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Consolidated Half-Year Financial Report at June 30, 2021

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

Consolidated Half-Year Financial Report

Aeroporto Guglielmo Marconi di Bologna Group

at June 30, 2021

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.

CONTENTS

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 Spa

According to the Shareholder Register and the notices received pursuant to Article 120 of Legislative Decree No. 58/98, the shareholders of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., with holdings of more than 5% were as follows at June 30, 2021:

SHAREHOLDER	% Held
BOLOGNA CHAMBER OF COMMERCE	39.10%
ATLANTIA 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 June 5, 2018 the Bologna Chamber of Commerce, Municipality of Bologna, Metropolitan City of Bologna, Region of Emilia-Romagna, Modena Chamber of Commerce, Ferrara Chamber of Commerce, Reggio Emilia Chamber of Commerce and Parma Chamber of Commerce entered into a shareholders' 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 Shareholders' Agreement, with duration until June 4, 2021, provided for a Voting Agreement and a Transfer Restriction Agreement.
The Shareholders’ Agreement was resolved upon its conclusion on June 4, 2021.
On August 2, 2021, a new shareholders’ agreement was signed by the same shareholders. This Shareholders’ Agreement, filed at the Bologna Companies Registration Office on August 5, 2021 and sent to Consob on the same date, 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 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 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 29, 2019 and in office until the approval date of the financial statements as at December 31, 2021 are:

Name	**Office**
Enrico Postacchini	Chairman
Nazareno Ventola	Chief Executive Officer (*)
Silvia Giannini	Director (B)
Giada Grandi	Director (A)
Eugenio Sidoli	Director (A)
Valerio Veronesi	Director
Marco Troncone	Director (B)
Giovanni Cavallaro	Director
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 (Chairman Eugenio Sidoli)

(B) Member of the Control & Risks Committee (Chairperson Silvia Giannini)

Board of Statutory Auditors

The Board of Statutory Auditors, appointed by the Shareholders' Meeting of April 29, 2019 and in office until the approval date of the financial statements as at December 31, 2021 are:

Name	**Office**
Pietro Voci	Chairman
Samantha Gardin	Statutory Auditor
Alessandro Bonura	Statutory Auditor
Violetta Frasnedi	Alternate Auditor
Alessia Bastiani	Alternate Auditor

Auditing Firm

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

Directors' Report of Aeroporto Guglielmo Marconi di Bologna S.p.A. Group at June 30, 2021

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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 six months ended June 30, 2021, 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 Law Decree No. 34 of May 19 (Relaunch Decree), converted into Law No. 77 of July 17, 2020, extended the duration of airport concessions by two years in order to cushion the consequent economic blow. Given the direct applicability of the above law, Bologna Airport’s concession is extended to December 2046.

The Group's structure at June 30, 2021 and a brief description of the type and businesses of its subsidiaries is presented below:

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

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

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

Business Description

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

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

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

Aviation SBU

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

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

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

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

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

Non-Aviation SBU

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

Parking

During H1 2021, approximately 5,300 paid parking spaces were under the direct management of Bologna Airport, up on the average Q1 figure due to addition of further storeys to the Express car park. The airport's car parking spaces are available 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. The latter has been temporarily closed, taking account of the significant reduction in demand due to the COVID-19 emergency. The sharp drop in traffic following the outbreak of the pandemic meant that many more parking spaces were supplied than demanded, resulting in the closure of outlying car parks in order to continue reducing costs while ensuring the minimum level of airport service.

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 4,200 m^2 and includes 38 shops. The latest airport upgrade developed the Duty-free areas – one of the SBU's main revenue sources. In 2020, because of the spread of the pandemic and the resulting dramatic fall in passenger traffic, most sub-concession holders closed their commercial establishments, only starting to reopen gradually in July. Some shops also remained closed in H1 2021 as they awaited a more significant recovery in traffic levels.

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: 9 rental companies offer a total of 16 specialised brands, with a total of 489 vehicle spaces available for their fleets. Car rental services remained available at all times, despite the drastic reduction in traffic caused by the pandemic.

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 operational handling services, which are subject to regulated tariffs.
The total commercial premises under sub-concession extend to over 90,000 square metres, of which over 70,000 square metres of offices, warehouses, technical service areas and hangars and approximately 20,000 square metres of outdoor space used for parking operating vehicles, manoeuvring in loading and loading areas and aircraft refuelling vehicle areas.

In the first half of 2021, areas under sub-concession increased following the start of operations of a new area for a cargo operator, which was created by the airport operator on a parcel of land within the airport measuring about 17,000 sq. m. and includes a building with a surface area of about 6,000 sq. m. used for offices and warehousing.

1 STRATEGIES AND RESULTS

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

Regarding the pandemic, after a start to 2021 that was a continuation of the end of last year, the arrival of summer and the continuation of the vaccine roll-out brought a marked drop in COVID-19 infections around the world. This has allowed social distancing measures to be relaxed gradually in areas with high vaccination rates, such as in the US, the UK and the EU.

Nonet heless, there remains a high degree of uncertainty surrounding short-term developments due to the spread of variants of the virus. Beginning in July, certain areas of Europe saw another increase in infections caused by a more contagious variant of COVID-19, but this did not correlate to an increase in deaths in areas where vaccination coverage is greatest.

As vaccination roll-outs progress, global GDP growth has strengthened, and the outlook continues to improve, although to varying degrees depending on the country and the industry in response to the significant support of fiscal and monetary policy. The recovery has pushed oil prices to above USD 70 per barrel by mid-2021.

According to the OECD's May forecast, world output will grow by 5.8% in 2021, exceeding pre-pandemic levels. Growth will be driven by strong expansion in the US and China, already in evidence in the first quarter. However, medium-term forecasts remain inconsistent from one country to another, with growth forecasts still particularly weak in a number of emerging economies (e.g. India, Indonesia and South Africa).

After the contraction seen at the start of 2021, which impacted all leading nations, including Italy, GDP for the eurozone recovered in the second quarter. Significant growth is possible in the second half of the year, but uncertainty remains with regard to the pandemic. Rising energy prices have led to an increase in inflation, but this should be a temporary phenomenon. The ECB Governing Council reiterated that it would keep its extremely expansive monetary conditions in place, as they remain essential to support the economy and to ensure price stability over the medium term.

In their publication of early June, Eurosystem's experts, in response to expectation for a rapid recovery in the second half of this year, upwardly adjusted their GDP forecasts, predicting growth of 4.6% in 2021, 4.7% in 2022, and 2.1% in 2023.

Italian GDP improved slightly in the first quarter (+0.1%), unlike in the other main Eurozone countries, which experienced a contraction over the same period. On the basis of available indicators, the Bank of Italy estimates that growth accelerated in the second quarter, boosted by the pick up of the vaccination campaign and the gradual easing of restrictions: it should be over 1% compared with the previous period. In addition to fresh industrial growth, the start of a recovery in services and a marked upturn in investment contributed to this.

According to the Bank of Italy's macroeconomic projections, which depend on a consolidation of the improvement in the national and global health situation, as well as decisive support from fiscal policy and the maintenance of favourable monetary and financial conditions, Italian GDP is expected to accelerate significantly from the third quarter, with overall growth in 2021 of 5.1%, which should continue in the following two years (+4.4% in 2022 and +2.3% in 2023). In this situation, GDP would return to pre-pandemic levels in the second half of next year. *(Source*: *Economic Bulletin, Bank of Italy, July 2021*).

Against this backdrop, according to the IATA's data, global passenger traffic overall in the first six months of 2021 was still significantly down on pre-COVID figures despite increasing month on month: compared to the period January - June 2019, there was a decrease of 66.7% (-58.4% in June 2020). Domestic traffic was once again the main driver of the recovery: in the first half of 2021, domestic traffic declined by 33.1% from 2019 levels (vs -85.8% in international traffic), benefitting from the strong performance for Chinese and Russian domestic traffic, with passenger numbers in Russia even surpassing pre-COVID levels (+15.6% in June 2021 vs 2019). The very strong cargo component growth continued: Cargo traffic reported gains on both 2020 and 2019 in every month from January to June, and in every continental segment except Latin America. Overall, cargo traffic volumes in the first half of 2021 were up 8% on 2019. *(Air Passenger and Air Freight Market Analysis (IATA), June 2021)*.

The decrease in European passenger traffic during the first six months of 2021 was 78% overall on 2019 and 39% on 2020, according to ACI Europe, with a total loss respectively of over 870 and 150 million passengers. In line with the global trend, European cargo traffic also increased, surpassing pre-COVID levels in the first half of the year, up 5.4% on the first six months of 2019 *(Source: COVID-19 update, ACI Europe; Air Passenger and Air Freight Market Analysis (IATA), June 2021).*

In Italy, passenger traffic fell 39.0% on the same period of 2020 and 81.6% on 2019, in line with decreases elsewhere in Europe. Cargo traffic, on the other hand, again performed better than passenger traffic: the volume of cargo transported increased by 34.4% on 2020, almost recovering to 2019 levels (on which it was down just 2.4%) *(Source: Assaeroporti, June 2021).*
Bologna airport in the first half of 2021 saw a significant decline in traffic both on the same period of 2020 (-46.1%) and of 2019 (-82.6%). This figure is more or less in line with the national trend. At the end of H1 2021, Bologna Airport ranked seventh in Italy by number of passengers.

1.2 IMPACTS OF THE COVID-19 PANDEMIC ON BOLOGNA AIRPORT AND INITIATIVES BY THE ADB GROUP IN RESPONSE TO THE EMERGENCY

Group results in H1 2021 were heavily influenced by the ongoing pandemic, with the first signs of a partial recovery in traffic not coming until June.

Also in 2021, the Group has continued to implement measures to ensure the safety of passengers, employees and the entire airport community.

These include body temperature measurement at the terminal and the offices, the availability of disinfecting gel dispensers, the posters and signs on hygiene measures to be followed and precautions to be taken, the separation of passenger movements to ensure distancing, the intensive sanitisation of the areas, also through a molecular fragmentation system, the use of plexiglass, the adoption of the patented BEST system at the security controls to reduce the frontal interaction between the staff in charge of controls and passengers and the installation of ventilation systems at the terminal and on the airport grounds and offices with high-efficiency filters in the areas with the greatest density of people.

From the early stages of the pandemic, in order to both contain costs and protect jobs, the Group introduced a plan to encourage employees to take accrued holidays, and subsequently the Extraordinary Temporary Lay-off Scheme was introduced for all employees for a period of 12 months beginning March 21, 2020. These measures came in addition to moves designed to cut outsourced operating costs. The Exceptional Temporary Lay-off Scheme entered into force from March 22, 2021 to December 26 2021 for AdB employees, and from April 1, 2021 until December 31, 2021 for the subsidiary FFM.

From a financial viewpoint, the Group entered this critical period with a solid and balanced equity and financial structure, which has allowed it to meet its commitments even in those months of greatest pressure on liquidity. Among the main measures introduced to tackle the crisis, in addition to cost reductions, the Group focused on revising the timeframes for investments and non-urgent replacement/upgrade work. In mid-2020, the Parent Company also signed two loans for a total of Euro 58.9 million, in order to ensure adequate resources for the Group to meet its financial needs, related to the increase in working capital and support for its business plan. All of the Group's cost streamlining measures remain in place for 2021 in order to limit liquidity pressure resulting from the continuing crisis, and the Group is engaged in dialogue with other lenders to meet any future credit requirements.

1.3 STRATEGIC OBJECTIVES

The Group's strategic objectives which underlie the development of all operations are outlined below. Since the outbreak of the pandemic, the Group has inevitably been forced to concentrate on managing first the emergency, then the subsequent crisis. This continues to have profound effects on air transport and the airport sector, the industry which has been hardest hit. 2021 therefore constitutes a year of transition towards recovery and a new focus on the following strategic objectives:

"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 security control areas and the boarding gates, in addition to extending dedicated commercial space.
The Group also plans to develop non-aviation business with the opening of new stores, new car spaces and the extension of the range of services available to passengers.

"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.

1.4 SHARE PERFORMANCE

AdB's shares began trading on the STAR segment of the Milan Stock Exchange on July 14, 2015.
The following graphs present:

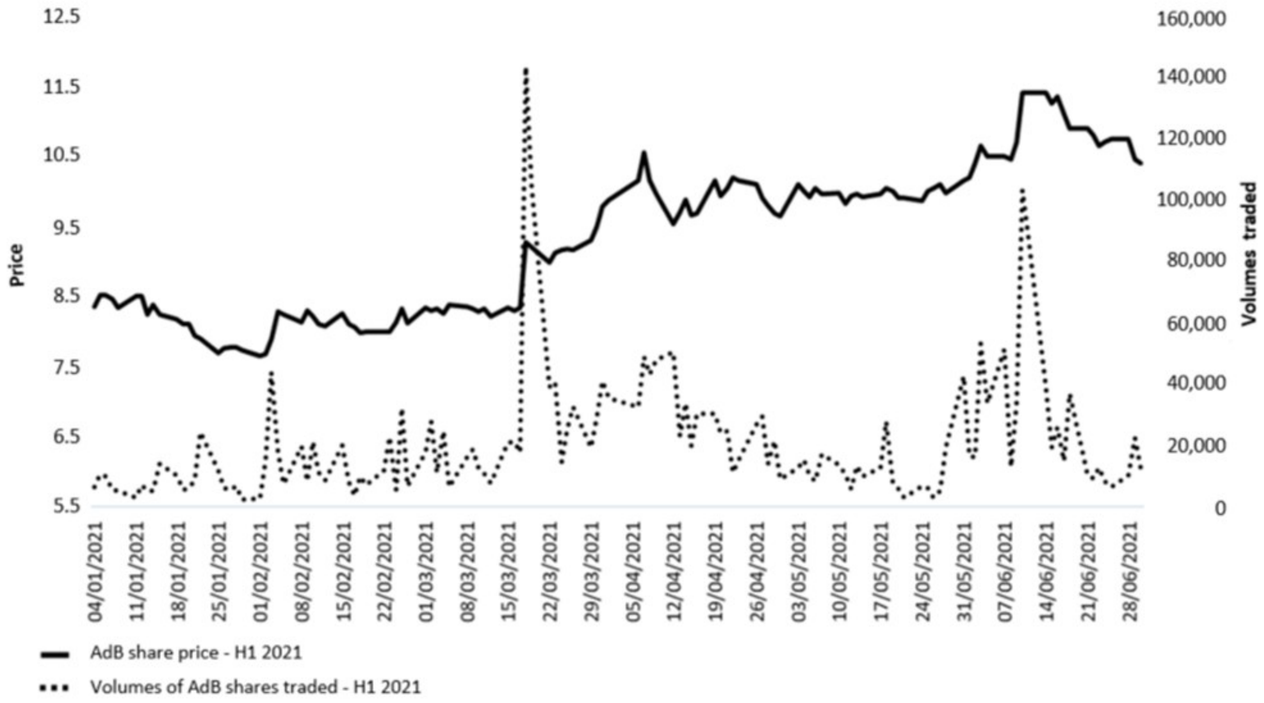
- the share performance between January 1, 2021 and June 30, 2021;
- tracking of the company's share performance against the FTSE Italia all-share index.

On June 30, 2021, the official share price was Euro 10.40 per share, resulting in an AdB Group market capitalisation of Euro 375.7 million at that date.

AdB share performance (01/01/2021-30/06/2021)

AdB share and FTSE Italia All-Share performance (01/01/2021-30/06/2021)

AdB share performance – prices and volumes (01/01/2021-30/06/2021)



The AdB share price and volumes in 2020 were heavily impacted by the COVID-19 health emergency.

After a sharp drop in price in early 2020 following the outbreak of the pandemic, the arrival of the second wave of infections in early autumn saw AdB's share price fall to an all-time low of Euro 5.58, down 54% on the closing price in 2019 (Euro 12.12).

Only towards the end of the year did the share begin to make a partial recovery - improving to Euro 8.48 at December 30, 30% below 2019's closing price. This value remained more or less stable for most of Q1 2021.

From the second half of March, alongside an increase in the volume of shares traded on the market, the price gradually rose, which in mid-June, with a new peak of shares traded, exceeded Euro 11.00 per share, and then closed the half-year at Euro 10.40 (-14% on the 2019 closing price).

2. KEY OPERATING RESULTS

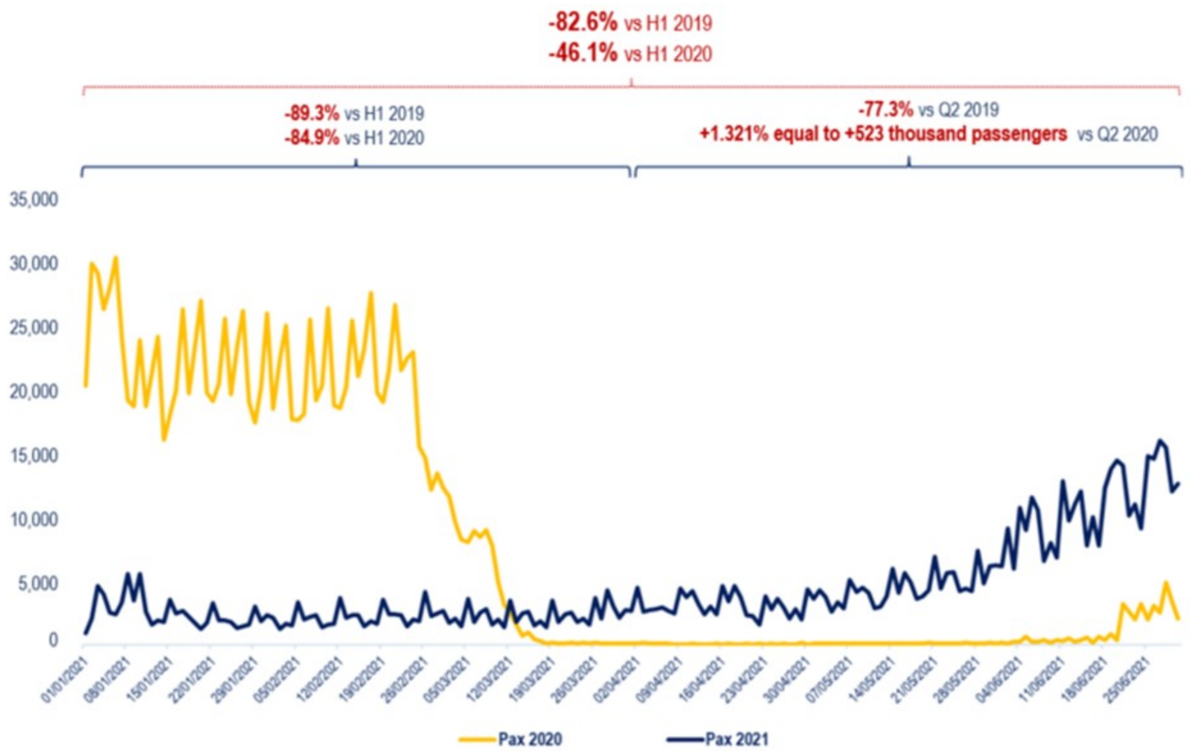
2.1 AVIATION STRATEGIC BUSINESS UNIT

2.1.1 AVIATION STRATEGIC BUSINESS UNIT: TRAFFIC DATA

Although the first quarter of 2021 did not show signs of improvement over 2020, with the exception of the cargo segment, as travel restrictions were gradually loosened in response to the decrease in infections and the continuation of the vaccine roll-out, we began to see a gradual recovery in traffic in late spring. The second quarter posted an increase of more than 520,000 passengers over the same period of 2020, which had been hit particularly hard by the lockdown. In the first six months of the year, passengers totalled 773,620, down 82.7% on the same period of 2019 (-46.3% on 2020), with 11,012 movements (-70.4%) and 23,820 tonnes of cargo transported (-4.3%). The average load factor decreased from 67.5% in the first half of 2020 to 60.8% for the first six months of 2021. However, we did see a significant improvement from 53.6% in the first quarter to 64.0% in the second. To offer a more useful comparison with pre-pandemic data, the following tables also provide figures for H1 2019.

Nonetheless, the difference compared to pre-pandemic levels remains significant (-82.6% from the first half of 2019), but the intensification of the vaccine roll-out and the introduction of Europe's Green Pass on July 1 are encouraging factors supporting a potential further recovery in traffic in the coming months.

Passenger traffic performance January-June 2021



	January - June 2021	January – June 2020	Change % 2021-2020	January - June 2019	Change % 2021-2019
Passengers	773,620	1,435,301	(46.1%)	4,446,465	(82.6%)
Movements	11,012	15,121	(27.2%)	37,216	(70.4%)
Tonnage	717,337	1,031,816	(30.5%)	2,434,622	(70.5%)
Cargo	23,820,849	19,991,293	19.2%	24,893,650	(4.3%)

Data includes General Aviation and transits

Passenger traffic breakdown	**January – June 2021**	***% of total***	**January – June 2020**	***% of total***	**January – June 2019**	***% of total***	***Change % 21-20***	***Change % 21-19***
Legacy	260,697	33.7%	536,699	37.4%	1,784,696	40.1%	(51.4%)	(85.4%)
Low cost	500,228	64.7%	886,960	61.8%	2,608,586	58.7%	(43.6%)	(80.8%)
Charter	8,153	1.1%	8,593	0.6%	43,420	1.0%	(5.1%)	(81.2%)
Transits	1,318	0.2%	1,604	0.1%	6,222	0.1%	(17.8%)	(78.8%)
Total Commercial Aviation	**770,396**	99.6%	**1,433,856**	99.9%	**4,442,924**	99.9%	(46.3%)	(82.7%)
General Aviation	3,224	0.4%	1,445	0.1%	3,541	0.1%	123.1%	(9.0%)
Total	**773,620**	**100.0%**	**1,435,301**	**100.0%**	**4,446,465**	**100.0%**	**(46.1%)**	**(82.6%)**

Legacy traffic saw a greater drop in passenger traffic in the first half of 2021 (-51.4% on 2020 and -85.4% on 2019) compared to low-cost traffic (-43.6% on 2020 and -80.8% on 2019) as a result, in part, of a lower decrease in movements.

In line with 2020, and as a result of the ongoing, stringent restrictions on international travel in place for the majority of the period, domestic passenger numbers performed better than international flights.

Passenger traffic breakdown	**January – June 2021**	**% of total**	**January – June 2020**	**% of total**	**January – June 2019**	**% of total**	**Change % 21-20**	**Change % 21-19**
Domestic	375,431	*48.5%*	316,608	*22.1%*	956,479	*21.5%*	*18.6%*	*(60.7%)*
International	394,965	*51.1%*	1,117,248	*77.8%*	3,486,445	*78.4%*	*(64.6%)*	*(88.7%)*
Total Commercial Aviation	**770,396**	*99.6%*	**1,433,856**	*99.9%*	**4,442,924**	*99.9%*	*(46.3%)*	*(82.7%)*
General Aviation	3,224	*0.4%*	1,445	*0.1%*	3,541	*0.1%*	*123.1%*	*(9.0%)*
Total	**773,620**	***100.0%***	**1,435,301**	***100.0%***	**4,446,465**	***100.0%***	***(46.1%)***	***(82.6%)***

The drop in EU traffic is essentially in line with the reduction in non-EU traffic compared both to H1 2020 (at -46.4% and -45.7%, respectively) and to H1 2019 (at -83.3% and -78.6%, respectively).

Passenger traffic breakdown	**January – June 2021**	**% of total**	**January – June 2020**	**% of total**	**January – June 2019**	**% of total**	**Change % 21-20**	**Change % 21-19**
EU	634,499	*82.0%*	1,183,574	*82.5%*	3,806,424	*85.6%*	*(46.4%)*	*(83.3%)*
Non-EU countries	135,897	*17.6%*	250,282	*17.4%*	636,500	*14.3%*	*(45.7%)*	*(78.6%)*
Total Commercial Aviation	**770,396**	***99.6%***	**1,433,856**	***99.9%***	**4,442,924**	***99.9%***	***(46.3%)***	***(82.7%)***
General Aviation	3,224	*0.4%*	1,445	*0.1%*	3,541	*0.1%*	*123.1%*	*(9.0%)*
Total	**773,620**	***100.0%***	**1,435,301**	***100.0%***	**4,446,465**	***100.0%***	***(46.1%)***	***(82.6%)***

In the first half of 2021, nearly half of all passenger traffic (48.5%) at the airport was domestic, a sharp increase on both 2020 and 2019, at 22.1% and 21.5% respectively. Only Spain confirmed its number two spot in passenger traffic by volume, accounting for 11.3% of the total. The remainder of passenger traffic by origin/destination changed radically due to changes in traffic type in response to the pandemic. In third place, we actually have Albania, with 5.6% of total passengers, followed by the Netherlands at 4.4%, Germany at 4.2%, and France at 4.1%. Four non-EU nations made the top 10. Alongside Albania, there were also Turkey, Morocco, and the United Arab Emirates.

Passenger traffic by country	January – June 2021	% of total	January - June 2020	% of total	January – June 2019	% of total	*Change % 21-20*	*Change % 21-19*
Italy	375,431	48.5%	316,608	22.1%	956,479	21.5%	18.6%	(60.7%)
Spain	87,501	11.3%	200,701	14.0%	604,180	13.6%	(56.4%)	(85.5%)
Albania	43,035	5.6%	33,072	2.3%	72,793	1.6%	30.1%	(40.9%)
The Netherlands	33,765	4.4%	43,965	3.1%	162,957	3.7%	(23.2%)	(79.3%)
Germany	32,463	4.2%	125,168	8.7%	436,410	9.8%	(74.1%)	(92.6%)
France	32,063	4.1%	87,874	6.1%	248,746	5.6%	(63.5%)	(87.1%)
Turkey	26,068	3.4%	49,091	3.4%	139,623	3.1%	(46.9%)	(81.3%)
Morocco	24,720	3.2%	35,120	2.4%	89,254	2.0%	(29.6%)	(72.3%)
Romania	24,564	3.2%	72,203	5.0%	231,606	5.2%	(66.0%)	(89.4%)
United Arab Emirates	14,237	1.8%	38,974	2.7%	89,366	2.0%	(63.5%)	(84.1%)
Other countries	79,773	10.3%	432,525	30.1%	1,415,051	31.8%	(81.6%)	(94.4%)
Total	**773,620**	**100.0%**	**1,435,301**	**100.0%**	**4,446,465**	**100.0%**	**(46.1%)**	**(82.6%)**

Despite the dramatic drop in passengers to and from all major Bologna airport destinations following the COVID-19 health emergency, the traffic mix remained solid: the main routes act both as hubs for traditional carriers and as point to point destinations for low-cost carriers.

Despite the restrictions which continue to impact international travel, in the first six months of 2021 five of the top ten destinations were overseas cities, with Tirana the most popular with over 43 thousand passengers.

Main passenger traffic routes	**January – June 2021**	**January – June 2020**	**Change % 2021-2020**	**January – June 2019**	**Change % 2021-2019**
Catania	110,509	57,027	93.8%	195,535	(43.5%)
Palermo	66,734	54,300	22.9%	136,298	(51.0%)
Tirana	43,035	33,072	30.1%	72,793	(40.9%)
Brindisi	34,618	27,298	26.8%	92,815	(62.7%)
Madrid	32,873	61,542	(46.6%)	148,589	(77.9%)
Bari	32,186	26,683	20.6%	85,025	(62.1%)
Rome FCO	31,216	55,861	(44.1%)	145,115	(78.5%)
Amsterdam	31,141	32,759	(4.9%)	111,743	(72.1%)
Paris CDG	27,491	48,049	(42.8%)	154,666	(82.2%)
Istanbul	26,068	29,833	(12.6%)	90,814	(71.3%)

Passenger traffic including transits

Analysing airline performances, Ryanair was the largest airline with 48.9% of total traffic. Wizz Air came in at second place, with its share growing from 5.5% in 2019 to 12.8% in 2020, with passengers increasing by 14.3% compared to the previous year. Alitalia is third with a substantially stable share (4.9% in 2019, 4.6% in 2020 and 4.5% in 2021). The airport's top ten airlines also include the main legacy carriers, KLM, Air France and Lufthansa, with total passenger numbers ranging from 19 to 31 thousand. Air Albania, Turkish Airlines and Emirates are also among the main airlines, confirming the wide range of carriers operating at Bologna Airport, despite the extraordinary circumstances.

Passenger traffic by airline	**January – June 2021**	**% of total**	**January – June 2020**	**% of total**	**January – June 2019**	**% of total**	***Change % 21-20***	***Change % 21-19***
Ryanair	378,451	48.9%	716,180	49.9%	2,057,110	46.3%	(47.2%)	(81.6%)
Wizz Air	98,866	12.8%	86,460	6.0%	244,787	5.5%	14.3%	(59.6%)
Alitalia	35,030	4.5%	66,531	4.6%	218,584	4.9%	(47.3%)	(84.0%)
KLM Royal Dutch Airlines	31,141	4.0%	32,586	2.3%	111,692	2.5%	(4.4%)	(72.1%)
Air Nostrum	28,745	3.7%	30,681	2.1%	77,621	1.7%	(6.3%)	(63.0%)
Air France	27,491	3.6%	55,270	3.9%	154,383	3.5%	(50.3%)	(82.2%)
Turkish Airlines	26,068	3.4%	29,833	2.1%	90,814	2.0%	(12.6%)	(71.3%)
Air Albania	23,164	3.0%	16,019	1.1%	0	0.0%	44.6%	n/a
Lufthansa	19,127	2.5%	40,834	2.8%	157,883	3.6%	(53.2%)	(87.9%)
Royal Air Maroc	16,190	2.1%	20,558	1.4%	53,252	1.2%	(21.2%)	(69.6%)
Others	89,347	11.5%	340,349	23.7%	1,280,339	28.8%	(73.7%)	(93.0%)
Total	**773,620**	**100.0%**	**1,435,301**	**100.0%**	**4,446,465**	**100.0%**	**(46.1%)**	**(82.6%)**

Cargo Traffic

(in KG)	**January – June 2021**	**January – June 2020**	**Change % 2021-2020**	**January – June 2019**	**Change % 2021-2019**
Air cargo of which	18,444,011	15,717,339	17.3%	19,469,594	(5.3%)
Cargo	18,444,008	15,717,047	17.4%	19,447,901	(5.2%)
Mail	3	292	(99.0%)	21,693	(100.0%)
Road cargo	5,376,838	4,273,954	25.8%	5,424,056	(0.9%)
Total	**23,820,849**	**19,991,293**	**19.2%**	**24,893,650**	**(4.3%)**

Cargo traffic in the first six months of 2021 amounted to 23,820,849 kg, up 19.2% on H1 2020, but nonetheless down slightly on figures for the first half of 2019. After Milan Malpensa and Rome Fiumicino, Bologna was Italy's third leading airport in the cargo segment from January to June 2021 (vs. fifth place in 2019).

This was the result of a strong recovery in the cargo business, which is an improvement over the previous year despite the fact that the first quarter of 2020 was not impacted by the COVID-19 health emergency.
Road traffic increased by 25.8% over the same period of 2020, while air traffic increased by 17.3%, to essentially equal the traffic posted in the first six months of 2019.

2.1.2 AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Total change vs 2020	% change vs 2020	For the half year ended 30.06.2019	% change vs 2019
Passenger Revenues	4,687	8,476	(3,789)	-44.7%	28,446	-83.5%
Carrier Revenues	5,017	5,938	(921)	-15.5%	12,429	-59.6%
Airport Operator Revenues	854	814	40	4.9%	1,648	-48.2%
Traffic Incentives	(2,286)	(3,862)	1,576	-40.8%	(12,471)	-81.7%
Revenues from Construction Services	2,565	4,422	(1,857)	-42.0%	5,965	-57.0%
Other revenues	609	653	(44)	-6.7%	675	-9.8%
Aeronautical and FSC Revenue Reduction	(296)	(67)	(229)	341.8%	(1)	n.a.
Total AVIATION SBU Revenues	**11,150**	**16,374**	**(5,224)**	**-31.9%**	**36,691**	**-69.6%**

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.
The decline in revenues in H1 2021 on the same periods in 2020 and 2019 is primarily due to the reduction in traffic volumes from the end of February 2020 following the COVID-19 health emergency, in addition to a decrease in revenues for construction services and reduced investments in Concession Rights and a larger reduction in revenues linked to the risk of insolvency among some customers.

Group revenues from the Aviation Strategic Business Unit were down 31.9% overall on 2020 and 69.6% on 2019. The individual accounts broke down as follows:

- Passenger Revenues (-44.7% on 2020 and -83.5% on 2019): passenger revenues fell in correlation with the reduction in passenger traffic;
- Carrier Revenues (-15.5% on 2020 and -59.6% on 2019): carrier revenues against 2019 fell slightly less than total tonnage, due to higher take-off and landing tariffs; compared with 2020 the contraction is lessened further due to the effect of higher cargo charges deriving from the growth in cargo traffic and higher handling revenues from General Aviation;
- Airport Operator Revenues (+4.9% on 2020 and -48.2% on 2019): revenues declined compared to 2019 due to the decrease in traffic volumes and the revision of fees for premises and operating equipment granted by the manager to support operators during this emergency phase; There was a slight increase over 2020 given that the increase in revenues from fuel sales offset the decline due to traffic and the revision of fees;
- Incentives: the decline in incentives (-40.8% on 2020 and -81.7% on 2019) relates to the decrease in incentivised traffic;
- Revenues from Construction Services: the decline in this item (-42% on 2020 and -57% on 2019) relates to lesser investments considering the rescheduling of work required by the ongoing health emergency.

2.2 NON-AVIATION STRATEGIC BUSINESS UNIT

2.2.1 NON-AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Total change vs 2020	% change vs 2020	For the half year ended 30.06.2019	% change vs 2019
Retail and Advertising	1,445	3,098	(1,653)	-53.4%	7,333	-80.3%
Parking	1,579	2,800	(1,221)	-43.6%	7,970	-80.2%
Real Estate	1,164	1,107	57	5.1%	1,215	-4.2%
Passenger services	628	1,221	(593)	-48.6%	3,002	-79.1%
Revenues from Construction Services	1,220	7,995	(6,775)	-84.7%	1,126	8.3%
Other revenues	693	906	(213)	-23.5%	1,562	-55.6%
Non-Aeronautical and FSC Revenue Reduction	(4)	0	(4)	n.a.	0	n.a.
Total NON AVIATION SBU Revenues	**6,725**	**17,127**	**(10,402)**	**-60.7%**	**22,208**	**-69.7%**

Total non-aviation business revenues declined 60.7% on 2020 and 69.7% on 2019, with all the main revenue items decreasing.

The individual areas of this business unit performed as follows.

Retail and Advertising

The decrease in revenues (-53.4% on 2020 and -80.3% on 2019) was due to the continuation of the COVID-19 emergency, which continued to cause a dramatic decline in traffic volumes, the ongoing closure of some commercial establishments and the reduction in the sale of advertising spaces. This came in addition to a review of contractual terms, according to which fees vary on the basis of changes in traffic on 2019 levels. This was agreed by the airport manager and sub-concessionaires to provide support for the latter during this phase of the emergency.

Parking

The reduction in parking and rail access fees in H1 2021 (-43.6% on 2020 and -80.2% on 2019) was also due to the reduction in traffic volumes caused by the ongoing health crisis.

Real Estate

The trend in real estate revenues (+5.1% on 2020 and -4.2% on 2019) was less affected by the ongoing health emergency. Operators suffering from the reduction in traffic were offered discounts. The increase over the same period of 2020 was due to a new sub-concession agreement related to new areas delivered in June.

Passenger services

Passenger services in H1 2021 were down 48.6% on 2020 and 79.1% on 2019 due to both premium (lounge and accessory services) and self-hire services, whose performance is outlined below.

Premium services

The sector saw a reduction in H1 revenues as a result of decreased traffic, the dramatic fall in work travel and conventions, the temporary suspension of lounge services by some carriers, and the reduction in operations and total cancellation of routes that are particularly significant for the premium services segment.

Self-hire sub-concessions

Car rental revenues showed a decline in both the variable component and fixed fees, the latter granted by the manager to sub-concession holders. Car rental activities were never suspended in order to guarantee service to passengers travelling through Bologna airport.

Revenues from Construction Services

The reduction in this item on 2020 (-84.7%) relates to reduced investment in the business unit on the same period of the previous year. The item reports an increase of 8.3%, however, on H1 2019.

Other revenues

The contraction in other revenues on 2020 (-23.5%) was mainly due to a reduction in maintenance activities carried out on airport operator vehicles due to their less frequent use, lower sales of aircraft de-icing liquid and a decline in the use of passenger trolleys. The period saw reduced maintenance activities carried out on airport operator vehicles and the reduced use of passenger trolleys, though the provision of fewer training courses also contributed to the reduction on 2019 (-55.6%), as did a decrease in the number of energy efficiency certificates sold. Finally, the new management of aircraft de-icing fluid, purchased and managed by AdB and sold to handlers to provide the service, was not yet available in H1 2019.

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

3.1 CONSOLIDATED OPERATING RESULTS ANALYSIS

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Total change vs 2020	% change vs 2020	For the half year ended 30.06.2019	% change vs 2019
Revenues from aeronautical services	8,044	11,437	(3,393)	-29.7%	30,229	-73.4%
Revenues from non-aeronautical services	5,569	9,421	(3,852)	-40.9%	21,075	-73.6%
Revenues from construction services	3,786	12,418	(8,632)	-69.5%	7,091	-46.6%
Other operating revenues and income	476	225	251	111.6%	504	-5.6%
REVENUES	**17,875**	**33,501**	**(15,626)**	**-46.6%**	**58,899**	**-69.7%**
Consumables and goods	(664)	(699)	35	-5.0%	(962)	-31.0%
Service costs	(7,330)	(7,681)	351	-4.6%	(10,075)	-27.2%
Construction service costs	(3,605)	(11,826)	8,221	-69.5%	(6,753)	-46.6%
Leases, rentals and other costs	(1,460)	(1,900)	440	-23.2%	(4,074)	-64.2%
Other operating expenses	(1,401)	(1,495)	94	-6.3%	(1,595)	-12.2%
Personnel costs	(10,247)	(10,583)	336	-3.2%	(14,950)	-31.5%
COSTS	**(24,707)**	**(34,184)**	**9,477**	**-27.7%**	**(38,409)**	**-35.7%**
EBITDA	**(6,832)**	**(683)**	**(6,149)**	**-900.3%**	**20,490**	**n.a.**
Amortisation of concession rights	(3,632)	(3,317)	(315)	9.5%	(3,024)	20.1%
Amortisation of other intangible assets	(433)	(650)	217	-33.4%	(576)	-24.8%
Depreciation of tangible assets	(1,154)	(1,320)	166	-12.6%	(1,423)	-18.9%
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**(5,219)**	**(5,287)**	**68**	**-1.3%**	**(5,023)**	**3.9%**
Provisions for doubtful accounts	(401)	(257)	(144)	56.0%	(350)	14.6%
Provision for renewal of airport infrastructure	213	(363)	576	n.a.	(1,191)	n.a.
Provisions for other risks and charges	(64)	(20)	(44)	220.0%	(208)	-69.2%
PROVISIONS FOR RISKS AND CHARGES	**(252)**	**(640)**	**388**	**-60.6%**	**(1,749)**	**-85.6%**
TOTAL COSTS	**(30,178)**	**(40,111)**	**9,933**	**-24.8%**	**(45,181)**	**-33.2%**
EBIT	**(12,303)**	**(6,610)**	**(5,693)**	**-86.1%**	**13,718**	**n.a.**
Financial income	72	116	(44)	-37.9%	79	-8.9%
Financial expenses	(505)	(303)	(202)	66.7%	(598)	-15.6%
RESULT BEFORE TAXES	**(12,736)**	**(6,797)**	**(5,939)**	**-87.4%**	**13,199**	**n.a.**
TAXES FOR THE PERIOD	**3,018**	**2,066**	**952**	**46.1%**	**(3,778)**	**-179.9%**
PROFIT (LOSS) FOR THE PERIOD	**(9,718)**	**(4,731)**	**(4,987)**	**-105.4%**	**9,421**	**n.a.**
Profit (loss) for the period - Minority interests	**0**	**0**	**0**	**0%.**	**0**	**0%**
Profit (loss) for the period – Group	**(9,718)**	**(4,731)**	**(4,987)**	**-105.4%**	**9,421**	**n.a.**

H1 2021 reports a **consolidated loss of Euro 9.7 million,** compared to a loss of Euro 4.7 million In H1 2020, and profit of Euro 9.4 million for H1 2019, confirming the continuing, major impact of the ongoing pandemic.

Operating **revenues** overall declined 46.6% on 2020 and 69.7% on 2019. Specifically:
- **revenues from aeronautical services** dropped (-29.7% on 2020 and -73.4% on 2019) due to the reduction in traffic;
- **revenues from non-aeronautical services** declined (-40.9% on 2020 and -73.6% on 2019) due to the performance of all category components, as outlined in the relative section;
- **revenues from construction services** decreased (-69.5% on 2020 and -46.6% on 2019) due to reduced aviation and non-aviation sector investment in comparison to 2020, and a decline in the aviation sector in comparison with 2019;
- other **operating revenues and income**: the shifts in this category of revenues (+111.6% on 2020 and -5.6% on 2019) are due almost entirely to the diverging trends in sales of energy efficiency certificates over the three-year period.

The **costs** for the period reduced by 27.7% overall on the same period in 2020 and 35.7% on 2019 following the decrease in traffic and the introduction of efficiency enhancement measures to reduce the impact of the decline in volumes on profitability.

These break down as follows:

- ✓ **consumables and goods** decreased (-5% on 2020 and -31% on 2019), mainly due to the lesser amounts of aircraft fuel purchased resulting from the fall in air traffic and, only in comparison with 2020, of aircraft de-icing liquid;
- ✓ **service costs** were lower (-4.6% on 2020 and -27.2% on 2019), thanks to:
    - o the reduction of some traffic-related services such as the PRM and MBL services compared to both years;
    - o the decrease in utility costs compared to 2019 given that containment measures had already been activated in H1 2020;
    - o the lower costs for maintenance, development and promotion, professional services and consultancy, and the restructuring or suspension of some service contracts (e.g., cleaning and passenger and staff shuttles to outlying car parks);
- ✓ the decrease in the **lease, rentals and other costs** account (-23.2% on 2020 and -64.2% on 2019) is mainly due to the decline in traffic volumes, on whose basis the concession and security fees are calculated;
- ✓ **other operating expenses** decreased (-6.3% on 2020 and -12.2% on 2019), mainly due to reduced tax charges.

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

Overall, the January-June 2021 period reports an **EBITDA loss of Euro 6.8 million**, compared to a loss of Euro 0.7 million in 2020 and a profit of Euro 20.5 million in 2019, due to the contraction in revenues, entirely linked to the traffic performance, and to more rigid costs, considering the high fixed cost structure characteristic of airport managers.

In terms of **overheads**, **amortisation and depreciation**, in the amount of Euro 5.2 million, did not change significantly from H1 2020, whereas **provisions** decreased from Euro 0.6 million to Euro 0.3 million, due mainly to the partial release of the provision for the renewal of airport infrastructures as a result of the rescheduling of a number of works over the next decade.
EBIT came to a **loss of Euro 12.3 million**, compared to a loss of Euro 6.6 million at June 30, 2020, and profit at this level of Euro 13.7 million for the first six months of 2019.
Net financial expenses amounted to **Euro 0.4 million** compared to net gain of Euro 0.2 million for H1 2020 and a net expense of Euro 0.5 million for H1 2019. The deterioration on 2020 is due to the higher debt, with consequent increased financial expense and related accessory costs, such as the commissions for the SACE guarantee on the two new loans agreed by the parent company in 2020. Fund discounting charges had been particularly significant in the first half of 2019, compared to financial income in the present period.

As a result of that outlined above, the **Result before taxes** for the first half of 2021 was a **loss of Euro 12.7 million**, compared to a loss of Euro 6.8 million in the first half of 2020 and a profit of Euro 13.2 million in the first half of 2019.

Income taxes present a **positive component (net income) in the income statement of Euro 3 million**, (income of Euro 2.1 million in the first half of 2020 and charge of Euro 3.8 million in the first half of 2019), due to the recognition of deferred tax assets, calculated mainly on the IRES tax loss for the year and recognised assuming that the current situation is temporary and that a reasonable certainty therefore exists of generating in future periods sufficient assessable income to allow for its gradual absorption.

The **result** for the period, entirely concerning the Group, was therefore a **loss of Euro 9.7 million**, more than doubling on that for the first half of 2020 (loss of Euro 4.7 million), thanks to the positive performance in the two pre-COVID months of January and February. In the first half of 2019, a profit of Euro 9.4 million was reported.

The **EBITDA** adjusted for the construction services margin is presented below:

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Total change vs 2020	% change vs 2020	For the half year ended 30.06.2019	% change vs 2019
Revenues from aeronautical services	8,044	11,437	(3,393)	-29.7%	30,229	-73.4%
Revenues from non-aeronautical services	5,569	9,421	(3,852)	-40.9%	21,075	-73.6%
Other operating revenues and income	476	225	251	111.6%	504	-5.6%
ADJUSTED REVENUES	**14,089**	**21,083**	**(6,994)**	**-33.2%**	**51,808**	**-72.8%**
Consumables and goods	(664)	(699)	35	-5.0%	(962)	-31.0%
Service costs	(7,330)	(7,681)	351	-4.6%	(10,075)	-27.2%
Leases, rentals and other costs	(1,460)	(1,900)	440	-23.2%	(4,074)	-64.2%
Other operating expenses	(1,401)	(1,495)	94	-6.3%	(1,595)	-12.2%
Personnel costs	(10,247)	(10,583)	336	-3.2%	(14,950)	-31.5%
ADJUSTED COSTS	**(21,102)**	**(22,358)**	**1,256**	**-5.6%**	**(31,656)**	**-33.3%**
ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)	**(7,013)**	**(1,275)**	**(5,738)**	**-450.0%**	**20,152**	**n.a.**
Revenues from construction services	3,786	12,418	(8,632)	-69.5%	7,091	-46.6%
Construction service costs	(3,605)	(11,826)	8,221	-69.5%	(6,753)	-46.6%
Construction Services Margin	**181**	**592**	**(411)**	**-69.4%**	**338**	**-46.4%**
GROSS OPERATING PROFIT (EBITDA)	**(6,832)**	**(683)**	**(6,149)**	**-900.3%**	**20,490**	**n.a.**

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

	Q1 2021	Change % vs 2020	Change % vs 2019	Q2 2021	Change % vs 2020	Change % vs 2019
Passenger Traffic	210,617	-84.9%	-89.3%	563,003	1320.6%	-77.3%
INCOME STATEMENT (in thousands of Euro)						
ADJUSTED REVENUES	**4,709**	**-72.4%**	**-78.8%**	**7,425**	**228.8%**	**-72.3%**
Revenues from aeronautical services	2,512	-72.2%	-79.5%	3,793	334.5%	-75.3%
Revenues from non-aeronautical services	2,038	-74.2%	-78.9%	3,335	164.7%	-70.1%
Other operating revenues and income	159	3.9%	-32.9%	297	137.6%	-16.1%
ADJUSTED COSTS	**(9,709)**	**-26.3%**	**-32.2%**	**(9,862)**	**26.6%**	**-35.7%**
Personnel costs	(4,748)	-23.5%	-30.3%	(4,881)	28.5%	-34.5%
Other operating costs	(4,961)	-28.8%	-34.0%	(4,981)	24.8%	-36.7%
ADJUSTED EBITDA	**(5,000)**	**n.a.**	**n.a.**	**(2,437)**	**-55.9%**	**n.a.**
ADJUSTED EBITDA MARGIN	**-106.2%**	**n.a.**	**n.a.**	**-32.8%**	**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 30.06.2021	As at 30.06.2020	Change
Cash flow generated / (absorbed) by operating activities before working capital changes	**(6,515)**	**(1,171)**	**(5,344)**
Cash flow generated / (absorbed) by net operating activities	**(15,349)**	**(5,761)**	**(9,588)**
Cash flow generated / (absorbed) by investment activities	**(3,591)**	**(12,062)**	**8,471**
Cash flow generated / (absorbed) by financing activities	**(1,767)**	**4,661**	**(6,428)**
Change in closing cash flow	**(20,707)**	**(13,162)**	**(7,545)**
Cash and cash equivalents at beginning of period	**43,658**	**29,253**	**14,405**
Change in closing cash flow	**(20,707)**	**(13,162)**	**(7,545)**
Cash and cash equivalents at end of period	**22,951**	**16,091**	**6,860**

Cash flow absorbed by operating activities before working capital changes amounted to Euro 6.5 million compared to Euro 1.2 million in the comparative period. The reduction of Euro 5.3 million is essentially due to the net loss for the period.
Working capital cash flow in the period saw an **absorption of Euro 8.8 million**, mainly due to:

- ✓ the increase in trade receivables due to higher revenues in June not yet due/collected;
- ✓ the increase in current other assets due to the receivables for passenger boarding fee surtaxes related to the increase in revenues, as indicated above, and higher prepayments and accrued income linked to the seasonality of the period;
- ✓ the contraction in trade payables due to the payment of amounts due, mainly for investments made in the preceding period.

Consequently, **cash flow from operating activities** contracted, reporting an absorption of **Euro 15.3 million**, compared to an absorption of only Euro 5.8 million in the first half of 2020.
On the other hand, **investing activities** absorbed **Euro 3.6 million**, compared to Euro 12.1 million in the comparative half year, as a result of reduced infrastructural investment.
Finally, **financing activities absorbed cash flows** of **Euro 1.8 million** due to the settlement of a loan instalment, in addition to payments for lease liabilities, against a generation of Euro 4.7 million in the first half of 2020 due to the draw-down of a short-term loan of Euro 5 million.
Consequently, the **change in closing cash flow** in the period indicates the **absorption of Euro 20.7 million**, against an absorption of cash of Euro 13.2 million in H1 2020.

The Group net financial position at June 30, 2021, compared to December 31 and June 30, 2020, was as follows:

in thousands of Euro		As at 30.06.2021	As at 31.12.2020	As at 30.06.2020	Change 30.06.2021 31.12.2020	Change 30.06.2021 30.06.2020
A	Cash	32	33	25	(1)	7
B	Other cash equivalents	22,919	43,625	16,066	(20,706)	6,853
A	Securities held for trading	0	0	0	0	0
D	**Liquidity (A+B+C)**	**22,951**	**43,658**	**16,091**	**(20,707)**	**6,860**
E	**Current financial receivables**	**0**	**275**	**772**	**(275)**	**(772)**
F	Current bank payables	(23)	(33)	(5,035)	10	5,012
G	Current portion of non-current debt	(3,067)	(3,064)	(3,062)	(3)	(5)
H	Other current financial debt	(964)	(1,440)	(1,967)	476	1,003
I	**Current financial debt (F+G+H)**	**(4,054)**	**(4,537)**	**(10,064)**	**483**	**6,010**
J	**Net Current Financial Position (I-E-D)**	**18,897**	**39,396**	**6,799**	**(20,499)**	**12,098**
K	Non-current bank debt	(67,229)	(68,759)	(11,400)	1,530	(55,829)
L	Bonds issued	0	0	0	0	0
M	Other non-current payables	(824)	(1,026)	(1,221)	202	397
N	**Non-current financial debt (K+L+M)**	**(68,053)**	**(69,785)**	**(12,621)**	**1,732**	**(55,432)**
O	**Net financial (debt) position (J+N)**	**(49,156)**	**(30,389)**	**(5,822)**	**(18,767)**	**(43,334)**

The Group **Net Financial Debt** at June 30, 2021 was **Euro 49.2 million,** compared to Euro 30.4 million at December 31, 2020 and Euro 5.8 million at June 30, 2020, with increases respectively of Euro 18.8 million and Euro 43.3 million. The deterioration on December 31, 2020 is due to the extraordinary absorption of liquidity as a result of the ongoing crisis, which significantly cut cash inflows from operating activities, together with the payments for investments and provision for renewal actions in the half year and the airport concession fee - 2019 balance and 2020 entire payment - postponed until April 2021. In terms of the debt, the main change regarded the payment of the loan instalments falling due.
Compared to June 30, 2020, the increase in liquidity was due to the receipt of the SACE-backed loans for Euro 58.9 million, partially absorbed by current cash requirements and for investments; simultaneously, the receipt of these loans is behind the increase in non-current bank debt, net of the payment of the loan instalments falling due.

3.3 FINANCIAL POSITION ANALYSIS

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

USES	As at 30.06.2021	As at 31.12.2020	As at 30.06.2020	Change 30.06.2021 31.12.2020	Change 30.06.2021 30.06.2020
- Trade receivables	8,634	6,279	7,377	2,355	1,257
- Tax receivables	1,430	1,299	837	131	593
- Other Receivables	4,081	2,494	3,034	1,587	1,047
- Inventories	661	676	704	(15)	(43)
Sub-total	**14,806**	**10,748**	**11,952**	**4,058**	**2,854**
- Trade payables	(9,636)	(13,612)	(13,953)	3,976	4,317
- Tax payables	(912)	(511)	(1,060)	(401)	148
- Other payables	(23,823)	(22,923)	(21,753)	(900)	(2,070)
Sub-total	**(34,371)**	**(37,046)**	**(36,766)**	**2,675**	**2,395**
Net operating working capital	**(19,565)**	**(26,298)**	**(24,814)**	**6,733**	**5,249**
Fixed assets	216,105	217,457	205,487	(1,352)	10,618
- Deferred tax assets	13,760	10,732	7,931	3,028	5,829
- Other non-current assets	13,242	13,262	12,623	(20)	619
Total fixed assets	**243,107**	**241,451**	**226,041**	**1,656**	**17,066**
- Provisions for risks, charges & severance	(16,790)	(17,567)	(19,381)	777	2,591
- Deferred tax liabilities	(2,646)	(2,618)	(2,586)	(28)	(60)
- Other non-current liabilities	(41)	(41)	0	0	(41)
Sub-total	**(19,477)**	**(20,226)**	**(21,967)**	**749**	**2,490**
Fixed Operating Capital	**223,630**	**221,225**	**204,074**	**2,405**	**19,556**
Total Uses	**204,065**	**194,927**	**179,260**	**9,138**	**24,805**

SOURCES	As at 30.06.2021	As at 31.12.2020	As at 30.06.2020	Change 30.06.2021 31.12.2020	Change 30.06.2021 30.06.2020
Net financial position/(debt)	**(49,156)**	**(30,389)**	**(5,822)**	**(18,767)**	**(43,334)**
- Share Capital	(90,314)	(90,314)	(90,314)	0	0
- Reserves	(74,313)	(87,814)	(87,855)	13,501	13,542
- Profit (loss) for the period	9,718	13,590	4,731	(3,872)	4,987
Group Shareholders’ Equity	**(154,909)**	**(164,538)**	**(173,438)**	**9,629**	**18,529**
Minority Interests	0	0	0	0	0
Total Shareholders’ Equity	**(154,909)**	**(164,538)**	**(173,438)**	**9,629**	**18,529**
Total sources	**(204,065)**	**(194,927)**	**(179,260)**	**(9,138)**	**(24,805)**

Fixed operating capital at June 30, 2021 was **Euro 204.1 million,** increasing Euro 9.1 million on December 31, 2020 and Euro 24.8 million on June 30, 2020.

In terms of uses, the Group balance sheet at June 30 indicates an increase in the use of net operating working capital of Euro 6.7 million, due to the increase in trade and non-trade receivables and the reduction of payables and, at the same, an increase in the uses of fixed assets, both infrastructural and related to the increase in deferred tax assets on the tax losses in the period. Compared to June 30, 2020, a similar absorption of cash from net operating working capital (Euro 5.2 million) and a significant increase in investments in fixed assets (Euro 10.6 million) is reported, in addition to deferred tax assets (Euro 5.8 million) in relation to the tax benefit from the tax losses.

In terms of sources, the **net financial debt** at June 30, 2021 was Euro 49.2 million, compared to Euro 30.4 million at December 31, 2020 and Euro 5.8 million at June 30, 2020, while the **Consolidated and Group Shareholders' Equity** was **Euro 154.9 million**, compared to Euro 164.5 million at December 31, 2020 and Euro 173.4 million at June 30, 2020, due to the losses in the period carried forward.

3.4 INDICATORS

The Directors deemed the Group's major income statement and statement of financial position indicators at and for the period ended June 30, 2021 to be immaterial due to their interim nature.

3.5.1 AIRPORT INFRASTRUCTURE DEVELOPMENT

In February 2021, the Airport Development Plan 2016-30 (known as the Masterplan) for Bologna's Guglielmo Marconi Airport received final approval from the National Civil Aviation Authority (ENAC). The infrastructure development work included in the Masterplan for the airport will be planned and executed, in support of the airport's development and service levels, using technical solutions and according to timescales that accommodate traffic growth trends and full sustainability, in accordance with the prescriptions of the VAT Decree and the implementing acts and agreements at the local level. The long-term Masterplan calls for the performance, in phases, of a series of projects, the salient points of which are the passenger terminal expansion, increasing floor space by more than 20,000 square metres (+50% approx.), construction of a multilevel parking garage for passenger cars and car rental companies offering 2,000 additional parking spaces (+38% approx.) and the creation of approximately 40 hectares of woodlands to the north of the airport to absorb carbon dioxide and other environmental compensation and mitigation initiatives. Final approval of the Masterplan was an essential administrative step in the process of developing Bologna airport and was the result of active collaboration between the Ministry of Transport and Infrastructure, ENAC, the Ministry of the Interior, the Ministry for the Environment, Territory and Protection of the Sea, the Region of Emilia-Romagna, the Metropolitan City of Bologna, the Municipality of Bologna and the Municipality of Calderara di Reno.

In the first six months of the current year, despite a general reduction in investments due to the pandemic, some key interventions on the passenger terminal to be rolled out over the short term as they are necessary to support the re-establishment of traffic at pre-pandemic levels were further advanced and in particular:

- the expansion and upgrading of the departing security and passport controls, which has seen the awarding of construction contracts with work beginning in the second half of 2021;
- completion of the executive project to extend and reconfigure the Schengen departure lounge and boarding gates, which will be submitted to ENAC for approval during the second half of the year.

3.5.2 INVESTMENTS

Investments totalled Euro 3.9 million in H1 2021, of which approx. Euro 2.4 million for Masterplan investments and the remainder on airport operations.

Among the main Masterplan investments, of particular note is the conclusion of work on a building dedicated to a specialist operator in the cargo sector.
In addition, the Tax Agency has begun the phase of assessing the fairness of the price of expropriations prior to the creation of the wooded area identified as an environmental compensation for the development of the Master Plan.

Furthermore, in terms of other investments in airport operations, the following work was carried out to improve the service offered to passengers and increase the efficiency of company processes:

- the completion of the expansion of the offices in the check-in area. We are waiting for the agility test, undertaken by ENAC;
- construction work on a new de-icing plant, with entry into service estimated for the winter season;
- various works relating to information technology and others requested by the Fire Prevention Service (compartmentalisation of P2 underground parking lot and various fences airside).

Provisions for Renewal
The total works for the **cyclical renewal and maintenance of the airport infrastructure and plant** at June 30, 2021 amount to approximately Euro 211 thousand, which essentially concern the restoration of lifts, refrigeration units, automatic doors and gates and the resurfacing of the flooring at an operating hangar.

3.6 PERSONNEL

Workforce breakdown

	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Total change vs 2020	% change vs 2020	For the half year ended 30.06.2019	Total change vs 2019	% change vs 2019
Full Time Equivalent average workforce	**425**	**452**	**(27)**	**-6%**	**489**	**(64)**	**-13%**
Executives	10	9	1	11%	10	0	0%
Managers	36	35	1	3%	32	4	13%
White-collar	301	321	(20)	-6%	349	(48)	-14%
Blue-collar	78	87	(9)	-10%	98	(20)	-21%

	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Total change vs 2020	% change vs 2020	For the half year ended 30.06.2019	Total change vs 2019	% change vs 2019
Average workforce	**467**	**505**	**(38)**	**-8%**	**541**	**(74)**	**-14%**
Executives	10	9	1	11%	9	1	11%
Managers	36	34	2	6%	32	4	13%
White-collar	340	372	(32)	-9%	398	(58)	-15%
Blue-collar	81	90	(9)	-10%	102	(21)	-21%

Source: Company workings

The reduction in the workforce of 27 full-time equivalent staff compared to 2020 and of 64 on 2019 is mainly due to the use, from April 2020, of fixed-term contracts due to the reduction in traffic.

Costs

In addition to the drop in staff numbers mentioned above, the Group has reduced its costs by 3.2% on 2020 and by 31.5% on 2019 by taking actions to limit labour costs, given that they represent one of the Group's primary expenses. The maximum possible employment levels have however been maintained. The comparison between 2021 and 2020 features, specifically, a differing personnel cost dynamic over the two quarters. In particular, Q1 2021 benefitted from a significant use of the Lay-Off Scheme, not introduced in Q1 2020 and in which the impacts of the pandemic had not yet emerged. Q2 2021 however saw a lesser use of the Lay-Off scheme in the operating areas due to the gradual recovery of passenger traffic.
The increasing items include the cost of severance incentives as a result of early termination agreements following the agreements signed with the trade unions (see the Trade Union Relations section).

In 2021, as in 2020, the Group took action to block overtime and to encourage employees to take accrued holidays. In addition, from March 2020 and until March 20, 2021, the Group launched an Extraordinary Temporary Lay-off Scheme for all employees of AdB, followed by those of the subsidiary FFM, maintaining only the operational services deemed essential, resulting in a reduction in the activities of other employees. The Exceptional Temporary Lay-off Scheme entered into force from March 22, 2021 to December 26 2021 for AdB employees, and from April 1, 2021 until December 31, 2021 for the subsidiary FFM.

Other personnel expense also contributes to the saving, mainly for lower canteen service costs (in relation to reduced attendances at workplaces due to the Temporary Lay-off Scheme and remote working), training (compared to 2019 only - the figure is in line with 2020) and travel, and the non-use of temporary personnel.

	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Total change vs 2020	% change vs 2020	For the half year ended 30.06.2019	Total change vs 2019	% change vs 2019
Personnel costs	10,247	10,583	(336)	-3.2%	14,950	(4,703)	-31.5%

TRADE UNION RELATIONS

On February 26, 2021, an agreement for the Exceptional Temporary Lay-Off Scheme for AdB employees was signed by the trade unions. This entered into force on March 22, 2021 and is valid until June 13, 2021. The agreement provides for a rotational system based on interchangeable job roles, in line with a set of criteria that guarantee fairness. The Extraordinary Temporary Lay-Off Scheme includes income support from the Air Transport Solidarity Fund, which covered remuneration up to an effective 80% of the average salary of every worker calculated in the 12 months prior to the pandemic period. AdB requested that the Scheme is extended by the further 28 weeks (14/6-26/12) provided for in the Support Decree. Differing from the Extraordinary Temporary Lay-off Scheme in effect between March and June 2021, for the additional weeks the company had the option to advance the support to workers, with also supplementation of the Air Transport Solidarity Fund.
The same agreement was signed for the company FFM, both for the first 12 weeks with a validity period from April 1 to June 23, 2021 and for the following 28 weeks from June 27 to December 31.
In addition, on January 5, 2021 an agreement was signed with the trade unions to set up a voluntary incentivised redundancy plan, for both AdB and FFM, as a further measure to protect employment and, at the same time, to permit Group personnel cost savings. The deadline for voluntary redundancies, initially set for March 31, was extended by the subsequent supplements to the agreement - firstly until June 30, then later until October 31, 2021 - in line with the extension of the redundancy freeze decided by the government.

Throughout the COVID emergency, the AdB Group maintained constant dialogue with the trade unions and with the Employee Health and Safety Representatives (RLS) through a Regulatory Committee and periodic update meetings were held on the contagion protection and prevention measures adopted to combat the emergency.
In collaboration with the trade unions, and with the support of the Municipality and Metropolitan City of Bologna, AdB also produced and brought to the attention of the Italian Government, the Ministry of Transport, the Emilia Romagna Region and other interested bodies a document requesting support and job protection for the entire airport site with a view to asking for direct intervention, partly with a view to the exit from the health emergency.

TRAINING OF PERSONNEL
A comparison with the first half of last year shows a similar amount of costs dedicated to training, which this year was carried out entirely on a non face-to-face basis.
Training in the first half of 2021 centred on mandatory training (involving the Prevention and Protection Service and the Security update for approximately 70 staff, who took the exam to renew their three-year certification with ENAC), and on a number of managerial initiatives, thanks to the use of professional provisions and public tenders.
With regard to management training, the following are highlighted:

- the Regulatory Compliance course regarding energy in the design of buildings, which involved the entirety of the Infrastructure Management department and the Maintenance Manager, on the subject of energy efficiency and the regional and national regulatory framework;
- a Team Coaching course for the entire Management Board on the subject of Pandemic Fatigue to manage the strong pressure due to the extended continuation of the pandemic and the resulting situation of uncertainty and difficulty in terms of strategy, management and leadership.

The specialist courses carried out in the first half year included:

- the CAST Terminal course for the "Cast Airport Simulation Team" working group, which seeks to simulate future scenarios which involve operating infrastructure and processes in order to provide support for management's strategic decisions;
- the Auditor course for six new company auditors which focuses on both quality and security;
- the Regulatory Compliance course regarding energy in the design of buildings, regarding energy efficiency and the regional and national regulatory framework;
- the Runway Inspection course as per EU Reg. 139 ADR.OPS. B.015 on Movement Area monitoring and inspection, which involved eight staff between Airside Supervisors and the Airside Maintenance Area.
- the Sustainability Reporting course for a member of the Sustainability Team;
- the Dangerous Goods course for the certified instructor at the Training Center.

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.
At June 30, 2021, the company had 15 employees 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.

Despite the significant impacts on air traffic from the COVID-19 pandemic, FFM reported for the period growth of 15% in traffic served compared to H1 2020. Cargo traffic by air picked up, although still impacted by the lack of flights and hold capacity: the half-year closed down 1%, which is somewhat surprising given the lack of healthcare charter flights in 2020. Road traffic saw growth of 26% on the first half of 2020. In terms of traffic, exports grew by 34%, while imports fell by 24%.
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.
Results were down in H1 2021, although a net profit was reported for the period. The 19% reduction in revenues on H1 2020, against the slight increase in costs (1%) resulted in a decline in EBITDA of 81%, although continuing to report a profit at Euro 62 thousand. The result for the period indicates a similar performance, with a profit of Euro 47 thousand, although declining 80% on the first half of 2020.
As described in greater detail in the section on disputes, to which reference should be made for further details, the company has instructed its legal counsel to defend it in tax proceedings before the Bologna Provincial Tax Commission against certain adjustment notices for customs import declarations, on the basis of which the Bologna Customs Office - not deeming that the conditions for exemption from import duties and exemption from value added tax on importation were met - requested FFM to pay the higher duties and VAT, together with interest on arrears, totalling Euro 4.3 million. These notices identify FFM and, jointly and severally, the customers for whom it has carried out customs clearance operations, as the party liable to pay. Any obligations that FFM might have towards the Agency would derive from unlawful behaviour on the part of clients, in relation to which FFM is completely extraneous and an injured party and, as such, has given a mandate to its lawyers to defend itself in all forums.

Tag Bologna Srl
TAG began operations in 2008 following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector. The Parent Company acquired a 100% interest (previously 49%) in TAG Bologna in 2018.
The company assigned certain staff activities to the parent company under a management & staffing contract covering the legal and personnel area and as of June 30, 2021, operated with 15 employees, up on December 31, 2020 (11 employees) due to the start of handling assistance activities for "non-scheduled" flights (or also "H24" service), an activity awarded by the Parent Company that entailed the acquisition of means and personnel for the start of the activity from April 1, 2021

The COVID-19 health emergency has also had a serious impact on the General Aviation traffic performance, even though a recovery emerged from March, also due to the closure of Florence airport for works. In fact, in the first half of 2021 TAG reported a 74.0% increase in aircraft movements over 2020, with volumes only 4% lower than 2019.
The company prepares its financial statements according to Italian GAAP. The key indicators for the period, adjusted where necessary entirely for the purposes of preparing these consolidated financial statements as per IAS/IFRS, are presented below.

In the first half of 2021, thanks to a recovery in traffic and the start-up of the “H24” service, TAG reported revenue growth of 79% on H1 2020, in addition to the receipt of the Euro 103 thousand grant under the “Supports Decree”. Operating costs rose only 29%, mainly due to the increased purchase of aircraft fuel, which was matched by higher sales and increased personnel costs due to the new hires to cover the H24 service. Consequently, the company in the period reported a profit of Euro 362 thousand (Euro 13 thousand in the comparative period).

Reference should be made to the specific paragraph of the Notes to the financial statements of the condensed consolidated accounts at June 30, 2021 for information concerning transactions undertaken during H1 2021 with subsidiaries and related parties.

4 MAIN NON-FINANCIAL RESULTS ANALYSIS

4.1 SUSTAINABILITY

The Issuer continues to pursue its sustainability objectives with due focus, albeit updated to the pandemic context. This is also in compliance with the new Corporate Governance Code (2020 version), with the focus of the entire Board of Directors which seeks to guide the company through pursuing its sustainable success.
In this regard, we indicate the allocation to the Control and Risks Committee - with also Related Party Transaction Committee functions - of the Sustainability Committee's functions. In the exercise of its sustainability functions, the Committee ensures that the Board of Directors is adequately supported in its goals of pursuing sustainable success with the analysis of issues relevant to the generation of long-term value within the Company's and the Group's plans.
The Group remains focused on all major sustainability issues: from its impact on air quality, to noise pollution, energy conservation and the use of alternative energy to foster environmental sustainability. The current critical context resulting from the pandemic and the impacts on the business segment is in addition particularly challenging, in particular the safeguarding of jobs as far as possible.
As regards environmentally sustainable development, through the Regional Agreement for a Low-Carbon Airport signed with regional authorities in 2015 and updated in January 2020, the Parent Company has committed to perform work with a maximum total cost of Euro 9.3 million. These investments will be carried out over a period consistent with the timeframe for implementation of the airport Master Plan. June 2021 saw the completion of the executive design of the wooded strip and bike path scheduled for completion to the north of the airport by the end of 2023. This is the main work of environmental compensation, consisting of a wooded area of about 40 hectares and a bike path of about 3.5KM in length that will connect the Bargellino area with the village of Lippo di Calderara di Reno.
During 2021, due to the pandemic and resulting low air traffic volumes, the airport noise impact remained well below the values recorded in 2019. Nonetheless, the Group continued to pursue initiatives to manage the inconvenience caused by airport noise, including progress on the Euro 0.2 million loan agreement to carry out a number of measures to mitigate the acoustic impact of aircraft flying over a local nursery school.

As far as the corporate structure is concerned, the proactive management and implementation of all initiatives relating to sustainable development, under the guidance of the General Manager and Chief Executive Officer, are entrusted to the management as a whole and, more recently, the focus to ensure continuity and multifactorial expertise with respect to this issue has also suggested the establishment of a specific inter-functional managerial committee, set up at the beginning of 2021. This work group is tasked with monitoring sustainability topics relating to the Company's business activities and how they interact with stakeholders, applying the strategic sustainability guidelines approved by the Board of Directors, drawing up proposals and periodic updates to the Sustainability Plan and the guidelines of the Sustainability Communication Plan to be submitted firstly to the Chief Executive Officer and then to the Control and Risk and Sustainability Committee for assessment and opinion and, subsequently, to the Board.

4.2 QUALITY

The first half of 2021, from a service quality perspective, was heavily impacted by the ongoing pandemic. In general, an excellent passenger perception was confirmed, with high levels of overall satisfaction and quality delivered. There was a first sign of discontinuity in June, coinciding with the resumption of traffic (in fact, the limits of social distancing and security imposed by the pandemic still weigh on daily operations). Wait times remained within target thresholds and performed well.

In addition, there was a high level of satisfaction with the measures implemented by the airport to contain COVID, including controls, passenger information and the availability of hygiene stations. The operator's commitment to these activities is shared with other airport operators through a constant flow of information and updates.

5 REGULATORY FRAMEWORK

5.1 REGULATORY AGREEMENT

2021 is the second year of the 2020-2023 regulatory period. In 2019 the Parent Company initiated preliminary activities with ENAC for the drafting of the Regulatory Agreement for the 2020-2023 four-year period and with the Transport Regulation Authority (TRA), for the calculation of the airport “tariffs” for the same four-year period.

In this connection, AdB has brought an Extraordinary Appeal to the Head of State in relation to the clause referred to in Article 19 of the draft Regulatory Agreement. Similar appeals have been lodged by other Italian management companies. In December 2020, the Council of State issued an opinion on this matter confirming that the grounds for appeal raised regarding this unlawful clause by the appellant companies were correct. Once the judgments have been transposed they will be decided by means of a Presidential Decree.

The expectation and hope - at this point - is that the relevant entities will carry out an internal review of the provisions of the above clause with all possible urgency, thereby allowing the resumption of the dialogue for the finalisation of adequate and updated mutual commitments.

As highlighted in previous reports, for various reasons independent of the Parent Company’s motivation, which confirmed its full availability to ENAC in all settings and dealings, the Agreement was not formalised in writing – but its commitments were implemented in good faith in 2020 and in the current 2021, naturally being interpreted in line with the pandemic which had a strong adverse impact on the airport manager and concession holder. In relation to this, also ENAC on its part, similarly ensured full implementation of the Regulatory Agreement, carrying out the monitoring within its scope.

In this regard, the Parent Company will continue discussions with ENAC for an updated assessment of its particular position and an adequate preliminary investigation to update the situation in relation to the impact of the pandemic on the various fronts affected by the typical regulations of the Regulatory Agreement. The operator for the time being will proceed with the airport management, as up to now, in good faith and with loyal cooperation, even in the absence of formal constraints and also taking into account the sector’s situation and the specific airport situation, which on the whole is very different from the targets and commitments underlying the preliminary assumptions of 2019 due to the still ongoing external event of the pandemic.

5.2 2020-2023 TARIFF DYNAMICS

On October 23, 2020, an annual hearing was held with Users regarding the updating of airport fees for 2021. The new tariffs, which have been published on the Company's website, were applied from January 1, 2021. In this regard, on October 30, 2020 ENAC informed the TRA of certain “procedural anomalies” relating to the process of executing and reporting certain interventions in 2019. Following this notice, AdB recalculated the 2021 tariff dynamic to exclude the expenses referred to in the report, while also launching the related inquiries and reserving the right to submit counterarguments. The new 2021 tariffs, which are essentially unchanged from those submitted during the consultation, have been sent to the TRA and Users and made available on the Company’s website.
On July 15, 2021, the Authority notified the Company of certain adjustments that will be applied when setting the 2022 tariffs.

On May 20, 2021 the Transport Regulation Authority deferred the entry into force of the new Models for the regulation of airport fees (Resolution No. 136/2020 of July 16, 2020), originally planned to come into force on July 1, 2021, to January 1, 2023.

5.3 RETURN OF ENAV VISUAL AID LIGHTS (VAL’s), GOODS AND AREAS

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

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

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

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

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

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

5.4 AIRPORT SECTOR SUPPORT MEASURES

Law No. 178 of December 30, 2020 "State forecast budget for the 2021 financial year and multiannual budget for the three-year period 2021-2023" (the 2021 Budget Law) was published on December 30, 2020 in the Official Gazette. It entered into force on January 1, 2021.
During the approval process for the draft 2021 Budget Law two new specific measures were added to support the airport sector:

1. the first (paragraphs 715 to 720 of Article 1) concerns the creation at the MIT of a fund of Euro 500 million (Euro 450 million of which is earmarked for airport management companies and the remaining Euro 50 million for handlers) to offset damage suffered as a result of COVID-19;
2. the second (paragraph 714 of Article 1) guarantees the supplementary benefits of the "Solidarity fund for the air transport sector and the airport system" including wage subsidy payments on an exceptional basis, requested by the air transport and airport management companies for 12 weeks, in the period from January 1, to June 30, 2021.

With regard to legislative action on social security schemes, paragraph 714 of Article 1 of the Budget Law laid down the possibility of also granting supplementary benefits of the "Solidarity fund for the air transport sector and the airport system" in the case of lay-off scheme payments on an exceptional basis, which may be triggered by all companies under paragraph 300 of Article 1 of the 2021 Budget Law, for a maximum of 12 weeks, which must be in the period from January 1 to June 30, 2021. The provision therefore permits supplementary benefits to be granted in the future in addition to the Air Transport Fund also to lay-off scheme payments on an exceptional basis triggered by airport companies as a result of COVID-19, effectively exceeding a limit that would have been deemed binding in the absence of a specific legislative provision. For further details, see the Industrial Relations paragraph.

Decree-Law No. 73 of May 25, 2021 on "Urgent measures related to the COVID-19 emergency, for businesses, employment, young people, health and regional services" was published on May 25 in the Official Gazette (OG General Series No. 123 of May 25, 2021). Article 73, paragraph 2 of the measure provides for a Euro 300 million increase in the compensation fund established by the 2021 Budget Law, of which Euro 285 million is allocated to airport operators and the remaining Euro 15 million to airport ground handling service providers. It follows, therefore, that the fund provision to compensate the damages suffered by management companies amounts to a total of Euro 735 million.

On July 26, 2021, the European Commission approved, as per Article 107(2)(b) of the TFEU, the Euro 800 million Italian aid scheme designed to compensate airports and ground handling operators for damages suffered as a result of COVID-19.

The conditions and procedures for submitting requests for access to the contribution, as well as criteria for granting and awarding it will be set out – in compliance with the criteria outlined in the provision "with the aim of avoiding over-compensation" – under a decree from the MIMS and the MEF, following receipt of an opinion from the relevant parliamentary Committees; such a decree has not been issued to date.

5.5 CONTINUITY OF SERVICES PROVIDED BY ALITALIA IN EXTRAORDINARY ADMINISTRATION

By order of the Ministry of Economic Development of May 2, 2017, published in edition No. 104 of Italy's Official Gazette dated May 6, 2017, Alitalia - Società Aerea Italiana S.p.A was admitted to the extraordinary administration procedure, with immediate effect and three Extraordinary Commissioners were appointed. The Court of Civitavecchia declared Alitalia - Società Aerea Italiana S.p.A. in extraordinary administration ("Alitalia SAI in EA") insolvent by judgment of May 11, 2017. The decree of the Ministry of Economic Development of May 12, 2017 was then published in edition No. 124 of the Official Gazette of May 30, 2017, also admitting Alitalia Cityliner S.p.A. to the extraordinary administration procedure and appointing the same panel of commissioners as for Alitalia.
The Parent Company, as part of the extraordinary administration procedure, in a timely manner raised the receivable matured to May 2, 2017 of Euro 0.78 million, of which Euro 0.66 million requested in preference form as per Article 1023 No. 1 of the navigation code, and Euro 0.12 million as unsecured.
The tenth statement of liabilities, including the claim lodged by the Parent Company, was filed on December 17, 2019. At this juncture, full priority was granted to the airport fees accrued in the final months of operation prior to the declaration of insolvency, amounting to Euro 0.66 million.
Subsequently, following a Court Technical Consultant (CTU) appraisal under the procedure, the amount with preferential status was reduced to Euro 51 thousand as the receivables accrued on the aircraft used by Alitalia under lease agreements totalling Euro 0.6 million were deemed to be eligible for unsecured credit. Adb opposed this proposal, requesting full recognition such preferential status.

Through Decree of October 9, 2020, the company Italia Trasporto Aereo SpA was incorporated, with an opening share capital of Euro 20 million, fully paid-in by the Ministry of the Economy and Finance. ITA, the new national airline, following the successful conclusion of the difficult negotiations between the EU and the Italian government, will begin operations on Friday, October 15, 2021 with a planned capital increase of Euro 700 million.

With regard to the current debt positions of Alitalia SAI in a.s., a significant exposure of approximately Euro 1.2 million exists, of which Euro 0.6 million are non-trade receivables, primarily relating to the municipal surcharge on boarding fees and of which Euro 0.8 million are overdue by more than 90 days as of June 30, 2021. In relation to this gradually worsening situation, AdB has forwarded, in accordance with common practice, diligent requests and payment reminders, also constantly informing ENAC of the situation of significant risk and prejudice for the operator and also, finally, formally warning ENAC with the request to adopt measures to inhibit the carrier's airport operations. In addition - as no reply has been received from ENAC, despite the many registered e-mails sent - the necessary documentation was drawn up and sent in order to formalise a specific application pursuant to Article 802 of the Navigation Code to the local Bologna-Rimini Airport Management in order to obtain the prohibition order for the take-off of AZ fleet aircrafts. The Airport Management did not grant the above measure, considering the carrier's condition of extraordinary administration as an obstacle.

5.6 BREXIT

On May 24, 2019 Law No 41 of May 20, 2019, converting Decree-Law No. 22 of March 25, 2019 (the Brexit Decree) was published in Official Gazette No. 120.
Article 17-ter, in introducing provisions on airport tariffs, required that EU airport charges should continue to apply to passengers travelling from Italian airports to the United Kingdom, on the condition of reciprocity, from the date of Brexit up to the date of entry into force of a global agreement governing the provision of transport services with the United Kingdom, or, failing that, until 30/03/2020. On January 29, 2020, the European Parliament ratified the text of the agreement on the withdrawal of the United Kingdom from the European Union, which officially took place on February 1, 2020. This agreement governed Britain's withdrawal, establishing a further transitional period from February 1 to December 31, 2020 in which everything remained unchanged, including the collection of airport fees. The EU regulations and procedures on the free circulation of persons, services, capital and goods remained in effect in the United Kingdom and it is only with effect from January 1, 2021 that the United Kingdom is no longer be a part of the European Union customs and tax (VAT and excise) territory.
AdB applied Non-EU tariffs to flights to the UK from the IATA 2021 summer season, and therefore from March 28, 2021.

Also in this regard it should be noted that on December 24, 2020 the European Union and United Kingdom, after lengthy negotiations, reached an agreement known as the "EU-UK Trade and Cooperation Agreement", which will govern their future relations, thus avoiding a hard Brexit scenario. On December 28 this agreement was unanimously approved by the ambassadors of the 27 Member States to the European Union (Coreper). Its formal adoption, after a period of provisional operation (until April 30, 2021), however requires a favourable vote by the European Parliament and the United Kingdom House of Commons. Following the approval of the European Parliament and the European Council on April 27 and 29, 2021, respectively, the Trade and Cooperation Agreement and the Security of Information Agreement between the EU and the United Kingdom therefore entered into force on May 1, 2021.
The Agreement calls for cooperation between the parties in the various fields, including aviation, in order to ensure a level playing field between operators in the European Union and United Kingdom. In particular, the agreement concerns themes relating to traffic rights, airport safety and security, codesharing agreements, protection of passengers' rights and environmental issues. In the aviation sector, United Kingdom airlines will no longer be considered European Union carriers and will lose their existing traffic rights in the European Union. European Union and United Kingdom carriers may carry out unlimited transport of passengers and cargo between points in the European Union and points in the United Kingdom and vice-versa (third and fourth freedom rights). If the Member States reach a bilateral, reciprocal agreement with the United Kingdom, it will be possible to continue transport (fifth freedom) of cargo to and from a third country. The agreement also guarantees cooperation on air traffic safety, protection and management.

6 DISPUTES

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

Fire Prevention Fund

There are no further matters to report on those indicated in the Financial Statements at December 31, 2020.

Alitalia – Revocatory Action

At the beginning of May 2020, the Parent Company received notification of the revocatory action submitted by the Extraordinary Commissioner of ALITALIA SAI in limited partnership. As such, Alitalia is essentially rescinding its application to file for bankruptcy by submitting a request to the court to render it ineffective. As a consequence, Alitalia would obtain a refund of any payments made during the “suspect period,” i.e. the six months before bankruptcy was declared (November 1, 2016 - May 1, 2017), starting on the date the company entered into extraordinary administration.

The Company appeared in the proceedings, both strongly condemning and challenging the legal basis and timing of such an action, and will launch an appropriate legal defence to effectively oppose the lawsuit. The first hearing of the proceedings was duly held on February 24, 2021, and judgement was postponed to the hearing to be held on November 11, 2021.

Out-of-court dispute- TE2C design company reserves

The Parent Company received a request for higher compensation from Tecno Engineering 2C, an engineering company tasked with designing the Group's “terminal expansion" project, which amounts to approximately Euro 2.2 million. AdB considers this an unfounded request. On September 16, 2020 the Company was served with an injunction that was not provisionally enforceable for the payment of a portion of the consideration claimed by the counterparty to have been accrued in relation to the assignment. The Parent Company has taken legal action to oppose the injunction, firmly contesting the legal basis of the counterparty’s claims, since not all the conditions for the payment of the invoice in dispute have yet arisen. A number of hearings were held in this regard and the case awaits a decision. On May 6, 2021, the Parties formalised a second addendum for Euro 1.1 million to conclude, to all intents and purposes, the relations between the Awarding company and the appointee in a manner deemed balanced and correct by both Parties, to avoid subsequent reciprocal claims or requests of any kind. The deed - for settlement purposes - was fulfilled by the Parties.

Civil Litigation (General Roll Number: 13643/2020) was declared extinct by a certified email of the Court of Bologna on June 9, 2021.

Appeal of the new TRA Regulation Models

With respect to the disclosure provided in the Financial Statements at December 31, 2020, it should be noted that the ART issued Resolution No. 68/2021 of May 20, 2021 in which the Authority, *inter alia*, (i) deferred the entry into force of the Models for the regulation of airport fees pursuant to Resolution No. 136/2020 from July 1, 2021 to January 1, 2023; (ii) provided an option to the airport operators that introduce the consultation procedure for the review of the fees during the two-year period 2021-2022 to: a) begin the related procedure as per the provisions of the Models as per Resolution No. 92/2017, or b) subject to a reasoned application to the Authority, propose the extension of the fees in force at the time of the application also to the following year.

In order not to represent agreement in relation to that contested also with the proposal of the appeal against Resolution No. 136/2020 of July 16, 2020, Resolution No. 68/2021 was also challenged by the deadline.

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

There are no further matters to report on those indicated in the Financial Statements at December 31, 2020.

FFM customs dispute

On April 20, 2021, the Bologna Customs Office issued a notice of correction of several customs declaration assessments, following controls carried out 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 present 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 identify FFM (indirect representation declarant courier) and, jointly and severally, the importers (legal and physical persons) as the parties obliged to pay.

The Group 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, the subsidiary FFM, 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 Group confirms that FFM’s operations were carried out 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.

The subsidiary 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 the company 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 addition, in order to avoid any delay in enforcement actions while awaiting a ruling on suspension, FFM is proceeding to seek suitable bank or insurance guarantees to present to the *pro tempore* Customs Office.

The appointed lawyers, having evaluated the dossier outlining the position and the jurisprudence on the subject, consider it possible but not probable that the case will be lost.

Ernest Revocatory Action

On April 15, the airline’s Insolvency Practitioner, Ernest, sent the Parent Company a request for the repayment of sums paid in the six months prior to submission of the request for composition with creditors, totalling Euro 299 thousand - including approximately Euro 80 thousand for the municipal surcharge - pursuant to bankruptcy revocation legislation. AdB has already instructed the lawyers who assisted it in filing for bankruptcy to evaluate possible defence strategies. After discussions with our lawyers, it is believed that there are several arguments to resist the request of the Insolvency Practitioner, possibly even judicial, and it was not considered, therefore, to propose any settlement to the counterparty.

Notice of contestation by the Bologna Tax Agency regarding certain tax aspects of the relationship with the carrier Ryanair

On May 7, 2021 the Parent Company received a "Notice of objection from the Tax Agency - Bologna Provincial Department - Control Office", as the latter deemed certain findings of the Catanzaro Tax Police Department to be admissible following an audit of Ryanair DAC Italian Branch for VAT and direct tax purposes. The local territorial office has, in fact, assessed the results of the reports of the tax police in relation to the year 2015 and has identified sanctions for VAT purposes for AdB s.p.a.. Following appropriate in-depth investigations that appear to reconfirm the full legitimacy of the Parent Company's conduct, in light of the documentation in the files, the Company has submitted timely and detailed defensive briefs to the Bologna office of the tax authorities, as per Article 16, paragraph 4 of Legislative Decree No. 472/97. Given the current uncertainty of the position, it should be noted that, in any event, the possible denial of a final sanction would not have a disruptive impact within the ordinary scope of litigation for the Parent Company.

7 MAIN RISKS AND UNCERTAINTIES

Risks relating to the COVID-19 pandemic

The COVID-19 health emergency has continued to have significant impacts on the airport industry in the first half of this year. However, with the start of the summer season, thanks to the drop in the number of infections and the simultaneous strong progress of the vaccination campaigns, air traffic has picked up significantly, despite uncertainty regarding future developments, mainly linked to the continued spread of variants of the virus. According to ACI Europe’s figures, in the first six months of the year more than 870 million passengers were lost in Europe compared to 2019 (-78.2%) and more than 150 million also compared to the same period in 2020 (-39.1%); however, the albeit partial recovery of the month of June should be highlighted, with almost 60 million more passengers than last year. According to the former’s estimates, 2019 traffic levels will not be fully recovered before 2025, with significant diseconomy of scales for airport managers who shall see their earnings significantly impacted *(Source: COVID-19 update, ACI Europe*; *COVID-19 & AIRPORTS Traffic Forecast & Financial Impact, April 2021*).

The AdB Group’s financial performance is strongly influenced by air traffic, which is, in turn, influenced by the economic environment, national and international health conditions, 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 a particularly significant 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, given the pervasive and uncertain nature of the developing pandemic.

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 requirement for finance in the Net Working Capital cycle until the end of the crisis. While the Group’s commitment to develop existing airport infrastructures currently remains unchanged, its operations plan is currently undergoing strategic re-assessment in consultation with ENAC with the identification of new priorities and implementing phases following the drastic reduction in traffic, and the Group is in ongoing discussions with potential lenders. With regard to non-compliance, due to worsening margins owed to the current crisis, Banca Intesa informed AdB on August 31, 2020 that some covenants – which are usually reviewed on an annual basis, and relate to a loan undertaken with the bank prior to the Covid-19 pandemic – will be suspended for 2020 and 2021. The annual contractual covenants on the Unicredit loan finalised in July shall apply from the 2022 financial statements.

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.

In terms of **credit risk**, at June 30, 2021, the Group presents a credit concentration among the top ten clients of 49%, increasing on December 31, 2020 (27%) and June 30, 2020 (24%), with an increase in non-collection risk for a number of clients, particularly in the aviation sector.

The current economic crisis has increased the Group's credit risk due to the general lack of liquidity throughout the chain. In order to handle these difficulties, the Group has granted payment deferments to customers and has appropriately taken into account the greater risk for the provision for bad debts at June 30, 2021, and shall continue to monitor such as events unfold in the coming months and in line with the expected recovery timeframe. In general, the credit risk is offset through specific trade payable management and control tools and procedures, in addition to adequate provisioning for doubtful accounts – taking into account the increased risk owed to the current crisis – according to the principles of prudency and in compliance with the accounting standards IFRS 15 and IFRS 9, which strengthens the *ex-ante* analysis approach, rather than existing receivable recovery, in the credit risk assessment processes.
The commercial policies pursued by the Group to limit its exposure involve:

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

In accordance with the disclosure requirements set out in Article 2428(2), No. 6-bis of the Italian Civil Code, the Group holds financial instruments that qualify as significant in quantitative terms. However, 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 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 48.9% of the airport's total traffic volumes in H1 2021. AdB and Ryanair strengthened their partnership on October 27, 2016 by entering into a long-term agreement set to expire in 2022, whereby they undertook to increase the number of destinations served by Bologna airport, in addition to achieving a consistently high standard of service due to the airport's continuing investments and the airline's "Always Getting Better" programme. The agreement lays out a scheme relating to the airport's traffic development policy and Ryanair's commitment to abide by it, in addition to a contractual safeguard mechanism that ensures that the objectives will be met. In the Summer of 2021, in a climate of great uncertainty, Ryanair based at Bologna airport an additional aircraft, bringing to 10 the number of aircraft located at the terminal and making Bologna Ryanair's second largest base in Italy. 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, or that at some point in the future the agreement might not be renewed, in whole or in part, or might contain conditions less favourable for the Group. 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 Aviation Business Unit'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. Given the continuation of the pandemic crisis and the significant uncertainty and enduring discontinuity with the previous market situation, the Parent Company has introduced an ad hoc policy for the Summer Season 2021 (to support the recovery of summer traffic, in the interest of users and the operator, in order to recover as much traffic as possible despite the exceptional contingency). This is subject to assessment and adoption after the summer season, and in view of the most up-to-date short-term forecasts, a new annual policy in line with the best sector practices.

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

During lockdown, a national decree ordered the closure of the airport's commercial establishments (with very few exceptions, and a complete lack of customers, in any case). Given the above, and in the belief that air traffic recovery would also be very limited in the subsequent months of 2020, the Parent Company accepted requests submitted by sub-concession holders to revise certain contracts. AdB revised its contractual structure consisting of GARs (minimum guaranteed annuity rates) and ROYs (royalties) used to supplement "best performance" remuneration, which was previously guaranteed by high traffic levels. Instead, new conditions have been implemented based on variable fees.

Further negotiations have therefore been conducted, subsequently, to redefine the agreements and contracts with airport operators and sub-concession holders in light of updated forecasts and based on a progressive increase in fees in line with the gradual recovery of traffic at the airport.

As of the preparation date of this report, the sub-concession agreements for some retail outlets have been cancelled or have not been extended. The main retail outlets at the airport are food and beverage outlets.

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.

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, with possible adverse effects on the amount of the tariffs that may be applied and possible risks of withdrawal from or termination of the Agreement. An additional extraordinary risk that has also emerged in 2020 in this context is “pandemic risk”, with all its impacts (in terms of the airport company’s organisational capacity and performance, possible further slowdown in procedures, risk of unavailability of financial resources, etc. etc.). The negative impact that the COVID-19 pandemic has had on air traffic trends could also lead, if ENAC agrees, to the Parent Company developing the investment plan in line with new priorities and implementing phases, particularly the postponement of the terminal extension, in order to respond consistently to new traffic needs and to allow adequate remuneration of investments and ensure they are fully sustainable in financial terms. The proposals assessed on this point by the board of directors of Parent Company AdB are being examined together with the National Civil Aviation Authority and, once agreed by the latter, will be announced in a timely fashion to the market.

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, 2020 for Euro 198 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, 2021 - again amounting to Euro 198 million - the Group updated the above-stated projections on the basis of traffic, revenues, costs and investment forecasts, updated to this date and also according to this latter projection no impairment indicators emerged.

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.

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
    - with effect from 2019, 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).
- **Net Financial Position**: the composition of net financial position is represented in accordance with the Consob Communication of July 28, 2006 and ESMA recommendations ESMA/2011/81 and 04/03/2021.

9 GUARANTEES PROVIDED

The following table summarises the guarantees granted by the Group.

in thousands of Euro	H1 2021	H1 2020	Change	Change
Sureties	4,049	8,093	(4,044)	-50%
Pledge on Equity Financial Instrument	10,873	10,873	0	0%
Patronage letters	2,491	3,009	(518)	-17%
Total guarantees provided	17,413	21,975	(4,562)	-21%

At June 30, 2021, the guarantees granted by the Group total approx. Euro 17.4 million and principally concern:

- sureties, mainly:
  - to ENAC (the Italian Civil Aviation Authority) pursuant to the Full Management Agreement (Euro 1.6 million), reduced on request due to the drop in passenger traffic;
  - to the Bologna Customs Agency for various custom deposits of the subsidiary Fast Freight Marconi Spa totalling Euro 2.4 million.

- a pledge of the equity financial instrument issued by Marconi Express S.p.A. and subscribed for by the Parent 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; In view of the altered market conditions, Marconi Express redrew its Financial Plan and on this basis renegotiated some of the conditions of the loan contract with the lending banks. The amending agreement to the loan contract extended the maturity date of the baseline of the loan from December 2035 to June 2038. In view of the outlined above, AdB signed the following deeds:
  - deed of recognition of the contribution agreement that reaffirms AdB's commitments made with the signing of September 30, 2016, extending the subordination order of payments, as defined in the original deed, until June 2038
  - deed of recognition and confirmation of pledge providing for extension and confirmation of the pledge on the Equity Financial Instrument with duration until June 2038.

- 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 2.5 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

Thanks to the good progress of the national vaccination campaign and the reopening of Italian and European level, the traffic recovery continues, although still far off pre-COVID period numbers.
In July in fact, total Marconi passengers numbered 530,967 (-42.1% on July 2019, the last year before the pandemic, and +132.8% on July 2020), with movements totalling 4,698 (-31.6% on July 2019 and +91.9% on July 2020).
In August, total passengers numbered 618,354 (-32.4% on August 2019 and up 98.1% on August 2020), with a significant boost for domestic flights, totalling 231,742 (+29.6% on August 2019, +78.9% on August 2020). The recovery of traffic on international flights appears slower, at 386,612 (-47.4% on August 2019, but +111.7% on August 2020), a segment that has historically been strong for the airport.

Aircraft movements in August 2021 numbered 5,301 (-20.1% on August 2019), while air cargo transport totalled 2,648 tonnes, up 23.2% on the same month of 2019.
We are therefore witnessing a two-speed recovery, with domestic flight passengers significantly exceeding pre-pandemic levels, while international flight numbers have been slowed by the uneven regulatory and health safety framework.
In August, only Italian airports made up the top three places: Catania, Olbia and Palermo. These were followed by: Tirana, Brindisi, Bari, Casablanca, Barcelona, Bucharest and Madrid.
In the January-August 2021 period, total passengers numbered 1,919,717 (-69.4% in the same period of 2019), of which 1,098,638 on international flights (-77.8%) and 821,079 on domestic flights (-37.9%). Movements numbered 19,149 (-60.7%), with 24,419 tonnes of cargo transported (-3.7%). In comparison with 2020, the passenger gap has been almost fully absorbed, with a significant cargo improvement: passengers in the first eight months of the year decreased 2.8% on the January-August 2020 period, with a 23.9% decline for international passengers, while domestic numbers were up 54.5%. Cargo saw growth of 18.1%.

Operating and Financial Performance and Business Outlook
Uncertainty surrounding the continuation and future evolution of the current health emergency makes it difficult to predict traffic trends and the Group's economic and financial situation in the coming months.

The summer season, thanks to a partial lifting of restrictions, saw a gradual recovery of traffic volumes. For the final months of 2021, uncertainty continues to pervade traffic developments, which shall be shaped by the effective distribution and efficacy of the vaccines, the emergence of any additional waves of infections and the mobility restriction measures and any possible risk aversion among passengers.
As far as possible, the Group will continue its cost containment measures, taking account of the need to keep the airport fully operative despite the reduced traffic volumes. The Parent Company can also utilise the Exceptional Temporary Lay-Off Scheme, which - in view of the ongoing crisis in the sector - has been extended for a further 28 weeks until the end of 2021.
Although the environment is very uncertain, it is considered that cash flows will be sufficient to avoid further recourse to external finance during the year. However, in view of the overall commitments over the coming years, the support measures for the air transport sector that have already been approved but are still awaiting implementation are essential.
2021 is therefore a difficult year of transition with negative earnings forecasts, in which resilience and adaptability are proving key in being ready to seize all the opportunities presented to achieve a sustainable recovery.

The Chairperson of the Board of Directors

(Enrico Postacchini)

Bologna, September 6, 2021

Consolidated Financial Statements for the period ended June 30, 2021

Statement of Consolidated Financial Position
Consolidated Income Statement
Consolidated Statement of Comprehensive Income
Consolidated Cash Flow Statement
Statement of changes in Consolidated Shareholders’ Equity

Statement of Consolidated Financial Position

in thousands of Euro	Note	As at 30.06.2021	As at 31.12.2020
Concession rights		198,338	198,470
Other intangible assets		1,365	1,569
Intangible assets	**1**	**199,703**	**200,039**
Property, plant and equipment		11,670	12,686
Investment property		4,732	4,732
Tangible assets	**2**	**16,402**	**17,418**
Investments	**3**	44	44
Other non-current financial assets	**4**	12,963	12,946
Deferred tax assets	**5**	13,760	10,732
Other non-current assets	**6**	235	272
Other non-current assets		**27,002**	**23,994**
NON-CURRENT ASSETS		**243,107**	**241,451**
Inventories	**7**	661	676
Trade receivables	**8**	8,634	6,279
Other current assets	**9**	5,511	3,793
Current financial assets	**10**	0	275
Cash and cash equivalents	**11**	22,951	43,658
CURRENT ASSETS		**37,757**	**54,681**
TOTAL ASSETS		**280,864**	**296,132**

in thousands of Euro	Note	As at 30.06.2021	As at 31.12.2020
Share capital		90,314	90,314
Reserves		74,313	87,814
Loss for the period		(9,718)	(13,590)
GROUP SHAREHOLDERS' EQUITY	**12**	**154,909**	**164,538**
MINORITY INTERESTS		**0**	**0**
TOTAL SHAREHOLDERS' EQUITY	**12**	**154,909**	**164,538**
Post-employment benefits and employee provisions	**13**	3,886	4,251
Deferred tax liabilities	**14**	2,646	2,618
Provision for renewal of airport infrastructure	**15**	10,051	10,316
Provisions for risks and charges	**16**	1,463	1,399
Non-current financial liabilities	**17**	68,053	69,785
Other non-current liabilities		41	41
NON-CURRENT LIABILITIES		**86,140**	**88,410**
Trade payables	**18**	9,636	13,612
Other liabilities	**19**	24,735	23,434
Provision for renewal of airport infrastructure	**15**	1,367	1,578
Provisions for risks and charges	**16**	23	23
Current financial liabilities	**17**	4,054	4,537
CURRENT LIABILITIES		**39,815**	**43,184**
TOTAL LIABILITIES		**125,955**	**131,594**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**280,864**	**296,132**

Consolidated Income Statement

in thousands of Euro	Note	For the half year ended 30.06.2021	For the half year ended 30.06.2020
Revenues from aeronautical services		8,044	11,437
Revenues from non-aeronautical services		5,569	9,421
Revenues from construction services		3,786	12,418
Other operating revenues and income		476	225
Revenues	**20**	**17,875**	**33,501**
Consumables and goods		(664)	(699)
Service costs		(7,330)	(7,681)
Construction service costs		(3,605)	(11,826)
Leases, rentals and other costs		(1,460)	(1,900)
Other operating expenses		(1,401)	(1,495)
Personnel costs		(10,247)	(10,583)
Costs	**21**	**(24,707)**	**(34,184)**
Amortisation of concession rights		(3,632)	(3,317)
Amortisation of other intangible assets		(433)	(650)
Depreciation of tangible assets		(1,154)	(1,320)
Amortisation, depreciation & write-downs	**22**	**(5,219)**	**(5,287)**
Provisions for doubtful accounts		(401)	(257)
Provision for renewal of airport infrastructure		213	(363)
Provisions for other risks and charges		(64)	(20)
Provisions for risks and charges	**23**	**(252)**	**(640)**
Total Costs		**(30,178)**	**(40,111)**
Operating result		**(12,303)**	**(6,610)**
Financial income	**24**	72	116
Financial expenses	**24**	(505)	(303)
Result before taxes		**(12,736)**	**(6,797)**
Taxes for the period	**25**	3,018	2,066
Loss for the period		**(9,718)**	**(4,731)**
Minority interest profit (loss)		0	0
Group profit (loss) for the period		**(9,718)**	**(4,731)**
Undiluted earnings/(loss) per share (in Euro)		**(0.27)**	**(0.13)**
Diluted earnings/(loss) per share (in Euro)		**(0.27)**	**(0.13)**

Consolidated Statement of Comprehensive Income

in thousands of Euro	**For the half year ended 30.06.2021**	**For the half year ended 30.06.2020**
Loss for the period (A)	**(9,718)**	**(4,731)**
Other profits (losses) that will be reclassified in the net result for the period	0	0
Total other profits (losses) that will be reclassified in the net result for the period (B1)	0	**0**
Other profits (losses) that will not be reclassified in the net result for the period		
Actuarial profits (losses) on severance and other personnel provisions	118	(9)
Tax impact on actuarial profits (losses) on severance and other personnel provisions	(30)	2
Total other profits (losses) that will not be reclassified in the net result for the period (B2)	**88**	**(7)**
Total other profits (losses), net of taxes (B1 + B2) = B	**88**	**(7)**
Total losses, net of taxes (A + B)	**(9,630)**	**(4,738)**
of which Minority Interests	**0**	**0**
of which Group	**(9,630)**	**(4,738)**

Consolidated Cash Flow Statement

in thousands of Euro	As at 30.06.2021	As at 30.06.2020
Core income-generating operations		
Result for the period before taxes	(12,736)	(6,797)
Adjustments to items with no impact on cash and cash equivalents		
- Margin from construction services	(181)	(592)
+ Depreciation and amortisation	5,219	5,287
+ Provisions	252	640
+ Interest expense (income) for discounting and severance provisions	(42)	99
+/- Interest income and financial charges	475	88
+/- Losses/gains and other non-monetary costs/revenues	454	84
+/- Severance provisions and other personnel expenses	44	22
Cash flow generated/(absorbed) by operating activities before changes in working capital	**(6,515)**	**(1,171)**
Change in inventories	15	(82)
(Increase)/decrease in trade receivables	(3,193)	7,763
(Increase)/decrease in other receivables and current/non-current assets	(1,697)	2,026
Increase/(decrease) in trade payables	(3,833)	(4,584)
Increase/(decrease) in other liabilities, various and financial	779	(7,021)
Interest paid	(391)	(165)
Interest collected	2	83
Taxes paid	0	(2,252)
Severance and other personnel provisions paid	(298)	(130)
Use of provisions	(218)	(229)
Cash flow generated / (absorbed) by net operating activities	**(15,349)**	**(5,761)**
Purchase tangible assets	(161)	(615)
Proceeds on sale of tangible assets	0	3
Purchase of intangible assets/concession rights	(3,704)	(11,520)
Proceeds on sale of intangible assets/concession rights	0	0
Purchase/capital increase of equity investments	0	0
Proceeds on sale of equity investments	0	0
Changes in current and non-current financial assets	274	70
Cash flow generated / (absorbed) by investment activities	**(3,591)**	**(12,062)**
Proceeds from the issuance of shares and other equity instruments	0	0
Dividends paid	0	0
Loans received	0	5,000
Loans repaid	(1,537)	(258)
Payments of leasing capital share	(230)	(81)
Cash flow generated / (absorbed) by financing activities	**(1,767)**	**4,661**
Final cash change	**(20,707)**	**(13,162)**
Cash and cash equivalents at beginning of period	**43,658**	**29,253**
Final cash change	**(20,707)**	**(13,162)**
Cash and cash equivalents at end of period	**22,951**	**16,091**

Statement of changes in Consolidated Shareholders' Equity

in thousands of Euro	*Share capital*	*Share Premium Reserve*	*Legal Reserve*	*Other reserves*	*FTA Reserve*	*Actuarial profits/(losses) reserve*	*Profit (losses) carried forward*	*Profit (loss) for the period*	*Group shareholders' equity*	*Minority Interests*	*Shareholders' Equity*
Shareholders' Equity at 31.12.2020	**90,314**	**25,683**	**8,179**	**56,655**	**(3,272)**	**(1,036)**	**1,604**	**(13,590)**	**164,538**	**0**	**164,538**
Allocation of the 2020 financial year result	0	0	0	462	0	0	(14,050)	13,590	0	0	0
Share Capital Increase	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Assets held-for-sale	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	88	0	(9,718)	(9,630)	0	(9,630)
Shareholders' Equity at 30.06.2021	**90,314**	**25,683**	**8,179**	**57,117**	**(3,272)**	**(948)**	**(12,446)**	**(9,718)**	**154,909**	**0**	**154,909**

in thousands of Euro	*Share capital*	*Share Premium Reserve*	*Legal Reserve*	*Other reserves*	*FTA Reserve*	*Actuarial profits/(losses) reserve*	*Profit (losses) carried forward*	*Profit (loss) for the period*	*Group shareholders' equity*	*Minority Interests*	*Shareholders' Equity*
Shareholders' Equity at 31.12.2019	**90,314**	**25,683**	**7,170**	**37,029**	**(3,272)**	**(988)**	**1,387**	**20,852**	**178,175**	**0**	**178,175**
Allocation of the 2019 financial year result	0	0	1,009	19,626	0	0	217	(20,852)	0	0	0
Share Capital Increase	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0
Assets held-for-sale	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	(7)	0	(4,731)	(4,738)	0	(4,738)
Shareholders' Equity as at 30.06.2020	**90,314**	**25,683**	**8,179**	**56,655**	**(3,272)**	**(995)**	**1,604**	**(4,731)**	**173,438**	**0**	**173,438**

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 Law Decree No. 34 of May 19, (Relaunch Decree) in order to contain the economic effects of the COVID-19 emergency. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered 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 Triumvirato 84, Bologna and it is registered with the Bologna Companies Register. It is subject to management and coordination by Aeroporto Guglielmo Marconi di Bologna S.p.A..
- TAG Bologna S.r.l. (hereinafter TAG) operates in the general aviation business as a handler and manager of the related infrastructure at the Bologna airport. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register. It is subject to management and coordination by Aeroporto Guglielmo Marconi di Bologna S.p.A..

Accounting standards adopted for the Preparation of the Consolidated interim financial statements as at June 30, 2021

Basis of preparation

The condensed consolidated half-year financial statements of the Group (hereafter "the condensed consolidated half-year financial statements of the Group" or "consolidated financial statements") were prepared for the period ended June 30, 2021 and include the comparative figures for the year ended December 31, 2020, limited to the Consolidated Statement of Financial Position and the comparative figures for the half-year January 1-June 30, 2020, 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.

Impacts of the COVID-19 pandemic and going concern

As outlined in the Directors' Report, from the end of February 2020, the Group's performance was significantly impacted by the effects of the crisis caused by the repeated spread of the COVID-19 pandemic and the travel restrictions imposed by the governments of Italy and many other countries in response to the health emergency. The repercussions on air transport were very significant and have resulted in an unprecedented airport sector crisis, whose effects on the AdB Group were outlined in the 2020 Annual Accounts and in this report. 2021 in fact began in a similar vein to the end of 2020, although the vaccination campaigns have been a feature of the first half of the year, which are considered to be a key factor for a global recovery, together with the introduction of the Europe-wide Green Pass. The recovery in traffic volumes emerged in June and consolidated in July and August, although not returning to pre-COVID traffic levels. Support measures at governmental and European level have also been made available, as outlined in greater detail below.

Against this backdrop, taking account of all information currently available regarding the future, the Group believes that there are no significant uncertainties (as defined in paragraph 25 of IAS 1) regarding its ability to continue as a going concern, as the measures already put in place and those being implemented will enable it to overcome this crisis in the medium term. Although the scale and impact of the crisis has been disruptive, it must in any event be considered exceptional and temporary in nature.
The Group based this assessment on several elements set out in greater detail below and took into account the existing and reasonably anticipated effects of the epidemic on all business activities.
The information on the future at the date of approval of this document are:

- the 2021-2025 business plan, approved by the Parent Company's Board of Directors on January 25, 2021, whose traffic growth forecasts over the time horizon are based on leading industry studies; the Group confirms the reasonableness of these estimates, based on traffic, revenue, cost and investment forecasts updated to the presentation date of these financial statements, sourced from the most recent information available;
- the post-COVID-19 infrastructure development strategy: the Parent Company, together with the Civil Aviation Authority (ENAC), has launched a long-term infrastructure development program in accordance with new priorities and executive phases 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;
- the measures in support of the sector, such as the Exceptional Temporary Lay-Off Scheme from March 22 until December 26, 2021 for the parent company's employees (and from April 1 to December 31 for the subsidiary FFM) and other measures, including that provided for by Article 128-*bis* of the 2021 Finance Act, which allocated a fund of Euro 450 million to compensate for damages suffered by airport operators and Euro 50 million for handling companies. The fund was increased by Decree Law No. 73 of May 25, 2021 (Official Gazette General Series No. 123 of May 25, 2021) to Euro 800 million, of which Euro 735 million for airport operators and Euro 65 million for ground handling companies. At the end of July 2021, the European Commission approved this financial support in compliance with the EU's state aids rules;
- the other measures to reduce internal costs (e.g. blocking the recruitment of new staff, reduction of vacation arrears, elimination of overtime, etc.) and external costs, with particular reference to non-strategic supplies and also through renegotiations with suppliers;
- cash and cash equivalents sufficient to cover cash needs for at least twelve months from the approval of the Interim Financial Report at June 30, 2021, considering the credit line available and currently not utilised and also considering a very contracted crisis and traffic evolution from the COVID-19 pandemic still through 2021 and, although to a lesser extent, 2022 and 2023;
- contacts, some already underway and others planned during the current year, with other lenders for any additional credit access needs;
- further action that can be taken to preserve liquidity (e.g. further investment plan adjustments).

In summary, the Group believes that measures outlined above, as well as its financial solidity will allow it to overcome the current crisis and meet the Aeroporto di Bologna Group's existing financial, contractual and concession obligations.

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 the Group's functional currency, and all amounts are rounded to the nearest thousands of Euro, where not otherwise indicated.

The publication of the condensed half-year financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. and the two subsidiaries (the Group) for the first half of 2021 was approved by the Board of Directors on September 6, 2021.

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

The Condensed Consolidated Financial Statements at June 30 were prepared as per IAS 34 "Interim Financial Statements" including condensed explanatory notes in accordance with the above-mentioned international accounting standard and supplemented in order to provide greater disclosure where considered necessary. These Consolidated Financial Statements must therefore be read together with the Consolidated Financial Statements for the year 2020 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, 2020, to which reference should be made, with the exception of the new accounting standards, amendments and interpretations which entered into force from January 1, 2021, applied for the first time by the Group at the obligatory effective date and summarised in this document in the paragraph "Accounting standards, amendments and interpretations endorsed by the European Union adopted by the Group". The Group has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.

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

- it is expected to be realized, or is held for sale or consumption, in the normal course of the operating cycle;
- it is held mainly for the purpose of negotiating it;
- it is expected to be realized within twelve months of the closing date of the year; 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 the reporting date.

All other assets are classified as non-current.

A liability is considered current where:

- 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 after the balance sheet date.

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 Principles

The Consolidated Financial Statements include the Statement of Consolidated Financial Position, the consolidated income statement, the consolidated statement of comprehensive income, the consolidated cash flow statement and the statement of changes in consolidated shareholders' equity.
The Group opted to prepare the statement of comprehensive income which includes, in addition to the result for the period, also the changes to equity relating to income items which, in accordance with International Accounting Standards, are recognised under equity.
The consolidated financial statements were prepared based on the financial statements of the company and its subsidiaries, directly and indirectly held, approved by the respective shareholders' meetings or executive bodies, appropriately adjusted in line with IFRS.
The subsidiary companies are fully consolidated from the date of acquisition, or from the date in which the Group acquires control, and ceases to be consolidated at the date on which the Group no longer has control.
An entity may exercise control if it is exposed to or has the right to variable income streams, based on the relationship with the investee, and, at the same time, has the capacity to affect such income streams through the exercise of power over the investee.
Specifically, an entity is able to exercise control if, and only if, it has:

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

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

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

The Group reconsiders if it has control of an investee and if the facts and circumstances indicate that there have been changes in one or more of the three significant elements for the definition of control. The consolidation of a subsidiary begins when the Group obtains control and ceases when the Group loses this control. The assets, liabilities, revenues and costs of the subsidiary acquired or sold during the year are included in the statement of comprehensive income from the date in which the Group obtains control until the date in which the Group no longer exercises control on the company.
The result for the period and each of the other comprehensive income statement items are allocated to the shareholders of the Parent Company and minority shareholders, even if this implies that the minority shareholder investments have a negative balance. Where necessary, appropriate adjustments are made to the financial statements of the subsidiaries, in line with the accounting policies of the Group. All assets and liabilities, shareholders' equity, revenues and costs, and inter-company cash flows relating to transactions between entities of the Group are completely eliminated on consolidation.
When the share in the equity held by the Parent Company changes, which does not result in a loss of control, this change must be recorded under equity. If the Group loses control, it must:

- eliminate the assets (including any goodwill) and the liabilities of the subsidiary;
- eliminate the book value of all the minority shareholdings;
- eliminate the cumulative translation reserve recorded in equity;
- record the fair value of the amount received;
- record the fair value of any holding maintained in the former subsidiary;
- record the profit or loss in the income statement for the period;

- reclassify the share of the Parent Company of any items previously recorded in the statement of comprehensive income to the income statement or profits/(losses) carried forward, as required by specific accounting standards, as if the Group had directly sold the related assets or liabilities.

The following table summarises the information on the subsidiaries at June 30, 2021 and December 31, 2020 in terms of the Group's direct and indirect holding.

		% Held	
SUBSIDIARIES (in thousands of Euro)	**Share capital**	**As at 30.06.2021**	**As at 31.12.2020**
Fast Freight Marconi S.p.a. Società Unipersonale	520	100.00%	100.00%
Tag Bologna S.r.l. Società Unipersonale	316	100.00%	100.00%

Accounting policies

In the preparation of the condensed consolidated 2021 half-year financial statements, the same accounting standards and policies were adopted as for the preparation of the consolidated financial statements at December 31, 2020 to which reference should be made and which provides a detailed description of those principles and standards.

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

From January 1, 2021 the following new accounting standards, amendments and interpretations, revised by the IASB, entered into force, which have not impacted the Group's interim consolidated financial statements:

Amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39: Interest Rate Benchmark Reform – Phase 2

On August 27, 2020, the IASB introduced amendments to IFRS 4, IFRS 7, IFRS 9, IFRS 16 and IAS 39 to take into account the consequences of effectively replacing existing interest rate benchmarks with alternative benchmark rates.

Amendments to IFRS 16: Leases: Covid-19-Related Rent Concessions beyond 30 June 2021

The IASB issued an amendment to this standard on March 31, 2021 that extends for one year the May 2020 amendment that clarified the circumstance that a lessee, as a practical expedient, may assess that specific rate reductions (as a direct result of COVID-19) may not be considered as plan changes, and are therefore accounted for accordingly. The new amendment applies from April 1, 2021; however, it has not yet been endorsed by the European Union.

Amendment to IFRS 4: Insurance Contracts deferral of IFRS 9.

On June 25, 2020, the IASB published an amendment to IFRS 4 deferring the application of IFRS 9 for insurance companies to January 1, 2023, aligning this date with the date of first-time application of IFRS 17. This standard is not applicable to the Group.

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

The standards and interpretations which at the date of the preparation of this financial report were issued but not yet in force are reported below. The Group will adopt these standards when they enter into force, if applicable. No material impact to the Group is expected from these standards and amendments.

Amendments to IAS 1: Presentation of Financial Statements: Classification of Liabilities as Current or Non-current and Classification of Liabilities as Current or Non-current

On January 23, 2020, the IASB issued an amendment to IAS 1 that seeks to clarify one of the criteria in IAS 1 for classifying a liability as non-current or the requirement that the entity must have the right to defer settlement of the liability for at least 12 months subsequent to the reporting date. The amendment includes:

- ✓ an indication that the right to defer settlement must exist at the reporting date;
- ✓ a clarification on the fact that the classification is not influenced by management's intentions or expectations regarding the possibility of using the right of deferral;
- ✓ a clarification on how the conditions of funding affect the classification and;
- ✓ a clarification of the requirements for the classification of liabilities that an entity intends to settle or could settle by issuing its own equity instruments.

The new amendment is applied from January 1, 2023 and must be applied retrospectively. The Group is currently assessing any impact from these amendments.

Amendment to IFRS 3 - "Business combinations", to IAS 16 – "Property, Plant and Equipment", to IAS 37 "Provisions, Contingent Liabilities and Contingent Assets" and Annual Improvements 2018-2020 Cycle

On May 14, 2020, the IASB published a package of amendments clarifying and making minor changes to the IFRS below, while the Annual Improvements 2018-2020 Cycle addresses IFRS 1, IFRS 9, IAS 41, and illustrative examples annexed to IFRS 16:

- ✓ IFRS 3: update of references to the Conceptual Framework of the IAS (no change in the accounting treatment of business combinations);
- ✓ IAS 16: the amendment clarifies the impossibility for a company to deduct from the cost of tangible fixed assets any income deriving from the sale of products in the period in which this activity is brought to the place or conditions necessary for it to be able to operate in the manner for which it was designed by management. In fact, revenues from the sale of such products, and their production costs, should be recognised separately to the income statement;
- ✓ IAS 37: the amendment provides clarification on the costs to be included in the valuation of the losses generated by a contract and, therefore, to assess whether the contract is to be considered as onerous or loss-making. The amendment calls for the application of the "directly related cost approach." Costs that relate directly to a contract to provide goods or services include both incremental costs and costs directly attributed to contractual activities. General and administrative expenses are not directly related to a contract and are excluded unless they are explicitly chargeable to the counterparty based on the contract.
- ✓ Annual Improvements 2018-2020 Cycle:
    - Amendment to IFRS 1 "First-time Adoption of International Financial Reporting Standards – Subsidiary as a first-time adopter". As part of the 2018-2020 Annual Improvements to IFRS process, the IASB issued an amendment to this standard that permits a subsidiary that elects to apply paragraph D16(a) of IFRS 1 to account for cumulative translation differences based on amounts accounted for by the parent, considering the parent's date of transition to IFRS. This

amendment also applies to associates or joint ventures that elect to apply paragraph D16(a) of IFRS 1;

- Amendment to IFRS 9 "Financial Instruments -Fees in the "10 per cent" test for derecognition of financial liabilities": the IASB published an amendment to IFRS 9 that clarifies the fees that an entity must include when determining whether the conditions of a new or amended financial liability are substantially different from the conditions of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by the borrower or lender on behalf of others. An entity applies this amendment to the financial liabilities that are modified or exchanged subsequent to the date in the first year in which it is applied;
- IAS 41 Agriculture: the IASB published an amendment to this standard that removes the requirement in paragraph 22 of IAS 41 that entities exclude cash flows for taxation when measuring the fair value of assets under IAS 41. This standard is not applicable to the Group.

These amendments will be applied from January 1, 2022 or subsequently.

Amendment to IAS 1: Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting policies

The IASB published an amendment to this standard on February 12, 2021 to support companies in choosing which accounting policies to disclose in their financial statements. The amendment will be effective for fiscal years beginning January 1, 2023, with early application permitted.

Amendment to IAS 8: Accounting policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

The IASB published an amendment to this standard on February 12, 2021, to introduce a new definition of an accounting estimate and clarify the distinction between changes in accounting estimates, changes in accounting policies, and errors. The amendment will be effective for fiscal years beginning January 1, 2023, with early application permitted.

Amendment to IAS 12: Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

The IASB published an amendment to this standard on May 7, 2021, which requires companies to recognise deferred tax assets and liabilities on particular transactions that, upon initial recognition, give rise to equivalent (taxable and deductible) temporary differences - e.g. transactions related to leases. The amendment will be effective for fiscal years beginning January 1, 2023, with early application permitted.

IFRS 17: Insurance Contracts

The IASB published the new standard on May 18, 2017, in addition to amendments on June 25, 2020, which replaces IFRS 4, issued in 2004. The new standard seeks to improve investors' understanding of, but not limited to, insurers' risk exposure, profitability and financial position. IFRS 17 will be applied from January 1, 2023; however, early application is permitted. This standard is not applicable to the Group.

Discretional valuations and significant accounting estimates

The preparation of the financial statements requires the directors of the Group to undertake discretional valuations, estimates and assumptions which impact upon the amount of revenue, costs, assets and liabilities and related disclosures, as well as potential liabilities. The uncertainty concerning these assumptions and estimates could result in significant changes in the book value of these assets and/or liabilities in the future.

IAS 8 Changes in accounting estimates and errors

Some elements in the financial statements may not be measured with precision and therefore are subject to estimates which depend on future and uncertain conditions of the company's operations. These estimates over time will incur revision to take into account data and information which is available subsequent to the initial estimates. The effect of the change of accounting estimates must be recorded prospectively in the year in which they occur, including them in the economic result of the year and of future years, where the change also affects this latter. The prospective recognition of the effects of the estimates means that the changes are applied to the transactions on the change in the estimate. The revision or change in the accounting estimate arises from new information or new developments in operating activities and for this reason they do not represent a correction of errors.

The errors of previous years are omissions and incorrect measurements of accounts in the financial statements of an entity for one or more years deriving from the non-utilisation or the erroneous utilisation of reliable information which was available when the financial statements were authorised for their publication and it is reasonable to consider that such information could have been obtained and utilised in the preparation and presentation of these financial statements. These errors include the effects of arithmetic errors, errors in the application of accounting policies, inaccuracies or distorted interpretations of facts, and fraud. The financial statements are not in accordance with IFRS if they contain significant errors or irrelevant if committed intentionally in order to obtain a specific presentation of the statement of financial position, of the economic result or of the cash flows of the entity. Potential errors of the current year, recorded in the same year, are corrected before the financial statements are authorised for publication. The errors uncovered in subsequent years, if considered significant and if the correction is considered feasible, must be corrected in the comparative disclosure presented in the financial statements for the following year, remeasuring the opening balances of assets, liabilities and shareholders' equity (restatement).

The restatement is not applied and the error is not recorded using the prospective method where the errors and the omissions are considered insignificant.

Omissions or incorrect measurements of accounts are recorded if, individually or overall, they may impact the economic decisions of the readers of the financial statements. The restatement depends on the size and nature of the omission or incorrect measurement assessed depending upon the circumstances.

Estimates and assumptions

Preparation of the financial statements requires the use of estimates and judgments that are reflected in the carrying amounts of assets and liabilities and the disclosures in the notes, including with regard to contingent assets and liabilities at the reporting date. The subsequently observed actual results for the period may differ from such estimates; estimates and assumptions are also revised and updated periodically and the effects of any changes are immediately reflected in the financial statements. The Group based its estimates and assumptions on information available at the preparation date of the consolidated financial statements. However, the current circumstances and assumptions on future developments may alter due to changes in the market and events outside of the Group's control, such as the worsening of the Covid-19 pandemic.

Impairment of non-financial assets

Reference should be made to Note 1 - Intangible Assets below.

Fair value of investment property

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

Fair value of financial instruments

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

IAS 10 Events after the reporting period

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

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

Operating Segment information

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

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

- Aviation;
- Non-Aviation;
- Other.

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

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

The account “Other” residually includes those businesses not directly attributable to the identified segments.

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

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

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

in thousands of Euro	For the half year ended 30.06.2021 Aviation	For the half year ended 30.06.2021 Non-Aviation	For the half year ended 30.06.2021 Other	For the half year ended 30.06.2021
Revenues	11,150	6,725	0	17,875
Costs	(19,730)	(4,977)	0	(24,707)
EBITDA	**(8,580)**	**1,748**	**0**	**(6,832)**
Depreciation and amortisation	(3,290)	(1,929)	0	(5,219)
Provisions	(226)	(26)	0	(252)
Operating result	**(12,096)**	**(207)**	**0**	**(12,303)**
Financial income	0	0	72	72
Financial expenses	0	0	(505)	(505)
Result before taxes	**(12,096)**	**(207)**	**(433)**	**(12,736)**
Taxes for the period	0	0	3,018	3,018
Profit (loss) for the period	**(12,096)**	**(207)**	**2,585**	**(9,718)**
Minority interest profit	**0**	**0**	**0**	**0**
Group profit (loss)	**0**	**0**	**0**	**(9,718)**

in Euro thousands	For the half year ended 30.06.2020 Aviation	For the half year ended 30.06.2020 Non-Aviation	For the half year ended 30.06.2020 Other	For the half year ended 30.06.2020
Revenues	16,374	17,127	0	33,501
Costs	(20,434)	(13,750)	0	(34,184)
Gross operating profit/(loss)	**(4,060)**	**3,377**	**0**	**(683)**
Depreciation and amortisation	(2,786)	(2,501)	0	(5,287)
Provisions	(474)	(166)	0	(640)
Operating result	**(7,320)**	**710**	**0**	**(6,610)**
Financial income	0	0	116	116
Financial expenses	0	0	(303)	(303)
Result before taxes	**(7,320)**	**710**	**(187)**	**(6,797)**
Taxes for the period	0	0	2,066	2,066
Profit (loss) for the period	**(7,320)**	**710**	**1,879**	**(4,731)**
Minority interest profit	**0**	**0**	**0**	**0**
Group profit (loss)	**0**	**0**	**0**	**(4,731)**

The table below presents the segment information for assets:

in thousands of Euro	As at June 30, 2021 Aviation	As at June 30, 2021 Non-Aviation	As at June 30, 2021 Other	As at June 30, 2021
Non-current assets	**177,488**	**38,705**	**26,914**	**243,107**
Intangible assets	**173,431**	**26,272**	**0**	**199,703**
Concession rights	172,607	25,731	0	198,338
Other intangible assets	824	541	0	1,365
Tangible assets	**3,981**	**12,421**	**0**	**16,402**
Property, plant and equipment	3,981	7,689	0	11,670
Investment property	0	4,732	0	4,732
Other non-current assets	**76**	**12**	**26,914**	**27,002**
Investments	0	0	44	44
Other non-current financial assets	0	0	12,963	12,963
Deferred tax assets	0	0	13,760	13,760
Other non-current assets	76	12	147	235
Current assets	**9,832**	**3,086**	**24,839**	**37,757**
Inventories	429	232	0	661
Trade receivables	6,286	2,348	0	8,634
Other current assets	3,117	506	1,888	5,511
Current financial assets	0	0	0	0
Cash and cash equivalents	0	0	22,951	22,951
Total assets	**187,320**	**41,791**	**51,753**	**280,864**

in thousands of Euro	As at June 30, 2021 Aviation	As at June 30, 2020 Non-Aviation	As at June 30, 2019 Other	As at June 30, 2020
Non-current assets	**171,536**	**34,029**	**20,476**	**226,041**
Intangible assets	**167,341**	**19,933**	**0**	**187,274**
Concession rights	166,363	18,921	0	185,284
Other intangible assets	978	1,012	0	1,990
Tangible assets	**4,133**	**14,080**	**0**	**18,213**
Property, plant and equipment	4,133	9,348	0	13,481
Investment property	0	4,732	0	4,732
Other non-current assets	**62**	**16**	**20,476**	**20,554**
Investments	0	0	44	44
Other non-current financial assets	0	0	12,272	12,272
Deferred tax assets	0	0	7,931	7,931
Other non-current assets	62	16	229	307
Current assets	**6,420**	**4,181**	**18,214**	**28,815**
Inventories	382	322	0	704
Trade receivables	3,927	3,450	0	7,377
Other current assets	2,111	409	1,351	3,871
Current financial assets	0	0	772	772
Cash and cash equivalents	0	0	16,091	16,091
Total assets	**177,956**	**38,210**	**38,690**	**254,856**

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 sub-concession 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.

Information concerning the Main Clients

In the first half of 2021, the Group's revenues mainly derived from the following clients (compared with the first half of 2020):

30/06/2021	*30/06/2020*
RYANAIR LTD	RYANAIR LTD
WIZZ AIR HUNGARY LTD	WIZZ AIR HUNGARY LTD
EMIRATES ITALIA SRL	HEINEMANN ITALIA SRL
EUROPEAN AIR TRANSPORT LEIPZIG GMBH	ALITALIA SAI SPA IN A.S.
ALITALIA SAI SPA IN A.S.	EMIRATES
GH BOLOGNA SPA	SOCIETE' AIR FRANCE S.A.
CLEAR CHANNEL JOLLY PUBBLICITA' SPA	GH BOLOGNA SPA
HEINEMANN ITALIA SRL	VECCHIA MALGA NEGOZI SRL
TURKISH AIRLINES	LUFTHANSA LINEE AEREE GERMANICHE
KLM CITYHOPPER B.V.	BRITISH AIRWAYS PLC

Ryanair and Wizzair remain stable as the two top clients, while the positioning and make-up of the following eight clients by turnover altered slightly, although the overall number of carriers remained stable over the comparative periods. Seven of the top ten clients are from the aviation sector.

Impacts of the COVID-19 pandemic

As extensively outlined in the Directors' Report, the AdB Group's performance was again heavily impacted in H1 2021 by the COVID-19 crisis. The comparison with H1 2020 - which benefitted from almost two months pre-COVID - indicates the almost halving of passenger traffic (-46.1%), while the comparison with H1 2019 traffic, presented in the Directors' Report to indicate the severe drop in volumes, indicates an 82.6% decline. The signs of recovery stemming from travel permitted by the vaccination campaign and the Green Pass emerged only at the end of the period. Consequently, the effects on the period operating performance are still very significant and are reflected in a doubling of the H1 2020 net loss (from Euro 4.7 million to Euro 9.7 million). The primary differences between the two periods are due almost exclusively to the further dramatic reduction in air traffic and revenues as a consequence of the COVID-19 pandemic, in addition to the continuation and widening of various cost-containment measures implemented by the Group in response to the crisis and which, in any case, are not proportional to the drop in revenues due to the highly fixed nature of a large part of airport manager costs.
The balance sheet reflects the decline in revenues, with the resulting:

- increase in deferred tax assets due to the recognition of the tax benefit on the IRES loss for the period, which is believed to be recoverable in future years;
- absorption of liquidity following reduced receipts in the period and of payments relating to operations and investments, with a consequent increase in the net financial debt at June 30, 2021;
- decrease in current liabilities due to the contraction in operations and the consequent savings on costs;
- decrease in shareholders' equity due to the losses in the period.

On the other hand, trade receivables and other receivables from the aviation sector (boarding fee surtaxes and IRESA) increased due to the growth in volumes and, therefore, of revenues - particularly from June.

In light of the cost containment actions undertaken in the initial phase of the pandemic and still in place (use of accumulated holiday leave, recourse to the Temporary Lay-off Scheme, freeze on new personnel recruitment and external cost-cutting measures, with particular regard to non-strategic suppliers and renegotiation with suppliers) and those aimed at maintaining adequate liquidity levels, including:

- the obtaining of two new loans in July 2020 for Euro 59 million.
- the search, already in progress, for new sources of financing; and
- the granting of waiver letters eliminating the risk of non-compliance with financial covenants, to be calculated at December 31, 2021,

as well as the financial solidity of the Parent Company and its subsidiaries, the Group believes that the actions taken will allow it to overcome the current crisis and meet the Aeroporto di Bologna Group's existing financial, contractual and concession obligations.

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

ASSETS

1. Intangible assets

The following table breaks down intangible assets at June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Concession rights	198,338	198,470	(132)
Software, licences and similar rights	786	1,027	(241)
Other intangible assets	52	55	(3)
Energy Certificates	130	0	130
Other intangible assets in progress	397	487	(90)
TOTAL INTANGIBLE ASSETS	**199,703**	**200,039**	**(336)**

The table below presents the changes in intangible assets for the period ended June 30, 2021 compared to June 30, 2020, by asset category.

	31.12.2020			Changes of the period				30.06.2021		
in thousands of Euro	Historic cost	Accumulated amortisation	Book value	Increases/ Acquisitions	Amortisation	Decreases/ Disposals/Reclassifications	Decrease provision	Historical cost	Accumulated amortisation	Book value
Concession rights	246,554	(48,084)	198,470	3,786	(3,472)	(446)	0	249,894	(51,556)	198,338
Software, licences and similar rights	14,270	(13,243)	1,027	189	(430)	0	0	14,459	(13,673)	786
Other intangible assets	250	(195)	55	0	(3)	0	0	250	(198)	52
Energy Certificates	0	0	0	130	0	0	0	130	0	130
Other intangible assets in progress	487	0	487	(90)	0	0	0	397	0	397
TOTAL INTANGIBLE ASSETS	**261,561**	**(61,522)**	**200,039**	**4,015**	**(3,905)**	**(446)**	**0**	**265,130**	**(65,427)**	**199,703**

	31.12.2019			Changes of the period				30.06.2020		
in thousands of Euro	Historic cost	Accumulated amortisation	Book value	Increases/ Acquisitions	Amortisation	Decreases/ Disposals/ Write-downs	Decrease provision	Historical cost	Accumulated amortisation	Book value
Concession rights	217,589	(41,405)	176,184	11,748	(3,317)	669	0	230,006	(44,722)	185,284
Software, licences and similar rights	13,591	(11,839)	1,752	361	(647)	0	0	13,952	(12,486)	1,466
Other intangible assets	250	(190)	60	0	(3)	0	0	250	(193)	57
Other intangible assets in progress	464	0	464	3	0	0	0	467	0	467
TOTAL INTANGIBLE ASSETS	**231,894**	**(53,434)**	**178,460**	**12,112**	**(3,967)**	**669**	**0**	**244,675**	**(57,401)**	**187,274**

At June 30, 2021, Concession rights increased by Euro 3.8 million, of which Euro 3.6 million (equal to the fair value of construction services provided in the period), principally due to:

- construction work on a new cargo building and related annexes for a specialised operator;
- upgrading, extension and modernisation works of the offices at the check-in area;
- works relating to the construction of a new de-icing plant.

Amortisation of concession rights in the period amounted to Euro 3.5 million and was applied according to the residual duration of the concession.

Software, licenses and similar rights increased Euro 189 thousand, mainly due to the introduction of the SAP application system for both outgoing and incoming electronic invoicing.

Energy certificates for Euro 130 thousand regards the valuation of 490 white certificates for the tri-generation plant; the counter-entry of this intangible asset is “Other revenues and income” in the income statement.

Other intangible assets in progress include software development not concluded at June 30, 2021.

Test on the recoverability of assets and group of assets

In view of the ongoing COVID-19 health and economic crisis, the Group constantly monitors its operating-financial performances in comparison with the 2021-2046 operating-financial forecasts approved by the Board of Directors of the parent company on February 15, 2021 and used for the impairment test on Concession Rights for the year ended December 31, 2020 and the relative sensitivity tests. For the year 2020, the impairment test performed did not identify any impairment of the carrying amounts of the concession rights, and no impairment losses were therefore recognised on the assets concerned. With regards to the amounts recognised to Concession Rights at June 30, 2021 - amounting to Euro 198 million, as was the case at December 31, 2020 - the Group updated the above-stated projections on the basis of traffic, revenues, costs and investment forecasts, updated to this date and also according to this latter projection no impairment indicators emerged.

With regards to the preparation of the consolidated financial statements, as indicators of impairment as defined by IAS 36 are not evident and considering that Group economic-financial performances are in line with the 2021-2046 economic-financial forecast drawn up by the Board of Directors and utilised in the impairment tests at December 31, 2020, the relative recoverability results of the amounts recognised to Concession rights at June 30, 2021 are confirmed, in addition to the Group’s net capital employed.

2. Tangible assets

The following table breaks down tangible assets at June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Land	2,763	2,763	0
Buildings, light constructions and improvements	3,298	3,487	(189)
Machinery, equipment & plant	2,309	2,716	(407)
Furniture, EDP and transport	1,632	1,925	(293)
Building plant and machinery in progress and advances	472	346	126
Investment property	4,732	4,732	0
TOTAL TANGIBLE ASSETS	**15,206**	**15,969**	**(763)**
Land in leasing	1,033	1,252	(219)
Leased buildings and minor construction and improvements	0	0	0
Leased machinery, equipment & plant	25	8	17
Leased furniture, office machinery, transport equipment	138	189	(51)
TOTAL LEASED TANGIBLE ASSETS	**1,196**	**1,449**	**(253)**
TOTAL TANGIBLE ASSETS	**16,402**	**17,418**	**(1,016)**

The table below presents the changes in tangible assets for the period ended June 30, 2021 compared to June 30, 2020, by asset category.

	31.12.2020			Changes of the period				30.06.2021		
in thousands of Euro	Historic cost	Accumulated depreciation	Book value	Increases/ Acquisitions	Depreciation	Decreases/ Disposals	Decrease provision	Historical cost	Accumulated depreciation	Book value
Land	2,763	0	2,763	0	0	0	0	2,763	0	2,763
Buildings, light constructions and improvements	8,581	(5,094)	3,487	0	(189)	0	0	8,581	(5,283)	3,298
Machinery, equipment & plant	15,930	(13,214)	2,716	0	(407)	0	0	15,930	(13,621)	2,309
Furniture, EDP and transport	10,516	(8,591)	1,925	36	(327)	(22)	20	10,530	(8,898)	1,632
Tangible fixed assets in progress	346	0	346	126	0	0	0	472	0	472
Investment property	4,732	0	4,732	0	0	0	0	4,732	0	4,732
TOTAL TANGIBLE ASSETS	***42,868***	***(26,899)***	***15,969***	***162***	***(923)***	***(22)***	***20***	***43,008***	***(27,802)***	***15,206***
Land in leasing	1,957	(705)	1,252	(46)	(173)	0	0	1,911	(878)	1,033
Leased buildings and minor construction and improvements	0	0	0	0	0	0	0	0	0	0
Leased machinery, equipment & plant	81	(73)	8	24	(7)	0	0	105	(80)	25
Leased furniture, office machinery, transport equipment	385	(196)	189	0	(51)	0	0	385	(247)	138
TOTAL RIGHTS OF USE ON PROPERTY, PLANT AND EQUIPMENT AND OTHER ASSETS	***2,423***	***(974)***	***1,449***	***(22)***	***(231)***	***0***	***0***	***2,401***	***(1,205)***	***1,196***
TOTAL TANGIBLE ASSETS	***45,291***	***(27,873)***	***17,418***	***140***	***(1,154)***	***(22)***	***20***	***45,409***	***(29,007)***	***16,402***

	31.12.2019			Changes of the period				30.06.2020		
in thousands of Euro	Historic cost	Accumulated depreciation	Book value	Increases/ Acquisitions	Depreciation	Decreases/ Disposals/Reclas sifications	Decrease provision	Historical cost	Accumulated depreciation	Book value
Land	2,763	0	2,763	0	0	0	0	2,763	0	2,763
Buildings, light constructions and improvements	8,581	(4,705)	3,876	0	(196)	0	0	8,581	(4,901)	3,680
Machinery, equipment & plant	15,499	(12,390)	3,109	444	(523)	(13)	12	15,930	(12,901)	3,029
Furniture, EDP and transport	10,060	(7,913)	2,147	155	(336)	(24)	7	10,191	(8,242)	1,949
Tangible fixed assets in progress	1,087	0	1,087	16	0	(669)	0	434	0	434
Investment property	4,732	0	4,732	0	0	0	0	4,732	0	4,732
TOTAL TANGIBLE ASSETS	***42,722***	***(25,008)***	***17,714***	***615***	***(1,055)***	***(706)***	***19***	***42,631***	***(26,044)***	***16,587***
Land in leasing	2,136	(404)	1,732	(61)	(200)	(127)	73	1,948	(531)	1,417
Leased buildings and minor construction and improvements	13	(11)	2	0	(2)	(13)	13	0	0	0
Leased machinery, equipment & plant	75	(64)	11	10	(7)	(5)	5	80	(66)	14
Leased furniture, office machinery, transport equipment	323	(99)	224	27	(56)	(7)	7	343	(148)	195
TOTAL LEASED TANGIBLE ASSETS	***2,547***	***(578)***	***1,969***	***(24)***	***(265)***	***(152)***	***98***	***2,371***	***(745)***	***1,626***
TOTAL TANGIBLE ASSETS	**45,269**	**(25,586)**	***19,683***	**591**	**(1,320)**	**(858)**	**117**	**45,002**	**(26,789)**	**18,213**

At June 30, 2021, the overall increase in this category was Euro 140 thousand and mainly concerns the purchase of furniture and computers, in addition to investments in progress. This category includes right-of-use assets, recognised in accordance with IFRS 16, which the Adb Group recognises as a lessee primarily for the long-term lease of land used for parking, employee motor vehicles and some equipment. The amount recognised at June 30, 2021 corresponds to the present value of the lease instalments falling due, which is reflected under current and non-current financial liabilities for leases (see Note 17).

Investment property includes the total value of land owned by the Group earmarked for the construction of investment property; these amounts were initially recorded at purchase cost and subsequently measured using the cost method.
This land is not subject to depreciation but, as per IAS 40, a technical report is undertaken to support the fair value. The technical report undertaken internally by the Parent Company confirms that the value of the inscription cost approximates, for nature and strategic value of the investment, its fair value. At the preparation date of the financial statements, there were no impairment indicators on these assets.

3. Investments

The following table breaks down other investments at June 30, 2021 (compared with December 31, 2020):

in thousands of Euro	As at 31.12.2020	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 30.06.2021
Other investments	44	0	0	0	44
TOTAL INVESTMENTS	**44**	**0**	**0**	**0**	**44**

The composition of the account is as follows:

in thousands of Euro	Holding	As at 30.06.2021	As at 31.12.2020	Change
Consorzio Energia Fiera District	14.3%	3	3	0
CAAF dell'Industria Spa	0.07%	0	0	0
Bologna Welcome Srl	10%	41	41	0
TOTAL OTHER INVESTMENTS		**44**	**44**	**0**

4. Other non-current financial assets

The following table shows the movements in other non-current financial assets for the period ended June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 31.12.2020	Increases/ Acquisitions	Decreases / Reclass.	Write-downs	As at 30.06.2021
Receivables from Terminal Value	1,043	7	0	0	1,050
Equity Financial Instruments	10,873	0	0	0	10,873
Other financial assets	1,030	10	0	0	1,040
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**12,946**	**17**	**0**	**0**	**12,963**

At June 30, 2021, the account "Other non-current financial assets" comprised:

- Euro 1 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, 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, in addition to the interventions made on the provisions for renewal, both calculated according to the regulatory accounting rules. The movement in the period relates to the financial income for the period calculated on the receivable recognised at December 31, 2020, as the additional Terminal Value receivable on investments made in H1 2021 has not matured;

- 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 at fair value the Equity Financial Instrument, the subsequent valuations of this EFI are at cost as the best fair value estimate and any reductions in value, quantified comparing the book value with the present value of the expected cash flows discounted at the market rate for similar instruments, are recorded in the Income Statement.

Regarding the valuation at June 30, 2021 of this Equity Financial Instrument, the Group requested Marconi Express Spa to provide an update of the business plan in light of the entry into operation of the People Mover only on November 18, 2020 and the drastic reduction in traffic volumes caused by the pandemic. In view of the new business plan approved by the lending bank syndicate, which provides for a rescheduling of the debt repayment plan, made necessary following the reduction in revenues caused by the pandemic and following the other anti-crisis measures illustrated by Marconi Express, the Group believes there is no impairment loss to be recorded on the value of the equity instrument at June 30, 2021.

- Euro 1 million of a capitalisation product purchased in 2019, with a 10-year duration and 2029 maturity. In accordance with the standard IFRS 9, these assets are classified to the category "Held to collect – HTC", as this complies with the Group's need to invest temporary liquidity held in order to collect the contractual cash flows. In this specific case, the maturity is defined contractually, but the return is related to the capital management performance and therefore this financial instrument is measured at fair value through profit or loss.

5. Deferred tax assets

The following table presents the movements in deferred tax assets for the period ended June 30, 2021, compared with December 31, 2020.

in thousands of Euro	As at 31.12.2020	Provisions	Util./Reclass.	As at 30.06.2021
DEFERRED TAX ASSETS	**10,732**	**3,483**	**(455)**	**13,760**

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

- fiscally deductible provisions in subsequent periods such as the assets under concession replacement provision, the risks and charges provision and the provision for doubtful accounts;
- maintenance costs as per Article 107 of the CFA, deductible in future years;
- tax losses carried forward;
- adjustments related to the application of international accounting standards;
- other expense items concerning subsequent periods.

The increase in the period was mainly due to deferred tax assets on the estimated tax losses recorded at June 30, 2021 (Euro 2.8 million), which is reasonably certain to be recovered in the future in view of the Group's forecast financial performance.

6. Other non-current assets

The following table breaks down other non-current assets at June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Non-current prepaid expenses and accrued income	48	89	(41)
Guarantee deposits	93	89	4
Non-current tax receivables	94	94	0
OTHER NON-CURRENT ASSETS	**235**	**272**	**(37)**

No significant changes occurred between the two periods.

7. Inventories

The following table breaks down inventories at June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Inventories of raw materials, supplies and consumables	648	572	76
Inventories of finished products	13	104	(91)
INVENTORIES	**661**	**676**	**(15)**

This category also presents no significant changes.

8. Trade receivables

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

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Trade receivables	10,322	7,271	3,051
Provisions for doubtful accounts	(1,688)	(992)	(696)
TRADE RECEIVABLES	**8,634**	**6,279**	**2,355**

At June 30, 2021, trade receivables of Euro 8.6 million are stated net of the Provision for Doubtful Accounts of Euro 1.7 million. Gross trade receivables increased (+Euro 3.1 million), in addition to the provision for doubtful accounts (+Euro 0.7 million). The former increased mainly due to higher traffic volumes and therefore revenues in June, in addition to the continued absence of payments from a number of aviation sector clients, mainly Alitalia.
The provision for doubtful accounts has therefore also increased, due both to the write-downs carried out on the basis of specific analysis of cases in arrears and/or in dispute, whose probability of recovery reduced due to the economic situation and 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 in the period total Euro 0.7 million, of which Euro 0.3 million recorded as a direct reduction of the relative revenues as concerning amounts which are no longer considered collectible maturing in the period.

The movements in the Provisions for Doubtful Accounts were as follows, in comparison with the movements in the first half of 2020:

in thousands of Euro	As at 31.12.2020	Provisions	Utilisations	Releases	As at 30.06.2021
PROVISIONS FOR DOUBTFUL ACCOUNTS	**(992)**	**(714)**	**8**	**11**	**(1,688)**

in thousands of Euro	As at 31.12.2019	Provisions	Utilisations	Releases	As at 30.06.2020
PROVISIONS FOR DOUBTFUL ACCOUNTS	**(1,836)**	**(327)**	**0**	**3**	**(2,160)**

An analysis of the aging of trade receivables of the Group at June 30, 2021 compared with December 31, 2020 is reported below.

in thousands of Euro	Not yet due	Overdue	Total at 30.06.2021
Trade receivables for invoices/credit notes issued	4,152	5,575	9,727
Trade receivables for invoices/credit notes to be issued	595	0	595
TOTAL TRADE RECEIVABLES	**4,747**	**5,575**	**10,322**

in thousands of Euro	Not yet due	Overdue 0-30	Overdue 30-60 days	Overdue 60-90 days	Overdue over 90 days	Total
TRADE RECEIVABLES	**4,152**	**2,190**	**617**	**617**	**2,151**	**9,727**

in thousands of Euro	Not yet due	Overdue	Total at 31.12.2020
Trade receivables for invoices/credit notes issued	2,087	4,618	6,705
Trade receivables for invoices/credit notes to be issued	566	0	566
TOTAL TRADE RECEIVABLES	**2,653**	**4,618**	**7,271**

in thousands of Euro	Not yet due	Overdue 0-30	Overdue 30-60 days	Overdue 60-90 days	Overdue over 90 days	Total
TOTAL TRADE RECEIVABLES	**2,087**	**1,127**	**1,005**	**355**	**2,131**	**6,705**

As emerges from the comparison with the table for the ageing of receivables at December 31, 2020, at June 30, 2021, receivables rose due to the higher revenues, particularly in June as the increase is concentrated in receivables not yet due (+Euro 2.1 million) and in those overdue for between 0-30 days (+Euro 1.1 million).

9. Other current assets

The following table breaks down other current assets at June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
VAT Receivable	1,385	1,266	119
Direct income tax receivables	21	15	6
Other tax receivables	24	18	6
Employee receivables	91	58	33
Other receivables	3,990	2,436	1,554
OTHER CURRENT ASSETS	**5,511**	**3,793**	**1,718**

The increase in this category is due to the higher VAT receivable as a result of the decrease in revenues, in addition to the increase in “other receivables”, as outlined in the following table:

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Receivables for passenger boarding fees surtax	3,208	2,443	765
IRESA receivables	143	156	(13)
Other current receivables provision for doubtful accounts	(1,062)	(1,062)	0
Prepayments and accrued income	1,162	445	717
Advances to suppliers	45	22	23
Pension and social security institutions	244	127	117
Other current receivables	250	305	(55)
TOTAL OTHER RECEIVABLES	**3,990**	**2,436**	**1,554**

The Group charged the carriers the boarding fee surtax, as per Article 2, paragraph 11 of Law 350/2003 and subsequent integrations and modifications, and once collected, paid the amount to the State and to INPS respectively in the measure of Euro 1.50 and Euro 5.00 per passenger boarded. There were no tariff changes to the surtax in the period and therefore the increase in the receivable is due to the traffic recovery in the summer and the absence of payments from a number of carriers (see the trade receivables item).

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, with no movements in the period.

in thousands of Euro	As at 31.12.2020	Provisions/Increases	Utilizations	Releases	As at 30.06.2021
Municipal surtax receivable provision					
TOTAL OTHER RECEIVABLES PROVISIONS FOR DOUBTFUL ACCOUNTS	**(1,062)**	**0**	**0**	**0**	**(1,062)**

in thousands of Euro	As at 31.12.2019	Provisions/Increases	Utilizations	Releases	As at 30.06.2020
Municipal surtax receivable provision					
TOTAL OTHER RECEIVABLES PROVISIONS FOR DOUBTFUL ACCOUNTS	**(763)**	**(244)**	**41**	**0**	**(966)**

Finally, prepayments and accrued income, increasing due to the interim nature of the period, includes the following cost items recognised in advance in the period:

- ✓ Euro 0.3 million of data processing charges;
- ✓ Euro 0.2 million of the airport concession fee;
- ✓ Euro 0.2 million of insurance premiums;
- ✓ Euro 0.2 million of other taxes recognised in advance;

- ✓ Euro 0.1 million of other costs for services invoiced in advance;
- ✓ Euro 0.1 million for SACE commissions on the two loans agreed in 2020.

10. Current Financial Assets

"Current financial assets" reduced to zero at June 30, 2021, as the capitalisation policy recognised at December 31, 2020 for Euro 274 thousand was collected on contractual maturity (May 2021).

11. Cash and cash equivalents

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Bank and postal deposits	22,919	43,625	(20,706)
Cash in hand and similar	32	33	(1)
CASH AND CASH EQUIVALENTS	**22,951**	**43,658**	**(20,707)**

"Bank and postal deposits" represent the bank current account balances. For the comment on the absorption of liquidity in the period, reference should be made to Section 3.2 of the Directors' Report.
In addition to bank current accounts, the parent company has an unutilised credit line of Euro 5 million available.

Net Financial Position

The following table shows the breakdown of the net financial position at June 30, 2021, December 31, 2020 and June 30, 2020, in accordance with Consob Communication of July 28, 2006 and the ESMA/2011/81 and 04/03/2021 Recommendations:

	in thousands of Euro	As at 30.06.2021	As at 31.12.2020	As at 30.06.2020
A	Cash	32	33	25
B	Other cash equivalents	22,919	43,625	16,066
C	Securities held for trading	0	0	0
D	**Cash & cash equivalents (A)+(B)+(C)**	**22,951**	**43,658**	**16,091**
E	**Current financial receivables**	**0**	**275**	**772**
F	Current bank debt	(23)	(33)	(5,035)
G	Current portion of non-current debt	(3,067)	(3,064)	(3,062)
H	Other current financial debt	(964)	(1,440)	(1,967)
I	**Current financial debt (F)+(G)+(H)**	**(4,054)**	**(4,537)**	**(10,064)**
J	**Net current financial position (I) – (E) – (D)**	**18,897**	**39,396**	**6,799**
K	Non-current bank debt	(67,229)	(68,759)	(11,400)
L	Bonds issued	0	0	0
M	Other non-current debt	(824)	(1,026)	(1,221)
N	**Non-current financial debt (K)+(L)+(M)**	**(68,053)**	**(69,785)**	**(12,621)**
O	**Net financial (debt) position (J) + (N)**	**(49,156)**	**(30,389)**	**(5,822)**

The accounts A + B are equal to the balance of the account “cash and cash equivalents”; reference should be made to note 11 for further details.
The account C + E is equal to the account “current financial assets”; reference should be made to note 10 for further details.
The account l is equal to the balance of the account “current financial liabilities”; reference should be made to note 17 for further details.
The account N is equal to the balance of the account “non-current financial liabilities”; reference should again be made to note 17 for further details.

LIABILITIES

12. Shareholders' Equity

The following table breaks down the Shareholders' Equity at June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Share capital	90,314	90,314	0
Reserves	74,313	87,814	(13,501)
Loss for the period	(9,718)	(13,590)	3,872
GROUP SHAREHOLDERS' EQUITY	**154,909**	**164,538**	**(9,629)**

i. Share capital

The share capital of the Parent Company at June 30, 2021 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	As at June 30, 2021	As at June 30, 2020
Group loss (*)	(9,628,991)	(4,737,003)
Average number of shares outstanding	36,125,665	36,125,665
Undiluted earnings/(losses) per share	**(0.27)**	**(0.13)**
Diluted earnings/(losses) per share	**(0.27)**	**(0.13)**

(*) from Consolidated Statement of Comprehensive Income

The undiluted earnings/(losses) and diluted earnings/(losses) per share of the AdB Group at June 30, 2021 and June 30, 2020 are the same due to the absence of potential dilutive instruments.

ii. Reserves

The following table breaks down the Reserves at June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Share premium reserve	25,683	25,683	0
Legal reserve	8,179	8,179	0
Extraordinary reserve	57,117	56,655	462
FTA Reserve	(3,272)	(3,272)	0
Profits (losses) carried forward	(12,446)	1,604	(14,050)
OCI reserve	(948)	(1,036)	88
TOTAL RESERVES	**74,313**	**87,814**	**(13,501)**

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 extraordinary reserve increased due to the allocation of the 2020 profit of the subsidiary FFM.

The change in the retained earnings is due to:

- the profits/losses deriving from the IAS accounting entries of the subsidiary companies;
- the allocation of the loss for the previous year of the subsidiary Tag and of the parent company.

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

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
IAS 19 actuarial profits/losses	(1,248)	(1,366)	118
Deferred taxes on actuarial gains/losses as per IAS 19	300	330	(30)
OCI RESERVE	**(948)**	**(1,036)**	**88**
of which minority interest	**0**	**0**	**0**
of which Group	**(948)**	**(1,036)**	**88**

13. Severance and other personnel provisions

The following table breaks down severance and other personnel provisions at June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Severance	3,640	4,041	(401)
Other personnel provisions	246	210	36
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**3,886**	**4,251**	**(365)**

The table below shows the movements in the provisions from December 31, 2020 to June 30, 2021 compared with the same movements in the period from December 31, 2019 to June 30, 2020.

in thousands of Euro	As at 31.12.2020	Service cost	Net interest	Benefits paid	Actuarial profits/(losses)	As at 30.06.2021
Severance	4,041	8	7	(298)	(118)	3,640
Other personnel provisions	210	36	0	0	0	246
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**4,251**	**44**	**7**	**(298)**	**(118)**	**3,886**

in thousands of Euro	As at 31.12.2019	Service cost	Net interest	Benefits paid	Actuarial profits/(losses)	As at 30.06.2020
Severance	4,088	11	15	(130)	9	3,993
Other personnel provisions	169	11	0	0	0	180
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**4,257**	**22**	**15**	**(130)**	**9**	**4,173**

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

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

a) discount rate: 0.79% for the valuation at June, 30, 2021 and 0.34% for the valuation at December 31, 2020;
b) current and prospective inflation rate: 0.80%;
c) demographic bases (mortality/invalidity): the mortality tables RG 48 published by the State General Office were used for the mortality rates. For invalidity, an INPS table based on age and gender was utilised;
d) employee turnover rate equal to 15% for TAG, 2% for FFM and 1% for Aeroporto di Bologna.

As for any actuarial valuation the results depend on the technical bases adopted such as, among others, interest rate, inflation rate and expected turnover. The following table shows the effects of reasonably possible changes in the actuarial assumptions utilised at June 30, 2021.

	Valuation parameter					
in thousands of Euro	+1 % on turnover rate	-1 % on turnover rate	+ 0.25% on annual inflation rate	- 0.25% on annual inflation rate	+ 0.25% on annual discount rate	- 0.25% on annual discount rate
Severance	3,619	3,663	3,694	3,587	3,556	3,727

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

Years	Estimated future disbursements (in thousands of Euro)
1	137
2	157
3	326
4	253
5	285

The other personnel provisions at June 30, 2021 concern the long-term incentive plan and the non-competition agreement of the Chief Executive Officer/General Manager of the Parent Company.

14. Deferred tax liabilities

The following table breaks down the deferred tax liabilities at June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 31.12.2020	Provisions	Utilisations	As at 30.06.2021
DEFERRED TAX LIABILITIES	**2,618**	**28**	**0**	**2,646**

in thousands of Euro	As at 31.12.2019	Provisions	Utilisations	At 30.06.2020
DEFERRED TAX LIABILITIES	**2,558**	**28**	**0**	**2,586**

The deferred tax liability provision amounts to Euro 2.6 million and increased due to the deferred taxes on adjustments regarding the application of IFRIC 12 "service concession arrangements".

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 June 30, 2021 are reported below, divided between non-current and current.

in thousands of Euro	As at 31.12.2020	Provisions	Utilizations	Reclass.	As at 30.06.2021
Provision for renewal of airport infrastructure (non-current)	10,316	(265)	0	0	10,051
Provision for renewal of airport infrastructure (current)	1,578	0	(211)	0	1,367
TOTAL PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE	**11,894**	**(265)**	**(211)**	**0**	**11,418**

These provisions report a contraction, due to:

- ✓ uses in the period (Euro 211 thousand) for works, mainly regarding the restoration of lifts, refrigeration units, automatic doors and gates and the resurfacing of an operating hanger's flooring;
- ✓ the release of provisions (Euro 213 thousand) due to the revision of the timing of a number of airside works which have been deferred
- ✓ the updating to the discount rate of cash flows, with a positive impact of Euro 52 thousand on the first half of 2021.

At June 30, 2021 the provision for the renewal of airport infrastructure (current portion and non-current portion) totals Euro 11.4 million.

For completeness the following table shows the sensitivity in the interest rates applied for the discounting of the provisions for renewal of airport infrastructure at June 30, 2021:

in thousands of Euro	Financial expenses period balance	Sensitivity Analysis (+0.5%)	Sensitivity Analysis (-0.1%)
Provision for renewal of airport infrastructure	52	(6)	64

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

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

The changes in the non-current and current provision for risks and charges in the period ended June 30, 2021 are reported below:

in thousands of Euro	As at 31.12.2020	Provisions	Util./Other decreases	As at 30.06.2021
Risk provision for disputes	976	51	0	1,027
Provisions for other risks and charges	423	13	0	436
PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)	**1,399**	**64**	**0**	**1,463**
Employee back-dated provision	23	0	0	23
PROVISIONS FOR RISKS AND CHARGES (CURRENT)	**23**	**0**	**0**	**23**
TOTAL PROVISIONS FOR RISKS AND CHARGES	**1,422**	**64**	**0**	**1,486**

No significant movements in this account were reported in the period.

Contingent liabilities

With regard to the customs dispute that recently involved the subsidiary FFM and outlined in the “Disputes" section of the Directors’ Report, it should be noted that a risk has arisen for this company, which operates in the cargo sector, of approximately Euro 4.3 million, as currently estimated on the basis of the total value of the adjustment notices for various FFM customs declarations, while the Group considers itself to be the injured party who is extraneous to the matter in view of the documentation already submitted to their legal counsel, reserving the right to defend themselves in any appropriate forum. The appointed lawyers, having evaluated the dossier outlining the position and the jurisprudence on the subject, consider it possible but not probable that the case will be lost, also in view of the arguments already put forward in the request for precautionary suspension filed at the end of June 2021, whose hearing has been set for October 13, 2021.

With regards to the notification of invitation from the Municipality of Bologna, received on February 10, 2020, of a differing cadastral classification of a number of buildings - against that agreed with the administration since 2007 - with a consequent impact on the IMU (property tax) tax for recent years and following which a provision for risks of Euro 226 thousand, increased by Euro 13 thousand for the current period,
On this point, it should be noted that during the first half of 2021 the Bologna Land Registry Office concluded the preliminary investigation phase in order to regularise the cadastral situation pursuant to the single article, paragraph 336 of Law 311/2004, as activated by the Municipality of Bologna - Tax Office - insofar as it is also valid for IMU purposes. The communication attesting to this stage (i.e. "Conclusion of the preliminary investigation") was received by AdB by certified e-mail of July 12, 2021. The Company has filed specific Counterclaims and Request for Reconsideration and Rectification/Cancellation. No further formal discussion took place with the Tax Office of the Municipality of Bologna.
This being said, the Company - while waiting for appropriate further assessments to be carried out during the current phase - does not currently have any objective arguments that would allow it to proceed with a possible movement of the provision, except for mere updates on the basis of past reasoning, given the deadline indicated in the act to proceed with any registration revisions of September 30.
The Directors, taking into account the factual and legal arguments shared with their tax advisors, have decided to qualify the contingent liability as possible for a further estimated amount of Euro 361 thousand and therefore to include appropriate information in the Notes.

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 1.49 million, net of municipal surtaxes for passenger boarding fees. At the preparation date of this document, and specifically taking account of the information noted and the defensive arguments against the advanced action (see the Directors' Report), the Directors considered it appropriate to provide disclosure in the Notes, without making any accrual, in view of the consideration that in this case the conditions in fact and in law for action by the creditor do not exist, although while at the same time continuing to closely monitor the airline's situation.

17. Non-current and current financial liabilities

The following table breaks down non-current and current financial liabilities at June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Bank loans – non-current	67,229	68,759	(1,530)
Non-current financial payables for leasing	824	1,026	(202)
NON-CURRENT FINANCIAL LIABILIITES	**68,053**	**69,785**	**(1,732)**
Bank loans - current	3,067	3,064	3
Current financial liabilities for leasing	493	544	(51)
Payables due for boarding fee surtaxes and Iresa	471	896	(425)
Other current financial payables	23	33	(10)
CURRENT FINANCIAL LIABILITIES	**4,054**	**4,537**	**(483)**
TOTAL FINANCIAL LIABILITIES	**72,107**	**74,322**	**(2,215)**

Financial liabilities at June 30, 2021 totalled Euro 72.1 million, decreasing Euro 2.2 million compared to December 31, 2020, due to the payment of the loan instalments maturing in the period (Euro 1.5 million), of leasing fees (Euro 0.2 million) and due to the decrease in the payables due for boarding fee surtaxes and IRESA (amount received from carriers and reversed in July 2021 to the beneficiary bodies).

With regards to loans, the "bank loans - non-current" item includes two loans supported by SACE-backed guarantees as part of the "Garanzia Italia" programme and subscribed by the parent company in 2020 to support the infrastructural development plan and to handle the increased need for working capital related to the COVID-19 emergency. They amount respectively to Euro 25 million with Unicredit and Euro 33.9 million with Intesa Sanpaolo. The loans have a 72-month duration, with equal instalments to be paid on a quarterly basis, and a grace period of 2 years (Unicredit) and 3 years (Banca Intesa).
In addition to that above, we indicate:

- fifteen-year bank loan with maturity 2026, with a residual balance of Euro 2.5 million at June 30, 2021 (Euro 2.7 million at December 31, 2020), 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 2 million under bank loans - non-current (Euro 2.2 million at December 31, 2020), and for Euro 0.5 million, equal to the capital portion to be repaid over the coming 12 months under current loans (same amount at December 31, 2020);
- ten-year bank loan with December 2024 maturity, with a balance of Euro 8.9 million at June 30, 2021 (Euro 10.1 million at December 31, 2020), granted by Banca Intesa to fund the infrastructure investment plan of the Parent Company. This loan is classified for Euro 6.4 million under non-current loans and for Euro 2.5 million under current loans.

The following table summarises the loans:

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Bank loans – non-current	67,229	68,759	(1,530)
Bank loans - current	3,067	3,064	3
TOTAL LOANS	**70,296**	**71,823**	**(1,527)**

and the contractual conditions of the loans in place at June 30, 2021:

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

The annual nominal cost of the two bank loans with SACE guarantee granted in 2020, shown in the table above, is in addition to the cost of the SACE guarantee, which amounts to 0.5% in the first year, 1% in the second and third years and 2% from the fourth to sixth years of the guaranteed portion of the debt, equal to 90% of the loan.

The loans are not covered by secured guarantees.

With reference to the cross default clauses on the loan contracts of the Group, these include both clauses where the benefits are no longer applicable and where the Company financed is not in compliance with obligations of a credit or financial nature, or guarantees assumed with any party. We report that at June 30, 2021, 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.
With regard to non-compliance, due to worsening margins owed to the current crisis, Banca Intesa informed AdB on August 31, 2020 that some covenants – which are usually reviewed on an annual basis, and relate to a loan undertaken with the bank prior to the Covid-19 pandemic – will be suspended for 2020 and 2021. The annual contractual covenants on the Unicredit loan finalised in July 2020 shall apply from the 2022 financial statements.

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

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Non-current lease liabilities	824	1,026	(202)
Current lease liabilities	493	544	(51)
TOTAL LEASE LIABILITIES	**1,317**	**1,570**	**(253)**

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 0.8 million for contractual instalments due beyond 12 months
- current: Euro 0.5 million relating to contractual instalments due within 12 months

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	31/12/2020	Cash flows	New contracts	Interest/Other Reclass.	30/06/2021
Loans - current portion	3,064	(1,537)	0	1,540	3,067
Lease liabilities - current portion	544	(230)	15	165	493
Loans - non-current portion	68,759	0	0	(1,530)	67,229
Lease liabilities - non-current portion	1,026	0	9	(211)	824
Total	**73,393**	**(1,767)**	**24**	**(36)**	**71,613**

18. Trade payables

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
TRADE PAYABLES	**9,636**	**13,612**	**(3,976)**

Trade payables concern the purchase of goods and services, including investments and mainly concern Italian suppliers.

Trade payables refer to the purchase of goods and services, including investments, and are mainly due to domestic suppliers; the item shows a decrease compared to December 31, 2019, mainly due to the reduction in external operational costs as the average payment days did not change over the two periods (96 days).

The table below shows the breakdown of trade payables at June 30, 2021 and December 31, 2020 by due date:

in thousands of Euro	Not yet due	Overdue	Total at 30.06.2021
Invoices/credit notes received	1,505	973	2,478
Invoices/credit notes to be received	7,158	0	7,158
TOTAL TRADE PAYABLES	**8,663**	**973**	**9,636**

in thousands of Euro	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE PAYABLES	**1,505**	**458**	**66**	**171**	**278**	**2,478**

in thousands of Euro	Not yet due	Overdue	Total at 31.12.2020
Invoices/credit notes received	4,319	2,772	7,091
Invoices/credit notes to be received	6,521	0	6,521
TOTAL TRADE PAYABLES	**10,840**	**2,772**	**13,612**

in thousands of Euro	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE PAYABLES	**4,319**	**1,634**	**565**	**106**	**466**	**7,091**

19. Other Liabilities

The following table breaks down current financial liabilities at June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Current tax payables	912	511	401
Employee payables and social security institutions	3,309	2,470	839
ENAC concession fee and other State payables	17,015	17,891	(876)
Other current liabilities, accrued liabilities and deferred income	3,499	2,562	937
TOTAL OTHER CURRENT LIABILITIES	**24,735**	**23,434**	**1,301**

The principal changes were as follows:

i. Current tax payables

Current tax payables comprise almost entirely of the IRPEF payable for employees and consultants and the payable for local taxes.

ii. Employee payables and social security institutions

The following table breaks down employee payables and social security institutions at June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Employee salaries	952	896	56
Employee deferred compensation	1,424	934	490
Social security payables	933	640	293
EMPLOYEE PAYABLES AND SOCIAL SECURITY INSTITUTIONS	**3,309**	**2,470**	**839**

The payables to employees and social security institutions increased on December 31, 2020, despite the reduction in the workforce and of personnel costs due to the interim nature of the current period, which includes deferred remuneration and vacation pay.

iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 16.2 million (Euro 15.6 million at December 31, 2020) 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. For further details, reference should be made to the chapter on Disputes in the Directors' Report of the 2020 Annual Accounts;
- Euro 0.8 million (Euro 2.2 million at December 31, 2020) as the variable airport concession fee payable regarding the first instalment of 2021. The payable at December 31, 2020 regarding the 2019 balance and the entire 2020 annual payment was settled on April 30, 2021 as a result of the extension ordered by ENAC as a measure to support the sector.

iv. Other current liabilities, accrued liabilities and deferred income

The following table breaks down current liabilities, accrued liabilities and deferred income at June 30, 2021 (compared with December 31, 2020).

in thousands of Euro	As at 30.06.2021	As at 31.12.2020	Change
Payables due for boarding fee surtaxes and Iresa	2,292	1,539	753
Other current liabilities	951	952	(1)
Current accrued liabilities and deferred income	256	71	185
TOTAL OTHER CURRENT LIABILITIES, ACCRUED LIABILITIES AND DEFERRED INCOME	**3,499**	**2,562**	**937**

The main account concerns the passenger boarding fees surtax and for IRESA, relating to the receivables from carriers not yet received at June 30, for Euro 2.3 million. The portion of the municipality surtax payable and for IRESA relating to receivables collected from carriers, not yet paid to the creditor entities 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. Finally, the accrued liabilities and deferred income is due to the invoicing process which provides for the advance invoicing of certain services.

NOTES TO THE MAIN CONSOLIDATED INCOME STATEMENT ACCOUNTS

The main income statement accounts in the first half of 2021, compared with the first half of 2020, are presented below, while recalling that both periods were impacted by the major drop in traffic and revenues as a result of the COVID-19 pandemic, although in the comparative period this effect was mitigated by nearly two months of full operations against a H1 2021 beginning with the third wave of the pandemic and concluding with the first month of airport traffic recovery.

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 totalled Euro 17.9 million, a decline of Euro 15.6 million on H1 2020 (-46.6%). Isolating the item "revenues from construction services", which concerns investments in concession rights in the period which reduced in H1 2021 (Euro 3.8 million, compared to Euro 12.4 million), period revenues contracted 33.2%, from Euro 21.1 million in H1 2020 to Euro 14.1 million in H1 2021.

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Revenues from aeronautical services	8,044	11,437	(3,393)
Revenues from non-aeronautical services	5,569	9,421	(3,852)
Revenues from construction services	3,786	12,418	(8,632)
Other operating revenues and income	476	225	251
TOTAL REVENUES	**17,875**	**33,501**	**(15,626)**

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

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Airport fees	6,036	9,535	(3,499)
Parking	1,579	2,799	(1,220)
Construction service revenues	3,786	12,418	(8,632)
Others	2,992	3,449	(457)
TOTAL IFRS 15 REVENUE STREAMS	**14,393**	**28,201**	**(13,808)**

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

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Airport fees	6,036	9,535	(3,499)
Parking	1,579	2,799	(1,220)
Construction service revenues	3,786	12,418	(8,632)
Others	2,992	3,449	(457)
TOTAL IFRS 15 REVENUE STREAMS	**14,393**	**28,201**	**(13,808)**
Commercial/non-comm. sub-licenses	3,443	5,283	(1,840)
TOTAL NON IFRS 15 REVENUE STREAMS	**3,443**	**5,283**	**(1,840)**
TOTAL NON IFRS 15 Revenues	39	17	22
TOTAL REVENUES	**17,875**	**33,501**	**(15,626)**

i. Revenues from aeronautical services

The table below shows aviation revenues in H1 2021 and H1 2020.
This revenue category declined 29.7%, and comprised the following components:

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Centralised infrastructure/other airport services	208	159	49
Exclusive use revenues	225	242	(17)
Airport fee revenues	7,767	12,368	(4,601)
PRM revenues	517	951	(434)
Air traffic development incentives	(2,286)	(3,862)	1,576
Handling services	917	869	48
Other aeronautical revenues	696	710	(14)
TOTAL REVENUES FROM AERONAUTICAL SERVICES	**8,044**	**11,437**	**(3,393)**

The breakdown of airport fee revenues is shown below:

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Passenger boarding fees	2,891	5,275	(2,384)
Landing, take-off and parking fees	3,523	4,596	(1,073)
Passenger security fees	935	1,693	(758)
Baggage stowage control fees	345	557	(212)
Freight loading and unloading charges	369	314	55
Reduction fees to prov. for doubtful accounts	(296)	(67)	(229)
TOTAL AVIATION FEE REVENUES	**7,767**	**12,368**	**(4,601)**

The “reduction fees to provision for doubtful accounts” is due to the write-down on receivables from the carrier Alitalia matured in the period; a write-down which, in accordance with IFRS 15, was directly deducted from the corresponding revenues. Reference should be made to the Directors’ Report for further information on the client Alitalia.

ii. Revenues from non-aeronautical services

The table below presents revenues from non-aeronautical services in H1 2021 and H1 2020.
The reduction in this category was also significant (-40.9%), although recovering on the first quarter of 2021 which reported a 73.5% decline.

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Commercial premises and spaces sub-license	2,740	4,515	(1,775)
Parking	1,579	2,800	(1,221)
Other commercial revenues	1,250	2,106	(856)
TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES	**5,569**	**9,421**	**(3,852)**

Other commercial revenues are broken down as follows:

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Marconi Business Lounge	131	486	(355)
Advertising	499	588	(89)
Misc. commercial revenues	620	1,032	(412)
TOTAL OTHER COMMERCIAL REVENUES	**1,250**	**2,106**	**(856)**

The contraction in activities at the Marconi Business Lounge due to the noted reasons linked to the drop in traffic was compounded by a sharp reduction in particular of "other commercial revenues", within which lower revenues were recorded primarily for the maintenance and hire of operating equipment, for the road access to the Terminal and the recharge to the Emilia-Romagna Region in the comparative period of costs incurred for the initiation of IRESA collection.

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.

iv. Other revenues and income

The residual item of other revenues and income was significantly up on H1 2020 due to the valuation of energy certificates effectively realised by the parent company in July and grants, as per the Support Decree (Article 1 of Legislative Decree No. 41 of March 22, 2021), collected by the subsidiary Tag Bologna.

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Indemnities, reimbursement and misc. income	373	221	152
Operating grants	103	4	99
TOTAL OTHER REVENUES AND INCOME	**476**	**225**	**251**

COSTS

In the first half of 2021, operating costs contracted 27.7%, from Euro 34.2 million in H1 2020 to Euro 24.7 million in H1 2021. Excluding the item "construction services" - down 69.5% due to lower investments in concession rights - the savings on total operating costs (from Euro 22.3 million to Euro 21.1 million) reduces to 5.6%.

21. Costs

i. Consumables and goods

The table below presents consumables and goods in H1 2021 and H1 2020. This cost category overall was substantially stable.

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Consumables and goods	287	424	(137)
Maintenance materials	49	61	(12)
Fuel and gasoline	328	214	114
TOTAL CONSUMABLES AND GOODS	**664**	**699**	**(35)**

ii. Service costs

The table below presents service costs in H1 2021 and H1 2020.

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Maintenance costs	2,039	2,039	0
Utilities	853	858	(5)
Cleaning and accessory services	761	765	(4)
Services	2,079	2,293	(214)
MBL Services	35	58	(23)
Advertising, promotion and development	132	213	(81)
Insurance	488	515	(27)
Professional and consultancy services	580	615	(35)
Statutory board fees and expenses	319	323	(4)
Other service costs	44	2	42
TOTAL SERVICE COSTS	**7,330**	**7,681**	**(351)**

This category of costs contracted 4.6%, mainly due to the contraction of several services related to traffic (PRM Passengers with Reduced Mobility service, MBL Marconi Business Lounge service, shuttle service to/from parking lots).

A breakdown in maintenance expenses is provided below:

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Owned asset maintenance expenses	446	448	(2)
Airport infrastructure maintenance expenses	1,518	1,376	142
Third party asset maintenance expenses	75	215	(140)
TOTAL MAINTENANCE EXPENSES	**2,039**	**2,039**	**0**

The breakdown of services is illustrated below:

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Snow clearance	235	167	68
Porterage, transport third-party services	21	161	(140)
PRM assistance service	158	324	(166)
De-icing and other public service charges	182	242	(60)
Security service	700	507	193
Other outsourcing	783	892	(109)
TOTAL SERVICES	**2,079**	**2,293**	**(214)**

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 presents the breakdown of leases, rentals and other costs for H1 2021 and H1 2020.

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Concession fees	594	1,005	(411)
Hire charges	95	65	30
Rental charges	0	21	(21)
EDP processing charges	767	807	(40)
Other rental & hire costs	4	2	2
TOTAL LEASES, RENTALS AND OTHER COSTS	**1,460**	**1,900**	**(440)**

This cost category also decreased (-23.2%), mainly due to the lower traffic volumes, on whose basis the concession fees are calculated.

v. Other operating expenses

The following table shows the breakdown of other operating expenses for H1 2021 and 2020 (no significant changes).

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Misc. and local taxes	567	600	(33)
Fire prevention service contribution	618	664	(46)
Capital losses	1	17	(16)
Other operating expenses	215	214	1
TOTAL OTHER OPERATING EXPENSES	**1,401**	**1,495**	**(94)**

vi. Personnel costs

The following table shows the breakdown of personnel costs for H1 2021 and H1 2020.

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Wages and salaries	6,801	7,197	(396)
Social security expenses	2,099	2,195	(96)
Severance provisions	597	661	(64)
Retirement pension and similar	97	99	(2)
Other personnel costs	653	431	222
TOTAL PERSONNEL COSTS	**10,247**	**10,583**	**(336)**

The decline in personnel costs (-3.2%) was due to the decrease in the workforce (-38 average resources in H1 2021 compared to H1 2020) owing to the non-renewal of forward contracts for the operating areas. It is noted that firstly the Extraordinary Temporary Lay-off Scheme for all employees (except those at the subsidiary TAG) was utilised, maintaining only the operational services deemed essential, resulting in a significant reduction in the activities of other employees. From March 22, 2021, the Extraordinary Temporary Lay-off Scheme was replaced by the Exceptional Temporary Lay-Off Scheme until December 2021.

Finally, “other personnel costs” increased, mainly linked to the cost of severance incentives as a result of early termination agreements following the agreements signed with the trade unions on January 5, 2021 and subsequent supplements.

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Employee canteen	156	185	(29)
Personnel training and refresher courses	57	46	11
Employee expenses	9	36	(27)
Misc. personnel costs	395	153	242
Other personnel provisions	36	11	25
TOTAL OTHER PERSONNEL COSTS	**653**	**431**	**222**

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

Average workforce (No.)	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Executive Managers	10	9	1
White-collar	376	406	(30)
Blue-collar	81	90	(9)
TOTAL PERSONNEL	**467**	**505**	**(38)**

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

Workforce (number)	As at 30.06.2021	As at 30.06.2020	Change
Executives	9	9	0
White-collar	372	379	(7)
Blue-collar	86	85	1
TOTAL PERSONNEL	**467**	**473**	**(6)**

22. Amortisation, depreciation & write-downs

The following table shows the movement of depreciation, amortisation and impairment for the periods ended June 30, 2021 and 2020.

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Amortisation/impairment of Concession Rights	3,632	3,317	315
Amortisation of other intangible assets	433	650	(217)
Depreciation of tangible assets	1,154	1,320	(166)
TOTAL DEPRECIATION AND AMORTISATION	**5,219**	**5,287**	**(68)**

“Amortisation/impairment of concession rights” includes Euro 161 thousand of write-downs of concession rights for the cancellation of projects that can no longer be used. The item “Depreciation of tangible assets”, finally, includes Euro 231 thousand of depreciation on leased assets in accordance with IFRS 16.

23. Provisions for risks and charges

The following table shows the movement of the provisions for risks and charges for the periods ended June 30, 2021 and 2020.

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Provisions for doubtful accounts	401	257	144
Provision for renewal of airport infrastructure	(213)	363	(576)
Provisions for other risks and charges	64	20	44
TOTAL PROVISIONS	**252**	**640**	**(388)**

This category was also down; the main item refers to the provision for the renewal of airport infrastructure, which represents the amount accrued during the period of the costs of restoration and replacement of the airport infrastructure to be returned to ENAC at the end of the concession in a state of efficiency and full operation. The lower provision or more accurately, the release of Euro 213 thousand, was due to the revision of the ten-year plan of restoration and replacement interventions, with the deferral of several major airside projects. With regards to the "provisions for doubtful accounts", the increased accrual in the period is due to the greater solvency risk on mainly aviation positions. Approximately Euro 300 thousand as a direct deduction of airport fees invoiced in the period (see Note 20) is added to the amount of Euro 400 thousand reported above.

24. Net financial income and expenses

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Income from securities	12	12	0
Other income	0	86	(86)
Discounting income on provisions	60	18	42
TOTAL FINANCIAL INCOME	**72**	**116**	**(44)**
Interest expenses and bank charges	(382)	(184)	(198)
Discounting charges on provisions	(18)	(112)	94
Interest charges for discounting of liabilities for leasing	0	(5)	5
Other financial expenses	(105)	(2)	(103)
TOTAL FINANCIAL EXPENSES	**(505)**	**(303)**	**(202)**
TOTAL FINANCIAL INCOME AND EXPENSES	**(433)**	**(187)**	**(246)**

Net financial expense of approximately Euro 433 thousand is reported, compared to Euro 187 thousand in H1 2020. The deterioration is due to the increase in the debt, with a consequent increase in interest expense and accessory costs, such as costs for the SACE guarantee.

25. Taxes for the period

in thousands of Euro	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Current taxes	9	13	(4)
Prior year taxes	0	(369)	369
Deferred tax income and charges	(3,027)	(1,710)	(1,317)
TOTAL TAXES FOR THE PERIOD	**(3,018)**	**(2,066)**	**(952)**
Current taxes as a % of result before tax	**n.a.**	**n.a.**	**n.a.**
% current taxes on pre-tax result	**n.a.**	**n.a.**	**n.a.**

Income taxes are a positive component of the income statement at Euro 3 million (Euro 2 million in the first half of the previous year) due to the estimated deferred tax assets in relation to the tax losses for the period.
The reconciliation between the IRES effective and theoretical tax rate is illustrated below:

Reconciliation between actual/theoretical Tax Rate (IRES)	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Pre-tax result	(12,736)	(6,797)	(5,939)
Ordinary rate + Ires surtax	**27.5%**	**27.5%**	**0%**
Theoretical tax charge/(Ires deferred tax assets on tax loss)	(3,502)	(1,869)	87%
Effect of increases and decrease to the ordinary rate			
Reconciliation between actual/theoretical Tax Rate (IRES)	For the half year ended 30.06.2021	For the half year ended 30.06.2020	Change
Provisions deductible in future years	816	369	447
Costs deductible in future years	1,511	1,362	149
Other non-deductible costs	798	433	365
Utilisation provisions deductible in future years	(11)	(23)	12
Costs not deductible in previous years	(1,170)	(1,254)	84
Other differences	(889)	(1,071)	182
Change in deferred income/charges from IAS translation	(102)	(86)	(16)
Total increase/decrease	**953**	**(270)**	**1,223**
Assessable income	**(11,783)**	**(7,067)**	**(4,716)**
Current IRES	0	0	0
IRES deferred tax assets on tax loss	(2,828)	(1,696)	(1,132)
Effective tax rate	**n.a.**	**n.a.**	**n.a.**

The breakdown of current income taxes is illustrated below:

in thousands of Euro	For the half year ended 30.06.2020	For the half year ended 30.06.2020	Change
IRES	0	0	0
IRAP	9	13	(4)
TOTAL CURRENT INCOME TAXES	**9**	**13**	**(4)**

The IRAP presented is the estimate of the tax burden of the subsidiary FFM.

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 Srl, in terms of receivables, principally concern the provision of 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 78 thousand (Euro 41 thousand in H1 2020).

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 the above, the new H24 contract awarded to the subsidiary on April 1, 2021 is considered. Overall, H1 2021 costs for TAG totalled Euro 156 thousand, compared to Euro 89 thousand in H1 2020.

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 2.5 million.

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

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

Revenues in the year from the subsidiary amount to Euro 167 thousand compared to Euro 188 thousand in 2020.

The non-commercial transactions with FFM include 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.

Transactions with other related parties

The parent company in the period undertook commercial transactions with subsidiaries of the shareholder Atlantia Spa as follows:

- Autostrade spa: under the lease agreement valid until 31/12/2024 of land for parking use, the Parent Company recognised a leasing asset for a net value of Euro 286 thousand at June 30, 2021 (Euro 354 thousand at June 30, 2020) and has payables for invoices to be received of Euro 71 thousand, in addition to current leasing liabilities for Euro 106 thousand and non-current for Euro 178 thousand (respectively Euro 103 thousand and Euro 249 thousand at June 30, 2020);
- Telepass Spa: under the contract for the supply of electronic parking payment services using the Telepass system, the Parent Company incurred costs of Euro 17 thousand compared with Euro 33 thousand in the first half of 2020;
- Autostrade Tech: under the facilities maintenance contract mentioned in the previous point, the Parent Company incurred costs of Euro 6 thousand, as in the first half of 2020;
- Infoblu Spa: under the contract for the supply of multimedia traffic information services, the Parent Company incurred costs of Euro 4 thousand, also unchanged on the first half of 2020.

27. Commitments, guarantees and risks

Environmental investment commitments

The Parent Company, through the Regional Agreement for a Low-Carbon Airport, signed with regional authorities in 2015 and updated in January 2020, has committed to perform work with a maximum total cost of Euro 9.3 million. These investments will be carried out over a period consistent with the timeframe for implementation of the airport Master Plan.
June 2021 saw the completion of the executive design of the wooded strip and bike path scheduled for completion to the north of the airport by the end of 2023. This is the main work of environmental compensation, consisting of a wooded area of about 40 hectares and a bike path of about 3.5KM in length that will connect the Bargellino area with the village of Lippo di Calderara di Reno.

Guarantees granted

At June 30, 2021, the guarantees granted by the Group total approx. Euro 17.4 million, compared to Euro 22 million at June 30, 2020, thanks to the reduction in the ENAC surety related to the state concession, given the drop in traffic. For further details, reference should be made to the relevant section of the Directors' Report.

Types and management of other risks

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

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to 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 June 30, 2021.
Reference should be made to the Directors' Report for further information on the business outlook.

The Chairman of the Board of Directors
(Enrico Postacchini)

Bologna, September 6, 2021

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

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

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

   of the administrative and accounting procedures for the compilation of the condensed half-year financial statements for the first half-year of 2021.

2. The assessment of the adequacy of the accounting and administrative procedures for the preparation of the condensed consolidated half-year financial statements at June 30, 2021 is based on a process defined by Aeroporto Guglielmo Marconi di Bologna S.p.A. in accordance with the Internal Control - Integrated Framework defined by the Committee of the Sponsoring Organisations of the Treadway Commission, which represents a benchmark standard generally accepted at international level.

3. We also declare that:

   3.1 the condensed half-year financial statements as at June 30, 2021:

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

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

Bologna, September 6, 2021

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

Aeroporto Guglielmo Marconi di Bologna S.p.A.

Interim condensed consolidated financial statements as of June 30, 2021

Review report on the interim condensed consolidated financial statements

(Translation from the original Italian text)

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

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

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

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

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the income statement, the statement of comprehensive income, the cash flows statement, the statement of changes in shareholders' equity and the related notes of Aeroporto Guglielmo Marconi di Bologna S.p.A. and its subsidiaries (the "Group" or "Aeroporto Guglielmo Marconi di Bologna Group") as of June 30, 2021. The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

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

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Aeroporto Guglielmo Marconi di Bologna Group as of June 30, 2021 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Emphasis of matter

We draw attention to the paragraph “Impacts of the Covid-19 pandemic and going concern” of the explanatory notes whereby the Directors describe the impacts caused by the spread of the Covid-19 on Group’s performance as of June 30, 2021 and the status of the actions undertaken to counteract the effects, in order to ensure compliance with financial, contractual and concessionary commitments undertaken by the parent company and its subsidiaries. Our conclusion is not modified with respect to this matter.

Bologna, September 6, 2021

EY S.p.A.
Signed by: Alberto Rosa, Statutory Auditor

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

Aeroporto di Bologna

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