Consolidated Half-Year Financial Report at June 30, 2023

AEROPORTO G. MARCONI DI BOLOGNA S.P.A.

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Consolidated Half-Year Financial Report

Aeroporto Guglielmo Marconi di Bologna Group

At June 30, 2023

This document is a courtesy translation from Italian into English. In case of any inconsistency between the two versions, the Italian original version shall prevail.

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Aeroporto Guglielmo Marconi di Bologna Spa

Via Triumvirato, 84 - 40132 Bologna
Bologna Economic and Administrative Register No.: 268716
Bologna Company Registration Office, Tax and VAT No.: 03145140376
Share capital: Euro 90,314,162.00 fully paid-in

Ownership of the Parent Company Aeroporto Guglielmo Marconi di Bologna S.p.A.

According to the Shareholder Register and the notices received pursuant to Article 120 of Legislative Decree No. 58/98, the shareholders of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., with holdings of more than 5% were as follows at June 30, 2023:

SHAREHOLDER	% Held
BOLOGNA CHAMBER OF COMMERCE	39.10%
MUNDYS S.P.A. (EDIZIONE S.R.L.)	29.38%
F2I FONDI ITALIANI PER LE INFRASTRUTTURE SGR SPA	9.99%

The following have been considered in presenting the Parent Company's ownership structure:
- Interests held by the party reporting the holding, or by the party at the head of the chain of control of the holding
- Interests deriving from notices submitted by shareholders or notices relating to significant shareholdings pursuant to Article 152 of the CONSOB Issuers' Regulation.

Furthermore, on August 2, 2021 the Bologna Chamber of Commerce, Municipality of Bologna, Metropolitan City of Bologna, Region of Emilia-Romagna, Modena Chamber of Commerce, Ferrara Chamber of Commerce (from April 6, 2023 Ferrara and Ravenna Chamber of Commerce), Reggio Emilia Chamber of Commerce and Parma Chamber of Commerce (*) entered into a new shareholder agreement governing certain rights and obligations in respect of the shareholder structure and corporate governance of Aeroporto Guglielmo Marconi di Bologna S.p.A.

This Shareholder Agreement, filed at the Bologna Companies Registration Office on August 5, 2021 sent to Consob on the same date and concludes on August 1, 2024, and includes provisions on voting and transfer restrictions, binding the following interests:

PUBLIC SHAREHOLDERS	% Share Capital subject to Voting Agreement
BOLOGNA CHAMBER OF COMMERCE	39.10%
MUNICIPALITY OF BOLOGNA	3.88%
METROPOLITAN CITY OF BOLOGNA	2.31%
REGION OF EMILIA ROMAGNA	2.04%
MODENA CHAMBER OF COMMERCE	0.30%
FERRARA AND RAVENNA CHAMBER OF COMMERCE	0.22%
REGGIO EMILIA CHAMBER OF COMMERCE	0.15%
PARMA CHAMBER OF COMMERCE	0.11%

PUBLIC SHAREHOLDERS	% Share Capital subject to Transfer Restriction Agreement
BOLOGNA CHAMBER OF COMMERCE	37.5325326%
MUNICIPALITY OF BOLOGNA	3.8477737%
METROPOLITAN CITY OF BOLOGNA	2.2972543%
REGION OF EMILIA ROMAGNA	2.0210297%
MODENA CHAMBER OF COMMERCE	0.0835370%
FERRARA AND RAVENNA CHAMBER OF COMMERCE	0.0627298%
REGGIO EMILIA CHAMBER OF COMMERCE	0.0427747%
PARMA CHAMBER OF COMMERCE	0.0314848%

Board of Directors

The Board of Directors, appointed by the Shareholders' Meeting of April 26, 2022 and in office until the approval date of the financial statements as at December 31, 2024 are:

Name	Office
Enrico Postacchini	Chairperson
Nazareno Ventola	Chief Executive Officer (*)
Elena Leti	Director (B)
Giada Grandi	Director (A)
Sonia Bonfiglioli	Director (A)
Valerio Veronesi	Director
Alessio Montrella	Director
Giovanni Cavallaro	Director (B)
Laura Pascotto	Director (A) (B)

(*) Chief Executive Officer and General Manager. He has also been appointed as Director responsible for the Internal Control and Risk Management System.

(A) Member of the Remuneration Committee (Chairperson Sonia Bonfiglioli)

(B) Member of the Control, Risks and Sustainability Committee (Chairperson Laura Pascotto)

Board of Statutory Auditors

The Board of Statutory Auditors, appointed by the Shareholders’ Meeting of April 26, 2022 and in office until the approval date of the financial statements as at December 31, 2024 are:

Name	Office
Rosalba Cotroneo	Chairperson
Francesca Aielli	Statutory Auditor
Alessandro Bonura	Statutory Auditor
Sergio Graziosi	Alternate Auditor
Alessia Bastiani	Alternate Auditor

Auditing Firm

EY S.p.a. was appointed as the auditing firm by the Shareholders’ Meeting of May 20, 2015 for the financial years 2015-2023.

Directors’ Report of Aeroporto Guglielmo Marconi di Bologna S.p.A. Group at June 30, 2023

Contents

INTRODUCTION

This report, accompanying the interim Condensed Consolidated Financial Statements of the Aeroporto Guglielmo Marconi di Bologna Group (hereinafter also the "Aeroporto Group", "Aeroporto" or "AdB") for the six months ended June 30, 2023, in presenting the Group's performance indirectly analyses also the performance of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., the holder of the concession for the full management of Bologna Airport, i.e. Full Management Concession No. 98 of July 12, 2004 and subsequent Additional Deeds, approved by Decree of the Ministry of Transport and Infrastructure and of the Economy and Finance of March 15, 2006, with a term of 40 years starting on December 28, 2004. Given the drastic drop in traffic at Italy's airports due to COVID-19, Article 102, Paragraph 1-*bis* of Decree-Law No. 34 of May 19 (Relaunch Decree), converted into Law No. 77 of July 17, 2020, extended the duration of airport concessions by two years in order to cushion the consequent economic blow. Given the direct applicability of the above law, Bologna Airport's concession is extended to December 2046.

The Group's structure at June 30, 2023 and a brief description of the type and businesses of its subsidiaries is presented below:

- ***Tag Bologna S.r.l.*** (hereinafter also "TAG"), formed in 2001 and operational since 2008, following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector. The Parent Company on October 2, 2018, taking the opportunity to better control the dedicated airside flight infrastructure, acquired 49% of TAG to gain full ownership;

- ***Fast Freight Marconi Spa*** (hereinafter also "FFM"), formed in 2008 by the former subsidiary Marconi Handling S.r.l. (GH Bologna Spa with effect from April 1, 2017), following the contribution of a cargo and mail handling business unit based out of Bologna airport. The Parent Company acquired a 100% interest in FFM in 2009.

The amounts in the tables in this Directors' Report are in thousands of Euro, whereas those in the comments are in millions of Euro, unless otherwise indicated. The data is from internal Parent Company sources unless otherwise indicated.

Business Description

Airport business may be divided into aviation and non-aviation activities. Aviation activities primarily consist of managing, maintaining and developing airports, which also includes security checks and surveillance, as well as aviation services for passengers, other users and airport operators and marketing activities to develop passenger and cargo traffic. Non-aviation activities primarily consist of developing airport real estate and commercial potential.

Based on the nature of operations, the Group manages the airport through the following Strategic Business Units (SBU's):

- *Aviation Strategic Business Unit*
- *Non-Aviation Strategic Business Unit.*

Aviation SBU

The Aviation SBU's main activities involve managing and developing airport infrastructure and in particular of:

- providing customers and operators with efficient access to all infrastructure, both land side (terminal, baggage sorting, car parking, traffic and cargo storage) and air side (aircraft runways and aprons);
- providing security services and services for passengers with reduced mobility (PRM's);
- informing the public and airport users;
- developing, revamping and expanding airport infrastructure, including installations and equipment, ensuring compliance with applicable legislation.

Consideration for such services takes the form of airport charges of the following types paid by airlines, airport operators and passengers:

- <u>passenger service fees</u>: these fees are due for the use of infrastructure, installations and common areas required for passenger boarding, disembarkation and hospitality and are based on the number of departing passengers, as well as whether they are bound for destinations within or outside the EU, with reductions for minors;
- <u>take-off and landing fees</u>: these fees are due for all aircraft that take off and land and are calculated on the basis of the aircraft's maximum authorised weight at take-off and the type of flight (commercial or general aviation);
- <u>aircraft parking fees</u>, calculated according to maximum weight at take-off and the duration of stay;
- <u>cargo fees</u> based on the weight of the cargo carried by aircraft;
- <u>refuelling fees</u>, assessed per cubic metre of fuel supplied to aircraft.

The Aviation SBU's other major revenue sources are:

- <u>departing passenger security fees</u>: these fees are due for providing security check services, including the personnel and equipment used by the manager to provide this service;
- <u>checked baggage security fees</u>: these fees are due for the equipment and personnel responsible for performing such checks;
- <u>PRM fees</u>: they include the fees paid for services for passengers with reduced mobility and are based on the number of departing passengers (PRM and otherwise);
- <u>fees for the exclusive use of premises</u>: they include fees for using airport infrastructure dedicated to individual carriers or operators (check-in desks, offices, operating premises), calculated according to the duration of use, floor area and/or location and type of the premises used;

- centralised infrastructure fees: these fees refer solely to aircraft de-icing services and are based on the number of winter flights;
- cargo handling and general aviation fees and fees due for the related activities such as customs clearance and refuelling.

Non-Aviation SBU

The Non-Aviation SBU’s main activities relate to parking management, retail sub-concessions, advertising, services for passengers and real estate management.

Parking

Bologna airport's directly operated paid parking areas offer approximately 5,000 car parking spaces, located in three parking areas: the first close to the terminal, the second close to airport grounds and the third located at approx. 1.5 KM away.

Retail

Bologna airport's retail offerings include internationally recognised brands with local ties and some of the leading local, domestic and international retail and catering chains. The shopping area extends over approximately 4,215 m² and includes 34 shops. The latest airport upgrade developed the Duty-free areas – one of the SBU's main revenue sources.

Advertising

Advertising is managed using digital and large-format back-lit displays located in areas of the terminal's interior and exterior where the advertisements are highly visible. Campaigns involving the personalisation of particular areas or furnishings located in the airport are sometimes conducted.

Passenger services

Passenger services include a business lounge operated directly by the Parent Company. The *Marconi Business Lounge* (MBL) is an exclusive, comfortable environment used mostly by business passengers travelling with the major legacy carriers. The “You First” service provides arriving and departing passengers with access to exclusive services such as check-in and baggage collection assistance, porterage, gate assistance and priority boarding.

Among the other services offered to passengers is car hire: 12 rental companies offer a total of 19 specialised brands, with a total of 490 vehicle spaces available for their fleets.

Real Estate

Real estate activity is divided into two general areas: sub-concession revenues for aviation-related commercial activities, above all express couriers, and sub-concession revenues for handling services, which are subject to regulated tariffs.

The total commercial premises under sub-concession extend to over 100,000 square metres, of which over 75,000 square metres of offices, warehouses, technical service areas and hangars and approximately 30,000 square metres of outdoor space used for parking operating vehicles, manoeuvring in loading and loading areas and aircraft refuelling vehicle areas.

1 STRATEGIES AND RESULTS

1.1 AIR TRANSPORT GENERAL SECTOR AND PERFORMANCE: G. MARCONI AIRPORT OVERVIEW AND POSITIONING

Global growth continues to lose momentum, with economic output slowed by high inflation and tight lending conditions, together with the uncertainty stemming from the ongoing war in Ukraine, alongside other international tensions. US GDP growth has decelerated, with the Chinese recovery once again stalling, having been boosted by the lifting of the pandemic containment policies. Despite the strength of services in the leading economies - and particularly of tourism despite the labour supply difficulties - output has been impacted by a slowing manufacturing cycle, which worsens the prospects for international trade expansion and lowers raw material and energy prices.

According to the OECD's June forecasts, global GDP growth is expected to soften to an average of just under 3% for the 2023-24 period. Also according to Eurosystem's expert projections, estimates have been revised downward by a tenth of a point for 2023 and 2024 compared to last March, mainly as a result of the significant tightening of household and business lending conditions. The Bank of Italy's estimates indicate that Italy has also been impacted by the global industrial cycle weakening, with GDP remaining virtually unchanged in the spring after the rebound of Q1. In the updated baseline scenario for the three-year period, GDP growth of 1.3% is expected in 2023, of 0.9% in 2024 and of 1.0% in 2025, in view of the impact over the coming quarters from stricter lending conditions and weak international trade. Investment is also expected to slow, and shall only be partly supported by the execution of the projects under the National Recovery and Resilience Plan.

Consumer inflation is therefore forecast to continue to ease in the spring, thanks to the reduced energy component contribution, although core Eurozone inflation remained high at 5.5% in June. The monetary policies of the leading advanced economies remain restrictive, while the indirect impacts of the energy costs increases over recent months on the prices for services and other goods are still apparent, with food products particularly increasing by 11.7%. The price dynamics of the volatile components vary between countries and are higher in Italy and Germany than the zone average, reflecting differing market structures and price fixing mechanisms. In Italy in fact, although in Q2 harmonised consumer inflation continued to decline, the index in June was at 6.7%.

The cost of oil (Brent quality), which temporarily exceeded USD 85 per barrel after the OPEC countries announced in early April a cut to production of more than a million barrels a day, fell at the end of the first week of July to slightly over USD 75, reflecting the weakening global cycle. Despite Saudi Arabia's and Russia's announcements of planned crude oil export cuts, no significant impacts on prices have emerged. The price of natural gas on the European markets (Title Transfer Facility, TTF) has continued to decline to slightly under Euro 35 per megawatt hour in the first week of July, from nearly Euro 50 per megawatt hour at the end of March. This has been affected by significant storage levels, still moderate industrial consumption levels and the abundant global supply of liquefied natural gas. Risks to gas prices for the upcoming winter season are not insignificant due to the uncertainty associated with the recovery of European and Asian demand (particularly for industrial use) and raw material availability. Less favourable weather conditions than last winter could also significantly raise heating demand. Industrial metals and agricultural commodity prices also sharply declined (returning to values prior to the outbreak of the conflict in Ukraine). The two-month extension of the agreement between Russia and Ukraine in May to allow grain exports from Ukrainian ports contributed to reducing prices*(Source*: *Economic Bulletin, Bank of Italy, July 2023*).

Against this backdrop, according to the IATA, passenger traffic in June 2023 has continued on its excellent recovery from the initial months of the year, which again indicated a slowdown in line with the seasonal trend. Global passenger traffic in June was 5.8% under pre-COVID numbers, while however seeing uneven developments. Domestic traffic is driving the recovery - up 5.1% on 2019 - while international traffic remains 11.8% lower than 2019, although benefiting from the reopening recovery following the lifting of movement restrictions, particularly in Asia-Pacific, in addition to demand seasonality. Furthermore, the IATA outlines that although the recovery in aircraft load factors differs from region to region, it is nonetheless evenly spread and is thus reflective of a general recovery in demand. Global cargo traffic in June was lower than June 2022 (-3.4%), in line with the slowdown in the preceding months. The general contraction of the cargo segment emerging in February 2022 was therefore confirmed, following on from the period of significant growth in 2021, although the slowdown has eased over recent months. The IATA also indicated that cargo transport was impacted by the general economic and current geopolitical conditions, particularly in view of the slowing global economy, linked to (i) supply chain pressures due to the ongoing Russia-Ukraine conflict and (ii) the uncertain general economic conditions affecting consumer decision-making, despite the easing of inflation and the recovery of international trade. (*Source: IATA, Air Passenger and Air Freight Market Analysis, June 2023*).

European passenger traffic in H1 2023 was 7.7% lower than 2019, while steadily recovering since the beginning of the year and benefiting from a positive seasonal effect, despite the above indicated factors regarding the global economic slowdown. Cargo traffic was down 11.7% on 2019, worsening due to the general economic and geopolitical environment (*Source: ACI Europe, June 2023*).

Italian passenger numbers continued to recover on pre-pandemic levels again in the first half of 2023, reporting volumes substantially in line with 2019 (-0.1%), driven by the strong domestic traffic performance. In June, passenger traffic was up 2.7% on the 2019 level. Cargo traffic in the period was however 2.7% lower than 2019 domestically (*Source: Assaeroporti e Aeroporti 2030, June 2023*).

Bologna Airport saw a substantial improvement in passenger numbers in the first half of 2023 compared to pre-pandemic levels (+3.1% on H1 2019). A two-speed recovery is confirmed, driven by domestic traffic (+16.1% vs 2019), while international traffic was still 0.5% lower than the same period of 2019, with the traffic mix featuring a 68.7% contribution from the low-cost carriers. In the first half of 2023, Bologna Airport ranked seventh in Italy by number of passengers and third by cargo volumes transported *(Source: Assaeroporti and Aeroporti2030, June 2023*).

1.2 STRATEGIC OBJECTIVES

The Group's strategic objectives which underlie the development of all operations are outlined below.

"Connect"

The Group seeks to maintain a varied range of flight offerings suited to various types of users by adding to the number of airlines operating out of the airport, while continuing to maintain good margins also on the new traffic generated. In terms of traffic development, the Group targets the adding of routes, with the introduction of new Eastern and long-haul destinations, while boosting frequencies to existing destinations. The Group also focuses on improving airport accessibility, through the development of ground connections and the expansion of its catchment area.

"Develop"

The investments outlined in the Master Plan and Regulatory Agreement are fundamental to the development of the Group's business. The strategy in question calls for an efficient use of the existing infrastructure's capacity and modular implementation of new investments to ensure that infrastructure capacity keeps pace with expected traffic development. The passenger terminal expansion project is a key part of the infrastructure development plan, permitting the development of - in particular - the boarding gates area, in addition to extending dedicated commercial space.

This project is complemented by targeted work to increase the capacity of some specific subsystems, such as security and passport controls.

"Experience"

The Group is focused on ensuring the constant improvement of the services offered to airport users in its fields of operation, both directly and indirectly, while also constantly improving its standards of security, quality and respect for the environment. In order to support and improve all aspects of operations and generate Customer loyalty, the Group considers it key to develop a culture of innovation which revolves around the installation of technology that facilitates greater interaction with passengers and optimises the airport travelling experience.

"Care"

The Group is committed to all aspects of sustainability, ranging from those of an environmental nature to compliance with ethical and social principles, in view of the important role which Bologna airport plays as a vital hub for the region. The Group also strives to develop those who work at the Airport and build an organisation which responds to the evolving demands of the market and which supports the individual in their work.

The Group has furthermore identified two overarching guidelines to the strategic objectives identified above which are viewed as a touchpoint for company operations:

“Maximise financial performance”

The Group is focused on consistently improving the financial performance and on ensuring an adequate return for shareholders.

“Performing and sustainable corporation”

The Group aims to improve the efficiency and efficacy of its processes and internal structure, with a view to improving company performance and development, while paying increasing attention to sustainability in its environmental, social and governance components.

1.3 SHARE PERFORMANCE

AdB's shares began trading on the STAR segment of the Milan Stock Exchange on July 14, 2015.

The following graphs present:

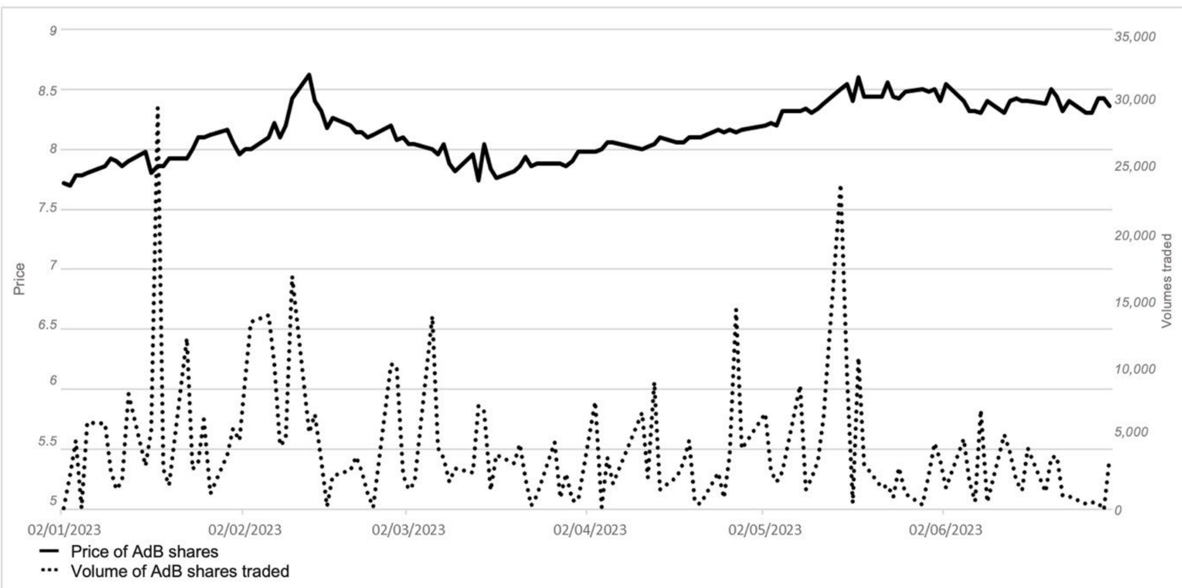
- the share performance between January 1, 2023 and June 30, 2023;
- tracking of the company's share performance against the FTSE Italia all-share index.

On June 30, 2023, the official share price was Euro 8.36 per share, resulting in an AdB Group market capitalisation of Euro 302 million at that date.

AdB share performance (01/01/2023-30/06/2023)

AdB share and FTSE Italia All-Share performance (01/01/2023-30/06/2023)

AdB share performance – prices and volumes (01/01/2023-30/06/2023)



The AdB share price and volumes in the most recent three-year period were heavily impacted by the COVID-19 health emergency.

In the first six months of 2023, AdB's share price remained essentially stable, slightly recovering from April, while seeing a peak in mid-February as market trading volumes increased. After a brief decline between the end of February and March, the share has recovered, reflecting the recent market confidence, particularly with the global pandemic behind us and the first signs of inflation easing. The AdB share price is now substantially in line with the beginning of the second half of 2022, which was followed by a period featuring a general lack of market confidence in view of the significant raw material price inflation.

2. KEY OPERATING RESULTS ANALYSIS

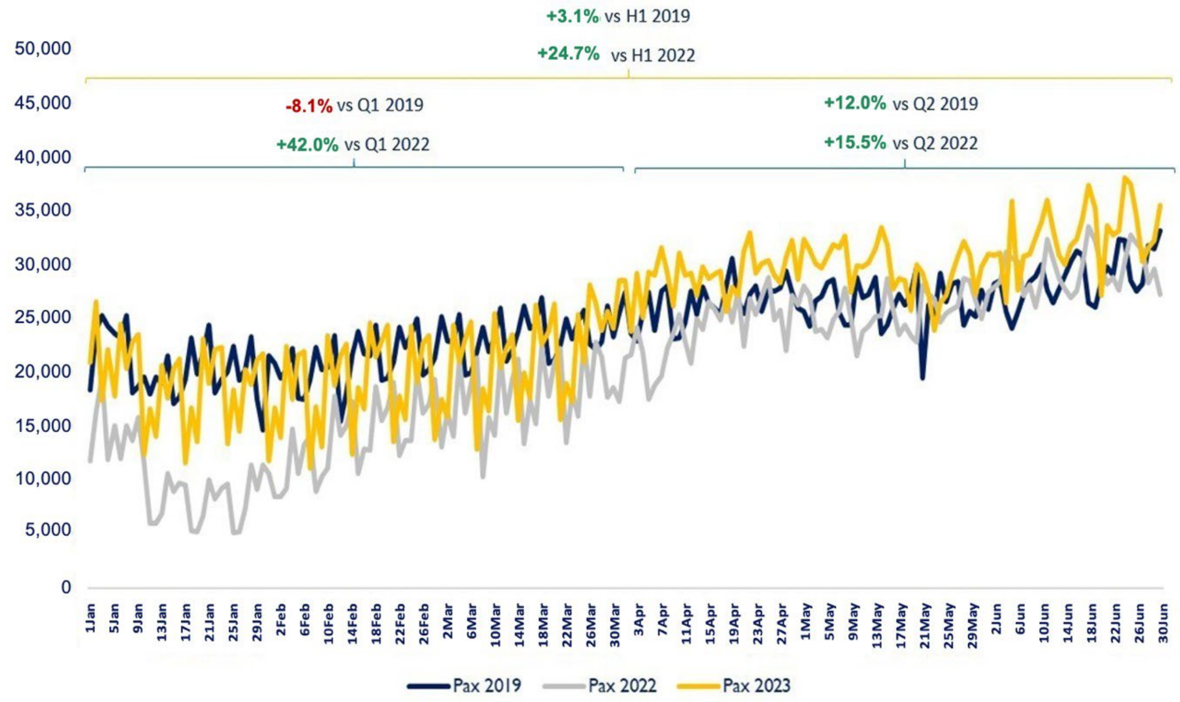
2.1 AVIATION STRATEGIC BUSINESS UNIT

2.1.1 AVIATION STRATEGIC BUSINESS UNIT: TRAFFIC DATA

The first half of 2023 saw a gradual recovery in traffic volumes. The first three months were again impacted by demand seasonality and the general economic and geopolitical uncertainties. However, the beginning of the Summer Season '23 indicated the full recovery of pre-pandemic levels.

During the first half of the year, the airport recorded a total of 4,585,115 passengers, an increase on the first half of 2022 (+24.7%), which was shaped by the Omicron variant outbreak and Russia's aggression towards Ukraine, with 36,766 movements (+13.7%) and 25,903 tonnes of cargo transported (-1.8%). The airport also saw a 3.1% passenger traffic increase on 2019, with June representing a record month for the airport, thereby officially putting the COVID "black period" behind us. Movements however were still 1.2% lower, while cargo traffic was 4.1% higher. The average load factor increased from 75.5% in H1 2022 to 82.2% in H1 2023. The average aircraft load factor was also higher than the first half of 2019 (80.7%).

Passenger traffic performance January-June 2023



	January - June 2023	January - June 2022	Change % 2023-2022	January - June 2019	Change % 2023-2019
Passengers	4,585,115	3,678,375	24.7%	4,446,465	3.1%
Movements	36,766	32,341	13.7%	37,216	(1.2%)
Tonnage	2,541,408	2,202,650	15.4%	2,434,622	4.4%
Cargo	25,902,698	26,388,532	(1.8%)	24,893,650	4.1%

Data includes General Aviation and transits

Passenger traffic breakdown	**January – June 2023**	***% of total***	**January – June 2022**	***% of total***	**January – June 2019**	***% of total***	***Change % 23-22***	***Change % 23-19***
Legacy	1,412,728	30.8%	911,735	24.8%	1,784,696	40.1%	54.9%	(20.8%)
Low-cost	3,147,898	68.7%	2,748,178	74.7%	2,608,586	58.7%	14.5%	20.7%
Charter	16,091	0.4%	10,010	0.3%	43,420	1.0%	60.7%	(62.9%)
Transits	3,060	0.1%	3,358	0.1%	6,222	0.1%	(8.9%)	(50.8%)
Total Commercial Aviation	**4,579,777**	**99.9%**	**3,673,281**	**99.9%**	**4,442,924**	**99.9%**	**24.7%**	**3.1%**
General Aviation	5,338	0.1%	5,094	0.1%	3,541	0.1%	4.8%	50.7%
Total	**4,585,115**	**100.0%**	**3,678,375**	**100.0%**	**4,446,465**	**100.0%**	**24.7%**	**3.1%**

Low-cost traffic saw increased volumes compared to 2019 (+20.7%), whereas legacy traffic saw a slower recovery (-20.8% compared to 2019) and a contraction in movements on 2019, despite a recovering aircraft load factor. These varying growth trends altered the traffic mix, resulting in an increase in the low-cost share, which offers lower margins, from 58.7% in 2019 to 68.7% in H1 2023.

Although international traffic over the last three years has been impacted by the significant slowdowns related to continued partial restrictions on the movement of people between countries, from summer 2022 a significant recovery on 2019 was evident, reflecting the benefit from "revenge tourism" as a result of the easing of movement restrictions.

The domestic segment recovered quicker, with passengers on domestic flights exceeding pre-pandemic levels (+16.1% on 2019), while the international segment continues to be impacted by the current general economic and geopolitical uncertainties, although substantially in line with 2019 (-0.5%).

Passenger traffic breakdown	**January – June 2023**	***% of total***	**January – June 2022**	***% of total***	**January – June 2019**	***% of total***	***Change % 23-22***	***Change % 23-19***
Domestic	1,110,090	24.2%	1,022,720	27.8%	956,479	21.5%	8.5%	16.1%
International	3,469,687	75.7%	2,650,561	72.1%	3,486,445	78.4%	30.9%	(0.5%)
Total Commercial Aviation	**4,579,777**	**99.9%**	**3,673,281**	**99.9%**	**4,442,924**	**99.9%**	**24.7%**	**3.1%**
General Aviation	5,338	0.1%	5,094	0.1%	3,541	0.1%	4.8%	50.7%
Total	**4,585,115**	**100.0%**	**3,678,375**	**100.0%**	**4,446,465**	**100.0%**	**24.7%**	**3.1%**

EU traffic reached 94% of the levels for the first half of 2019, while non-EU traffic rose on the same period of 2019 (+56.7%), due to the reclassification of UK traffic from EU to Non-EU. Also net of this differing classification, Non-EU traffic was up 6.5% on the first half of 2019.

Passenger traffic breakdown	**January – June 2023**	***% of total***	**January – June 2022**	***% of total***	**January – June 2019**	***% of total***	***Change % 23-22***	***Change % 23-19***
EU	3,582,615	78.1%	3,014,593	82.0%	3,806,424	85.6%	18.8%	(5.9%)
Non-EU	997,162	21.7%	658,688	17.9%	636,500	14.3%	51.4%	56.7%
Total Commercial Aviation	**4,579,777**	**99.9%**	**3,673,281**	**99.9%**	**4,442,924**	**99.9%**	**24.7%**	**3.1%**
General Aviation	5,338	0.1%	5,094	0.1%	3,541	0.1%	4.8%	50.7%
Total	**4,585,115**	**100.0%**	**3,678,375**	**100.0%**	**4,446,465**	**100.0%**	**24.7%**	**3.1%**

The domestic traffic share declined in the first half of 2023 compared to the same period of 2022, although remaining above pre-COVID levels (24.2% in H1 2023, compared to 21.5% in H1 2019). Spain confirmed its number two spot in passenger traffic by volume, accounting for 15.3% of the total. Germany is next, with 7.1% of total passengers, followed by the United Kingdom with 7.0%, France with 5.7% and Romania with 4.9%. Three Non-EU countries are among the top 10: in addition to the United Kingdom, also Turkey and Albania.

Passenger traffic by country	January – June 2023	*% of total*	January - June 2022	*% of total*	January – June 2019	*% of total*	*Change % 23-22*	*Change % 23-19*
Italy	1,110,090	24.2%	1,023,198	27.8%	956,479	21.5%	8.5%	16.1%
Spain	703,433	15.3%	597,833	16.3%	604,180	13.6%	17.7%	16.4%
Germany	325,885	7.1%	249,277	6.8%	436,410	9.8%	30.7%	(25.3%)
United Kingdom	319,049	7.0%	231,878	6.3%	438,842	9.9%	37.6%	-27.3%
France	262,683	5.7%	224,169	6.1%	248,746	5.6%	17.2%	5.6%
Romania	224,786	4.9%	176,230	4.8%	231,606	5.2%	27.6%	(2.9%)
Turkey	169,945	3.7%	91,200	2.5%	139,623	3.1%	86.3%	21.7%
Netherlands	143,664	3.1%	119,452	3.2%	162,957	3.7%	20.3%	(11.8%)
Greece	138,834	3.0%	104,706	2.8%	112,279	2.5%	32.6%	23.7%
Albania	132,041	2.9%	92,984	2.5%	72,793	1.6%	42.0%	81.4%
Other	1,054,705	23.0%	767,448	20.9%	1,042,550	23.4%	37.4%	1.2%
Total	**4,585,115**	**100.0%**	**3,678,375**	**100.0%**	**4,446,465**	**100.0%**	**24.7%**	**3.1%**

Despite the partial limitations on international travel again in the winter season, especially to and from East Asia, seven of the top ten destinations were overseas cities, with Barcelona the most popular with approximately 209 thousand passengers.

Main passenger traffic routes	**January - June 2023**	**January - June 2022**	**Change % 2023-2022**	**January - June 2019**	**Change % 2023-2019**
Catania	317,081	245,548	29.1%	195,535	62.2%
Barcelona	209,246	155,523	34.5%	182,930	14.4%
Palermo	151,158	171,129	(11.7%)	136,298	10.9%
Paris CDG Madrid	145,454	121,488	19.7%	154,666	(6.0%)
Madrid	132,744	132,952	(0.2%)	148,589	(10.7%)
Tirana	132,041	92,984	42.0%	72,793	81.4%
London LHR	126,322	73,593	71.6%	148,288	(14.8%)
Istanbul	116,414	73,846	57.6%	90,814	28.2%
Frankfurt	115,511	78,676	46.8%	157,949	(26.9%)
Brindisi	106,790	100,519	6.2%	92,815	15.1%

Passenger traffic including transits

Analysing airline performances, Ryanair was the largest airline with 53.8% of total traffic. Wizz Air was in second place, with its share rising from 5.5% in 2019 to 7.1% in 2023 and, considered together with Wizz Air Malta Limited, reaching a 10% share. The leading legacy airlines appear among the top ten at the airport, confirming also in the current continually changing macroeconomic and geopolitical climate the wide range of carriers operating at Bologna Airport, despite the extraordinary circumstances.

Passenger traffic by airline	January – June 2023	*% of total*	January - June 2022	*% of total*	January – June 2019	*% of total*	*Change % 23-22*	*Change % 23-19*
Ryanair	2,467,633	53.8%	2,237,707	60.8%	2,057,110	46.3%	10.3%	20.0%
Wizz Air	323,486	7.1%	352,422	9.6%	244,787	5.5%	(8.2%)	32.1%
Air France	145,323	3.2%	132,509	3.6%	154,383	3.5%	9.7%	(5.9%)
Wizz Air Malta Limited	137,217	3.0%	0	0.0%	0	0.0%	n.a.	n.a.
British Airways	126,406	2.8%	78,539	2.1%	148,461	3.3%	60.9%	(14.9%)
Turkish Airlines	116,545	2.5%	75,656	2.1%	90,814	2.0%	54.0%	28.3%
Lufthansa	115,428	2.5%	78,410	2.1%	157,883	3.6%	47.2%	(26.9%)
Vueling	113,908	2.5%	73,543	2.0%	89,993	2.0%	54.9%	26.6%
KLM Royal Dutch Airlines	91,577	2.0%	73,850	2.0%	111,692	2.5%	24.0%	(18.0%)
Air Nostrum	86,530	1.9%	70,599	1.9%	77,621	1.7%	22.6%	11.5%
Other	861,062	18.8%	505,140	13.7%	1,313,721	29.5%	70.5%	(34.5%)
Total	**4,585,115**	**100.0%**	**3,678,375**	**100.0%**	**4,446,465**	**100.0%**	**24.7%**	**3.1%**

Cargo Traffic

(in KG)	January - June 2023	January - June 2022	Change % 2023-2022	January - June 2019	Change % 2023-2019
Air cargo of which	20,874,554	20,506,487	1.8%	19,469,594	7.2%
Cargo	20,874,318	20,504,454	1.8%	19,447,901	7.3%
Mail	236	2,033	(88.4%)	21,693	(98.9%)
Road cargo	5,028,144	5,882,045	(14.5%)	5,424,056	(7.3%)
Total	**25,902,698**	**26,388,532**	**(1.8%)**	**24,893,650**	**4.1%**

Cargo traffic in the first six months of 2023 reports cargo and mail traffic at Bologna of 25,902,698 Kg, decreasing 1.8% on 2022. This result reflects the significant degree of uncertainty in the entire global cargo segment, due to the challenging international and economic situation related to the continuing war in Ukraine and the recent financial tensions.

An overall increase of 4.1% is reported for H1 2023 cargo traffic on the same period of 2019.

2.1.2 AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Total change vs 2022	% change vs 2022	For the half year ended 30.06.2019	% change vs 2019
Passenger Revenues	26,002	20,754	5,248	25.3%	28,446	-8.6%
Carrier Revenues	14,122	12,225	1,897	15.5%	12,429	13.6%
Airport Operator Revenues	1,990	2,264	(274)	-12.1%	1,648	20.8%
Traffic Incentives	(13,123)	(12,108)	(1,015)	8.4%	(12,471)	5.2%
Revenues from Construction Services	12,595	3,691	8,904	241.2%	5,965	111.1%
Other revenues	858	708	150	21.2%	675	27.1%
Aeronautical and FSC Revenue Reduction	(94)	(2)	(92)	n.a.	(1)	n.a.
Reduction in Other Revenues to FSC	(7)	0	(7)	n.a.	0	n.a.
Total AVIATION SBU Revenues	**42,343**	**27,532**	**14,811**	**53.8%**	**36,691**	**15.4%**

The Aviation Strategic Business Unit's revenues consist of fees paid by users (passengers and airlines) and airport operators for the use of the infrastructure and services provided on an exclusive basis by the Group for landing, take-off, lighting, aircraft parking and passenger and cargo operations, in addition to centralised infrastructure and exclusive-use premises.

Given the public utility aspect of airport services, airport charges are regulated by both national and EU legislation. The new regulations and implementation measures – including the models approved by the Transport Regulation Authority – require that changes to the system or amount of airport fees be made with the consent, on the one hand, of the airport manager, and of the airport's users on the other.

Revenues in the first half of 2023 were up on both 2022 and on 2019. The growth on 2022 stems from the traffic volumes reported, and significantly also from the increased investment in Concession Rights, which increased also on 2019.

Group revenues from the Aviation Strategic Business Unit were up 53.8% overall on 2022 and down 15.4% on 2019. The individual accounts broke down as follows:

- Passenger Revenues (+25.3% on 2022 and -8.6% on 2019); passenger revenues are in line with the trend in passenger traffic and in tariffs, which in H1 2023 were substantially unchanged on 2022 (same tariffs for the January-May period; slight growth in June), although declining on 2019;
- Carrier Revenues (+15.5% on 2022 and +13.6% on 2019): carrier revenues are in line with the trend in movements and tonnage and with the trend in tariffs, particularly take-off and landing tariffs, which increased on 2019 and were generally in line with 2022, as previously indicated;

- Airport Operator Revenues (-12.1% on 2022 and +20.8% on 2019): revenues benefited from traffic volumes and particularly from General Aviation, which generates fuel service revenues, responsible for the contraction on 2022 (declining movements despite passenger growth);
- Incentives: the movement in incentives (+8.4% on 2022 and +5.2% on 2019) relates to the incentivised traffic performance;
- Revenues from Construction Services: the increase in this item (+241.2% on 2022 and +111.1% on 2019) is linked to the greater capex.

2.2 NON-AVIATION STRATEGIC BUSINESS UNIT

2.2.1 NON-AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Total change vs 2022	% change vs 2022	For the half year ended 30.06.2019	% change vs 2019
Retail and Advertising	8,377	6,282	2,095	33.3%	7,333	14.2%
Parking	9,092	6,512	2,580	39.6%	7,970	14.1%
Real Estate	1,513	1,472	41	2.8%	1,215	24.5%
Passenger services	3,531	2,631	900	34.2%	3,002	17.6%
Revenues from Construction Services	466	500	(34)	-6.8%	1,126	-58.6%
Other revenues	1,668	1,342	326	24.3%	1,562	6.8%
Non-Aeronautical and FSC Revenue Reduction	(45)	0	(45)	n.a.	0	n.a.
Reduction in Other Revenues to FSC	(1)	0	(1)	n.a.	0	n.a.
Total NON AVIATION SBU Revenues	**24,601**	**18,739**	**5,862**	**31.3%**	**22,208**	**10.8%**

total non-aviation business revenues in the period increased 31.3% on 2022 and 10.8% on 2019.

The individual areas of this business unit performed as follows.

Retail and Advertising

Performance in this revenue category (+33.3% on 2022 and +14.2% on 2019) is mainly tied to traffic, based on the contract terms in effect beginning in 2021, mainly retail and some advertising agreements, according to which fees vary on the basis of traffic levels compared to 2019. The good Duty Free and food & beverage segment performances were driven by the traffic numbers compared to both 2022 and 2019. The advertising sector recovery also contributed to the growth on 2022, although remaining under 2019 levels.

Parking

The movements in parking and rail access revenues (+39.6% on 2022 and +14.1% on 2019) are also strictly tied to the trend in traffic volumes, in addition to a new sales strategy which led to improved performance.

Real Estate

The increase in Real Estate revenues on 2019 was mainly due to a new sub-concession agreement related to new areas delivered from June 2021. The more contained increase on 2022 derives from the revaluation of contracts and from new operators.

Passenger services

In H1 2023, passenger services posted growth of 34.2% on 2022 and of 17.6% on 2019, attributable both to premium services (i.e. lounge and accessory services) and to car hires. The performance of the individual businesses is described below.

Premium services

In H1 2023, this business posted an increase in revenues on 2022 due to the growth in traffic and in the share of departing passengers. Although volumes are still under 2019 levels as business traffic has not fully recovered, the inflationary effect on the tariff resulted in increased revenues on 2019.

Self-hire sub-concessions

Car hire revenues were up both on 2022 and on 2019. This was driven by the comprehensive renegotiation of contracts within the entire segment, resulting in higher space sub-licensing charges and increasing the royalty percentage of the manager.

The strong results stem also from the increased number of car hire companies at the airport, which was matched by an increased offer from the commercial brands.

Revenues from Construction Services

The movement in this item (-6.8% on 2022 and -58.6% on 2019) relates to investments in the business unit compared to the same period in previous years.

Other revenues

The increase in other revenues on 2022 (+24.3%) is mainly attributable to the increased maintenance on the vehicles of airport operators, increased security services and the greater use of passenger trolleys. Significant further support came from the extraordinary contribution to partially offset the higher charges incurred for the energy and natural gas acquired and effectively utilised (as a non-energy and non-gas consuming enterprise experiencing a rise of over 30% of the average price compared to the same period of FY 2019), applied in the first quarter of 2023, while in 2022 applied only from the second quarter.
Compared to 2019 (+6.8%) the increase derives from the sale of de-icing fluid given that, in H1 2019, the new management of fluid, acquired and managed by AdB and sold to the service handler, was not yet in effect, from the contributions described above and from the accrual of the contribution for the ITAIR-ISAC-funded project for the creation of a shared cyber-security risk centre in collaboration with Assaeroporti, as it was concluded and reported.

2.3 STRATEGIC BUSINESS UNIT OTHER

2.3.1 STRATEGIC BUSINESS UNIT OTHER: FINANCIAL HIGHLIGHTS

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Total change vs 2022	% change vs 2022	For the half year ended 30.06.2019	% change vs 2019
Retail and Advertising	0	0	0	n.a.	0	n.a.
Parking	0	0	0	n.a.	0	n.a.
Real Estate	0	0	0	n.a.	0	n.a.
Passenger services	0	0	0	n.a.	0	n.a.
Revenues from Construction Services	0	0	0	n.a.	0	n.a.
Other revenues	0	21,137	(21,137)	n.a.	0	n.a.
Total OTHER SBU Revenues	**0**	**21,137**	**(21,137)**	**n.a.**	**0**	**n.a.**

The account "Business Unit Other" residually includes those businesses not directly attributable to the identified segments.

The significant amount for H1 2022 is due to the contribution from the compensation fund established under Italian law No. 178 of December 30, 2020 (the 2021 Budget Law), enacted by Decree of the Ministry for Infrastructure and Sustainable Mobility, in concert with the Ministry for the Economy and Finance, of November 25, 2021, for the coverage of losses caused by the pandemic during the period March 1 to June 30, 2020. The amount granted to the Group as compensation for damages was Euro 21,137 thousand, of which Euro 20,903 thousand related to the Parent Company and Euro 234 thousand to the subsidiary TAG Bologna S.r.l.

The Group decided not to allocate this component of income to the individual operating segments so as not to alter the presentation of the business units' performance for the period.

3 ANALYSIS OF THE OPERATING RESULTS, FINANCIAL POSITION AND CASH FLOWS

3.1 CONSOLIDATED OPERATING RESULTS ANALYSIS

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Total change vs 2022	% change vs 2022	For the half year ended 30.06.2019	% change vs 2019
Revenues from aeronautical services	29,033	23,287	5,746	24.7%	30,229	-4.0%
Revenues from non-aeronautical services	24,145	18,312	5,833	31.9%	21,075	14.6%
Revenues from construction services	13,061	4,191	8,870	211.6%	7,091	84.2%
Other operating revenues and income	705	21,618	(20,913)	-96.7%	504	39.9%
REVENUE	**66,944**	**67,408**	**(464)**	**-0.7%**	**58,899**	**13.7%**
Consumables and goods	(1,772)	(1,847)	75	-4.1%	(962)	84.2%
Service costs	(11,913)	(10,018)	(1,895)	18.9%	(10,075)	18.2%
Construction service costs	(12,439)	(3,992)	(8,447)	211.6%	(6,753)	84.2%
Leases, rentals and other costs	(4,912)	(3,625)	(1,287)	35.5%	(4,074)	20.6%
Other operating expenses	(1,897)	(1,491)	(406)	27.2%	(1,595)	18.9%
Personnel costs	(15,279)	(13,047)	(2,232)	17.1%	(14,950)	2.2%
COSTS	**(48,212)**	**(34,020)**	**(14,192)**	**41.7%**	**(38,409)**	**25.5%**
GROSS OPERATING PROFIT/(LOSS) (EBITDA)	**18,732**	**33,388**	**(14,656)**	**-43.9%**	**20,490**	**-8.6%**
Amortisation of concession rights	(4,101)	(3,704)	(397)	10.7%	(3,024)	35.6%
Amortisation of other intangible assets	(252)	(184)	(68)	37.0%	(576)	-56.3%
Depreciation of tangible assets	(1,091)	(1,028)	(63)	6.1%	(1,423)	-23.3%
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**(5,444)**	**(4,916)**	**(528)**	**10.7%**	**(5,023)**	**8.4%**
Provisions for doubtful accounts	(538)	(408)	(130)	31.9%	(350)	53.7%
Provision for renewal of airport infrastructure	(1,351)	(1,177)	(174)	14.8%	(1,191)	13.4%
Provisions for other risks and charges	(697)	(109)	(588)	539.4%	(208)	235.1%
PROVISIONS FOR RISKS AND CHARGES	**(2,586)**	**(1,694)**	**(892)**	**52.7%**	**(1,749)**	**47.9%**
TOTAL COSTS	**(56,242)**	**(40,630)**	**(15,612)**	**38.4%**	**(45,181)**	**24.5%**
EBIT	**10,702**	**26,778**	**(16,076)**	**-60.0%**	**13,718**	**-22.0%**
Financial income	435	829	(394)	-47.5%	79	450.6%
Financial expenses	(1,565)	(644)	(921)	143.0%	(598)	161.7%
RESULT BEFORE TAXES	**9,572**	**26,963**	**(17,391)**	**-64.5%**	**13,199**	**-27.5%**
TAXES FOR THE PERIOD	**(2,757)**	**(1,626)**	**(1,131)**	**69.6%**	**(3,778)**	**-27.0%**
PROFIT (LOSS) FOR THE PERIOD	**6,815**	**25,337**	**(18,522)**	**-73.1%**	**9,421**	**-27.7%**
Profit (loss) for the period - Minority interests	**0**	**0**	**0**	**n.a.**	**0**	**n.a.**
Profit (loss) for the period – Group	**6,815**	**25,337**	**(18,522)**	**-73.1%**	**9,421**	**-27.7%**

To offer a more useful comparison with the pre-pandemic figures, the operating results tables also provide figures for H1 2019.

A consolidated profit of Euro 6.8 million is reported for H1 2023 (Euro 25.3 million in H1 2022), of which Euro 21.1 million due to the contribution from the COVID-19 compensation fund. Net of this extraordinary contribution, the H1 2022 (comparative period) profit would be Euro 4.2 million, for growth therefore of 62%.

Operating **revenues** overall decreased 0.7% on 2022 and increased 13.7% on 2019.
This performance was significantly impacted by the contribution from the compensation fund disbursed in Q1 2022. See the section on adjusted EBITDA for an analysis of performance for the period without this contribution. Revenues break down as follows:

- **revenues from aeronautical services** grew 24.7% on 2022, due to the strong traffic performance, while decreasing 4% against 2019 against a reduction in aviation tariffs and given a different traffic mix, with an increase in the low-cost segment;

- **revenues from non-aeronautical services** grew 31.9% on 2022 and 14.6% on 2019 due to the performance of the various category components, as outlined in the relative section;

- **revenues from construction services** grew (+211.6% on 2022 and +84.2% on 2019) due to the increased aviation sector capex;

- **other operating revenues and income**: this aggregate in the same period of 2022 includes the contribution from the compensation fund as described above, in the amount of Euro 21,137 thousand. Net of this contribution, other operating revenues and income in 2023 rose 46.6% on 2022. The increase is due also to the contributions outlined in the non-aviation section and the increased revenues from condominium expenses following the increase in the cost of energy.

Period **costs** overall increased 41.7% on the same period of 2022 and 25.5% on 2019.

These break down as follows:

- ✓ **costs for consumables and goods** contracted 4.1% on 2022, due to the reduced purchases of General Aviation aircraft fuel as a result of the decline in movements and despite the passenger growth, offset in part by increased purchases of consumables and operational furnishings for the passenger terminal. The 84.2% increase on 2019 is due to the higher purchases of aircraft fuel and cargo packaging materials, in addition to the increased purchases of de-icing liquid;
- ✓ **service costs** increased on 2022 (+18.9%), due to the increase in traffic-related services (PRM and MBL services), but particularly as a result of increased costs for all other services, such as maintenance, utilities, professional and consulting services, cleaning, development and promotion, and insurance; Service costs also increased on 2019 (+18.2%) due to higher costs for utilities, maintenance, security services, cleaning, professional and consulting services, and insurance;
- ✓ the movements in **lease, rentals and other costs** (+35.5% on 2022 and +20.6% on 2019) is mainly due to the increase in traffic volumes, on whose basis the concession and security fees are calculated, although the increase on the same period of both 2022 and of 2019 is due also to the increased charges for data processing, hire charges and rental fees;

- ✓ **other operating expenses** increased 27.2% on 2022 and 18.9% on 2019, due to the increased taxes and association dues, alongside an increase also of the estimate for the fire prevention service fee.

Reference should be made to the personnel costs section of this report for further details.

Overall, **EBITDA of Euro 18.7 million** is reported for the first half of 2023, compared to Euro 33.4 million in 2022, which benefited significantly from the Compensation fund contribution, and to Euro 20.5 million in 2019. See the section on adjusted EBITDA for a description of performance for the period without the 2022 contribution.

Depreciation and amortisation amounted to 5.4 million, compared to Euro 4.9 million in the comparative period; rising Euro 528 thousand related to the advancement of the investment plan and the upcoming demolition of the General Aviation fuel distribution plant, scheduled for the second half of 2023, as part of the works for the construction of the "third lot" aircraft apron. The increase in **provisions** (+Euro 892 thousand) is due to the higher accruals to all items and, principally, to the provisions for other risks and charges due to the increased default interest on the fire prevention service debt due to the significant increase in the legal interest rate.

Due to the developments outlined above, **EBIT** totalled **Euro 10.7 million** (compared to Euro 26.8 million in H1 2022), while compared to Euro 13.7 million for H1 2019 (-22%), which represents a better comparison as a period not impacted by the COVID damages contribution.

Net financial expense of **Euro 1.1 million** is reported, compared to net financial income of Euro 185 thousand in the previous year, due to the increased interest expense on loans and accessory costs (SACE guarantee on loans drawn down on 2020 by the parent company) and the increased charges from the discounting of provisions.

On the basis of the above, the **Result before taxes** for the first half of 2023 was a profit of **Euro 9.6 million**, compared to Euro 27 million in H1 2022 and Euro 13.2 million in H1 2019.

Income taxes are estimated at **Euro 2.8 million**, compared to Euro 1.6 million for the first half of 2022, thanks to the tax relief on the COVID-19 contribution, and Euro 3.8 million in H1 2019.

The **result for the period**, entirely concerning the Group, was a profit of **Euro 6.8 million**, significantly recovering on the pandemic-affected years, although contracting on a net profit of Euro 9.4 million for H1 2019 (-27.7%).

The **EBITDA** adjusted for the construction services margin and the contribution of the compensation fund is presented below:

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Total change vs 2022	% change vs 2022	For the half year ended 30.06.2019	% change vs 2019
Revenues from aeronautical services	29,033	23,287	5,746	24.7%	30,229	-4.0%
Revenues from non-aeronautical services	24,145	18,312	5,833	31.9%	21,075	14.6%
Other operating revenues and income	677	481	196	40.7%	504	34.3%
ADJUSTED REVENUES	**53,855**	**42,080**	**11,775**	**28.0%**	**51,808**	**4.0%**
Consumables and goods	(1,772)	(1,847)	75	-4.1%	(962)	84.2%
Service costs	(11,913)	(10,018)	(1,895)	18.9%	(10,075)	18.2%
Leases, rentals and other costs	(4,912)	(3,625)	(1,287)	35.5%	(4,074)	20.6%
Other operating expenses	(1,897)	(1,491)	(406)	27.2%	(1,595)	18.9%
Personnel costs	(15,279)	(13,047)	(2,232)	17.1%	(14,950)	2.2%
ADJUSTED COSTS	**(35,773)**	**(30,028)**	**(5,745)**	**19.1%**	**(31,656)**	**13.0%**
ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)	**18,082**	**12,052**	**6,030**	**50.0%**	**20,152**	**-10.3%**
Revenues from construction services	13,061	4,191	8,870	211.6%	7,091	84.2%
Construction service costs	(12,439)	(3,992)	(8,447)	211.6%	(6,753)	84.2%
Construction Services Margin	**622**	**199**	**423**	**212.6%**	**338**	**84.0%**
Revenues from TV on Provision for Renewal	28	0	28	n.a.	0	n.a.
Revenues from compensation fund contribution Budget Law 2021	0	21,137	(21,137)	n.a.	0	n.a.
GROSS OPERATING PROFIT/(LOSS) (EBITDA)	**18,732**	**33,388**	**(14,656)**	**-43.9%**	**20,490**	**-8.6%**

Revenues adjusted for the construction services margin grew 28% on the first half of 2022 and 4% on the same period of 2019, net of the COVID damage compensation fund contribution. **Adjusted costs** rose 19.1% on 2022 and 13% on 2019, resulting in **adjusted EBITDA of Euro 18.1 million**, compared to Euro 12.1 million in 2022 (+50%), although lower than the Euro 20.2 million for 2019 (-10.3%).

The table below shows the quarterly **passenger traffic** performance and **EBITDA** of the Parent Company adjusted for the construction services margin and the contribution of the Compensation Fund.

	Q1 2023	Change % vs 2022	Change % vs 2019	Q2 2023	Change % vs 2022	Change % vs 2019
Passenger Traffic	1,803,185	42.0%	-8.1%	2,781,930	15.5%	12.0%
ADJUSTED REVENUES	**21,044**	**45.8%**	**-5.1%**	**29,227**	**21.7%**	**8.9%**
Revenues from aeronautical services	10,606	43.1%	-13.5%	15,098	21.2%	-1.6%
Revenues from non-aeronautical services	10,189	48.5%	5.3%	13,574	21.6%	21.7%
Other operating revenues and income	249	59.6%	5.2%	555	41.1%	56.6%
ADJUSTED COSTS	**(15,736)**	**24.7%**	**9.9%**	**(17,401)**	**18.5%**	**13.5%**
Personnel costs	(6,926)	20.3%	1.7%	(7,538)	15.7%	1.1%
Other operating costs	(8,810)	28.3%	17.2%	(9,863)	20.8%	25.3%
ADJUSTED EBITDA	**5,308**	**193.6%**	**-32.4%**	**11,826**	**26.7%**	**2.7%**
ADJUSTED EBITDA MARGIN	**25.2%**	**n.a.**	**n.a.**	**40.5%**	**n.a.**	**n.a.**

3.2 CASH FLOW ANALYSIS

The consolidated cash flow statement, indicating cash flows generated/absorbed from operating, investing and financing activities, is summarised below:

in Euro thousands	June 30, 2023	June 30, 2022	Change
Cash flow generated / (absorbed) by operating activities before working capital changes	**18,305**	**33,267**	**(14,962)**
Cash flow generated / (absorbed) by net operating activities	**8,366**	**35,168**	**(26,802)**
Cash flow generated / (absorbed) by investment activities	**732**	**(4,869)**	**5,601**
Cash flow generated / (absorbed) by financing activities	**(4,901)**	**(1,848)**	**(3,053)**
Change in closing cash flow	**4,197**	**28,451**	**(24,254)**
Cash and cash equivalents at beginning of period	**27,868**	**28,215**	**(347)**
Change in closing cash flow	**4,197**	**28,451**	**(24,254)**
Cash and cash equivalents at end of period	**32,065**	**56,666**	**(24,601)**

Cash flow generated by operating activities before working capital changes amounted to Euro 18.3 million, against Euro 33.3 million in H1 2022.

Net of the Euro 21.1 million contribution from the COVID-19 compensation fund recognised in 2022, an improvement over the same period of 2022 of Euro 6.1 million is reported.

Working capital absorbed cash of Euro 9.9 million in the period, due to:

- the increase in gross trade receivables of Euro 9.4 million and of other receivables for Euro 7.1 million, related to the increased traffic and the impact on trade receivables and on the surtax and IRESA receivables under "other receivables";
- outflows for the payment of interest and the use of provisions for Euro 1.9 million, in addition to those for the payment of taxes for Euro 2.4 million.

In terms of sources, trade payables increased Euro 1.9 million, with "other payables" increasing Euro 9 million, mainly due to the increase in payables for surtaxes and IRESA and for the airport concession fee.

As a result of that outlined above, **cash flows from operating activities**, net of working capital changes, generated **Euro 8.4 million**, compared to a cash generation of Euro 35.2 million in 2022.

The generation of cash flows of Euro 732 thousand from **investing activities** was due to:

- from the generation of resources for Euro 15 million for the receipt of overdue time deposits;
- the absorption of cash from **investment activities** in tangible and intangible assets, mainly concession rights for **Euro 14.3 million**, compared to Euro 4.9 million in the comparative period.

Financing activities absorbed cash flows of **Euro 4.9 million** due to the settlement of loan instalments, in addition to payments for lease liabilities.

As a result, the **final overall change in cash** for the period was a positive Euro 4.2 million.

The Group's net financial position at June 30, 2023 compared to December 31, 2022 and June 30, 2022 is presented below, in accordance with Consob Communication of July 28, 2006 and the ESMA/2011/81 and ESMA32-382-1138 Recommendations of March 4, 2021.

	in thousands of Euro	for the half year ended 30.06.2023	for the year ended 31.12.2022	for the half year ended 30.06.2022	Change 30.06.2023 31.12.2022	Change 30.06.2023 30.06.2022
A	Cash	32,065	27,868	56,666	4,197	(24,601)
B	Other cash equivalents	0	0	0	0	0
C	Other current financial assets	30,342	45,058	0	(14,716)	30,342
D	**Liquidity (A+B+C)**	**62,407**	**72,926**	**56,666**	**(10,519)**	**5,741**
E	Current financial payables	(2,174)	(2,819)	(2,137)	645	(37)
F	Current portion of non-current debt	(20,617)	(14,976)	(9,316)	(5,641)	(11,301)
G	**Current financial debt (E + F)**	**(22,791)**	**(17,795)**	**(11,453)**	**(4,996)**	**(11,338)**
H	**Net current financial debt (G - D)**	**39,616**	**55,131**	**45,213**	**(15,515)**	**(5,597)**
I	Non-current financial payables	(37,314)	(47,605)	(57,920)	10,291	20,606
J	Debt instruments	0	0	0	0	0
K	Trade payables and other non-current payables	(269)	(521)	(776)	252	507
L	**Non-current financial debt (I + J + K)**	**(37,583)**	**(48,126)**	**(58,696)**	**10,543**	**21,113**
M	**Total net financial Position (H + L)**	**2,033**	**7,005**	**(13,483)**	**(4,972)**	**15,516**

The Group Net Financial Position at June 30, 2023 was a cash position of **Euro 2 million**, compared to Euro 7 million at December 31, 2022 (Euro -13.5 million at June 30, 2022).

Compared to December 31, 2022, the movement in liquidity is due to:

- the generation of operating cash flows, net of Net Working Capital movements, of Euro 8.4 million.
- the cash flow absorbed from investing and financing activities for Euro 19.2 million.
- the cash flow generated from the maturity of time deposits for Euro 15 million

On the payables side, there are no significant differences between the periods under review; the movement is due mainly to the payments of loan instalments coming due.

3.3 FINANCIAL POSITION ANALYSIS

The Group financial position, classified according to “sources” and “uses”, is presented below:

USES	June 30, 2023	As at 31.12.2022	June 30, 2022	Change 30.06.2023 31.12.2022	Change 30.06.2023 30.06.2022
-Trade receivables	21,444	12,672	17,319	8,772	4,125
- Tax receivables	404	387	153	17	251
- Other Receivables	11,829	4,775	8,072	7,054	3,757
- Inventories	950	912	904	38	46
Sub-total	**34,627**	**18,746**	**26,448**	**15,881**	**8,179**
-Trade payables	(26,778)	(24,869)	(17,002)	(1,909)	(9,776)
- Tax payables	(2,013)	(2,923)	(2,396)	910	383
- Other payables	(41,828)	(32,256)	(32,513)	(9,572)	(9,315)
Sub-total	**(70,619)**	**(60,048)**	**(51,911)**	**(10,571)**	**(18,708)**
Net operating working capital	**(35,992)**	**(41,302)**	**(25,463)**	**5,310**	**(10,529)**
Fixed assets	229,852	220,367	216,111	9,485	13,741
- Deferred tax assets	8,330	10,002	11,959	(1,672)	(3,629)
- Other non-current assets	13,948	13,869	13,568	79	380
Total fixed assets	**252,130**	**244,238**	**241,638**	**7,892**	**10,492**
- Provisions for risks, charges & severance	(19,145)	(17,673)	(16,475)	(1,472)	(2,670)
- Deferred tax liabilities	(2,785)	(2,843)	(2,741)	58	(44)
- Other non-current liabilities	(102)	(115)	(55)	13	(47)
Sub-total	**(22,032)**	**(20,631)**	**(19,271)**	**(1,401)**	**(2,761)**
Fixed Operating Capital	**230,098**	**223,607**	**222,367**	**6,491**	**7,731**
Total Uses	**194,106**	**182,305**	**196,904**	**11,801**	**(2,798)**

SOURCES	As at 30.06.2023	As at 31.12.2022	As at 30.06.2022	Change 30.06.2023 31.12.2022	Change 30.06.2023 30.06.2022
Net Financial Position	**2,033**	**7,005**	**(13,483)**	**(4,972)**	**15,516**
- Share Capital	(90,314)	(90,314)	(90,314)	0	0
- Reserves	(99,010)	(67,887)	(67,770)	(31,123)	(31,240)
- Profit (loss) for the period	(6,815)	(31,109)	(25,337)	24,294	18,522
Group Shareholders’ Equity	**(196,139)**	**(189,310)**	**(183,421)**	**(6,829)**	**(12,718)**
-Minority Interests	0	0	0	0	0
Total Shareholders’ Equity	**(196,139)**	**(189,310)**	**(183,421)**	**(6,829)**	**(12,718)**
Total sources	**(194,106)**	**(182,305)**	**(196,904)**	**(11,801)**	**2,798**

Net invested capital at June 30, 2023 was **Euro 194.1 million**, increasing Euro 11.8 million on December 31, 2022, mainly due to the increase in investments, principally concerning concession rights - the fixed capital increased Euro 8 million to Euro 252.1 million, compared to Euro 244.2 million at December 31, 2022 - in addition to the movement in net working capital from -Euro 41.3 million to -Euro 36 million, due to the greater increase in receivables than payables.

In terms of sources, at June 30, 2023 a net financial position of Euro 2 million is reported, compared to Euro 7 million at December 31, 2022, while **consolidated and Group Shareholders' Equity** amounted to **Euro 196.1 million,** compared to Euro 189.3 million at December 31, 2022, increasing due to the overall profit in the period.

3.4 KEY INDICATORS

The Directors deemed the Group's major income statement and statement of financial position indicators at and for the period ended June 30, 2023 to be immaterial due to their interim nature.

3.5 AIRPORT INFRASTRUCTURE DEVELOPMENT INVESTMENTS

Infrastructure development and the implementation of investments planned for H1 2023 therefore continued with key projects in the various airside, terminal and landside areas in line with the *"2016-2030 Airport Development Plan*" and the content of the "*2022-2026 Plan for the functional and sustainable development of the terminal area*". The latter, approved by ENAC in May 2023, includes a number of projects in the passenger terminal, which are necessary to support the recovery of traffic. The projects will be introduced shortly.

Total **investments** in **H1 2023** amounted to **Euro 12.8 million**, of which:

- Euro 9.9 million relating to infrastructure and environmental compensation investments,
- Euro 2.9 million relating to investments in the areas of sustainability, innovation, quality and airport operations.

The startup/progress of work in H1 2023 was as follows:

- **Airside**: Construction of the new apron (the "third lot") to increase the airport's aircraft parking capacity is close to completion. The work includes the construction of VALs (Visual Aid Lights), light towers and related video surveillance systems, and the construction of a new fuel facility to replace the existing General Aviation flight fuel facility. This will be demolished in H2 2023 as it interferes with the new apron. Also airside, work has concluded to install a new airport run-off water overflow system and concurrent retirement of the current system, replacing the existing basin known as the Olmi Quarry; redevelopment of the area where the current basin is located will conclude next year.
- **Terminal:** *"*Schengen Departure Hall Reconfiguration" work continued and work on the "Security and Passport Control Area Redevelopment" project, which was suspended in 2022 following contract termination for serious non-performance by the previous contractor, began with a new contractor. A call for tenders was also issued to re-engineer the executive design of the Terminal Expansion project.

- **Landside:** work has concluded on construction of the **new eastern roadway** for direct vehicle egress from the site, and work has begun on area mapping and surveying of bike path interference. Work continued on redeveloping and adapting the areas on the first floor outside the passenger terminal (**Curbside redevelopment**) and to **reconfigure the cargo area** to increase the storage capacity of the cargo infrastructure, reorganising internal spaces and maximising the areas for storing import and export cargo. Finally, in July, the works contract for the construction of the **new multi-storey car park** was awarded and the first level of design for the **road development works in front of the terminal** was sent to ENAC for approval.
- **Environmental compensation measures**: we note the completion of expropriation activities regarding properties in the areas earmarked for the creation of a wooded strip along the northern perimeter of the airport site in order to comply with the requirements of the Masterplan EIA Decree and the Implementing Territorial Agreement for the Decarbonisation of Marconi Airport, compensating for the environmental impacts related to airport transactions. Work on creating the wooded strip has begun, and the planting phase is scheduled for autumn.

The works focused on sustainability, airport operations, innovation, the improvement of the service offered to passengers and the efficiency of company processes included:

- Energy efficiency measures for lighting, construction of charging points for electric vehicles, rainwater recovery system to harvest rainwater and transfer it to a new underground prefabricated tank, where it will be reused for compatible uses, new electric cars to renew the company vehicle fleet;
- creation of two photovoltaic systems using panels installed on the roof on the BHS and Terminal building;
- completion of the technical and economic feasibility design for a major photovoltaic system north of the runway;
- completion of some technological systems work, specifically: completion of the second evaporation tower serving the Terminal's air conditioning chillers, air conditioning of the boarding bridges, new generators at the Freight Terminal;
- installation of new dynamic signage at the airport entrance;
- new "dual view" x-ray machine to inspect goods in compliance with current regulations;
- construction of a new compass near the MBL area to improve management of passenger flows and create a dedicated entrance for People Mover access;
- various work in the IT area.

Provisions for Renewal

The total investment for the **renewal and maintenance cycle of the airport infrastructure** and plant in H1 2023 amounted to approx. **Euro 1 million**, of which Euro 330 thousand for work on plant (i.e. public information screens, lifts, automatic doors and gates, uninterruptible power supplies, de-icing machinery) and Euro 602 thousand for landside work to maintain operations (upgrading of roads to access the courier area, upgrading of terminal bathrooms).

3.6 PERSONNEL

Workforce breakdown

	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Total change vs 2022	% change vs 2022	For the half year ended 30.06.2019	Total change vs 2019	% change vs 2019
Full Time Equivalent average workforce	**472**	**429**	**43**	**10%**	**489**	**-17**	**-3%**
Executives	8	8	0	0%	10	(2)	-16%
Managers	40	35	5	14%	32	8	26%
Managers	332	303	29	10%	349	(17)	-5%
Blue-collar	92	83	9	11%	98	(6)	-6%

	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Total change vs 2022	% change vs 2022	For the half year ended 30.06.2019	Total change vs 2019	% change vs 2019
Average workforce	**520**	**472**	**48**	**10%**	**541**	**-21**	**-4%**
Executives	8	8	0	0%	9	(1)	-11%
Managers	40	35	5	14%	32	8	25%
Managers	375	343	32	9%	398	(23)	-6%
Blue-collar	97	86	11	13%	102	(5)	-5%

Source: Company workings

The change to the workforce (+43 FTE compared to 2022 and -17 FTE compared to 2019) almost exclusively concerns operating personnel, and therefore related to the traffic performance for the three half years under review.

Costs

	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Total change vs 2022	% change vs 2022	For the half year ended 30.06.2019	Total change vs 2019	% change vs 2019
Personnel costs	15,279	13,047	2,232	17.1%	14,950	329	2.2%

Personnel costs for H1 2023 increased by 17.1% on the same period of 2022, mainly due to:
- the increase in the workforce outlined above;
- the use of the social security schemes in the initial months of 2022, although for a minimal percentage;
- increased use of temporary staffing;
- increased use of overtime;
- lesser paid holidays;
- increased costs for canteen, missions and social security charges.

Despite the contraction in the workforce, personnel costs rose 2.2% also on 2019, mainly due to the salary increases based on the renewal of the National Collective Bargaining Agreement (CCNL), settled in tranches between January 2020 and July 2022.

TRADE UNION RELATIONS

In 2023, it became necessary to configure a parking relocation plan for employees of the Group and other airport operators in order to allow construction work to begin on the ecological island and the new multi-storey car park in an area where a staff car park is currently located. This requirement was discussed with the trade union representatives and led to a transfer plan in order to take into account both company needs and worker safety requirements.

Discussions and monitoring of the procedure for assault emergencies introduced in 2022 also continued, with presentation and dissemination (also institutional), in collaboration with the ETF European transport union, to ACI Europe. This led to the creation and publication of a compendium by ETF and ACI Europe on best practices in Europe for the prevention and management of disruptive passengers, in which the case of Bologna airport was also reported.
Agreements for the 2023 Performance Bonus and the 2023 Welfare Plan were signed in July.

TRAINING OF PERSONNEL

Two major management training courses were conducted in H1 2023, both of which were funded:

- "*Eng-Agement*," Personal & Team Development, which utilised improvisational theatre, to improve self-management, strengthen self-image and self-esteem, and facilitate mutual relationship and interaction by nurturing trust;
- "Gender Equality and Empowerment," a pathway to improve and ensure inclusion, gender equality and social communication, with a focus on decreasing gender diversity, in line with the company's vision and values.

We also highlight three other management courses:

- the funded "SDG Action Manager" course for 15 employees who serve on sustainability/gender committees, to train and certify them (Accredia) in the area of Sustainability;
- the "Leadership and Culture of Error" course for executives, to improve leadership in complex and uncertain circumstances;
- the funded course "Presentation Design Tools - beyond power point," for "young people", which sought to teach them how to present data and information effectively and engagingly, creating visual content that enhances the target audience's user experience.

In H1, delivery of the Front Line and Disruptive Passenger Relations course continued. This was for front line staff, particularly security officers, information office staff and parking staff, and sought to improve their ability to greet, listen to and understand the real needs of users (within the limited time available) in order to satisfy their requests and in particular anticipate aggressive attitudes and resolve increasingly frequent critical situations.
Delivery of cyber-security courses, which are mandatory for all AdB staff, also continued, both with in-house training and in pills on the online platform and through phishing simulations.
Refresher courses for security personnel from 2023 onward shall be delivered in-house by an ENAC-certified Training Center instructor who, in addition to annual refresher training for colleagues, delivers introductory training for new security aspirants in preparation for the ENAC exam. In H1 2023, seven groups of newly aspiring security officers were trained, each consisting of an average of 10 people.

3.7 KEY INFORMATION ON THE SUBSIDIARIES' PERFORMANCES

Fast Freight Marconi Spa

The Parent Company acquired a 100% interest in FFM in 2009. The main activity of the subsidiary is cargo and mail handling at Bologna airport. In particular, FFM is the handling agent for cargo export and import operations of carriers moved through the airport via air and for surface cargo and manages the Temporary Customs Warehouse for Non-EU Cargo arriving at the airport. The company thereafter in subsequent years developed accessory services such as booking, operating as a regulated agent and has a specialist customs operations structure.
The company prepares its financial statements according to Italian GAAP. The key indicators for the period, adjusted where necessary entirely for the purposes of preparing these consolidated financial statements as per IAS/IFRS, are presented below.
At June 30, 2023, the company had 15 employees (same as December 31, 2022) and, in continuity with previous years, assigned many staff activities to the parent under a management & staffing contract which covers the accounting, administrative, legal, personnel and ICT areas.
FFM in H1 2023 managed 11,940,998 Kg of cargo, with a 31% increase in traffic served compared to the first half of the previous year. The increase followed also a 7% rise in air traffic and, to a greater extent, the contribution of road traffic (+43%).
Against the outlined traffic recovery, FFM reported revenue growth of 18% and an increase in core operating costs of 17%, due to:

- higher costs for security services, customs services and other third-party services related to increased operations (18%);
- the increase in personnel costs also due to the posting of two resources not present in the first half of 2022 (+14%).

As a result of the factors outlined above, EBITDA grew 22%, from Euro 270 thousand in H1 2022 to Euro 330 thousand in H1 2023, in line with the increase in EBIT from Euro 257 thousand to Euro 311 thousand, due to the substantial stability and reduced amount of depreciation, amortisation and provisions. The profit for the period, finally, was Euro 235 thousand, compared to Euro 197 thousand in H1 2022 (+19%).
Finally, reference should be made to the disputes section of the Directors' Report with regards to the customs dispute involving FFM in 2021, as an indirect representative, following the customs declaration assessments made by the Bologna Customs Office.

Tag Bologna Srl

TAG began operations in 2008 following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector. The Parent Company acquired a 100% interest (previously 49%) in TAG Bologna in 2018.
The company, which assigned certain staff activities to the parent under a management & staffing contract covering the legal and personnel area, had 17 employees at June 30, 2023 (16 at December 31, 2022).
The company prepares its financial statements according to Italian GAAP. The key indicators for the period, adjusted where necessary entirely for the purposes of preparing these consolidated financial statements as per IAS/IFRS, are presented below.

In the first half of 2023, General Aviation in Italy saw a 3.3% reduction in aircraft movements on 2022 and a 4% rise in passenger traffic (Source: Assaeroporti). Against this backdrop, the traffic served by TAG reduced 2.2% in terms of movements, although with 1.3% growth in terms of tonnage and of 3% for passengers.

Despite the strong traffic performance, period revenues were lower than H1 2022 (-16%), due to the reduced sale of aircraft fuel and the absence of the COVID contribution as per the 2021 Budget Law in the comparative period of approx. Euro 234 thousand.
Operating costs decreased 11%, mainly due to the reduced purchases of fuel, resulting in EBITDA of Euro 616 thousand (-4% on H1 2022, adjusted for the COVID contribution) and a profit for the period of Euro 87 thousand (-76% on H1 2022, adjusted for the COVID contribution).

Reference should be made to the specific paragraph of the Notes to this document for information concerning transactions undertaken during the period with subsidiaries and related parties.

4 MAIN NON-FINANCIAL RESULTS ANALYSIS

4.1 SUSTAINABILITY

In H1 2023, in continuation of the activities begun in previous years, the Group continued to pay attention to all major sustainability topics, pursuing more than 60 projects. The initiatives seek to monitor and reduce the impact of airport activities on the surrounding environment by implementing energy efficiency actions, investing in sustainable mobility and renewable energy, taking care of employees and the local area, and committing to an increasingly ESG-oriented business model and supply chain.

In H1 2023, AdB carried out specific environmental offsetting works, as set out in the Regional Agreement for the Decarbonisation of the Airport, signed in 2015 with the regional entities and updated in January 2020. Specifically, work began to create a broad wooded strip north of the airport (including a bicycle path usable by the community) covering 40 hectares. The design phase continues of a cycle path linking the airport to the residents of Bologna and Lippo di Calderara di Reno.

In relation to decarbonisation, Aeroporto di Bologna complies with the international Airport Carbon Accreditation framework with the goal of reducing the airport's direct emissions to zero by 2050. With regard to this important issue, AdB made a formal commitment to attain Net Zero carbon (i.e. zero absolute direct and indirect CO_2 emissions) by 2030. In H1 2023, the airport completed the technical and economic feasibility design for a large photovoltaic system north of the runway to increase energy production from renewable sources. It also began work on two photovoltaic systems, including one on the terminal and one on the BHS rooftop.

Also in the environmental field and specifically to combat climate change, the Group began a risk analysis for several climate hazards, with the goal of helping to identify specific adaptation strategies for the assets most vulnerable to climate change.

In H1 2023, AdB carried out several projects with the aim of enhancing and supporting its people, acting in synergy with the main local authorities. First and foremost, Bologna Airport committed the resources from the awarding of the Conciliamo call, promoted by the Presidency of the Council of Ministers, for projects on work-life balance, welfare and sustainable mobility. The company also successfully conducted the first course in Italy to certify 15 employees as SDG ACTION MANAGERS as per the UNI/PdR 109.1:2021 standard.

The Group is active on European Taxonomy issues, including through participation in local and European panels and working groups, and continues to focus on issues of sustainable procurement.

4.2 QUALITY

H1 saw good service quality levels and high passenger satisfaction. In terms of perceived quality, satisfaction was generally over 90%. Satisfaction levels remained high for terminal and toilet cleanliness, benefitting from work carried out on some of the terminal's main bathroom blocks.

Where surveys reported lower satisfaction levels, the Group has begun analysis and corrective measures.

Waiting times decreased on 2022 and remained steady, without spikes, for the entire six-month period. Waiting time at passport checking was the only exception as it increased slightly. Since the beginning of the year, the Group has carried out a major hiring campaign in the security checking area - which is directly managed - to ensure better service.

INDICATORS	H1 2023	H1 2022
Perception of the cleaning level and functionality of toilets	98.0%	96.2%
Perception of the availability of mobile phone and laptop recharging stations in common areas	88.3%	76.2%
Overall perception of the efficacy and accessibility of public information services	99.8%	99.3%
Perception of the clarity, comprehensibility and effectiveness of internal signage	99.4%	99.4%
Check-in waiting time	19’49’’	20’14’’
Perception of passport control waiting time	7’40’’	9’50’’
Wait time for departing PRM passengers with reservations	9’16’’	9’59’’
Wait time for arriving PRM passengers with reservations	6’12’’	6’37’’
First baggage return times	26’59’’	24’59’’
Last baggage return times	33’59’’	31’59’’
Boarding wait time for the 1st passenger	6’33’’	7’18’’

5 REGULATORY FRAMEWORK

5.1 REGULATORY AGREEMENT AND TARIFF DYNAMIC FOR 2023-2026

Recalling that the Regulatory Agreement for the period 2020-2023 was not formalised in writing and acknowledging AdB's good-faith fulfilment of the related commitments (necessarily interpreted in light of the onset of the pandemic, which had significant negative impacts on the airport operator and the concession holder) and ENAC's full implementation of competence monitoring respectively, we confirm that the preliminary investigation required for the stipulation of the ENAC-AdB 2023-2026 "Regulatory Agreement" will be concluded shortly.

In terms of the tariffs for the four-year period 2023-2026, then, we note that on April 28, 2023, with Resolution No. 82/2023, the Transport Regulation Authority declared compliance with the requirements in relation to the proposed revision of airport fees prepared by AdB S.p.A. and approved by airport users. The requirements set out by the Authority in that resolution were, therefore, fully enacted by the operator and, subsequently, on July 13, 2023 the TRA adopted a final compliance resolution.

The new tariffs for the 2023 fiscal year will be valid and effective as of September 1, 2023.

The courier-carriers DHL, Fedex and UPS recently lodged an appeal to the President of the Republic in relation to the Authority's aforementioned resolutions and the underlying procedural acts. The Parent Company has already identified counsel and the main arguments to defend the procedural acts for which the plaintiffs seek annulment. Information regarding the progress of litigation will be provided in future reports on operating performance.

5.2 FIRE PREVENTION FUND

Article 1, paragraph 1328, of Law No. 296 of December 27, 2006 (2007 Finance Law) requires the payment by Italian airport management companies of an amount, to be calculated proportionally to its airline traffic, in order to lower the cost to the State for the provision of fire prevention services (so-called Fire Prevention Fund). This purpose was modified by Article 4, paragraph 3-*bis* of Law Decree No. 185/2008, entering into force on January 29, 2009, which separated the relationship between those required to fund the so-called Fire Prevention Fund and the benefit deriving from the activity financed, allocating the Fund to differing purposes than its original scope related to airport fire prevention services.

Following the entry into force, from January 1, 2016 of Article 1, paragraph 478, of Law No. 208 of December 28, 2015 implementing "Provisions for the drawing up of annual and multi-year budgets of the State" (2016 Stability Law), the Legislature, through Law Decree No. 159 of October 1, 2007 converted with modifications by Law No. 222 of November 29, 2007, introduced the qualification of "payments", with reference to the contributions allocated to the Fire Prevention Fund. This latter was subject to a constitution legality opinion, following the deferral by the Court of Cassation, through reasoned ordinance issued on December 28, 2016. From July 26, 2018, as per Article 30 of Law No. 87 of 1953, the challenged provision of Article 1, paragraph 478 of Law No. 208/2015, declared illegal, with the Constitutional Court order No. 167/2018, may no longer be applied.

Within the judicial framework we must also mention the important judgement of the Court of Cassation of February 1, 2019, No. 3162, which outlined a framework encompassing the complex Fire Prevention Fund, in which the following was definitively ascertained and declared:

- the nature of the tax contribution to be paid;

- the competent tax jurisdiction.

This pronouncement of the Cassation recalls, in addition, with particular importance from a general judicial principle viewpoint, the ruling handed down by the Rome Provincial Tax Commission No. 10137/51/14, which ascertained the “non-obligation to pay the tax from 2009, due to the non-applicability of its original legislative purpose as per Article 4, paragraph 3-*bis* of Legislative Decree No. 185 of 2008”.

Furthermore, in 2019 the Regional Tax Commission of Lazio rendered judgement no. 7164/2019 which, after reviewing all the facts and legal arguments examined by the various courts (Constitutional Court, Court of Cassation, Provincial Tax Commission, etc.), lays down a thorough legal basis and reinforce the tax case law on the treatment of the Fire Prevention Fund.

An appeal of this ruling by the administrations and State’s Attorney is currently pending before the Court of Cassation. The hearing in open court was held on May 11, 2023, and the ruling constitutes an essential step in confirming the legal opinion previously established on the matter, which in 2023 - after years of unambiguous pronouncements - saw the first dissenting decisions by the Tax Court of First Instance in Rome.

In terms of the direct interest of the Parent Company, on February 8, 2022, after many years of civil dispute, AdB obtained a ruling from Rome Civil Court (No. 2012 of 2022) that clarified the jurisdiction of the tax court before which the case was taken up again in December 2022, with reference to the specific years subject to a claim, given the specific nature of the appeal presented. On May 2, 2023 - in a decision that went entirely against the current and was therefore unexpected, despite the well-reported nature of the overall litigation’s huge financial dimensions and political significance at the national level - the Tax Court of Rome dismissed the appeal filed by AdB and those filed by 14 other domestic airport companies, combined in a single proceeding. Other proceedings are pending and the aforementioned ruling of the Court of Cassation is of utmost importance.

For further details, reference should be made to the Disputes section.

5.3 NEW PUBLIC CONTRACTS CODE

The new Public Contracts Code set out in Legislative Decree No. 36 of March 31, 2023 and its Annexes was published in the Official Gazette of the Italian Republic No. 77 of March 31, 2023. The Rules will be "effective" from July 1, 2023; For notices or tenders published before that date, the former provisions continue to apply. A transitional period was also established, until December 31, 2023, with the validity of certain provisions of Legislative Decree No. 50/2016, of the Simplification Decree No. 76/2020 and of the Simplification and Governance Decree No. 77/2021. The Annexes to the new Code will replace every other implementing source of the former regulations, namely: the Annexes to Legislative Decree No. 50/2016, the seventeen ANAC Guidelines and approximately fifteen Regulations (including Presidential Decree No. 207/2010).

The new Public Contracts Code, in implementation of Article 1 of the "delegation" Law No. 78, 21.06.2022, presents significant new developments and a need for due exploration and full understanding and legitimate application in terms of the “key contracts” of the Parent Company.

At first reading, the "powers of self-organisation" of entities operating in the special sectors appear to have been enhanced, with the aim of ensuring the full autonomy of the relevant rules in the light of the EU Directives (Article 141 and subsequent), and greater flexibility consistent with the essential nature of public services managed by contracting entities (water, energy, transport, etc.). The standards introduced are "self-contained" and thus are without further references to other parts of the Code. Provision is made for the contracting parties to determine the extent of that covered by the contract and the lots into which it may be subdivided, without the need for aggravated justification.

5.4 THE NEW CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

On December 16, 2022, the new CSRD - Corporate Sustainability Reporting Directive (EU Directive 2022/2464 of December 14, 2022) was published, which strengthens and extends the rules for corporate sustainability reporting. The CSRD came into effect on January 5, 2023, and member states have 18 months to transpose it. The application for companies such as AdB, which are already obliged to prepare the NFR - Consolidated Non-Financial Information Report - under Legislative Decree No. 254/2016, is from the financial year 2024.

On July 31, 2023, the European Commission definitively adopted the Delegated Regulation that contains a first set of sustainability reporting standards issued by the European Financial Reporting Advisory Group (EFRAG) known as ESRS (European Sustainability Reporting Standards). Companies must use these standards to carry out their sustainability reporting in accordance with the new CSRD Directive.

5.5 PRIVACY COMPLIANCE

The Parent Company implemented on May 25, 2018 a specific model in order to ensure adequate compliance with European Regulation No 679/2016 (GDPR - General Data Protection Regulation) - and the necessary adjustment of the organisation, processes, company deeds and procedures. The model is implemented and developed in accordance with the principles outlined in the GDPR of privacy by design and privacy by default through a dedicated inter-departmental body (Data Protection Committee) comprising internal specialist personnel. The Company periodically updates its Register of processing operations and risk analysis in order to adopt adequate security measures. Periodic audits are undertaken to ensure correct compliance with legislation by the DPO team. The Company renewed the appointment of its Data Protection Officer (DPO) until 2023.

The company always places maximum focus on the issues of data protection and the security measures within the framework of the company cybersecurity plan, taking into account the many projects with a highly innovative component launched and considering on the one hand their increasingly strategic nature and on the other the growing risks.

5.6 ALITALIA IN EXTRAORDINARY ADMINISTRATION

By order of the Ministry of Economic Development of May 2, 2017, published in edition No. 104 of Italy's Official Gazette dated May 6, 2017, Alitalia - Società Aerea Italiana S.p.A was admitted to the extraordinary administration procedure with immediate effect. The Court of Civitavecchia declared Alitalia in extraordinary administration ("Alitalia SAI in EA") insolvent by judgment of May 11, 2017.
The Parent Company, as part of the extraordinary administration procedure, in a timely manner raised the receivable matured to May 2, 2017 of Euro 0.78 million, of which Euro 0.66 million requested in preference form as per Article 1023 No. 1 of the navigation code, and Euro 0.12 million as unsecured. The tenth statement of liabilities, including the claim lodged by the Parent Company, was filed on December 17, 2019. At this juncture, full priority was granted to the airport fees accrued in the final months of operation prior to the declaration of insolvency, amounting to Euro 0.66 million. Subsequently, following a Court Technical Consultant (CTU) appraisal under the procedure, the amount with preferential status was reduced to Euro 51 thousand as the receivables accrued on the aircraft used by Alitalia under lease agreements totalling Euro 0.6 million were deemed to be eligible for unsecured credit. AdB opposed this proposal, requesting full recognition such preferential status.
At December 31, 2022, the trade receivable from Alitalia - Società Aerea Italiana S.p.A. had been fully written down.

In relation to the debt situation accrued by Alitalia SAI in a.s. since May 2, 2017, and taking into account that the carrier ceased flights on October 14, 2021, maintaining at Bologna airport only its maintenance activity, at June 30, 2023, the exposure is approximately Euro 1 million, of which Euro 0.4 million are non-trade receivables, primarily relating to the municipal surtax on boarding fees. Taking into account that the European Commission deemed illegitimate the measure regarding the Euro 900 million loan granted in 2017 by the Italian State to Alitalia pursuant to state aid rules and that the assessment of the further measure of Euro 400 million lent in 2019 is still in progress, the trade receivable from the carrier maturing from May 2, 2017 of approximately Euro 0.6 million was also entirely written down.

As an update to the disputed position, we note that on August 3, 2022 a further application was filed for diligent management, seeking admission to the bankruptcy claim regarding pre-deductible amounts accrued between May 3, 2017 and October 14, 2021 for approximately Euro one million. This also includes amounts due as municipal surtaxes, which are therefore the responsibility of INPS and other entities. This additional application was also submitted to demonstrate to these entities that every action within the Company's competence had been taken to collect the debt, despite the latter's awareness that this debt was unlikely to be effectively and satisfactorily recovered. On February 6, 2023, the notice of enforceability of the state of liabilities was issued.

5.7 RETURN OF ENAV VISUAL AID LIGHTS (VAL's), GOODS AND AREAS

On November 30, 2020 a decree was published that had been signed on April 3, 2020 by the Ministry of Economy and Finance on the "Return to the State of assets no longer instrumental for the institutional duties of ENAV and their subsequent reassignment to ENAC, under the combined provisions of Articles 692 and 693 of the Navigation Code, and subsequent provision under concession to the airport manager" (Official Gazette No. 297 of 30-11-2020, General Series).

The decree states:

- the airport managers shall take delivery of the VALs within 18 months of the decree's publication in the Official Gazette, and they shall, under their own responsibility and at their own expense, manage, maintain and supply them with electricity, recovering the associated costs through the airport tariffs;
- the airport managers shall take delivery of the goods and areas and sole areas within 60 days of the decree's publication in the Official Gazette, and they shall, under their own responsibility and at their own expense, manage, maintain and supply them with electricity, recovering the associated costs through the airport tariffs.

With specific reference to the tariff profile of the goods and areas comprising the VALs, the act provides in Article 2: "[...] Until the above-mentioned airport managers take responsibility for them, and in any event until the end of the above-mentioned period, ENAV shall be in possession of the VAL systems and shall manage, maintain and supply them with electricity, and is entitled to recover the associated costs through its terminal tariff. 2. From the publication date of this decree, ENAV may add to the terminal tariff the non-amortised book value of the assets covered by this decree, in accordance with a graduated mechanism agreed with ENAC."

The return provision was adopted following a lengthy preliminary procedure involving the Ministry of Infrastructure and Transport (MIT), ENAC and ENAV, but not the airport managers.

Based on the above, AdB, like other Italian airport managers, brought an administrative appeal against this decree, highlighting the various grounds for deeming it unlawful, including the infringement of the right to be heard and requesting that an investigation be duly launched into what the equipment and assets returned consist of. In parallel, negotiations were launched with ENAC, with the additional help of Assaeroporti. They are currently addressing the issue of the local decentralised bodies, i.e. the ENAC airport offices.

In particular, we note the recent activity of the local ENAC department, which supported the verification and inspection, in the presence of representatives from ENAV and AdB, of certain assets that are no longer used for ENAV's institutional purposes and other than the VAL's, as a result of which the assets were legitimately consigned. This was done by introducing appropriate protections in the formal documents, given the poor state and condition of most of the assets, which, net of *pro-tempore* usage, will subsequently be demolished, in line with the Master Plan's provisions and, in any event, without settlement of the matter involved in the aforesaid dispute, for which the diligent arguing of positions will continue in order to safeguard the full legitimacy of the procedure and the position of AdB, given the particular nature of the ENAV infrastructure at the airport. This is also in the interest of the safe and uninterrupted airport operations.

In February 2022, Italian airports formalised a specific filing with ENAC that underscores the obsolescence of a large part of these assets and the lack of specific maintenance and laments the future problem of the necessary joint airports/ENAV management of the auxiliary visual aid systems and the potential negative impact on rates for users and airport managers given the permanence of the rates required by ENAV, which would be unduly added to the airport fees to be paid by airport managers.

At the preparation date of this Report, there are no further updates to be made.

6 DISPUTES

This section outlines the main - fundamental in financial terms - disputes and/or those which in the period saw significant legal and/or non-legal developments, without therefore providing an exhaustive outline of all positions for which specific amounts have been allocated to the disputes risk provision.

6.1 Fire Prevention Fund

In relation to the contribution to the Fund set up by the 2007 Finance Act in order to reduce the cost to the State for the organisation and provision of the fire prevention service at Italian airports, the Parent Company promoted, in 2012, a specific judicial action before the Rome Civil Tax Court, substantially requesting the Judge to ascertain and declare the cessation of the obligatory contribution following the change in the purpose of the afore-mentioned Fund, i.e. from January 1, 2009. In fact, from that date the resources accumulated in the Fund were allocated to the generic requirements of the public purse and civil defence, as well as for financing salary increases of the Fire Prevention Service.

While awaiting the civil procedure, which extended over numerous years across a series of different judges and postponements, a consolidated jurisprudence (ex pluris Rome Provincial Tax Court No. 10137/51/2014 - passed into Law - and Rome Provincial Tax Court No. 2517/2019) sealed by the pronouncement of the Court of Cassation No. 3162 of February 1, 2019 and, latterly, by the Lazio Regional Tax Commission No. 7164/2019, affirmed: i) the nature of the contribution to the Fire Prevention Fund, ii) the consequent competent tax jurisdiction, iii) the non-obligation to pay the tax from 2009, due to the non-applicability of its original legislative purpose, pending a legitimate legal provision.

In relation to the above-mentioned civil case, promoted by the Company before the Rome Court, the Tax Administrations notified however on January 16, 2015 an injunctive decree relating to the presumed contribution to the Fire Prevention Fund for the years 2007, 2008, 2009 and 2010. This decree, containing clear material and formal errors, was immediately opposed, requesting the cancellation of the decree or, in replacement, to declare upon its jurisdiction and to order the reinstatement of the case before the Rome Court. On December 20, 2017, the Bologna Court issued a jurisdiction ordinance, declaring the Tax Commission as the competent judge, which cancelled Injunction Decree No. 20278/14. Unexpectedly and incomprehensibly, on May 24, 2018, the State District Lawyer notified an appeal against the ordinance of the Bologna Court of December 20, 2017.

The Company therefore appealed (RG No. 2020/18), fully outlining its defence and invoking, preliminarily, the clear lack of jurisdiction of the Bologna Court. The appeal was definitively rejected as inadmissible by the Bologna Court of Appeal in judgment No. 1718/19. This judgment became *res judicata* on October 28, 2019, definitively ending the dispute initiated by the administrations, which, additionally, were ordered to reimburse AdB in full for all legal costs incurred.

In October 2020, the statement of conclusions was then held before the Civil Court of Rome. On December 27, 2021, a motivated motion to receive funds was filed and, on February 2, 2022, a specific request was submitted to the section chairman of the Rome Court, who, on February 4, 2022, promptly assured us of a rapid resolution of the dispute. Finally, on February 8, 2022, the Rome Court issued its ruling No. 2012/2022 clarifying the jurisdiction of the tax court.

In order to obtain a direct recognition of the principles embodied universally by the Court of Cassation and by the Rome Provincial Tax Court, in December 2022 the Company presented the case before the Rome Court (RG No. 22375/12).

On April 17, 2023, the Rome Provincial Tax Court dismissed AdB's appeal, radically departing from all relevant precedents. In this regard, a regular appeal will be filed as per the procedural deadlines. We note that the counterparty administrations have not enacted the ruling in question.

All the Parties and State Entities involved in this relevant and long-standing litigation await the decision of the Supreme Court of Cassation (the relevant public hearing was held on May 11, 2023) as part of a jurisdictional proceeding that has significant importance in defining of the legal principles relating to the matter.

6.2 Tax appeal against the Tax Agency - Provincial Office

On November 28, 2018, the Municipality of Bologna invited the Parent Company for the first time to reconsider the cadastral classification of some properties (procedure ex L.311/2004) on airport land, based on a purported orientation of case law that would point to a different classification. This request was then reiterated on February 10, 2020, with amendments to the scope of the request, resulting, in certain cases, in the new and retroactive assessment of IMU property tax.

The Parent Company has always opposed these requests out of court within the scope of administrative procedure and with the filing, in July 2021, of a protective request with the Bologna provincial office of the Italian Tax Administration and the Municipality of Bologna, disputing the merits and underscoring the fact that the original registration of the properties concerned was done in 2007 in coordination with and based on the instructions and authentic interpretation of applicable legislation by said local Land Registry. This initial registration was, in fact, carried out in concert with the competent authority and in accordance with the provisions of Law 262/2006 and circulars 4/T 2006 and 4/T 2007, which are still valid and unchanged, without even being able to point to the existence of changes in construction or other factors of non-conformity that could not be known since 2007.

Therefore, in the second half of 2021 and in early 2022, we reached the start of the concluding phase of this procedure by way of a potential proposed settlement with the Municipality of Bologna with regard to IMU, following the official measure for the cadastral assignment, as per Law 311/04, for these properties, as communicated on December 13, 2021, by the Bologna provincial office of the Italian Tax Administration responsible for land registration.

Therefore, the Group decided to submit a proposal for settlement, with limited and justified concessions in the interest of the company and without the assessment of the sanctions demanded by the Municipality of Bologna, in light of the provisions of Law 212/2000 (the Taxpayers Law), given the legitimate expectations of the companies of the Group. The voluntary settlement proposal is not an admission of guilt and is solely motivated so as to settle the 2015-2020 period of taxation without having to contest the individual assessments for each year and to avoid a tax dispute that would, in any event, be excessively costly.

The position was conclusively finalised with the signature of the deed of adhesion and the payment by AdB and TAG of a total of Euro 152 thousand in IMU tax in April 2022, with a request to exclude administrative penalties.

At the same time, on February 9, 2022, a tax appeal has been filed against the Land Registry and Tax Administration to contest the classification of December 13, 2021, for which we fundamentally dispute the assumptions and justifications. On May 18, 2022, the appeal was filed with the Bologna Provincial Tax Commission for the purpose of settling the dispute, following the rejection of the attempted mediation communicated together with a draft of the counter arguments of the other party. On June 3, 2022, the Tax Agency - Bologna Provincial Office filed Counterclaims to the Appeal. The Parent Company’s legal team has filed various rebuttals to the Office's Counterclaims in further illustration and emphasis of the arguments made in the introductory appeal.

The hearing on the merits before the competent Tax Commission was held on March 7, 2023, the outcome of which was favourable, with the Tax Court of First Instance of Bologna - with ruling No. 123/2023 filed on March 13, 2023 - having accepted the Group's reasons in full, ruling - disregarding all contrary objections - for the annulment of the contested act and compensating for costs.

The procedural line pursued and the arguments presented were also enacted and reiterated in the judicial opposition to a similar classification notice served by the Bologna provincial office of the Italian Tax Administration responsible for land registration.

As long as the land registry dispute continues without a final judgment, the Group will pay the relevant IMU taxes and then, within the terms of the law, make any claims for reimbursement of the amount paid.

6.3 Alitalia Revocatory Action

At the beginning of May 2020, the Company received notification of the revocatory action submitted by the Extraordinary Commissioner of ALITALIA SAI in limited partnership. This concerns a bankruptcy revocatory action for Euro 2.01 million (gross of the passenger boarding fee surtaxes already paid to the beneficiary entities) or of any payments made during the “suspect period,” i.e. the six months before bankruptcy was declared (November 1, 2016 - May 1, 2017), starting on the date the company entered into extraordinary administration.
The Company appeared in the proceedings, both strongly condemning and challenging the legal basis and timing of such an action, and will launch an appropriate legal defence to effectively oppose the lawsuit. The first hearing of the proceedings was duly held on February 24, 2021, and judgement was postponed to the hearing to be held on November 11, 2021. At that hearing, several witnesses were admitted, some of whom have already given testimony, while the judge adjourned the questioning of other witnesses to the hearing on November 23, 2022.
Subsequently, the case was adjourned to a hearing set for October 24, 2024.
In light of the evidence and documents already produced in court, the legal team entrusted with the mandate considers a loss to be possible but not probable.

6.4 Action before AGA proposed in relation to the Decree of April 3, 2020 concerning ENAV assets, including the VAL equipment

On January 27, 2021 the Parent Company filed an appeal with Emilia-Romagna Regional Administrative Court for the annulment of the Decree of April 3, 2020, adopted by the Director-General of the Department of Finance at the Ministry of Economy and Finance together with the Head of the Department for transport, navigation, general affairs and staff of the Ministry of Infrastructure and Transport, published in Italian Official Gazette No. 297 of November 30, 2020, General Series, on the: " the "Return to the State of assets no longer instrumental for the institutional duties of ENAV and their subsequent reassignment to ENAC, under the combined provisions of Articles 692 and 693 of the Navigation Code, and subsequent provision under concession to the airport manager"; and of ENAC note Ref. No. 114427 of October 7, 2019 and of any other deed founded or consequential upon and/or connected to the above interministerial decree. The appeal has been registered and has been given the number RG. 98/2021. Awaiting the administrative dispute, the management companies, in concert with ENAC and in discussion with ENAV, conducted an inspection of the airport systems and assets involved 98/2021.Nelle sale-back. This provides for the delivery of a series of objects other than the VAL assets, which remain on the site, with possible *pro-tempore* use by AdB for urgent operational reasons, but destined for restoration to the original condition, in accordance with the Airport Development Plan. The delivery of these assets, by trilateral delivery memo and assignment to ENAC before the related delivery to AdB, does not constitute acquiescence as regards the rights asserted with the pending litigation. In February 2022, Italian airports formalised a specific filing with ENAC that underscores the obsolescence of a large part of these assets and the lack of specific maintenance and laments the future problem of the necessary joint airports/ENAV management of the auxiliary visual aid systems and the potential negative impact on rates for users and airport managers given the permanence of the rates required by ENAV, which would be unduly added to the airport fees to be paid by airport managers.

With a note dated November 27, 2021 addressed to ENAV and for information to the Italian airports involved, ENAC communicated that "Phase 1" was nearly complete, requesting for the start of "Phase 2", in implementation of the return measure, i) that ENAV send the technical documentation necessary to define the efficiency status of the AVL facilities to be transited, ii) assessment of the possibilities of the full transit of the electrical substations supplying power to these facilities. To the best of our knowledge, ENAV began to provide feedback on the requests made by ENAC required for the aforementioned Phase 2 only at the end of March 2022. The risk associated with this litigation is essentially attributable to the requisition of facilities that are not fully functional or in good repair and to the actual ability of the tariff system to fully remunerate the higher costs and investments associated with the same AVL facilities.
On September 28, 2022, on the appeal of SAC, the Administrative Court for Sicily CT section issued an important precedent (No. 02553/2022 reg.prov.coll. no. 00229/2021 reg.ric.). This established the illegitimacy of the opposition (since airport operators were not duly involved) which formed the prerequisite to the decree to downgrade airport lighting installations, while also annulling the relevant part of the inter-ministerial decree of April 3, 2020.

6.5 FFM customs dispute

On April 20, 2021, the Bologna Customs Office issued a notice of correction of several customs declaration assessments to the subsidiary FFM, following controls carried out in 2020 on behalf of third party importers on personal protective equipment, as part of the COVID-19 emergency and also to be delivered to Emilia-Romagna healthcare authorities. As Customs did not deem that the conditions for exemption from import duties and exemption from value added tax on importation had been met in the cases in question, the notices presented an invitation to FFM to settle the higher duties and VAT, together with interest on arrears, amounting to approximately Euro 4.3 million, within 10 days. The aforementioned notices identified FFM (indirect representation declarant courier) and, jointly and severally, the importers (legal and physical persons) as the parties obliged to pay.

FFM considers that it has always operated with absolute correctness and legality and, in particular, during the most critical phases of the spread of the pandemic, as a cargo sector operator, took action and did its utmost following requests and contacts from regional and local authorities, making the greatest operational and managerial efforts to provide assistance to the extraordinary cargo flights that imported into Italy the medical equipment that was highly sought after by local hospitals and healthcare authorities. The operations were carried out by the subsidiary in full compliance with procedures and regulations, insofar as they were the responsibility of the latter, and therefore strongly rejects the claims of the customs authorities. Consequently, FFM has assigned its defence to lawyers specialising in this area and has lodged an appeal against the above notices within the legal term of 60 days of notification. This is in order to put forward all possible defences, in view of the fact that it is not responsible whatsoever with the alleged failure, by the importer and in an action subsequent to importation and in no way verifiable by FFM at the time of its own operations, to fulfil the conditions regarding the destination of the goods and, therefore, with all the conditions legitimising the aforesaid exemption. Requests for suspension have also been made in connection with the proposed appeals. In particular, following the request filed with the Bologna Customs Authority pursuant to Article 45 of the UCC for the suspension of the notices of assessment, FFM obtained such a suspension subject to issuance of a bank or insurance guarantee.

FFM therefore proceeded to seek an adequate guarantee, which was finalised in October 2021 with a leading national insurance company in accordance with the conditions and terms prescribed by the Customs Agency. This guarantee included a co-obligation for the Parent Company. In the meantime, having verified the tax proceedings before the Bologna Provincial Tax Commission and following the outcome of the October 13, 2021 hearing, the suspension motion filed by FFM was rejected. This circumstance does not, in any event, affect the assessment of the likelihood of the Company losing the case, which continues, ahead of the setting of the relevant hearing.

Following the Company's submission of a further justified request accompanied by an addendum to the guarantee policy undertaken, the total amount guaranteed remaining unchanged, the Bologna Customs Office ordered the definitive suspension of the enforceability of the measures.

The hearing on the merits of the proceedings rooted in the Bologna PTC was therefore held on July 6, 2022. In rulings filed on July 19, the PTC only partially upheld FFM's appeals. Specifically, the Court found in favour of the argument that VAT on imports after May 19, 2021 is not due, thus reducing the amount of the sums claimed by the revenue agency by Euro 0.8 million, and did not uphold the other grounds of appeal. It was, therefore, appealed in November 2022 to the Emilia-Romagna Regional Tax Commission (CTR).

Following the outcome of a review procedure, the Customs Office re-notified the Company - prior to the publication on July 19, 2022 of the ruling by the aforementioned Bologna PTC - of the assessment reports that were the subject of the appeal, with a partial revision of the amounts. These reports are subject to the directly enforceable provision of the aforementioned PTC ruling insofar as it relates to the adjustment of VAT erroneously claimed. FFM therefore filed appropriate appeals for the relevant suspension under Article 45 of the UCC. In addition, a surety of Euro 278 thousand was issued to secure the suspension of enforceability. In any case, FFM will reiterate arguments to obtain full cancellation of the assessment notices in all relevant courts and degrees and also the revision of the amounts covered by the sureties provided in accordance with the provisions of the rulings issued.

A hearing at the appellate level has not yet been scheduled, while the first hearing before the Tax Court of First Instance of the proceeding relating to Notice No. 37736, first registered under RG No. 969/2022, is set for October 9, 2023. The judgement regarding Notice No. 37738 was later entered under RG No. 171/2023, as - considering its value - it was first necessary to go through the administrative appeal/complaint procedure under Article 17-*bis* of Legislative Decree No. 546/1992. The relevant hearing in the first instance has not yet been scheduled.

The Company, supported by the opinion of its appointed lawyers, having evaluated the dossier outlining the position and the jurisprudence on the subject, and also taking into account the first instance ruling, consider it possible but not probable that the case will be lost.

6.6 Tender contract - termination for damages

Regarding the contract for work to reconfigure the Security and Passport Control Area at Guglielmo Marconi Airport of Bologna, for the reasons set out in the Parent Company's 2022 Financial Statements, and at the proposal of the Public Contracts Manager, on June 16, 2022 the contractual termination for damages was ordered for serious delay attributable to the Contractor. The order is pursuant to and in accordance with Article 108 of Legislative Decree No. 50/2016. This was followed by the preparation, on an adversarial basis, of the state of progression following the aforementioned contractual termination, followed by the preparation of the job order accounting by the Director of Works.

Subsequently, on July 1, 2022 the Contractor filed requests and claims for compensation, and following the termination of the contract in damages, activated preliminary proceedings for an evaluation of these requests, acquiring from the Public Contracts Manager the confidential Director of Works' report. This report suggests (albeit subject to further study by the Public Contracts Manager and the formulation by the same of a proposal in this regard) the substantial and near total inadequacy of the counterparty's claims and a lack of basis for them and, therefore, the rejection of these claims (which totalled approx. Euro 2.18 million).

In this regard, we note the beginning of measures to enforce the guarantees held by the Customer and also the beginning of litigation by the Contractor, which has served a writ of summons for compensation for damages allegedly caused as a result of the aforementioned contract termination. At present, the Court of Bologna has already issued two judicial payment injunctions for the repayment of advances received and the enforcement of the final guarantee, respectively. Both injunctions were opposed.

The Parent Company, regarding the main case introduced by the contractor with the citation before the Court of Bologna (Case No. 10935/2022), through its attorneys has prepared an appearance, calling to the case the Designer and Works Department. At present, the risk of losing the case is confirmed as possible, subject to further re-evaluation of the position during the course of the litigation and subject to a greater risk than that stated herein, also considering the complexity and risk of the litigation that is in its early stages, with a hearing for attempted conciliation set for September 20, 2023.

6.7 Land Litigation - EMILIA ROMAGNA Regional Administrative Court

This is an appeal to the Administrative Judicial Authority filed by the owner of a property complex subject to expropriation to obtain the annulment of the purchase measure in favour of AdB, alleging that the compensation paid pursuant to and for the purposes of Article 43 of Presidential Decree 327/2011, governing the matter *ratione tempori*, was not satisfactory in terms of their rights and, therefore nullifies the provision establishing ownership, and jointly and severally requesting the payment of compensation quantified at approximately Euro 415 thousand, on the basis of the provisions of Article 42 bis of the same measure. The case is fundamentally a question of legal interpretation.

In the opinion of the mandated attorneys, even given the existence of probable procedural flaws against the plaintiff, the risk of litigation is possible, but not likely.

7 MAIN RISKS AND UNCERTAINTIES

Risks relating to the COVID-19 pandemic

On May 5, 2023, the WHO officially declared the conclusion of the COVID-19 health emergency. While from a health perspective the pandemic is no longer an emergency, the effects it has generated on the air transport sector have been so pervasive that the airport system has continued to be affected in more recent times. The main impacts regard, in addition to the slowdown of the traffic recovery (at a global level), which is not yet at 2019 levels, the sudden spike in demand following the reopenings, which has caused significant pressures from an operational perspective, especially related to the need to re-establish adequate supply, which has caused staffing difficulties.

ACI World's latest forecasts suggest that a full recovery of air traffic is expected as early as 2024 and no longer in 2025. This will be driven mainly by domestic tourism (expected to recover as early as 2024), despite the unstable geopolitical environment and the variability of the macroeconomic environment that has affected the current year *(Source*: *ACI World, 13th Advisory Bulletin on the impact of COVID-19 on the airport business - and the path to recovery*, *June 2023*).

The AdB Group’s financial performance is influenced by air traffic, which is, in turn, influenced by the economic environment, the economic and financial situation of individual airlines and airline alliances, as well as competition, on some routes, with alternative means of transport.

Depending on the specific way in which they evolve, these factors can have an impact on long-term performance, thus resulting in changes to the Group's development policies. The areas listed below may be affected by these issues.

In the context of such an extreme and prolonged crisis and given the considerable commitments to infrastructure developments, the **liquidity risk** could manifest as difficulty in obtaining timely, cost-effective financing to cover the requirements of the operations plan and, at the same time, cover the new requirements for finance in the Net Working Capital cycle until the end of the crisis - a crisis first stemming from the pandemic which as now been joined by the war in Ukraine, the energy crisis, and spiralling inflation. The Group has addressed this risk, on the one hand by strategically reviewing its investment plan in consultation with ENAC, identifying new priorities and implementation phases, and on the other by agreeing new loans, most recently, in December 2021, with the European Investment Bank (EIB) up to a maximum of Euro 90 million not requested at June 30, 2023. Thanks to these new sources, the contributions from the COVID compensation fund, the current account balances held and the additional credit line of Euro 5 million, the Group believes it has flexibility of financing in line with the progress of the infrastructure development plan and with actual funding needs. With regard to the covenants of the existing loan agreements, the Group is in compliance with its contractual commitments.

The Group has sought to minimise **interest rate risk**, in view of its outstanding financing, by entering into both fixed-rate and floating-rate facilities. The EIB loan allows a choice between fixed and variable rates, the amount of which in both cases will be determined by the EIB in relation to the timing of the loan request and the overall conditions of disbursement and repayment.

The Group's **credit risk** is concentrated, in that 50% of its accounts receivable at June 30, 2023 are claimed from its top ten clients (30% at December 31, 2022). In general, the credit risk is offset through specific trade payable management and control tools and procedures, in addition to adequate provisioning for doubtful accounts – taking into account the increased risk owed to the current crisis – according to the principles of prudency and in compliance with the accounting standards IFRS 15 and IFRS 9, which strengthens the ex-ante analysis approach, rather than existing receivable recovery, in the credit risk assessment processes.

The commercial policies pursued by the Group to limit its exposure involve:

- requesting immediate payment for transactions with end consumers or occasional counterparties (i.e., parking areas);
- requesting advance payment from occasional airlines or airlines without an appropriate credit profile or collateral;
- requesting performance bonds from sub-concession holder clients.

In accordance with the disclosure requirements set out in Article 2428, c.2, No. 6-*bis*, considering the criteria that inform its choice of investments, such as:

- minimising the risk of the return of invested capital;
- the differentiation of the credit institutions;
- the duration, normally less than two years;
- the return offered.

The Group believes the financial risks – understood as the risks of changes in the value of the financial instruments – to be limited.

The Group is not subject to foreign exchange risk since it does not undertake transactions in foreign currencies.

Risks arising from the conflict in Ukraine

The potential impacts of the conflict in Ukraine are only partially assessable, as they will depend on the geographic extent and severity of the conflict and the duration and magnitude of sanctions and airspace closures.

The Group is exposed to the risk of a loss of traffic volumes to Eastern European countries due to the ongoing conflict between Russia and Ukraine. Therefore, negative consequences on the recovery of traffic volumes are possible, but are currently difficult to assess. At the moment, connections from Bologna to cities in Russia and Ukraine are suspended for war-related reasons, with an estimated impact in terms of the passenger traffic decline from/to these destinations of approximately 150 thousand passengers annually and approx. Euro 500 thousand in terms of EBITDA. Currently, the Group, in its estimates, does not assume the recovery of traffic to/from Russia and Ukraine in the short term and considers that there are no other significant impacts on its operations.

This conflict could, however, adversely affect consumer confidence, the propensity to travel and the economic recovery in general, including outside of Eastern Europe. The conflict in Ukraine could further exacerbate the rise in commodity prices, impacting utility costs and supplies of certain materials. Moreover, the Cyber Security risk is increased by a phase of international conflict, in particular for critical infrastructures such as airports. The Group therefore continues to monitor developments in the conflict to identify any additional risks and impacts on the business.

Risks of interruption of airport operations due to accidents, damage to aircraft and airport equipment as a result of intense and unforeseen weather events

As a direct cause of climate change, particularly intense and unanticipated weather events (high intensity rainfall, hailstorms, heat waves) have occurred in recent times. Some of these adverse weather events could cause operational problems, as well as a high risk of damage to aircraft and operational equipment/vehicles. As a result, the Group is exposed to the risk of damage to airport infrastructure and equipment, as well as inefficiencies and impacts on airport users, despite the fact that immediate response actions such as the Snow Clearance Plan and remote warning systems are already in place.

The possible impacts of the occurrence of one of these events on airport operations currently do not appear to be readily assessable. The Group, however, has begun climate change vulnerability analyses to (i) assess climatic phenomena and their probability of occurrence; and (ii) define specific contingency plans for the purpose of containing possible damage and disruption caused by such climatic events.

Risks related to a dependence on Ryanair traffic volumes

Group operations are significantly based on relations with the leading airlines at the airport and to which the Group offers its services, including - in particular - Ryanair. Due to the large proportion of total passenger flights at the airport operated by Ryanair, the Group is exposed to the risk that the airline may scale back or discontinue entirely its operations at the airport. Ryanair passengers accounted for 53.8% of the airport's total traffic volumes in H1 2023.

In the wake of the successful multi-year arrangement AdB and Ryanair have consolidated the partnership, started in 2008, with a new 6-year agreement signed in early February 2023. Particularly, AdB and Ryanair have signed an agreement, within the framework of their respective development objectives, in order to: ensure the maintenance of an comprehensive and varied network of connections within the areas served by the carrier and also to ensure network development in line with capacity and consistent with the infrastructure development projects of Marconi airport. The agreement pursues overall long-term sustainability goals and includes an incentive scheme linked to the airport's traffic development policy.

Although in the Group's opinion Bologna airport is of strategic importance to the airline, it is still possible that Ryanair may decide to change the routes served, significantly reducing or discontinuing entirely its flights at the airport. Any reduction or stoppage of flights by the afore-mentioned airline or the stoppage or change to flights with other destinations with high passenger traffic volumes may impact - even to a significant degree - the Group financial statements.

In view of the current air transport industry crisis, any redistribution of passenger traffic among other airlines is more complex and uncertain. However, the Parent Company maintains active relationships with all sector operators.

Risk related to the effect of incentives on revenue margins

The Parent Company is exposed to the risk of a decrease in the margins of its Aviation Business Unit due to an increase in traffic volumes by airlines that receive incentives. In accordance with its incentive policy aimed at developing traffic and routes at the Airport, the Company pays some airlines – including both legacy and low-cost carriers – incentives tied to passenger traffic volumes and new routes. This policy limits incentives to levels compatible with positive margins on each airline's operations. However, should passenger traffic and the routes operated by airlines receiving incentives increase over time, the Company's positive margins could decline proportionally, with a negative impact, possibly to a material degree, on the Group's financial performance and financial position.

Although the low-cost segment's share of the Italian national market is increasing, the Group manages this risk by actively developing traffic that generates a positive marginal contribution.

Risk relating to a reduction in the margin of non-aviation revenues

In view of the revised contractual structures consequent to the pandemic and, particularly, resulting in a significant amount of variable fees, compared to the previous and more certain structures with MAG (minimum annual guarantees) there is a risk of variability of Non-Aviation Business Unit revenues - in the retail areas - related to traffic trends at the airport. Similarly, parking revenues are also affected by the same risk profile, which is closely dependent on passenger traffic at Marconi airport.

In this regard however, the Group considers that the forecast for a recovery in traffic results in a non-significant profile for this risk.

Risks related to implementation of the Action Plan

The Parent Company invests in the airport as part of its overall management on the basis of an Action Plan approved by the Italian Civil Aviation Authority (ENAC). The Action Plan was drafted on the basis of the investments envisaged in the Master Plan according to a modular approach, the main driver of which is air traffic performance. With Order No. 0100428/P dated August 11, 2022, the National Civil Aviation Authority expressed a favourable opinion on the Investment Plan submitted by AdB for the four-year period 2023-2026.

AdB could encounter difficulties in implementing the investments provided for under the Action Plan in a timely manner due to unforeseeable events, such as delays in the process of obtaining authorisation for and/or executing the works, delays in procurement processes for certain materials or components, with possible adverse effects on the amount of the tariffs that may be applied and possible penal risks of withdrawal from or termination of the Agreement. The execution of the planned interventions could be conditioned by the non-availability of raw materials or by sharply increasing costs. The international geopolitical tensions have, in fact, led to an increase in energy prices, which have reached exceptionally high levels, accompanied by a general rise in inflation. These effects, together with great uncertainty regarding the availability of raw materials, could lead to criticality in the supply of certain materials, an increase in operating costs linked to the functioning of airport infrastructure and an increase in the costs of carrying out certain investments.

On September 30, 2021 - and again with full confirmation in August 2022 - the Parent Company received approval from the National Civil Aviation Authority (ENAC) for the company's proposal to implement the investment plan based on new priorities and executive stages, including postponement of the airport expansion. This is being done in order to respond consistently to the new traffic needs and to allow adequate remuneration of investments and ensure they are fully sustainable in financial terms, based on the COVID-19 health emergency and its significant impact on the operations and performance of the AdB Group. The investment plan as remodelled from time to time, while always ensuring due and constant reporting to ENAC, will be implemented with the financial resources already available.

Risks related to the failure to guarantee user services by certain airport operators

The handling companies operating at the airport, in response to growing and intense competitive pressure and in order to ensure the economic sustainability of their operations, in recent years placed particular attention on containing personnel costs, as featuring a significant labour intensive component, in addition to their efficiency, even to detriment of their quality. The difficult market conditions in which these parties operate were thereafter further worsened by the crisis emerging with the COVID-19 outbreak which hits the entire air sector, making already fragile operating-financial conditions even more difficult. This situation may therefore compromise the quality and the continuity of services offered to passengers by handlers at Bologna airport. The Parent Company is working to draw up a contingency plan to ensure the continuity of services, also where difficulties arise among the airport operators currently providing the services.

Risks concerning the regulatory framework

The Aeroporto Guglielmo Marconi di Bologna S.p.A. Group's core business involves acting as concession holder operating under special exclusive rights to the Bologna airport grounds. Primarily for this reason, it operates in an industry that is highly regulated at the domestic, supranational and international levels. Any change to the regulatory framework (and in particular any changes in relations with the state, public bodies and sector authorities, the determination of airport fees and the amount of concession fees, the airport tariff system, the allocation of slots, environmental protection and noise pollution) may impact operations and Company and Group results.

Risk related to the high level of intangible assets in proportion to the Group's total assets and shareholders' equity

In terms of the risk of the non-recoverability of the carrying amount of the Concession Rights recognised to intangible assets consolidated at December 31, 2022 for Euro 206 million, as per IAS 36, the Group carried out an impairment test on the most recent cash flow projections approved by the Board of Directors of the Parent Company and based on assumptions considered reasonable and demonstrable, in order to present the best estimate of the future economic conditions that the current situation of uncertainty - in particular on the duration of the crisis - permits. The impairment test did not indicate any loss in value.

With regards to the amounts recognised to Concession Rights at June 30, 2023 - again amounting to Euro 216 million - the Group updated the aforementioned projections on the basis of traffic, revenues, costs and investment forecasts, updated to this date for the reporting year. Partly based on the main new elements that were not included in the December 31, 2022 impairment test and also according to this latter projection, no impairment indicators emerged. For more details, reference should be made to the paragraph on intangible assets in the Explanatory Notes;

On the recoverability of the value of assets please also see note 4 – other non-current financial assets – and note 8 – trade receivables.

Seasonality of revenues

Due to the cyclical nature of the sector in which the Group generally operates, higher revenues and operating results are expected in the third quarter rather than in the first and final quarters of the year. Higher revenues are concentrated in June-September, during the peak summer vacation period experiencing maximum usage levels. In addition, there is a strong business passenger component, due to the characteristics of the local business community and the presence of internationally renowned trade fair events, which offsets the seasonal peaks of tourist activity. Accordingly, financial performance figures for interim periods may not be representative of the Group's financial performance and financial position situation at the annual level.

Risks related to exceeding airport noise zoning limits, resulting in limited air traffic growth

In 2022, the LVA acoustic footprint was found to be close to airport acoustic zoning limits, with nighttime traffic accounting for approximately 10% of total traffic but contributing 40% of the surface extent of the acoustic footprint. The further increase in traffic in 2023 compared to the preceding year could see these limits being exceeded, which would result in AdB being obliged to prepare the Noise Containment and Abatement Plan in accordance with Law No. 447 of 1995, in addition to receiving an Authority order to suspend air traffic growth.

Following the ministerial meeting on night flight operations, on June 13, 2023 AdB revised its nighttime landing and take-off procedures from June, which are designed and managed by ENAV S.p.A., so as to further decrease overflight impacts on the city of Bologna. Specifically, for the entire 2023 summer season and until the end of October 2023, operational procedures by ENAV in the night time slot (11 pm-6 am), both on take-off and landing, will avoid overflying city neighbourhoods, except where operation safety and security needs make this unavoidable, while maintaining the summer schedule of passenger and cargo flights already scheduled for the entire season substantially unchanged. Additional measures have also been confirmed at the ministerial level, which will consist of departing aircraft turning earlier than provided for by the current ascent procedures. These are predicted to result in a further significant reduction in overflying of inhabited areas, with significant noise footprint overall benefits.

Finally, AdB has confirmed its commitment to establishing a long-term fund to support soundproofing measures for those residential buildings most exposed to the airport's noise impact. The value of this fund - supplementing the proceeds of the "IRESA" tax - will be established and disbursed based on subsequent analyses and agreements. There is currently not enough evidence to make a reliable estimate of the value of the liability assumed, which is a prerequisite for the recognition of a liability under IAS 37. Impacts on future budgets will be assessed as more information becomes available.

Regardless of whether the airport noise zoning limits are exceeded, however, in 2024 AdB will be required to analyse its noise footprint based on Directorial Order No. 434 dated November 26, 2018 and Government Legislative Decree No. 194 dated August 19, 2005. These analyses may identify a higher impact than planned under the EIA.

In this regard we note that, as per the relevant EU regulations, several alternative corrective manoeuvres may be introduced before air traffic restrictions are required.

8 ALTERNATIVE PERFORMANCE INDICATORS

In this Directors' Report, various performance indicators are presented in order to permit a better assessment of operating performance and financial position.

On December 3, 2015, Consob published Communication No. 92543/15, rendering applicable the Guidelines issued on October 5, 2015 by the European Security and Markets Authority (ESMA) regarding the presentation of such indicators in regulated information circulated or financial statements published on or after July 3, 2016. These Guidelines, updating the previous CESR Recommendation (CESR/05-178b), seek to promote the utility and transparency of alternative performance indicators included in regulated information or financial statements within the scope of application of Directive 2003/71/EC in order to improve their comparability, reliability and comprehensibility.

The criteria utilised for these indicators, in line with the above communications, are provided below:

- **EBITDA:** EBITDA (earnings before interest, taxation, depreciation and amortisation) is defined by management as the result before taxes for the year, financial income and charges, income and charges from equity investments, depreciation, amortisation and impairment. It therefore coincides, in this case, with the gross operating margin. EBITDA is not identified as an accounting measure as per IFRS and therefore should be considered as an alternative measure for the evaluation of the Group's performance. Since calculation of this indicator is not governed by the accounting standards that form the basis of preparation of the Group's Consolidated Financial Statements, the criterion used to determine and measure the indicator might not be uniform with that adopted by other groups. Accordingly, the figure in question might not be comparable with that presented by such other groups;
- **Adjusted EBITDA:** this is a measure used by the Group's management to monitor and assess the Group's operating and financial performance. This is calculated by subtracting from EBITDA:
    - the margin calculated as the difference between the Group's construction revenues and construction costs as the Airport's manager and
    - terminal value receivable revenues on the provision for renewal, where this account is understood to refer to the consideration – equal to the present value of the terminal value credit – that the airport manager is entitled to be paid at the end of the concession from the new manager for renewal work on the assets under concession that at the date concerned have not been fully depreciated according to the regulatory accounting rules (Art. 703 of the Navigation Code, as amended by Art. 15-quinquies, para. 1, of Decree-Law No. 148/2017, converted, with amendments, by Law No. 172 of December 4, 2017).
    - the COVID-19 compensation fund contribution in the comparative half year.
- **Net Financial Debt/Net Financial Position:** the composition of the Net Financial Debt/Net Financial Position is represented in accordance with the Consob Communication of July 28, 2006 and ESMA recommendations ESMA/2011/81 and ESMA 32-382-1138 of March 4, 2021.

9 GUARANTEES PROVIDED

The following table summarises the guarantees granted by the Group.

in thousands of Euro	30/06/2023	30/06/2022	Change	Change
Sureties	11,048	9,931	1,118	11%
Pledge on Equity Financial Instruments	10,873	10,873	0	0%
Patronage letters	1,458	1,970	(512)	-26%
Total guarantees provided	**23,379**	**22,773**	**605**	**3%**

At June 30, 2023, the guarantees granted by the Group total approx. Euro 23.4 million and principally concern:

- sureties, the principal of which being Adb's co-obligation in the surety of Euro 5.8 million issued by UnipolSai in favour of the Customs Office at the request of the subsidiary, FFM, regarding the customs dispute in which it is involved (see the section on disputes), in addition to the surety in favour of ENAC provided for in the Full Management Agreement (Euro 2.7 million);
- a pledge of the equity financial instrument issued by Marconi Express S.p.a. and subscribed for by the Company for a nominal value of Euro 10.87 million, securing the obligations of Marconi Express to the credit institutions that financed the People Mover project;

- letter of comfort concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena) which at the end of the period amounted to Euro 1.5 million.

10 OPT-OUT REGIMES

On April 13, 2015 the Board of Directors of the Parent Company decided, in accordance with Article 70, paragraph 8, and Article 71, paragraph 1-*bis*, of the Issuers' Regulation, to opt out of publishing the disclosure documents provided for in Annex 3B to the Issuers' Regulation in the event of significant merger, spin-off, share capital increase through conferment of assets in kind, acquisition, and sales operations.

11 SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to period end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements.
However, some significant events occurred after the end of the period or are set to occur in the coming months.

Traffic performance

In July, for the first time in its history, Bologna Airport exceeded the one million passenger mark for a single month (1,069,874). The new record, which beats the previous record of June 2023 by nearly 90 thousand, represents 16.6% growth on July 2019 (pre-COVID) and 12.5% on July 2022.

August also surpassed the million passenger mark, reaching 1,059,853 and surpassing August 2019 figures by 15.9% and also with 10.8% growth over 2022. The remarkable growth was led by international traffic (798,557), accounting for 75% of Marconi's total passengers, up 8.6% over 2019 and 11.4% over August 2022. The contribution from domestic traffic was also significant, which, with 261,296 passengers on domestic flights, rose 46.2% over 2019 and 9.1% over the same month in 2022. Movements are also up, albeit to a lesser extent, on both 2019 (+12.3%) and 2022 (+8.3%). Air cargo transported totalled 2,827 tonnes (+31.5% over 2019 but -13% on 2022).

The favourite destinations in August, in line with typical summer season choices, remain destinations bordering the Mediterranean: Catania, Barcelona and Palermo in the top three places, followed by Tirana, Brindisi, Madrid, Olbia, London LHR, Paris CDG and Trapani. Five out of ten destinations are therefore domestic destinations.

Passengers for the first eight months of 2023 numbered 6,709,504, up 6.9% on the same period of 2019 and 20.2% on the first eight months of 2022. Cargo (+6.8%) transported by air in the first eight months of the year, amounting to 27,086 tonnes, also increased over 2019, while remaining in line with 2022 (-0.1%).

Operating and Financial Performance and Business Outlook

ACI Europe and Eurocontrol's latest forecasts - despite the strong driver of "revenge tourism" and the reopening of the Asian market to international traffic following the tight restrictions on movements - confirm that traffic capacity shall not recover 2019's pre-pandemic levels by the end of the year, continuing to be impacted by the uncertain general economic and geopolitical environment, featuring tight monetary conditions and a rudderless global economy. The decline in productivity therefore poses a downside risk over the coming quarters, although inflation is expected to trend downwards (particularly for energy), together with the tourism sector's labour supply difficulties, which act as a brake on the only sector of the economy which currently demonstrates vibrancy.

In addition, also according to the ACI, future air traffic development shall be shaped by a combination of particularly challenging factors for the industry's resilience. In particular: (i) the development of the aviation market which shall structurally feature a prevalence of low cost travel, supported by leisure and VFR (Visiting Friends and Relatives) travel; (ii) the lack of infrastructural capacity of the European airports, which places a significant limit on expanding their connectivity and an increased risk of congestion, (iii) the decarbonisation policy targets (i.e. EU's Fit for 55), which shall inevitably lead to higher travel costs and a reduction in airport capacity (e.g. Amsterdam Schiphol), and finally (iv) the geopolitical context and fragmentation, which incorporates an intrinsic risk for the discontinuation of supply and for the resilience of structures and the market (*Source: ACI Europe, Airport Industry Connectivity Report, June 2023*).

In the above-outlined complex environment, summer season 2023 traffic at the airport - which so far has been particularly strong - has enabled the Group to deliver results which have beat even the most optimistic forecasts at the beginning of the year in terms of volumes, leading to strong financial results, although margins have been impacted by the general economic environment and inflation.

Over the coming months, the Group will continue to be committed to overcoming the limits of the infrastructure capacity of certain subsystems, through various measures which will affect passengers and a proactive focus on improving service quality. This is against a backdrop of fully functioning infrastructure and operational processes. The Group will continue to work on implementing planned sustainability and digital transformation initiatives.

Finally, taking account of the completion of the preliminary investigation with the Transportation Regulatory Authority (ART) for the setting of the 2023-2026 tariffs, the activities ahead of the signing of the ENAC-AdB 2023-2026 "Regulatory Agreement" shall be completed shortly.

The Chairperson of the Board of Directors

(Enrico Postacchini)

Bologna, September 6, 2023

Consolidated Financial Statements for the period ended June 30, 2023

Statement of Consolidated Financial Position

Consolidated Income Statement

Consolidated Statement of Comprehensive Income

Consolidated Cash Flow Statement

Statement of changes in Consolidated Shareholders’ Equity

Statement of Consolidated Financial Position

in thousands of Euro	Note	As at 30.06.2023	As at 31.12.2022
Concession rights		216,210	205,997
Other intangible assets		1,473	1,391
Intangible assets	**1**	**217,683**	**207,388**
Land, property, plant and equipment		10,552	11,362
Investment property		1,617	1,617
Tangible assets	**2**	**12,169**	**12,979**
Investments	**3**	119	119
Other non-current financial assets	**4**	13,579	13,489
Deferred tax assets	**5**	8,330	10,002
Other non-current assets	**6**	250	261
Other non-current assets		**22,278**	**23,871**
NON-CURRENT ASSETS		**252,130**	**244,238**
Inventories	**7**	950	912
Trade receivables	**8**	21,444	12,672
Other current assets	**9**	12,233	5,162
Current financial assets	**10**	30,342	45,058
Cash and cash equivalents	**11**	32,065	27,868
CURRENT ASSETS		**97,034**	**91,672**
TOTAL ASSETS		**349,164**	**335,910**

in thousands of Euro	Note	As at 30.06.2023	As at 31.12.2022
Share capital		90,314	90,314
Reserves		99,010	67,887
Profit/(loss) for the period		6,815	31,109
GROUP SHAREHOLDERS' EQUITY	**12**	**196,139**	**189,310**
MINORITY INTERESTS		**0**	**0**
TOTAL SHAREHOLDERS' EQUITY	**12**	**196,139**	**189,310**
Severance and other personnel provisions	**13**	3,374	3,313
Deferred tax liabilities	**14**	2,785	2,843
Provision for renewal of airport infrastructure	**15**	10,756	10,541
Provisions for risks and charges	**16**	1,695	1,235
Non-current financial liabilities	**17**	37,583	48,126
Other non-current liabilities		102	115
NON-CURRENT LIABILITIES		**56,295**	**66,173**
Trade payables	**18**	26,778	24,869
Other liabilities	**19**	43,841	35,179
Provision for renewal of airport infrastructure	**15**	3,054	2,555
Provisions for risks and charges	**16**	266	29
Current financial liabilities	**17**	22,791	17,795
CURRENT LIABILITIES		**96,730**	**80,427**
TOTAL LIABILITIES		**153,025**	**146,600**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**349,164**	**335,910**

Consolidated Income Statement

in thousands of Euro	Note	For the half year ended 30.06.2023	For the half year ended 30.06.2022
Revenues from aeronautical services		29,033	23,287
Revenues from non-aeronautical services		24,145	18,312
Revenues from construction services		13,061	4,191
Other operating revenues and income		705	21,618
Revenues	**20**	**66,944**	**67,408**
Consumables and goods		(1,772)	(1,847)
Service costs		(11,913)	(10,018)
Construction service costs		(12,439)	(3,992)
Leases, rentals and other costs		(4,912)	(3,625)
Other operating expenses		(1,897)	(1,491)
Personnel costs		(15,279)	(13,048)
Costs	**21**	**(48,212)**	**(34,021)**
Amortisation of concession rights		(4,101)	(3,704)
Amortisation of other intangible assets		(252)	(184)
Depreciation of tangible assets		(1,091)	(1,028)
Amortisation, depreciation and write-downs	**22**	**(5,444)**	**(4,916)**
Provisions for doubtful accounts		(538)	(408)
Provision for renewal of airport infrastructure		(1,351)	(1,177)
Provisions for other risks and charges		(697)	(109)
Provisions for risks and charges	**23**	**(2,586)**	**(1,694)**
Total Costs		**(56,242)**	**(40,631)**
Operating result		**10,702**	**26,777**
Financial income	**24**	435	829
Financial expenses	**24**	(1,565)	(644)
Result before taxes		**9,572**	**26,962**
Income taxes	**25**	(2,757)	(1,625)
Profit (loss) for the period		**6,815**	**25,337**
Minority interest profit (loss)		**0**	**0**
Group profit for the period		**6,815**	**25,337**
Undiluted earnings/(loss) per share (in Euro)		**0.19**	**0.71**
Diluted earnings/(loss) per share (in Euro)		**0.19**	**0.71**

Consolidated Statement of Comprehensive Income

in thousands of Euro	For the half year ended 30.06.2023	For the half year ended 30.06.2022
Profit (loss) for the period (A)	**6,815**	**25,337**
Other profits (losses) that will be reclassified in the net result for the period	0	0
Total other profits (losses) that will be reclassified in the net result for the period (B1)	0	0
Other profits (losses) that will not be reclassified in the net result for the year		
Actuarial profits (losses) on severance and other personnel provisions	21	376
Tax impact on actuarial profits (losses) on severance and other personnel provisions	(5)	(91)
Total other profits (losses) that will not be reclassified in the net result for the year (B2)	**16**	**285**
Total other profits (losses), net of taxes (B1 + B2) = B	**16**	**285**
Total profits (losses), net of taxes (A + B)	**6,831**	**25,622**
of which Minority Interests	**0**	**0**
of which Group	**6,831**	**25,622**

Consolidated Cash Flow Statement

in thousands of Euro	As at 30.06.2023	As at 30.06.2022
Core income-generating operations		
Result for the period before taxes	9,572	26,962
Adjustments to items with no impact on cash and cash equivalents		
- Margin from construction services	(622)	(199)
+ Depreciation and amortisation	5,444	4,916
+ Provisions	2,586	1,694
+ Interest expense (income) for discounting and severance provisions	392	(784)
+/- Interest income and financial charges	738	599
+/- Losses/gains and other non-monetary costs/revenues	125	(13)
+/- Severance provisions and other personnel expenses	70	92
Cash flow generated/(absorbed) by operating activities before changes in working capital	**18,305**	**33,267**
Change in inventories	(38)	(169)
(Increase)/decrease in trade receivables	(9,366)	2,421
(Increase)/decrease in other receivables and current/non-current assets	(7,083)	(2,326)
Increase/(decrease) in trade payables	1,910	(2,033)
Increase/(decrease) in other liabilities, various and financial	8,922	5,478
Interest paid	(912)	(348)
Interest received	120	0
Taxes paid	(2,393)	(23)
Severance and other personnel provisions paid	(44)	(76)
Use of provisions	(1,055)	(1,023)
Cash flow generated / (absorbed) by net operating activities	**8,366**	**35,168**
Purchase tangible assets	(677)	(561)
Purchases of intangible assets/concession rights	(13,591)	(4,308)
Changes in current and non-current financial assets	15,000	0
Cash flow generated / (absorbed) by investment activities	**732**	**(4,869)**
Loans repaid	(4,656)	(1,538)
Payments of leasing capital share	(245)	(310)
Cash flow generated / (absorbed) by financing activities	**(4,901)**	**(1,848)**
Final cash change	**4,197**	**28,451**
Cash and cash equivalents at beginning of period	**27,868**	**28,215**
Final cash change	**4,197**	**28,451**
Cash and cash equivalents at end of period	**32,065**	**56,666**

Statement of changes in Consolidated Shareholders’ Equity

in thousands of Euro	*Share capital*	*Share Premium Reserve*	*Legal Reserve*	*Other reserves*	*FTA Reserve*	*Actuarial profits/(losses) reserve*	*Profit (losses) carried forward*	*Group Profit (loss) for the period*	*Group shareholders' equity*	*Shareholders’ Equity*
Shareholders’ Equity at 31.12.2022	**90,314**	**25,683**	**8,179**	**57,389**	**(3,272)**	**(658)**	**(19,435)**	**31,109**	**189,310**	**189,310**
Allocation of the 2022 financial year result	0	0	1,494	28,537	0	0	1,076	(31,109)	0	0
Share capital increase	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	16	0	6,815	6,832	6,832
Shareholders’ Equity at 30.06.2023	**90,314**	**25,683**	**9,673**	**85,926**	**(3,272)**	**(642)**	**(18,359)**	**6,815**	**196,139**	**196,139**

in thousands of Euro	*Share capital*	*Share Premium Reserve*	*Legal Reserve*	*Other reserves*	*FTA Reserve*	*Actuarial profits/(losses) reserve*	*Profit (losses) carried forward*	*Profit (loss) for the period*	*Group shareholders' equity*	*Shareholders’ Equity*
Shareholders’ Equity as at 31.12.2021	**90,314**	**25,683**	**8,179**	**57,116**	**(3,272)**	**(1,060)**	**(12,445)**	**(6,717)**	**157,798**	**157,798**
Allocation of the 2021 financial year result	0	0	0	273	0	0	(6,990)	6,717	**0**	0
Share capital increase	0	0	0	0	0	0	0	0	**0**	0
Dividends paid	0	0	0	0	0	0	0	0	**0**	0
Total comprehensive profit (loss)	0	0	0	0	0	285	0	25,337	**25,623**	25,623
Shareholders’ Equity at 30.06.2022	**90,314**	**25,683**	**8,179**	**57,389**	**(3,272)**	**(775)**	**(19,435)**	**25,337**	**183,421**	**183,421**

Notes to the consolidated financial statements

Information on Group activities

The Group operates in the airport management business. Specifically, these technologies include:

- Aeroporto Guglielmo Marconi di Bologna S.p.A. (hereinafter "AdB" or the "Parent Company") is full manager of Bologna airport under Full Management Agreement No. 98 of July 12, 2004 and subsequent additional instruments, approved by Decree of the Ministry of Transport and Infrastructure and the Ministry of the Economy and Finance on March 15, 2006, with a term of 40 years from December 28, 2004 and expiry in December 2046 following the extension of two years in accordance with Law No. 77 of July 17, 2020, which converted Article 102, paragraph 1-bis of Decree-Law No. 34 of May 19, (Relaunch Decree) in order to contain the economic effects of the COVID-19 emergency. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered within the Bologna Companies Register.
- Fast Freight Marconi S.p.A. (hereinafter FFM) operates in the cargo and mail handling business at Bologna airport. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered within the Bologna Companies Register. It is subject to management and coordination by Aeroporto Guglielmo Marconi di Bologna S.p.A..
- TAG Bologna S.r.l. (hereinafter TAG) operates in the general aviation business as a handler and manager of the related infrastructure at the Bologna airport. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register. It is subject to management and coordination by Aeroporto Guglielmo Marconi di Bologna S.p.A..

Accounting standards adopted for the Preparation of the Consolidated Interim Financial Statements as at June 30, 2023

Basis of preparation

The condensed consolidated half-year financial statements of the Group (hereafter "the condensed consolidated half-year financial statements of the Group" or "consolidated financial statements") were prepared for the period ended June 30, 2023 and include the comparative figures for the year ended December 31, 2022, limited to the Consolidated Statement of Financial Position and the comparative figures for the half-year January 1-June 30, 2022, limited to the Consolidated Income Statement, Consolidated Statement of Comprehensive Income and Consolidated Cash Flow Statement. The consolidated financial statements were prepared under the historic cost convention, except for financial assets held-for-sale, and Intangible Assets comprising Energy Certificates, which were recognised at fair value, and in accordance with the going concern principle.

For further information on risk factors, assumptions and uncertainties, please refer to the relevant paragraph in the Directors' Report.

The consolidated financial statements are presented in thousands of Euro, which is also the Group functional currency, and all amounts are rounded to the nearest thousands of Euro, where not otherwise indicated.

The publication of the condensed half-year financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. and the two subsidiaries (the Group) for the first half of 2023 was approved by the Board of Directors on September 6, 2023.

Content and form of the condensed consolidated half-year financial statements

The Condensed Consolidated Financial Statements at June 30 were prepared as per IAS 34 "Interim Financial Statements" including condensed explanatory notes in accordance with the above-mentioned international accounting standard and supplemented in order to provide greater disclosure where considered necessary. These Consolidated Financial Statements must therefore be read together with the Consolidated Financial Statements for the year 2022 prepared in accordance with IFRS International Accounting Standards issued by the International Accounting Standards Board ("IASB").

The accounting standards and policies utilised are those adopted for the preparation of the annual financial statements at December 31, 2022, to which reference should be made, with the exception of the new accounting standards, amendments and interpretations which entered into force from January 1, 2023, applied for the first time by the Group at the obligatory effective date and summarised in this document in the paragraph "Accounting standards, amendments and interpretations endorsed by the European Union adopted by the Group". The Group has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.

The Group opted to apply the Separate and Consolidated Statement of Comprehensive Income, as permitted by IAS 1, considering such more representative of operations. In particular, the Statement of Consolidated Financial Position has been prepared by separating assets and liabilities into current and non-current categories.

An asset is current when:

- it is expected to be realised, or is held for sale or consumption, in the normal course of the operating cycle;
- it is held principally for trading;
- it is expected to be realised within twelve months from year-end; or
- it comprises cash or cash equivalents, upon which no prohibition exists on their exchange or utilisation to settle a liability for at least 12 months from year-end.

All other assets are classified as non-current.

A liability is considered current when:

- it is expected to be settled within the normal operating cycle;
- it is held principally for trading;
- it is expected to be settled within twelve months from the year-end;
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months of year-end.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The Consolidated Income Statement has been prepared by classifying income and expenses by their nature, whereas the Consolidated Cash Flow Statement has been prepared using the indirect method, according to which cash flows are classified into operating, investing and financing categories.

Basis of consolidation

The Consolidated Financial Statements include the Statement of Consolidated Financial Position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the statement of changes in consolidated shareholders' equity.

The Group opted to prepare the statement of comprehensive income which includes, in addition to the result for the period, also the changes to equity relating to income items which, in accordance with International Accounting Standards, are recognised under equity.

The consolidated financial statements were prepared based on the financial statements of the company and its subsidiaries, directly and indirectly held, approved by the respective shareholders' meetings or executive bodies, appropriately adjusted in line with IFRS.

The subsidiary companies are fully consolidated from the date of acquisition, or from the date in which the Group acquires control, and ceases to be consolidated at the date on which the Group no longer has control.

An entity may exercise control if it is exposed to or has the right to variable income streams, based on the relationship with the investee, and, at the same time, has the capacity to affect such income streams through the exercise of power over the investee.

Specifically, an entity is able to exercise control if, and only if, it has:

- power over the investment entity (or holds valid rights which confer it the current capacity to control the significant activities of the investment entity);
- exposure or rights to variable returns deriving from involvement with the investment entity;
- the capacity to exercise its power on the investment entity to affect its income streams.

When a company of the Group holds less than the majority of the voting rights (or similar rights) of an investee, it should consider all the facts and significant circumstances to establish whether control of the investment entity exists, including:

- Contractual agreements with other holders of voting rights;
- Rights deriving from contractual agreements;
- Voting rights and potential voting rights of the Group.

The Group reconsiders if it has control of an investee and if the facts and circumstances indicate that there have been changes in one or more of the three significant elements for the definition of control. The consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses this control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the statement of comprehensive income from the date in which the Group obtains control until the date in which the Group no longer exercises control on the company.

The result for the period and each of the other comprehensive income statement items are allocated to the shareholders of the Parent Company and minority shareholders, even if this implies that the minority shareholder investments have a negative balance. Where necessary, appropriate adjustments are made to the financial statements of the subsidiaries, in line with the accounting policies of the Group. All assets and liabilities, shareholders' equity, revenues and costs, and inter-company cash flows relating to transactions between entities of the Group are completely eliminated on consolidation.

When the share in the equity held by the Parent Company changes, which does not result in a loss of control, this change must be recorded under equity. If the Group loses control, it must:

- eliminate the assets (including any goodwill) and the liabilities of the subsidiary;
- eliminate the book value of all the minority shareholdings;
- eliminate the cumulative translation reserve recorded in equity;
- record the fair value of the amount received;
- record the fair value of any holding maintained in the former subsidiary;
- record the profit or loss in the income statement for the period;
- reclassify the share of the Parent Company of any items previously recorded in the statement of comprehensive income to the income statement or profits/(losses) carried forward, as required by specific accounting standards, as if the Group had directly sold the related assets or liabilities.

The following table summarises the information on the subsidiaries at June 30, 2023 and December 31, 2022 in terms of the Group's direct and indirect holding.

		% Held	
SUBSIDIARIES (in thousands of Euro)	**Share capital**	**As at 30.06.2023**	**As at 31.12.2022**
Fast Freight Marconi S.p.a. Società Unipersonale	520	100.00%	100.00%
Tag Bologna S.r.l. Società Unipersonale	316	100.00%	100.00%

Accounting policies

In the preparation of the condensed consolidated 2023 half-year financial statements, the same accounting standards and policies were adopted as for the preparation of the consolidated financial statements at December 31, 2022 to which reference should be made and which provides a detailed description of those principles and standards.

Accounting standards, amendments and interpretations endorsed by the European Union adopted by the Group

From January 1, 2023 the following new accounting standards, amendments and interpretations, revised by the IASB, entered into force, which have not impacted the Group's interim consolidated financial statements:

Amendment to IFRS 17 - "Insurance Contracts", IAS 8 - "Accounting Estimates", IAS 1 and *to IFRS Practice Statement 2 "Making Materiality Judgements" and IAS 12 - "Income Taxes"*

- ✓ IFRS 17: replaces IFRS 4 Insurance Contracts issued in 2005. The general objective is to present an accounting model for insurance contracts that is more useful and consistent for insurers. In contrast to the provisions of IFRS 4, which are largely based on the maintenance of previous accounting standards, IFRS 17 provides a complete model for insurance contracts that covers all relevant accounting aspects.
- ✓ IAS 8: The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and error correction. They also clarify how entities should use valuation techniques and inputs to develop accounting estimates;
- ✓ IAS 1 and IFRS Practice Statement 2 "*Making Materiality Judgements*." The amendments provide guidance and examples to help entities apply judgements to accounting policy disclosures. The amendments are intended to help entities provide more useful accounting policy disclosures by replacing the requirement for entities to provide their "significant" accounting policies with a requirement to provide disclosures about their "material" accounting policies; in addition, guidance is added on how entities apply the concept of materiality in making accounting policy disclosure decisions.
- ✓ IAS 12: The amendments narrow the scope of the exception to initial recognition, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences, such as leases and decommissioning liabilities.

New accounting standards and amendments not yet effective and not adopted in advance by the Group

Regarding the Accounting Standards endorsed but not yet applicable or not yet endorsed by the European Union, please refer to that already reported in the specific paragraph of the Notes to the Financial Statements in the document Report and Accounts at December 31, 2022.

Discretional valuations and significant accounting estimates

Preparation of the financial statements requires the use of estimates and judgments that are reflected in the carrying amounts of assets and liabilities and the disclosures in the notes, including with regard to contingent assets and liabilities at the reporting date. The subsequently observed actual results for the period may differ from such estimates; estimates and assumptions are also revised and updated periodically and the effects of any changes are immediately reflected in the financial statements. The Group based its estimates and assumptions on information available at the preparation date of the consolidated financial statements.

The ESMA (European Securities and Markets Authority) outlined in its European Common Enforcement Priorities on October 28, 2022 three areas (climate change, financial impacts of Russia’s invasion of Ukraine and the general economic environment) which issuers should assess closely in preparing their financial statements.

We summarise below management’s considerations on the aspects considered significant for the preparation of the consolidated financial statements.

Impacts on estimates of factors covered by the ESMA recommendation of October 28, 2022

As required by the ESMA in the European Common Enforcement Priorities of October 28, 2022, the financial statement impacts of risk factors related to climate change, the financial impacts of Russia's invasion of Ukraine, and the general economic environment were considered. The factors considered to have possible impacts on the Group’s sector are:

- the risk of energy cost movements;
- the risk of needing unplanned investments in order to pursue the net zero carbon goal;
- the risk of changes in inflation rates and related interest rates;
- the risk of interruption of airport operations due to accidents, damage to aircraft and airport equipment as a result of intense and unforeseen weather events;
- the risk of gradual erosion of short-haul air traffic as a result of new regulations and/or changes in individual travellers’ habits in preference of lower-impact alternatives on these routes;
- the risk of constraints on the airport's growth that could result from exceeding airport noise zoning limits, as detailed in the Directors' Report.

a) IFRIC 12 - Service Concession Arrangements

With regard to the risk of changes in inflation rates and related interest rates, the forecasts used for the purpose of discounting the provision for the renewal of airport infrastructure uses discount rates that already reflect the most up-to-date estimates of future interest rate and inflation trends.

b) IFRS 9 Loans and Bonds

With regard to the risk of changes in inflation rates and related interest rates, the forecasts used for the purposes of the impairment test on concession rights carried out in accordance with IAS 36, the discounting of the provision for the renewal of airport infrastructure and the receivables from Terminal Value, uses discount rates that already reflect the most up-to-date estimates of future interest rate and inflation trends.

c) IAS 37 - Provisions, Contingent Liabilities and Contingent Assets

The legislation introduced in response to climate change may give rise to new obligations that previously did not exist. The Group has therefore put in place an environmental policy which outlines its compliance with practices to contain and reduce its environmental impact, which even go beyond the legal requirements, while also not compromising the protection of other general interests under the concession. The full implementation of this policy, which also targets the cutting of CO2 emissions, includes energy efficiency measures.

In view of this regulatory framework, management has assessed that these policies do not require the recognition of new liabilities.

It was therefore not necessary to critically review the provisions presented in the financial statements.

d) IAS 36- Impairment of Assets

Reference should be made to Note 1 - Intangible Assets.

Significant estimates

Also in light of the above considerations, the most significant estimates were the following:

a) Impairment test

Reference should be made to Note 1 - Intangible Assets.

b) Provision for renewal of airport infrastructure

The Group provides in the Note to the paragraph "15. Provision for renewal of airport infrastructure (non-current and current)" the breakdown of the provision for the renewal of airport infrastructure, which includes at period-end, in accordance with the obligations assumed, accruals relating to extraordinary maintenance, refurbishment and replacement to be undertaken at a future point in time to ensure that airport infrastructure remains duly functional and secure. The estimate of the provision for renewal of airport infrastructure therefore requires complex professional technical judgement, in particular in relation to the nature of the costs to be incurred, their amount and the timing of the expected interventions.

c) Deferred tax assets

The Group provides in the Note to the paragraph "5. Deferred tax assets" the details of deferred tax assets and their value. The recoverability of deferred tax assets is based on forecasts of taxable income derived from operating and financial forecasts of the Group.

d) Fair value of investment property

The Group records investment property at cost. This value is maintained as approximates the fair value of the investment properties given their particular nature (absence of a comparable active market).

e) Fair value of financial instruments

The Group provides in the Notes the fair value of the financial instruments. When the fair value of a financial asset or financial liability may no longer be measured based on the prices on an active market, the fair value is determined utilising various valuation techniques, including the discounted cash flow model. The inputs inserted in this model are recorded from observable markets, where possible, but when this is not possible, a certain level of estimation is required to define the fair values. The estimates include considerations on variables such as the liquidity risk, the credit risk and volatility. The changes of the assumptions on these elements may have an impact on the fair value of the financial instrument recorded.

f) IAS 10 Subsequent events to the reporting date

The Group in the analysis of subsequent events to the reporting date analyses the conditions on which it is necessary to make changes on the accounting data and relative disclosures, depending on whether this concerns events occurring after the reporting date:

- to operations existing at the reporting date for which an adjustment to the financial statements is necessary (adjusting events);
- to operations which arose after the reporting date and for which no adjustment to the financial statements is necessary (non-adjusting events)

Operating Segment information

The Aeroporto Guglielmo Marconi di Bologna Group, in application of IFRS 8, identified its operating segments as the business areas which generate revenues and costs, whose results are periodically reviewed by the highest decision-making level in order to evaluate the outcome of the decisions concerning the allocation of resources and for which separate financial statements are available.

The Group operating segments as per IFRS 8 - Operating Segment are as follows:

- Aviation;
- Non-Aviation;
- Other.

The disclosure concerning operating segments for the Continuing Operations is outlined to reflect the future organisational structure of the Group, with separate disclosure for Discontinued Operations.

In relation to the operating segments, the Group evaluates their performance based on passenger revenues, separating those concerning the aviation sector from those concerning the non-aviation sector.

The account "Other" residually includes those businesses not directly attributable to the identified segments. The significant amount for H1 2022 is due to the contribution from the compensation fund established under Italian law No. 178 of December 30, 2020 (the 2021 Budget Law), enacted by Decree of the Ministry for Infrastructure and Sustainable Mobility, in concert with the Ministry for the Economy and Finance, of November 25, 2021, for the coverage of losses caused by the pandemic during the period March 1 to June 30, 2020. The Group decided not to allocate this component of income to the individual operating segments so as not to alter the presentation of the business units' performance for the period.

In Group operations, financial income and charges and taxes are not allocated to the individual operating segments.

The segment assets are those employed by the segment for operating activities or which may be allocated reasonably for the carrying out of operating activities.

The segment assets presented are measured utilising the same accounting policies adopted for the presentation of the Group consolidated financial statements.

in thousands of Euro	**for the half year ended 30.06.2023 Aviation**	**for the half year ended 30.06.2023 Non-Aviation**	**For the half year ended 30.06.2023 Other**	**for the half year ended 30.06.2023**
Revenues	42,343	24,601	0	66,944
Costs	(38,479)	(9,733)	0	(48,212)
EBITDA	**3,864**	**14,868**	**0**	**18,732**
Amortisation, depreciation & write-downs	(3,818)	(1,626)	0	(5,444)
Provisions	(2,079)	(507)	0	(2,586)
Operating result	**(2,033)**	**12,735**	**0**	**10,702**
Financial income	0	0	435	435
Financial expenses	0	0	(1,565)	(1,565)
Result before taxes	**(2,033)**	**12,735**	**(1,130)**	**9,572**
Income taxes	0	0	(2,757)	(2,757)
Profit (loss) for the period	**(2,033)**	**12,735**	**(3,887)**	**6,815**
Minority interest profit	**0**	**0**	**0**	**0**
Group profit (loss)	**(2,033)**	**12,735**	**(3,887)**	**6,815**

in thousands of Euro	for the half year ended 30.06.2022 Aviation	for the half year ended 30.06.2022 Non-Aviation	for the half year ended 30.06.2022 Other	for the half year ended 30.06.2022
Revenues	27,532	18,739	21,137	67,408
Costs	(27,057)	(6,964)	0	(34,021)
EBITDA	**475**	**11,775**	**21,137**	**33,387**
Amortisation, depreciation & write-downs	(3,262)	(1,654)	0	(4,916)
Provisions	(1,398)	(296)	0	(1,694)
Operating result	**(4,185)**	**9,825**	**21,137**	**26,777**
Financial income	0	0	829	829
Financial expenses	0	0	(644)	(644)
Result before taxes	**(4,185)**	**9,825**	**21,322**	**26,962**
Income taxes	0	0	(1,625)	(1,625)
Profit (loss) for the period	**(4,185)**	**9,825**	**19,697**	**25,337**
Minority interest profit	**0**	**0**	**0**	**0**
Group profit (loss)	**0**	**0**	**0**	**25,337**

The table below presents the segment information for assets:

in thousands of Euro	for the half year ended 30.06.2023 Aviation	for the half year ended 30.06.2023 Non-Aviation	For the half year ended 30.06.2023 Other	for the half year ended 30.06.2023
Non-current assets	**192,999**	**36,924**	**22,207**	**252,130**
Intangible assets	**189,472**	**28,211**	**0**	**217,683**
Concession rights	188,702	27,508	0	216,210
Other intangible assets	770	703	0	1,473
Tangible assets	**3,465**	**8,704**	**0**	**12,169**
Land, property, plant and equipment	3,465	7,087	0	10,552
Investment property	0	1,617	0	1,617
Other non-current assets	**62**	**9**	**22,207**	**22,278**
Investments	0	0	119	119
Other non-current financial assets	0	0	13,579	13,579
Deferred tax assets	0	0	8,330	8,330
Other non-current assets	62	9	179	250
Current assets	**26,158**	**7,067**	**63,809**	**97,034**
Inventories	455	495	0	950
Trade receivables	15,829	5,615	0	21,444
Other current assets	9,874	957	1,402	12,233
Current financial assets	0	0	30,342	30,342
Cash and cash equivalents	0	0	32,065	32,065
Total assets	**219,157**	**43,991**	**86,016**	**349,164**

in thousands of Euro	for the half year ended 30.06.2022 Aviation	for the half year ended 30.06.2022 Non-Aviation	For the half year ended 30.06.2022 Other	for the half year ended 30.06.2022
Non-current assets	**177,480**	**38,683**	**25,475**	**241,638**
Intangible assets	**173,756**	**26,693**	**0**	**200,449**
Concession rights	173,147	26,177	0	199,324
Other intangible assets	609	516	0	1,125
Tangible assets	**3,680**	**11,982**	**0**	**15,662**
Land, property, plant and equipment	3,680	7,250	0	10,930
Investment property	0	4,732	0	4,732
Other non-current assets	**44**	**8**	**25,475**	**25,527**
Investments	0	0	44	44
Other non-current financial assets	0	0	13,356	13,356
Deferred tax assets	0	0	11,959	11,959
Other non-current assets	44	8	116	168
Current assets	**19,590**	**5,890**	**57,634**	**83,114**
Inventories	420	484	0	904
Trade receivables	12,557	4,762	0	17,319
Other current assets	6,613	644	968	8,225
Current financial assets	0	0	0	0
Cash and cash equivalents	0	0	56,666	56,666
Total assets	**197,090**	**44,573**	**83,109**	**324,752**

Segment disclosure regarding the identified operating segments is undertaken as outlined below.

Aviation: refers to the airport's core business. This includes aircraft landing, take-off and parking fees, passenger boarding fees, freight fees, in addition to passenger security control fees and hand-carry and checked baggage control fees. It includes also cargo handling, customs clearance and fuelling operations. Finally, this segment includes all centralised infrastructure and exclusive assets: the centralised infrastructure represents revenues received in relation to infrastructure under the exclusive operation of the airport management company for reasons of safety, security or in view of their economic impact. Exclusive assets concern check-in desks, the gates and spaces assigned to airport operators.

Non-Aviation: operations not directly connected to the aviation business. This includes sub-concession, retail, catering, self-hire and parking management operations, the Marconi Business Lounge and advertising.

The breakdown of revenues and costs between the Aviation and Non-Aviation SBU's follows ENAC's guidelines for analytic/regulatory reporting for airport management companies, in line with Article 11 *decies* of Law No. 248/05 and the Ministry of Transport Guidelines of December 31, 2006.

The residual accounts excluded from regulatory reporting were subsequently allocated according to the operating criteria.

The main differences were as follows:

- accounts not considered relevant for regulatory accounting purposes which are allocated through a specific review of the individual cost/revenue items;
- revenues and costs for construction services allocated according to an analytical breakdown of investments in the year between the two SBU's according to regulatory criteria;
- incentives for the development of air traffic, allocated entirely to the Aviation SBU in accordance with the financial statement breakdown.

Information concerning the Main Clients

In the first half of 2023, the Group's revenues mainly derived from the following clients (compared with the first half of 2022):

30/06/2023	*30/06/2022*
RYANAIR LTD	RYANAIR LTD
WIZZ AIR HUNGARY LTD	WIZZ AIR HUNGARY LTD
HEINEMANN ITALIA SRL	HEINEMANN ITALIA SRL
AUTOGRILL ITALIA S.P.A.	SOCIETE' AIR FRANCE S.A.
BRITISH AIRWAYS PLC	VECCHIA MALGA NEGOZI S.R.L.
SOCIETE' AIR FRANCE S.A.	EMIRATES
TURKISH AIRLINES	BRITISH AIRWAYS PLC
EMIRATES	TURKISH AIRLINES
VECCHIA MALGA NEGOZI S.R.L.	AUTOGRILL ITALIA S.P.A.
LUFTHANSA LINEE AEREE GERMANICHE	LUFTHANSA LINEE AEREE GERMANICHE

Ryanair and Wizzair remain stable as the two leading aviation customers, with Heineman in third place also confirming itself as the top non-aviation customer, while the following positions merely changed order over the two comparative periods.

COMMENTS ON THE MAIN ITEMS ON THE STATEMENT OF CONSOLIDATED FINANCIAL POSITION

ASSETS

1. Intangible assets

The following table breaks down intangible assets at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Concession rights	216,210	205,997	10,213
Software, licences and similar rights	738	765	(27)
Other intangible assets	42	45	(3)
Energy Certificates	50	0	50
Other intangible assets in progress	643	581	62
TOTAL INTANGIBLE ASSETS	**217,683**	**207,388**	**10,295**

The table below presents the changes in intangible assets for the period ended June 30, 2023 compared to June 30, 2022, by asset category.

	31.12.2022			Changes in the period				30.06.2023		
in thousands of Euro	Historic cost	Accumulated amortisation	Book value	Increases/ Acquisitions	Amortisation	Decreases/ Disposals/Write-downs	Decrease provision	Historic cost	Accumulated amortisation	Book value
Concession rights	268,669	(62,672)	205,997	13,929	(4,101)	367	18	282,965	(66,755)	216,210
Software, licences and similar rights	15,549	(14,784)	765	222	(249)	0	0	15,771	(15,033)	738
Other intangible assets	250	(205)	45	0	(3)	0	0	250	(208)	42
Energy Certificates	0	0	0	50	0	0	0	50	0	50
Other intangible assets in progress	581	0	581	62	0	0	0	643	0	643
TOTAL INTANGIBLE ASSETS	**285,049**	**(77,661)**	**207,388**	**14,263**	**(4,353)**	**367**	**18**	**299,679**	**(81,996)**	**217,683**

In the first half of 2023, Concession rights increased Euro 13.9 million gross of amortisation in the period (equal to the fair value of construction services provided in the period), principally due to the advancement of works for:

- the building of a new commercial aviation aircraft apron; Work to expand Apron 3 and connect it with the dedicated General Aviation apron (Apron 4);
- the creation of a wooded strip north of the airport as environmental compensation work, including a bicycle path usable by the community, covering 40 hectares;
- the redevelopment of the cargo area;
- the reconfiguration of the curbside of the first floor of the Terminal.

In addition to the progress of the above works, ongoing at June 30, the construction of a new airport runoff water lamination plant to replace the existing "Cava Olmi" basin and the construction of a new building for the Finance Police's dog unit were completed during the six-month period.

Amortisation of concession rights in the period amounted to Euro 4.1 million and was applied according to the residual duration of the concession.

Software, licenses and similar rights increased by Euro 222 thousand, gross of amortisation in the period, which mainly concerns investments for the development and implementation of an API - Application Programming Interface platform related to the Innovation Plan.

Test on the recoverability of assets and group of assets

The Group constantly monitors financial performance and compares it with the 2023-2046 forecasts approved by the Board of Directors of the Parent Company and used to conduct impairment testing on the concession rights for the year ended December 31, 2022, which was prepared taking due account of the impacts on the estimates of the factors covered by the ESMA recommendation of October 28, 2022 mentioned in the *Discretional valuations and Significant Accounting Estimates* note; no impairment losses emerged in the period.

With reference to the amounts recognised under Concession Rights at June 30, 2023 of Euro 216 million, the Group has revised the above projections and the related sensitivities on the basis of traffic, revenue, cost and investment forecasts, updated as of that date and referring to the present year, taking due account of, among others, the new tariffs for the 2023-2026 four-year period approved by the TRA on July 13, 2023, decreasing compared to those used for the impairment test in the 2022 financial statements and, where relevant, the main risks and uncertainties presented in the Directors' Report, to which reference should be made for further details, including those related to the exceeding of airport noise zoning limits; no indicators of impairment as defined by IAS 36 emerged from this projection.

2. Tangible assets

The following table breaks down tangible assets at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Land	2,763	2,763	0
Buildings, light constructions and improvements	3,081	3,232	(151)
Machinery, equipment & plant	1,707	1,877	(170)
Furniture, EDP and transport	1,559	1,663	(104)
Building plant and machinery in progress and advances	655	809	(154)
Investment property	1,617	1,617	0
TOTAL TANGIBLE ASSETS	***11,382***	***11,961***	***(579)***
Land in leasing	390	560	(170)
Leased machinery, equipment & plant	221	262	(41)
Leased furniture, office machinery, transport equipment	176	196	(20)
TOTAL LEASED TANGIBLE ASSETS	***787***	***1,018***	***(231)***
TOTAL TANGIBLE ASSETS	***12,169***	***12,979***	***(810)***

The table below presents the changes in tangible assets for the half year ended June 30, 2023, by asset category.

in thousands of Euro	*31.12.2022*			*Changes in the period*				*as at 30.06.2023*		
	Historic cost	**Accumulated depreciation/ Impairment provision (*)**	**Book value**	**Increases/Acquisitions**	**Depreciation**	**Decreases/ Disposals/ Write-downs**	**Decrease provision**	**Historic cost**	**Accumulated depreciation/ Impairment provision (*)**	**Book value**
Land	2,763	0	2,763	0	0	0	0	2,763	0	2,763
Buildings, light constructions and improvements	9,006	(5,774)	3,232	0	(151)	0	0	9,006	(5,925)	3,081
Machinery, equipment & plant	16,256	(14,379)	1,877	189	(359)	(308)	308	16,137	(14,430)	1,707
Furniture, EDP and transport	11,412	(9,749)	1,663	204	(308)	(23)	23	11,593	(10,034)	1,559
Tangible fixed assets in progress	809	0	809	285	0	(439)	0	655	0	655
Investment property (*)	4,732	(3,115)	1,617	0	0	0	0	4,732	(3,115)	1,617
TOTAL TANGIBLE ASSETS	**44,978**	**(33,017)**	**11,961**	**678**	**(818)**	**(770)**	**331**	**44,886**	**(33,504)**	**11,382**
Land in leasing	1,902	(1,342)	560	0	(169)	(1)	0	1,901	(1,511)	390
Leased machinery, equipment & plant	473	(211)	262	18	(59)	0	0	491	(270)	221
Leased furniture, office machinery, transport equipment	460	(264)	196	25	(45)	0	0	485	(309)	176
TOTAL LEASED TANGIBLE ASSETS	**2,835**	**(1,817)**	**1,018**	**43**	**(273)**	**(1)**	**0**	**2,877**	**(2,090)**	**787**
TOTAL TANGIBLE ASSETS	**47,813**	**(34,834)**	**12,979**	**721**	**(1,091)**	**(771)**	**331**	**47,763**	**(35,594)**	**12,169**

(*) The impairment provision relates only to the "Investment Property" item

At June 30, 2023, gross investment in this category totalled Euro 721 thousand and mainly concerns the purchase of x-ray machines for security checks, a vehicle for apron manoeuvres, in addition to computers, hardware and various equipment.

This category includes right-of-use assets, recognised in accordance with IFRS 16, which the Group recognises as a lessee primarily for the long-term lease of land used for parking, employee motor vehicles, De Icer plant and some equipment. The amount recognised at June 30, 2023 corresponds to the present value of the lease instalments falling due, which is reflected under current and non-current financial liabilities for leases.

The Investment properties item includes the total value of the real estate complex owned by the Group and intended for investment properties. This investment was initially recorded at purchase cost and subsequently valued using the cost method, not subject to depreciation, although as indicated by IAS 40 annually subjected to checks for any impairment indicators, also through evaluations carried out internally by the parent company.

In the financial statements at December 31, 2022, on the basis of the appraisal carried out by an outside expert to support the fair value measurement, the value of this property complex was written down. As of the date of preparation of these financial statements, the above assessment is confirmed as no indicators of impairment emerged.

3. Investments

The following table breaks down other investments at June 30, 2023 (compared with December 31, 2022):

in thousands of Euro	As at 31.12.2022	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 30.06.2023
Other investments	119	0	0	0	119
TOTAL INVESTMENTS	**119**	**0**	**0**	**0**	**119**

The composition of the account is as follows:

in thousands of Euro	Holding	As at 30.06.2023	As at 31.12.2022	Change
UrbanV Spa	5%	75	75	0
Bologna Welcome Srl	10%	41	41	0
Consorzio Energia Fiera District	14.3%	3	3	0
CAAF dell'Industria Spa	0.07%	0	0	0
TOTAL OTHER INVESTMENTS		**119**	**119**	**0**

4. Other non current financial assets

The following table shows the movements in other non-current financial assets for the period ended June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 31.12.2022	Increases/ Acquisitions	Decreases / Reclass.	Write-downs	As at 30.06.2023
Receivables from Terminal Value	1,553	80	0	0	1,633
Equity Financial Instruments	10,873	0	0	0	10,873
Other financial assets	1,063	10	0	0	1,073
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**13,489**	**90**	**0**	**0**	**13,579**

At June 30, 2023, the account "Other non-current financial assets" comprised:

- Euro 1.6 million in receivables from Terminal Value for the portion of fees for construction/improvement services provided by the Group relating to investments in concession rights, as well as a supplement to the performance obligation fee, in accordance with IFRS 15, on the interventions carried out on the provisions for renewal of airport infrastructure. This receivable, recorded at present value, derives from application of the Terminal Value regulation as per Article 703 of the Navigation Code, which established that, for investments in concession rights and for the interventions carried out on the provisions for renewal of airport infrastructure, the airport manager shall receive from the succeeding concession holder, on conclusion of the concession, an amount equal to the residual value at that date of the investment according to the regulatory accounting rules;
- Euro 10.9 million of equity financial instruments in Marconi Express Spa, concession holder for the construction and management of the rapid rail link infrastructure between the Airport and Bologna Central Station called People Mover. This financial instrument, subscribed by the Parent Company on January 21, 2016 for a total value of Euro 10.9 million, is recorded corresponding to the amount effectively paid or rather the cost incurred at that date. The investment, in addition to the strategic/operating interest related to improving accessibility to the airport, meets the Group's objective both in relation to the collection of the contractual cash flows and to any future sale of the financial asset. In accordance with IFRS 9, since it is an equity instrument, financial assets are measured at fair value through profit or loss. In this case, considering the difficulty in measuring the fair value of these Equity Financial Instruments, the subsequent valuations is at cost as the best fair value estimate. Due to the wide range of values that the fair value of the instrument can take as part of a valuation based on the present value of expected cash flows over a very long period such as that of the airport concession, this analysis is used only for the purpose of identifying possible impairment. With regards to the valuation of the Equity Financial Instrument at June 30, 2023, no movement was made as the interim results announced by the concession holder in terms of tickets sold and traffic expectations for the full year are strong and in line with the business plan. Considering, in any case, that the passenger volume of the People Mover is related to the passenger volume of the airport, an analysis was carried out regarding the recoverability of the equity financial instrument in Marconi Express based on the sensitivities established by the Group to verify the recoverability of the value of the Concession Rights (see Note 1). On the basis of these factors, the Group considers there is no impairment indicators to be recorded on the value of the equity instrument at June 30, 2023. Marconi Express at December 31, 2022 reports shareholders' equity of Euro 16 million (Share Capital of Euro 8 million, fully subscribed and paid-in) and a net loss for the year of Euro 1.6 million, improving on the Euro 3.1 million loss in the previous year;

- Euro 1.1 million of a capitalisation product purchased in 2019, with a 10-year duration and 2029 maturity. In accordance with the standard IFRS 9, these assets are classified to the category "Held to collect – HTC", as this complies with the Group's need to invest temporary liquidity held in order to collect the contractual cash flows. In this specific case, the maturity is defined contractually, but the return is related to the capital management performance and therefore this financial instrument is measured at fair value through profit or loss.

5. Deferred tax assets

The following table presents the movements in deferred tax assets for the period ended June 30, 2023, compared with December 31, 2022.

in thousands of Euro	As at 31.12.2022	Provisions	Util./adjustments	As at 30.06.2023
DEFERRED TAX ASSETS	**10,002**	**851**	**(2,523)**	**8,330**

The principal temporary differences on which deferred tax assets are recognised concern:

- fiscally deductible provisions in subsequent periods such as the assets under concession replacement provision, the risks and charges provision and the provision for doubtful accounts;
- maintenance costs as per Article 107 of the CFA, deductible in future years;
- tax losses carried forward mainly relating to deferred tax assets on the tax losses recorded in 2020 and 2021, which is reasonably certain to be recovered in the future in view of the Group's forecast financial performance.
- adjustments related to the application of international accounting standards;
- other expense items concerning subsequent periods.

The decrease on the first half is mainly due to the use, as a deduction from earnings in the period, of the deferred tax assets accrued in 2020 and 2021 against the IRES tax losses.

With regards to the deferred tax assets, which are recognised to the financial statements, their recoverability is reliably attributable to the underlying forecasts from the Group's most up-to-date financial projections.

6. Other non-current assets

The following table breaks down other non-current assets at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Non-current prepayments and accrued income	31	42	(11)
Guarantee deposits	92	92	0
Non-current tax receivables	127	127	0
OTHER NON-CURRENT ASSETS	**250**	**261**	**(11)**

No significant changes occurred between the two periods.

”Non-current tax receivables”, the largest in the category, includes the tax receivable due beyond one year for:

- capital investments of the parent company, as per Law No. 160/2019 Article 1, paragraphs 184 to 197 and Law No. 178/2020, Article 1, paragraphs 1051 to 1063;
- research, development, technological innovation, design and aesthetics under Article 1, paragraphs 198-209 of Italian Law No. 160 of December 27, 2019.

7. Inventories

The following table breaks down inventories at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Inventories of raw materials, supplies and consumables	590	524	66
Inventories of finished products	360	388	(28)
INVENTORIES	**950**	**912**	**38**

Supplies and consumables concern inventories held of heating fuel and de-icing liquid for the runway, workshop materials and consumables, such as stationery, moulds and uniforms, while inventories of finished goods refer to aircraft fuel and antifreeze liquid for de-icing the aircraft. There are no significant changes from December 31, 2022.

8. Trade receivables

The table below illustrates the trade receivables and the relative provision for doubtful accounts:

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Trade receivables	24,442	15,075	9,367
Provision for doubtful accounts	(2,997)	(2,403)	(594)
TRADE RECEIVABLES	**21,444**	**12,672**	**8,772**

At June 30, 2023, gross trade receivables, which include allowances for invoices and credit notes to be issued, totalled Euro 24.4 million, increasing Euro 9.4 million on December 31, 2022.

An analysis of the aging of trade receivables of the Group at June 30, 2023 compared with December 31, 2022 is reported below.

in thousands of Euro	Not yet due	Overdue	Total at 30.06.2023
Trade receivables for invoices/credit notes issued	11,378	11,857	23,235
Trade receivables for invoices/credit notes to be issued	1,206	0	1,206
TOTAL TRADE RECEIVABLES	**12,584**	**11,857**	**24,442**

in thousands of Euro	Not yet due	Overdue 0-30	Overdue 30-60 days	Overdue 60-90 days	Overdue over 90 days	Total
TRADE RECEIVABLES	**11,378**	**5,763**	**1,354**	**1,051**	**3,690**	**23,235**

in thousands of Euro	Not yet due	Overdue	Total at 31.12.2022
Trade receivables for invoices/credit notes issued	6,009	8,313	14,322
Trade receivables for invoices/credit notes to be issued	753	0	753
TOTAL TRADE RECEIVABLES	**6,762**	**8,313**	**15,075**

in thousands of Euro	Not yet due	Overdue 0-30	Overdue 30-60 days	Overdue 60-90 days	Overdue over 90 days	Total
TRADE RECEIVABLES	**6,009**	**3,140**	**1,832**	**369**	**2,972**	**14,322**

Not yet due receivables accounted for 49% of trade receivables (42% at December 31, 2022), while among the overdue receivables, those recently overdue (0-30 days) accounted for 25% of the total (22% at December 31, 2022). Finally, receivables overdue for more than 90 days also decreased from 21% to 16% of total overdue receivables at June 30, 2023, although increasing in absolute value, mainly due to the increase in the credit position of an airport operator due to the irregularity of contribution payments which temporarily blocked the receipt, including by offsetting with debit items, of the related receivables.

Gross trade receivables are shown net of the provision for doubtful accounts: this latter increased due to the write-downs carried out on the basis of specific analysis of cases in arrears and/or in dispute and to the write-down applied on the residual debtor balance, classified by customer category and overdue period, with the simplified parameter method applied, as permitted by IFRS 9 for companies with a diversified and fragmented client portfolio (Provision Matrix*)*.

The provisions for doubtful accounts in the year total Euro 0.7 million, of which Euro 0.1 million recorded as a direct reduction of the relative revenues as concerning amounts maturing in the period which are no longer considered collectible.

The movements in the provision for doubtful accounts were as follows:

in thousands of Euro	As at 31.12.2022	Provisions	Utilisations	Releases	As at 30.06.2023
PROVISIONS FOR DOUBTFUL ACCOUNTS	**(2,403)**	**(685)**	**91**	**0**	**(2,997)**

in thousands of Euro	As at 31.12.2021	Provisions	Utilisations	Releases	As at 30.06.2022
PROVISIONS FOR DOUBTFUL ACCOUNTS	**(1,639)**	**(429)**	**173**	**19**	**(1,875)**

At the end of August 2023, over 80% of the receivables reported at June 30 had been collected. The provision at December 31, 2022 covers, among others, the risks related to the fragility of the handling companies operating at the airport, as better described in the Directors' Report, to which reference should be made.

9. Other current assets

The following table breaks down other current assets at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
VAT Receivable	182	170	12
Direct income tax receivables	222	217	5
Employee receivables	38	31	7
Other receivables	11,791	4,744	7,047
OTHER CURRENT ASSETS	**12,233**	**5,162**	**7,071**

The increase in this category is due to the increased “other receivables” for Euro 7 million. A breakdown is provided in the following table.

”Direct income tax receivables” mainly concern the tax receivables on the increased charges incurred for electricity and natural gas acquired and effectively used in Q1 2023, as per Article 1, paragraphs 3 and 5 of Law No. 197/2022.

The summary of “other receivables” is as follows:

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Receivables for passenger boarding fees surtax	9,965	3,986	5,979
IRESA receivables	346	200	146
Other current receivables provision for doubtful accounts	(1,331)	(1,289)	(42)
Prepayments and accrued income	1,395	790	605
Advances to suppliers	53	5	48
Pension and social security institutions	134	80	54
Other current receivables	1,229	972	257
TOTAL OTHER RECEIVABLES	**11,791**	**4,744**	**7,047**

The increase is mainly due to the trade receivables for passenger boarding fee surtaxes, which is considered directly related to the traffic performance, in addition to "accrued income and prepayments”, which includes insurance premiums, data processing fees and other services invoiced in advance. The increase in this aggregate was mainly due to seasonal factors.

The account “other current receivables provision for doubtful accounts” includes the provision for passenger boarding fee surtax doubtful accounts and for IRESA, obtained for reclassification under assets in the statement of financial position, as a deduction of the respective receivable, of the surtax and IRESA charged to the carriers which in the meantime were subject to administration procedures or which contested the charge. This item, which is exclusively posted in the statement of financial position, is classified as a deduction of the respective receivables due to the high improbability of recovery, reporting the following movements:

in thousands of Euro	As at 31.12.2022	Provisions/Increases	Utilisations	Releases	As at 30.06.2023
Municipal surtax receivable provision	(1,283)	(38)	0	0	(1,321)
Provisions for doubtful accounts for IRESA	(6)	(3)	0	0	(9)
TOTAL PROVISIONS FOR OTHER DOUBTFUL RECEIVABLES	**(1,289)**	**(41)**	**0**	**0**	**(1,331)**

Finally, it is recalled that at the end of 2022 AdB submitted to GH Italia S.p.A. a request for a verification of the price adjustment clause of the sales price of the holding in Marconi Handling, a clause contained in the December 2012 deed of sale of the holding that provides for a price adjustment mechanism linked to conditions which would needed to be completed by December 31, 2022 at the latest. Although checks and contacts with GH have continued in order to precisely calculate the receivable in fulfilment of this contractual clause, the difficulty in determining the amount of the receivable remains, resulting in its non-recognition at December 31, 2022, which is confirmed at June 30, 2023.

10. Current financial assets

The following table breaks down current financial assets at June 30, 2023 and in the subsequent table the movements in the period.

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Time deposits	30,342	45,058	(14.716)
CURRENT FINANCIAL ASSETS	**30,342**	**45,058**	**(14,716)**

in thousands of Euro	As at 31.12.2022	Acquisitions	Other increases Reclassifications	Decreases / Disposals	As at 30.06.2023
Time deposits	45,058	0	284	(15,000)	30,342
TOTAL CURRENT FINANCIAL ASSETS	**45,058**	**0**	**284**	**(15,000)**	**30,342**

At December 31, 2022, this account comprised four Time Deposits undertaken by the parent company at the end of 2022 with six and twelve-month durations. The movement in the period is due to the receipt of the two Time Deposits maturing in June 2023, in addition to the recognition of the accrued yield as of June 30.

11. Cash and cash equivalents

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Bank and postal deposits	32,036	27,839	4,197
Cash in hand and similar	29	29	0
CASH AND CASH EQUIVALENTS	**32,065**	**27,868**	**4,197**

"Bank and postal deposits" represent the bank current account balances. For the comment on liquidity in the period, reference should be made to Section 3.2 of the Directors' Report.

In addition to bank current accounts, the parent company has an unutilised credit line of Euro 5 million available.

Net Financial Position

The following table shows the breakdown of the net financial position at June 30, 2023, December 31, 2022 and June 30, 2022, in accordance with Consob Communication of July 28, 2006 and the ESMA/2011/81 and ESMA32-382-1138 Recommendations of March 4, 2021, as implemented by Consob Call to Attention No. 5/21 of April 29, 2021:

	in thousands of Euro	for the half year ended 30.06.2023	for the year ended 31.12.2022	for the half year ended 30.06.2022
A	Cash	32,065	27,868	56,666
B	Other cash equivalents	0	0	0
C	Other current financial assets	30,342	45,058	0
D	**Liquidity (A+B+C)**	**62,407**	**72,926**	**56,666**
E	Current financial payables	(2,174)	(2,819)	(2,137)
F	Current portion of non-current debt	(20,617)	(14,976)	(9,316)
G	**Current financial debt (E + F)**	**(22,791)**	**(17,795)**	**(11,453)**
H	**Net current financial debt (G - D)**	**39,616**	**55,131**	**45,213**
I	Non-current financial payables	(37,314)	(47,605)	(57,920)
J	Debt instruments	0	0	0
K	Trade payables and other non-current payables	(269)	(521)	(776)
L	**Non-current financial debt (I + J + K)**	**(37,583)**	**(48,126)**	**(58,696)**
M	**Total Net Financial Position (H + L)**	**2,033**	**7,005**	**(13,483)**

Account A is equal to the account "cash and cash equivalents"; reference should be made to note 11 for further details.

The account G is equal to the balance of the account "current financial liabilities"; reference should be made to note 17 for further details.

The account L is equal to the balance of the account "non-current financial liabilities"; reference should again be made to note 17 for further details.

For a detailed analysis on the movements in the Net Financial Position in the period, reference should be made to the analytical analysis in the Directors' Report.

LIABILITIES

12. Shareholders' Equity

The following table breaks down the Shareholders' Equity at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Share capital	90,314	90,314	0
Reserves	99,010	67,887	31,123
Profit/(loss) for the period	6,815	31,109	(24,294)
GROUP SHAREHOLDERS' EQUITY	**196,139**	**189,310**	**6,829**

i. Share capital

The share capital of the Parent Company at June 30, 2023 amounts to Euro 90,314,162, entirely paid-in and comprising 36,125,665 ordinary shares without par value.

The following table outlines the calculation of the basic and diluted earnings per share:

in Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022
Group profit (loss) for the period (*)	6,830,617	25,622,775
Average number of shares outstanding	36,125,665	36,125,665
Undiluted earnings/(losses) per share	**0.19**	**0.71**
Diluted earnings/(losses) per share	**0.19**	**0.71**

(*) from Consolidated Statement of Comprehensive Income

The undiluted earnings/(losses) and diluted earnings/(losses) per share of the AdB Group at June 30, 2023 and December 31, 2022 are the same due to the absence of potential dilutive instruments.

ii. Reserves

The following table breaks down the Reserves at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Share premium reserve	25,683	25,683	0
Legal reserve	9,673	8,179	1,494
Extraordinary reserve	85,926	57,389	28,537
FTA Reserve	(3,272)	(3,272)	0
Profits (losses) carried forward	(18,359)	(19,435)	1,076
OCI reserve	(642)	(658)	16
TOTAL RESERVES	**99,010**	**67,887**	**31,123**

The share premium reserve comprises:

- Euro 14.35 million following the paid-in share capital increase approved by the Shareholders' Meeting of February 20, 2006;
- Euro 11.33 million following the public offering of shares in July 2015.

Pursuant to Article 2431 of the Civil Code this reserve is available but may not be distributed until the legal reserve has reached the limit established as per article 2430 of the Civil Code.

The legal reserve, extraordinary reserve and the retained earnings reserve therefore increased due to the allocation of the 2022 profit of the parent company and of the subsidiaries.

The retained earnings/accumulated losses also moved due to the profits for the preceding period deriving from the IAS accounting entries of the subsidiaries.

The OCI reserve records the changes deriving from the discounting of the severance provision in accordance with IAS 19 revised (note 13), net of the relative tax effect as per the following table:

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Actuarial gains/losses as per IAS 19	(841)	(862)	21
Deferred taxes on actuarial gains/losses as per IAS 19	199	204	(5)
OCI RESERVE	**(642)**	**(658)**	**16**
of which minority interest	**0**	**0**	**0**
of which Group	**(642)**	**(658)**	**16**

13. Severance and other personnel provisions

The following table breaks down severance and other personnel provisions at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Post-employment benefits	3,106	3,106	0
Other personnel provisions	268	207	61
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**3,374**	**3,313**	**61**

The table below shows the movements in the provisions in the period:

in thousands of Euro	As at 31.12.2022	Service cost	Net interest	Benefits paid	Actuarial profits/ (losses)	As at 30.06.2023
Severance	3,106	9	56	(44)	(21)	3,106
Other personnel provisions	207	61	0	0	0	268
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**3,313**	**70**	**56**	**(44)**	**(21)**	**3,374**

The actuarial valuation of severance provisions is carried out on the basis of the “benefits matured" with the support of actuarial experts.

The principal assumptions in the actuarial estimation process of the severance provisions for the years concerned are as follows:

a) discount rate: 3.67% for the valuation at June 30, 2023 and 3.63% for the valuation at December 31, 2022;

b) inflation rate: 2.30% for the valuation at June 30, 2023 and at December 31, 2022;

c) demographic bases (mortality/invalidity): the mortality tables RG 48 published by the State General Office were used for the mortality rates. For invalidity, an INPS table based on age and gender was utilised;

d) staff turnover rate: 1%.

As for any actuarial valuation the results depend on the technical bases adopted such as, among others, interest rate, inflation rate and expected turnover. The table below shows the sensitivity for each actuarial assumption at the end of the period, highlighting the effects of the changes of the actuarial assumptions reasonably possible at that date, in absolute terms.

	Valuation parameter					
in thousands of Euro	+1 % on turnover rate	-1 % on turnover rate	+ 0.25% on annual inflation rate	- 0.25% on annual inflation rate	+ 0.25% on annual discount rate	- 0.25% on annual discount rate
Severance	3,121	3,090	3,144	3,069	3,048	3,166

For completeness the following table also shows the expected disbursements of the plan over a 5-year period:

Years	Estimated future disbursements (in Euro thousands)
1	316
2	136
3	337
4	125
5	268

The other personnel provisions at June 30, 2023 concern the long-term incentive plan and the non-competition agreement of the Chief Executive Officer/General Manager of the Parent Company.

14. Deferred tax liabilities

The following table breaks down the deferred tax liabilities at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 31.12.2022	Provisions	Utilisations	As at 30.06.2023
DEFERRED TAX LIABILITIES	**2,843**	**5**	**(63)**	**2,785**

The deferred tax liability provision amounts to Euro 2.8 million. The deferred tax liabilities were recorded on transition to IFRS following the application of IFRIC 12 "*Service concession arrangements*", as illustrated in the note relating to the Transition to International Accounting Standards IFRS in the 2014 Financial Statements. The utilisation in the period is also attributable to the application of IFRIC 12 on the investments in concession rights.

15. Provision for renewal of airport infrastructure (non-current and current)

The provision for renewal of airport infrastructure includes the provision allocated to cover the conservation maintenance expenses and renewal of the assets held under concession which the Group must return at the end of the concession period in perfect functioning state.

The changes in the provision in the half year ending June 30, 2023 are reported below, divided between non-current and current.

in thousands of Euro	As at 31.12.2022	Increases	Utilisations	Reclassifications	As at 30.06.2023
Provision for renewal of airport infrastructure (non-current)	10,541	1,679	0	(1,464)	10,756
Provision for renewal of airport infrastructure (current)	2,555	0	(965)	1,464	3,054
TOTAL PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE	**13,096**	**1,679**	**(965)**	**0**	**13,810**

At June 30, 2023, the provision for the renewal of airport infrastructure totalled Euro 13.8 million (Euro 13.1 million at December 31, 2022). The increase is due to the accrual for the period of Euro 1.3 million, in addition to the Euro 0.3 million increase due to the effect of financial expenses for the discounting of cash flows. The utilisations (approximately Euro 1 million) mainly concern the upgrading works on the Terminal's bathrooms, roadway works and the replacement of a trigeneration plant motor.

For completeness the following table shows the sensitivity in the interest rates applied for the discounting of the provisions for renewal of airport infrastructure at June 30, 2023:

in thousands of Euro	Financial (charges)/ financial income	Sensitivity Analysis (+0.5%)	Sensitivity Analysis (-0.1%)
Provision for renewal of airport infrastructure	(328)	(408)	(312)

The discounting curve utilised for the valuation includes the country risk. In this specific case the input data utilised was the short, medium and long-term zero-coupon government bonds (from 3 months to 30 years), sourced from the information provider Bloomberg.

16. Provisions for risks and charges (non-current and current)

The changes in the non-current and current provision for risks and charges in the period ended June 30, 2023 are reported below:

in thousands of Euro	As at 31.12.2022	Provisions	Util./Other decreases	As at 30.06.2023
Risk provision for disputes	1,166	460	0	1,626
Provisions for other risks and charges	69	0	0	69
PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)	**1,235**	**460**	**0**	**1,695**
Employee back-dated provision	29	237	0	266
PROVISIONS FOR RISKS AND CHARGES (CURRENT)	**29**	**237**	**0**	**266**
TOTAL PROVISIONS FOR RISKS AND CHARGES	**1,264**	**697**	**0**	**1,961**

The “Risk provision for disputes" includes the updated liabilities prudently estimated, including with the help of mandated lawyers, for pending litigation. Reference should be made to the Disputes section of the Directors’ Report to the 2022 Annual Accounts for further details and of this report. No new disputes emerged during the period.

The accrual in the period is due to the estimate of interest owing in relation to the fire prevention service (Euro 19.3 million at June 30, 2023), as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3-bis of Law No. 2/2009.

The employee backed-dated provision at December 31, 2022 related only to the subsidiary FFM and, in particular, the estimate in financial terms of the renewal of the Handlers’ National Collective Bargaining Agreement (CCNL), which concluded on June 30, 2017 and at June 30, 2023 included also the estimate of the parent company and of the subsidiary Tag in financial terms for the renewal of the Airport Operators National Collective Bargaining Agreement (CCNL), concluding on December 31, 2022.

On the basis of the progress of litigation at the preparation date of this document, supported by an update from their advisors, the Group believes that the provisions set aside in the financial statements are adequate and represent the best estimate of liabilities for risks and charges.

Contingent liabilities

As regards the customs dispute involving the subsidiary FFM in 2021 (which is described in greater detail in the “disputes” section of the Directors’ Report, to which reference should be made), we note that on April 20, 2021, the Bologna Customs Office notified FFM that it had corrected a number of customs declaration assessments. It therefore requested payment of higher customs and VAT duties which, including interest for late payment, totalled approx. Euro 4.3 million. The subsidiary FFM, which maintains that it has always operated with the fullest correctness and legality, filed an appeal against these notices and the Bologna Provincial Tax Commission ruled on this appeal on July 6, 2022, finding partially in favour of FFM and reducing the sum requested by the Tax Agency by Euro 0.8 million. The Company, supported by the opinion of its appointed lawyers, having evaluated the dossier outlining the position and the jurisprudence on the subject, and also in view of the first instance ruling, consider it possible but not probable that the case will be lost. It was, therefore, appealed in November 2022 to the Emilia-Romagna Regional Tax Commission (CTR). Finally in relation to this dispute, we note that the Euro 5.8 million guarantee issued by a leading bank in favour of the Customs Authority as requested by FFM, for the suspension of the assessment notices issued to the Company, includes a co-obligation for AdB. At the beginning of 2023, an additional surety was added for a value of Euro 278 thousand in order to obtain the suspension of the enforceability of the assessment reports covered by the appeal, following a partial increasing amendment as a result of a customs office audit.

In relation, finally, to the extraordinary administration of Alitalia, the Group assessed the potential liability related to the revocation of receivables arising in the six months before the procedure, for an amount of Euro 2.01 million (gross of municipal surtaxes for passenger boarding fees previously paid to the relevant authorities). At the preparation date of this document, and specifically taking account of the information noted and the defensive arguments against the advanced action, the Directors, having met with the appointed lawyers, judged the liability as possible but not probable. They therefore considered it appropriate to provide disclosure in the Notes, without making any accrual, while at the same time continuing its defensive action. In any event, the case will not be settled before the end of the year 2024.

17. Non-current and current financial liabilities

The following table breaks down non-current and current financial liabilities at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Bank loans – non-current	37,314	47,605	(10,291)
Non-current financial payables for leasing	269	521	(252)
NON-CURRENT FINANCIAL LIABILIITES	**37,583**	**48,126**	**(10,543)**
Bank loans - current	20,617	14,976	5,641
Current financial liabilities for leasing	607	540	67
Payables due for boarding fee surtaxes and Iresa	1,547	2,254	(707)
Other current financial payables	20	25	(5)
CURRENT FINANCIAL LIABILITIES	**22,791**	**17,795**	**4,996**
TOTAL FINANCIAL LIABILITIES	**60,374**	**65,921**	**(5,547)**

Financial liabilities at June 30, 2023 totalled Euro 60.4 million, decreasing Euro 5.5 million compared to December 31, 2022, mainly due to the payment of the loan instalments maturing in the period (Euro 4.6 million), the decrease in the payables due for passenger boarding fee surtaxes and IRESA (Euro -0.7 million) for the amount received from carriers at June 30, 2023 and reversed in July to the beneficiary bodies.

“Loans” include:

- loan with SACE guarantee, maturing in 2026, issued by Intesa Sanpaolo Spa in July 2020 for Euro 33.9 million to support the infrastructural development plan and offset the reduction in traffic due to the COVID-19 emergency. This loan, with a grace period of 3 years and first repayment in September 2023, was classified for Euro 22.6 million to non-current financial liabilities and for Euro 11.3 million to current financial liabilities;
- loan with SACE guarantee, maturing in 2026, issued by Unicredit Spa in July 2020 for Euro 25 million to support the infrastructural development plan and offset the reduction in traffic due to the COVID-19 emergency. This loan is classified for Euro 12.5 million under non-current financial liabilities and for Euro 6.2 million under current loans. Instalments of Euro 3.1 million were settled in the first half of 2023;
- fifteen-year bank loan with maturity 2026, with a residual balance at June 30, 2023 of Euro 1.5 million, granted by Monte dei Paschi di Siena (former Banca Agricola Mantovana) to fund investments of the General Aviation Terminal. This liability is classified for Euro 0.9 million under non-current loans and for Euro 0.5 million under current loans. In the first half of 2023, the instalment falling due was settled for Euro 0.25 million;
- ten-year bank loan with December 2024 maturity, with a balance of Euro 3.8 million at June 30, 2023, issued by Banca Intesa to fund the infrastructure investment plan. This loan is classified for Euro 1.3 million under non-current loans and for Euro 2.6 million under current loans. A Euro 1.3 million instalment was settled in the first half of 2023;

In order to guarantee the necessary liquidity to support the airport infrastructure investment and development plan, in December 2021 the Parent Company signed a loan with the European Investment Bank (EIB), for which as of June 30, 2023 no request for disbursement has been made. The loan agreement will provide AdB with the flexibility required for the progression of the infrastructural development plan and funding requirements, with disbursement available up to 48 months from signing and in multiple tranches and in any case for a total amount not exceeding 50% of the total estimated project costs. This is alongside the flexibility of the option to choose between a fixed rate and a variable rate, the amount of which in both cases will be determined by the EIB in relation to the timing of the loan request and the overall conditions of disbursement and repayment. The last repayment date for each tranche shall fall no earlier than four years and no later than eighteen years from the relevant disbursement date, subject to the option for AdB to make voluntary early repayments. The contract includes negative pledges and covenants, including of a disclosure nature typical of such situations, with an early settlement obligation where control of AdB is acquired.

Loans breakdown:

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Bank loans – non-current	37,314	47,605	(10,291)
Bank loans - current	20,617	14,976	5,641
TOTAL LOANS	**57,931**	**62,581**	**(4,650)**

The contractual conditions of the loans in place at June 30, 2023 are illustrated below:

Credit Institution	Type of loan	Interest rate applied	Rate	Maturity	Covenant
Intesa San Paolo S.p.A.	Loan	Fixed rate of 3%	Half-Yearly	2024	Yes
Monte dei Paschi di Siena (former Banca Agricola Mantovana)	Loan	Euribor variable 3 Months + spread 0.9%	Quarterly	2026	No
Unicredit Spa Sace guarantee	Loan	Fixed rate of 0.77%	Quarterly	2026	Yes
Intesa San Paolo Spa - SACE-backed	Loan	Euribor variable 3 Months + spread 1.29%	Quarterly	2026	No

The annual nominal cost of the two bank loans with SACE guarantee granted in 2020, shown in the table above, is in addition to the cost of the SACE guarantee, which in this third year of the loan is 1% and shall rise to 2% from the fourth to sixth years of the guaranteed portion of the debt, equal to 90% of the loan.

The loans are not covered by secured guarantees.

With reference to the cross default clauses on the loan contracts of the Group, an acceleration clause may be triggered where the Company financed is not in compliance with obligations of a credit or financial nature, or with guarantees assumed with any party. We report that at June 30, 2023, the Group has not received any communication for application of cross default clauses by any of its lenders as the Group is in compliance with its existing contractual commitments. The revision of economic-financial projections at December 31, 2023 based on updated traffic, revenue, cost and investment forecasts as at June 30, 2023 comply with the above covenants.

A sensitivity analysis is illustrated below on variable interest rate loans held at June 30, 2023.

			in Euro thousands			
Credit Institution	**Type of loan**	**Interest rate applied**	**Residual payable at 30.06.2023**	**Interest at 30.06.2023**	**Sensitivity Analysis (+0.5%)**	**Sensitivity Analysis: (-0.1%)**
Monte dei Paschi di Siena (former Banca Agricola Mantovana)	Banking	Euribor 3 months/360 + 0.9%	1,458	24	28	23
Intesa San Paolo Spa - SACE-backed	Banking	Euribor 3 months/360 + 1.29%	33,900	668	754	651

The following table shows the liabilities for leases, in accordance with IFRS 16, representing the obligation to make the contractually-agreed payments for the right-to-use assets recorded under fixed assets in note 2.

in thousands of Euro	**As at 30.06.2023**	**As at 31.12.2022**	**Change**
Non-current lease liabilities	269	521	(252)
Current lease liabilities	607	540	67
TOTAL LEASE LIABILITIES	**876**	**1,061**	**(185)**

The Group has both underwritten leasing contracts as lessor with the sub-license of airport areas and spaces to its customers and also has undertaken leasing contracts as lessee for equipment, plant, machinery, automotive vehicles and land.

The table above refers to these latter obligations broken down into financial liabilities for leases:

- non-current: Euro 0.3 million for contractual instalments due beyond 12 months
- current: Euro 0.6 million relating to contractual instalments due by June 30, 2024.

We illustrate below the table required by IAS 7 - Cash Flow Statement for a greater disclosure of changes in financial liabilities:

in thousands of Euro	31/12/2022	Cash flows	New contracts	Interest/Other Reclassifications	30/06/2023
Loans - current portion	14,976	(4,656)	0	10,297	20,617
Lease liabilities - current portion	540	(245)	19	293	607
Loans - non-current portion	47,605	0	0	(10,291)	37,314
Lease liabilities - non-current portion	521	0	23	(276)	269
Total	**63,642**	**(4,901)**	**42**	**23**	**58,806**

18. Trade payables

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
TRADE PAYABLES	**26,778**	**24,869**	**1,909**

Trade payables, which increased Euro 1.9 million compared to December 31, 2022, concern the purchase of goods and services, including investments and mainly concern Italian suppliers.

With regards to the ageing of supplier items and therefore the payment terms of trade payables, as per the following tables, no substantial differences on December 31, 2022 are reported.

in thousands of Euro	Not yet due	Overdue	Total at 30.06.2023
Invoices/credit notes received	9,553	3,280	12,833
Invoices/credit notes to be received	13,945	0	13,945
TOTAL TRADE PAYABLES	**23,498**	**3,280**	**26,778**

in thousands of Euro	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE PAYABLES	**9,553**	**861**	**388**	**167**	**1,864**	**12,833**

in thousands of Euro	Not yet due	Overdue	Total at 31.12.2022
Invoices/credit notes received	12,220	3,086	15,306
Invoices/credit notes to be received	9,563	0	9,563
TOTAL TRADE PAYABLES	**21,783**	**3,086**	**24,869**

in thousands of Euro	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE PAYABLES	**12,220**	**1,720**	**77**	**92**	**1,197**	**15,306**

As indicated in the above tables, the ageing of trade payables increased compared to December 31, 2022. Overdue trade payables increased from 20% of total payables to 26% due to the increase in payables overdue by over 90 days as a result of the halting of a payment to a supplier due to irregularities in contribution payments. In July, the supplier's contribution position was regularised.

19. Other Liabilities

The following table breaks down current financial liabilities at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Current tax payables	2,013	2,923	(910)
Employee payables and social security institutions	4,232	4,137	95
ENAC concession fee and other State payables	26,207	23,339	2,868
Other current payables, accrued liabilities and deferred income	11,389	4,780	6,609
TOTAL OTHER CURRENT LIABILITIES	**43,841**	**35,179**	**8,662**

The principal changes were as follows:

i. CURRENT TAX PAYABLES

The following table breaks down tax payables at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
VAT payable	583	216	367
Direct income tax payables	427	1,665	(1,238)
Other tax payables	1,003	1,042	(39)
TOTAL CURRENT TAX PAYABLES	**2,013**	**2,923**	**(910)**

Tax payables decreased by over Euro 900 thousand due to the settlement of the direct income taxes balance for the previous year, net of the recognition of the payable for taxes for the present period, while the VAT payable increased on the basis of higher revenues.

Other tax payables, substantially unchanged on December 31, 2022, mainly concern employee and contracted worker withholdings.

ii. Employee payables and social security institutions

The following table breaks down employee payables and social security institutions at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Employee salaries	1,305	975	330
Employee deferred compensation	1,727	1,911	(184)
Social security payables	1,200	1,251	(51)
EMPLOYEE PAYABLES AND SOCIAL SECURITY INSTITUTIONS	**4,232**	**4,137**	**95**

No significant changes occurred between the two periods.

iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 19.3 million (Euro 18.6 million at December 31, 2022) concerning the fire prevention service as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3bis of Law No. 2/2009.

With regards to the dispute in this regard, as outlined in greater detail in the “Disputes” section and the “Regulatory Framework” section of the Directors’ Report, on February 8, 2022, after many years of civil dispute, AdB obtained a ruling from Rome Civil Court (No. 2012 of 2022) that clarified the jurisdiction of the tax court before which at December 2022 the entire dispute is to soon be taken up again. On May 2, 2023, the Tax Court in Rome, radically departing from all precedents on the matter, dismissed the appeal filed by AdB and those filed by 14 other domestic airport companies combined in a single proceeding. In this regard, a regular appeal will be filed as per the procedural deadlines. We note that the counterparty administrations have not enacted the ruling in question. All the Parties and State Entities involved in this litigation await the decision of the Supreme Court of Cassation (the relevant public hearing was held on May 11, 2023), as part of a jurisdictional proceeding in which the parent company is however not involved, that has significant importance in defining of the legal principles relating to the matter. For further details, reference should be made to the “Disputes” and “Regulatory Framework” sections of the Directors’ Report.

- Euro 6.8 million (Euro 4.6 million at December 31, 2022) as the variable airport concession fee payable related to the adjustment for 2022 and the forecast for H1 2023.

iv. Other current liabilities, accrued liabilities and deferred income

The following table breaks down current liabilities, accrued liabilities and deferred income at June 30, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 30.06.2023	As at 31.12.2022	Change
Payables due for boarding fee surtaxes and Iresa	8,996	2,904	6,092
Other current payables	1,533	1,684	(151)
Current accrued liabilities and deferred income	860	192	668
TOTAL OTHER CURRENT PAYABLES, ACCRUED LIABILITIES AND DEFERRED INCOME	**11,389**	**4,780**	**6,609**

The main account concerns the passenger boarding fees surtax and for IRESA, relating to the receivables from carriers not yet received at June 30, for nearly Euro 9 million. The portion of the municipality surtax payable and for IRESA relating to receivables collected from carriers, not yet paid to the creditor entities as not yet owing, on the other hand is classified under current financial liabilities (Note 17).

“Other current liabilities” include deposits and advances received from customers in addition to deferred income and miscellaneous payables; there were no significant movements in the account between the two periods, while accrued expenses and deferred income show an increase related to the interim period under review.

NOTES TO THE MAIN CONSOLIDATED INCOME STATEMENT ACCOUNTS

REVENUES

20. Revenues

The tables below break down revenues for the two comparative periods. In relation to the performance, reference should be made to the greater detail provided in the Directors' Report.

Consolidated revenues overall totalled Euro 66.9 million, compared to Euro 67.4 million in H1 2022, which however included the contribution from the COVID-19 damage compensation fund for Euro 21.1 million. Net of this contribution, revenues increased from Euro 46.3 million for the first half of 2022 to Euro 66.9 million for the present period (+44.77%). Isolating also the "revenues from construction services" item, which depends on investments made in concession rights, which increased significantly in the period, the adjusted revenues for the period amounted to Euro 53.9 million, compared to Euro 42.1 million in the first half of 2022 (+28%).

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Revenues from aeronautical services	29,033	23,287	5,746
Revenues from non-aeronautical services	24,145	18,312	5,833
Revenues from construction services	13,061	4,191	8,870
Other operating revenues and income	705	21,618	(20,913)
TOTAL REVENUE	**66,944**	**67,408**	**(464)**

The reclassification of Group revenues based on revenue streams defined by IFRS 15, i.e. those from contracts with customers, is shown in the following table:

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Airport fees	25,184	19,397	5,787
Parking	9,092	6,512	2,580
Revenues from construction services	13,061	4,191	8,870
Other	7,036	27,305	(20,269)
TOTAL IFRS 15 REVENUE STREAMS	**54,373**	**57,405**	**(3,032)**

The reconciliation between IFRS 15 revenue streams and total revenues is shown in the following table:

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Airport fees	25,184	19,397	5,787
Parking	9,092	6,512	2,580
Revenues from construction services	13,061	4,191	8,870
Other	7,036	27,305	(20,269)
TOTAL IFRS 15 REVENUE STREAMS	**54,373**	**57,405**	**(3,032)**
Commercial/non-comm. sub-licenses	12,478	9,980	2,498
TOTAL NON IFRS 15 REVENUE STREAMS	**12,478**	**9,980**	**2,499**
TOTAL NON IFRS 15 Revenues	93	23	70
TOTAL REVENUE	**66,944**	**67,408**	**(464)**

i. Revenues from aeronautical services

The table below shows aviation revenues in H1 2023 and H1 2022.

This category of revenues grew 24.7% as closely linked to the increase in passenger traffic (reporting a similar percentage increase).

In thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Centralised infrastructure/other airport services	429	358	71
Exclusive use revenues	485	413	72
Airport fee revenues	35,107	28,929	6,178
PRM revenues	3,080	2,473	607
Air traffic development incentives	(13,123)	(12,108)	(1,015)
Handling services	1,428	1,215	213
Other aeronautical revenues	1,639	2,007	(368)
Reduction in revenues from aeronautical services to doubtful debt provision	(12)	0	(12)
TOTAL REVENUES FROM AERONAUTICAL SERVICES	**29,033**	**23,287**	**5,746**

The breakdown of airport fee revenues is shown below:

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Passenger boarding fees	15,985	12,670	3,315
Landing, take-off and parking fees	11,850	10,241	1,609
Passenger security fees	4,995	4,035	960
Baggage stowage control fees	1,942	1,575	367
Freight loading and unloading charges	417	410	7
Reduction for provision	(82)	(2)	(80)
TOTAL AVIATION FEE REVENUES	**35,107**	**28,929**	**6,178**

ii. Revenues from non-aeronautical services

The table below shows non-aviation service revenues in H1 2023 and H1 2022.

The strong growth (+31.9%) is due to the increase in passenger traffic, with the increase in revenues from services directly linked to traffic and others (parking 39.6%, Marconi Business Lounge 65.7%, sub-concessions of premises and areas 24.5% and advertising 39.8%).

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Commercial premises and spaces sub-concession	11,272	9,055	2,217
Parking	9,092	6,512	2,580
Other commercial revenues	3,781	2,745	1,036
TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES	**24,145**	**18,312**	**5,833**

The breakdown of the item “Other commercial revenues” is as follows:

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Marconi Business Lounge	1,501	906	595
Advertising	790	565	225
Misc. commercial revenues	1,490	1,274	216
TOTAL OTHER COMMERCIAL REVENUES	**3,781**	**2,745**	**1,036**

Finally, “other commercial revenues” also grew significantly, mainly in terms of revenues related to the maintenance and hire of operating vehicles and, in general, increased operational levels.

iii. Revenues from construction services

Revenues from construction services concern the construction services undertaken by the Aeroporto Guglielmo Marconi di Bologna S.p.A. Group on behalf of the ENAC granting entity for the capital investments previously commented upon in relation to the Concession Rights in Note 1.

These revenues amounted to Euro 13.1 million, compared to Euro 4.2 million in H1 2022, due to investments in airport infrastructure under concession; see Directors’ Report for further information.

iv. Other Revenue and Income

The table below shows other revenues and income in H1 2023 and H1 2022.

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Compensation, reimbursements and other income	443	323	120
Operating and plant grants	243	158	85
Revenues from Terminal Value on Provision for Renewal	28	0	28
Reduction in commercial revenues to Provision for doubtful accounts/Other	(9)	0	(9)
COVID-19 compensation fund contribution as per 2021 Budget Law	0	21,137	(21,137)
TOTAL OTHER REVENUES AND INCOME	**705**	**21,618**	**(20,913)**

Net of the contribution recognised in the comparative period deriving from the COVID damage compensation fund, as per the 2021 Budget Law, the movement of other revenues and income between the two periods was not significant.

COSTS

Total costs in H1 2023 increased 41.7% on 2022. Isolating the “construction service costs” item which is linked to the increased investment in airport infrastructure in 2023, the adjusted costs increased 19.1% due to the increase in nearly all components, mainly costs for services, the airport concession fee and personnel costs.

21. Costs

i. Consumables and goods

The table below presents consumables and goods in H1 2023 and H1 2022.

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Consumables and goods	586	485	101
Maintenance materials	111	70	41
Fuel and gasoline	1,075	1,292	(217)
TOTAL CONSUMABLES AND GOODS	**1,772**	**1,847**	**(75)**

This category of costs decreased slightly on the first half of 2022 (-4%), mainly in terms of the reduced purchases of General Aviation aircraft fuel due to the contraction in movements. This reduction was partly offset by increased purchases of consumables and operating furnishings for the passenger terminals.

ii. **Service costs**

The following table shows the breakdown of services costs for H1 2023 and H1 2022.

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Maintenance costs	2,724	2,388	336
Utilities	1,743	1,466	277
Cleaning and accessory services	1,263	1,069	194
Services	3,254	2,703	551
MBL Services	249	163	86
Advertising, promotion and development	388	288	100
Insurance	621	538	83
Professional and consultancy services	1,052	798	254
Statutory board fees and expenses	363	337	26
Other service costs	256	264	(8)
TOTAL SERVICE COSTS	**11,913**	**10,014**	**1,899**

Service costs increased by 19% on H1 2022. The largest increases were for maintenance and services (see the table at the end of this section), as a result of the growth in traffic and in operations which generally underlies the increase in service costs, such as in particular the shuttle service to transport passengers to/from the parking lots. This latter was not present in the first half of 2022 as temporarily suspended due to the drop in traffic as a result of COVID and was reinstated only from the second half of 2022.
Costs for utilities also increased, mainly due to the significant increase in the cost of methane gas, which has moved from a fixed tariff to a variable tariff. Finally, also professional services and consultancy costs increased, due mainly to the launch of new initiatives, such as for example those related to the investment in Urban V Spa, personnel selection and legal expenses.

A breakdown of maintenance expenses is provided below:

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Owned asset maintenance expenses	647	562	85
Airport infrastructure maintenance expenses	1,746	1,568	178
Third party asset maintenance expenses	331	258	73
TOTAL MAINTENANCE EXPENSES	**2,724**	**2,388**	**336**

The breakdown of services is illustrated below:

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Snow clearance	274	277	(3)
Porterage, transport third-party services	476	66	410
PRM assistance service	467	419	48
De-icing and other public service charges	210	210	0
Security service	995	1,003	(8)
Other outsourcing	832	728	104
TOTAL SERVICES	**3,254**	**2,703**	**551**

iii. Construction service costs

Construction service costs concern the construction costs incurred by Aeroporto Guglielmo Marconi di Bologna S.p.A. Group for the capital investments previously commented upon in relation to the Concession Rights in Note 1.

iv. Leases, rentals and other costs

The following table shows the breakdown of leases, rentals and other costs for H1 2023 and H1 2022.

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Concession fees	3,674	2,717	957
Hire charges	87	111	(24)
Rental charges	155	18	137
EDP processing charges	892	773	119
Other rental & hire costs	104	6	98
TOTAL LEASES, RENTALS AND OTHER COSTS	**4,912**	**3,625**	**1,287**

The increase in this category of costs (35.5%) is due to the airport concession fee, mainly as a result of higher traffic volumes on which basis it is calculated.

v. Other operating expenses

The following table shows the breakdown of other operating expenses for H1 2023 and H1 2022.

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Misc. and local taxes	786	666	120
Fire prevention service contribution	751	639	112
Capital losses	55	3	52
Other operating costs and expenses	305	171	134
TOTAL OTHER OPERATING EXPENSES	**1,897**	**1,479**	**418**

The increase in this category of costs (28.3%) is due to the increase in tax charges, particularly the TARI, waste tax, in addition to the estimate of the fire prevention service fee.

vi. Personnel costs

The following table shows the breakdown of personnel costs for H1 2023 and H1 2022.

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Wages and salaries	10,618	9,083	1,535
Social security expenses	3,063	2,628	435
Severance provisions	752	687	65
Retirement pension and similar	102	97	5
Other personnel costs	744	553	192
TOTAL PERSONNEL COSTS	**15,279**	**13,048**	**2,232**

The increase in personnel costs (17.1%) is due to the expanded workforce, mainly of operational staff (+48 staff), which also resulted in higher “other personnel costs”, as detailed in the following table. In addition to the increase in the workforce, the higher costs in the first half of 2023 was due also to the absence of the Extraordinary Temporary Lay-Off Scheme applied in the initial months of 2022, although in low percentages, the greater use of overtime and the lower use of vacations.

"Other personnel costs" are broken down in the following table:

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Employee canteen	312	244	68
Personnel training and refresher courses	93	96	(2)
Employee expenses	104	37	67
Misc. personnel costs	178	94	84
Other personnel provisions	57	82	(25)
TOTAL OTHER PERSONNEL COSTS	**744**	**553**	**192**

The average headcount by category in the periods under consideration is shown below:

Average workforce (No.)	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Executives	8	8	0
Managers	415	378	37
Blue-collar	97	86	11
TOTAL PERSONNEL	**520**	**472**	**48**

The headcount at the end of the two periods under consideration was as follows:

Workforce (number)	As at 30.06.2023	As at 30.06.2022	Change
Executives	8	8	0
Managers	445	406	39
Blue-collar	102	93	9
TOTAL PERSONNEL	**555**	**507**	**48**

22. Depreciation, amortisation and impairment

The following table shows the movement of depreciation, amortisation and impairment for the periods ended June 30, 2023 and 2022.

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Amortisation/impairment of Concession Rights	4,101	3,704	397
Amortisation of other intangible assets	252	184	68
Depreciation/impairment of tangible assets	1,091	1,028	63
TOTAL DEPRECIATION AND AMORTISATION	**5,444**	**4,916**	**528**

The depreciation and amortisation is in line with the effects of the full year application from the progressive roll-out of investments over the last twelve months (see Investment Chapter in the Directors' Report and notes 1 and 2).

The increase in the item "Amortisation/Impairment of Concession Rights" is mainly due to the General Aviation fuel distribution plant which is scheduled for demolition in the second half of 2023 as part of the work on the construction of the third lot apron (see the Investments section of the Directors' Report).

Depreciation of tangible assets includes Euro 273 thousand of depreciation of the right-to-use assets in accordance with IFRS 16.

There are no amounts for the impairment of fixed assets in this category.

23. Provisions for risks and charges

The following table shows the movement of the provisions for risks and charges for the periods ended June 30, 2023 and 2022.

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Provisions for doubtful accounts	538	408	130
Provision for renewal of airport infrastructure	1,351	1,177	174
Provisions for other risks and charges	697	109	588
TOTAL PROVISIONS	**2,586**	**1,694**	**892**

This category of costs increased due to the accruals to:

- the provision for doubtful accounts for Euro 538 thousand, compared to Euro 408 thousand in the comparative period, following the updated assessment on the collection of trade receivables. In addition to the above-mentioned amount, the write-down of receivables during the first half of 2023 derives from the reduction of revenues accrued during the period for a further Euro 147 thousand;
- the provision for renewal of airport infrastructure, which represents the amount accrued during the period of the costs of restoration and replacement of the airport infrastructure to be returned to ENAC at the end of the concession in a state of efficiency and full operation. The increased provision derives from the half-yearly updating of the restoration and replacement schedule;
- to other provisions for risks and charges resulting, mainly, from the half-yearly update of interest on the fire prevention service fee payable due to the significant increase in the legal interest rate.

24. Net financial income and expenses

The following table presents the breakdown of financial income and expenses for H1 2023 and H1 2022.

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Income from securities	10	9	1
Other income	409	7	402
Discounting income on provisions	16	813	(797)
TOTAL FINANCIAL INCOME	**435**	**829**	**(394)**
Interest expenses and bank charges	(851)	(358)	(493)
Discounting charges on provisions	(392)	(26)	(366)
Interest charges for discounting of liabilities for leasing	(16)	(3)	(13)
Other financial expenses	(306)	(257)	(49)
TOTAL FINANCIAL EXPENSES	**(1,565)**	**(644)**	**(921)**
TOTAL FINANCIAL INCOME AND EXPENSES	**(1,130)**	**185**	**(1,315)**

In terms of financial income, “other financial income” includes the yield in the period from the Time Deposits acquired at the end of 2022 and therefore not present in the comparative period. On the other hand, the income from the discounting of provisions for the first half of 2022 reduced to almost zero in the first half of 2023, due to the expectation of decreasing interest rates which leads to higher charges from the discounting of provisions. Interest expenses on loans and “other financial expenses” mainly comprise the costs for the SACE guarantee for the loans drawn down in 2020 by the Parent Company. The latter is verifying the possibility to take actions to reduce the cost of debt.

25. Taxes for the period

The following table shows the taxes for the period for H1 2023 and H1 2022.

in thousands of Euro	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Current taxes	1,147	530	617
Deferred tax income and charges	1,610	1,095	515
TOTAL TAXES FOR THE PERIOD	**2,757**	**1,625**	**1,132**
% current taxes on pre-tax result	**11.98%**	**1.98%**	**10%**
% taxes for the period on pre-tax result	**28.80%**	**6.03%**	**23%**

The estimate for income taxes for the first half of 2023 was Euro 2.7 million, compared to Euro 1.6 million for the first half of 2022. With reference to IRES, we highlight the renewal for the 2021-2023 three-year period of the option for Group taxation. The estimated IRES tax charge for the first half of 2023 concerns the consolidated tax charge, corresponding to IRES of 24% on realised income net of the use of the residual portion of the tax losses recognised in 2020, in addition to the portion recognised in 2021, whose utilisation affects the percentage of current taxes compared to that of deferred taxes.

The reconciliation between the IRES effective and theoretical tax rate is illustrated below:

IRES effective/theoretical Tax Rate Reconciliation	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
Pre-tax result	9,572	26,962	(17,390)
Ordinary tax rate	**24.00%**	**24.00%**	**0%**
Theoretical tax charge	2,297	6,471	(4,174)
Effect of increases and decrease to the ordinary rate			
Provisions deductible in future years	1,455	634	821
Costs deductible in future years	1,768	1,589	179
Other non-deductible costs	498	504	(6)
Utilisation provisions deductible in future years	(51)	(257)	206
Costs not deductible in previous years	(1,320)	(1,190)	(130)
Other differences	(1,517)	(1,323)	(194)
Contribution COVID compensation fund	0	(21,137)	21,137
Prior ACE use	0	(1,485)	1,485
Utilisation prior year losses	(8,482)	(3,337)	(5,145)
Release deferred tax assets/deferred tax liabilities	198	(126)	324
Total increase/decrease	**(7,451)**	**(26,128)**	**18,677**
Assessable income	**2,121**	**834**	**1,287**
Current IRES	509	200	309
Effective IRES rate	**5.32%**	**0.74%**	**-1.77%**

The breakdown of current income taxes is illustrated below:

Breakdown of current taxes for the year	for the half year ended 30.06.2023	for the half year ended 30.06.2022	Change
IRES	509	200	309
IRAP	609	333	276
Taxes from previous year	29	(3)	32
TOTAL	**1,147**	**530**	**617**

26. Related party transactions

For the definition of "Related Parties", reference should be made to IAS 24, approved by Regulation (EC) No. 1725/2003.

Intercompany transactions are carried out within the scope of ordinary operations and at normal market conditions. Related party transactions principally concern commercial and financial transactions, in addition to participation in the tax consolidation. None of these have particular economic or strategic significance for the company as they do not account for a significant percentage of the total financial statement amounts.

The Bologna Chamber of Commerce shareholders were identified as a Government party, therefore exempt from the disclosure regarding related parties as defined by IAS 24. The categorisation of the Bologna Chamber of Commerce as a Government party therefore limited the checks required for the identification of related parties to the mere identification of the Bologna Chamber of Commerce. No additional information is reported in the financial statements concerning transactions undertaken by the company with the Bologna Chamber of Commerce as no significant transactions are undertaken with this shareholder.

The following related party transactions was carried out in the period:

Transactions with subsidiary companies

Commercial transactions between the Parent Company and the subsidiary Tag Bologna S.r.l., in terms of receivables, principally concern the provision of operating services (vehicle maintenance and security services), administration and legal services, including the compensation, reversed to the employer AdB, of directors of the Parent Company, in addition to the twenty-year sub-concession of the General Aviation traffic assistance infrastructure for Euro 53 thousand (Euro 60 thousand in H1 2022).

Adb payables to the subsidiary mainly concern the capital grant for the covering of General Aviation terminal infrastructure operation and maintenance costs for the boarding and disembarking of passengers, against the financial advantage for AdB of including these costs in the calculation of passenger boarding fees. In addition to that above, we indicate the H24 contract. Overall, H1 2023 costs for TAG totalled Euro 237 thousand, compared to Euro 228 thousand in H1 2022.

Non-commercial transactions with Tag concerned:

- the tax consolidation contract renewed on the basis of the Board of Directors' motions of the companies Aeroporto Guglielmo Marconi di Bologna Spa of January 25, 2021 (consolidating company) and Tag Bologna Srl of February 22, 2021 (consolidated company) for the years 2021-2023;
- a letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena), equal to the residual principal, which at the end of the period amounted to Euro 1.5 million.

Commercial transactions between the Parent Company and the subsidiary Fast Freight Marconi S.p.A. concern mainly the provision by AdB of the following services:

- sub-concession of offices, areas and operating rooms;
- management and staffing, including the following staff services: accounting, administration, finance, operating control, management reporting, personnel, legal, ICT, personnel secondment and directors' competences and Supervisory Board;
- packages and goods x-ray controls.

Revenues in the year from the subsidiary amount to Euro 241 thousand, compared to Euro 181 thousand in H1 2022. This increase is mainly attributable to the greater use of seconded personnel.

Non-commercial transactions with FFM included:

- the tax consolidation contract renewed on the basis of the Board of Directors' motions of the companies Aeroporto Guglielmo Marconi di Bologna Spa of January 25, 2021 (consolidating company) and FFM of February 17, 2021 (consolidated company) for the years 2021-2023;
- the co-obligation of AdB in a number of FFM's guarantees for Euro 6.1 million, the most significant of which (at Euro 5.8 million) is the guarantee issued by UnipolSai to the customs authority on request of FFM for a customs dispute in which the subsidiary is involved. For more information, see the Directors' Report.

Transactions with other related parties

During the period, the Group undertook commercial transactions with subsidiaries of the shareholder Mundys Spa (Edizione Srl) as follows:

- Telepass Spa: under the contract for the supply of electronic parking payment services using the Telepass system, the Parent Company incurred costs of Euro 93 thousand (Euro 78 thousand in H1 2022) and had payables of Euro 83 thousand (Euro 49 thousand at June 30, 2022);
- Malpensa Logistica Europa Spa for cargo handling services provided by FFM for Euro 1 thousand and cargo agency payables of approximately Euro 3 thousand.

Finally, at June 30, 2023 the parent company incurred costs for professional services provided by the investee Urban V for Euro 100 thousand.

27. Commitments, guarantees and risks

Environmental investment commitments

The Parent Company, through the Regional Agreement for a Low-Carbon Airport, signed with regional authorities in 2015 and updated in January 2020, has committed to perform work with a maximum total cost of Euro 9.3 million. These investments will be carried out over a period consistent with the timeframe for implementation of the airport Master Plan.
These works include the creation of a large wooded area to the north of the airport (including a cycle path that can be used by the community) covering an area of 40 hectares, on which work began in the period, a nature conservation project on the site of Community interest SIC IT4050018 "Golena San vitale" and the design and funding of a cycle path linking the airport to the residents of Bologna and Lippo di Calderara di Reno. For the latter works, the design phase continued during the period under review.
The outlay associated with the commitment described above, which will also contribute to the definition of future tariffs, has been taken into due account as part of the analyses carried out to verify the recoverability of the concession fees recorded in the financial statements.

Finally, in terms of “airport noise”, AdB recently declared its commitment to establishing a long-term fund to support soundproofing measures for those residential buildings most exposed to the airport’s noise impact. The value of this fund - supplementing the proceeds of the “IRESA” tax - will be established and disbursed based on subsequent analyses and agreements. The information to make a reliable estimate on the amount of the obligation assumed is currently not available, which is an essential requirement for the recognition of a liability as per IAS 37. As soon as additional information is available, the impacts on future financial statements shall be made.

Guarantees granted

At June 30, 2023, the guarantees granted by the Group total Euro 23.4 million, compared to Euro 22.3 million at December 31, 2022. For further details, please see the specific chapter of the Directors’ Report.

Types and management of other risks

With regards to the disclosure concerning the types and means of financial risk management under Article 2428, paragraph 2 No. 6 bis, reference should be made to the specific section of the Directors’ Report, also with regards to the comment upon the other risks to which the Group is subject.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to the end of the half year that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements with reference to the amounts reported at June 30.

As outlined in greater detail in the Directors’ Report, despite the very strong traffic developments in the period, the Group operates within an uncertain general economic and geopolitical environment featuring tightened monetary policy, a general loss of global economic momentum and within a sector shaped by a combination of particularly challenging factors. Within this environment, summer season 2023 traffic - which so far has been particularly strong - has enabled the delivery of results which have beat even the most optimistic forecasts at the beginning of the year in terms of volumes, leading to strong financial results, although margins have been impacted by the general economic environment and inflation.

Over the coming months, the Group will continue to be committed to overcoming the limits of the infrastructure capacity of certain subsystems, through various measures which will affect passengers and a proactive focus on improving service quality. This is against a backdrop of fully functioning infrastructure and operational processes. In addition, the Group will continue to work on introducing digital transformation and sustainability initiatives, including those related to exceeding airport noise zoning limits, as outlined in greater detail in the Directors' Report.

The Transportation Regulatory Authority (ART), at its meeting of July 13, adopted a resolution of final compliance with the tariff model approved in Resolution No. 92/2017 in relation to the proposed revision of airport charges prepared by AdB, following the incorporation of the corrective measures prescribed by the Authority in Resolution No. 82 of April 28, 2023. Taking account of the completion of the preliminary investigation with ART for the setting of the 2023-2026 tariffs, the activities ahead of the signing of the ENAC-AdB 2023-2026 "Regulatory Agreement" shall be completed shortly.

Finally, it should be noted that the resolutions and prerequisite procedural acts related to the approval of the new tariffs, which already incorporate the corrective measures prescribed by ART on April 28, 2023, were appealed to the President of the Republic on August 25 by the couriers-carriers DHL, Fedex and UPS. The Parent Company has already identified counsel and the main arguments to defend the procedural acts for which the plaintiffs seek annulment. Information regarding the progress of litigation will be provided in future reports on operating performance.

Reference should be made to the Directors' Report for further information on the business outlook.

The Chairperson of the Board of Directors

(Enrico Postacchini)

Bologna, September 6, 2023

Declaration on the condensed consolidated financial statements as per Article 154-*bis*, paragraph 5, CFA

1. The undersigned Nazareno Ventola, as Chief Executive Officer, and Patrizia Muffato, as Executive Officer for Financial Reporting, of Aeroporto Guglielmo Marconi di Bologna S.p.A., declare, also in consideration of Article 154-*bis*, paragraphs 3 and 4 of Legislative Decree No. 58 of February 24, 1998:

   - the accuracy of the information on company operations and
   - the effective application

   of the administrative and accounting procedures for the compilation of the condensed half-year financial statements for the first half-year of 2023.

2. The valuation of the adequacy of the accounting and administrative procedures for the preparation of the condensed consolidated half-year financial statements at June 30, 2023 is based on a process defined by Aeroporto Guglielmo Marconi di Bologna S.p.A. in accordance with the Internal Control - Integrated Framework defined by the Committee of the Sponsoring Organisations of the Treadway Commission, which represents a benchmark standard generally accepted at international level.

3. We also declare that:

   3.1 the condensed half-year financial statements as at June 30, 2023:

   a) are drawn up in conformity with the applicable international accounting standards recognised by the European Union in conformity with Regulation (CE) No. 1606/2002 of the European Parliament and the Commission of 19 July 2002;
   b) corresponds to the underlying accounting documents and records;
   c) provide a true and fair view of the financial position, financial performance and cash flow of the Issuer and of the other companies in the consolidation scope.

   3.2 The Interim Directors' Report includes a reliable analysis of the significant events in the first six months of the year and their impact on the condensed consolidated half-year financial statements, with a description of the principal risks and uncertainties for the remaining six months. It also presents a reliable analysis of the significant transactions with related parties.

Bologna, September 6, 2023

Chief Executive Officer	**Officer in charge of preparing the corporate accounting documents**
(Nazareno Ventola)	(Patrizia Muffato)

Aeroporto Guglielmo Marconi di Bologna S.p.A.

Review report on the interim condensed consolidated financial statements

(Translation from the original Italian text)

EY S.p.A.
Via Massimo D'Azeglio, 34
40123 Bologna

Tel: +39 051 278311
Fax: +39 051 236666
ey.com

Review report on the interim condensed consolidated financial statements
(Translation from the original Italian text)

To the Shareholders of
Aeroporto Guglielmo Marconi di Bologna S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in shareholders' equity and the related explanatory notes of Aeroporto Guglielmo Marconi di Bologna S.p.A. and its subsidiaries (the "Aeroporto Guglielmo Marconi di Bologna Group") as of June 30, 2023. The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Aeroporto Guglielmo Marconi di Bologna Group as of June 30, 2023 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Bologna, September 6, 2023

EY S.p.A.
Signed by: Marco Menabue, Statutory Auditor

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

EY S.p.A.
Sede Legale: Via Meravigli, 12 – 20123 Milano
Sede Secondaria: Via Lombardia, 31 – 00187 Roma
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