

Consolidated Interim Financial Report at September 30, 2023

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





Consolidated Interim Financial Report

Aeroporto Guglielmo Marconi di Bologna Group

At September 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 September 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 September 30, 2023

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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 period ended September 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 September 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:

- passenger service fees: 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;
- take-off and landing fees: 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);
- aircraft parking fees, calculated according to maximum weight at take-off and the duration of stay;
- cargo fees based on the weight of the cargo carried by aircraft;
- refuelling fees, assessed per cubic metre of fuel supplied to aircraft.

The Aviation SBU's other major revenue sources are:

- departing passenger security fees: these fees are due for providing security check services, including the personnel and equipment used by the manager to provide this service;
- checked baggage security fees: these fees are due for the equipment and personnel responsible for performing such checks;
- PRM fees: they include the fees paid for services for passengers with reduced mobility and are based on the number of departing passengers (PRM and otherwise);
- fees for the exclusive use of premises: 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

The restrictive monetary policies of the major advanced economies, the slowdown in Chinese economic output (also due to the real estate crisis) and the international tensions stemming from the continuation of the war in Ukraine and heightened by the recent terrorist attacks in Israel, are a drag on the global economic outlook. According to the IMF's forecasts published in October, global GDP growth is expected to decline to an average over the 2023-2024 two-year period of slightly under 3% (from 3.5% in 2022), with downside risks mainly stemming from the sluggish sale of goods, which impacts upon international trade prospects, and rising energy prices, which have begun to rise once again. According to the Bank of Italy, the Eurozone GDP stagnation emerging in 2022 has continued. It reflects tighter lending conditions and the impacts of high inflation on household purchasing power. Both manufacturing and services output remain weak, with signs of labour market cooling also emerging. In Italy, according to the Bank of Italy's estimates and assessments, the phase of weakened output has continued beyond the second quarter of 2023, extending both to manufacturing and services. Domestic demand remains weak, reflecting tighter lending conditions, the erosion of household income due to inflation and a less vibrant labour market. Exports have been impacted by slack global demand and Eurozone economic activity levels.

Consumer and core inflation in Europe in September declined to 4.3% and to 4.5% respectively. The decrease in consumer prices, according to the ECB, was driven by reduced inflation for the main basket of goods and services items, supporting a marked decline in prices in 2024 (to 3.2%) and in 2025 (to 2.1%). Long-term inflationary expectations based on the markets therefore remain in line with the price stability objective. Core inflation however, although declining, remains high in view of the acceleration of the prices of a number of regulated components or those typically linked to past inflation trends.

The price of oil (Brent quality) rose to approx. USD 90 per barrel in early October (from nearly USD 75 at the beginning of July). The increase reflects the production cuts by the OPEC+ countries (over one million barrels per day) and the voluntary supply reduction by Saudi Arabia and Russia (1.3 million barrels per day). The risk of rising prices may stem from the escalation of tensions in the Middle East. The price of natural gas for the European markets (Title Transfer Facility, TTF) rose to approx. Euro 40 per megawatt hour at the beginning of October, from slightly under Euro 35 at the beginning of July. This trend reflects the usual seasonal dynamics as the winter approaches, but also the fears of disruption to global liquefied natural gas supplies caused by strikes at a number of production sites in Australia. Although storage facilities in the European Union are reaching maximum capacity, risks of higher gas prices over the coming months remain due to the uncertainty stemming from the rising geopolitical tensions on the one hand, and the recovery of European and Asian demand for industrial uses and potential higher consumption on the other, should the coming winter be harsher than normal. Weak global demand and in particular the slowdown in China place downward pressure on industrial metal and agricultural commodity prices. Contrary to the trend of the general index, rice prices have been on the rise due to export restrictions from India. Thanks to increased supply from Russia, the increasing grain prices seen in July have settled back after the conclusion of the agreement between the latter and Ukraine to allow exports from the Ukrainian ports. (*Source: Bank of Italy Economic Bulletin, October 2023*).

Against this backdrop, the IATA reports that passenger traffic in the first nine months of 2023 has recovered well, continuing to indicate the full recovery of pre-pandemic domestic traffic, which remains resilient. Global passenger traffic in September was 2.7% under pre-COVID numbers, while however seeing uneven developments. Domestic traffic is driving the recovery - up 5.0% on 2019 - while international traffic remains 6.9% 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 underlines that, based on predictive sales statistics, although the overall recovery for the coming months shall also be driven by strong international traffic - offsetting a slowdown in the recovery of domestic traffic - expectations

remain cautious in the face of the potential challenges within the current environment. September's global cargo traffic is up on the same month of 2022 (+1.9%), reflecting a particularly poor comparative month and the second increase since February 2022. The cargo segment, however, although impacted by the cooling of demand during the period under analysis, has demonstrated resilience and continues its slow recovery and readjustment phase after the period of strong growth in 2021. Cargo transport was therefore affected 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, September 2023*).

European passenger traffic in the first nine months of 2023 was 5.9% 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 11.2% on 2019, worsening due to the general economic and geopolitical environment (Source: *ACI Europe, October 2023*).

Italian passenger numbers continued to recover on pre-pandemic levels again in the first nine months of 2023, reporting a substantial volume recovery on 2019 (+1.6%), driven by the strong domestic traffic performance. In September, passenger traffic was up 4.8% on the 2019 level. Cargo traffic in the first nine months was however 1.6% lower than 2019 domestically (Source: *Assaeroporti and Aeroporti 2030, October 2023*).

Bologna Airport reports substantially improved passenger traffic in the first nine months of 2023 compared to pre-pandemic levels (+7.5% on the first nine months of 2019). A two-speed recovery is confirmed, driven by the major improvement for domestic traffic (+26.5% vs 2019), while international traffic was still 2.5% lower than the same period of 2019, with the traffic mix featuring a 68.7% contribution from the low-cost carriers. In the first nine months of 2023, Bologna Airport ranked seventh in Italy by number of passengers and third by cargo volume transported (Source: *Assaeroporti and Aeroporti2030, October 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:

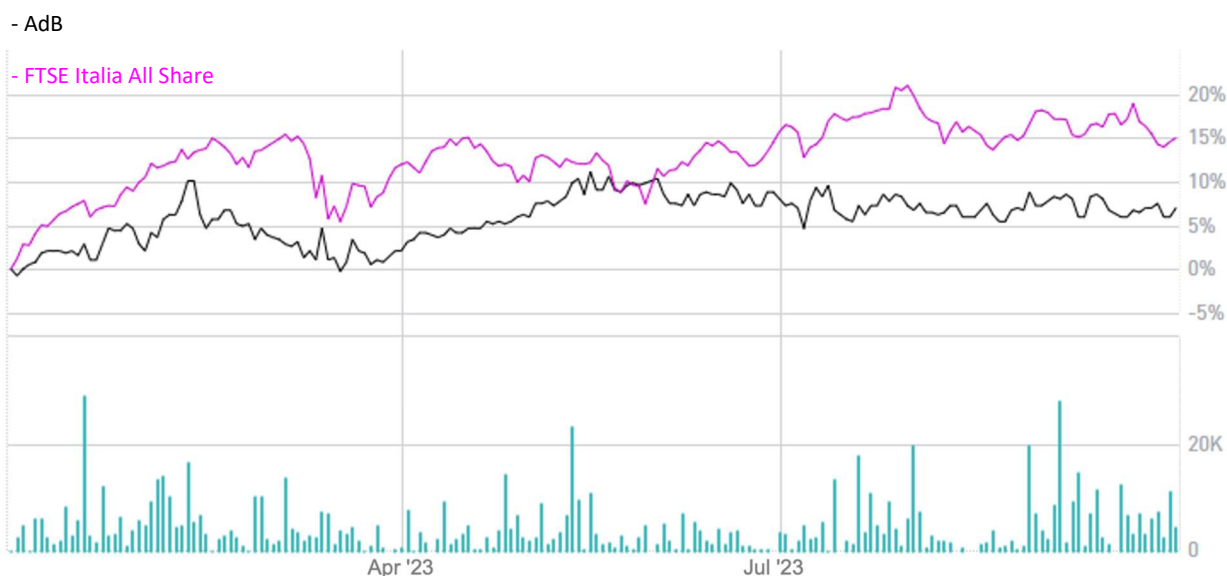
- the share performance between January 1, 2023 and September 30, 2023;
- tracking of the company's share performance against the FTSE Italia all-share index.

On September 30, 2023, the official share price was Euro 8.28 per share, resulting in an AdB Group market capitalisation of approximately Euro 299 million at that date.

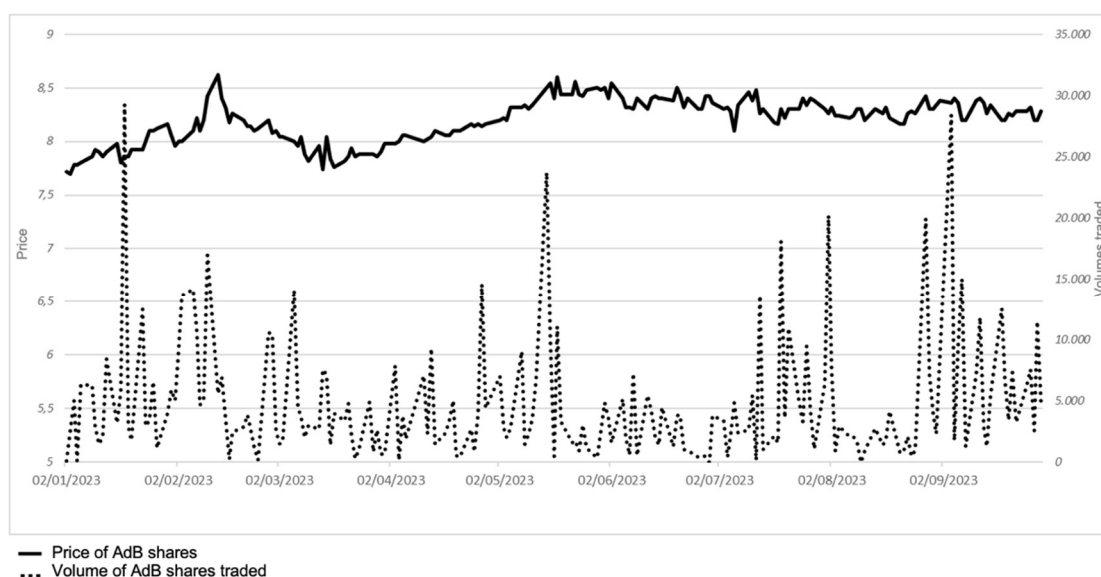
AdB share performance (01/01/2023-30/09/2023)



AdB share and FTSE Italia All-Share performance (01/01/2023-30/09/2023)



AdB share performance – prices and volumes (01/01/2023-30/09/2023)



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 nine 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 market confidence, particularly with the global pandemic behind us and the first signs of inflation easing, which was followed by a stabilisation phase. 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.

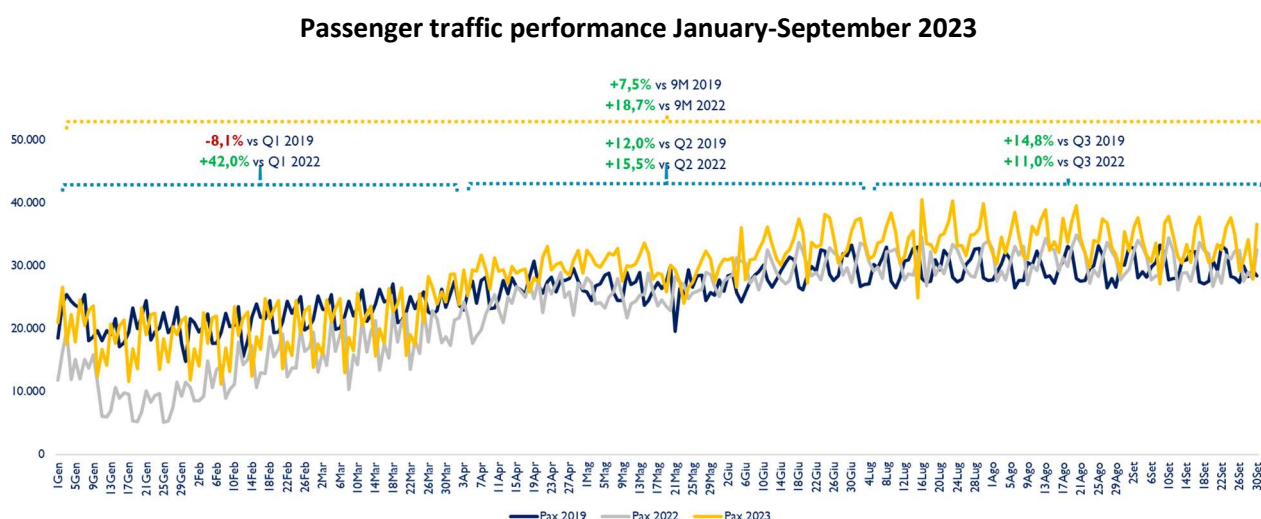
2 KEY OPERATING RESULTS ANALYSIS

2.1 AVIATION STRATEGIC BUSINESS UNIT

2.1.1 AVIATION STRATEGIC BUSINESS UNIT: TRAFFIC DATA

The first nine months of 2023 in fact saw a gradual recovery of 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, with all-time monthly traffic records reported for the airport.

During the first nine months of the year, the airport recorded a total of 7,716,841 passengers, an increase on the first nine months of 2022 (+18.7%), which was shaped by the Omicron variant outbreak and Russia's aggression towards Ukraine, with 60,161 movements (+10.9%) and 37,783 tonnes of cargo transported (-6.7%). The airport also saw a 7.5% passenger traffic increase on 2019, with July representing a record month for the airport, thereby officially putting the COVID "black period" behind us. Movements however were still 2.2% lower, while cargo traffic was 4% higher. The average load factor increased from 78.8% in the first nine months of 2022 to 83.3% in the first nine months of 2023. The average aircraft load also increased on the first nine months of 2019 (81.9%).



	January-September 2023	January-September 2022	Change % 2023-2022	January-September 2019	Change % 2023-2019
Passengers	7,716,841	6,498,592	18.7%	7,175,435	7.5%
Movements	60,161	54,270	10.9%	58,844	2.2%
Tonnage	4,186,432	3,708,016	12.9%	3,864,679	8.3%
Cargo	37,783,053	40,484,261	(6.7%)	36,336,775	4.0%

Data includes General Aviation and transits

Passenger traffic breakdown	January-September 2023	% of total	January-September 2022	% of total	January-September 2019	% of total	Change % 23-22	Change % 23-19
Legacy	2,365,411	30.7%	1,718,490	26.4%	2,918,751	40.7%	37.6%	(19.0%)
Low-cost	5,302,991	68.7%	4,743,064	73.0%	4,133,751	57.6%	11.8%	28.3%
Charter	35,968	0.5%	21,435	0.3%	103,847	1.4%	67.8%	(65.4%)
Transits	4,620	0.1%	7,264	0.1%	12,307	0.2%	(36.4%)	(62.5%)
Total Commercial Aviation	7,708,990	99.9%	6,490,253	99.9%	7,168,656	99.9%	18.8%	7.5%
General Aviation	7,851	0.1%	8,339	0.1%	6,779	0.1%	(5.9%)	15.8%
Total	7,716,841	100.0%	6,498,592	100.0%	7,175,435	100.0%	18.7%	7.5%

Low-cost traffic saw increased volumes compared to 2019 (+28.3%), whereas legacy traffic saw a slower recovery (-19.0% compared to 2019) and a contraction in movements on 2019, despite a recovering aircraft load factor. These different growth trends altered the traffic mix, resulting in an increase in the share of low-cost traffic, which offers lower margins, from 57.6% in the first nine months of 2019 to 68.7% for 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, in addition to the unstable general economic and geopolitical environment, from summer 2022 a significant recovery on 2019 was evident, reflecting the benefit from “revenge tourism” as a result of the lifting of movement restrictions.

The domestic segment recovered quicker, with passengers on domestic flights exceeding pre-pandemic levels (+26.5% on 2019), while the international segment continues to be impacted by the current general economic and geopolitical uncertainties, although exceeding 2019’s levels (+2.5%).

Passenger traffic breakdown	January-September 2023	% of total	January-September 2022	% of total	January-September 2019	% of total	Change % 23-22	Change % 23-19
Domestic	1,894,302	24.5%	1,736,818	26.7%	1,497,138	20.9%	9.1%	26.5%
International	5,814,688	75.4%	4,753,435	73.1%	5,671,518	79.0%	22.3%	2.5%
Total Commercial Aviation	7,708,990	99.9%	6,490,253	99.9%	7,168,656	99.9%	18.8%	7.5%
General Aviation	7,851	0.1%	8,339	0.1%	6,779	0.1%	(5.9%)	15.8%
Total	7,716,841	100.0%	6,498,592	100.0%	7,175,435	100.0%	18.7%	7.5%

Despite the partial limitations on international travel again in the winter season, especially to and from East Asia, six of the top ten destinations were overseas cities, with Barcelona the most popular with approximately 336 thousand passengers.

Main passenger traffic routes	January-September 2023	January-September 2022	Change % 2023-2022	January-September 2019	Change % 2023-2019
Catania	463,725	421,845	9.9%	305,237	51.9%
Barcelona	336,332	285,007	18.0%	296,094	13.6%
Palermo	239,116	277,381	(13.8%)	202,517	18.1%
Paris CDG	214,650	199,811	7.4%	227,961	(5.8%)
Tirana	214,078	145,607	47.0%	119,416	79.3%
Madrid	206,070	210,307	(2.0%)	226,359	(9.0%)
London LHR	190,529	145,621	30.8%	237,392	(19.7%)
Istanbul	184,045	130,588	40.9%	149,354	23.2%
Brindisi	183,708	163,981	12.0%	143,904	27.7%
Frankfurt	182,812	135,884	34.5%	244,194	(25.1%)

Passenger traffic including transits

Cargo Traffic

(in KG)	January-September 2023	January-September 2022	Change % 2023-2022	January-September 2019	Change % 2023-2019
Air cargo of which	30,479,891	31,419,676	(3.0%)	28,346,057	7.5%
Cargo	30,479,585	31,372,231	(2.8%)	28,323,925	7.6%
Mail	306	47,445	(99.4%)	22,132	(98.6%)
Road cargo	7,303,162	9,064,585	(19.4%)	7,990,718	(8.6%)
Total	37,783,053	40,484,261	(6.7%)	36,336,775	4.0%

Cargo traffic in the first nine months of 2023 reports cargo and mail traffic at Bologna of 37,783,053 Kg, decreasing 6.7% 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 macroeconomic and financial tensions, although some signs of recovery emerged at the end of September.

An overall increase in cargo traffic of 4.0% is reported for the first nine months of 2023 compared to the same period of 2019.

2.1.2 AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Total change vs 2022	% change vs 2022	For the nine months ended 30.09.2019	% Change
Passenger Revenues	43,450	36,576	6,874	18.8%	45,908	-5.4%
Carrier Revenues	22,886	20,427	2,459	12.0%	19,547	17.1%
Airport Operator Revenues	3,151	3,881	(730)	-18.8%	2,757	14.3%
Traffic Incentives	(21,945)	(20,762)	(1,183)	5.7%	(19,568)	12.1%
Revenues from Construction Services	15,474	8,703	6,771	77.8%	9,881	56.6%
Other revenues	1,308	1,061	247	23.3%	1,127	16.1%
Aeronautical and FSC Revenue Reduction	(82)	(2)	(80)	n.a.	0	n.a.
Total AVIATION SBU Revenues	64,242	49,884	14,358	28.8%	59,652	7.7%

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 nine months 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 28.8% overall on 2022 and down 7.7% on 2019. The individual accounts broke down as follows:

- Passenger Revenues (+18.8% on 2022 and -5.4% on 2019): passenger revenues are in line with the trend in passenger traffic and in tariffs, which in the first nine months of 2023 were substantially unchanged on 2022 (same tariffs for the January-May period; average tariff in line with 2022 in the June-August period and slightly decreasing from September), although reducing on 2019;
- Carrier Revenues (+12% on 2022 and +17.1% 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 (-18.8% on 2022 and +14.3% on 2019): revenues benefited from traffic volumes and particularly from General Aviation, which generates fuel service revenues, responsible for the contraction on 2022;
- Incentives: the movement in incentives (+5.7% on 2022 and +12.1% on 2019) relates to the incentivised traffic performance;

- Revenues from Construction Services: the increase in this item (+77.8% on 2022 and +56.6% 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

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Total change vs 2022	% change vs 2022	For the nine months ended 30.09.2019	% Change
Retail and Advertising	13,811	10,980	2,831	25.8%	11,677	18.3%
Parking	15,120	11,909	3,211	27.0%	12,899	17.2%
Real Estate	2,248	2,235	13	0.6%	1,831	22.8%
Passenger services	5,667	4,344	1,323	30.5%	4,731	19.8%
Revenues from Construction Services	1,334	594	740	124.6%	1,434	-7.0%
Other revenues	2,293	1,958	335	17.1%	2,246	2.1%
Non-Aeronautical and FSC Revenue Reduction	0	0	0	n.a.	0	n.a.
Total NON AVIATION SBU Revenues	40,473	32,020	8,453	26.4%	34,818	16.2%

total non-aviation business revenues in the period increased 26.4% on 2022 and 16.2% on 2019.

The individual areas of this business unit performed as follows.

Retail and Advertising

Performance in this revenue category (+25.8% on 2022 and +18.3% 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 (+27% on 2022 and +17.2% 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 slight increase on 2022 derives from the revaluation of contracts and from new operators.

Passenger services

In the first nine months of 2023, passenger services posted growth of 30.5% on 2022 and of 19.8% 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 the January-September 2023 period, 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 (+124.6% on 2022 and -7% 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 (+17.1%) is mainly attributable to the increased maintenance on the vehicles of airport operators and the penalties resulting from the delays in executing the lot III aircraft apron construction works.

Compared to 2019 (+2.1%) the increase derives from the sale of de-icing fluid (in the same period of 2019 the new management of fluid, acquired and managed by AdB and sold to the service handler to undertake the service was not yet present), from the extraordinary contribution to partially offset the increased charges incurred for electricity and natural gas acquired and actually utilised (received as a non-energy intensive and non-gas intensive enterprise which has seen an increase of greater than 30% in the corresponding average price against the same quarter of 2019), accruing in the first and second quarter of 2023, 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, and from the application of the above penalties.

2.3 STRATEGIC BUSINESS UNIT OTHER

2.3.1 STRATEGIC BUSINESS UNIT OTHER: FINANCIAL HIGHLIGHTS

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Total change vs 2022	% change vs 2022	For the nine months ended 30.09.2019	% Change
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 the first nine months of 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

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Total change vs 2022	% change vs 2022	For the nine months ended 30.09.2019	% change vs 2019
Revenues from aeronautical services	47,657	40,347	7,310	18.1%	48,890	-2.5%
Revenues from non-aeronautical services	39,168	31,506	7,662	24.3%	33,502	16.9%
Revenues from construction services	16,808	9,296	7,512	80.8%	11,315	48.5%
Other operating revenues and income	1,082	21,892	(20,810)	-95.1%	763	41.8%
REVENUES	104,715	103,041	1,674	1.6%	94,470	10.8%
Consumables and goods	(2,581)	(3,118)	537	-17.2%	(1,590)	62.3%
Service costs	(18,182)	(15,745)	(2,437)	15.5%	(14,992)	21.3%
Construction service costs	(16,007)	(8,854)	(7,153)	80.8%	(10,776)	48.5%
Leases, rentals and other costs	(7,987)	(6,240)	(1,747)	28.0%	(6,499)	22.9%
Other operating charges	(2,944)	(2,306)	(638)	27.7%	(2,426)	21.4%
Personnel costs	(22,983)	(20,047)	(2,936)	14.6%	(21,958)	4.7%
COSTS	(70,684)	(56,310)	(14,374)	25.5%	(58,241)	21.4%
GROSS OPERATING PROFIT/(LOSS) (EBITDA)	34,031	46,731	(12,700)	-27.2%	36,229	-6.1%
Amortisation of concession rights	(6,181)	(5,573)	(608)	10.9%	(4,643)	33.1%
Amortisation of other intangible assets	(399)	(324)	(75)	23.1%	(904)	-55.9%
Depreciation of tangible assets	(1,576)	(1,541)	(35)	2.3%	(2,060)	-23.5%
DEPRECIATION, AMORTISATION AND IMPAIRMENT	(8,156)	(7,438)	(718)	9.7%	(7,607)	7.2%
Provisions for doubtful accounts	(493)	(745)	252	-33.8%	(516)	-4.5%
Provision for renewal of airport infrastructure	(1,946)	(1,584)	(362)	22.9%	(1,795)	8.4%
Provisions for other risks and charges	(1,132)	(224)	(908)	405.4%	(306)	269.9%
PROVISIONS FOR RISKS AND CHARGES	(3,571)	(2,553)	(1,018)	39.9%	(2,617)	36.5%
TOTAL COSTS	(82,411)	(66,301)	(16,110)	24.3%	(68,465)	20.4%
OPERATING RESULT	22,304	36,740	(14,436)	-39.3%	26,005	-14.2%
Financial income	611	1,311	(700)	-53.4%	88	594.3%
Financial expenses	(2,411)	(965)	(1,446)	149.8%	(1,007)	139.4%
RESULT BEFORE TAXES	20,504	37,086	(16,582)	-44.7%	25,086	-18.3%
TAXES FOR THE PERIOD	(5,845)	(4,490)	(1,355)	30.2%	(7,184)	-18.6%
PROFIT (LOSS) FOR THE PERIOD	14,659	32,596	(17,937)	-55.0%	17,902	-18.1%
Profit (loss) for the period - Minority interests	0	0	0	n.a.	0	n.a.
Profit (loss) for the period – Group	14,659	32,596	(17,937)	-55.0%	17,902	-18.1%

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

A consolidated profit of Euro 14.7 million is reported for the first nine months of 2023 (Euro 32.6 million in the first nine months of 2022), of which Euro 21.1 million due to the contribution from the COVID-19 compensation fund. Net of this extraordinary contribution, the first nine months 2022 (comparative period) profit (against which we compare the result for the same period in 2023) would be Euro 11.5 million, for growth therefore of 27.9%.

Operating revenues overall grew 1.6% on 2022 and 10.8% 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 18.1% on 2022, due to the strong traffic performance, while decreasing 2.5% 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 24.3% on 2022 and 16.9% on 2019 due to the performance of the various category components, as outlined in the relative section;
- **revenues from construction services** grew (+80.8% on 2022 and +48.5% on 2019) due to the increased aviation and non-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 43.3% on 2022. The increase on 2019 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, while compared to 2022, in addition to condominium charges, the penalties from the delays in executing the construction works of the lot III aircraft apron contributed.

Period **costs** overall increased 25.5% on the same period of 2022 and 21.4% on 2019.

These break down as follows:

- ✓ **costs for consumables and goods** contracted 17.2% on 2022, due to the reduced purchases of General Aviation aircraft fuel as a result of the decline in movements, offset in part by increased purchases of consumables and operational furnishings for the passenger terminal. The 62.3% 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 (+15.5%), 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, shuttles for off-site parking, utilities, professional and consulting services, cleaning, development and promotion, and insurance; Service costs also increased on 2019 (+21.3%) due to higher costs for utilities, maintenance, shuttles for off-site parking, security services, cleaning, professional and consulting services, and insurance;
- ✓ the movements in the **lease, rentals and other costs** account (+28% on 2022 and +22.9% on 2019) is mainly due to the change in traffic volume, on whose basis the concession and security fees are calculated, in addition to the increased data processing fees and rental charges;
- ✓ **other operating expenses** increased 27.7% on 2022 and 21.4% 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 34 million** is reported for the first nine months of 2023, compared to Euro 46.7 million in 2022, which benefited significantly from the Compensation fund contribution, and to Euro 36.2 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 **Euro 8.2 million**, compared to Euro 7.4 million in the comparative period; rising Euro 718 thousand related to the advancement of the investment plan and the upcoming demolition of the General Aviation fuel distribution plant, scheduled for the final quarter of 2023, as part of the works for the construction of the “third lot” aircraft apron. The increase in **provisions** (Euro 1,018 thousand) is due to the higher accruals, mainly 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 22.3 million** (compared to Euro 36.7 million in 2022), while compared to Euro 26 million for 2019 (-14%), which represents a better comparison as a period not impacted by the COVID damages contribution.

Net financial expense of **Euro 1.8 million** is reported, compared to net financial income of Euro 346 thousand in the previous year, due to the increased charges from the discounting of the provisions and the higher interest expense on loans and accessory costs for the SACE guarantee on loans drawn down on 2020 by the parent company. In order to reduce these latter and to optimise the financial structure and improve the debt maturity profile, the Parent Company in September repaid in advance the Intesa Sanpaolo Spa loan with SACE guarantee of Euro 33.9 million and agreed a new ESG KPI Linked Loan with Credit Agricole Italia for Euro 15 million and 60 months duration, which stipulates a bonus on the contractually-agreed spread on the achievement of certain ESG KPI's. In particular, commitments were agreed to progressively reduce the amount of climate-altering gas emissions, together with an increased self-generation of electricity from renewable sources.

The **Result before taxes** in the first nine months of 2023 was a profit of **Euro 20.5 million**, compared to Euro 37.1 million for the first nine months of 2022 and Euro 25.1 million for the first nine months of 2019.

Income taxes are estimated at **Euro 5.8 million**, compared to Euro 4.5 million for 2022, with the latter owing to the tax relief on the COVID-19 contribution, and Euro 7.2 million in 2019.

The **result for the period**, entirely concerning the Group, was a profit of **Euro 14.7 million**, significantly recovering on the pandemic-affected years, although contracting on a net profit of Euro 17.9 million for 2019 (-18.1%).

The **EBITDA adjusted** for the construction services margin, the contribution of the Covid damages compensation fund and the revenues from TV on the Provision for Renewal is presented below:

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Total change vs 2022	% change vs 2022	For the nine months ended 30.09.2019	% change vs 2019
Revenues from aeronautical services	47,657	40,347	7,310	18.1%	48,890	-2.5%
Revenues from non-aeronautical services	39,168	31,506	7,662	24.3%	33,502	16.9%
Other operating revenues and income	944	755	189	25.0%	763	23.7%
ADJUSTED REVENUES	87,769	72,608	15,161	20.9%	83,155	5.5%
Consumables and goods	(2,581)	(3,118)	537	-17.2%	(1,590)	62.3%
Service costs	(18,182)	(15,745)	(2,437)	15.5%	(14,992)	21.3%
Leases, rentals and other costs	(7,987)	(6,240)	(1,747)	28.0%	(6,499)	22.9%
Other operating charges	(2,944)	(2,306)	(638)	27.7%	(2,426)	21.4%
Personnel costs	(22,983)	(20,047)	(2,936)	14.6%	(21,958)	4.7%
ADJUSTED COSTS	(54,677)	(47,456)	(7,221)	15.2%	(47,465)	15.2%
ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)	33,092	25,152	7,940	31.6%	35,690	-7.3%
Revenues from construction services	16,808	9,296	7,512	80.8%	11,315	48.5%
Construction service costs	(16,007)	(8,854)	(7,153)	80.8%	(10,776)	48.5%
Construction Services Margin	801	442	359	81.2%	539	48.6%
Revenues from TV on Provision for Renewal	138	0	(138)	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)	34,031	46,731	(12,700)	-27.2%	36,229	-6.1%

Adjusted revenues were up 20.9% on the first nine months of 2022 and 5.5% on the same period of 2019. **Adjusted costs** rose 15.2% on 2022 and on 2019, resulting in **adjusted EBITDA of Euro 33.1 million**, compared to Euro 25.2 million in 2022 (+31.6%), although lower than the Euro 35.7 million for 2019 (-7.3%).

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	Q3 2023	Change % vs 2022	Change % vs 2019
Passenger Traffic	1,803,185	42.0%	-8.1%	2,781,930	15.5%	12.0%	3,131,726	11.0%	14.8%
INCOME STATEMENT (in thousands of Euro)	Q1 2023	Change % vs 2022	Change % vs 2019	Q2 2023	Change % vs 2022	Change % vs 2019	Q3 2023	Change % vs 2022	Change % vs 2019
ADJUSTED REVENUES	21,044	45.8%	-5.1%	29,227	21.7%	8.9%	32,005	14.3%	8.7%
Revenues from aeronautical services	10,606	43.1%	-13.5%	15,098	21.2%	-1.6%	16,785	14.7%	-1.1%
Revenues from non-aeronautical services	10,189	48.5%	5.3%	13,574	21.6%	21.7%	14,905	14.2%	21.9%
Other operating revenues and income	249	59.6%	5.2%	555	41.1%	56.6%	315	2.8%	34.6%
ADJUSTED COSTS	(15,736)	24.7%	9.9%	(17,401)	18.5%	13.5%	(17,578)	12.4%	20.1%
Personnel costs	(6,926)	20.3%	1.7%	(7,538)	15.7%	1.1%	(7,310)	10.6%	9.3%
Other operating expenses	(8,810)	28.3%	17.2%	(9,863)	20.8%	25.3%	(10,268)	13.7%	29.1%
ADJUSTED EBITDA	5,308	193.6%	-32.4%	11,826	26.7%	2.7%	14,427	16.7%	-2.5%
ADJUSTED EBITDA MARGIN	25.2%	n.a.	n.a.	40.5%	n.a.	n.a.	45.1%	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	As at 30.09.2023	As at 30.09.2022	Change
Cash flow generated / (absorbed) by operating activities before working capital changes	33,419	46,407	(12,988)
Cash flow generated / (absorbed) by net operating activities	13,433	51,758	(38,325)
Cash flow generated / (absorbed) by investing activities	27,993	(10,521)	38,514
Cash flow generated / (absorbed) by financing activities	(25,625)	(3,665)	(21,960)
Change in closing cash flow	15,801	37,572	(21,771)
Cash and cash equivalents at beginning of period	27,868	28,215	(347)

Change in closing cash flow	15,801	37,572	(21,771)
Cash and cash equivalents at end of period	43,669	65,787	(22,118)

Cash flow generated by operating activities before working capital changes amounted to Euro 33.4 million, against Euro 46.4 million in the first nine months of 2022.

Net of the Euro 21.1 million contribution from the COVID-19 compensation fund recognised in 2022, an improvement over 2022 of Euro 8.1 million is reported.

Working capital absorbed cash of Euro 20 million in the period, due to:

- the increase in gross trade receivables of Euro 15.7 million and of other receivables for Euro 8.1 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 4 million, in addition to those for the payment of taxes for Euro 2.4 million.

In terms of sources, trade payables increased Euro 4.2 million, with “other payables” increasing Euro 5.8 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 13.4 million**, compared to a cash generation of Euro 51.7 million in 2022.

The generation of cash flows of Euro 28 million from **investing activities** was due to:

- from the generation of resources of Euro 15 million for the receipt of overdue time deposits and for Euro 30 million for the reclassification to cash and cash equivalents of the time deposits with a residual duration of less than 3 months;
- the absorption of cash from **investment activities** in tangible and intangible assets, mainly concession rights for **Euro 17 million**, compared to Euro 10.5 million in the comparative period.

Financing activities absorbed cash flows of **Euro 25.6 million**, due to:

- the voluntary early settlement of the Intesa Sanpaolo Spa loan with SACE guarantee for Euro 33.9 million;
- the repayment of the maturing loan instalments;
- the receipt of a new loan for Euro 15 million;
- the settlement of lease liabilities.

As a result, the **final overall change in cash** for the period was a positive **Euro 15.8 million**.

The Group’s net financial position at September 30, 2023 compared to December 31, 2022 and September 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.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	for the year ended 31.12.2022	For the nine months ended 30.09.2022	Change 30.09.2023 31.12.2022	Change 30.09.2023 30.09.2022
A Cash	13,174	27,868	65,787	(14,694)	(52,613)
B Other cash equivalents	30,495	0	0	30,495	30,495
C Other current financial assets	0	45,058	0	(45,058)	0
D Liquidity (A+B+C)	43,669	72,926	65,787	(29,257)	(22,118)
E Current financial payables	(2,208)	(2,819)	(2,900)	611	692
F Current portion of non-current debt	(12,322)	(14,976)	(12,141)	2,654	(181)
G Current financial debt (E + F)	(14,530)	(17,795)	(15,041)	3,265	511
H Net current financial debt (G - D)	29,139	55,131	50,746	(25,992)	(21,607)
I Non-current financial payables	(24,998)	(47,605)	(53,406)	22,607	28,408
J Debt instruments	0	0	0	0	0
K Trade payables and other non-current payables	(178)	(521)	(642)	343	464
L Non-current financial debt (I + J + K)	(25,176)	(48,126)	(54,048)	22,950	28,872
M Total net financial Position (H + L)	3,963	7,005	(3,302)	(3,042)	7,265

The Group Net Financial Position at September 30, 2023 was a cash position of **approximately Euro 4 million**, compared to Euro 7 million at December 31, 2022 (Euro 3.3 million at September 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 13.4 million;
- the cash flow absorbed from investing activities for Euro 17 million;
- the cash flow generated from the maturity of time deposits for Euro 15 million;
- the cash flow absorbed from financing activities for Euro 25.6 million.

In terms of payables, significant differences are reported between the periods reviewed due to the settlement by AdB of the Intesa Sanpaolo loan with SACE guarantee and the signing of a new loan with Credit Agricole.

3.3 FINANCIAL POSITION ANALYSIS

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

USES	As at 30.09.2023	As at 31.12.2022	As at 30.09.2022	Change 30.09.2023 31.12.2022	Change 30.09.2023 30.09.2022
-Trade receivables	27,895	12,672	22,669	15,223	5,226
- Tax receivables	422	387	152	35	270
- Other Receivables	11,700	4,775	9,505	6,925	2,195
- Inventories	917	912	939	5	(22)
Sub-total	40,934	18,746	33,265	22,188	7,669
-Trade payables	(29,108)	(24,869)	(25,560)	(4,239)	(3,548)
- Tax payables	(3,235)	(2,923)	(2,785)	(312)	(450)
- Other payables	(38,577)	(32,256)	(35,067)	(6,321)	(3,510)
Sub-total	(70,920)	(60,048)	(63,412)	(10,872)	(7,508)
Net operating working capital	(29,986)	(41,302)	(30,147)	11,316	161
Fixed assets	230,001	220,367	219,358	9,634	10,643
- Deferred tax assets	6,464	10,002	10,167	(3,538)	(3,703)
- Other non-current assets	15,611	13,869	13,700	1,742	1,911
Total fixed assets	252,076	244,238	243,225	7,838	8,851
- Provisions for risks, charges & severance	(19,168)	(17,673)	(16,194)	(1,495)	(2,974)
- Deferred tax liabilities	(2,801)	(2,843)	(2,847)	42	46
- Other non-current liabilities	(101)	(115)	(55)	14	(46)
Sub-total	(22,070)	(20,631)	(19,096)	(1,439)	(2,974)
Fixed Operating Capital	230,006	223,607	224,129	6,399	5,877
Total Uses	200,020	182,305	193,982	17,715	6,038

SOURCES	As at 30.09.2023	As at 31.12.2022	As at 30.09.2022	Change 30.09.2023 31.12.2022	Change 30.09.2023 30.09.2022
Net Financial Position	3,963	7,005	(3,302)	(3,042)	7,265
- 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	(14,659)	(31,109)	(32,596)	16,450	17,937
Group Shareholders' Equity	(203,983)	(189,310)	(190,680)	(14,673)	(13,303)
- Minority Interests	0	0	0	0	0
Total Shareholders' Equity	(203,983)	(189,310)	(190,680)	(14,673)	(13,303)
Total sources	(200,020)	(182,305)	(193,982)	(17,715)	(6,038)

Net invested capital at June 30, 2023 was **Euro 200 million**, increasing Euro 17.7 million on December 31, 2022, mainly due to the increase in investments, principally concerning concession rights - the fixed capital increased Euro 6 million to Euro 252 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 30 million, due to the greater increase in receivables than payables.

In terms of sources, at September 30, 2023 a net financial position of approximately Euro 4 million is reported, compared to Euro 7 million at December 31, 2022, while **consolidated and Group Shareholders' Equity** amounted to **Euro 204 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 September 30, 2023 to be immaterial due to their interim nature.

3.5 INVESTMENTS

Investments in the first **nine months of 2023** totalled Euro 17.3 million, of which **Euro 12.1 million** concerning infrastructural investment and in fulfilment of the Masterplan requirements, and an additional Euro 5.2 million regarding sustainability, innovation, quality and airport operations focused investments.

The main infrastructure investments concerned:

- **Aircraft Parking Lot 3 expansion:** in Q3 2023, the expansion of Apron 3 was completed and it became partially operational; work continued on the construction of a new fuel facility for General Aviation flights. Work on the installation of new VALs (Visual Aid Lights) will soon commence, following completion of the work on the light towers and related video surveillance systems;
- **New Laminating Plant:** the installation of a new airport run-off water overflow system, replacing the existing basin known as the Olmi Quarry, has been completed; redevelopment of the area where the current basin is located remains to be completed;
- **Redevelopment of the cargo area:** the work to reconfigure the cargo area to increase the storage capacity of the existing cargo infrastructure, reorganising internal spaces and maximising the areas for storing import and export cargo is concluding.
- **Curbside reconfiguration 1st floor:** at September 30, work on upgrading and adjusting the landside spaces located outside the passenger terminal on the first floor was close to completion.
- **Schengen Departure Hall Reconfiguration:** work has started on expanding the Schengen departure hall, involving the expansion of landside areas, rearrangement and improvement of the existing passenger flow structure, and optimisation of the commercial areas;
- **New perimeter roadway:** work has started on the new perimeter roadway; this comprises the execution of urbanisation works to commission the roadway and the future construction of fuel depots and aprons;
- **New Multistorey Car Park:** the tender has been awarded for the construction of a new multistorey car part made up of two separate buildings (Car Park A and Car Park B) distributed across eight storeys (ground floor + 7 upper floors), which will house 2,218 parking spaces.

- **Security and Passport Control Area Redevelopment:** work continues with an aim to raise the efficiency of the terminal's main control subsystems, including security checks and passport control and increase the level of quality and service offered to passengers.

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

- **environmental compensation**, 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 EIA Decree Masterplan and the Regional Implementing Agreement for the Decarbonisation of G. Marconi Airport, compensating for the environmental impact of airport operations. In June, work began on creating the wooded strip, including the autumn planting phase;
- **new photovoltaic plants**, including the installation of roof panels on the BHS building, the start of work to build a more powerful plant than the existing one on the terminal roof and the completion and approval of the technical and financial feasibility study for the construction of a ground-mounted photovoltaic plant to the north of the runway;
- **further energy efficiency measures and renewal**, including lighting, charging points for electric vehicles, together with new electric cars to renew the company vehicle fleet and a rainwater recovery system to harvest rainwater;
- **work on technological systems** (completion of the second evaporation tower serving the Terminal's air conditioning chillers, air conditioning of the boarding bridges, new generators at the freight building, adaptation of the smoke and heat evacuation system in line with regulations) **and information technology measures**;
- upgrading of the **new access road** with the installation of new dynamic signage at the airport entrance;
- installation of a new **"dual view" x-ray machine** to inspect goods to comply with current regulations;
- construction of a **new compass** near the **MBL** area to improve management of passenger flows and allow the creation of a dedicated entrance for the Marconi Express.

Provisions for Renewal

The total **cyclical renewal and maintenance works on the airport infrastructure** and plant at September 30, 2023 was **Euro 2,157 million**, of which:

- Euro 935 thousand for airside restoration work owing to deterioration in the layer of paving on the taxiway and on the taxi lane;
- Euro 752 thousand for landside work to maintain operations (upgrade of access road and refurbishment of terminal toilets);
- Euro 470 thousand for work on plant (replacement cogeneration plant engine, public information screens, lifts, automatic doors and gates, uninterruptible power supplies and de-icing machinery).

3.6 PERSONNEL

Workforce breakdown

	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Total change vs 2022	% change vs 2022	For the nine months ended 30.09.2019	Total change vs 2019	% change vs 2019
Full Time Equivalent average workforce	487	441	46	10%	496	-9	-2%
Executives	8	8	0	0%	9	(1)	-11%
Managers	40	36	4	11%	32	8	25%
White-collar	346	313	33	11%	357	(11)	-3%
Blue-collar	93	84	9	11%	98	(5)	-5%

	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Total change vs 2022	% change vs 2022	For the nine months ended 30.09.2019	Total change vs 2019	% change vs 2019
Average workforce	534	483	51	11%	546	-12	-2%
Executives	8	8	0	0%	9	(1)	-11%
Managers	40	36	4	11%	32	8	25%
White-collar	388	352	36	10%	404	(16)	-4%
Blue-collar	98	87	11	13%	101	(3)	-3%

Source: Company workings

The change to the workforce (+46 FTE compared to 2022 and -9 FTE compared to 2019) almost exclusively concerns operating personnel, and therefore related to the traffic performance for the three periods under review.

Costs

	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Total change vs 2022	% change vs 2022	For the nine months ended 30.09.2019	Total change vs 2019	% change vs 2019
Personnel costs	22,983	20,047	2,936	14.6%	21,958	1,025	4.7%

Personnel costs for 9M 2023 increased by 14.6% 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;
- increase in variable bonuses owing to business performance;
- increased costs for canteen, missions and social security charges.

Despite the contraction in the workforce, personnel costs rose 4.7% 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, and the increase in variable bonuses.

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 the January-September period, both of which were funded:

- “*Eng-Agement*,” Personal & Team Development 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.

Management training courses were also held, including the funded “SDG Action Manager” course for members of the sustainability/gender committees, the “Leadership and Error Culture” course, for senior executives, and the funded “Presentation Design Tools - beyond PowerPoint” course for all personnel; Delivery of the Front Line and Disruptive Passenger Relations course continued. This was for front line 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 anticipate any aggressive attitudes. Delivery of cyber-security courses, which are mandatory for all AdB staff, also continued.

Finally, refresher courses for security personnel from 2023 onward shall be delivered in-house by an ENAC-certified Training Centre instructor who, in addition to annual refresher training for colleagues, delivers introductory training for new security aspirants in preparation for the ENAC exam. In 9M 2023, seven groups of newly aspiring security officers were trained, each consisting of an average of 10 people.

As regards safety training, there were two important courses taken by the new assessor, Post Holder planning: Aerodrome Instructors and Assessors and Airport Operations in Conjunction with Construction Work.

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 September 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.

In the first nine months of 2023, FFM managed 17,575,293 Kg of cargo, with a 15% increase in traffic served compared to the previous year. Growth related to road traffic (22%), whereas air traffic fell slightly (-1%).

Against the above increase, FFM reported revenue growth of 7.5% and an increase in core operating costs of 10.6%, due to:

- higher costs for security services, customs services and other third-party services related to increased operations (14%);
- the increase in personnel costs (10.6%) also due to the posting of two resources not present in the same period of 2022.

As a result of the factors outlined above, EBITDA fell slightly (-3.2%) from Euro 516 thousand in the first nine months of 2022 to Euro 500 thousand for the same period in 2023, and EBIT from Euro 495 thousand to Euro 473 thousand, due to the substantial stability and reduced depreciation, amortisation and provisions. The profit for the period, finally, was Euro 358 thousand, compared to Euro 374 thousand in 9M 2022 (-4.4%).

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 51%) 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 September 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 nine months of 2023, General Aviation in Italy saw a 2% reduction in aircraft movements on 2022 and a 3.6% rise in passenger traffic (Source: Assaeroporti and Aeroporti 2030). Against this backdrop, the traffic served by TAG reduced 4% in terms of movements, 3% in terms of tonnage and 8% for passengers. Period revenues were lower than the first nine months of 2022 (-21%), due to weak traffic performance, 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 19%, mainly due to the reduced purchases of fuel, resulting in EBITDA of Euro 1.03 million (-9% on 9M 2022, adjusted for the COVID contribution) and a profit for the period of Euro 325 thousand (-53% on 9M 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 Q3 2023, the Group continued its commitment to the various activities launched and described in the “Sustainability” paragraph of the 2023 half-year financial statements, to which reference should be made for all further details, as well as rolling out investments to mitigate the environmental impact of the airport, as described in the “Investments” paragraph of this document.

The most significant actions of Q3 2023 include:

- joining the United Nations Global Compact, which publicly establishes the Group’s strong commitment to complying with and promoting the ten core principles regarding human rights and labour rights, the environment and the prevention of corruption, and to act to support the 17 Sustainable Development Goals (SDG) promoted with the UN 2030 Agenda;
- Bologna Airport’s bike friendly certification: Adb is the first airport management company to obtain the Bike Friendly Company certification from the FIAB (Italian Federation for the Environment and Bicycles), which officially recognises companies that demonstrate that they have created a working environment that promotes and supports the use of bikes;
- also regarding certifications, in September, Bologna Airport obtained its annual renewal of the Gender Equality Certification based on the UNI/PdR 125:2022 regulation obtained in September 2022, once again achieving a score of 100/100;
- the collaboration between Bologna Airport and Plastic Free Onlus for the progressive reduction and elimination of single-use plastic in food and beverage outlets at the airport and raising awareness on the subject of plastic pollution. The path to a “plastic-free” airport commits the retailers present, on a voluntary basis, to adopting a “virtuous” method of progressive reduction - with a goal of eliminating single-use plastic on sale to the public.

Lastly, in October, ADB received the ISO 30415:2021 certification for “Diversity and Inclusion”, which assesses the ability of a company to value the diversity present in the workplace, fostering inclusion. It is the first time that the ISO 30415 has been assigned to an Italian airport management company.

4.2 QUALITY

The positive trend in quality of service and passenger satisfaction, already noted in the first half of the year, continued once again in the summer quarter. The results were particularly positive, especially for services entirely concerning the Group, for which actions for improvement have been introduced since the beginning of the year in order to anticipate any critical issues over the summer. A very high level of satisfaction has been maintained with cleaning of the terminal and the toilets, for example, owing to a strengthening of the daily checks and work carried out in the terminal. Air conditioning of the boarding bridges, concluded by the start of the summer months, increased passenger satisfaction considerably. Satisfaction with the availability of charging points reached an optimal level, owing to the installation of additional points in 2022. Waiting times at the security checks were also significantly lower than those of the preceding year owing to a shrewd recruiting policy and Group organisation. Likewise, assistance times for arriving and departing PRM passengers were lower than those of the preceding year. As regards accessibility, major work was completed on the airport access road, contributing to allowing smoother access to the long-stay and short-stay car parks inside the airport site.

As regards the difficulties encountered in certain processes, particularly baggage collection, the Group has organised discussion groups with the handlers to analyse the current conditions and address potential measures for improvement in the short-medium-term, with an aim to support the process.

INDICATORS	First Nine Months 2023	First Nine Months 2022
Perception of the cleaning level and functionality of toilets	98.4	94
Perception of the availability of mobile phone and laptop recharging stations in common areas	91	71
Overall perception of the efficacy and accessibility of public information services	100	99
Perception of the clarity, comprehensibility and effectiveness of internal signage	100	99
Check-in waiting time	21'20''	23'39''
Perception of passport control waiting time	6'59''	9'59''
Wait time for departing PRM passengers with reservations	9'27''	9'35''
Wait time for arriving PRM passengers with reservations	5'41''	5'57''
First baggage return times	28'59''	26'59''
Last baggage return times	36'59''	34'59''
Boarding wait time for the 1st passenger	6'52''	7'12''

5 REGULATORY FRAMEWORK

This section presents the main developments in the period and until the date of approval of this Report in the legal and regulatory environment, while otherwise referring to the half-year report 2023.

5.1 REGULATORY AGREEMENT AND TARIFF DYNAMIC FOR 2023-2026

On October 6, 2023, at the ENAC headquarters in Rome, the ENAC-AdB “Regulatory Agreement” was signed for the 2023-2026 period.

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 have been 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 granted a legal defence mandate, having also identified counsel and the main arguments to defend the procedural acts for which the plaintiffs seek annulment.

On October 25, 2023, the “Guglielmo Marconi” Bologna Airport Users Annual Hearing was held to determine:

- the 2024 annual fees, report the 2022 fees
- update the level of fees applied as of September 1, 2023 on the basis of the amendments imposed by ART (Italy’s Transport Regulation Authority) resolution No. 82/2023;
- the final balance of fees recovered from airport users (plus or minus), with reference to the period between June 1, 2023 and August 31, 2023 and
- the fee review proposal for the PRM fee for 2024.

The 2024 PRM fee - which has dropped against the 2023 fee, partly owing to the effect of the progressive insourcing of the service by the Manager - was approved with a favourable vote by all of the eligible users present, in addition to the votes of those who were absent. At the end of the hearing, the Manager published the level of applicable fees for the new year on its website, also sending the update of the IATA ticketing system at the agencies for the sale of travel tickets by certified e-mail to those responsible in Italy, without prejudice to the provisions of Article 6.2 of the Directive Annex A1 to Resolution no. 92/2017 of July 6, 2017/2009/12/CE. The supervisory activity of the Italian Transport Regulation Authority (ART), under the terms of and in accordance with paragraph 6.1.2 of the ART Model, is still in progress, as in the case of ENAC supervision of the approved 2024 PRM fee.

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. AdB will challenge the first instance ruling at the Tax Court of Appeal. 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.

6 DISPUTES

This section outlines the disputes 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. Please refer to the 2023 Half-Year Report for comprehensive information.

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. AdB will challenge the first instance ruling at the Tax Court of Appeal.

All the Parties and State Entities involved in this relevant and long-standing litigation however still 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.

On October 11, 2023, the Italian Tax Agency - Bologna Provincial Branch nevertheless submitted an appeal, challenging the favourable result issued by the Tax Court of First Instance. The parent company's legal team will submit the appropriate counterclaims according to the time limits laid down by law, further illustrating the arguments supporting the positions of the Parent Company.

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 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 proceedings were combined and the company is currently waiting for the date of the hearing to be set.

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.

6.4 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, in relation to which, at the hearing of September 20, noting the impossibility of reaching an amicable settlement of the dispute, the Judge reserved the decision on the multiple requests of the parties.

6.5 Appeal against ENAC "fuelers" Regulation – LAZIO Regional Administrative Court

This is an appeal against the ENAC Regulation submitted by AdB for the cancellation, subject to adoption of the precautionary measure pursuant to Article 55, paragraph 10 of the Code of Administrative Procedure of ENAC Regulation on "provisions on the construction, purchase and operation of aviation fuel depots at airports open to commercial traffic entrusted under concession", published on May 26, 2023 (hereinafter, Regulation).

The Lazio Regional Administrative Court judges have set a public hearing on the merits for December 6, 2023.

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), and supported by declining inflation, despite the unstable geopolitical environment and the variability of the macroeconomic environment that has affected the current year (*Source: ACI World, 14th Advisory Bulletin on the impact of COVID-19 on the airport business - and the path to recovery, September 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 has 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 64% of its accounts receivable at September 30, 2023 are claimed from its top ten clients (50% at June 30 and 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 prudence 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 54.2% of the airport's total traffic volumes in the first nine months of 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.

In view of the performance for the first nine months of 2023, against the Y-o-Y forecasts, as indicators of impairment are not evident, the Group confirms the relative recoverability results of the amounts recognised to Concession rights at September 30, 2023, in addition to the Group's net capital employed.

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 schedule of passenger and cargo flights 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.

Following a unanimous decision of the members of the Airport "Noise" Commission, on October 26, ENAC, by Order of the Emilia-Romagna Territorial Directorate, has extended until March 31, 2024, both for take-off and landing, the operating procedures decided at the aforementioned inter-institutional technical tables and implemented in recent months, on an experimental basis. This assessed the positive results of the measures for the abatement of night flyover impacts on the city of Bologna, and always subject to the strict requirements for the safety and security of flight operations.

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 period.
- **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	30/09/2023	30/09/2022	Change	Change
Sureties	10,664	9,668	997	10%
Pledge on Equity Financial Instruments	10,873	10,873	0	0%
Patronage letters	1,332	1,840	(508)	-28%
Total guarantees provided	22,869	22,380	489	2%

At September 30, 2023, the guarantees granted by the Group total approx. Euro 22.9 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 1.3 million.

10 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

Bologna Airport passengers numbered 943,763 in October, increasing 16.9% on October 2019 (pre-COVID period) and 12.2% on October 2022. This represents the best October in Marconi's history.

Specifically, passengers on domestic flights particularly increased (230,280, +43.2% on October 2019 and +11.6% on October 2022), although international flight passenger numbers were also excellent (713,483, +10.3% on the same month of 2019 and +12.3% on the same month of 2022). Movements also increased to 6,996 (+12.3% on 2019 and +10.9% on 2022), while air cargo totalled 3,854 tonnes (+13.9% on 2019 and -8.7% on 2022).

The most popular Destinations in October 2023 were: Catania, Barcelona, Palermo, Tirana, Madrid, Frankfurt, Paris De Gaulle, Brindisi, Istanbul, and Bucharest.

Passengers in the January-October period numbered 8,652,753, up 8.5% on the same period of 2019 and 18.0% on the same period of 2022. In the first 10 months of 2023, movements totalled 63,352, up 2.7% on 2019 and 12.4% on 2022. Air cargo transported between January and October totalled 34,334 tonnes: +8.3 on 2019 and -3.5% on 2022.

Operating and Financial Performance and Business Outlook

According to ACI Europe's latest forecasts, the estimates for a recovery in passenger traffic in the present year were substantially revised upwards, to reach -4.5% on 2019. Demand has also proved resilient thanks to the support of "revenge tourism" and the reopening of the international traffic from the Asian market after the tight movement restrictions. The recovery however continues to be impacted by the inflationary pressures on the economy, rising travel costs and the geopolitical tensions. Again in 2024, although a recovery of pre-pandemic traffic levels is expected (+1.4% VS 2019), the performance will be impacted by the general sluggishness of the global economy, the still high level of inflation (particularly for energy goods), the availability of the needed raw materials and spare parts, and the continuously-evolving geopolitical tensions (*Source: ACI Europe, Airport Traffic Forecast, Revised Outlook 2023-2027, October 2023*). Eurocontrol forecasts on the recovery of air movements however remain more conservative, maintaining 2025 as the year for the complete recovery of 2019's numbers (*Source: Eurocontrol, Forecast update 2023-2029, October 2023*).

Taking a long-term view, also according to the ACI, future air traffic development shall be shaped by a combination of particularly challenging factors for the sector'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 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, 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.

The Chairperson of the Board of Directors

(Enrico Postacchini)

Bologna, November 14, 2023

Consolidated Financial Statements at September 30, 2023

Statement of Consolidated Financial Position

Consolidated Income Statement

Consolidated Statement of Comprehensive Income

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Statement of Consolidated Financial Position

<i>in thousands of Euro</i>	Notes	As at 30.09.2023	As at 31.12.2022
Concession rights		216,314	205,997
Other intangible assets		1,445	1,391
Intangible assets	1	217,759	207,388
Land, property, plant and equipment		10,625	11,362
Investment property		1,617	1,617
Tangible assets	2	12,242	12,979
Investments	3	119	119
Other non-current financial assets	4	15,231	13,489
Deferred tax assets	5	6,464	10,002
Other non-current assets	6	261	261
Other non-current assets		22,075	23,871
NON-CURRENT ASSETS		252,076	244,238
Inventories	7	917	912
Trade receivables	8	27,895	12,672
Other current assets	9	12,122	5,162
Current financial assets	10	0	45,058
Cash and cash equivalents	11	43,669	27,868
CURRENT ASSETS		84,603	91,672
TOTAL ASSETS		336,679	335,910

<i>in thousands of Euro</i>	Notes	As at 30.09.2023	As at 31.12.2022
Share capital		90,314	90,314
Reserves		99,010	67,887
Profit/(loss) for the period		14,659	31,109
GROUP SHAREHOLDERS' EQUITY	12	203,983	189,310
MINORITY INTERESTS		0	0
TOTAL SHAREHOLDERS' EQUITY	12	203,983	189,310
Severance and other personnel provisions	13	3,432	3,313
Deferred tax liabilities	14	2,801	2,843
Provision for renewal of airport infrastructure	15	10,449	10,541
Provisions for risks and charges	16	1,999	1,235
Non-current financial liabilities	17	25,176	48,126
Other non-current liabilities		101	115
NON-CURRENT LIABILITIES		43,958	66,173
Trade payables	18	29,108	24,869
Other liabilities	19	41,812	35,179
Provision for renewal of airport infrastructure	15	2,897	2,555
Provisions for risks and charges	16	391	29
Current financial liabilities	17	14,530	17,795
CURRENT LIABILITIES		88,738	80,427
TOTAL LIABILITIES		132,696	146,600
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		336,679	335,910

Consolidated Income Statement

<i>in thousands of Euro</i>	Notes	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022
Revenues from aeronautical services		47,657	40,347
Revenues from non-aeronautical services		39,168	31,506
Revenues from construction services		16,808	9,296
Other operating revenues and income		1,082	21,892
Revenues	20	104,715	103,041
Consumables and goods		(2,581)	(3,118)
Service costs		(18,182)	(15,745)
Construction service costs		(16,007)	(8,854)
Leases, rentals and other costs		(7,987)	(6,240)
Other operating charges		(2,944)	(2,306)
Personnel costs		(22,983)	(20,047)
Costs	21	(70,684)	(56,310)
Amortisation of concession rights		(6,181)	(5,573)
Amortisation of other intangible assets		(399)	(324)
Depreciation of tangible assets		(1,576)	(1,541)
Depreciation, amortisation and impairments	22	(8,156)	(7,438)
Provisions for doubtful accounts		(493)	(745)
Provision for renewal of airport infrastructure		(1,946)	(1,584)
Provisions for other risks and charges		(1,132)	(224)
Provisions for risks and charges	23	(3,571)	(2,553)
Total Costs		(82,411)	(66,301)
Operating result		22,304	36,740
Financial income	24	611	1,311
Financial expenses	24	(2,411)	(965)
Result before taxes		20,504	37,086
Taxes for the period	25	(5,845)	(4,490)
Profit (loss) for the period		14,659	32,596
Minority interest profit (loss)		0	0
Group profit for the period		14,659	32,596
Undiluted earnings/(loss) per share (in Euro)		0.41	0.91
Diluted earnings/(loss) per share (in Euro)		0.41	0.91

Consolidated Statement of Comprehensive Income

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022
Profit (loss) for the period (A)	14,659	32,596
<i>Other profits (losses) that will be reclassified in the net result for the period</i>	0	0
<i>Total other profits (losses) that will be reclassified in the net result for the period (B1)</i>	0	0
<i>Other profits (losses) that will not be reclassified in the net result for the period</i>		
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)
<i>Total other profits (losses) that will not be reclassified in the net result for the period (B2)</i>	16	285
Total other profits (losses), net of taxes (B1 + B2) = B	16	285
Total profits (losses), net of taxes (A + B)	14,675	32,881
of which Minority Interests	0	0
of which Group	14,675	32,881

Consolidated Cash Flow Statement

<i>in thousands of Euro</i>	As at 30.09.2023	As at 30.09.2022
Core income-generating operations		
Result for the period before taxes	20,504	37,086
Adjustments to items with no impact on cash and cash equivalents		
- Margin from construction services	(801)	(442)
+ Depreciation and amortisation	8,156	7,438
+ Provisions	3,571	2,553
+ Interest expense (income) for discounting and severance provisions	526	(1,248)
+/- Interest income and financial charges	1,274	902
+/- Losses/gains and other non-monetary costs/revenues	88	(23)
+/- Severance provisions and other personnel expenses	101	141
Cash flow generated/(absorbed) by operating activities before changes in working capital	33,419	46,407
Change in inventories	(5)	(204)
(Increase)/decrease in trade receivables	(15,707)	(3,266)
(Increase)/decrease in other receivables and current/non-current assets	(8,100)	(3,880)
Increase/(decrease) in trade payables	4,239	6,600
Increase/(decrease) in other liabilities, various and financial	5,881	8,561
Interest paid	(1,722)	(1,002)
Interest collected	120	0
Taxes paid	(2,393)	(23)
Severance and other personnel provisions paid	(45)	(92)
Use of provisions	(2,254)	(1,343)
Cash flow generated / (absorbed) by net operating activities	13,433	51,758
Purchase tangible assets	(1,241)	(1,030)
Purchases of intangible assets/concession rights	(15,766)	(9,491)
Changes in current and non-current financial assets	45,000	0
Cash flow generated / (absorbed) by investing activities	27,993	(10,521)
Loans received	15,000	0
Loans repaid	(40,244)	(3,231)
Payments of leasing capital share	(381)	(434)
Cash flow generated / (absorbed) by financing activities	(25,625)	(3,665)
Change in closing cash flow	15,801	37,572
Cash and cash equivalents at beginning of period	27,868	28,215
Change in closing cash flow	15,801	37,572
Cash and cash equivalents at end of period	43,669	65,787

Statement of changes in Consolidated Shareholders' Equity

<i>in thousands of Euro</i>	<i>Share capital</i>	<i>Share premium reserve</i>	<i>Legal Reserve</i>	<i>Other reserves</i>	<i>FTA Reserve</i>	<i>Actuarial profits/(losses) reserve</i>	<i>Profits (losses) Carried Forward</i>	<i>Profit (loss) for the period</i>	<i>Group Shareholders' Equity = shareholders' equity</i>
Shareholders' Equity at 31.12.2022	90,314	25,683	8,179	57,389	(3,272)	(658)	(19,435)	31,109	189,310
Allocation of the 2022 financial year result	0	0	1,494	28,537	0	0	1,076	(31,109)	0
Share capital increase	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	16	0	14,659	14,675
Shareholders' Equity at 30.09.2023	90,314	25,683	9,673	85,926	(3,272)	(642)	(18,359)	14,659	203,983

<i>in thousands of Euro</i>	<i>Share capital</i>	<i>Share premium reserve</i>	<i>Legal Reserve</i>	<i>Other reserves</i>	<i>FTA Reserve</i>	<i>Actuarial profits/(losses) reserve</i>	<i>Profits (losses) Carried Forward</i>	<i>Profit (loss) for the period</i>	<i>Group Shareholders' Equity = shareholders' equity</i>
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
Allocation of the 2021 financial year result	0	0	0	273	0	0	(6,990)	6,717	0
Share capital increase	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	285	0	32,596	32,862
Shareholders' Equity as at 30.09.2022	90,314	25,683	8,179	57,389	(3,272)	(775)	(19,435)	32,596	190,680

Notes to the consolidated financial statements

Information on Group activities

The Group operates in the airport management business. Specifically:

- 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 Trionvirato 84, Bologna and it is registered with 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 Trionvirato 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..
- 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 Trionvirato 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 September 30, 2023

Basis of preparation

The condensed consolidated interim financial statements of the Group (hereafter “the condensed consolidated interim financial statements of the Group” or “consolidated financial statements”) were prepared for the nine months ended September 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 January 1-September 30 period, 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 consolidated interim financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. and the two subsidiaries (the Group) for the first nine months of 2023 was approved by the Board of Directors on November 14, 2023.

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

The Condensed Consolidated Interim Financial Statements at September 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. 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.

Consolidation scope

The consolidated financial statements at September 30, 2023 were prepared based on the financial statements of the Parent 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.

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

SUBSIDIARIES (in thousands of Euro)	Share capital	% Held	
		As at 30.09.2023	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%

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 in 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.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2023	For the nine months ended 30.09.2023	For the nine months ended 30.09.2023
	Aviation	Non-Aviation	Other	Total
Revenues	64,242	40,473	0	104,715
Costs	(54,946)	(15,738)	0	(70,684)
Gross operating profit/(loss)	9,296	24,735	0	34,031
Depreciation, amortisation & impairment	(5,576)	(2,580)	0	(8,156)
Provisions	(3,217)	(354)	0	(3,571)
Operating result	503	21,801	0	22,304
Financial income	0	0	611	611
Financial expenses	0	0	(2,411)	(2,411)
Result before taxes	503	21,801	(1,800)	20,504
Taxes for the period	0	0	(5,845)	(5,845)
Profit (loss) for the period	503	21,801	(7,645)	14,659
Minority interest profit	0	0	0	0
Group profit (loss)	0	0	0	14,659

<i>in thousands of Euro</i>	For the nine months ended 30.09.2022	For the nine months ended 30.09.2022	For the nine months ended 30.09.2022	For the nine months ended 30.09.2022
	Aviation	Non-Aviation	Other	Total
Revenues	49,884	32,020	21,137	103,041
Costs	(45,243)	(11,067)	0	(56,310)
Gross operating profit/(loss)	4,641	20,953	21,137	46,731
Depreciation, amortisation & impairment	(5,014)	(2,424)	0	(7,438)
Provisions	(2,121)	(432)	0	(2,553)
Operating result	(2,494)	18,097	21,137	36,740
Financial income	0	0	1,311	1,311
Financial expenses	0	0	(965)	(965)
Result before taxes	(2,494)	18,097	21,483	37,086
Taxes for the period	0	0	(4,490)	(4,490)
Profit (loss) for the period	(2,494)	18,097	16,993	32,596
Minority interest profit	0	0	0	0
Group profit (loss)	0	0	0	32,596

The table below presents the segment information for assets:

<i>in thousands of Euro</i>	As at 30.09.2023	As at 30.09.2023	As at 30.09.2023	As at 30.09.2023
	Aviation	Non-Aviation	Other	Total
Non-current assets	192,613	37,470	21,993	252,076
Intangible assets	189,060	28,699	0	217,759
Concession rights	188,278	28,036	0	216,314
Other intangible assets	782	663	0	1,445
Tangible assets	3,482	8,760	0	12,242
Land, property, plant and equipment	3,482	7,143	0	10,625
Investment property	0	1,617	0	1,617
Other non-current assets	71	11	21,993	22,075
Investments	0	0	119	119
Other non-current financial assets	0	0	15,231	15,231
Deferred tax assets	0	0	6,464	6,464
Other non-current assets	71	11	179	261
Current assets	31,183	8,203	45,217	84,603
Inventories	423	494	0	917
Trade receivables	21,456	6,439	0	27,895
Other current assets	9,304	1,270	1,548	12,122
Current financial assets	0	0	0	0
Cash and cash equivalents	0	0	43,669	43,669
Total Assets	223,796	45,673	67,210	336,679

<i>in thousands of Euro</i>	As at 30.09.2022	As at 30.09.2022	As at 30.09.2022	As at 30.09.2022
	Aviation	Non-Aviation	Other	Total
Non-current assets	181,311	38,207	23,707	243,225
Intangible assets	177,448	26,307	0	203,755
Concession rights	176,727	25,800	0	202,527
Other intangible assets	721	507	0	1,228
Tangible assets	3,712	11,891	0	15,603
Land, property, plant and equipment	3,712	7,159	0	10,871
Investment property	0	4,732	0	4,732
Other non-current assets	151	9	23,707	23,867
Investments	0	0	44	44
Other non-current financial assets	0	0	13,379	13,379
Deferred tax assets	0	0	10,167	10,167
Other non-current assets	151	9	117	277
Current assets	25,698	6,468	66,886	99,052
Inventories	416	523	0	939
Trade receivables	17,455	5,214	0	22,669
Other current assets	7,827	731	1,099	9,657
Current financial assets	0	0	0	0
Cash and cash equivalents	0	0	65,787	65,787
Total Assets	207,009	44,675	90,593	342,277

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 include 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.

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

ASSETS

1. Intangible assets

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

<i>in thousands of Euro</i>	<i>As at 30.09.2023</i>	<i>As at 31.12.2022</i>	<i>Change</i>
Concession rights	216,314	205,997	10,317
Software, licences and similar rights	675	765	(90)
Other intangible assets	41	45	(4)
Energy Certificates	0	0	0
Other intangible assets in progress	729	581	148
TOTAL INTANGIBLE ASSETS	217,759	207,388	10,371

In the first nine months of 2023, Concession rights increased Euro 16.1 million, gross of amortisation in the period (equal to the fair value of construction services provided in the period), and net of the Terminal Value on these assets i.e. of the takeover value pursuant to Article 703 of the Naval Code recognised to item “4. Other non-current financial assets”, at the amount revalued to the conclusion of the concession and discounted at September 30, 2023 for Euro 1.6 million.

The increase in Concession rights is mainly due to:

- the building of a new commercial aviation aircraft apron; Work to expand Apron 3, partially entering into service in Q3 2023, and to connect it with the dedicated General Aviation apron (Apron 4);
- the payment of the expropriation indemnity for 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, except for the partial entry into service of the “third lot” apron, 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 period.

The amount includes, finally, work advances totalling Euro 1.3 million regarding the reconfiguration of the departures hall and the security area.

Amortisation of concession rights in the period amounted to Euro 6.2 million and was applied according to the residual duration of the concession.

Software, licenses and similar rights increased by Euro 305 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 *Discretionary Evaluations 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 at June 30, 2023, to which reference should be made for further details; no indicators of impairment as defined by IAS 36 emerged from this projection.

Considering the above and in view of the performance for the first nine months of 2023, against the 2023 Y-o-Y forecasts, the Group confirms the relative recoverability results of the amounts recognised to Concession rights at September 30, 2023, in addition to the Group's net capital employed.

2. Tangible assets

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

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Land	2,763	2,763	0
Buildings, light constructions and improvements	3,223	3,232	(10)
Machinery, equipment & plant	1,671	1,877	(206)
Furniture, EDP and transport	1,723	1,663	59
Building plant and machinery in progress and advances	598	809	(210)
Investment property	1,617	1,617	0
TOTAL TANGIBLE ASSETS	11,595	11,961	(367)
Land in leasing	305	560	(255)
Leased machinery, equipment & plant	190	262	(72)
Leased furniture, office machinery, transport equipment	152	196	(44)
TOTAL LEASED TANGIBLE ASSETS	647	1,018	(370)
TOTAL TANGIBLE ASSETS	12,242	12,979	(737)

At September 30, 2023, gross investment in this category totalled Euro 1.3 million and mainly concerns the purchase of x-ray machines for security checks, a vehicle for apron manoeuvres, six electric vehicles, 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 September 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 September 30, 2023 (compared with December 31, 2022):

<i>in thousands of Euro</i>	As at 31.12.2022	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 30.09.2023
Other investments	119	0	0	0	119
TOTAL INVESTMENTS	119	0	0	0	119

The composition of the account is as follows:

<i>in thousands of Euro</i>	Holding	As at 30.09.2023	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 September 30, 2023 (compared with December 31, 2022).

<i>in thousands of Euro</i>	As at 31.12.2022	Increases/ Acquisitions	Decreases / Reclass.	Write-downs	As at 30.09.2023
Receivables from Terminal Value	1,553	1,728	0	0	3,281
Equity Financial Instruments	10,873	0	0	0	10,873
Other financial assets	1,063	14	0	0	1,077
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	13,489	1,742	0	0	15,231

At September 30, 2023, the account “Other non-current financial assets” comprised:

- Euro 3.3 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. The increase on December 31, 2022 mainly relates to the takeover value calculated on the works for the construction of the aircraft apron (lot III) entering into service by September 30, in addition to the expropriation indemnity for the lands on which the wooded strip will be created and on other works on the taxiway and the taxilane planned in the provision for the renewal of airport infrastructure.
- 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 September 30, 2023, no movement was made as the interim results announced at June 30 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. On the basis of these and other factors, the Group considers there is no indicators of impairment to be recorded on the value of the equity instrument at September 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 September 30, 2023, compared with December 31, 2022.

<i>in thousands of Euro</i>	As at 31.12.2022	Provisions	Util./adjustments	As at 30.09.2023
DEFERRED TAX ASSETS	10,002	1,152	(4,690)	6,464

The principal temporary differences on which deferred tax assets are recognised at September 30 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;
- adjustments related to the application of international accounting standards;
- other expense items concerning subsequent periods.

The decrease in the period is mainly due to the full 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 September 30, 2023 (unchanged on December 31, 2022):

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Non-current prepayments and accrued income	42	42	0
Guarantee deposits	92	92	0
Non-current tax receivables	127	127	0
OTHER NON-CURRENT ASSETS	261	261	0

7. Inventories

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

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Inventories of raw materials, supplies and consumables	588	524	64
Inventories of finished products	329	388	(59)
INVENTORIES	917	912	5

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:

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Trade receivables	30,782	15,075	15,707
Allowance for doubtful accounts	(2,887)	(2,403)	(485)
TRADE RECEIVABLES	27,895	12,672	15,222

At September 30, 2023, gross trade receivables, which include allowances for invoices and credit notes to be issued, totalled Euro 30.8 million, increasing Euro 15.7 million on December 31, 2022, mainly due to a growth in revenue since average collection days are stable (54 days at September 30, 2023, compared to 52 days at December 31, 2022).

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 0.6 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 movement in the allowance for the doubtful accounts in during the period was as follows:

<i>in thousands of Euro</i>	As at 31.12.2022	Provisions	Utilisations	Releases	As at 30.09.2023
PROVISIONS FOR DOUBTFUL ACCOUNTS	(2,403)	(575)	90	0	(2,887)

At the end of October 2023, 38% of the receivables recorded at September 30 have been collected.

9. Other current assets

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

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
VAT Receivable	167	170	(3)
Direct income tax receivables	255	217	38
Employee receivables	81	31	50
Other receivables	11,619	4,744	6,874
OTHER CURRENT ASSETS	12,122	5,162	6,959

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

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Receivables for passenger boarding fees surtax	9,362	3,986	5,376
IRESA receivables	347	200	147
Other current receivables provision for doubtful accounts	(1,331)	(1,289)	(42)
Prepayments and accrued income	1,337	790	547
Advances to suppliers	164	5	159
Pension and social security institutions	62	80	(18)
Other current receivables	1,678	972	706
TOTAL OTHER RECEIVABLES	11,619	4,744	6,874

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:

<i>in thousands of Euro</i>	As at 31.12.2022	Provisions/Increases	Utilisations	Releases	As at 30.09.2023
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 ACCOUNTS	(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 September 30, 2023.

10. Current financial assets

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

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Time deposits	0	45,058	(45,058)
CURRENT FINANCIAL ASSETS	0	45,058	(45,058)

<i>in thousands of Euro</i>	As at 31.12.2022	Acquisitions	Other increases Reclassifications	Decreases / Disposals	As at 30.09.2023
Time deposits	45,058	0	582	(45,640)	0
TOTAL CURRENT FINANCIAL ASSETS	45,058	0	582	(45,640)	0

At December 31, 2022, this account comprised 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 Time Deposits maturing in June 2023 for Euro 15 million and to the reclassification to item “11. Cash and cash equivalents” of the Time Deposits maturing in December 2023 for Euro 30 million, including the yield maturing at September 30.

11. Cash and cash equivalents

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Bank and postal deposits	43,638	27,839	15,799
Cash in hand and similar	31	29	2
CASH AND CASH EQUIVALENTS	43,669	27,868	15,801

“Bank and postal deposits” represent the bank current account balances, in addition to the Time Deposits of a nominal value of Euro 30 million maturing in December 2023. 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.

LIABILITIES

12. Shareholders' Equity

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

<i>in thousands of Euro</i>	As at 30.09.2023	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	14,659	31,109	(16,450)
GROUP SHAREHOLDERS' EQUITY	203,983	189,310	14,673

i. Share capital

The share capital of the Parent Company at September 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 nine months ended 30.09.2023	For the nine months ended 30.09.2022
Group profit (loss) for the period (*)	14,673,920	32,881,619
Average number of shares outstanding	36,125,665	36,125,665
Undiluted earnings/(losses) per share	0.41	0.91
Diluted earnings/(losses) per share	0.41	0.91

(*) from Consolidated Statement of Comprehensive Income

The undiluted earnings/(losses) and diluted earnings/(losses) per share of the AdB Group at September 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 September 30, 2023 (compared with December 31, 2022).

<i>in thousands of Euro</i>	<i>As at 30.09.2023</i>	<i>As at 31.12.2022</i>	<i>Change</i>
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:

<i>in thousands of Euro</i>	As at 30.09.2023	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 September 30, 2023 (compared with December 31, 2022).

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Post-employment benefit provision	3,133	3,106	27
Other personnel provisions	299	207	92
SEVERANCE AND OTHER PERSONNEL PROVISIONS	3,432	3,313	119

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

<i>in thousands of Euro</i>	As at 31.12.2022	Service cost	Net interest	Benefits paid	Actuarial profits/(losses)	As at 30.09.2023
Post-employment benefit provision	3,106	9	84	(45)	(21)	3,133
Other personnel provisions	207	92	0	0	0	299
SEVERANCE AND OTHER PERSONNEL PROVISIONS	3,313	101	84	(45)	(21)	3,432

The other personnel provisions at September 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 September 30, 2023 (compared with December 31, 2022).

<i>in thousands of Euro</i>	As at 31.12.2022	Provisions	Utilisations	As at 30.09.2023
DEFERRED TAX LIABILITIES	2,843	5	(47)	2,801

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 uses in the period are almost exclusively due 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 period ending September 30, 2023 are reported below, divided between non-current and current.

<i>in thousands of Euro</i>	As at 31.12.2022	Increases	Utilisations	Reclassifications	As at 30.09.2023
Provision for renewal of airport infrastructure (non-current)	10,541	2,407	0	(2,499)	10,449
Provision for renewal of airport infrastructure (current)	2,555	0	(2,157)	2,499	2,897
TOTAL PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE	13,096	2,407	(2,157)	0	13,346

At September 30, 2023, the provision for the renewal of airport infrastructure totalled Euro 13.3 million (Euro 13.1 million at December 31, 2022). The increase is due to the accrual for the period of Euro 1.9 million, in addition to the Euro 0.5 million increase due to the effect of financial expenses for the discounting of cash flows. The uses for Euro 2.2 million mainly concern the airside upgrading works on the taxiway and taxi lanes, in addition to the upgrading of the Terminal bathrooms and other roadway works.

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 nine months ended September 30, 2023 are reported below:

<i>in thousands of Euro</i>	As at 31.12.2022	Provisions	Util./Other decreases	As at 30.09.2023
Risk provision for disputes	1,166	770	0	1,936
Provisions for other risks and charges	69	0	(6)	63
PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)	1,235	770	(6)	1,999
Employee back-dated provision	29	362	0	391
PROVISIONS FOR RISKS AND CHARGES (CURRENT)	29	362	0	391
TOTAL PROVISIONS FOR RISKS AND CHARGES	1,264	1,132	(6)	2,390

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 Half-Year Report for further details and of this report. No new disputes emerged during the period.

The accrual in the period is mainly due to the estimate of interest owing in relation to the fire prevention service (Euro 19.8 million at September 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 September 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 current and non-current financial liabilities at September 30, 2023 compared with December 31, 2022.

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Bank loans – non-current	24,998	47,605	(22,607)
Non-current financial payables for leasing	178	521	(343)
NON-CURRENT FINANCIAL LIABILITIES	25,176	48,126	(22,950)
Bank loans - current	12,322	14,976	(2,654)
Current financial liabilities for leasing	594	540	54
Payables due for boarding fee surtaxes and Iresa	1,574	2,254	(680)
Other current financial payables	40	25	15
CURRENT FINANCIAL LIABILITIES	14,530	17,795	(3,265)
TOTAL FINANCIAL LIABILITIES	39,706	65,921	(26,215)

Financial liabilities at September 30, 2023 totalled Euro 39.7 million, decreasing Euro 26.2 million on December 31, 2022, mainly due to a number of financial transactions that the parent company completed in September to optimise the structure and improve the debt maturity profile.

The transactions concerned:

- the agreement of a Euro 15 million loan with Crèdit Agricole Italia. This is an ESG KPI Linked Loan which stipulates a bonus on this contractually-defined spread on the achievement of three ESG KPI's. In particular, commitments were agreed to progressively reduce the amount of climate-altering gas emissions, together with an increased self-generation of electricity from renewable sources. The financial covenants are in line with that set out in the loan contract agreed with the European Investment Bank. This funding transaction, structured over a duration of 60 months, is mainly to support the Parent Company's business plan.
- the full voluntary advance repayment at the end of September of the loan agreed in July 2020 with Intesa Sanpaolo Spa for Euro 33.9 million, with SACE guarantee and with the objective of containing financial charges which, in addition to the increase in interest rates, would have seen the SACE guarantee commission increase to 2%. The residual duration of the loans subject to early voluntary repayment would have been an additional 3 years.

Given this transaction, the "loans" items at September 30, 2023 consists of:

- 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 10.9 million under non-current financial liabilities and for Euro 6.2 million under current loans. In the first nine months of 2023, instalments were settled for Euro 4.7 million;

- fifteen-year bank loan with maturity 2026, with a residual balance at September 30, 2023 of Euro 1.3 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 0.8 million under non-current loans and for Euro 0.5 million under current loans. In the first nine months of 2023, the instalments due for Euro 0.4 million were repaid;
- ten-year bank loan with December 2024 maturity, with a balance of Euro 3.8 million at September 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 nine months of 2023;
- Euro 15 million five-year loan maturing in September 2028 provided by Credit Agricole Italia. This loan is classified for Euro 12 million under non-current loans and for Euro 3 million under current loans.

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 September 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:

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Bank loans – non-current	24,998	47,605	(22,607)
Bank loans - current	12,322	14,976	(2,654)
TOTAL LOANS	37,320	62,581	(25,261)

The contractual conditions of the loans in place at September 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
Credit Agricole Italia	ESG KPI Linked Loan	Euribor variable 3 Months + spread 1.15%	Quarterly	2028	Yes

The annual nominal cost of the Unicredit loan 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 residual 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 September 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, as confirmed by the first nine month performance, comply with the above covenants.

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.

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Non-current lease liabilities	178	521	(343)
Current lease liabilities	594	540	54
TOTAL LEASE LIABILITIES	772	1,061	(289)

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 0.2 million for contractual instalments due beyond 12 months
- current: Euro 0.6 million relating to contractual instalments due by September 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	30/09/2023
Loans - current portion	14,976	(11,615)	12,000	(3,039)	12,322
Lease liabilities - current portion	540	(381)	23	382	564
Loans - non-current portion	47,605	(28,629)	3,000	3,022	24,998
Lease liabilities - non-current portion	521	0	20	(363)	178
Total	63,642	(40,625)	15,043	2	38,062

18. Trade payables

in thousands of Euro	As at 30.09.2023	As at 31.12.2022	Change
TRADE PAYABLES	29,108	24,869	4,239

Trade payables, which increased Euro 4.2 million compared to December 31, 2022, concern the purchase of goods and services, including investments and mainly concern Italian suppliers. The days sales outstanding are substantially stable: 53 at September 30, 2023 and 52 at December 31, 2022.

19. Other Liabilities

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

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Current tax payables	3,235	2,923	312
Employee payables and social security institutions	4,928	4,137	791
ENAC concession fee and other State payables	22,518	23,339	(821)
Other current payables, accrued liabilities and deferred income	11,131	4,780	6,351
TOTAL OTHER CURRENT LIABILITIES	41,812	35,179	6,633

The principal changes were as follows:

i. CURRENT TAX PAYABLES

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

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
VAT payable	536	216	320
Direct income tax payables	1,633	1,665	(32)
Other tax payables	1,066	1,042	24
TOTAL CURRENT TAX PAYABLES	3,235	2,923	312

Tax payables increased Euro 300 thousand, due substantially to the increased VAT payable.

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 September 30, 2023 (compared with December 31, 2022).

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Employee salaries	1,154	975	179
Employee deferred compensation	2,403	1,911	492
Social security payables	1,371	1,251	120
EMPLOYEE PAYABLES AND SOCIAL SECURITY INSTITUTIONS	4,928	4,137	791

iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 19.8 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 2.6 million (Euro 4.6 million at December 31, 2022) as the variable airport concession fee payable, estimated for the period under review.

iv. Other current liabilities, accrued liabilities and deferred income

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

<i>in thousands of Euro</i>	As at 30.09.2023	As at 31.12.2022	Change
Payables due for boarding fee surtaxes and Iresa	8,391	2,904	5,487
Other current payables	1,694	1,684	10
Current accrued liabilities and deferred income	1,046	192	854
TOTAL OTHER CURRENT LIABILITIES, ACCRUED LIABILITIES AND DEFERRED INCOME	11,131	4,780	6,351

The main account concerns the passenger boarding fees surtax and for IRESA, relating to the receivables from carriers not yet received at September 30, for Euro 8.4 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 104.7 million, compared to Euro 103 million for the same period of the previous year, which included the contribution from the COVID-19 damage compensation fund for Euro 21.1 million. Net of this contribution, revenues increased from Euro 81.9 million in 2022 to Euro 104.7 million for the present period (+27.85%). 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 87.9 million, compared to Euro 72.6 million in the first nine months of 2022 (+21.07%).

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Revenues from aeronautical services	47,657	40,347	7,310
Revenues from non-aeronautical services	39,168	31,506	7,662
Revenues from construction services	16,808	9,296	7,512
Other operating revenues and income	1,082	21,892	(20,810)
TOTAL REVENUES	104,715	103,041	1,674

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:

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Airport fees	41,649	33,753	7,896
Parking	15,120	11,909	3,211
Revenues from construction services	16,808	9,296	7,512
Other	10,739	31,215	(20,476)
TOTAL IFRS 15 REVENUE STREAMS	84,316	86,173	(1,857)

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

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Airport fees	41,649	33,753	7,896
Parking	15,120	11,909	3,211
Revenues from construction services	16,808	9,296	7,512
Other	10,739	31,215	(20,476)
TOTAL IFRS 15 REVENUE STREAMS	84,316	86,173	(1,857)
Commercial/non-comm. sub-licenses	20,243	16,809	3,434
TOTAL NON IFRS 15 REVENUE STREAMS	20,243	16,809	3,434
TOTAL NON IFRS 15 Revenues	156	59	97
TOTAL REVENUES	104,715	103,041	1,674

i. Revenues from aeronautical services

The table below shows revenues from non-aeronautical services in the periods ended on September 30, 2023 and 2022.

This category of revenues grew 18.1% as closely linked to the increase in passenger traffic (18.7%).

<i>In thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Centralised infrastructure/other airport services	612	531	81
Exclusive use revenues	775	665	110
Airport fee revenues	58,295	50,050	8,245
PRM revenues	5,179	4,364	815
Air traffic development incentives	(21,945)	(20,762)	(1,183)
Handling services	2,168	2,055	113
Other aeronautical revenues	2,573	3,444	(871)
TOTAL REVENUES FROM AERONAUTICAL SERVICES	47,657	40,347	7,310

The breakdown of airport fee revenues is shown below:

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Passenger boarding fees	26,800	22,310	4,490
Landing, take-off and parking fees	19,496	17,213	2,283
Passenger security fees	8,268	7,121	1,147
Baggage stowage control fees	3,203	2,780	423
Freight loading and unloading charges	610	628	(18)
Reduction for provision	(82)	(2)	(80)
TOTAL AVIATION FEE REVENUES	58,295	50,050	8,245

ii. Revenues from non-aeronautical services

The table below shows revenues from non-aeronautical services for the periods ended September 30, 2023 and 2022.

The 24.3% increase is due to the rising traffic, with a consequent increase for all the major revenue categories: parking +27%, Marconi Business Lounge +54.1%, subconcessions of premises and areas +18.8%, advertising +53.4%.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Commercial premises and spaces sub-concession	18,321	15,420	2,901
Parking	15,120	11,909	3,211
Other commercial revenues	5,727	4,177	1,550
TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES	39,168	31,506	7,662

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

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Marconi Business Lounge	2,361	1,532	829
Advertising	1,244	811	433
Misc. commercial revenues	2,122	1,834	288
TOTAL OTHER COMMERCIAL REVENUES	5,727	4,177	1,550

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 16.8 million, compared to Euro 9.3 million in the first nine months of 2022, due to investments in airport infrastructure under concession; see Directors’ Report for further information.

iv. Other Revenues and Income

The table below shows other revenues and income in 9M 2023 and 9M 2022.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Compensation, reimbursements and other income	650	466	184
Operating and plant grants	294	289	5
COVID-19 compensation fund contribution as per 2021 Budget Law	0	21,137	(21,137)
Revenues from Terminal Value on Provision for Renewal	138	0	138
TOTAL OTHER REVENUES AND INCOME	1,082	21,892	(20,810)

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 the first nine months of 2023 increased 25.5% on 2022. Isolating the “construction service costs” item which is linked to the increased investment in airport infrastructure in 2023, the adjusted costs increased 15.2% 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 the first nine months of 2023 and 2022.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Consumables and goods	726	648	78
Maintenance materials	170	119	51
Fuel and gasoline	1,685	2,351	(666)
TOTAL CONSUMABLES AND GOODS	2,581	3,118	(537)

This category of costs decreased slightly on the same period in 2022 (-17.2%), 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 9M 2023 and 2022.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Maintenance costs	4,248	3,557	691
Utilities	2,672	2,849	(177)
Cleaning and accessory services	1,948	1,684	264
Services	4,867	4,057	810
MBL Services	393	279	114
Advertising, promotion and development	643	508	135
Insurance	921	802	119
Professional and consultancy services	1,653	1,192	461
Statutory board fees and expenses	489	470	19
Other service costs	348	347	1
TOTAL SERVICE COSTS	18,182	15,745	2,437

Service costs increased 15.5% on the same period of 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 comparative period 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:

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Owned asset maintenance expenses	957	827	130
Airport infrastructure maintenance expenses	2,822	2,329	493
Third party asset maintenance expenses	469	401	68
TOTAL MAINTENANCE EXPENSES	4,248	3,557	691

The breakdown of services is illustrated below:

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Snow clearance	274	277	(3)
Porterage, transport third-party services	922	275	647
PRM assistance service	716	644	72
De-icing and other public service charges	210	210	0
Security service	1,514	1,534	(20)
Other outsourcing	1,231	1,117	114
TOTAL SERVICES	4,867	4,057	810

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 9M 2023 and 2022.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Concession fees	6,149	4,821	1,328
Hire charges	142	170	(28)
Rental charges	267	108	159
EDP processing charges	1,324	1,134	190
Other rental & hire costs	105	7	98
TOTAL LEASES, RENTALS AND OTHER COSTS	7,987	6,240	1,747

The increase in this category of costs (28%) 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 9M 2023 and 2022.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Misc. and local taxes	1,166	1,000	166
Fire prevention service contribution	1,258	1,047	211
Capital losses	56	3	53
Other operating costs and expenses	464	256	208
TOTAL OTHER OPERATING EXPENSES	2,944	2,306	638

The increase in this category of costs (27.7%) 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 9M 2023 and 2022.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Wages and salaries	15,959	13,853	2,106
Social security charges	4,569	3,955	614
Severance provisions	1,103	1,060	43
Retirement pension and similar	152	145	7
Other personnel costs	1,200	1,034	166
TOTAL PERSONNEL COSTS	22,983	20,047	2,935

The increase in personnel costs (14.6%) is due to the expanded (mainly operating) workforce (+51 staff), the absence of the Extraordinary Temporary Lay-Off Scheme applied in the initial months of 2022, although in low percentages, the greater use of temporary staff and overtime and the lower use of vacations.

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

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Employee canteen	474	385	89
Personnel training and refresher courses	124	133	(9)
Employee expenses	119	60	59
Misc. personnel costs	396	333	63
Other personnel provisions	87	123	(36)
TOTAL OTHER PERSONNEL COSTS	1,200	1,034	166

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

<i>Average workforce (No.)</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Executives	8	8	0
White-collar	428	388	40
Blue-collar	98	87	11
TOTAL PERSONNEL	534	483	51

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

<i>Workforce (number)</i>	As at 30.09.2023	As at 30.09.2022	Change
Executives	8	8	0
White-collar	459	408	51
Blue-collar	100	88	12
TOTAL PERSONNEL	567	504	63

22. Depreciation, amortisation and impairments

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

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Amortisation of concession rights	6,181	5,573	608
Amortisation of other intangible assets	399	324	75
Depreciation of tangible assets	1,576	1,541	35
TOTAL DEPRECIATION AND AMORTISATION	8,156	7,438	718

The increase in 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), in addition to, with regards to "Concession rights", the General Aviation fuel distribution plant which is scheduled for demolition in the final quarter 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 410 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 September 30, 2023 and 2022.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Provisions for doubtful accounts	493	745	(252)
Provision for renewal of airport infrastructure	1,946	1,584	362
Provisions for other risks and charges	1,132	224	908
TOTAL PROVISIONS	3,571	2,553	1,018

This category of costs increased due to the accruals to:

- 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.
- to other provisions for risks and charges resulting, mainly, from the update of interest on the fire prevention service fee payable due to the significant increase in the legal interest rate.

The provision for doubtful accounts shows, on the contrary, a decline 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 nine months of 2023 derives from the reduction of revenues accrued during the period for a further Euro 82 thousand.

24. Net financial income and expenses

The following table presents the breakdown of financial income and expenses for 9M 2023 and 9M 2022.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Income from securities	15	13	2
Other income	569	11	558
Discounting income on provisions	27	1,287	(1,260)
TOTAL FINANCIAL INCOME	611	1,311	(700)
Interest expenses and bank charges	(1,372)	(537)	(835)
Discounting charges on provisions	(530)	(30)	(500)
Interest charges for discounting of liabilities for leasing	(23)	(9)	(14)
Other financial expenses	(486)	(389)	(97)
TOTAL FINANCIAL EXPENSES	(2,411)	(965)	(1,446)
TOTAL FINANCIAL INCOME AND EXPENSES	(1,800)	346	(2,146)

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 nine months of 2022 reduced to almost zero in the first nine months 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. In order to contain the cost of debt, the latter finalised a number of transactions in September that allowed the repayment of the Intesa loan with SACE guarantee as shown in Item 17. Non-current and current financial liabilities.

25. Taxes for the period

The following table shows the taxes for the period for the first nine months of 2023 and 2022.

<i>in thousands of Euro</i>	For the nine months ended 30.09.2023	For the nine months ended 30.09.2022	Change
Current and deferred taxes	5,845	4,490	1,355
TOTAL TAXES FOR THE PERIOD	5,845	4,490	1,355
% taxes on pre-tax result	29%	12%	16%

The estimate for income taxes for the first nine months of 2023 was Euro 5.8 million, compared to Euro 4.5 million for the first nine months 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 2023 period 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 and 2021, whose utilisation affects the percentage of current taxes compared to that of deferred taxes.

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 69 thousand (Euro 88 thousand in the first nine months of 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, 2023 costs to TAG totalled Euro 355 thousand, compared to Euro 343 thousand in 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 1.3 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
- maintenance vehicles and equipment

Revenues in the period from the subsidiary amount to Euro 359 thousand, compared to Euro 275 thousand in the same period of 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 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 first nine months of the year, 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 147 thousand (Euro 128 thousand at September 30, 2022) and had payables of Euro 81 thousand (Euro 51 thousand at September 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 September 30, 2023 the parent company incurred costs for professional services provided by the investee Urban V for Euro 150 thousand (not present in 2022).

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 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 with reference to the amounts reported at September 30.

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, November 14, 2023

Statement pursuant to Article 154-*bis*, paragraph 2 of the C.F.A.

Interim Financial Report as at September 30, 2023

The officer in charge of preparing the corporate accounting documents, Patrizia Muffato, hereby declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Finance Act (CFA), that the accounting information contained in this Report corresponds to information contained in the accounting documents, registers and entries.

*The officer in charge of preparing the corporate
accounting documents*

(Patrizia Muffato)

