduced through repayments.

2021	First repayment	Last repayment	Interest rate	Interest payment period	Average interest rate (%)
ANA, S.A. Loans					
EIB 02					
A+B	15/09/2009	15/09/2024	Fixed	Tranche A1 - Annual	0.17%
			Fixed	Tranches A2, A3, A4 and B1 - Annual	0.89%
			Fixed	Tranche B2 - Annual	4.25%
C	15/09/2011	15/09/2026	Floating + fixed spread	Tranche C1 - Quarterly [b]	0.36%
			Fixed	Tranche C2 - Annual	1.10%
EIB 09	15/12/2013	15/06/2034	Revisable fixed	Tranche D1 -Semiannual	1.42%
			Floating + fixed revisable spread	Tranche D2 -Semiannual	0.25%
Bonds 2013/2022	Bullet	31/07/2022	Floating	Semiannual	3.04%
Bonds 2013/2022	Bullet	31/07/2022	Floating	Semiannual	3.04%
Credit Line	Bullet	31/07/2022	Floating	Semiannual	3.04%

[b] The company has a hedging instrument associated with this loan (see note 26)

2020	First repayment	Last repayment	Interest rate	Interest payment period	Average interest rate (%)
ANA, S.A. Loans					
EIB 02					
A+B	15/09/2009	15/09/2024	Revisable fixed	Tranche A1 - Annual [a]	0.67%
			Fixed	Tranches A2, A3, A4 and B1 - Annual	0.89%
			Fixed	Tranche B2 - Annual	4.24%
C	15/09/2011	15/09/2026	Floating + fixed spread	Tranche C1 - Quarterly [b]	0.47%
			Fixed	Tranche C2 - Annual	1.10%
EIB 09	15/12/2013	15/06/2034	Revisable fixed	Tranche D1 -Semiannual	1.41%
			Floating + fixed revisable spread	Tranche D2 - Semiannual	0.51%
Bonds 2013/2022	Bullet	31/07/2022	Floating	Semiannual	3.19%
Bonds 2013/2022	Bullet	31/07/2022	Floating	Semiannual	3.19%
Credit Line	Bullet	31/07/2022	Floating	Semiannual	3.19%

[a] The company had a hedging instrument associated with this loan, which matured on 15/09/2020.
[b] The company has a hedging instrument associated with this loan (see note 26)

GENERAL COVENANTS OF ANA GROUP LOANS

The financing contracts of the ANA Group companies include various covenants, of which we highlight:

- **Financing contracts**

Company	Financing Contracts	Contractual debt	Current debt 31/12/2021	Covenant	Limit	Covenant 31/12/2021
				Borrower shareholder control (VINCI, S.A.) [1]	> 50%	100%
ANA, S.A.	EIB Financing Contracts	329,784	82,808	**External indebtedness limit of Subsidiaries**	< 20% Senior consolidated gross debt [2]	0%
				Financial Ratios [3]:		
				Senior Net Debt / EBITDA	< 5x	-1.68
				EBITDA / Consolidated Net Financial Costs	> 4.75 x	96.77
				Access to Liquidity [4]	minimum of double of the monthly average of the consolidated revenue	100% (cash pooling)

[1] The EIB may require the early repayment of loans where: (i) there is an acquisition of more than 50% of the VINCI, S.A. share capital and/or of more than 50% of the voting rights in VINCI, S.A.; or (ii) Vinci, S.A. ceases to have a direct or indirect holding of over 50% in the share capital of ANA, S.A. and/or 50% of the voting rights in ANA, S.A.

[2] This percentage excludes financing or loans granted by the EIB to any Group companies and non-recourse financial debt.

[3] The financial ratios have a dual function of covenant and of a basis for the application of an additional margin, to be applied during the term of each of the loan contracts.

If, at any time, the net senior debt/EBITDA ratio and/or the EBITDA/net consolidated financial costs ratio exceed the stipulated limits, the bank may require that additional guarantees be provided or it may demand the early repayment of all EIB loans.

[4] ANA, S.A. must ensure that it will benefit from unconditional access to short-term liquidity funds in an amount equivalent to at least twice the monthly average of its consolidated revenue, through: (i) revolving credit financing agreements granted by commercial banks or by VINCI Airports, SAS under market conditions; or (ii) the VINCI Group's cash pooling mechanism.

Failure to adhere to these covenants will be interpreted as a mandatory early repayment trigger, affecting all EIB loans.

As at 30 June 2021, ANA, S.A. was in breach of the financial ratios contracted with the EIB. This situation led to an increase in the additional margin applied, from 49 b.p. to 80 b.p. Following the request made by ANA, S.A., on the basis of the expectation that the noncompliance would be resolved as at 31 December, the EIB agreed to waive any early repayment of the loans or any reinforcement of guarantees.

As at 31 December 2021, the Group was in compliance with the financial ratios contracted with the EIB.

- **Concession contract**

The Concession Contract concluded between ANA, S.A. and the Portuguese state, signed on 14 December 2012, stipulates that the maximum ratio for debt service coverage (ratio between the senior debt and the EBITDA, as defined in the concession contract) should be 6:1.

As at 31 December 2021, the Group was in compliance with the established covenant.

25. LEASE LIABILITIES

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
669	1,440	Lease liabilities non current	770	1,523
913	1,127	Lease liabilities current	976	1,179
1,582	2,567		1,745	2,701

The Current Lease Liabilities item includes amounts of 6 thousand euros and 10 thousand euros that relate to accrued lease interest costs for 2021 and 2020, respectively.

FINANCIAL LEASING CONTRACTS

The situations of the various ANA Group leasing contracts, as at 31 December 2021 are as follows:

First Instalment	Last Instalment	Interest rate	Periodicity	Capital in debt at 31/12/2021
Leasing - ANA, S.A.				
2017	2022	Fixed	Monthly	23
2018	2022	Fixed	Monthly	35
2018	2022	Fixed	Quarterly	180
2018	2023	Fixed	Monthly	10
2019	2022	Fixed	Quarterly	53
2019	2023	Fixed	Monthly	48
2019	2023	Fixed	Quarterly	427
2020	2023	Fixed	Monthly	206
2020	2024	Fixed	Monthly	202
2020	2025	Fixed	Quarterly	281
2021	2024	Fixed	Monthly	32
2021	2025	Fixed	Monthly	36
2021	2026	Fixed	Quarterly	44
				1,576
Leasing - Remaining values of the Group				
2018	2022	Fixed	Monthly	9
2019	2023	Fixed	Monthly	35
2021	2025	Fixed	Monthly	80
2019	2023	Floating	Monthly	40
				163

The following table details the responsibilities assumed under financial leases for temporary period:

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
		Property acquired through leasing		
579	848	Transport equipment	743	991
994	1,699	Administrative equipment	994	1,699
2	9	Other equipment	2	9
		Future minimum payments		
927	1,160	Up 1 year	991	1,213
681	1,467	From 1 year to 5 years	783	1,552
		Interest		
20	40	Up 1 year	21	42
13	30	From 1 year to 5 years	14	32
		Present value of minimum payments		
907	1,120	Up 1 year	969	1,171
669	1,437	From 1 year to 5 years	770	1,520

26. DERIVATIVE FINANCIAL LIABILITIES

	2021		2020	
	Notional	Fair Value	Notional	Fair Value
Designated as cash flow coverage				
Interest rate swap	9,375	(958)	11,250	(1,497)
Total derivatives	9,375	(958)	11,250	(1,497)

At 31 December 2021 the ANA Group had contracted a derivative financial instrument with a current notional of 9,375 thousand euros (initially 30 million euros) on the interest rate (interest rate swap).

This derivative was designated in a cash flow coverage report. The aim is to cover the interest rate risk associated with the floating interest rate payments on its financial liabilities, thus transforming the floating interest rate into a fixed one. The risk which is covered is the floating interest reference rate for the loans in question, but the credit risk is not covered.

The main conditions of the hedged instrument and the hedge instrument are given here:

HEDGED INSTRUMENT

Cash flows of the finance contracted with the EIB:

Notional	30 million euros (see note 24)
Date of issue	15 June 2005
Maturity date	15 September 2026
Interest rate	Eur 3M + spread of 0.415%
Liquidation date	Quarterly

HEDGE INSTRUMENT

ANA, S.A. negotiated an interest rate swap with the following characteristics:

Type	Interest Rate Swap
Counterpart	Deutsche Bank
Notional	30 million euros (amortising)
Transaction date	15 June 2005
Start date	15 June 2005
Maturity date	15 September 2026
Underlying	ANA, S.A. receives Euribor 3M, pays 3.55% (from 15 June 2010 onwards)

EFFECTIVENESS TESTS

The dollar offset method is used for the purposes of identifying effectiveness.

The test is carried out on each reporting date.

The movements in the year were as follows:

	Fair Value 2020	Impact in net results		Impact in equity	Fair Value 2021
		Interest Paid	Interest costs		
Coverage	(1,497)	448	(448)	538	(958)

	Fair Value 2019	Impact in net results		Impact in equity	Fair Value 2020
		Interest Paid	Interest costs		
Coverage	(1,863)	511	(511)	367	(1,497)

27. PROVISIONS

The provisions set aside are designed to cover any exposure that the ANA Group, S.A. may come to have in ongoing legal proceedings.

As at 31 December 2021, these provisions mainly pertain to lawsuits in the areas of operations or employment.

The provisions item changed in the following way:

	2021					
	Opening Balance	Impact on balance sheet	Impact on results			Closing Balance
			Increase	Reversal	Total	
ANA, S.A.	10,190	(1,993)	19,858	(4,483)	15,375	23,572
ANA Group	12,307	(2,574)	20,973	(5,989)	14,984	24,718

	2020					
	Opening Balance	Impact on balance sheet	Impact on results			Closing Balance
			Increase	Reversal	Total	
ANA, S.A.	8,194	-	2,741	(745)	1,996	10,190
ANA Group	9,892	(64)	3,403	(924)	2,479	12,307

The increase in 2021 is largely attributable to the rise in the risk associated with lawsuits challenging airport taxes, in the amount of 17,158 thousand euros, and new lawsuits of an operational nature.

In 2021, existing provisions for a set of lawsuits of an operational nature were reversed, following a number of agreements. These had a minimal impact in terms of Group disbursement of resources. Provisions for liabilities ensuing from compulsory purchase processes were also reversed.

In 2021, there were no significant developments in any of the legal proceedings that were carried over from 2020, apart from those mentioned above.

28. PAYABLES AND OTHER LIABILITIES – NON-CURRENT

Non-current debts payable and other liabilities have the following breakdown:

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
1,450	2,798	Deferred income	1,450	2,798
9,035	9,953	Investment subsidies [1]	9,035	9,953
105,794	83,799	Contractual liabilities [1]	105,794	83,799
9,327	5,377	Guarantees provided by third parties	9,815	5,773
125,605	101,926		126,094	102,323

[1] See note 29

Deferred income refers to the operating income from the operating rights leased to third parties for Group assets – fuel stations, the hotel unit and the construction of the cargo terminal.

Investment subsidies basically come from European Union funding. Portuguese funding accounts for the lesser part of this item.

The contractual liabilities refer to expenditure to be borne in the next cycle of renovation/replacement of the concession assets, under IFRIC 12, and the financial update of liabilities. The contractual liabilities are recorded at its present value.

Guarantees extended by third parties include:

i) guarantees extended by clients as surety (around 8,273 thousand euros), required depending on the assessed level of risk; and

ii) guarantees provided by investment suppliers (around 1,542 thousand euros), realised by means of withholdings on the payments made, required where no guarantee is offered. These withholdings vary between 5% and 10%, depending on the type of contract/service involved.

29. PAYABLES AND OTHER LIABILITIES – CURRENT

Current debts payable and other liabilities have the following breakdown:

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
10,631	11,983	Suppliers	11,387	11,909
4,441	17,685	Investment suppliers	4,668	17,892
		State and other public entities		
932	912	Tax withheld from third parties	1,180	1,150
1,229	1,188	Social expenses	1,831	1,777
4,101	-	Other taxes	3,649	13
5,121	921	Other creditors	6,469	3,338
		Accrued costs		
13,629	13,286	Personnel costs	23,549	23,849
25,850	22,277	External supplies and services	26,811	22,616
8,363	11,095	Contractual liabilities	8,363	11,095
29,313	25,550	Other accrued costs	30,489	26,792
27,802	54,520	Deferred earnings (advanced receipts)	27,182	53,721
947	1,906	Investment subsidies	947	1,906
132,358	161,323		146,526	176,059

The other taxes item includes VAT for the months of November and December, to be paid in 2022.

Other creditors include pre-payments made by airlines, in line with the Group's credit policy. The settlement invoices for these prepayments are issued after no more than 30 days.

The increases in the cost of external supplies and services is explained by services that have been provided but not yet billed.

The other accrued costs item includes air traffic incentives amounting to 17,376 thousand euros. These will be allocated to the airlines next year.

The deferred income item includes the amounts to be credited to airlines in 2022, following the adjustment of the regulated revenue.

Current and non-current investment subsidies item includes the following transactions:

	2021	2020
Opening balance		
Non-current [1]	9,953	11,906
Current	1,906	2,539
	11,859	14,445
Subsidies granted in the period	13	-
Transfers to earnings in the year	(1,613)	(2,364)
Other transfers	(277)	(222)
Final balance		
Non-current [1]	9,035	9,953
Current	947	1,906
	9,982	11,859

[1] See note 28

The quantification of the contractual responsibilities with renovation/replacement and its use within the application of IFRIC 12, are detailed in the following table:

	2021	2020
Opening balance		
Non-current [1]	83,799	82,886
Current	11,095	5,405
	94,894	88,291
Year movement [2]	22,908	7,167
Discounting effect	363	363
Use in the period	(6,075)	(1,039)
Reclassification	2,066	113
Final balance		
Non-current [1]	105,794	83,799
Current	8,363	11,095
	114,157	94,894

[1] See note 28 [2] See note 32

30. REVENUE

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
216,448	171,949	Traffic	216,448	171,949
71,989	47,819	Operation	71,989	47,819
38,597	33,468	Occupancy	35,400	30,139
31,100	20,989	Security charges and PRM	31,100	20,989
19,214	13,898	Parking facilities	18,802	13,344
16,434	12,947	Handling	54,821	42,838
8,298	8,060	Other commercial activities	7,943	7,810
5,036	4,271	Equipment	4,312	3,643
1,659	2,360	Advertising	1,659	2,360
1,457	1,049	Sales of goods	922	697
(20,845)	(54,392)	Regulated revenue adjustment	(20,628)	(54,332)
389,386	262,419	**Turnover**	422,768	287,256
10,244	54,515	Construction contracts (concession)	10,244	54,515
1,808	1,655	Other earnings	925	839
401,439	318,589		433,938	342,610

In 2021, the pandemic and the traffic restrictions continued to negatively influence the Group's business activity. Nevertheless, there was some slight year-on-year growth.

The amount carried in the traffic item is net of the traffic development incentives given to airlines to open up new routes and/or increase frequencies and, so, optimise the capacity offered by the Group's airports. In 2021, the group spent a total of 10,566 thousand euros on incentives of this type.

The amount carried in the adjustment of regulated revenue item for 2021 includes the amount of 12,250 thousand euros related to 2021 and the accumulated amount of 7,859 thousand euros. The latter corresponds to ANA and ANAC's different interpretations of the calculation of the adjustment for estimation errors, related to previous years.

Construction services revenue for the year ending 31 December 2021 was 10,244 thousand euros.

Construction contract revenue includes the costs of acquiring / constructing expansion assets or of upgrading concession infrastructures. It also includes the direct costs generated by the technical areas involved in the construction of the expansion assets.

31. GOODS SOLD AND MATERIALS CONSUMED

The cost of goods sold and materials consumed was as follows:

ANA, S.A.		ANA Group		
Total	Movements	Goods	Consumable materials	Total
	2021			
486	Inventories - opening balance	782	419	1,201
1,563	Purchases	1,758	159	1,917
2	Inventory adjustments	73	-	73
492	Inventories – closing balance	767	393	1,159
1,559	Costs in the financial year	1,845	185	2,031
	2020			
401	Inventories - opening balance	882	277	1,159
1,417	Purchases	1,747	348	2,096
2	Inventory adjustments	(42)	(2)	(44)
486	Inventories – closing balance	782	419	1,201
1,334	Costs in the financial year	1,806	205	2,010

32. EXTERNAL SUPPLIES AND SERVICES

The costs with external supplies and services were as follows:

ANA, S.A.			ANA Group	
2021	2020		2021	2020
27,071	27,490	Subcontracts	17,758	19,377
26,440	23,902	Surveillance and security	26,843	24,309
22,908	7,280	Contractual liabilities [(1)]	22,908	7,280
21,774	22,513	Repairs and maintenance	22,355	22,849
14,687	15,321	Water, electricity and fuel	14,775	15,389
13,667	13,533	Specialised work	14,144	14,045
9,011	9,043	Cleaning	9,322	9,279
2,792	2,667	Insurance	3,217	3,100
944	847	Communications	980	909
571	579	Rental costs	893	927
539	609	Advertising	558	625
235	262	Travel	270	304
8,449	8,355	Other external supplies and services	8,810	9,367
149,085	132,399		142,832	127,762
8,847	52,365	Construction contracts costs	8,847	52,365
157,932	184,764		151,679	180,127

[(1)] See note 29

The increase in contractual liabilities and the decrease in construction contract costs result from the impact of the pandemic in 2021, as this led to the postponement or suspension of some capacity expansion projects planned in the pre-COVID phase. This means that more investment effort was put into equipment maintenance/upgrade or replacement projects.

In 2021, the amounts recorded in the construction contract costs item mainly relate to: the refurbishment of Floor -1/Basement at Faro Airport; the extension of the FOX taxiway at Porto Airport and the extension of the international area of Terminal 2 at Lisbon Airport.

The rental and leasing item includes a leasing contract for office equipment (printers), in an amount of around 66 thousand euros. The exemption provided for in IFRS 16 was applied to this contract, given the low individual worth of the goods involved.

The other external supplies and services item includes the technical and management services that the shareholder provides to the ANA Group (see note 46).

33. PERSONNEL EXPENSES

Staff-related costs breakdown as follows:

ANA, S.A.			ANA Group	
2021	2020		2021	2020
49,689	53,939	Salaries	75,050	81,010
12,442	12,116	Charges on remunerations	18,173	16,854
2,208	5,584	Incentives/ indemnities	3,161	6,560
1,326	1,554	Pensions	1,330	1,560
4,427	4,393	Other costs	11,347	9,018
70,093	77,586		109,061	115,001

In 2021, lay-off subsidies granted by the Portuguese State, in the amount of 6,977 thousand euros, were deducted from the remunerations item.

The amount recorded in the incentives/indemnities item is accounted for by the staff optimisation plan, which resulted in a number of retirements and voluntary redundancies.

On average, the Group had 2,557 and 2,921 employees in the years ending 31 December 2021 and 31 December 2020, respectively.

34. OTHER INCOME

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
-	-	Operating subsidies	-	2,525
35	14	Gains on tangible assets	127	53
147	288	Other unspecified income	84	267
182	302		211	2,844

The operating subsidies item pertains to lay-off subsidies provided by the Portuguese State. This government aid is designed to help the company cope with the lay-offs implemented as a result of the pandemic. In 2021, these subsidies were allocated to personnel costs, in line with the procedure followed by the Group (see note 33).

35. OTHER EXPENSES

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
369	266	Taxes	374	273
254	251	Bank service costs	325	313
207	190	Contributions to business/ Professional associations	215	201
118	362	Donations	123	365
7	6	Bad Debts	7	6
5	23	Fines and penalties	41	24
787	1,912	Other costs	863	1,848
1,748	3,010		1,949	3,030

ANA, VINCI Energies Portugal and the Fondation VINCI pour la Cité have formed a non-profit association that will deliver a VINCI Group programme of support for social projects. ANA participates in the VINCI for Citizenship Programme and made donations in the amount of 149 thousand euros in 2020. The programme was run for the third time in 2021. The selection of projects and allocation of donations is planned for the first quarter of 2022.

36. AMORTISATIONS AND DEPRECIATIONS

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
79,412	84,960	Amortisations/ Depreciations in the financial year	81,134	86,626
2	2	Write-offs of fixed assets	2	2
79,414	84,962		81,136	86,628

37. COST OF GROSS FINANCIAL DEBT

Borrowing costs were as follows:

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
(40,239)	(42,689)	Interests on bank loans	(40,239)	(42,689)
(445)	(472)	Income from swaps	(445)	(472)
(177)	(240)	Stamp duty on bank loans	(177)	(240)
(41)	(58)	Financial effect of leasing	(42)	(61)
(40,903)	(43,459)		(40,903)	(43,462)

38. SHARE IN THE RESULTS OF ASSOCIATES AND OTHERS

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
-	70	Dividends received (Futuro)	-	70

39. OTHER FINANCIAL RESULTS

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
		Expenses		
(369)	-	Interests paid	(367)	(65)
(363)	(363)	Financial effect of contractual liabilities	(363)	(363)
(9)	(2)	Foreign exchange losses	(13)	(4)
		Income		
1,211	1,023	Interest received	1,211	1,023
2	3	Foreign exchange gains	2	4
16	56	Other financial gains	16	56
487	716		485	652

The amount recorded under interest paid mainly relates to interest on the refund of regulated revenue.

40. CORPORATE INCOME TAX EXPENDITURE

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
5,360	433	Current tax	5,409	483
1,142	(17,565)	Deferred tax[1]	1,453	(19,586)
(75)	(605)	(Over)/ Under estimation/ (Restitution)	(75)	(607)
(4)	(1,138)	Tax Group | Tax Credit	(733)	(1,138)
6,423	(18,875)		6,054	(20,848)

[1] See note 13

The conciliation between current taxation and effective taxation is as follows:

2021	ANA	PORTWAY	ANA Group
Current tax			
Tax for the year	5,360	49	5,409
(Over)/ Under estimation/ (Restitution)	(75)	-	(75)
Tax Group | Tax Credit	(4)	(729)	(733)
Deferred tax	1,142	311	1,453
Tax expenditure	6,423	(369)	6,054
Results before income tax	33,909	(2,324)	31,585
Rate of taxation	28.14%	21.00%	-
	9,541	(488)	9,053
Permanent differences	(11)	5	(6)
Temporary diferences	5,064	795	5,859
Deduction of tax losses	(8,032)	-	(8,032)
Tax Group | Tax Credit	(4)	(729)	(733)
Tax benefits - SIFIDE	(228)	-	(228)
Autonomous rate	168	48	216
(Over)/ Under estimation/ (Restitution)	(75)	-	(75)
Income tax	6,423	(369)	6,054
Effective tax rate	18.94%	15.88%	19.17%

2020	ANA	PORTWAY	ANA Group
Current tax			
Tax for the year	433	50	483
(Over)/ Under estimation/ (Restitution)	(605)	(2)	(607)
Tax Group | Tax Credit	(1,138)	-	(1,138)
Deferred tax	(17,565)	(2,021)	(19,586)
Tax expenditure	(18,875)	(1,973)	(20,848)
Results before income tax	(91,014)	(9,538)	(100,552)
Rate of taxation	21.00%	21.00%	-
	(19,113)	(2,003)	(21,116)
Permanent differences	57	11	68
Temporary diferences	1,491	(29)	1,462
Tax Group | Tax Credit	(1,138)	-	(1,138)
Autonomous rate	433	50	483
(Over)/ Under estimation/ (Restitution)	(605)	(2)	(607)
Income tax	(18,875)	(1,973)	(20,848)
Effective tax rate	20.74%	20.69%	20.73%

41. RESULT PER SHARE

The basic result per share is equal to the diluted result per share and is obtained by the quotient between the net profit of the financial year and the number of shares of ANA, S.A. (40 million shares).

ANA, S.A.			ANA Group	
2021	2020		2021	2020
27,486	(72,139)	Net profit of the period	25,531	(79,704)
40,000	40,000	Number of shares	40,000	40,000
		Net profit per share (in euros)		
0.69	(1.80)	Basic earnings	0.64	(1.99)
0.69	(1.80)	Diluted earnings	0.64	(1.99)

42. DIVIDENDS

No dividends were distributed in 2021 and 2020.

43. COMMITMENTS UNDERTAKEN

Commitments made that are not shown in the Consolidated Statement of Financial Position are as follows:

ANA, S.A.			ANA Group	
2021	2020		2021	2020
125,699	152,642	Contracts signed and in progress	112,238	143,873

The commitments undertaken item includes amounts for investments and for costs.

An amount of 13,534 thousand euros in 2021 and 9,305 thousand euros in 2020 is included in the above figures for ANA, S.A. These amounts relate to service provision contracts signed with Portway, S.A..

The year-on-year decrease in commitments is mainly attributable to the commitment already made and carried over from contracts already in place in the preceding year. These specifically relate to services provided in the areas of operational safety, security and cleaning, among others.

In terms of investment commitments, there has been a reduction in most projects, due to the expiry of contracts in place during the preceding year. However, there is also an increase in this commitment because of a project underway at the Faro Airport Terminal.

44. GUARANTEES PROVIDED

ANA, S.A.			ANA Group	
2021	2020		2021	2020
54,959	53,520	Bank guarantees	56,725	55,286
550	550	Surety insurance	550	550
55,509	54,070		57,275	55,835

The purpose of the guarantees provided is to cover the following situations:

ANA, S.A. 2021	ANA, S.A. 2020		ANA Group 2021	ANA Group 2020
54,184	53,060	Compliance guarantee - Concession contract	54,184	53,060
492	916	Expropriation lawsuits	492	916
-	-	Customs licensed warehouses management	1,766	1,766
833	93	Others	833	93
55,509	54,070		57,275	55,835

As regards the compliance guarantee of the Concession Contract and as set out in point 28.1 thereof, ANA, S.A. lodged an unconditional, irrevocable first-demand bank guarantee with the grantor for the purposes of guaranteeing compliance with the commitments given in the Contract in question. This guarantee may be used in the same terms, and for the same purposes, in relation to the Concession Contract signed with the former ANAM, S.A. (clause 27). Updating this guarantee resulted in an increase, in 2021, of 1,124 thousand euros.

45. CONTINGENCIES

45.1. CONTINGENT ASSETS

ECONOMIC REGULATION

As stated in note 1.3 - Legal framework for regulation, the application of the economic regulation scheme to the ANA, S.A. airport network may result in differences between the total Maximum Average Regulated Revenue per actual passenger and the amounts approved for the year.

The preliminary calculation of regulated activity revenues for 2021, the ninth year of economic regulation, indicates that there is a negative difference to be recovered in future years (2023 and beyond), in the amount of 0.78 million euros.

As at 31 December 2021, the estimated negative difference constitutes a contingent asset that cannot be recognised in the accounts.

COMPENSATION RELATING TO SLOT COORDINATION

Following the transfer of the slots coordination work for airports designated coordinated airports, article 5(4) of Decree-Law no. 96/2018, of 23 November, provides for the payment of compensation to ANA, S.A., to cover the coordination-related running and investment costs incurred by the company from the privatisation date until the date on which NAV, E.P.E. took over the role.

ANA, S.A. has calculated a total amount of 4.4 million euros for slot-related costs and investments, of which 50% (or 2.2 million euros) will be compensated. It should be noted that ANA, S.A. is waiting for ANAC to approve this figure.

45.2. CONTINGENT LIABILITIES

Outstanding litigation under way as of 31 December 2021 with regard to ongoing judicial claims, which is not expected to result in responsibilities for the Group, can be summed up as follows:

ANA, S.A.			ANA Group	
2021	2020		2021	2020
15	10,212	Operational suits	17	10,260
152	152	Expropriation suits	152	152
5,895	5,895	Public procurement suits	5,895	5,895
311	311	Litigation against traffic duties application	311	311
290	277	Damage compensation lawsuits	290	885
49	59	Litigation on handling rates	49	59
546	173	Other liabilities	546	183

The decrease in the amount for lawsuits of an operational nature is essentially due to the change in risk associated with some lawsuits for which there was a corresponding accounting recognition and to the end of a set of lawsuits that resulted in no significant liabilities for the Group.

The damages compensation lawsuits item fell in the Group's accounts, largely because of the favourable outcome of a lawsuit against Portway, S.A. in 2021. This did not result in any outflow of resources.

The change in the Other Liabilities item results from the reduction of the risk for two lawsuits and the closing out of another that did not result in any financial liability for the Group.

Following the presentation of APA's DIA on the construction plans for the Montijo Complementary Airport, two lawsuits were brought against APA. One was brought by the Portuguese Society for the Study of Birds (SPEA) and the other by NEGOCIATA - No One Expects Great Opportunities With Anti-Environmental Investments - Association. Both seek to challenge the DIA.

It is thought that these suits will not result in liabilities for ANA, S.A., as it is not a direct party in the case. Even so, ANA, S.A. is monitoring the proceedings, as an interested third party.

46. BALANCES AND TRANSACTIONS WITH RELATED PARTIES

The balances and transactions with the subsidiary Portway may be summarised as follows:

	2021	2020
Assets balances		
Customers	1,238	1,956
	1,238	1,956
Liabilities balances		
Cash pooling	3,143	8,808
Accrued costs	1,277	592
Deferred earning	731	800
Suppliers	621	49
Current Tax (RETGS)	679	16
	6,451	10,265
Transactions		
External supplies and services	(10,319)	(9,008)
Other expenses	(2)	-
Income	8,606	7,618
Other income	65	24
	(1,650)	(1,367)

The balances and transactions between Group companies that fall within the consolidation perimeter relate to the following services: handling, other commercial charges (occupation of spaces, use of equipment, consumption of water and power), use of fuel, use of staff, subcontracts and other service provision. These balance and transactions are eliminated in the consolidation process.

Are considered related parties:

Shareholder:

- VINCI Airports, SAS.

The following VINCI holdings are also considered to be related parties:

- VINCI, S.A.;
- VINCI Concessions, SAS;
- VINCI Assurances, SAS;
- VINCI Mobility, S.A.;
- VINCI Construction Grands Projects, SAS;
- VINCI Energies Europe West, SAS;
- VINCI Energies Portugal, S.A.;

- Axianseu, S.A.;
- Cegelec, Lda.;
- Freyssinet, Lda.;
- LFP – Lojas Francas de Portugal, S.A.;
- Longo Plano, S.A.;
- Rodio Portugal, S.A.;
- Sixense Portugal, Lda.;
- Sotécnica, S.A.;
- Sotécnica Açores, Unipessoal, Lda..

Board of Directors:

The Board of Directors was treated as a related party of the Group, having received the following remunerations:

ANA, S.A.			ANA Group	
2021	2020		2021	2020
1,139	1,095	Remunerations	1,445	1,365

NATURE OF THE RELATIONSHIP BETWEEN THE RELATED PARTIES

The ANA Group provides the following services: operations, car parking, space rental, technical consultancy for international projects and others. It acquires the following services: management support, studies and projects, maintenance and repair of spaces and equipment, subcontracts, IT advisory services and others.

Thus, for the ANA Group:

i) Assets balances with related parties are as follows:

2021		Current			
	Total	Customers	Accrued income	Current tax	Cash pooling
		(Note 15)	(Note 15)	(Note 18)	(Note 19)
VINCI Airports, SAS	17,401	46	8	-	17,346
LFP - Lojas Francas de Portugal, S.A.	12,776	12,776	-	-	-
Axianseu, S.A.	1,072	-	-	1,072	-
Sotécnica, S.A.	386	5	-	381	-
Cegelec, Lda.	35	-	-	35	-
Rodio Portugal, S.A.	21	2	-	19	-
Sotécnica Açores, Lda	9	2	-	7	-
VINCI, S.A.	2	2	-	-	-
Sixense Portugal, Lda.	1	1	-	-	-
	31,706	12,836	8	1,515	17,346

2020	Total	Current		
		Customers	Current tax	Cash pooling
		(Note 15)	(Note 18)	(Note 19)
VINCI Airports, SAS	11,668	149	-	11,519
LFP - Lojas Francas de Portugal,S.A	9,915	9,915	-	-
Axianseu, S.A.	1,161	-	1,161	-
Sotécnica, S.A.	510	5	505	-
Rodio Portugal, S.A.	135	-	135	-
Cegelec, Lda.	70	-	70	-
VINCI Energies Portugal, S.A.	26	-	26	-
Sotecnica Açores, Lda	22	1	21	-
Sixense Portugal, Lda.	2	-	2	-
Freyssinet, Lda.	1	-	1	-
	23,510	10,071	1,921	11,519

ii) Liabilities balances with related parties are as follows:

2021	Total	Non Current		Current				
		Loans	Guarantees provide	Suppliers	Assets suppliers	Accrued costs	Deferred earning	Current tax
		(Note 24)	(Note 28)	(Note 29)	(Note 29)	(Note 29)	(Note 29)	(Note 18)
VINCI Airports, SAS	1,295,056	1,272,200	-	5,745	-	17,111	-	-
LFP - Lojas Francas de Portugal, S.A	2,052	-	-	94	-	-	1,958	-
Freyssinet, Lda.	476	-	-	-	-	-	-	476
VINCI Concessions, SAS	258	-	-	258	-	-	-	-
Sotécnica, S.A.	235	-	-	178	52	5	-	-
VINCI Energies Portugal, S.A.	28	-	-	-	-	-	-	28
Cegelec, Lda.	11	-	-	11	-	-	-	-
VINCI Mobility, S.A	4	-	-	-	-	4	-	-
Longo Plano, S.A.	3	-	3	-	-	-	-	-
	1,298,123	1,272,200	3	6,286	52	17,119	1,958	505

2020	Total	Non Current		Current			
		Loans	Guarantees provide	Suppliers	Assets suppliers	Accrued costs	Deferred earning
		(Note 24)	(Note 28)	(Note 29)	(Note 29)	(Note 29)	(Note 29)
VINCI Airports, SAS	1,294,620	1,272,200	-	5,303	-	17,117	-
VINCI Construction Grands Projects, SAS	3,830	-	-	-	3,830	-	-
Sotécnica, S.A.	1,507	-	-	446	-	1,061	-
VINCI Concessions, SAS	1,096	-	-	1,002	-	94	-
LFP - Lojas Francas de Portugal, S.A	549	-	-	-	-	-	549
Axianseu, S.A.	42	-	-	42	-	-	-
Cegelec, Lda.	37	-	-	-	-	37	-
VINCI Mobility, S.A	6	-	-	2	-	4	-
Longo Plano, S.A.	3	-	3	-	-	-	-
	1,301,690	1,272,200	3	6,796	3,830	18,313	549

iii) Transactions with related parties in the years ending 31 December 2021 and 2019 and carried on the separate income statement have the following breakdown:

2021	Income	External supplies and services	Personnel expenses	Other earnings	Other expenses	Costs of financing
	(Note 30)	(Note 32)	(Note 33)	(Note 34)	(Note 35)	(Note 37)
LFP - Lojas Francas de Portugal, S.A	36,558	97	-	-	-	-
VINCI Airports, SAS	156	6,188	413	11	-	39,152
Sotécnica, S.A.	63	4,715	-	-	-	-
VINCI Assurance, SAS	-	1,904	-	-	-	-
VINCI Concessions, SAS	-	-	258	-	377	-
Cegelec, Lda.	1	173	-	-	-	-
VINCI Mobility, S.A.	-	44	-	-	-	-
Axianseu, S.A.	1	1,242	-	-	-	-
Sotécnica Açores, Lda	15	-	-	-	-	-
Longo Plano, SA	-	2	-	-	-	-
Freyssinet, Lda.	1	-	-	-	-	-
VINCI Energies Portugal, S.A.	3	-	-	-	-	-
Sixense Portugal, Lda.	1	-	-	-	-	-
Rodio Portugal, S.A.	1	-	-	-	-	-
	36,800	14,366	671	11	377	39,152

2020	Income	External supplies and services	Personnel expenses	Other earnings	Other expenses	Costs of financing	other financial results
	(Note 30)	(Note 32)	(Note 33)	(Note 34)	(Note 35)	(Note 37)	(Note 39)
LFP - Lojas Francas de Portugal, S.A	27,183	-	-	-	-	-	48
VINCI Airports, SAS	120	5,063	504	-	-	41,426	-
Sotécnica, S.A.	51	5,015	-	-	-	-	-
VINCI Assurance, SAS	-	1,843	-	-	-	-	-
VINCI Energies Europe West, SAS	-	-	-	1	-	-	-
Longo Plano, SA	-	10	-	-	-	-	-
VINCI Concessions, SAS	-	-	113	-	373	-	-
Axianseu, S.A.	1	1,171	-	-	-	-	-
Cegelec, Lda.	1	172	-	-	-	-	-
VINCI Mobility, S.A.	-	49	-	-	-	-	-
Sotécnica Açores, Lda	15	-	-	-	-	-	-
Rodio Portugal, S.A.	1	-	-	-	-	-	-
VINCI Energies Portugal, S.A.	1	-	-	-	-	-	-
Sixense Portugal, Lda.	1	-	-	-	-	-	-
Freyssinet, Lda.	1	-	-	-	-	-	-
	27,375	13,323	617	1	373	41,426	48

iv) Transactions related to investments are as follows:

	2021	2020
VINCI Construction Grands Projects, SAS	-	6,127
Sotécnica, S.A.	3,589	4,555
Cegelec, Lda.	159	37
Axianseu, S.A.	1	35
	3,748	10,754

47. SUBSEQUENT EVENTS

In Ordinance no. 92/2022, of 9 February, the Government approved the update of the security fees that ANA, S.A. is entitled collect through its normal business activity. It is worth noting that, after approval by the Minister of Infrastructures and Housing, the Company was left waiting about a year for the said approval. The fee will apply as from the time that it comes into force and it will not be retroactive.

On February 24, 2022, Ukraine was invaded by Russia, having generated a war conflict, strongly amplified by the direct and indirect impacts of sanctions / restrictions that have been applied to Russia. The tourism and aviation sectors might be heavily exposed to these events. Among other factors, it is possible to highlight closed airspaces and routes, increase in fuel prices (and consequent impact on airlines' costs) and passengers' fear of travelling.

The contract signed between ANA, S.A. and LFP - Lojas Francas Portuguesas, S.A. regarding the licence to occupy and operate the shops in network airports will expire on 31 May 2022 (the initial date of 28 February 2022 was extended by agreement between the parties).

In July 2021, ANA, S.A. launched a tender to choose a business partner for the joint exploration of duty free, duty paid and luxury shops, at eight national airports. In this joint venture, ANA, S.A. will hold a 51% share of the company's share capital and the remaining 49% will be held by the minority partner, AER Rianta International (ARI).

In the coming months, ANA, S.A. and its partner will set in motion a set of processes and procedures with a view to ensuring the PTDF-PORTUGAL DUTY FREE, LDA starts trading on 1 June 2022.

In 2022, ANA, S.A. and its shareholder, VINCI Airports SAS, will agree the terms for the refinancing of the debt (approximately 1,272.2 million euros) which matures on 31 July 2022. The parties are currently engaged in negotiations to establish the format and conditions to be implemented.

48. FINANCIAL STATEMENTS APPROVAL

These consolidated and separate financial statements were approved by the Board of Directors in the meeting on 8 April 2022. The Board of Directors believes that these financial statements are a true and appropriate representation of the Group's operations, as well as of its financial position and performance and cash flows.

Certified Accountant no. 7785

____

Janete Hing Lee

Board of Directors
Chairman*:*

____

José Luís Fazenda Arnaut Duarte

Member and Chairman of the Executive Committee*:*

____

Thierry Franck Dominique Ligonnière

Members of the Board:

____	____
Chloé Anne Cecile Tanguy Lapeyre	Francisco José Simões Crespo Vieira Pita
____	____
Raphaël Alain Louis Pourny	Miguel Frutuoso Lopo Hipólito Pires Mateus
____	____
Luís Manuel dos Santos Silva Patrão	Nicolas Dominique Notebaert
____	____
Remi Guy Ferdinand Maumon-Falcon de Longevialle	Eric Marc Jacques Delobel
____	____
Patricia Fernandez Garcia	Pierre Hughes Paul Louis Schmit

IV. AUDIT, REPORTS AND OPINIONS

STATUTORY AUDITOR'S CERTIFICATION

(Free translation of a report originally issued in Portuguese language. In case of doubt the Portuguese version will always prevail)

REPORT ON THE AUDIT OF THE CONSOLIDATED AND SEPARATE FINANCIAL STATEMENTS

Opinion

We have audited the accompanying consolidated and separate financial statements of ANA - Aeroportos de Portugal, S.A. ("Entity") and its subsidiary ("Group"), which comprise the consolidated and separate statement of financial position as at December 31, 2021 (showing a total of 2,373,571 thousand Euros and 2,363,595 thousand Euros, respectively, and consolidated equity of 698,910 thousand Euros and separate equity of 701,756 thousand Euros, including a consolidated net profit attributable to Group of 25,531 thousand Euros and separate net profit of 27,486 thousand Euros), the consolidated and separate statement of profit and loss, the consolidated and separate statement of comprehensive income, the consolidated and separate statement of changes in equity and the consolidated and separate statement of cash flows for the year then ended, and the accompanying notes to the consolidated and separate financial statements, including a summary of the significant accounting policies.

In our opinion, the accompanying consolidated and separate financial statements give a true and fair view, in all material respects, of the consolidated and separate financial position of ANA - Aeroportos de Portugal, S.A. as at December 31, 2021 and of its consolidated and separate financial performance and its consolidated an separate cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs) and further technical and ethical standards and guidelines as issued by Ordem dos Revisores Oficiais de Contas (the Portuguese Institute of Statutory Auditors). Our responsibilities under those standards are further described in the "Auditor's responsibilities for the audit of the consolidated and separate financial statements" section below. We are independent from the entities that are part of the Group in accordance with the law and we have fulfilled other ethical requirements in accordance with the Ordem dos Revisores Oficiais de Contas code of ethics.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter

As mentioned in Notes 2.1 and 47 of the notes to financial statements, although the uncertainty about the maintenance of the pandemic context, the conflict between Russia and Ukraine and the normalization of the global economy, taking into consideration the Entity's liquidity level, the expected conclusion of the loan refinancing process with the shareholder, the management measures that have been adopted and the recovery of the sector, the Board of Directors considers that the Entity owns the adequate resources to maintain the operations, with no intention to cease them in the short term. Additionally, based on the information available on the present date, the Board of Directors considers that the going concern assumption, used in the preparation of the Entity's financial statements as of December 31, 2021, is appropriate. Our opinion is not modified in respect to this matter.

Responsibilities of Management and supervisory body for the consolidated and separate financial statements

Management is responsible for:

- the preparation of consolidated and separate financial statements that give a true and fair view of the Entity and Group's financial position, consolidated and separate financial performance and consolidated and separate cash flows in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union;
- the preparation of the management report in accordance with applicable laws and regulations;
- designing and maintaining an appropriate internal control system to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error;
- the adoption of accounting policies and principles appropriate in the circumstances; and
- assessing the Entity and Group's ability to continue as a going concern, and disclosing, as applicable, the matters that may cast significant doubt about the Entity and Group's ability to continue as a going concern.

The supervisory body is responsible for overseeing of the Entity's financial reporting process.

Auditor's responsibilities for the audit of the consolidated and separate financial statements

Our responsibility is to obtain reasonable assurance on whether the consolidated and separate financial statements as a whole are free from material misstatements, 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 ISAs 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 financial statements.

As part of an audit in accordance with ISAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated and separate financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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;
- obtain 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 Entity and Group's internal control;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
- conclude 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 Entity and 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 and separate financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our report. However, future events or conditions may cause the Entity or the Group to cease to continue as a going concern;

- evaluate the overall presentation, structure and content of the consolidated and separate financial statements, including the disclosures, and whether the consolidated and separate financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated and separate financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion;
- communicate with those charged with governance including the supervisory body 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.

Our responsibility also includes the verification that the information contained in the management report is consistent with the consolidated and separate financial statements.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

About the Management report

Pursuant to article 451.º, n.º 3 al. e) of the Portuguese Commercial Code ("Código das Sociedades Comerciais"), it is our opinion that the management report was prepared in accordance with the applicable legal and regulatory requirements and the information contained therein is consistent with the audited consolidated and separate financial statements and, having regard to our knowledge and assessment over the Group, we have not identified any material misstatements.

Lisbon, April 26, 2022

____

Deloitte & Associados, SROC S.A.
Represented by Carlos Alberto Ferreira da Cruz, ROC
Registration in OROC n.º 1146
Registration in CMVM n.º 20160758

REPORT AND OPINION OF THE SUPERVISORY BOARD ON THE MANAGEMENT REPORT AND THE 2021 ACCOUNTS
(Translated from the original in Portuguese)

Shareholders,

Under the terms of the mandate given to us and to comply with point g of paragraph 1 of article 420 of the Portuguese Companies Code we have prepared and issue our report on the management's report, the statement of the financial position, both on the separate and consolidated statements, the income statement and the comprehensive income statement, both separate and consolidated, the consolidated statement of changes in equity, the separate statement of changes in equity, the cash flow statement, separate and consolidated, and the respective annexes together with the notes to the financial statements, as well as the proposal for the application of the results presented by the Board of Directors of ANA – AEROPORTOS DE PORTUGAL, S.A. for the year ended 31st December 2021.

To carry out its mandate the Supervisory Board met with the Board of Directors of ANA and Senior Management, whenever it was felt necessary, to analyze management's performance and to discuss with its relevant matters resulting from the work we have performed.

In respect of its analysis and checks performed, the Supervisory Board requested and obtained documentation and clarifications to the various questions.

During the year the Supervisory Board met regularly with Deloitte both in their capacity as external auditors and also statutory auditors, acompanying their work and their independence. We became aware of their Statutory Audit Report (Certificação Legal das Contas), which includes an emphasis, which we approve, related with the consequences and operational and financial impacts of the pandemic of the new coronavirus and the conflict in the Ukraine on the company´s activity.

We also met the internal audit services with the main goal of taking knowledge of the main areas of audit, the compliance of the audit plans, the outcome of the audit tests performed and recommendations for the improvement of the systems and controls, improving of audit methodologies and adaptation of systems and controls in order to obtain a better operational efficiency of the internal control systems and better risk management.

The Supervisory Board analyzed the report prepared by management as part of the closing of the year end accounts as well as the various documents related to the

accounts as presented by the Board of Directors, performed the related checks and obtained clarifications as it deemed necessary.

The management report emphasized the most relevant aspects of the activity of the ANA group in 2021, which showed a turnover of approximately € 422 768 thousand, excluding construction works (IFRIC 12) and incentive discounts in respect of air traffic, representing an increase of 47 % compared to the previous year, corresponding to a total volume of 25 million passengers which compares to 18 million in 2020.

The group's EBITDA totaled € 175 238 thousand (being ANA € 175 596 thousand), which represents an increase of 397 % when compared to the previous year (being ANA 309 %) and a net profit of € 25 531 thousand (being ANA a net profit of € 27 486 thousand) compared to a net loss of € (79 704) thousand (being ANA € (72 139) thousand) in the previous year.

Therefore, ANA group has returned do a profit situation and improvement of the main performance indicators, as a consequence of the improvement in the adverse situation caused by the sanitary and economic crisis, resulting from the pandemic, started in early 2020 .

Based on its analysis the Supervisory Board believes that the management report presented by the Board of Directors satisfies the requirements of the applicable laws and shows in a correct manner the growth of both ANA, S.A. and the group ANA's activities.

The various documents supporting the accounts were audited by the Statutory Auditor who issued its statutory audit opinion, with no qualifications, which the Supervisory Board agrees with, and which is in agreement with that required by no. 2 of Article 452 of the Portuguese Companies Code.

Based on the above we believe that the Shareholders may:

(a) Approve the management report, as well as the various documents making up both the individual and consolidated accounts of 2021 presented by the Board of Directors;

(b) Approve the Board of Directors proposal for the distribution of the results as set out in the management report;

(c) Express its approval for the Management and Supervision of the company as foreseen in article 455 of the Portuguese Companies Code.

The Supervisory Board wishes to thank the Board of Directors and the Financial Department of ANA, the internal auditors and remaining departments and respective staff, and also the External and Statutory Auditors, Deloitte, for their collaboration and support in carrying out our work.

Lisbon, 26 April 2022

THE SUPERVISORY BOARD

Dr. Jacques dos Santos - President

Dr. José Vitorino – Member

Dr. Gabriel Alves - Member

Management Report and Accounts 2021