Annual Report 2022

Aeroporto di Bologna

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

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Dear Shareholders,

Despite the ongoing uncertainty caused by the events of 2020 and potential future challenges stemming from the geopolitical situation, Marconi successfully established itself as a crucial infrastructure for Italy's airport system and the surrounding region in 2022. The Airport maintains its third position in the cargo sector and seventh position for passenger traffic, while continuing to generate significant economic benefits for Emilia Romagna and neighbouring regions.

2022 was characterised by several positive results, including a significant recovery in traffic volumes, although these have not yet stably reached stable pre-pandemic levels. Bologna Airport recorded traffic growth of 107% in 2022, with **8,496,000 passengers**, still 9.7% under 2019 levels but significantly higher than European traffic levels, with a 22.2% gap in 2022 compared to 2019. **Cargo traffic**, which was less negatively impacted by the pandemic in the previous two years, saw growth of 10.1% compared to 2021 and 13% compared to 2019, with over 55 million kilograms of goods and mail managed.

During the year, traffic trends – especially the significant and sudden uptick in June, peaking in the summer months – had a significant impact on airport processes and service offerings. Maintaining an adequate level of **service quality** required our maximum commitment and was a significant challenge during the summer period, as passengers had high expectations in terms of safety, hygiene, and digital services, while also being less willing to wait.

From an **economic** standpoint, thanks to the resumption of traffic volumes and the collection of a Euro 21.1 million contribution from the Compensation Fund for damages suffered as a result of COVID-19 between March 1 – June 30, 2020 (as referred to in the 2021 Budget Law) the year 2022 reported a **consolidated net profit of Euro 31.1 million**, compared to a net loss of Euro 6.7 million in 2021, and net profit of Euro 20.9 million in 2019.

Consolidated revenues totalled Euro 134.6 million, showing a growth of 130.1% over 2021. However, after making adjustments related to construction services (which were negatively impacted by greater investments) and Compensation Fund contributions, we report revenues of **Euro 97.4 million**, which still represents growth of 93.2% over 2021, but is below the 2019 figure by 10.3%.

Consolidated EBITDA rose to **Euro 54.8 million**, compared to Euro 3.5 million in 2021 and 44.9 million in 2019. If adjusted for the components mentioned above, it amounts to **Euro 32.9 million**, compared to 3.1 million in 2021 and 44.1 million in 2019.

In addition, the Group has invested approximately **Euro 20 million in infrastructure and maintenance works**, reinforcing its commitment to topics that play an increasingly central role in its business strategy. In terms of **social sustainability**, AdB has become the first Italian airport manager to obtain **gender equality certification** based on the new **UNI/PdR 125:2022 regulation**. AdB has also adopted several **environmental sustainability** initiatives aimed at monitoring and reducing the impact of airport activities on the surrounding environment, including investments in sustainable mobility, energy efficiency, and renewable energy.

In 2022, AdB continued negotiations for the **renewal of its partnership with Ryanair**, which has been active since 2008. The partnership was consolidated at the beginning of February 2023 with a new six-year agreement that seeks to ensure the maintenance of a comprehensive and varied network of connections within the areas served by the carrier and also to ensure network development in line with capacity and consistent with the infrastructure development projects of Marconi airport.

Finally, the Parent Company made significant efforts in 2022 to **sign a new Regulatory Agreement and define tariff dynamics**: during 2023 the Group expects to complete the preliminary investigation with the ART for the definition of the 2023-2026 tariff dynamics and with ENAC for the signing of the 2023-2026 Regulatory Agreement, in order to have a certain regulatory framework for the next four years.

The current **global macroeconomic and geopolitical scenario** is marked by several challenges, including rising inflation, the socio-economic fallout from Russia's invasion of Ukraine, and the difficulties faced by airlines in managing capacity and increasing flight fares, in addition to those related to climate change. However, there are also positive aspects, such as users’ strong desire to travel and the progressive recovery from the COVID-19 pandemic.

Based on the above factors, taking into account the ongoing international geopolitical uncertainty, the increase in the cost of raw materials and materials with potential inflationary impact on the Company's challenging investment plan and the fact that the contribution of Euro 21.1 million from the COVID-19 compensation fund only partially covered the financial impact of the pandemic on the Company's capital base, the Board of Directors' motion, as a matter of pure prudence and in order to verify the consolidation of the recovery in 2023, unanimously resolved not to distribute the 2022 net profit.

To conclude, we thank all individuals and Group stakeholders for their commitment and significant contribution to the resumption of activities and the achievement of the above results. The Board of Directors has thus approved the proposal to the Shareholder’s Meeting to allocate the net profit of Aeroporto Guglielmo Marconi di Bologna S.p.A. in 2022, equal to **Euro 29,443,457.82**, as follows:

- to the legal reserve 5% - on the basis of the statutory provisions and Article 2430 of the Civil Code, for an amount of Euro 1,472,172.89;
- the residual of Euro 27,971,284.93 to the extraordinary reserve.

The Chairperson of the Board of Directors

(Enrico Postacchini)

Aeroporto Guglielmo Marconi di Bologna Spa

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

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

According to the shareholder register and the notices received pursuant to Article 120 of Legislative Decree No. 58/98, the shareholders of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., with holdings of more than 5% were as follows at December 31, 2022:

SHAREHOLDER	% Holding
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 August 2, 2021 the Bologna Chamber of Commerce, Municipality of Bologna, Metropolitan City of Bologna, Region of Emilia-Romagna, Modena Chamber of Commerce, Ferrara Chamber of Commerce, Reggio Emilia Chamber of Commerce and Parma Chamber of Commerce entered into a new shareholder agreement governing certain rights and obligations in respect of the shareholder structure and corporate governance of Aeroporto Guglielmo Marconi di Bologna S.p.A.
This Shareholder Agreement, filed at the Bologna Companies Registration Office on August 5, 2021 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 April 26, 2022, the approval date of the financial statements as at December 31, 2021 comprises:

Name	Office
Enrico Postacchini	Chairperson
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 (Chairperson Eugenio Sidoli)

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

The Shareholders’ Meeting of April 26, 2022 appointed the new Board of Directors in office until the approval date of the financial statements as at December 31, 2024, comprising:

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

(*) confirmed Chief Executive Officer by the Board of Directors on May 3, 2022.

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

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

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

Board of Statutory Auditors

The Board of Statutory Auditors, appointed by the Shareholders’ Meeting of April 29, 2019 and in office until April 26, 2022, the approval date of the financial statements as at December 31, 2021, comprises:

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

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

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

Auditing Firm

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

Directors' Report of Aeroporto Guglielmo Marconi di Bologna S.p.A. Group for year ended December 31, 2022

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INTRODUCTION

Dear Shareholders,

this report, accompanying the Consolidated Financial Statements of the Aeroporto Guglielmo Marconi di Bologna Group (hereinafter also the “Aeroporto Group”, “Aeroporto” or “AdB”) for the year ended December 31, 2022, in presenting the Group's performance indirectly analyses also the performance of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., the holder of the concession for the full management of Bologna Airport, i.e. Full Management Concession No. 98 of July 12, 2004 and subsequent Additional Deeds, approved by Decree of the Ministry of Transport and Infrastructure and of the Economy and Finance of March 15, 2006, with a term of 40 years starting on December 28, 2004. Given the drastic drop in traffic at Italy’s airports due to COVID-19, Article 102, Paragraph 1-*bis* of Decree-Law No. 34 of May 19 (Relaunch Decree), converted into Law No. 77 of July 17, 2020, extended the duration of airport concessions by two years in order to cushion the consequent economic blow. Given the direct applicability of the above law, Bologna Airport’s concession is extended to December 2046.

The Group's structure at December 31, 2022 and a brief description of the type and businesses of its subsidiaries and associates is presented below:

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

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

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

Business Description

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

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

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

Aviation SBU

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

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

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

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

The Aviation SBU's other major revenue sources are:

- departing passenger security fees: these fees are due for providing security check services, including the personnel and equipment used by the manager to provide this service;
- checked baggage security fees: these fees are due for the equipment and personnel responsible for performing such checks;

- PRM fees: they include the fees paid for services for passengers with reduced mobility and are based on the number of departing passengers (PRM and otherwise);
- fees for the exclusive use of premises: they include fees for using airport infrastructure dedicated to individual carriers or operators (check-in desks, offices, operating premises), calculated according to the duration of use, floor area and/or location and type of the premises used;
- centralised infrastructure fees: these fees refer solely to aircraft de-icing services and are based on the number of winter flights;
- cargo handling and general aviation fees and fees due for the related activities such as customs clearance and refuelling.

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

Parking
Bologna airport's directly operated paid parking areas offer approximately 5,300 car parking spaces, located in three parking areas: the first close to the terminal, the second close to airport grounds and the third located at approximately
1.5 KM away. The latter has been temporarily closed, taking account of the sharp reduction in demand due to the COVID-19 emergency. This latter parking area was opened in June in order to respond to the traffic recovery.

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 4,350 m² and includes 36 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 traffic most sub-concession holders closed their commercial establishments, only starting to reopen gradually in July. Following a gradual recovery in traffic, most of the retail spaces are now operating.

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: nine 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 handling services, which are subject to regulated tariffs.

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

1 STRATEGIES AND RESULTS

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

2022 featured a general global economic recovery thanks to factors such as the general easing of COVID-19 restrictions and, specifically for the airline industry, a marked recovery in travel propensity. However, in line with the first nine months of the year, the final quarter continued to be affected by macro-economic and geopolitical factors that led to downside risks to activity in most economies. Among these, high inflation continued to weigh on activity in the major advanced economies, as directly affected by (i) strained financial conditions, (ii) persistent supply-side constraints, and (iii) uncertainty related to the conflict in Ukraine.

The international institutions expect weakened global growth for the present year, particularly due to continually high energy prices, the weakness of household disposable income and less favourable lending conditions. According to the OECD’s November forecast, global GDP is expected to slow to 2.2% in 2023, from 3.2% in the previous year, negatively impacted by these factors. International financial market conditions have overall improved since mid-October, although with a temporary deterioration in the second half of December, in which a more restrictive than expected stance among the major central banks emerged.

The Eurozone’s most recent economic indicators highlight that economic activity in the area was mainly stagnant compared to the preceding period, negatively impacted by high levels of inflation (although slowing from 10.1% in November to 9.2% in December) and continued monetary policy tightening. Inflation remained high, although decreasing on November. Last December, the Eurozone’s GDP forecasts were revised downwards, while inflation was revised upwards for the 2023-24 two-year period, reflecting the stronger and more persistent transfer of source pressures to consumer prices and higher salary increase estimates.

Globally, the price of oil (Brent quality) has declined since mid-October, to just below $85 per barrel on average in the first half of January (the lowest level since the beginning of the war in Ukraine), as a result of slowing global demand. The price of natural gas traded on the Dutch Title Transfer Facility (TTF) market also fell sharply, to an average of just under Euro 70 per megawatt-hour in the first half of January, a level that is nevertheless still historically high. Industrial metals prices rose slightly in the autumn, driven by the prospect of a recovery in Chinese demand following the removal of the pandemic containment measures, although still remaining significantly under the peak of early 2022. On the other, after a slight increase in the summer, agricultural commodity prices have declined, also due to compliance with the Ukrainian wheat exports agreement (Black Sea Grain Initiative, *Source: Economic Bulletin, Bank of Italy, January 2023*).

Against this backdrop, according to the IATA, passenger traffic in December 2022 was in line with seasonal trends and against the figures for the previous months, driven by a general global economic recovery and benefiting from a gradual lifting of movement restrictions, particularly in the Asia-Pacific region. Also on the demand side, the easing of restrictions drove the recovery over the summer season and a stabilisation in the final quarter, confirming its resilience despite the uncertain macro-economic environment. Global passenger traffic in 2022 was 31.5% lower than pre-COVID volumes, improving over the previous two years when traffic had contracted compared to 2019 65.8% and 58.4% respectively on 2020 and 2021. It was domestic traffic that once again drove the recovery, with volumes 20.4% lower than in 2019 and international traffic still 37.8% below pre-COVID volumes. Global cargo traffic in December was down on the same month of 2021 (-17.4%), with volumes slowing already by March. According to the IATA, the cargo traffic outlook remains uncertain, particularly in view of (i) high inflation and energy prices, despite the decline on the preceding months, (ii) the strong dollar exercising cost pressures, (iii) the ongoing Russia and Ukraine conflict and (iv) the slowdown of the global economy which negatively impacted the current year performance. Compared to 2019, for the third consecutive month a slowing recovery of passenger traffic volumes is confirmed (-1.6%).

European passenger traffic in 2022 was down 22.2% on 2019, continuing to be only marginally negatively impacted by the war in Ukraine. Cargo traffic was down 8.7% on 2019, worsening in the final part of the year due to the general economic and geopolitical environment (*Source:* IATA, Air Passenger and Air Freight Market Analysis, December 2022).

Italian passenger traffic recovered throughout the year, with volumes overall 14.7% behind 2019. In December, passenger traffic was 10% lower than 2019. Cargo traffic during the year however rose +0.4% on 2019 (*Source*: *Assaeroporti and Aeroporti 2030, December 2022)*.

Bologna Airport passenger traffic in 2022 was 9.7% lower than 2019 (+107.1% on 2021), although reporting a number of records for the summer season and for domestic traffic beating the individual period figures for 2019 (+6.9% in the first half of 2022, +32% in the third quarter of 2022 and +4.3% for the fourth quarter of 2022). At the end of 2022, Bologna Airport ranked seventh in Italy by number of passengers and third by cargo volume transported. *(Source: Assaeroporti, Aeroporti 2030, December 2022)*.

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

The beginning of 2022 has been significantly negatively impacted by the ongoing COVID-19 pandemic. Thanks to the gradual easing of restrictions on passengers entering Italy from EU countries, international traffic progressively picked up and increased further in March. The significant growth was further strengthened by demand in summer 2022.

Again in 2022, as in previous years, the Group has maintained measures to ensure the safety of passengers, employees and the entire airport community, based on best sector practices, while also obtaining the AHA Airport Health Accreditation certification for the third year.

In order to reduce costs while also protecting jobs in the extremely uncertain climate created by the pandemic, in January 2022, AdB signed at regional level an agreement with the Trade Unions/Workers' Representative Body (RSU) for the introduction of an additional period of the Extraordinary Temporary Lay-Off Scheme, with a maximum duration of 12 months (from February 1, 2022 until the end of January 2023). In a situation of considerable market uncertainty and ongoing pandemic, the Italian government has provided the airport sector with recourse to a special temporary lay-off scheme due to a "sudden and unforeseen event" related to the emergence of the COVID-19 Omicron variant. Social security supports were utilised until the end of May 2022 and thereafter terminated following the above outlined increase in traffic.

1.3 STRATEGIC OBJECTIVES

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

"Connect"

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

"Develop"

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

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, 2022 and December 31, 2022;
- tracking of the company's share performance against the FTSE Italia all-share index.

On December 31, 2022, the official share price was Euro 7.80 per share, resulting in an AdB Group market capitalisation of approximately Euro 281.8 million at that date.

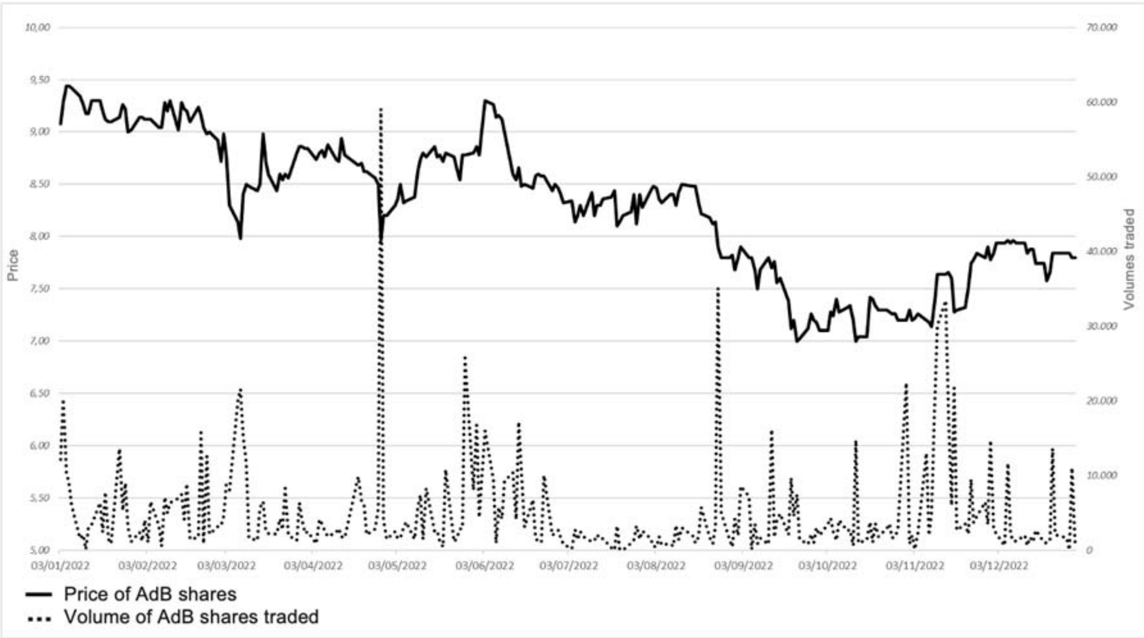
AdB share performance (01/01/2022-31/12/2022)

AdB share and FTSE Italia All-Share performance (01/01/2022-31/12/2022)

- AdB

- FTSE Italia All Share

AdB share performance – prices and volumes (01/01/2022-31/12/2022)



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

In 2022, AdB's share price remained essentially stable until June, with a dip in early March and late April as market trading volumes increased and at the time of the Shareholders' Meeting. It then declined gradually until September, negatively impacted by the general economic (i.e. strong inflation) and geopolitical (i.e. the tensions between Russia and Ukraine) conditions, seen also in the final quarter, reporting an 8% decrease on the beginning of the year. The share price however recovered from November, hitting new price and volume peaks with the publication of the 9M 2022 results and benefiting from the gradual improvement of the economic environment.

2. KEY OPERATING RESULTS ANALYSIS

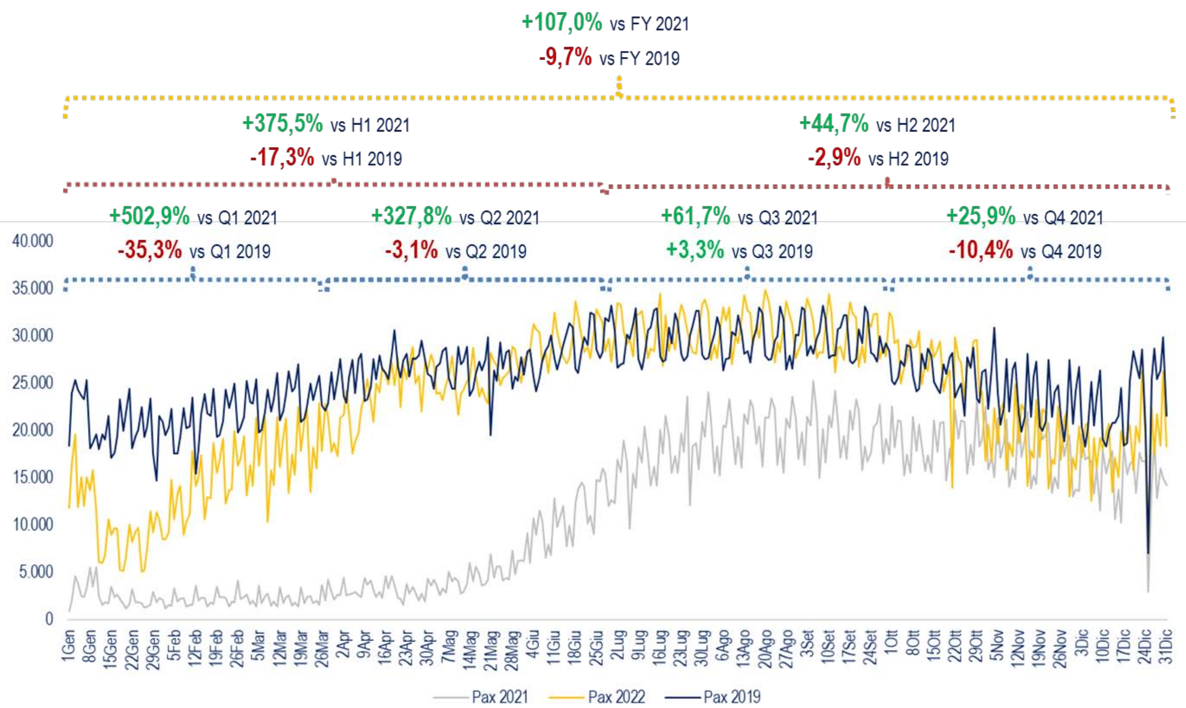
2.1 AVIATION STRATEGIC BUSINESS UNIT

2.1.1 AVIATION STRATEGIC BUSINESS UNIT: TRAFFIC DATA

2022 in fact saw a gradual recovery of traffic volumes to reach 2019 levels in the third quarter. After a January that was adversely negatively impacted by infections of the Omicron variant, traffic volumes posted a gradual increase beginning in February, thanks to a loosening of restrictions for arrivals into Italy from EU countries. From June, traffic levels therefore began to exceed pre-pandemic levels, reaching record highs for transiting passengers in July and August. In the final months of the year however, traffic again slowed compared to pre-pandemic numbers with the start of the winter season.

The airport recorded a total of 8,496,000 passengers, a sharp increase compared to 2021 (+107.0%), which had been compromised by the second wave of COVID-19 infections. There were 70,871 movements (+66.8%) and 55,195 tonnes of cargo transported (+10.1%). Compared to 2019, passenger traffic in 2022 was 9.7% lower and movements were 8.1% lower, whereas cargo traffic increased by 13.0%. The average load factor increased from 68.7% in 2021 to 79.2% in 2022. Average aircraft load however remains slightly under 2019 (81.5%).

Passenger traffic performance January-December 2022



	2022	2021	Change % 2022-2021	2019	Change % 2022-2019
Passengers	8,496,000	4,103,816	107.0%	9,405,920	(9.7%)
Movements	70,871	42,477	66.8%	77,126	(8.1%)
Tonnage	4,854,383	2,833,043	71.3%	5,086,505	(4.6%)
Cargo	55,194,607	50,121,148	10.1%	48,832,550	13.0%

Data includes General Aviation and transits

Passenger traffic breakdown	2022	% of total	2021	% of total	2019	% of total	Change % 22-21	Change % 22-19
Legacy	2,350,062	27.7%	1,020,549	24.9%	3,765,104	40.0%	130.3%	(37.6%)
Low-cost	6,098,218	71.8%	3,051,987	74.4%	5,497,081	58.4%	99.8%	10.9%
Charter	29,080	0.3%	18,179	0.4%	121,033	1.3%	60.0%	(76.0%)
Transits	7,930	0.1%	5,572	0.1%	14,090	0.1%	42.3%	(43.7%)
Total Commercial Aviation	**8,485,290**	99.9%	**4,096,287**	99.8%	**9,397,308**	99.9%	107.1%	(9.7%)
General Aviation	10,710	0.1%	7,529	0.2%	8,612	0.1%	42.2%	24.4%
Total	**8,496,000**	**100.0%**	**4,103,816**	**100.0%**	**9,405,920**	**100.0%**	**107.0%**	**(9.7%)**

Low-cost traffic saw increased volumes compared to 2019 (+10.9%), whereas legacy traffic saw a slower recovery (-37.6% compared to 2019) due to both a greater reduction in movements and a lower average load factor. These different growth trends altered the traffic mix, resulting in an increase in the share of low-cost traffic, which offers lower margins, from 58.4% in 2019 to 71.8% in 2022.

In line with the last two years, and as a result of ongoing partial restrictions on international travel - particularly in the initial part of the year - domestic sector passenger numbers performed substantially better than international flights compared to the previous year.

A two-speed recovery is therefore confirmed, with passengers on domestic flights already reaching pre-pandemic traffic levels (+13.2% on 2019), while international passengers numbers continued to be subdued by uncertainties surrounding the international health situation and the different access rules among countries (-15.7% on 2019).

Passenger traffic breakdown	2022	% of total	2021	% of total	2019	% of total	Change % 22-21	Change % 22-19
Domestic	2,217,001	26.1%	1,535,859	37.4%	1,957,731	20.8%	44.3%	13.2%
International	6,268,289	73.8%	2,560,428	62.4%	7,439,577	79.1%	144.8%	(15.7%)
Total Commercial Aviation	**8,485,290**	99.9%	**4,096,287**	99.8%	**9,397,308**	99.9%	107.1%	(9.7%)
General Aviation	10,710	0.1%	7,529	0.2%	8,612	0.1%	42.2%	24.4%
Total	**8,496,000**	**100.0%**	**4,103,816**	**100.0%**	**9,405,920**	**100.0%**	**107.0%**	**(9.7%)**

EU traffic contracted 14.6% on 2019, while non-EU traffic rose on 2019 (+18.5%), due to the reclassification of UK traffic from EU to Non-EU. Net of this differing classification, Non-EU traffic would be 21.5% down on 2019.

Passenger traffic breakdown	2022	% of total	2021	% of total	2019	% of total	Change % 22-21	Change % 22-19
EU	6,831,403	80.4%	3,490,930	85.1%	8,001,891	85.1%	95.7%	(14.6%)
Non-EU	1,653,887	19.5%	605,357	14.8%	1,395,417	14.8%	173.2%	18.5%
Total Commercial Aviation	8,485,290	99.9%	4,096,287	99.8%	9,397,308	99.9%	107.1%	(9.7%)
General Aviation	10,710	0.1%	7,529	0.2%	8,612	0.1%	42.2%	24.4%
Total	**8,496,000**	**100.0%**	**4,103,816**	**100.0%**	**9,405,920**	**100.0%**	**107.0%**	**(9.7%)**

The domestic traffic share declined in 2022 compared to 2021, although remaining above pre-COVID levels (26.1% in 2022, compared to 20.8% in 2019). Spain confirmed its number two spot in passenger traffic by volume, accounting for 15.9% of the total. The U.K. is next, with 6.7% of total passengers, followed by Germany with 6.6%, France with 5.9% and Romania with 5.0%. Two Non-EU countries are among the top 10: in addition to the United Kingdom, there is also Turkey.

Passenger traffic by country	2022	% of total	2021	% of total	*2019*	% of total
Italy	2,217,001	26.1%	1,535,859	37.4%	1,957,731	20.8%
Spain	1,351,734	15.9%	585,652	14.3%	1,302,254	13.8%
United Kingdom	566,701	6.7%	111,398	2.7%	904,859	9.6%
Germany	558,980	6.6%	232,470	5.7%	890,293	9.5%
France	500,422	5.9%	187,608	4.6%	507,613	5.4%
Romania	422,725	5.0%	202,040	4.9%	478,390	5.1%
Greece	293,987	3.5%	145,280	3.5%	315,159	3.4%
Netherlands	261,471	3.1%	154,290	3.8%	336,994	3.6%
Turkey	232,843	2.7%	80,752	2.0%	303,726	3.2%
Poland	227,292	2.7%	86,405	2.1%	183,972	2.0%
Other countries	1,862,844	21.9%	782,062	19.1%	2,224,929	23.7%
Total	**8,496,000**	**100.0%**	**4,103,816**	**100.0%**	**9,405,920**	**100.0%**

In 2022, 127 destinations were directly reachable from Bologna, increasing on 2019.

Destinations reachable from Bologna Airport	***2022***	***2021***	***2019***
Destinations (airports) connected directly	127	113	120

Despite some continued limitations on international travel again in 2022, especially to and from East Asia, six of the top ten destinations were overseas cities, with Barcelona the most popular with over 377 thousand passengers.

Main passenger traffic routes	2022	2021	Change % 2022-2021	2019	Change % 2022-2019
Catania	577,896	361,892	59.7%	397,194	45.5%
Barcelona	377,402	158,058	138.8%	389,343	(3.1%)
Palermo	346,931	260,791	33.0%	276,883	25.3%
Madrid	275,667	137,922	99.9%	312,296	(11.7%)
Paris CDG	273,590	112,217	143.8%	298,900	(8.5%)
Bari	233,945	177,011	32.2%	173,545	34.8%
Tirana	206,177	147,380	39.9%	165,821	24.3%
Brindisi	205,893	163,511	25.9%	189,762	8.5%
London LHR	200,274	29,290	583.8%	307,990	(35.0%)
Frankfurt	186,088	80,608	130.9%	310,925	(40.2%)

Passenger traffic including transits

The airport's network of main airlines reduced slightly on 2019 due to the outbreak of the pandemic.

Number of carriers	*2022*	*2021*	*2019*
Airlines	52	41	57

Analysing airline performances, Ryanair was the largest airline with 56.9% of total traffic. Wizz Air was in second place, with its share rising from 5.4% in 2019 to 10.0% in 2022. The leading legacy airlines appear among the top ten at the airport, confirming the wide range of carriers operating at Bologna Airport, despite the extraordinary circumstances.

Passenger traffic by airline	2022	% of total	2021	% of total	2019	% of total
Ryanair	4,831,709	56.9%	2,412,272	58.8%	4,317,628	45.9%
Wizz Air	848,516	10.0%	482,689	11.8%	507,595	5.4%
Air France	289,928	3.4%	113,753	2.8%	313,319	3.3%
Vueling	207,557	2.4%	76,314	1.9%	197,294	2.1%
British Airways	200,358	2.4%	29,390	0.7%	308,163	3.3%
Lufthansa	185,979	2.2%	79,821	1.9%	310,707	3.3%
Turkish Airlines	179,271	2.1%	80,234	2.0%	199,708	2.1%
Air Nostrum	161,460	1.9%	80,362	2.0%	169,328	1.8%
KLM Royal Dutch Airlines	152,137	1.8%	104,193	2.5%	226,232	2.4%
Neos	139,490	1.6%	21,210	0.5%	124,425	1.3%
Other	1,299,595	15.3%	623,578	15.2%	2,731,521	29.0%
Total	**8,496,000**	**100.0%**	**4,103,816**	**100.0%**	**9,405,920**	**100.0%**

Cargo Traffic

(in KG)	2022	2021	Change % 2022-2021	2019	Change % 2022-2019
Air cargo of which	42,973,932	38,853,926	10.6%	38,050,148	12.9%
Cargo	42,926,429	38,853,537	10.5%	38,027,623	12.9%
Mail	47,503	389	12,111.6%	22,525	110.9%
Road cargo	12,220,675	11,267,222	8.5%	10,782,402	13.3%
Total	**55,194,607**	**50,121,148**	**10.1%**	**48,832,550**	**13.0%**

Bologna cargo and mail traffic in 2022 totalled 55,194,607 kg, up 10.1% on 2021.

This was a result of the strong business cargo recovery across all its main components, highlighting an improvement on the previous year and growth also on 2019 (pre-COVID). Road traffic increased by 13.3% on 2019, against an air component recovery of 12.9% and an overall increase of 13.0%, outperforming average Italian growth in 2022 (2%). The cargo segment remains highly uncertain however, due to the challenging international and economic situation related to the continuing pandemic and the war in Ukraine.

2.1.2 AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Total change vs 2021	% change vs 2021	for the year ended 31.12.2019	% change vs 2019
Passenger Revenues	48,098	24,898	23,200	93.2%	60,500	-20.5%
Carrier Revenues	26,969	16,885	10,084	59.7%	25,777	4.6%
Airport Operator Revenues	5,007	2,435	2,572	105.6%	3,510	42.6%
Traffic Incentives	(26,499)	(14,334)	(12,165)	84.9%	(25,895)	2.3%
Construction Service Revenues	14,979	5,715	9,264	162.1%	12,715	17.8%
Other revenues	1,528	1,283	245	19.1%	1,552	-1.5%
Aeronautical and FSC Revenue Reduction	(106)	(237)	131	-55.3%	(879)	-87.9%
Reduction in Other Revenues to FSC	(41)	(10)	(31)	310.0%	0	n.a.
Total AVIATION SBU Revenues	**69,935**	**36,635**	**33,300**	**90.9%**	**77,280**	**-9.5%**

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.

Passenger revenues include in particular passenger boarding fees, security control fees and the PRM fee. Carrier revenues in particular include landing and take-off fees and aircraft parking and shelter fees, cargo fees, fees for the use of certain centralised facilities and cargo handling and general aviation handling revenues. Finally, Airport Operator revenues specifically include fees for the use of exclusive use assets, fuelling fees and other fees related to cargo handling and general aviation activities.

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.

In 2022, revenues increased on 2021 but decreased compared to 2019, due mainly to the trend in traffic volumes.

Group revenues from the Aviation Strategic Business Unit were up 90.9% on 2021 and 9.5% lower than 2019. The individual accounts broke down as follows:

- Passenger Revenues (+93.2% on 2021 and -20.5% on 2019); passenger revenues are in line with the trend in passenger traffic and in tariffs, which, in 2022, decreased slightly compared to both 2021 and 2019, as a result of annual tariff updates;
- Carrier Revenues (+59.7% on 2021 and +4.6% on 2019): carrier revenues are in line with the trend in movements and tonnage and with the trend in tariffs, particularly take-off and landing tariffs, which increased on 2019 and decreased on 2021;
- Airport Operator Revenues (+105.6% on 2021 and +42.6% on 2019): revenues increased due to the growth in traffic volumes and, compared to 2021, also as a result of the revision of fees for premises and operating equipment granted by the manager in H1 2021 to support operators during the emergency phase. The sharp rise in fuel service revenues also had a significant impact on the performance of this revenue category compared to 2019.
- Incentives: the movement in incentives (+84.9% on 2021 and +2.3% on 2019) relates to the incentivised traffic performance;
- Revenues from Construction Services: the movement in this account (+162.1% on 2021 and +17.8% on 2019) relates to the investments made.

2.2 NON-AVIATION STRATEGIC BUSINESS UNIT

2.2.1 NON-AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	**for the year ended 31.12.2022**	**for the year ended 31.12.2021**	**Total change vs 2021**	**% change vs 2021**	**for the year ended 31.12.2019**	**% change vs 2019**
Retail and Advertising	14,803	5,823	8,980	154.2%	15,620	-5.2%
Parking	15,970	6,987	8,983	128.6%	16,818	-5.0%
Real Estate	2,995	2,622	373	14.2%	2,450	22.2%
Passenger services	5,786	2,412	3,374	139.9%	6,206	-6.8%
Construction Service Revenues	973	2,336	(1,363)	-58.3%	3,705	-73.7%
Other revenues	3,192	1,681	1,511	89.9%	3,056	4.5%
Non-Aeronautical and FSC Revenue Reduction	(226)	(7)	(219)	3128.6%	0	n.a.
Reduction in Other Revenues to FSC	(10)	0	(10)	n.a.	0	n.a.
Total NON AVIATION SBU Revenues	**43,483**	**21,854**	**21,629**	**99.0%**	**47,855**	**-9.1%**

Total non-aviation business revenues increased 99% on 2021 and decreased 9.1% on 2019.

The individual areas of this business unit performed as follows.

Retail and Advertising

Performance in this revenue category (+154.2% on 2021 and -5.2% on 2019) is mainly tied to the contract terms in effect beginning in 2021, mainly retail and some advertising agreements, according to which fees vary on the basis of traffic levels compared to 2019.

Parking

The movements in parking and rail access revenues (+128.6% on 2021 and -5% on 2019) are also strictly tied to the trend in traffic volumes, in addition to a new sales strategy which led to improved performance.

Real Estate

The growth in real estate revenues (+14.2% on 2021 and +22.2% on 2019) is due to the minimal impact of the health emergency on this business (in 2020 and 2021, discounts were offered only to operators suffering from adverse traffic trends) and related to a new sub-licencing agreement related to new areas consigned beginning in June 2021.

Passenger services

In 2022, passenger services posted growth of 139.9% on 2021 attributable both to premium services (i.e. lounge and accessory services) and to car hires, while decreasing 6.8% on 2019 attributable solely to premium services. The performance of the individual businesses is described below.

Premium services

In 2022, this business posted an increase in revenues on 2021 due to the growth in traffic and in the share of departing passengers. However, volumes remained well below 2019 levels due to the slow recovery in business traffic, whose passengers are the primary users of these services.

Car hire sub-concessions

Car rental revenues were up both on 2021 and on 2019. This performance was due to not renewing discounts for 2022 and to the solid level of royalties generated by the recovery in traffic.

Revenues from Construction Services

The reduction in this account (-58.3% on 2021 and -73.7% on 2019) relates to reduced investment in the business unit compared to the same period in previous years.

Other revenues

The increase in other revenues on 2021 (+89.9%) is mainly attributable to the increased maintenance on the vehicles of airport operators, to the sale of greater quantities of de-icing fluid, to the increased use of passenger trolleys, and to increased training provided. The extraordinary contribution to partially offset the higher charges incurred for the energy and natural gas acquired and effectively utilised from the second quarter of 2022 also contributed, as a non-energy and non-gas consuming enterprise experiencing a rise of over 30% compared to the same period of FY 2019, in addition to the Cyrano-funded project, which ended in 2021 although was recognised in June 2022 on completion of the reporting process, and the contributions from funded training courses for employees. In 2022 the contribution matured for the costs incurred eligible for tax credits on research, development and technological innovation under Article 1, paragraphs 198-209 of Italian Law No. 160 of December 27, 2019 and subsequent amendments and integrations. In particular, with regards to the latter contribution, the parent company in 2022 continued with innovative, pre-competitive efforts focused, in particular, on the following projects:

1. study, development and configuration of an Api architecture to optimise Data Providing activities by facilitating both external services and internal operations;
2. study and integration of "Indoor Navigation" and "Augmented Reality" features to enrich "wayfinding" functionality within the Blq - Bologna Airport app;
3. design, development and implementation of new "Data Warehouse" and "Business Analytics" system features (BI Platform).

Compared to 2019 (+4.5%) the increase derives from the sale of de-icing fluid given that, in Q1 2019, the new management of fluid, acquired and managed by AdB and sold to the service handler, was not yet in effect, in addition to the contributions described above.

2.3 STRATEGIC BUSINESS UNIT OTHER

2.3.1 STRATEGIC BUSINESS UNIT OTHER: FINANCIAL HIGHLIGHTS

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Total change vs 2021	% change vs 2021	for the year ended 31.12.2019	% change vs 2019
Other revenues	21,137	0	21,137	n.a.	0	n.a.
Total OTHER SBU Revenues	**21,137**	**0**	**21,137**	**n.a.**	**0**	**n.a.**

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

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

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

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

3.1 CONSOLIDATED OPERATING RESULTS ANALYSIS

in thousands of Euro	**for the year ended 31.12.2022**	**for the year ended 31.12.2021**	**Total change vs 2021**	**% change vs 2021**	**for the year ended 31.12.2019**	**% change vs 2019**
Revenues from aeronautical services	53,754	29,820	23,934	80.3%	63,274	-15.0%
Revenues from non-aeronautical services	42,257	19,917	22,340	112.2%	44,295	-4.6%
Revenues from construction services	15,952	8,051	7,901	98.1%	16,420	-2.9%
Other operating revenues and income	22,592	701	21,891	n.a.	1,146	n.a.
REVENUES	**134,555**	**58,489**	**76,066**	**130.1%**	**125,135**	**7.5%**
Consumables and goods	(4,133)	(1,976)	(2,157)	109.2%	(2,305)	79.3%
Service costs	(21,383)	(15,553)	(5,830)	37.5%	(20,920)	2.2%
Construction service costs	(15,192)	(7,667)	(7,525)	98.1%	(15,639)	-2.9%
Leases, rentals and other costs	(8,259)	(4,569)	(3,690)	80.8%	(8,614)	-4.1%
Other operating expenses	(3,257)	(3,137)	(120)	3.8%	(3,260)	-0.1%
Personnel costs	(27,503)	(22,058)	(5,445)	24.7%	(29,460)	-6.6%
COSTS	**(79,727)**	**(54,960)**	**(24,767)**	**45.1%**	**(80,198)**	**-0.6%**
GROSS OPERATING PROFIT (EBITDA)	**54,828**	**3,529**	**51,299**	**n.a.**	**44,937**	**22.0%**
Amortisation/write-downs Concession rights	(8,014)	(7,440)	(574)	7.7%	(6,243)	28.4%
Amortisation of other intangible assets	(661)	(890)	229	-25.7%	(1,576)	-58.1%
Depreciation/impairment of tangible assets	(5,249)	(2,225)	(3,024)	135.9%	(2,750)	90.9%
AMORTISATION, DEPRECIATION AND WRITE-DOWNS	**(13,924)**	**(10,555)**	**(3,369)**	**31.9%**	**(10,569)**	**31.7%**
Provisions for doubtful accounts	(693)	(504)	(189)	37.5%	1	n.a.
Provision for renewal of airport infrastructure	(4,079)	(671)	(3,408)	507.9%	(2,893)	41.0%
Provisions for other risks and charges	(171)	(168)	(3)	1.8%	(409)	-58.2%
PROVISIONS FOR RISKS AND CHARGES	**(4,943)**	**(1,343)**	**(3,600)**	**268.1%**	**(3,301)**	**49.7%**
TOTAL COSTS	**(98,594)**	**(66,858)**	**(31,736)**	**47.5%**	**(94,068)**	**4.8%**
EBIT	**35,961**	**(8,369)**	**44,330**	**n.a.**	**31,067**	**15.8%**
Financial income	1,427	499	928	186.0%	150	851.3%
Financial expenses	(1,471)	(1,079)	(392)	36.3%	(1,125)	30.8%
Non-recurring income and charges	0	0	0	n.a.	0	n.a.
PRE-TAX RESULT	**35,917**	**(8,949)**	**44,866**	**n.a.**	**30,092**	**19.4%**
TAXES FOR THE YEAR	**(4,808)**	**2,232**	**(7,040)**	**n.a.**	**(9,240)**	**-48.0%**
PROFIT (LOSS) FOR THE YEAR	**31,109**	**(6,717)**	**37,826**	**n.a.**	**20,852**	**49.2%**
Profit (Loss) for the year - Minority interests	**0**	**0**	**0**	**n.a.**	**0**	**n.a.**
Profit (loss) for the year – Group	**31,109**	**(6,717)**	**37,826**	**n.a.**	**20,852**	**49.2%**

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

2022 reported a **consolidated net profit of Euro 31.1 million**, compared to a net loss of Euro 6.7 million in 2021, and net profit of Euro 20.9 million in 2019.

The strong net profit is due to the recognition of the Euro 21,137 thousand contribution from the fund to compensate for damages caused by COVID-19 during the period March 1 to June 30, 2020, pursuant to Italian law No. 178 of December 30, 2020 (the 2021 Budget Law), enacted by Decree of the Ministry for Infrastructure and Sustainable Mobility, in concert with the Ministry for the Economy and Finance, of November 25, 2021. Recognition of the contribution in 2022 is in accordance with the issuance on May 5, 2022 for AdB and on May 9 for Tag of the Executive Decrees of the Ministry for Sustainable Infrastructure and Mobility approving the applications for fund access - measures containing the outcome of the ENAC analysis, the quantification of damages eligible for compensation, and the contributions actually granted, of which the Group received an initial tranche (approximately 50%) in March 2022, and the remaining 50% in May 2022. These Decrees fully recognised the Parent Company's compensation for the loss incurred in the March 1 - June 30, 2020 period in the amount of Euro 20,903 thousand, while for the subsidiary Tag, against the eligible loss of Euro 244 thousand, a contribution of Euro 234 thousand was recognised following the proportional recalculation of the amounts due to lower funding availability of the portion of the fund reserved for ground handling providers compared to the recognisable contributions.

Operating **revenues** overall grew 130.1% on 2021 and 7.5% on 2019.

This performance was significantly negatively impacted by the contribution from the compensation fund as described above. See the section on adjusted EBITDA for an analysis of performance for the period without this contribution.
Revenues break down as follows:
- **revenues from aeronautical services** grew 80.3% on 2021, while decreasing 15% against 2019, due to the traffic performance and a reduction in aviation tariffs;
- **revenues from non-aeronautical services** grew 112.2% on 2021 and fell 4.6% on 2019 due to the performance of the various category components, as outlined in the relative section;
- **revenues from construction services** grew 98.1% on 2021 (due to greater investments made in the aviation sector) and fell 2.9% on 2019 due to reduced investments in the non-aviation sectors;
- **other operating revenues and income**: this aggregate includes the contribution from the compensation fund as described above, in the amount of Euro 21,137 thousand. Net of this contribution, other operating revenues and income grew on 2021 (+107.6%) and on 2019 (+27%). The increase is due also to the other contributions outlined in the non-aviation section and the increased revenues from condominium expense recharges following the increase in the cost of energy.

Operating costs overall increased 45.1% on 2021 and were largely in line with 2019 (-0.6%).

These break down as follows:

- ✓ **costs for consumables and goods** increased (+109.2% on 2021 and +79.3% on 2019), due mainly to greater purchases of aircraft fuel and de-icing fluid;
- ✓ **service costs** increased on 2021 (+37.5%), due both to the increase in traffic-related services (PRM, security and MBL services) and especially as a result of increased costs for all other services, such as utilities, maintenance, cleaning, snow removal, consulting and other professional services, insurance, development and advertising. Services costs also increased slightly on 2019 (+2.2%) as the contraction in traffic-related services is offset by the increase in other services and in particular the cost of utilities, additional security services due to the pandemic, cleaning and insurance;
- ✓ the movements in the **lease, rentals and other costs** account (+80.8% on 2021 and -4.1% on 2019) is mainly due to the change in traffic volume, on whose basis the concession and security fees are calculated;
- ✓ **other operating expenses** were in line with 2019, although increasing on 2021 due to the higher tax charges and of the fire prevention contribution.

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

Overall 2022 reported **EBITDA of Euro 54.8 million**, compared to Euro 3.5 million in 2021 and Euro 44.9 million in 2019. This performance significantly reflects the contribution from the Compensation fund. See the section on adjusted EBITDA for a description of performance for the period without this contribution.

On **overheads**, "**amortisation and depreciation"** increased 32% due to the advancement of the investment plan, which again in 2022 principally concerns the building of airport infrastructure (concession rights), in addition to the write-down of a property complex recognised to investment property as per IAS 40.

Provisions also increased significantly, from Euro 1.3 million to Euro 4.9 million, due to the higher accrual to the provision for the renewal of airport infrastructure, as a result of:

- the rescheduling of interventions given the resumption of operations;

- updating the economic framework of interventions due to rising prices of raw materials and energy;
- the inclusion of certain interventions not previously planned but deemed necessary to improve the quality of service at the terminal and to ensure the efficiency of airside operations.

Against revenue growth of 130.1%, overall costs were up 47%. Thanks to the positive performance in the year, which was affected by the contribution as per the 2021 Budget Law for Euro 21.1 million, **EBIT** came to **Euro 35.9 million**, as opposed to the loss of Euro 8.4 million in 2021 and compared to the profit of Euro 31.1 million for the last year pre-COVID.

Net financial expense came to **Euro 44 thousand**, compared to the net expense of Euro 0.6 thousand in 2021 due to the financial income from the discounting of provisions for the sharp increase in interest rates.

On the basis of the above, the **Pre-tax result** for the year came to a profit of **Euro 35.9 million**, compared to the loss of Euro 8.9 million in 2021 and the profit of Euro 30.1 million in 2019.

Income taxes decreased from a positive amount of Euro 2.2 million in 2021 due to the recognition of deferred tax assets on the tax loss for the period to a net charge of Euro 4.8 million in 2022. The low impact of this item on pre-tax profit (13.39%) is chiefly due to the tax break on the COVID-19 contribution, which is not included in taxable income for IRES or IRAP pursuant to Article 10-bis of Legislative Decree No. 137/2020.

The **result for the year**, entirely concerning the Group, was therefore a net profit of **Euro 31.1 million,** compared to a net loss of Euro 6.7 million in 2021.

The **EBITDA adjusted** for construction services and of the terminal value receivable revenues on interventions of the provision for renewal (*) and the contribution from the Compensation Fund is presented in the table below:

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Total change vs 2021	% change vs 2021	for the year ended 31.12.2019	% change vs 2019
Revenues from aeronautical services	53,754	29,820	23,934	80.3%	63,274	-15.0%
Revenues from non-aeronautical services	42,257	19,917	22,340	112.2%	44,295	-4.6%
Other operating revenues and income	1,421	701	720	102.7%	1,065	33.4%
ADJUSTED REVENUES	**97,432**	**50,438**	**46,994**	**93.2%**	**108,634**	**-10.3%**
Consumables and goods	(4,133)	(1,976)	(2,157)	109.2%	(2,305)	79.3%
Service costs	(21,383)	(15,553)	(5,830)	37.5%	(20,920)	2.2%
Leases, rentals and other costs	(8,259)	(4,569)	(3,690)	80.8%	(8,614)	-4.1%
Other operating expenses	(3,257)	(3,137)	(120)	3.8%	(3,260)	-0.1%
Personnel costs	(27,503)	(22,058)	(5,445)	24.7%	(29,460)	-6.6%
ADJUSTED COSTS	**(64,535)**	**(47,293)**	**(17,242)**	**36.5%**	**(64,559)**	**0.0%**
ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)	**32,897**	**3,145**	**29,752**	**n.a.**	**44,075**	**-25.4%**
Revenues from construction services	15,952	8,051	7,901	98.1%	16,420	-2.9%
Construction service costs	(15,192)	(7,667)	(7,525)	98.1%	(15,639)	-2.9%
Construction Services Margin	**760**	**384**	**376**	**97.9%**	**781**	**-2.7%**
Revenues from Terminal Value on Provision for Renewal	34	0	34	n.a.	81	-58.0%
Revenues from compensation fund contribution Budget Law 2021	21,137	0	21,137	n.a.	0	n.a.
GROSS OPERATING PROFIT (EBITDA)	**54,828**	**3,529**	**51,299**	**n.a.**	**44,937**	**22.0%**

(*) For further information on terminal value, refer to the note in the financial statements on accounting policies regarding intangible assets.

3.2 CASH FLOW ANALYSIS

The consolidated cash flow statement, indicating cash flows generated/absorbed from operating, investing and financing activities, is summarised below for the financial years 2022 and 2021:

in Euro thousands	As at 31.12.2022	As at 31.12.2021	Change
Cash flow generated / (absorbed) by operating activities before working capital changes	**54,555**	**3,764**	**50,791**
Cash flow generated / (absorbed) by net operating activities	**69,928**	**(3,314)**	**73,242**
Cash flow generated / (absorbed) by investing activities	**(63,431)**	**(8,621)**	**(54,810)**
Cash flow generated / (absorbed) by financing activities	**(6,844)**	**(3,508)**	**(3,336)**
Change in closing cash flow	**(347)**	**(15,443)**	**15,096**
Cash and cash equivalents at beginning of year	**28,215**	**43,658**	**(15,443)**
Change in closing cash flow	**(347)**	**(15,443)**	**15,096**
Cash and cash equivalents at end of the year	**27,868**	**28,215**	**(347)**

Cash flow generated by operating activities before working capital changes amounted to Euro 54.6 million, against only Euro 3.8 million at December 31, 2021.

The improvement of Euro 50.8 million is due for Euro 21.1 million to the contribution from the COVID-19 damages compensation fund and the remainder to improved operating revenues associated with the recovery in operations.

Working capital cash flow generated Euro 15.4 million in the yeae, bringing **cash flow from operating activities** net of changes in working capital to **Euro 69.9 million**, compared to an absorption of cash flow of Euro 3.3 million in 2021.

Working capital generated liquidity of Euro 15.4 million, thanks to the decrease in receivables for Euro 7.5 million, in addition to the increase in payables for Euro 12.1 million, net of outflows for interests, severance provisions and the use of the provisions for the renewal of airport infrastructure and risks provisions.

The absorption of **cash flows from investing activities**, in tangible and intangible assets (concession fees) was **Euro 18.4 million**, compared to Euro 8.9 million in the previous year, in addtion to Euro 45 million of liquidity held in excess of operating needs. **Financing activities absorbed cash flows** of **Euro 6.9 million** due to the settlement of loan instalments, in addition to payments for lease liabilities.

Consequently, **the final overall change in cash** in the year was substantially at breakeven, having absorbed Euro 347 thousand.

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

	in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
A	Cash	27,868	28,215	(347)
B	Other cash equivalents	0	0	0
C	Other current financial assets	45,058	0	45,058
D	**Liquidity (A+B+C)**	**72,926**	**28,215**	**44,711**
E	Current financial debt	(2,819)	(1,732)	(1,087)
F	Current portion of non-current debt	(14,976)	(6,191)	(8,785)
G	**Current financial debt (E + F)**	**(17,795)**	**(7,923)**	**(9,872)**
H	**Net current financial position (G - D)**	**55,131**	**20,292**	**34,839**
I	Non-current financial payables	(47,605)	(62,577)	14,972
J	Debt instruments	0	0	0
K	Trade payables and other non-current payables	(521)	(949)	428
L	**Non-current financial debt (I + J + K)**	**(48,126)**	**(63,526)**	**15,400**
M	**Total net financial Position (H + L)**	**7,005**	**(43,234)**	**50,239**

The Group Net Financial Position at December 31, 2022 was **Euro 7 million** compared to Euro 43.2 million at December 31, 2021.
In terms of liquidity, the main movement is as a result of receiving the contribution from the COVID-19 compensation fund, as well as the cash generated from the increase in revenues and the reduction in the average collection period of receivables. Current financial assets concern time deposits with maturities of 6 and 12 months.
On the payables side, there are no significant differences between the periods under review; the movement is due to the payments of loan instalments coming due, in addition to the increase in the payable for the passenger boarding fee surtax and Iresa due to the increase in passenger and aircraft traffic.

3.3 FINANCIAL POSITION ANALYSIS

The Group financial position, classified according to “sources” and “uses”, is presented below for the two year period 2021-2022:

USES	As at 31.12.2022	As at 31.12.2021	Change Absolute	Change %
- Trade receivables	12,672	19,977	(7,305)	-37%
- Tax receivables	387	142	245	173%
- Other Receivables	4,775	5,251	(476)	-9%
- Inventories	912	735	177	24%
Sub-total	**18,746**	**26,105**	**(7,359)**	**-28%**
- Trade payables	(24,869)	(19,035)	(5,834)	31%
- Tax payables	(2,923)	(1,062)	(1,861)	175%
- Other payables	(32,256)	(28,032)	(4,224)	15%
Sub-total	**(60,048)**	**(48,129)**	**(11,919)**	**25%**
Net operating working capital	**(41,302)**	**(22,024)**	**(19,278)**	**88%**
Fixed assets	220,367	216,303	4,064	2%
- Deferred tax assets	10,002	13,093	(3,091)	-24%
- Other non-current assets	13,869	13,560	309	2%
Total fixed assets	**244,238**	**242,956**	**1,282**	**1%**
- Provisions for risks, charges & severance	(17,673)	(17,154)	(519)	3%
- Deferred tax liabilities	(2,843)	(2,691)	(152)	6%
- Other non-current liabilities	(115)	(55)	(60)	109%
Sub-total	**(20,631)**	**(19,900)**	**(731)**	**4%**
Fixed Operating Capital	**223,607**	**223,056**	**551**	**0%**
Total Uses	**182,305**	**201,032**	**(18,727)**	**-9%**

SOURCES	As at 31.12.2022	As at 31.12.2021	Change Absolute	Change %
Net financial (debt) position	**7,005**	**(43,234)**	**50,239**	**-116%**
- Share Capital	(90,314)	(90,314)	0	0%
- Reserves	(67,887)	(74,201)	6,314	-9%
- Profit (loss) for the year	(31,109)	6,717	(37,826)	-563%
Group Shareholders’ Equity	**(189,310)**	**(157,798)**	**(31,512)**	**20%**
-Minority Interests	0	0	0	0%
Total Shareholders’ Equity	**(189,310)**	**(157,798)**	**(31,512)**	**20%**
Total sources	**(182,305)**	**(201,032)**	**18,727**	**-9%**

Net invested capital at December 31, 2022 was **Euro 182 million,** decreasing Euro 19 million on December 31, 2021, mainly due to the movement in net working capital from -Euro 22 million to -Euro 41 million as a result of the increase in trade payables, following the recovery in operations and passenger boarding fee surtaxes and the airport concession fee, with this latter linked to the increased traffic in the period. The increase in payables was greater than the rise in both trade and non-trade receivables, related to the higher revenues as a result of the operational recovery.
Fixed capital does not report changes, amounting to Euro 223 million at December 31, 2022 and December 30, 2021.

In terms of sources, a **net financial position** of Euro 7 million was reported at December 31, 2022, compared to a **net financial debt** of Euro 43 million at the end of the previous year, while **Consolidated and Group Shareholders' Equity** of **Euro 189.3 million** (compared to Euro 157.8 million at December 31, 2021) increased due to the overall profit in the year.

3.4 KEY INDICATORS

The key consolidated financial indicators for the two-year period are presented below.

KEY INDICATORS		2022	2021
ROE	Net Result/		
	Average Net Equity	17.9%	n.a.
ROI	Adjusted Operating Result/		
	Average Net Invested Capital	7.3%	n.a.
ROS	Adjusted Operating Result/		
	Adjusted revenues	11.8%	n.a.
ROCE	Adjusted Operating Result/		
	Net Invested Capital	7.7%	n.a.
ROD financial	Financial expenses on financial debt/		
	Bank payables	2.2%	1.5%
Debt ratio	Financial expenses on financial debt/		
	Adjusted EBITDA	4.2%	32.7%
Liquidity ratio	Current assets and assets held-for-sale		
	Current Liabilities	1.14%	0.94%
Enlarged Solvency Margin	(Net equity+Non-current liability)/		
	Non-current assets	1.05	0.99
Financial independence	Net Equity/		
	Total Assets	0.56	0.53

In 2021, a number of indicators were not considered significant in view of the net loss reported due to the COVID-19 crises.

The days sales outstanding and the days payable outstanding are presented below:

DSO and DPO	2022	2021	Change
Days sales outstanding	52	79	(27)
Days payable outstanding	52	54	(2)

Days sales outstanding stood at 52, significantly improving on 2021 (-27 average days), and close to the pre-COVID years (44 average days in 2019). Days payable outstanding were substantially stable (from 54 in 2021 to 52 in 2022) compared to 45 days in 2019.

3.5 AIRPORT INFRASTRUCTURE DEVELOPMENT AND INVESTMENTS

3.5.1 AIRPORT INFRASTRUCTURE DEVELOPMENT

2022 saw the resumption of infrastructure development activities, which had slowed during 2020 and 2021 following the restrictions imposed by the pandemic and the Lay-Off Scheme that the Group had utilised. Infrastructure development therefore continued with key projects in the various airside, terminal and landside areas as approved in the *"2016-30 Airport Development Plan*". Specifically:

1) ***Airside****:* A new apron is under construction to increase the airport's aircraft parking capacity, which is expected to be operational in 2023.
2) ***Terminal***: Due to the pandemic, in collaboration with ENAC the implementation of Masterplan contents has been updated to postpone the *"terminal expansion"* project in favour of localised internal reconfiguration work. This has a lesser impact and will be completed sooner, and is necessary to ensure increased service levels in the short and medium term period.
3) ***Landside:*** contracting activities continue for the construction of the new multi-storey parking lot, and the first design level inherent in the landside road development works has been completed.
4) ***Environmental compensation works:*** work for the construction of the wooded strip has been awarded.

In addition, at the request of ENAC by Circular of December 2021, a new planning tool called the "Plan for the functional and sustainable development of the terminal area" was developed, which includes the main interventions planned in relation to the terminal in the period 2022-2026 and constitutes a technical framework to support the Regulatory Agreement.

3.5.2 INVESTMENTS

Total **investments** in 2022 amount to **Euro 18.4 million.**

In particular, Euro 8.5 million concerned investments for the execution of the Masterplan, alongside Euro 9.9 million for investments in airport operations.

The main investments in airport operations to improve the service offered to passengers and increase the efficiency of company processes are listed below:

- upgrading of yard lighting with the use of energy-saving LEDs;
- installation of anti-irradiation films at the terminal;
- construction of lounges to expand waiting areas for passengers;
- purchase of new operational assets (vehicle for PRM and new Friction Tester to assess runway operating conditions);
- new counters dedicated to "recharge points" and modernisation of the "scan & fly" counters;
- new "Tellis" service of digital interpreter for deaf passengers;
- construction of a bike station to encourage sustainable transportation;
- disbursement of a grant for acoustic mitigation work at a preschool located in the Navile district;
- launch of a new website to improve passenger service;

- construction of a new well to support de-icing by implementing the water network and containing operating costs;
- miscellaneous road works (separation “kiss&fly” lane) and structural adjustment of P3.

Among the principal works still underway at December 31 we report:

- **Aircraft Parking Lot 3 expansion**: work is underway to expand Apron 3 by connecting it with the dedicated General Aviation Apron (Apron 4);
- **New Laminating Plant:** the installation of a new airport run-off water overflow system and concurrent retirement of the current system, replacing the existing basin known as the Olmi Quarry;
- **Redevelopment of the cargo area:** the progress of work to reconfigure the cargo area to increase the storage capacity of the existing cargo infrastructure, reorganising internal spaces and maximising the areas for storing import and export cargo.

- **Redevelopment of security and passport controls**: following contract termination during 2022 due to a significant violation by the contractor, the phases commenced but not completed were concluded as a matter of urgency, therefore commencing the emergency project update necessary for the remaining tasks.

Provisions for Renewal

The total works for the **renewal and maintenance cycle of the airport infrastructure** and plant at December 31, 2022 amount to **Euro 1.6 million**, of which Euro 388 thousand is for airside works (works to restore the wear layer on a section of the runway, works on the runway service road), Euro 708 thousand Euro for works on plant (cogeneration plant, electrical panels, elevators, special plants, chiller units and AHUs)and Euro 457 thousand for landside works to maintain operations (terminal roofing, upgrading of terminal bathrooms, optimisation of passenger area spaces).

3.6 PERSONNEL

Workforce breakdown

	for the year ended 31.12.2022	for the year ended 31.12.2021	Total change vs 2021	% change vs 2021	for the year ended 31.12.2019	Total change vs 2019	% change vs 2019
Full Time Equivalent average workforce	**444**	**428**	**16**	**4%**	**492**	**-48**	**-10%**
Executives	8	9	(1)	-11%	9	(1)	-11%
Managers	36	36	0	0%	33	3	9%
White-collar	316	302	14	5%	354	(38)	-11%
Blue-collar	84	81	3	4%	96	(12)	-13%

	for the year ended 31.12.2022	for the year ended 31.12.2021	Total change vs 2021	% change vs 2021	for the year ended 31.12.2019	Total change vs 2019	% change vs 2019
Average workforce	**486**	**473**	**13**	**3%**	**543**	**-57**	**-10%**
Executives	8	9	(1)	-11%	9	(1)	-11%
Managers	36	36	0	0%	33	3	9%
White-collar	355	343	12	3%	402	(47)	-12%
Blue-collar	87	85	2	2%	99	(12)	-12%

Source: Company workings

The staff increase of 16 full-time equivalents compared to 2021 is due to a staffing increase in both operational and non-operational areas. Compared to 2019, the average workforce decreased by 48 FTE staff due mainly to the numerous non-renewals of fixed-term contracts in response to the pandemic.

Costs

	for the year ended 31.12.2022	for the year ended 31.12.2021	Total change vs 2021	% change vs 2021	for the year ended 31.12.2019	% change vs 2019
Payroll	27,503	22,058	5,445	24.7%	29,460	-6.6%

Source: Company workings

Despite the slight increase in the workforce as described above, personnel costs for 2022 increased by 24.7% on 2021 due mainly to the reduced use of the Temporary Lay-off Scheme as a result of the recovery of traffic, but also due to the increased use of temporary staff and for the resumption of training and missions. Personnel costs decreased 6.6% on 2019, mainly due to a reduction in headcount, less use of overtime, use of the Temporary Lay-off Scheme, and greater use of vacation time. These effects come in addition to lower canteen service costs (in relation to reduced attendances at workplaces due to the Temporary Lay-off Scheme and remote working), lower training and travel costs, and a reduction in the use of temporary personnel.

Trade union relations

On January 26, 2022, the agreement for the Extraordinary Temporary Lay-off Scheme for AdB employees, mainly administrative personnel, was signed with the trade unions for the period February 1, 2022, to January 30, 2023. The agreement provided for a rotation system on the basis of the inter-changeability of tasks with fairness criteria and income support from the Air Transport Solidarity Fund, with remuneration up to an effective 80% of the average salary of every worker calculated in the 12 months prior to the pandemic period. Given the resumption of traffic at the beginning of Summer 2022, AdB and the SSOs/General Workers' Representative Bodies (RSU) agreed the early suspension of the Extraordinary Temporary Lay-off Scheme on May 31, 2022.
On June 6, Single Parenthood and Hour Bank agreements were renewed, and on June 28, a second-level agreement was signed with trade unions and General Workers' Representative Bodies for the introduction of Post-Emergency Smart Working, including following the emergency protocol signed on December 7, 2021, by Italy's Ministry of Labour and Social Policy and by the Social Partners.

Also in 2022 meetings with the trade unions, handlers, ENAC, and government bodies on the issue of passenger attacks on airport operators are also continuing, so as to identify related mitigating actions.
On July 27, 2022, an agreement was signed with the Trade Unions/General Workers’ Representative Body (RSU) for the 2022 Welfare Plan of AdB, which includes a provision for each permanent employee, which was subsequently extended also to temporary staff serving during the year. In addition, a second agreement was signed in December for an additional bonus supplement for both permanent and temporary employees.
On October 24, 2022, the agreement with the RSU regarding GPS systems was supplemented. This agreement made it possible to introduce a major process innovation in airport patrol management, eliminating paper checklists in favour of a computerized system.
Finally, on November 28, 2022, the agreement for the management of snow and aviation emergencies and related personnel on-call shifts was renewed.

Training of personnel

Initiatives and training courses for "talent retention" and skill development of younger employees continued in 2022.
Special attention was also paid to senior and middle managers. Training courses for executives also continued, in particular a team coaching project was launched for the development of an effective team and collaborative leadership.
An additional training project, funded by the Conciliamo Call for Proposals, focused on smart working with the aim of strengthening skills related to a new way of working.
In the area of social sustainability, an e-learning course for the entire company was introduced through "online pills”, covering topics from unconscious stereotypes to multi-generational, from diversity and variety to inclusive leadership and in the area of environmental sustainability with regard to energy, with the participation of a CNR researcher.
"Front Line and Disruptive Passenger Relations" training continued in 2022 to address the increasingly serious and frequent incidents of violence against front line staff. This course is particularly for security officers, information office staff and parking staff, providing techniques for welcoming and listening in a limited amount of time, understanding the difficulties and real needs of users and especially the recognition of aggressive attitudes.

3.7 KEY INFORMATION ON THE SUBSIDIARIES’ PERFORMANCES

Fast Freight Marconi Spa

The Parent Company acquired a 100% interest in FFM in 2009. The main activity of the subsidiary is cargo and mail handling at Bologna airport. In particular, FFM is the handling agent for cargo export and import operations of carriers moved through the airport via air and for surface cargo and manages the Temporary Customs Warehouse for Non-EU Cargo arriving at the airport. The company thereafter in subsequent years developed accessory services such as booking, operating as a regulated agent and has a specialist customs operations structure.
The company prepares its financial statements according to Italian GAAP. The key indicators for the period, adjusted where necessary entirely for the purposes of preparing these consolidated financial statements as per IAS/IFRS, are presented below.

At December 31, 2022, the company had 15 employees (same as December 31, 2021) and, in continuity with previous years, assigned many staff activities to the parent under a management & staffing contract which covers the accounting, administrative, legal, personnel and ICT areas.
FFM in 2022 managed 22,120,683 Kg of cargo, with a 29% increase in traffic served compared to the previous year. This traffic increase far outstrips the Italian average (2022 cargo traffic growth of 1.7% on the previous year).

Since the end of 2021, work on upgrading the cargo infrastructure operated by FFM has been underway by the parent company. These activities, which will eventually result in increased capacity to enable and facilitate the development of cargo business, had a major impact in 2022 in terms of space limitations and various critical operational issues. As a result of the cargo terminal redevelopment works, in 2022 FFM purchased furniture and fittings for the new offices, locker rooms and break rooms for approximately Euro 27 thousand, and during 2023 investments are planned in new shelving dedicated to warehouses.

Against the outlined traffic recovery, FFM's 25% revenue increase related to both the surface and air traffic components. The company's core operating costs rose 10%, due to the increase in materials used due to the heavy use of such for goods handling and the higher raw material costs (+69%). FFM reported, on the other hand, stable service costs, while personnel cost increased due to the absence of the COVID supplementary extraordinary temporary lay-off scheme, utilised in the preceding two years. As a result of the factors outlined above, EBITDA increased Euro 411 thousand (+111%) from Euro 369 thousand in 2021 to Euro 781 thousand in 2022, in line with the increase in EBIT (+Euro 414 thousand, +122%), from Euro 339 thousand to Euro 753 thousand, due to the substantial stability and in view of reduced depreciation, amortisation and provisions. The profit for 2022 was Euro 566 thousand, compared to Euro 273 thousand in 2021 (+108%).

Finally, reference should be made to the disputes section with regards to the customs dispute involving FFM in 2021, as indirect representative, following the customs declaration assessments made by the Bologna Customs Office.

Tag Bologna Srl

TAG began operations in 2008 following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector. The Parent Company acquired a 100% interest (previously 49%) in TAG Bologna in 2018.
The company, which assigned certain staff activities to the parent under a management & staffing contract covering the legal and personnel area, had 16 employees at December 31, 2022 (same at December 31, 2021).
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.

2022 saw a significant recovery in General Aviation traffic in Italy (+7.4% on 2021). Against this backdrop, TAG reported increased movements of 21%, far excess of the national average. Passenger growth was even stronger (+43%).

As a result of the trend in traffic, which reported record numbers also in terms of the sale of aircraft fuel, the 24-hour coverage assigned by the Parent Company beginning on April 1, 2021, and of the compensation fund contribution of Euro 234 thousand pursuant to the 2021 Budget Law, revenues increased 86% on the comparative period, while operating costs increased by 91%, resulting in EBITDA of Euro 1.6 million, compared to Euro 0.9 million in 2021, and net profit of Euro 1.1 million, comparted to the net profit of Euro 548 thousand in 2021.

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

4 MAIN NON-FINANCIAL RESULTS ANALYSIS

A number of topics are explored below, in relation to which reference should be made to the Sustainability Report - Non-Financial Statement 2022.

4.1 SUSTAINABILITY

Continuing the activities launched in 2021 related to the Sustainability Plan, the Group continued to pay special attention to all major issues, pursuing more than 60 projects. The initiatives seek to monitor and reduce the impact of airport activities on the surrounding environment by implementing energy efficiency actions, investing in sustainable mobility and renewable energy, taking care of employees and the local area, and committing to an increasingly ESG-oriented business model and supply chain.

In 2022, AdB carried out several projects with the aim of enhancing and supporting its people, acting in synergy with the main local authorities. First and foremost, Bologna Airport committed the resources from the awarding of the Conciliamo call, promoted by the Presidency of the Council of Ministers, for projects on work-life balance, welfare and sustainable mobility. Specifically, the funds were used to co-fund the welfare platform and integrated regional intermodal transportation passes for employees, training activities, and the purchase of new IT equipment for Smart Working use.

In addition, in September 2022, AdB was the first airport management company in Italy to obtain gender equality certification according to the new UNI/PdR 125:2022 regulation. The certification, which is valid for three years, is monitored annually and certifies that Bologna Airport's management system complies with the requirements of the standard to ensure a system that is truly inclusive and respectful of gender diversity in the work environment, based on measurable data and objectives.

Commitment to environmental protection, sustainable mobility and combating climate change also continues. In 2022, AdB undertook, among others, specific environmental offsetting works already set out in the Regional Agreement for the Decarbonization of the Airport, signed in 2015 with the regional entities and updated in January 2020. In particular, the nature conservation project of the site of community interest SCI IT4050018 "Golena San vitale" was completed, and the tender for the creation of a large wooded strip north of the airport (including a bike path usable by the community) of an extension equal to 40 hectares was launched. The design phase continues of a cycle path linking the airport to the residents of Bologna and Lippo di Calderara di Reno.

In relation to decarbonisation, Aeroporto di Bologna complies with the international Airport Carbon Accreditation framework with the goal of reducing the airport's direct emissions to zero by 2050. In 2022, the airport achieved the 3+ certification of the international framework, corresponding to the Neutrality level. It has also initiated the design of a large photovoltaic plant north of the runway to increase energy production from renewable sources and completed a number of energy efficiency investments.

Initiatives in the field of air quality were also pursued, with the initiation of a collaboration with the University of Bologna on air quality biomonitoring using bees. In terms of noise pollution, principal environment impact of the airport, Adb has begun a study in collaboration with ENAV to map the main disturbance factors for citizens living in the areas adjacent to the airport grounds, also maintaining dialogue with representatives of the relevant Bodies and Authorities.

As regards Governance, the Group is active, including through participation in panels and working groups at the local and European levels, on issues regarding the European Taxonomy, with the aim of aligning itself as closely as possible with the requirements for green activities by fostering a transition to economic growth which does not negatively impact the environment or, in particular, the climate.

The Company has also strengthened activities related to Stakeholder Engagement, expanding the categories of stakeholders involved and the related ways of listening, and with a view to developing an increasingly sustainable supply chain it has set up a procurement platform that is also useful for mapping the sustainability level of its suppliers.

4.2 AIRPORT SECURITY

Safety, Compliance & Security Management System.

Under the macro processes being monitored in 2022 - Certification Specifications, Documentation, Emergency and Contingency Plans, Maintenance, Management, Operations - the Safety & Compliance Monitoring System conducted a total of 91 audits divided between internal audits within the organisation, external audits to third parties, and airside audits, thus covering 29 processes among those mapped.

Numerous change management activities of an operational, maintenance and infrastructural nature were then coordinated with constant updating and sharing of the airport's hazard log and Airport Manual, with the involvement of all post holders.
The primary objective of safety at the airport was further consolidated, consisting in striking an effective balance between reporting and protective activities, while also ensuring a blame/no blame culture designed to ensure ethical accountability for operators.

The integrated system in 2022 featured, in the security field, a widescale digitization process that led to the replacement of paper reports from the perimeter patrol service and an efficiency of activities through the computerised management of non-compliances. Periodic committees were established for discussion with the Accountable Manager and with the operations staff, as well as the establishment of a voluntary and anonymous reporting channel, which will ensure accurate and timely feedback to all reporters. This allows the concrete setting up of an efficient security system in line with the models regulated and approved by ENAC in the field of Safety, raising the quality and performance levels of security at Bologna airport.

Security

During 2022, the parent company maintained a close focus on the security process, not only in light of a profoundly altered context as a result of the pandemic, but also the operational difficulties experienced globally at the supply chain level following the outbreak of the Russian-Ukrainian conflict.

In December 2022, AdB Security had a personnel of 179 qualified security guards (GPGs), including seasonal contract employees, of which 51 in the position of Supervisor (SPV), and 7 in the position of Security Passenger Manager (SPM). In 2022, the groundwork has been laid for the digitisation of various processes. Electronic check lists for patrol service, a whatsapp broadcast channel for various communications to officers, and a flow for handling reports/complaints from Security personnel.

With a view to continuous improvement, quality checks and monitoring are carried out according to a set schedule in order to keep track of the compliance with the procedures applied. The reports emerging from the tests are uploaded to a dedicated portal introduced in 2022.

4.3 QUALITY

The traffic performance in the year was reflected in the service quality performances, alongside a number of other contextual factors, such as the shortage of qualified personnel affecting the entire supply chain.
In particular, the turnaround in traffic from April and accelerating in June with the summer peak negatively impacted airport processes and services provided.
During the summer of 2022, the significant and sharp recovery in traffic gave rise to a major challenge to maintain high service levels, against a backdrop of difficulties in finding qualified staff and high passenger expectations in terms of safety, hygiene and digital service offerings - and conversely, with less willingness to wait.
At operational level, waits have become a feature to which the Manager has applied mitigating actions through developing the facilitation and information service, while always maintaining close coordination with handlers and airport authorities.
Due to the exceptional nature of the 2020-2021 two-year period, Service Charter data has not been published.

INDICATORS	**2022**
Perception of the cleaning level and functionality of toilets	94.6
Perception of the availability of mobile phone and laptop recharging stations in common areas	73.9
Overall perception of the efficacy and accessibility of public information services	99.3
Perception of the clarity, comprehensibility and effectiveness of internal signage	99.3
Check-in waiting time	22’49’’
Perception of passport control waiting time	10’05’’
Wait time for departing PRM passengers with reservations	9’23’’
Wait time for arriving PRM passengers with reservations	5’33’’
First baggage return times	26’59’’
Last baggage return times	33’59’’
Boarding wait time for the 1st passenger	7’08’’

5. REGULATORY FRAMEWORK

5.1 REGULATORY AGREEMENT AND NEW TARIFF DYNAMIC

For the Parent Company, 2022 is the third year of the 2020-2023 regulatory period.

The 2020-2023 Regulatory Agreement was not, however, formalised in writing – but its commitments were implemented in good faith, 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.

Therefore, from 2021, under the responsibility of the Parent Company in close discussions with the various levels of ENAC, and in the face of an extreme deviations from the assumptions set out in the commitments for the period 2020-2023, a preliminary investigation began for the development and subsequent formalisation of a Regulatory Agreement for the period 2023-2026. This involves the use of the new RA Standard Template approved by ENAC, following receipt of the opinions from the competent Ministries, and is substantially in line with AdB S.p.A.'s updated plans (investment, economic-financial, quality and environment).

In order No. 0100428/P dated August 11, 2022, the National Civil Aviation Authority (ENAC) issued a favourable opinion on the documentation submitted by AdB S.p.A., which consisted of the 2023-2026 update, considering the post-pandemic context, of: The Investment Plan, the Quality And Environmental Protection Plan, Traffic Forecasts, and the Economic-Financial Plan associated with these plans and documents.

With Resolution No. 202/2022, on November 3, 2022 the Transport Regulation Authority approved the launch of the process to verify compliance with the governance Models for airport charges, approved with motion No. 92/2017 of July 6, 2017, on the basis of the charges review proposal for the 2023-2026 period presented by AdB, with the launch of the consultation process between the manager and airport users on November 4, 2022.

On December 5, 2022, the Public Hearing on the tariff proposal for the 2023-2026 period was held, at which the Airport Operator and the Users did not reach agreement.

The Transport Regulation Authority on July 27, 2023 approved the launch of the new process to verify compliance with the governance Models for airport charges, approved with motion No. 92/2017 of July 6, 2017, for Guglielmo Marconi Airport of Bologna, on the basis of the charges review and update proposal for the 2023-2026 period presented by AdB on January 17, 2023 following the non-reaching of substantial agreement with the user on December 5, 2022.

AdB's new proposal was drawn up for the attention of the airport's users on March 2, 2023, following the launch of a new consultation procedure between the operator and the Users on January 31, 2023. As part of the user consultation process, in addition to the proposal to review the regulated tariffs, AdB also presented an updated proposal relating to the service levels of the airport for the 2023-2026 four-year period. The Airport Manager and Airport Users have reached a substantial understanding on the tariff proposal for the 2023-2026 period, effective June 1, 2023, and on the related SLAs. The proposed tariff dynamics include an unchanged average tariff in 2023 compared to 2022 and a gradual annual increase over the regulatory period.

In the manner and within the timeframe stipulated in Model 1 set forth in Resolution No. 92/2017 defined by the Transportation Regulatory Authority, the process will be completed with the publication of the tariffs, which are still undergoing the Authority's final review.

5.2 AIRPORT SECTOR SUPPORT MEASURES COMPENSATION FUND FOR DAMAGES SUFFERED DUE TO COVID-19

The 2021 Budget Law provides for 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 by sector operators as a result of COVID-19. This fund was then increased by Euro 300 million by Legislative Decree No. 73/2021, bringing the total funds for airport operators to Euro 735 million and to Euro 65 million for handlers. On July 26, 2021, the European Commission approved the Italian aid scheme pursuant to Article 107(2)(b) of the TFEU. In the Official Gazette General Series No. 307 of December 28, 2021, the Decree of November 25, 2021 of the Ministry of Infrastructure and Sustainable Mobility in agreement with the Ministry for the Economy and Finance was published, setting out the implementing procedures for compensation for damages suffered due to the COVID-19 emergency by airport operators and providers of airport ground handling services.

AdB and TAG presented an application to access the fund accompanied by a report drawn up by an independent expert certifying the overall loss incurred by the Group in the period from March 1 to June 30, 2020. The applications were presented according to the deadlines and means outlined in the Decree, whilst FFM decided not to proceed as the preliminary investigation revealed that the potential benefits would not exceed the costs.

On March 7, 2022, ENAC announced the disbursement of Euro 300 million to the airport management companies, as an advance of 50% with respect to the requests for compensation. In order to enable airport operators to deal with the financial difficulties they are experiencing, ENAC, while awaiting the completion of the preliminary investigations, decided, once it was ascertained that the overall availability of the fund had not been exceeded, to grant an advance of 50% of the claim for damages made by each company. In March 2022, the Parent Company received Euro 10.45 million as the advance payment of 50% of the amount requested, while the subsidiary TAG received Euro 144 thousand.

On May 10, 2022, by way of a decree of the Director General on May 5, 2022, the General Department of Airports, Air Transport & Satellite Services of the Ministry for Infrastructure and Sustainable Mobility notified the Parent Company of its full approval of the application submitted for access to the fund for Euro 20,903,059.00 as compensation for damages incurred as a result of the COVID-19 pandemic for the period from March 1 to June 30, 2020.

By decree of the Director General dated May 9, 2022, notified to the subsidiary Tag on May 10, 2022, the loss suffered by the latter during the same period was recognised in the amount indicated in the application (Euro 244,376.00), but due to the unavailability of the fund allocated to ground handling service providers, the measure recognised Tag the amount of Euro 233,850.69, which later rose to Euro 234,368.25. In May 2022, Adb and Tag received the balance of the grant less the Euro 517.56 supplement of the Tag grant received in July of the same year.

5.3 FIRE PREVENTION FUND

Article 1, paragraph 1328, of Law No. 296 of December 27, 2006 (2007 Finance Law) requires the payment by Italian airport management companies of an amount, to be calculated proportionally to its airline traffic, in order to lower the cost to the State for the provision of fire prevention services (so-called Fire Prevention Fund). This purpose was modified by Article 4, paragraph 3-*bis* of Law Decree No. 185/2008, entering into force on January 29, 2009, which separated the relationship between those required to fund the so-called Fire Prevention Fund and the benefit deriving from the activity financed, allocating the Fund to differing purposes than its original scope related to airport fire prevention services.
Following the entry into force, from January 1, 2016 of Article 1, paragraph 478, of Law No. 208 of December 28, 2015 implementing “Provisions for the drawing up of annual and multi-year budgets of the State” (2016 Stability Law), the Legislature, through Law Decree No. 159 of October 1, 2007 converted with modifications by Law No. 222 of November 29, 2007, introduced the qualification of “payments”, with reference to the contributions allocated to the Fire Prevention Fund. This latter was subject to a constitution legality opinion, following the deferral by the Court of Cassation, through reasoned ordinance issued on December 28, 2016.From July 26, 2018, as per Article 30 of Law No. 87 of 1953, the challenged provision of Article 1, paragraph 478 of Law No. 208 of December 28, 2015, declared illegal, with the Constitutional Court order No. 167/2018, may no longer be applied.
Within the judicial framework we must also mention the important judgement of the Court of Cassation of February 1, 2019, No. 3162, which outlines a definitive framework encompassing the complex Fire Prevention Fund, in which the following was definitively ascertained and declared:

- the nature of the tax contribution to be paid;

- the competent tax jurisdiction.

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

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

An appeal of this ruling by the administrations and State’s Attorney is currently pending before the Court of Cassation. The public hearing was set for May 11, 2023.

In terms of the direct interest of the Parent Company, on February 8, 2022, after many years of civil dispute, AdB obtained a ruling from Rome Civil Court (No. 2012 of 2022) that clarifies the jurisdiction of the tax court before which at December 2022 the entire dispute is to soon be taken up again.

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

5.4 CONSOLIDATED NON-FINANCIAL INFORMATION REPORT

The Group in accordance with Article 5, paragraph 3, letter b of Legislative Decree 254/2016 has since 2018 drawn up the consolidated disclosure non-financial information as a separate report. The 2022 consolidated disclosure of non-financial information, drawn up voluntarily for the second consecutive year given the reduction in the average workforce due to the pandemic crisis, as per Article 7 of Legislative Decree No. 254/2016, in accordance with the "GRI Standards", is available on the Group website.

5.5 PRIVACY COMPLIANCE

The Parent Company implemented on May 25, 2018 a specific model in order to ensure adequate compliance with European Regulation No 679/2016 (GDPR - General Data Protection Regulation) - and the necessary adjustment of the organisation, processes, company deeds and procedures. The model is implemented and developed in accordance with the principles outlined in the GDPR of privacy by design and privacy by default through a dedicated inter-departmental body (Data Protection Committee) comprising internal specialist personnel. The Company periodically updates its Register of processing operations and risk analysis in order to adopt adequate security measures. Periodic audits are undertaken to ensure correct compliance with legislation by the DPO team. The Company renewed the appointment of its Data Protection Officer (DPO) until 2023.
The company always places maximum focus on the issues of data protection and the security measures within the framework of the company cybersecurity plan, taking into account the many projects with a highly innovative component launched and considering on the one hand their increasingly strategic nature and on the other the growing risks.

5.6 ALITALIA IN EXTRAORDINARY ADMINISTRATION

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

In relation to the debt situation accrued by Alitalia SAI in a.s. since May 2, 2017, and taking into account that the carrier ceased flights on October 14, 2021, maintaining at Bologna airport only its maintenance activity, the exposure is approximately Euro 1 million, of which Euro 0.4 million are non-trade receivables, primarily relating to the municipal surtax on boarding fees. Taking into account that the European Commission deemed illegitimate the measure regarding the Euro 900 million loan granted in 2017 by the Italian State to Alitalia pursuant to state aid rules and that the assessment of the further measure of Euro 400 million lent in 2019 is still in progress, the trade receivable from the carrier maturing between May 2, 2017 and December 31, 2022 of approximately Euro 0.6 million was also entirely written down.

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

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

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

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

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

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

Based on the above, AdB, like other Italian airport managers, brought an administrative appeal against this decree, highlighting the various grounds for deeming it unlawful, including the infringement of the right to be heard and requesting that an investigation be duly launched into what the equipment and assets returned consist of. In parallel, negotiations were launched with ENAC, with the additional help of Assaeroporti. They are currently addressing the issue of the local decentralised bodies, i.e. the ENAC airport offices.
In particular, we note the recent activity of the local ENAC department, which supported the verification and inspection, in the presence of representatives from ENAV and AdB, of certain assets that are no longer used for ENAV's institutional purposes and other than the VAL's, as a result of which the assets were legitimately consigned. This was done by introducing appropriate protections in the formal documents, given the poor state and condition of most of the assets, which will subsequently be demolished, in line with the Master Plan's provisions and, in any event, without settlement of the matter involved in the aforesaid dispute, for which the diligent arguing of positions will continue in order to safeguard the full legitimacy of the procedure and the position of AdB, given the particular nature of the ENAV infrastructure at the airport. This is also in the interest of the safe and uninterrupted airport operations.

In February 2022, Italian airports formalised a specific filing with ENAC that underscores the obsolescence of a large part of these assets and the lack of specific maintenance and laments the future problem of the necessary joint airports/ENAV management of the auxiliary visual aid systems and the potential negative impact on rates for users and airport managers given the permanence of the rates required by ENAV, which would be unduly added to the airport fees to be paid by airport managers.
At the preparation date of this Report, there are no further updates to be made.

6 DISPUTES

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

6.1 Tax appeal against the Tax Agency - Provincial Office

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

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

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

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

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

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

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

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

6.2 Fire Prevention Fund

In relation to the contribution to the Fund set up by the 2007 Finance Act in order to reduce the cost to the State for the organisation and provision of the **fire prevention service** at Italian airports, the Parent Company promoted, in 2012, a specific judicial action before the Rome Civil Tax Court, substantially requesting the Judge to ascertain and declare the cessation of the obligatory contribution following the change in the purpose of the afore-mentioned Fund, i.e. from January 1, 2009. In fact, from that date the resources accumulated in the Fund were allocated to the generic requirements of the public purse and civil defence, as well as for financing salary increases of the Fire Prevention Service.
While awaiting the civil procedure, which extended over numerous years across a series of different judges and postponements, a consolidated jurisprudence (ex pluris Rome Provincial Tax Court No. 10137/51/2014 - passed into Law - and Rome Provincial Tax Court No. 2517/2019) sealed by the pronouncement of the Court of Cassation No. 3162 of February 1, 2019 and, latterly, by the Lazio Regional Tax Commission No. 7164/2019, affirmed: i) the nature of the contribution to the Fire Prevention Fund, ii) the consequent competent tax jurisdiction, iii) the non-obligation to pay the tax from 2009, due to the non-applicability of its original legislative purpose, pending a legitimate legal provision.
In relation to the above-mentioned civil case, promoted by the Company before the Rome Court, the Tax Administrations notified however on January 16, 2015 an injunctive decree relating to the presumed contribution to the Fire Prevention Fund for the years 2007, 2008, 2009 and 2010. This decree, containing clear material and formal errors, was immediately opposed, requesting the cancellation of the decree or, in replacement, to declare upon its jurisdiction and to order the reinstatement of the case before the Rome Court. On December 20, 2017, the Bologna Court issued a jurisdiction ordinance, declaring the Tax Commission as the competent judge, which cancelled Injunction Decree No. 20278/14. Unexpectedly and incomprehensibly, on May 24, 2018, the State District Lawyer notified an appeal against the ordinance of the Bologna Court of December 20, 2017.
The Company therefore appealed (RG No. 2020/18), fully outlining its defence and invoking, preliminarily, the clear lack of jurisdiction of the Bologna Court. The appeal was definitively rejected as inadmissible by the Bologna Court of Appeal in judgment No. 1718/19. This judgment became *res judicata* on October 28, 2019, definitively ending the dispute initiated by the administrations, which, additionally, were ordered to reimburse AdB in full for all legal costs incurred.

In October 2020, the statement of conclusions was then held before the Civil Court of Rome. On December 27, 2021, a motivated motion to receive funds was filed and, on February 2, 2022, a specific request was submitted to the section chairman of the Rome Court, who, on February 4, 2022, promptly assured us of a rapid resolution of the dispute. Finally, on February 8, 2022, the Rome Court issued its ruling No. 2012/2022 clarifying the jurisdiction of the tax court. The company in order to obtain a direct recognition of the principles embodied universally by the Court of Cassation and by the Rome Provincial Tax Court in December 2022, presented the case before the Rome Court (RG No. 22375/12).
The hearing on the substance of the case before the Rome Provincial Tax Commission has been set for April 17, 2023.

At the same time, through the mandated attorney, the constant monitoring of every possible opportunity to promote meetings and common ground with the Administrations continues in order to seek a current settlement agreement, based on legal principles and on established decrees, also with adequate, consistent and legitimate legislative coverage.

6.3 Alitalia Revocatory Action

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

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

On January 27, 2021 the Parent Company filed an appeal with Emilia-Romagna Regional Administrative Court for the annulment of the Decree of April 3, 2020, adopted by the Director-General of the Department of Finance at the Ministry of Economy and Finance together with the Head of the Department for transport, navigation, general affairs and staff of the Ministry of Infrastructure and Transport, published in Italian Official Gazette No. 297 of November 30, 2020, General Series, on the: “ the “Return to the State of assets no longer instrumental for the institutional duties of ENAV and their subsequent reassignment to ENAC, under the combined provisions of Articles 692 and 693 of the Navigation Code, and subsequent provision under concession to the airport manager”; and of ENAC note Ref. No. 114427 of October 7, 2019 and of any other deed founded or consequential upon and/or connected to the above interministerial decree. The appeal has been registered and has been given the number RG. 98/2021.

Awaiting the administrative dispute, the management companies, in concert with ENAC and in discussion with ENAV, conducted an inspection of the airport systems and assets involved in the sale-back. In February 2022, Italian airports formalised a specific filing with ENAC that underscores the obsolescence of a large part of these assets and the lack of specific maintenance and laments the future problem of the necessary joint airports/ENAV management of the auxiliary visual aid systems and the potential negative impact on rates for users and airport managers given the permanence of the rates required by ENAV, which would be unduly added to the airport fees to be paid by airport managers.
With a note dated November 27, 2021 addressed to ENAV and for information to the Italian airports involved, ENAC communicated that "Phase 1" was nearly complete, requesting for the start of "Phase 2", in implementation of the return measure, i) that ENAV send the technical documentation necessary to define the efficiency status of the AVL facilities to be transited, ii) assessment of the possibilities of the full transit of the electrical substations supplying power to these facilities. To the best of our knowledge, ENAV began to provide feedback on the requests made by ENAC required for the aforementioned Phase 2 only at the end of March 2022. The risk associated with this litigation is essentially attributable to the requisition of facilities that are not fully functional or in good repair and to the actual ability of the tariff system to fully remunerate the higher costs and investments associated with the same AVL facilities.
On September 28, 2022, on the appeal of SAC, the Administrative Court for Sicily CT section issued an important precedent (No. 02553/2022 reg.prov.coll. no. 00229/2021 reg.ric.). This established the illegitimacy of the opposition (since airport operators were not duly involved) which formed the prerequisite to the decree to downgrade airport lighting installations, while also annulling the relevant part of the inter-ministerial decree of April 3, 2020.

6.5 Appeal of the new TRA Regulation Models

On October 15, 2020, the Parent Company served the appeal lodged with the Piedmont Regional Administrative Court seeking to quash resolution no. 163 of July 16, 2020 approving the new Tariff Regulation Models applicable to Italian airports on the Transport Regulation Authority, Ministry for Infrastructure and Transport and Ministry for the Economy and Finance. The Parent Company and other airport management companies consider the new models to be vitiated by illegitimacy and manifest injustice in various respects, and have also been approved without any consideration whatsoever of, nor any corrective measure for, the effects and very severe repercussions that the global COVID-19 pandemic is having and will continue to have on the air transport industry. The appeal was then formally filed and the related proceedings registered with the Regional Administrative Court of Piedmont under General Register No. 783/2020. TRA 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, with the presentation of a supplementary appeal on additional grounds.
We also note that, pending the aforementioned judgement, on March 23, 2022, with Resolution No. 42/2022, the Transport Regulation Authority initiated the review of the models for regulated airport fees pursuant to Resolution No. 92/2017, as supplemented by Resolution No. 68/2021. The relevant consultation deadlines were lastly extended to March 31, 2023 by ART Resolution No. 27/2023 of February 24, 2023.

With Motion No. 38 of March 9, 2023, TRA approved the new airport fee Regulation Models, concluding their review process initiating in March 2022. The new Models shall enter into force on April 1, 2023 and shall be applied to procedures to review airport fees beginning from that date.

6.6FFM customs dispute

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

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

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

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

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

Following the outcome of a review procedure, the Customs Office re-notified the Company - prior to the publication on July 19, 2022 of the ruling by the aforementioned Bologna PTC - of the assessment reports that were the subject of the appeal, with a partial revision of the amounts. These reports are subject to the directly enforceable provision of the aforementioned PTC ruling insofar as it relates to the adjustment of VAT erroneously claimed. FFM therefore filed appropriate appeals for the relevant suspension under Article 45 of the UCC. In addition, a surety of Euro 278 thousand was issued to secure the suspension of enforceability. In any case, FFM will reiterate arguments to obtain full cancellation of the assessment notices in all relevant courts and degrees and also the revision of the amounts covered by the sureties provided in accordance with the provisions of the rulings issued.
The Company, supported by the opinion of its appointed lawyers, having evaluated the dossier outlining the position and the jurisprudence on the subject, and also taking into account the first instance ruling, consider it possible but not probable that the case will be lost.

6.7 Ernest Revocatory Action

As regards the April 2022 request made by the Bankruptcy Practitioner of the air carrier Ernest concerning the repayment of sums disbursed in the six months prior to the filing of the creditors' agreement request (amounting to Euro 299 thousand - of which approximately Euro 80 thousand for municipal surtax), pursuant to the legislation on bankruptcy revocatory action, we note that: having assessed the specific position, a decision was made to mandate the lawyers to explore the possibility of a settlement involving a portion of the commercial revenues subject to revocation, with the express exclusion of any amount collected by way of municipal surtax or IRESA. On October 14, 2022, the Practitioner accepted the settlement proposal, concluding the out-of-court litigation and made the payment according to the terms of the agreement.

6.8 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, which have not yet been checked ahead of the deadline.

Several discussions were held with the territorially competent Tax Agency in May and June 2022, regarding the settlement and/or continuation in another court of the case arising from the Dispute Notice served on May 7, 2021.

Following the subsequent and timely arguments submitted by AdB on June 30, 2021, the Tax Agency fully accepted the Company's arguments seeking to avert the application of penalties on a proportional basis, thus recognising that the Company had acted correctly and with total transparency in dealings with the Ryanair parent company.

In order to settle the dispute locally, on June 20, 2022 the same Tax Agency issued a notice of penalty imposition notice for a total fixed amount, with application of the legal cumulation, of Euro 3,217.08, for misrepresentation and failure to apply the reverse charge mechanism, alleging a kind of interest of the Italian SO in incentivising the recognised activities of the parent company as opposed to the development of new routes only.

As transcribed and filed with the record in the counter-argument minutes, through its proxies the Company underlined its total non-acceptance of and misalignment with this position.

On July 29, 2022, the Tax Agency announced the annulment of the act imposing fixed-rate penalties, having granted AdB's petition for self-defence, with confirmation and acceptance of the amnesty for formal irregularities pursuant to Legislative Decree NO. 119 of 2018 put in place by AdB on May 31, 2019, for tax periods from 2014 to 2018.

6.9 Tender contract - termination for damages

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

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

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

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

6.10 Land Litigation - EMILIA ROMAGNA Regional Administrative Court

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

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

7. PRINCIPAL RISKS AND UNCERTAINTIES

Risks relating to the COVID-19 pandemic

The COVID-19 health emergency has continued to have impacts on the airport industry at the beginning of this year. However, thanks to the drop in the number of infections and the simultaneous strong progress of the vaccination campaigns, air traffic has picked up progressively, despite a degree of uncertainty regarding future developments, mainly linked to the continued spread of variants of the virus.

According to the ACI World, the complete recovery of 2019 traffic is expected in 2025, due to the increasing worries arising from the geopolitical instability, in addition to the unstable economic environment with the possibility of recession (*Source: Airport Traffic Forecast - 2023 Scenarios & 2023-2027 Outlook, ACI World, December 2022*).

The AdB Group’s financial performance is 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 an impact on long-term performance, thus resulting in changes to the Group's development policies. The areas listed below may be affected by these issues, 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 requirements for finance in the Net Working Capital cycle until the end of the crisis - a crisis first stemming from the pandemic which has now been joined by the war in Ukraine, the energy crisis, and spiralling inflation. The Group has addressed this risk, on the one hand by strategically reviewing its investment plan in consultation with ENAC, identifying new priorities and implementation phases, and on the other by agreeing new loans, most recently, in December 2021, with the European Investment Bank (EIB) up to a maximum of Euro 90 million not requested at December 31, 2022. Thanks to these new sources, the contributions from the COVID compensation fund, the current account balances held and the additional credit line of Euro 5 million, the Group believes it has flexibility of financing in line with the progress of the infrastructure development plan and with actual funding needs. With regard to the covenants of the existing loan agreements, the Group is in compliance with its contractual commitments.

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

In terms of **credit risk,** at December 31, 2022, 30% of accounts receivable are from its top ten clients, more than halving on 68% at December 31, 2021, thanks to the resumption of payments by clients, following the significant slowdown over two years as a result of the financial difficulties within the industry caused by the COVID crises. In general, the credit risk is offset through specific trade payable management and control tools and procedures, in addition to adequate provisioning for doubtful accounts – taking into account the increased risk owed to the current crisis – according to the principles of prudency and in compliance with the accounting standards IFRS 15 and IFRS 9, which strengthens the *ex-ante* analysis approach, rather than existing receivable recovery, in the credit risk assessment processes.

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

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

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

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

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

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

Risks arising from the conflict in Ukraine

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

The Group is exposed to the risk of a loss of traffic volumes to Eastern European countries due to the ongoing conflict between Russia and Ukraine. Therefore, negative consequences on the recovery of traffic volumes are possible, but are currently difficult to assess. At the moment, connections from Bologna to cities in Russia and Ukraine are suspended for war-related reasons, with an estimated impact in terms of the passenger traffic decline from/to these destinations of approximately 150-180 thousand passengers for all of 2022 and approximately Euro 500 thousand in terms of EBITDA. Currently, the Group, in its estimates, does not assume the recovery of traffic to/from Russia and Ukraine in the short term and considers that there are no other significant impacts on its operations.

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

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

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

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

Risks related to a dependence on Ryanair traffic volumes

Group operations are significantly based on relations with the leading airlines at the airport and to which the Group offers its services, including - in particular - Ryanair. Due to the large proportion of total passenger flights at the airport operated by Ryanair, the Group is exposed to the risk that the airline may scale back or discontinue entirely its operations at the airport. Ryanair passengers accounted for 56.9% of the airport's total traffic volumes in 2022.

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

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

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

Risk related to the effect of incentives on revenue margins

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

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

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

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

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

Risks related to implementation of the Action Plan

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

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

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

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

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

Risks concerning the regulatory framework

The Aeroporto Guglielmo Marconi di Bologna S.p.A. Group's core business involves acting as concession holder operating under special exclusive rights to the Bologna airport grounds. Primarily for this reason, it operates in an industry that is highly regulated at the domestic, supranational and international levels. Any change to the regulatory framework (and in particular any changes in relations with the state, public bodies and sector authorities, the determination of airport fees and the amount of concession fees, the airport tariff system, the allocation of slots, environmental protection and noise pollution) may impact operations and Company and Group results. With Resolution No. 42/2022, the Transport Regulation Authority began a review of the models for regulated airport fees pursuant to Resolution No. 92/2017, as supplemented by Resolution No. 68/2021, which, based on the information available to date, can reasonably be expected to lead to a reduction in the applicable fees for subsequent years.

With Motion No. 38 of March 9, 2023, TRA approved the new airport fee Regulation Models, concluding their review process initiating in March 2022. The new Models shall enter into force on April 1, 2023 and shall be applied to procedures to review airport fees beginning from that date.

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

In terms of the risk of the non-recoverability of the carrying amount of the Concession Rights recognised to intangible assets consolidated at December 31, 2022 for Euro 206 million, as per IAS 36, the Group carried out an impairment test on the most recent cash flow projections approved by the Board of Directors of the Parent Company and based on assumptions considered reasonable and demonstrable, in order to present the best estimate of the future economic conditions that the current situation of uncertainty - in particular on the duration of the crisis - permits.

The impairment test did not identify any impairment of the carrying amounts of the concession rights as at December 31, 2022 and no impairment losses were therefore recognised on the assets concerned (please refer to Note 1 - Intangible Assets for further information).

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

Seasonality of revenues

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

8 OPERATING PERFORMANCE OF THE PARENT COPMANY

The table below summarises the economic and financial performance of the Parent Company in the three-year period under consideration; for the relevant comments, reference should be made to chapter 3 as the numbers are similar to the Group.

8.1 PARENT COMPANY RESULTS

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Total change vs 2021	% change vs 2021	for the year ended 31.12.2019	% change vs 2019
Revenues from aeronautical services	46,088	25,396	20,692	81.5%	57,764	-20.2%
Revenues from non-aeronautical services	41,665	19,380	22,285	115.0%	43,721	-4.7%
Revenues from construction services	15,952	8,051	7,901	98.1%	16,420	-2.9%
Other operating revenues and income	22,520	736	21,784	n.a.	1,274	n.a.
Revenues	**126,225**	**53,563**	**72,662**	**135.7%**	**119,179**	**5.9%**
Consumables and goods	(1,094)	(878)	(216)	24.6%	(1,084)	0.9%
Service costs	(20,300)	(14,480)	(5,820)	40.2%	(19,453)	4.4%
Construction service costs	(15,192)	(7,667)	(7,525)	98.1%	(15,639)	-2.9%
Leases, rentals and other costs	(8,172)	(4,492)	(3,680)	81.9%	(8,523)	-4.1%
Other operating expenses	(3,160)	(3,096)	(64)	2.1%	(3,200)	-1.3%
Personnel costs	(25,937)	(20,743)	(5,194)	25.0%	(28,076)	-7.6%
Costs	**(73,855)**	**(51,356)**	**(22,499)**	**43.8%**	**(75,975)**	**-2.8%**
Gross Operating Profit (EBITDA)	**52,370**	**2,207**	**50,163**	**n.a.**	**43,204**	**21.2%**
Amortisation/Write-down concession rights	(7,829)	(7,255)	(574)	7.9%	(6,045)	29.5%
Amortisation of other intangible assets	(660)	(881)	221	-25.1%	(1,561)	-57.7%
Depreciation of tangible assets	(5,176)	(2,148)	(3,028)	141.0%	(2,637)	96.3%
Amortisation, depreciation and write-downs	**(13,665)**	**(10,284)**	**(3,381)**	**32.9%**	**(10,243)**	**33.4%**
Provisions for doubtful accounts	(687)	(493)	(194)	39.4%	5	n.a.
Provision for renewal of airport infrastructure	(4,060)	(646)	(3,414)	528.5%	(2,814)	44.3%
Provisions for other risks and charges	(165)	(200)	35	-17.5%	(267)	-38.2%
Provisions for risks and charges	**(4,912)**	**(1,339)**	**(3,573)**	**266.8%**	**(3,076)**	**59.7%**
Total Costs	**(92,432)**	**(62,979)**	**(29,453)**	**46.8%**	**(89,294)**	**3.5%**
Operating Result	**33,793**	**(9,416)**	**43,209**	**n.a.**	**29,885**	**13.1%**
Financial income	1,392	477	915	191.8%	129	979.1%
Financial expenses	(1,449)	(1,063)	(386)	36.3%	(1,089)	33.1%
Pre-tax result	**33,736**	**(10,002)**	**43,738**	**n.a.**	**28,925**	**16.6%**
Taxes for the year	**(4,293)**	**2,460**	**(6,753)**	**n.a.**	**(8,857)**	**-51.5%**
Profit (loss) for the year	**29,443**	**(7,542)**	**36,985**	**n.a.**	**20,068**	**46.7%**

The three year **EBITDA adjusted** for construction services and of the terminal value receivable revenues on interventions of the provision for renewal (*) and the contribution from the Compensation Fund for Covid damages is presented in the table below:

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Total change vs 2021	% change vs 2021	for the year ended 31.12.2019	% change vs 2019
Revenues from aeronautical services	46,088	25,396	20,692	81.5%	57,764	-20.2%
Revenues from non-aeronautical services	41,665	19,380	22,285	115.0%	43,721	-4.7%
Other operating revenues and income	1,583	736	847	115.1%	1,194	32.6%
Adjusted revenues	**89,336**	**45,512**	**43,824**	**96.3%**	**102,679**	**-13.0%**
Consumables and goods	(1,094)	(878)	(216)	24.6%	(1,084)	0.9%
Service costs	(20,300)	(14,480)	(5,820)	40.2%	(19,453)	4.4%
Leases, rentals and other costs	(8,172)	(4,492)	(3,680)	81.9%	(8,523)	-4.1%
Other operating expenses	(3,160)	(3,096)	(64)	2.1%	(3,200)	-1.3%
Personnel costs	(25,937)	(20,743)	(5,194)	25.0%	(28,076)	-7.6%
Adjusted costs	**(58,663)**	**(43,689)**	**(14,974)**	**34.3%**	**(60,336)**	**-2.8%**
Adjusted Gross Operating Profit (Adjusted EBITDA)	**30,673**	**1,823**	**28,850**	**1582.6%**	**42,343**	**-27.6%**
Revenues from construction services	15,952	8,051	7,901	98.1%	16,420	-2.9%
Construction service costs	(15,192)	(7,667)	(7,525)	98.1%	(15,639)	-2.9%
Construction Services Margin	**760**	**384**	**376**	**97.9%**	**781**	**-2.7%**
Revenues from TV on Provision for Renewal	34	0	34	n.a.	80	-57.5%
Revenues from compensation fund contribution Budget Law 2021	20,903	0	20,903	n.a.	0	n.a.
Gross Operating Profit (EBITDA)	**52,370**	**2,207**	**50,163**	**2272.9%**	**43,204**	**21.2%**

(*) For further information on terminal value, refer to the comment in the notes on accounting policies regarding intangible assets.

Quarterly **Passenger Traffic** and **EBITDA adjusted** for construction services and of the terminal value receivable revenues on interventions of the provision for renewal (*) and the contribution from the Compensation Fund is presented in the table below:

	Q1 2022	Change % vs 2021	Change % vs 2019	Q2 2022	Change % vs 2021	Change % vs 2019	Q3 2022	Change % vs 2021	Change % vs 2019	Q4 2022	Change % vs 2021	Change % vs 2019
Passenger Traffic	1,269,709	502.9%	-35.3%	2,408,666	327.8%	-3.1%	2,820,217	61.7%	3.3%	1,997,408	25.9%	-10.4%
INCOME STATEMENT (in thousands of Euro)												
ADJUSTED REVENUES	**14,432**	**206.5%**	**-34.9%**	**24,015**	**223.4%**	**-10.5%**	**28,001**	**66.3%**	**-4.9%**	**22,888**	**38.4%**	**-5.5%**
Revenues from aeronautical services	7,413	195.0%	-39.5%	12,459	228.5%	-18.8%	14,638	49.7%	-13.8%	11,578	24.3%	-12.2%
Revenues from non-aeronautical services	6,863	236.9%	-29.1%	11,162	234.6%	0.1%	13,057	88.4%	6.8%	10,583	49.5%	-0.8%
Other operating revenues and income	156	-2.0%	-34.1%	394	32.7%	11.2%	306	128.4%	30.8%	727	397.9%	97.0%
ADJUSTED COSTS	**(12,625)**	**30.0%**	**-11.9%**	**(14,681)**	**48.9%**	**-4.2%**	**(15,641)**	**40.6%**	**6.9%**	**(15,716)**	**21.0%**	**-2.1%**
Personnel costs	(5,755)	21.2%	-15.5%	(6,516)	33.5%	-12.6%	(6,611)	33.6%	-1.1%	(7,055)	14.5%	-1.0%
Other operating costs	(6,870)	38.5%	-8.6%	(8,165)	63.9%	3.7%	(9,030)	46.2%	13.6%	(8,661)	26.8%	-2.9%
ADJUSTED EBITDA	**1,807**	**n.a.**	**-77.0%**	**9,334**	**n.a.**	**-19.0%**	**12,360**	**116.2%**	**-16.5%**	**7,172**	**102.4%**	**-12.3%**
ADJUSTED EBITDA MARGIN	**12.5%**	**n.a.**	**n.a.**	**38.9%**	**n.a.**	**n.a.**	**44.1%**	**n.a.**	**n.a.**	**31.3%**	**n.a.**	**n.a.**

8.2.1 CASH FLOW STATEMENT OF THE PARENT COMPANY

	in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
S	Cash	20,656	21,972	(1,316)
B	Other cash equivalents	0	0	0
C	Other current financial assets	45,058	0	45,058
D	**Liquidity (A+B+C)**	**65,714**	**21,972**	**43,742**
E	Current financial payables	(2,805)	(1,722)	(1,083)
F	Current portion of non-current bank payables	(14,456)	(5,669)	(8,787)
G	**Current financial debt (E + F)**	**(17,261)**	**(7,391)**	**(9,870)**
H	**Net Current Financial Position (G - D)**	**48,453**	**14,581**	**33,872**
I	Non-current financial payables	(46,419)	(60,874)	14,455
J	Debt instruments	0	0	0
K	Trade payables and other non-current payables	(515)	(945)	430
L	**Non-current financial debt (I + J + K)**	**(46,934)**	**(61,819)**	**14,885**
M	**Total Net Financial Position (H + L)**	**1,519**	**(47,238)**	**48,757**

8.3 PARENT COMPANY STATEMENT OF FINANCIAL POSITION

USES	As at 31.12.2022	As at 31.12.2021	Change Ab.	Change %
- Trade receivables	11,664	19,590	(7,926)	-40%
- Tax receivables	199	45	154	342%
- Other Receivables	5,095	5,332	(237)	-4%
- Inventories	817	695	122	18%
Sub-total	**17,775**	**25,662**	**(7,887)**	**-31%**
- Trade payables	(24,291)	(18,643)	(5,648)	30%
- Tax payables	(2,815)	(1,000)	(1,815)	182%
- Other payables	(31,907)	(27,672)	(4,235)	15%
Sub-total	**(59,013)**	**(47,315)**	**(11,698)**	**25%**
Net operating working capital	**(41,238)**	**(21,653)**	**(19,585)**	**90%**
Fixed assets	215,663	211,386	4,277	2%
- Deferred tax assets	9,794	12,807	(3,013)	-24%
- Other non-current assets	15,911	15,618	293	2%
Total fixed assets	**241,368**	**239,811**	**1,557**	**1%**
- Provisions for risks, charges & severance	(17,194)	(16,430)	(764)	5%
- Deferred tax liabilities	(2,163)	(2,080)	(83)	4%
- Other non-current liabilities	(114)	(55)	(59)	107%
Sub-total	**(19,471)**	**(18,565)**	**(906)**	**5%**
Fixed Operating Capital	**221,897**	**221,246**	**651**	**0%**
Total Uses	**180,659**	**199,593**	**(18,934)**	**-9%**

SOURCES	As at 31.12.2022	As at 31.12.2021	Change Ab.	Change %
Net Financial Position	**1,519**	**(47,238)**	**48,757**	**-103%**
- Share Capital	(90,314)	(90,314)	0	0%
- Reserves	(62,421)	(69,583)	7,162	-10%
- Profit (loss) for the year	(29,443)	7,542	(36,985)	-490%
Total Shareholders' Equity	**(182,178)**	**(152,355)**	**(29,823)**	**20%**
Total Sources	**(180,659)**	**(199,593)**	**18,934**	**-9%**

9 STATEMENT OF RECONCILIATION BETWEEN SHAREHOLDERS' EQUITY AND NET RESULT

Reconciliation between shareholders' equity and the result for the year of the Parent Company and the Consolidated shareholders' equity and result is shown below:

(Euro thousands)	Shareholders' Equity 31.12.2022	Net Result 31.12.2022
Net equity and result of Aeroporto G. Marconi S.p.A.	182,177	29,443
Net equity and result of the consolidated company Tag Bologna s.r.l.	3,713	1,087
Net equity and result of the consolidated company Fast Freight Marconi S.p.A.	6,565	578
Aggregated net equity and result	***192,456***	***31,109***
Carrying value of consolidated companies	(3,193)	0
Elimination and write-down of investments in subsidiaries	111	0
Valuation effects of associated companies under the equity method	0	0
Alignment costs and revenues of the subsidiaries consolidated to costs and revenues of the Parent Company	2	0
Elimination costs relating to the conferment capitalised to increase the investment in FFM	(66)	0
Consolidated net equity and result	**189,310**	***31,109***
Minority interest share of net equity and result	0	0
GROUP NET EQUITY AND RESULT	**189,310**	**31,109**

(Euro thousands)	Shareholders` Equity 31.12.2021	Net Result 31.12.2021
Net equity and result of Aeroporto G. Marconi S.p.A.	152,355	(7,542)
Net equity and result of the consolidated company Tag Bologna s.r.l.	2,617	548
Net equity and result of the consolidated company Fast Freight Marconi S.p.A.	5,973	278
Aggregated net equity and result	***160,945***	***(6,717)***
Carrying value of consolidated companies	(3,193)	0
Elimination and write-down of investments in subsidiaries	111	0
Valuation effects of associated companies under the equity method	0	0
Alignment costs and revenues of the subsidiaries consolidated to costs and revenues of the Parent Company	(1)	0
Elimination costs relating to the conferment capitalised to increase the investment in FFM	(66)	0
Consolidated net equity and result	***157,798***	***(6,717)***
Minority interest share of net equity and result	0	0
GROUP NET EQUITY AND RESULT	***157,798***	***(6,717)***

10 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 pre-tax result 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;
    - 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) and
    - the COVID-19 compensation fund contribution.
- **Net Financial Debt/Net Financial Position:** the composition of the Net Financial Debt/Net Financial Position is represented in accordance with the Consob Communication of July 28, 2006 and ESMA recommendations ESMA/2011/81 and ESMA32-382-1138 of March 4, 2021.

11 GUARANTEES PROVIDED

The following table summarises the guarantees provided in the two years by the Group.

in thousands of Euro	31/12/2022	31/12/2021	Change	Change. %
Sureties	9,668	9,277	390	4%
Pledge on Equity Financial Instruments	10,873	10,873	0	0%
Patronage letters	1,711	2,231	(520)	-23%
Total guarantees provided	**22,251**	**22,381**	**(130)**	**-1%**

At December 31, 2022, the guarantees provided by the Group total Euro 22.2 million and principally concern:

- sureties, the principal of which being Adb's co-obligation in the surety of Euro 5.8 million issued by UnipolSai in favour of the Customs Office at the request of the subsidiary, FFM, regarding the customs dispute in which it is involved (see the section on disputes in the Directors' Report), in addition to the surety in favour of Enac provided for in the Full Management Agreement (Euro 1.6 million);
- a pledge of the equity financial instrument issued by Marconi Express S.p.a. and subscribed for by the Company for a nominal value of Euro 10.87 million, securing the obligations of Marconi Express to the credit institutions that financed the People Mover project;
- letter of comfort concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena) which at the end of the period amounted to Euro 1.7 million.

12 TREASURY SHARES IN PORTFOLIO

In accordance with Article 2428, paragraphs 2, 3 and 4 of the Civil Code, it is communicated that AdB and the Group do not hold treasury shares at December 31, 2022.

13 SHARES HELD BY DIRECTORS AND STATUTORY AUDITORS

Based on the legally required communications, the Directors and Statutory Auditors of Aeroporto Guglielmo Marconi di Bologna Spa directly and/or indirectly holding shares at December 31, 2022 were:

- the Chief Executive Officer Nazareno Ventola 2,750 shares.

14 OPT-OUT REGIMES

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

15 SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to year 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 December 31.

Traffic performance

Bologna Airport reports 1,125,484 passengers for the first two months of 2023 (up 58.4% on 2022 and declining 8.5% on 2019), with 8,882 total movements (+26.2% on 2022 and -14.4% on 2019), while 6,656 tonnes of cargo was carried (+0.4% on 2022 and +2.4% on 2019).

Operating and Financial Performance and Business Outlook

The quick recovery of global passenger traffic in 2022 was supported by the gradual easing of movement restrictions and the availability of COVID-19 vaccines, further driven by higher-than-expected demand in the summer season. The market outlook for 2023 is generally positive, with levels approaching pre-pandemic levels. The general economic and geopolitical environment however creates uncertainties on the future, mainly due to (i) sharply rising raw material inflation which will inevitably also impact travel costs and (ii) airport operation and supply chain challenges.

According to ACI Europe's latest forecasts, a full European traffic recovery is expected in 2025 (and no longer at the end of 2024), mainly driven by domestic tourism subject to downward revisions over the coming 5 years emerging from the increasing concerns regarding geopolitical uncertainty, in addition to the economic environment and the current possibility of recession.
ACI identifies the main variables which may impact the forecast growth. The downside variables include (i) the continuation of geopolitical tensions, (ii) the deterioration of economic conditions and inflation, (iii) higher flight tariffs, (iv) capacity management difficulties (particularly for the network carriers) and (v) increased regulatory costs (i.e. "EU Fit for 55"). The upside variable however concerned (i) the resilience of the strong travel propensity of users and (ii) the termination of European airport slots (S23, *Source: ACI Europe, Airport Traffic Forecast - 2023 Scenarios & 2023-2027 Outlook, December 2023*).

This growth framework, where confirmed in 2023, foresees a further increase in traffic volumes, also considering the agreements signed with the main carrier at the airport, with an operating margin which however may be particularly affected by the general economic outlook and the recent inflationary pressures, with an effect on operating cost dynamics, in addition to consumption propensity.

Based on the above factors, although against the gradual recovery from the impact of the COVID-19 pandemic, taking into account the ongoing international geopolitical uncertainty, the increase in the cost of raw materials and materials with potential inflationary impact on the Company's challenging investment plan and the fact that the contribution of Euro 21.1 million from the COVID-19 compensation fund only partially covered the financial impact of the pandemic on the Company's capital base, the Board of Directors' motion, as a matter of pure prudence and in order to verify the consolidation of the recovery, unanimously resolved not to distribute the 2022 net profit.

In 2023, the Group will be committed to overcoming the limits of the infrastructure capacity of certain subsystems, with various actions which will affect passengers and a proactive focus on improving service quality. This is against a backdrop of fully functioning infrastructure and operational processes. The Group will continue to work on implementing planned sustainability and digital transformation initiatives.

Finally, during 2023 the Group expects to complete the preliminary investigation with ART for the definition of the 2023-2026 tariff dynamics and with ENAC for the signing of the 2023-2026 Regulatory Agreement, in order to have a certain regulatory framework for the next four years.

The Chairperson of the Board of Directors
(Enrico Postacchini)

Bologna, March 14, 2023

Consolidated Financial Statements for the year ended December 31, 2022

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 31.12.2022*	*As at 31.12.2021*
Concession rights		205,997	199,364
Other intangible assets		1,391	914
Intangible assets	**1**	**207,388**	**200,278**
Land, property, plant and equipment		11,362	11,293
Investment property		1,617	4,732
Tangible assets	**2**	**12,979**	**16,025**
Investments	**3**	119	44
Other non-current financial assets	**4**	13,489	13,306
Deferred tax assets	**5**	10,002	13,093
Other non-current assets	**6**	261	210
Other non-current assets		**23,871**	**26,653**
NON-CURRENT ASSETS		**244,238**	**242,956**
Inventories	**7**	912	735
Trade receivables	**8**	12,672	19,977
Other current assets	**9**	5,162	5,393
Current financial assets	**10**	45,058	0
Cash and cash equivalents	**11**	27,868	28,215
CURRENT ASSETS		**91,672**	**54,320**
ASSETS HELD-FOR-SALE		**0**	**0**
TOTAL ASSETS		**335,910**	**297,276**
Share capital		90,314	90,314
Reserves		67,887	74,201
Profit/(loss) for the year		31,109	(6,717)
GROUP SHAREHOLDERS' EQUITY	**12**	189,310	157,798
MINORITY INTEREST SHARE. EQUITY			
TOTAL SHAREHOLDERS' EQUITY	**12**	**189,310**	**157,798**
Severance and other personnel provisions	**13**	3,313	3,841
Deferred tax liabilities	**14**	2,843	2,691
Provision for renewal of airport infrastructure	**15**	10,541	10,097
Provisions for risks and charges	**16**	1,235	1,517
Non-current financial liabilities	**17**	48,126	63,526
Derivative financial instruments		0	0
Other non-current liabilities		115	55
NON-CURRENT LIABILITIES		**66,173**	**81,727**
Trade payables	**18**	24,869	19,035
Other liabilities	**19**	35,179	29,094
Provision for renewal of airport infrastructure	**15**	2,555	1,676
Provisions for risks and charges	**16**	29	23
Current financial liabilities	**17**	17,795	7,923
CURRENT LIABILITIES		**80,427**	**57,751**
TOTAL LIABILITIES		**146,600**	**139,478**

TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**335,910**	**297,276**

Consolidated Income Statement

in thousands of Euro	*Note*	for the year ended 31.12.2022	for the year ended 31.12.2021
Revenues from aeronautical services		53,754	29,820
Revenues from non-aeronautical services		42,257	19,917
Revenues from construction services		15,952	8,051
Other operating revenues and income		22,592	701
REVENUES	**20**	**134,555**	**58,489**
Consumables and goods		4,133	1,976
Service costs		21,383	15,553
Construction service costs		15,192	7,667
Leases, rentals and other costs		8,259	4,569
Other operating expenses		3,257	3,137
Personnel costs		27,503	22,058
COSTS	**21**	**79,727**	**54,960**
Amortisation of concession rights		8,014	7,440
Amortisation of other intangible assets		661	890
Depreciation of tangible assets		5,249	2,225
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**22**	**13,924**	**10,555**
Provisions for doubtful accounts		693	504
Provision for renewal of airport infrastructure		4,079	671
Provisions for other risks and charges		171	168
PROVISIONS FOR RISKS AND CHARGES	**23**	**4,943**	**1,343**
TOTAL COSTS		**98,594**	**66,858**
OPERATING RESULT		**35,961**	**(8,369)**
Financial income	**24**	1,427	499
Financial expenses	**24**	1,471	1,079
Non-recurring income and charges			
PRE-TAX RESULT		**35,917**	**(8,949)**
TAXES FOR THE YEAR	**25**	**4,808**	**(2,232)**
NET RESULT FROM DISCONTINUED OPERATIONS			
PROFIT (LOSS) FOR THE YEAR		**31,109**	**(6,717)**
Minority interest profit (loss)			
Group profit (loss) for the year		31,109	(6,717)
Undiluted earnings/(loss) per share (in Euro)		0.87	(0.19)
Diluted earnings/(loss) per share (in Euro)		0.87	(0.19)

Consolidated Statement of Comprehensive Income

in thousands of Euro	**for the year ended 31.12.2022**	**for the year ended 31.12.2021**
Profit (loss) for the year (A)	**31,109**	**(6,717)**
Other profits (losses) that will be reclassified in the net result for the year	**0**	**0**
Total other profits (losses) that will be reclassified in the net result for the year (B1)	0	0
Other profits (losses) that will not be reclassified in the net result for the year		
Actuarial profits (losses) on severance and other personnel provisions	533	(29)
Tax impact on actuarial profits (losses) on severance and other personnel provisions	(131)	5
Total other profits (losses) that will not be reclassified in the net result for the year (B2)	402	(24)
Total other profits (losses), net of taxes (B1 + B2) = B	402	(24)
Total profits (losses), net of taxes (A + B)	**31,511**	**(6,740)**
of which Minority Interests	0	0
of which Group	31,511	(6,740)

Consolidated Cash Flow Statement

in thousands of Euro	As at 31.12.2022	As at 31.12.2021
Core income-generating operations		
Result for the year before taxes	35,917	(8,949)
Adjustments to items with no impact on cash and cash equivalents		
- Margin from construction services	(760)	(384)
+ Depreciation and impairment of tangible assets and right-of-use assets	13,924	10,555
+ Provisions	4,943	1,343
+ Interest charges not involving cash outlays	(1,214)	(435)
+/- Interest income and financial expenses	1,257	1,015
+/- Losses/gains and other non-monetary costs/revenues	342	507
+/- Severance provisions and other personnel costs	146	112
Cash flow generated / (absorbed) by operating activities before changes in working capital	**54,555**	**3,764**
Change in inventories	(177)	(59)
(Increase)/decrease in trade receivables	6,540	(14,344)
(Increase)/decrease in other receivables and current assets (non-financial)	946	(1,530)
Increase/(decrease) in trade payables	6,552	5,423
Increase/(decrease) in other liabilities, various and financial	5,600	6,093
Interest paid	(1,363)	(1,268)
Interest collected	1	2
Taxes paid	(37)	0
Severance paid	(116)	(572)
Utilisation of provisions for payments	(2,573)	(821)
Cash flow generated / (absorbed) by net operating activities	**69,928**	**(3,314)**
Purchase tangible assets	(2,062)	(426)
Payment from sale of tangible assets	0	0
Purchases of intangible assets/concession rights	(16,305)	(8,469)
Proceeds on sale of intangible assets/concession rights	11	0
Purchase/capital increase of equity investments	(75)	0
Payment from sale of equity investments	0	0
Changes in current and non-current financial assets	(45,000)	274
Cash flow generated / (absorbed) by investment activities	**(63,431)**	**(8,621)**
Proceeds from the issuance of shares	0	0
Dividends paid	0	0
Loans received	0	0
Loans repaid	(6,197)	(3,076)
Leases liability payments	(647)	(432)
Cash flow generated / (absorbed) by financing activities	**(6,844)**	**(3,508)**
Final cash change	**(347)**	**(15,443)**
Cash and cash equivalents at beginning of year	**28,215**	**43,658**
Final cash change	**(347)**	**(15,443)**

Cash and cash equivalents at end of the year	**27,868**	**28,215**

Statement of changes in Consolidated Shareholders' Equity

In thousands of Euro	Share capital	Share premium reserve	Legal reserve	Other reserves	Revaluation and realignment reserve	FTA Reserve	Profits (losses) carried forward	OCI reserve	Profit/(loss) for the year	GROUP SHAREHOLDERS' EQUITY	TOTAL SHAREHOLDERS' EQUITY
Shareholders' Equity as at 31.12.2020	**90,314**	**25,683**	**8,179**	**56,655**		**(3,272)**	**(1,036)**	**1,604**	**(13,590)**	**164,538**	**164,538**
Allocation of the 2020 financial year result	**0**	**0**	**0**	**461**	**0**	**0**	**0**	**(14,049)**	**13,590**	**0**	**0**
Share capital increase	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Dividends distributed	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total comprehensive profit (loss)	**0**	**0**	**0**	**0**	**0**	**0**	**(24)**	**0**	**(6,717)**	**(6,740)**	**(6,740)**
Shareholders' Equity as at 31.12.2021	**90,314**	**25,683**	**8,179**	**57,116**		**(3,272)**	**(1,060)**	**(12,445)**	**(6,717)**	**157,798**	**157,798**
Allocation of the 2021 financial year result	**0**	**0**	**0**	**273**	**0**	**0**	**0**	**(6,990)**	**6,717**	**0**	**0**
Share capital increase	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Dividends distributed	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**	**0**
Total comprehensive profit (loss)	**0**	**0**	**0**	**0**	**0**	**0**	**402**	**0**	**31,109**	**31,511**	**31,511**
Shareholders' Equity at 31.12.2022	**90,314**	**25,683**	**8,179**	**57,389**		**(3,272)**	**(658)**	**(19,435)**	**31,109**	**189,310**	**189,310**

Notes to the Consolidated Financial Statements for the year ended December 31, 2022

Information on Group activities

The Group operates in the airport management business. In particular:

- Aeroporto Guglielmo Marconi di Bologna S.p.A. (hereinafter “AdB” or the “Parent Company”) is full manager of Bologna airport under Full Management Agreement No. 98 of July 12, 2004 and subsequent additional instruments, approved by Decree of the Ministry of Transport and Infrastructure and the Ministry of the Economy and Finance on March 15, 2006, with a term of 40 years from December 28, 2004 and expiry in December 2046 following the extension of two years in accordance with Law No. 77 of July 17, 2020, which converted Article 102, paragraph 1-*bis* of Decree-Law No. 34 of May 19, (Relaunch Decree) in order to contain the economic effects of the COVID-19 emergency. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered 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 in the preparation of the 2022 Consolidated Financial Statements

Basis of preparation

These consolidated financial statements concern the year ended December 31, 2022 and include the comparative figures for the year ended December 31, 2021 (hereafter “the Group consolidated financial statements” or “consolidated financial statements”).
The consolidated financial statements were prepared under the historic cost convention, except for any financial assets held-for-sale, and any Intangible Assets comprising Energy Certificates, which were recognised at fair value, and in accordance with the going concern principle.

Disclosure on the COVID-19 pandemic, the Russia-Ukraine conflict, the economic outlook and on the going concern

While the Group's performance has been severely negatively impacted by the effects of the COVID-19 crisis, it has shown a marked improvement since spring 2022 thanks to the strong recovery in air traffic. This comes alongside the stimulus measures in Italy and Europe to which the Group has had access, above all the contribution from the COVID-19 compensation fund (Article 128-*bis* of the 2021 Budget Law and Decree-Law No. 73 of May 25, 2021, as published in the Official Journal, General Series, No. 123 of May 25, 2021) in the amount of Euro 21.1 million, which has been received in its entirety in 2022.

The Group performance in 2022 was residually negatively impacted by the ongoing conflict between Russia and Ukraine. At the moment, connections from Bologna to cities in Russia and Ukraine are suspended for war-related reasons, with a reduced impact on the total airport passenger traffic (approximately 150 thousand passengers for all of 2022). The potential impacts of the conflict in Ukraine are only partially assessable, as they will depend on the geographic extent and severity of the conflict and the duration.

Furthermore, air transport as a whole may be also negatively impacted by the slowing economic recovery caused by rising interest rates and inflation.

While the current situation is in constant flux and the short- and medium-term future remains difficult to predict, in view of the improvement in the Group's economic, equity, and financial situation, and considering the credit lines available to date, the Directors believe that there are no significant going-concern uncertainties (as defined by paragraph 25 of IAS 1) and that the Group is able to cope with the risk factors associated with the current environment and fulfil its financial, contractual and concessionary commitments.

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

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

Compliance with IAS/IFRS and the enacting provisions of Article 9 of Legislative Decree 38/2005

The Group consolidated financial statements were prepared in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") endorsed by the European Union and in force at the preparation date of the financial statements, in addition to the provisions issued in enactment of Article 9 of Legislative Decree 38/2005 (Consob Motions No. 15519 and 15520 of July 27, 2006).

In 2014, the Group voluntarily opted to prepare the consolidated financial statements in accordance with the International Accounting Standards ("IFRS") 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, 2021 with the exception of the new accounting standards, amendments and interpretations which entered into force from January 1, 2022, 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 publication of the consolidated financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. and the two subsidiaries (the Group) for the year ended December 31, 2022 was approved by the Board of Directors on March 14, 2023.

Content and form of the consolidated financial statements

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Group classifies all other liabilities as non-current.

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

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

Basis of consolidation

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

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

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

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

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

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

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

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

The following table summarises the information on the subsidiaries at December 31, 2022 and 2021 in terms of the Group's direct and indirect holding.

		% Held	
SUBSIDIARIES ***(in thousands of Euro)***	**Share capital**	**As at 31.12.2022**	**As at 31.12.2021**
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

Business combinations and goodwill

Business combinations are recognised using the acquisition method. The purchase cost is calculated as the total of the fair value consideration transferred at the acquisition date, and the value of any minority equity holding. For each business combination, the Group decides whether to measure the minority interest at fair value or in proportion to the amount held in the identifiable net assets of the investee. The acquisition costs are expensed in the year and classified under administration expenses.

When the Group acquires a business, the financial assets acquired or liabilities assumed under the agreement are classified or designated in accordance with the contractual terms, the economic conditions and the other conditions at the acquisition date. This includes the verification to establish whether an embedded derivative must be separated from the host contract.

In the case of business combinations undertaken in a series of phases, the previous holding is remeasured at fair value at the acquisition date and any gain or loss is recorded to the income statement. It is therefore considered in the determination of goodwill.

Any contingent payment to be recognised is recorded by the acquirer at fair value at the acquisition date. The change in the fair value of the potential payment classified as an asset or liability must be recorded in the income statement or in the statement of comprehensive income. Where the potential payment is not within the scope of IAS 39, the amount is measured in accordance with the appropriate IFRS. If the potential payment is classified in equity, the amount is not remeasured and its subsequent settlement is recorded in equity.

Goodwill is initially recognised at cost represented by the excess of the total amount paid and the amount recognised for non-controlling interests in respect of the net identifiable assets acquired and the liabilities assumed by the Group. If the fair value of the net assets acquired exceeds the total consideration paid, the Group again verifies if it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedure utilised to determine the amount to be recorded at the acquisition date. If from the new valuation the fair value of the net assets acquired is still above the consideration, the difference (profit) is recorded in the income statement.

After its initial recognition, goodwill is measured at cost net of accumulated impairment. For the purpose of impairment testing, goodwill acquired in a business combination is allocated, from the acquisition date, to each of the Group's cash-generating units expected to benefit from the synergies of the combination, regardless of whether other assets or liabilities of the acquiree are assigned to those units.

If goodwill has been allocated to a cash-generating unit and the entity disposes of an operation within that unit, the goodwill associated with the operation disposed of is included in the carrying amount of the operation when determining the gain or loss of the disposal. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash generating unit.

Investments in associates and joint ventures

An associated company is one in which the Group exercises significant influence and is not classifiable as a subsidiary or joint venture. Investments of the Group in associates are measured using the equity method.

Under the equity method, the investment in an associated company is initially recognised at cost and the carrying amount is increased or decreased to recognise the associated company's share of the profit or loss after the date of acquisition.

Goodwill pertaining to associates is included in the carrying value of the investment and is not subject to amortisation or an impairment test.

The income statement reflects the Group's share of the associate's result for the period. If an associated company records adjustments with direct charges to shareholders' equity, the Group records its share and records such (where applicable) in the statement of changes in shareholders' equity. Profits and losses deriving from transactions between the Group and associated companies are eliminated in proportion to the investment held in the associated company.

The Group share of the results of the associated companies is recognised in the income statement. The share of the result represents the result of the associated company attributed to the shareholders; this refers therefore to the net result after taxes and the share attributable to the other shareholders of the associate.

The reporting date of the financial statements of the associated company must coincide with the year-end of the Parent Company. The company's financial statements must be prepared using uniform accounting policies for like transactions and events in similar circumstances.

Subsequent to the application of the equity method, the Group assesses whether it is necessary to recognise a loss in value of investments in associates. The Group at each reporting date assesses whether an investment in an associate has incurred a loss in value. Where a loss arises, the Group calculates the amount of the loss as the difference between the recoverable value of the associate and the carrying value in the financial statements, recognising this difference in the income statement.
Once significant influence on the associate no longer exists, the Group values any residual investment at fair value. Any difference between the carrying value of the investment at the date significant influence no longer exists and the fair value of the residual investment and the amount received must be recorded in the income statement.

Conversion of accounts in foreign currencies

Transactions and balances

Foreign currency transactions are initially recorded in the functional currency, applying the exchange rate at the transaction date.
Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. The profits and losses deriving from the conversion are recorded in the income statement.
Non-monetary items, measured at historical cost in foreign currency, are translated using the exchange rates on the date the transaction was first recorded. The non-monetary accounts recorded at fair value in foreign currencies are converted using the exchange rate at the date the value was determined. The profit or loss deriving from the translation of non-monetary items is treated in line with the recognition of the profit or loss recorded on the change in the fair value of these items (i.e. the translation differences on the accounts to which the fair value changes is recorded in the statement of comprehensive income or in the income statement are recorded, respectively in the statement of comprehensive income or in the income statement).

Intangible assets

An intangible asset is an asset without physical substance, identifiable, under control of the entity and capable of generating future economic benefits, and those derived from business combinations.
The useful life of the intangible assets is measured as finite or indefinite.
Intangible assets with a definite useful life are recorded at acquisition or production cost or, where deriving from business combinations, are capitalised at the fair value at the acquisition date; these assets include accessory charges, amortised on a straight-line basis for the period of their residual useful life in accordance with IAS 36 and undergo an impairment test whenever there are indications of loss in value.
The residual value at the end of the useful life is presumed to be zero unless there is a commitment by a third-party purchaser of the asset at the end of the useful life or an active market for the asset exists. The Directors review the estimate of the useful life of intangible assets at each reporting date.
The amortisation of definite intangible assets is recorded in the income statement.

The Group has not identified intangible assets with indefinite useful lives.

The useful life of an intangible asset deriving from contractual rights or other legal rights is determined on the basis of the lower between the duration of the contractual or legal rights (concession duration) and the utilisation period of the asset. The recoverability of the carrying value less amortisation is verified annually adopting the impairment test criteria.

The gains and losses deriving from the elimination of an intangible asset are measured as the difference between the net sales proceeds and the book value of the intangible asset, and are recorded in the income statement in the year in which they are eliminated.

“Concession rights” refer to the amount recognised under intangible assets against the airport infrastructure assets held in relation to the concession rights acquired for the management of the infrastructures which permits the right to charge for the utilisation of such infrastructure, in execution of a public service, in accordance with the provisions of IFRIC 12 – Service Concession Arrangements.

The Concession under which the Group operates meets the requirement that the concession holder must construct and operate the infrastructure on the grantor's behalf. Accordingly, the Group may not recognise it among tangible assets.

The Group contracts with third parties responsible for constructing and improving the infrastructure. Accordingly, the increases in “Concession rights” are at cost, equal to the fair value of the fees for the construction/improvement services rendered by the Group and the fair value of the fees for the construction/improvement service rendered by third parties, plus a mark-up representative of the internal costs of planning and coordination of the work by a specific internal unit.

The external costs incurred to provide construction service are therefore recognised under the item “Construction service costs” of the income statement.

Together with these costs, the Group also recognises an increase in the item “Concession rights” equal to the fair value of the service rendered, with a balancing entry to the item “Revenues from construction services”.

The resulting concession rights are amortised on a straight-line basis over the term of the concession, starting when the asset constructed on the grantor's behalf becomes operational.

In accordance with Article 703 of the Navigation Code (Article 15-quinquies, paragraph 1, Legislative Decree No. 148 of October 16, 2017, converted with amendments by Law No. 172 of December 4, 2017), AdB, as an airport manager, shall receive on conclusion of the concession from the succeeding party, a fee equal to the residual value, where positive (Terminal Value) of the investments made on the concession areas, net of amortisation and depreciation, calculated according to the regulatory accounting rules.

The Receivables from Terminal Value is recorded for the portion of fees from construction/improvement services provided by the Group regarding the investments which shall have a Terminal Value at concession conclusion, calculated according to the regulatory accounting rules. The Terminal Value is discounted and recognised to non-current financial assets.

The Terminal Value rule is applicable also to interventions on the provisions for renewal, while calculated according to the regulatory accounting rules. This Terminal Value is an integration to the performance obligation fee, as per IFRS 15, concerning the concession contract.

Consequently, non-current financial assets are recorded, with counter entry to Other revenues and income in the income statement. Subsequent to the initial recognition, the Terminal Value receivable is valued at amortised cost on the basis of a “Hold to Collect” business model. For further details, reference should be made to the accounting policies for financial assets. Finally, also in relation to the Terminal Value receivable, this is subject to an impairment test as per IFRS 9, taking account of the default risk of the State counterparty.

"Software, licences and similar rights" primarily refers to the costs of implementing and customising management software and of purchasing software licences, amortised at a rate of 33%.

Tangible assets

Tangible assets are initially recognised at purchase price or construction cost and includes the price paid to acquire or construct the asset (net of discounts) and any directly attributable costs to the acquisition and necessary for the asset to enter into service.

Land, both constructible and relating to civil and industrial buildings, is accounted for separately and is not depreciated in that it has an indefinite useful life.

Tangible fixed assets are presented net of accumulated depreciation and any losses in value, calculated as described below. Depreciation is calculated, on a straight-line basis, based on the estimated useful life. Where a tangible fixed asset comprises a number of significant components with differing useful lives, the depreciation is carried out separately for each component. Land is not depreciated and fixed assets held-for-sale are valued at the lower of the subscription value and the fair value net of selling costs.

The depreciation rates used are as follows:

- Buildings and light construction: from 3% to 10%;
- Machinery, equipment and plant: from 10% to 31.5%;
- Furnishings, office machines and vehicles: from 12% to 25%.

The residual value of the asset, useful life and the methods applied are reviewed on an annual basis and adjusted if necessary at the end of each year.

Losses in value are charged to the income statement under depreciation costs. Such losses are restated when the reasons for their write-down no longer exist.

At the time of sale, or when there are no expected future economic benefits from the use of an asset, it is eliminated from the financial statements and any loss or profit (calculated as the difference between sale's price and book value) is charged to the income statement in the year of its elimination.

Maintenance and repair expenses, which do not increase the value and/or extend the residual useful life of the asset are expensed in the year in which they are incurred; where they increase the value and/or extend the residual life of the assets, they are capitalised.

Investment property

The Group classifies the property complex purchased for the execution of future real-estate investments to be defined as investment property.

The complex is initially recognised at purchase cost and then measured at cost, in accordance with IAS 16.

The Group uses technical valuations to monitor the fair value of the property in question in order to determine whether it has become impaired.

Investment properties are eliminated from the financial statement when they are sold or when they are unusable on a long-term basis and no future economic benefits are expected from their sale. Any profits or losses due to the retirement or disposal an investment property are recognised in the income statement when the property is retired or disposed of.

Impairment of non-financial assets

The carrying amount of non-financial assets undergo an impairment test whenever there are signs internal or external to the entity which indicate the possibility of a loss in value of the assets or group of assets (defined as the Cash Generating Unit or CGU).

The recoverable value is the higher between the fair value of the asset or cash generating unit, net of selling costs, and its value in use. The recoverable value is determined by individual asset except when this asset generates cash flows which are not sufficiently independent from those generated by other assets or groups of assets.

If the carrying amount of an asset is higher than its recoverable value, this asset has incurred a loss in value and is consequently written down to the recoverable value. In the determination of the value in use, the estimated future cash flows are discounted by the Group at a pre-tax rate that reflects the market assessment of the current value of money and the risks specific to the asset. In determining the fair value less selling costs, an adequate valuation model is utilised. These calculations are made utilising appropriate valuation multipliers, listed equity prices for publicly traded securities and other fair value indicators available.

The losses in value incurred by operating assets are recorded in the income statement in the category of costs relating to those assets.

At each reporting date, the Group evaluates, in relation to the assets other than goodwill, the existence of indicators of a reduction in the loss of value previously recorded and, where these indicators exist, makes an estimate of the recoverable value. The value of an asset previously written down may be restated only if there have been changes in the estimates used to determine the recoverable value of the asset after the last recording of a loss in value. The recovery of value cannot exceed the carrying amount which would have been calculated, net of amortisation, where no such loss in value was recorded in previous years. This recovery is recorded in the income statement unless the fixed asset is recorded at revalued amount, in which case the recovery is treated as a revaluation profit.

The following criteria are utilised for the recording of impairments on specific categories of assets:

Concession rights

The Group undertakes an impairment test on Concession rights annually at the year-end close or more frequently if events or changes in circumstances indicate that the carrying amount may have incurred a loss in value (whenever impairment indicators arise).

The loss in value on such intangible assets is determined through a valuation of the recoverable value of the cash generating unit (or group of units) to which they relate. When the recoverable value of the cash generating unit (or group of units) is lower than the carrying value of the cash generating unit (or group of cash-generating units) to which the intangible assets are allocated, a loss in value is recognised.

For impairment testing purposes, the Group has identified a single CGU (cash generating unit), which coincides with the Aeroporto G. Marconi di Bologna S.p.A. Group.

The impairment test compares the carrying amount of the asset or of the cash generating unit (CGU) with the recoverable value of the asset, arising from the higher between the fair value (net of selling costs) and the value of the net discounted cash flows which are expected to arise from the asset or from the CGU.

Each unit or Group of units to which the intangible asset is allocated represents the lowest level within the Group to which the goodwill is monitored at internal management level.

The conditions and the methods for any write-back of an asset previously written down applied by the Group, excluding in any case any recovery in the value of goodwill, are those as per IAS 36.

Financial assets

IFRS 9 provides for a single approach for the analysis and classification of all financial assets, including those contained in embedded derivatives. The classification and the relative measurement is made considering both the management model of the financial assets and the contractual characteristics of the cash flows from the asset.

The financial asset is measured using the amortised cost method where both of the following conditions are satisfied:

- the management model of the financial asset consists of holding the asset with the sole purpose of collecting the relative cash flows; and
- the financial asset generates, at pre-determined contractual dates, cash flows exclusively representative of the return from the financial asset and repayment of capital.

The financial asset is measured at fair value, with recognition of the effects in the statement of comprehensive income, if the objectives of the management model are to hold the financial asset in order to obtain the contractual cash flows or to sell the asset.

Finally, there is the residual category of financial assets measured at fair value with recognition of the effects through the income statement, which includes assets held for trading.

A financial asset which satisfies the requirements to be classified and measured at amortised cost may, on initial recognition, be designated as a financial asset at fair value, with recognition through the income statement, if this accounting treatment permits the elimination or significant reduction of the asymmetry in the measurement or recognition (so-called “accounting mismatch”), which would otherwise arise from the measurement of the asset or liability or from the recognition of the relative profits or losses on a different basis.

In addition, in the case of investments in equity instruments for which, therefore, it is not possible the recognition and measurement at amortised cost, where this concerns equity investments not held for trading purposes, but for strategic purposes, IFRS 9 provides that on initial recognition the entity may irrevocably choose to measure these at fair value, with recognition of any subsequent changes in the statement of comprehensive income without passing through profit or loss any gains or losses in the case of disposal.

Where the financial assets are only held for the Group’s temporary needs to invest liquidity in order to obtain the contractual cash flows these are classified in the category “Held to collect - HTC”.

Where the financial assets meet the Group’s objective either to collect the contractual cash flows or the future sale these are classified in the category “Held to collect and sell – HTC and S”.

The Group does not hold and did not hold during the two-year period derivative financial instruments.

Loans and receivables

Loans, similar to trade receivables, are held until their collection at the contractual maturities and generate cash flows relating to the collection of the principal and interest. The Group analysed the contractual cash flows of these instruments and concluded that they comply with the amortised cost measurement criteria in accordance with IFRS 9.

The amortised cost is calculated taking into consideration all discounts or purchase premiums and includes the commissions which are an integral part of the effective interest rate and of the transaction costs. Current trade receivables are not discounted as the effect of discounting the cash flows is immaterial. The gains and losses are recognised to the income statement when the loans and receivables are eliminated or if there is an impairment loss, also through the amortisation process.

Fair value

In the notes, the Group discloses the fair value of financial instruments at amortised cost and non-financial assets, such as investment property.

Fair value concerns the price that will be received for the sale of an asset or which will be paid for the transfer of a liability, in a transaction settled between market operators at the measurement date.

Fair value measurement requires that the sale of the asset or transfer of the liability has taken place:

(a) in the principal market of the asset or liability; or

(b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible for the Group.

The fair value of an asset or liability is measured adopting the assumptions which market operators would utilise in the determination of the price of the asset or liability, assuming they act to best satisfy their economic interests.

The fair value measurement of a non-financial asset considers the capacity of a market operator to generate economic benefits utilising the asset to its maximum and best use or of selling to another market operator that would utilise the asset to its maximum or best use.

The Group utilises measurement techniques which are appropriate to the circumstances and for which there is sufficient available data to measure the fair value, maximising the utilisation of relevant observable inputs and minimising the use of non-observable inputs.

All the assets and liabilities for which the fair value is measured or stated in the financial statements are categorised based on the fair value hierarchy, as described below:

- Level 1 - listed prices (not adjusted) on active markets for identical assets or liabilities which the entity can access at the measurement date;
- Level 2 - inputs other than listed prices included in Level 1, directly or indirectly observable for the asset or the liability;
- Level 3 - measurement techniques for which the input data are not observable for the asset or for the liability.

The fair value measurement is classified entirely in the same hierarchical level of the fair value in which the lowest hierarchical input level utilised for the measurement is classified.

For the assets and liabilities recognised in the financial statements on a recurring basis, the Group assesses whether there have been transfers between the hierarchy levels, reviewing the classification (based on the lowest input level, which is significant for the fair value measurement in its entirety) at each reporting date.

Impairment of financial assets

IFRS 9 defines a new impairment model of financial assets, with the objective to provide useful information to the readers of the financial statements in relation to expected losses. In particular, the model requires verification and recognition of any expected losses at any time over the life of the instrument and the updating of the expected losses at each reporting date to reflect the changes in the credit risk of the instrument; therefore, it is no longer necessary that a particular event arises ("trigger event") in order to verify and recognise losses on receivables.

The impairment test must be applied to all financial instruments, with the exception of those measured at fair value with recognition through the income statement.

The Group applies the simplified Provision Matrix approach and recognises the expected losses on all trade receivables based on the residual duration, defining a matrix for the provision based on the historical experience relating to the losses on receivables, adjusted to take into account specific forecast factors relating to the creditors and the economic environment (Expected Credit Loss – ECL concept).

The book value of the asset is reduced through the use of a provision and the amount of the loss recognised in the income statement.

Receivables which have incurred a loss in value are reversed when it is determined that they are irrecoverable.

Derecognition of financial assets

Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised firstly (e.g. eliminated from the balance sheet) when:

- the rights to receive cash flows from the asset are extinguished, or
- the Group has transferred to a third party the right to receive the cash flows of the asset or has assumed the contractual obligation to pay entirely and without delay and (a) has substantially transferred all of the risks and rewards of ownership of the financial asset, or (b) has not substantially transferred all of the risks and rewards of the asset, but has transferred control.

Non-current assets held-for-sale and discontinued operations

Non-current assets classified as held-for-sale are measured at the lower of their carrying value and the fair value less selling costs. They are classified as such if the carrying value will be recovered through a sales operation rather than through their continual use. This condition exists only when the sale is highly probable and the asset or discontinued group is available for an immediate sale in its current conditions. Management must be committed to the sale, whose completion must be expected within one year from the date of the classification.

In the consolidated income statement and the previous year comparative period, the profits and losses of discontinued operations must be classified separately from profits and losses from continuing operations, shown after taxes, even when the Group maintains a minority interest in the subsidiary after the sale. The resulting profit or loss, after taxes for the period, is shown separately in the income statement.

Plant, property and equipment and intangible assets once classified as held-for-sale are no longer amortised or depreciated.

Construction and service contracts work-in-progress
Construction contracts work-in-progress are measured on the basis of the contractual payments matured with reasonable certainty in relation to the advancement of work under the percentage of completion method, determined through the measurement of work completed, to be attributed to the revenues and economic result of the contract to each year in proportion to the advancement of work. The positive or negative difference between the value of the completed portion of the contracts and that of the advances received is recognised in the statement of financial position, as an asset or liability, respectively, while also taking account of any impairment losses recognised due to risks associated with non-payment for work done on behalf of clients.
The contract revenues, in addition to the contractual payments, include the variances, price revisions and any claims up to the amount it is probable that they represent effective revenues that can be determined reliably.
If a project is expected to yield a loss, this loss is immediately recognised in full, regardless of the progress on the project.
Construction services for the grantor relating to the concession agreement to which AdB is a party are also recognised in the income statement according to the state of progress, i.e. the assessment of progress towards complete fulfilment of the obligation over time. In particular, construction and/or improvement revenue – which represents the consideration due for the services rendered – is measured at fair value, determined on the basis of the total costs incurred, consisting primarily of the costs of external services and the costs of benefits for employees engaged in the activities concerned.
The balancing entry for such construction service revenue is to a financial asset or airport concession taken to concession rights among intangible assets, as discussed in the relevant section.

Inventories
Inventories are recorded at the lower of purchase or production cost and realisable value represented by the amount that the company expects to obtain from their sale in the normal course of operations. The cost of inventories is calculated using the weighted average cost method.

Cash and cash equivalents
Cash and cash equivalents include those values which are available on demand at short notice, certain in nature and with no payment expenses.

Employee benefits
The benefits guaranteed to employees paid on the conclusion of employment (leaving indemnity) or other long-term benefits (e. g. non-competitive agreements, long-term incentive plans) are recognised in the period the right matures.
The liability, net of any plan assets, is calculated on the basis of actuarial assumptions and is recorded by the accrual method consistent with the years of employment necessary to obtain such benefits. The liability is calculated by independent actuaries utilising the projected unit credit method.
The amount not only reflects the payables matured at the Consolidated Financial Statements date but also the future salary increases and related statistical data.

Revaluations, which include actuarial profits and losses, changes in the effect of the limit on the assets, not including net interest (not applicable to the Group) and the return on plan assets (not including net interest) are recognised immediately in the statement of financial position by debiting or crediting profits/(losses) carried forward through other comprehensive income in the year in which they occur. Revaluations are not reclassified to the income statement in subsequent years.
The cost of employee service in prior periods is recognised in the income statement on the later of the following dates:

(a) the date on which the plan is changed or reduced; and
(b) the date on which the Group recognises the related restructuring costs.

Net interest on the net defined-benefit liabilities/assets are calculated by multiplying the net asset/liability by the discount rate. The Group recognises the following changes in the net defined benefit obligation in the cost of goods sold, administrative expenses and selling and distribution costs in the consolidated income statement (by nature):

- Costs of employee service, inclusive of costs of both current and prior employee service, profits and losses on non-routine curtailments and settlements;
- Net interest income or charges.

Following the amendments to severance benefits introduced by Law No. 296 of December 27, 2006 (Finance Law 2007) and subsequent Decrees and Regulations, the severance benefits of Italian companies with more than 50 employees matured from January 1, 2007, or from the option date chosen by the employee, is included under defined contribution plans, both in the case of supplementary pension options and in the case of allocation to the INPS Treasury Fund. The severance benefits accrued until December 31, 2006 have been treated as defined-benefit.

The contributions to be paid into a defined-contribution plan in exchange for the employee service in question are treated both as a liability (account payable) after having deducted any contributions already paid, and as a cost.

Provisions for risks and charges
Provisions for risks and charges relate to costs and expenses of a defined nature and of certain or probable existence whose amount or date of occurrence is uncertain at the present Consolidated Financial Statements date. The provisions are recorded when:

(i) it is probable the existence of a current obligation, legal or implicit, deriving from a past event;
(ii) it is probable that compliance with the obligation will result in a charge;
(iii) the amount of the obligation can be estimated reliably.

Provisions are recorded at the value representing the best estimate, supported by expert opinion, of the amount that the Company would rationally pay to discharge the obligation or to transfer it to a third party at the reporting date. When the financial effect of the time is significant and the payment dates of the obligations can be reliably estimated, the provision shall be discounted at the average cost of debt to the company; the increase of the provision due to the passing of time is recorded in the income statement in the account “Net financial income/(charges)”.
If the liability relates to a tangible fixed asset (demolition of assets), the provision is recognised in line with the asset to which it refers; the recognising of the charge to the income statement is made through depreciation.
The provisions are periodically updated to reflect the changes in the estimate of the costs, of the time period and of the discounting rate; the revision of estimates is recorded in the same income statement accounts in which the provision was recorded, when the liability relates to tangible fixed assets, and in the asset account to which it refers.

Provision for renewal of airport infrastructure

In accordance with the obligations assumed under current agreements, the provision for renewal of airport infrastructure includes accruals relating to extraordinary maintenance, refurbishment and replacement to be undertaken at a future point in time to ensure that airport infrastructure remains duly functional and secure. Accruals to this provision are recognised according to the degree of use of the infrastructure, indirectly reflected in the expected date of replacement/renewal. The values recorded in this line item also take due account of a financial component, to be applied according to the intervals between the various renewal cycles, intended to ensure that the provisions set aside are adequate. The estimate of the provision for renewal of airport infrastructure therefore requires complex professional technical judgement, in particular in relation to the nature of the costs to be incurred, their amount and the timing of the expected interventions.

Trade payables and other non-financial liabilities

Short-term trade payables, which mature within the normal commercial terms, are recognised at cost (their nominal value) and are not discounted as the discounting of cash flows is insignificant.
The other non-financial liabilities are recorded at cost (identified as nominal value).

Loans

Other financial liabilities, with the exception of the derivatives, are recognised initially at cost, corresponding to the fair value of the liability plus transaction costs that are directly attributable at the issue of the liability. After initial recognition, the financial liabilities are measured at amortised cost using the original effective interest rate, which is the rate that renders equal, on the initial recognition, the present cash flow value and the initial recognition value (amortised cost method).
Any gain or loss is recognized in the income statement when the liability is extinguished, as well as through the amortization process.

Financial guarantee liabilities

Financial guarantee liabilities issued by the Group are contracts which require a specific payment to reimburse the holder of a debt security against a loss incurred following non-compliance of the debtor in the payment at the scheduled contractual maturity date. Financial guarantee contracts are initially recognised as a liability at fair value, increased by the directly attributable transaction costs to the issue of the guarantee. After initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised, less accumulated amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the underlying obligation of the liability is extinguished, settled or cancelled. If an existing financial liability is replaced by another by the same lender but under substantially different conditions, or if the conditions of an existing financial liability are substantially changed, such a swap or change is treated as an elimination of the original liability and the opening of a new liability, with any differences in accounting values recorded in the income statement.

Recognition of revenues

Revenues are recognised for an amount which reflects the payment which the entity considers to have the right to in exchange for the transfer of goods or services to the customer and are calculated on the basis of the following five phases:

1. identification of the contract;
2. identification of the performance obligations present in the contract;

3. Establishment of the sales price;
4. Allocation of the transaction price to each of the performance obligations identified;
5. Recognition of the revenues on the satisfaction of the performance obligation.

These are recognised when the contractual obligations have been complied with and in particular when control has been transferred to the customer. In addition, in the measurement of revenue it is necessary to take into account the probability of obtaining and/or collecting the economic benefit related to the income.

The Group has identified the following revenue streams:
1. Airport fees
2. Commercial/non-comm. sublicense/lease
3. Parking
4. Construction Services
5. Others.

Revenues are recorded net of returns, discounts and premiums and promotional charges directly related to the sales revenue, in addition to direct sales taxes.

Commercial discounts, recorded as a direct deduction of revenues, are measured on the basis of contracts signed with airlines and tour operators.
Royalties are recorded based on the accruals principle in accordance with the contracts in force and as per IFRS 15.
As per IFRS 16, operating lease income whereby the Group acts as lessee is recognised on a straight-line basis over the lease term, and is recognised as revenues to the income statement given its operating nature. The initial brokering costs are added to the carrying amount of the leased asset and recognised over the duration of the contract, on the same basis as lease income. Variable fees or rents are recognised as revenue in the period in which they mature.

Interest income is recognised in accordance with the accruals principle, which takes into account the effective yield of the assets to which it refers.

Dividends are recorded when the shareholders have the right to receive them.

Recognition of costs and expenses
Costs are recorded when relating to goods and services sold or consumed in the year or when there is no future utility.

Interest expense is recognised in accordance with the accruals principle, which takes into account the effective yield of the liabilities to which it refers. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which requires a lengthy period before availability for use shall be capitalised as part of the cost of that asset.

Taxes for the year

Current income taxes

Current income taxes are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the consolidated financial statements. Current income taxes relating to items recorded directly in equity are charged directly to shareholders' equity and not to the income statement. The Directors periodically assess the positions assumed in the income tax returns where the fiscal regulations are subject to interpretations and, where appropriate, record appropriate provisions.
In 2021, the National Tax Consolidation was renewed for 2021-2023, pursuant to Articles 117 to 129 of Presidential Decree No. 917 of December 26, 1986 (CFA), in which all Group companies have participated and which allows for IRES taxation at Group level.
As of December 31, 2022, the companies FFM and TAG have an IRES payable to the Parent Company arising from the profit in the period.

Deferred taxes
Deferred taxes are calculated using the liability method on temporary differences between values used for fiscal purposes and the assets and liabilities reported in the present consolidated financial statements. The deferred tax liabilities are recorded against all temporary taxable differences, with the exception of:

- the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for purposes of the Financial Statements or on profit or loss calculated for tax purposes;
- the reversal of the temporary differences, related to investments in subsidiaries, associates and joint ventures, can be controlled and it is probable that such will not occur in the foreseeable future.

Deferred tax assets are recognised on all temporary differences and fiscal losses carried forward to the extent of the probable existence of adequate future tax profits that can justify the use of deductible temporary differences and fiscal loses carried forwards, except:

- when deferred tax assets relate to the temporary differences deriving from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for the purposes of the Financial Statements or on profit or loss calculated for tax purposes;
- in the case of temporary differences related to investments in subsidiaries, associates and joint ventures, the deferred tax assets are only recognised to the probable extent that the temporary differences will reverse in the foreseeable future and there are sufficient assessable amounts to utilise such temporary differences.

The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent it is unlikely that sufficient tax profits will be available in the future, so that some or all of the asset may be used. Unrecognised deferred tax assets are reviewed at each reporting date and are recognised to the extent of the probability that the tax profit is sufficient to permit such deferred tax assets to be recovered.

Deferred tax assets and liabilities are calculated on the basis of the tax rates expected to be applied in the year in which the assets are realised or the amounts are paid, considering the rates in effect and those already issued or substantially issued as of the closing date of the financial statements.

Deferred taxes concerning items recognised outside of the income statement are also recognised outside of the income statement and therefore to net equity or to the statement of comprehensive income, in line with the item to which they refer.

The Group offsets deferred tax assets and deferred tax liabilities when there is a legal right to offset current tax assets and current tax liabilities and the deferred tax assets and liabilities relate to income taxes due to the same tax authority.

The fiscal benefits acquired following a business combination, but which do not satisfy the criteria for separate recognition at the acquisition date, may be recognised subsequently, when updated information is received on the facts and on the circumstances. The adjustment is recognised as a reduction of goodwill (up to the value of the goodwill), where this is recorded during the measurement period, or in the income statement, if recorded subsequently.

The rates utilised for the calculation of deferred taxes, which reflect the expected rates on the basis of national legislation in force, are the following:

- IRES 24%
- IRAP 4.2% (in force for airport management companies)
- IRAP (3.9%).

Indirect taxes
Costs, revenues, assets and liabilities are recognized net of indirect taxes, such as value added tax, with the following exceptions:

- the tax applied to the purchase of goods or services is non-deductible; in this case, it is recognized as part of the purchase cost of the asset or part of the cost recognized in the income statement;
- trade receivables and payables include the indirect tax applicable.

The net amount of indirect taxes to be recovered or paid to the tax authorities is included in the financial statements as receivables or payables.

Earnings per share

Undiluted
The earnings/(loss) per share is calculated by dividing the result of the Group by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares.
Diluted
The diluted earnings/(loss) per share is calculated by dividing the result of the Group by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares. In order to calculate the diluted earnings per share, the average weighted number of shares outstanding is adjusted in respect of the dilution potential of ordinary shares, while the profit or loss of the Group is adjusted to take into account the effects, net of income taxes, of the conversion.

Dividends and distribution of assets other than Cash and Cash Equivalents

The Group records a liability against the distribution to its shareholders of available liquidity or assets other than available liquidity when the distribution is appropriately authorised and is no longer at the discretion of the company. Based on company law in Europe, a distribution is authorised when it is approved by the shareholders. The corresponding amount is recorded directly in shareholders' equity.
The distribution of assets other than available liquidity is measured at fair value of the assets to be distributed; the remeasurement of the fair value is recorded directly in shareholders' equity.
On the payment of the dividend, any difference between the book value of the assets distributed and the book value of the dividend payable is recorded in the statement of comprehensive income.

Cash Flow Statement

The Group presents its cash flow statement utilising the indirect method, as permitted under IAS 7 and has reconciled the pre-tax profit with the net cash flows from operating activities. IAS 7, paragraph 33 allows classification of interest income and expense as an operating activity or financial activity based on the presentation considered most representative by the entity; the Group classifies interest income received and interest expense paid as cash flows from operating activities.

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

From January 1, 2022 the following new accounting standards, amendments and interpretations, revised by the IASB, entered into force, which have not impacted the Company’s financial statements:

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 taxes when measuring the fair value of assets under IAS 41 where the Net Present Value method is applied. 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.

In addition, on October 31, 2022, the IASB published amendments concerning non-current liabilities subject to conditions. Only the terms of a liability arising from a financing arrangement, which an entity must settle by the period-end will affect the classification of that liability as current or non-current.

The new amendment is applied from January 1, 2024 and must be applied retrospectively. The Group is currently assessing any impact from these amendments.

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.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback".

On September 22, 2022, the IASB issued an amendment to this standard that specifies the requirements that a seller-lessee uses to measure the lease liability arising from a sale and leaseback transaction to ensure that the seller-lessee does not recognise any amount of the gain or loss that relates to the right-of-use it retains. The amendment seeks to improve the requirements for sale and leaseback transactions in IFRS 16 but does not change the accounting for leases unrelated to sale and leaseback transactions. The amendment will be effective for fiscal years beginning January 1, 2024, 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.

Amendments to IFRS 17: Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information

The IASB published an amendment to this standard on December 9, 2021. The amendment is a transition option related to comparative disclosure on financial assets presented upon first-time application of IFRS 17. It is intended to help entities avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and thus improve the utility of comparative disclosure for users of financial statements. The amendment will be effective for fiscal years beginning January 1, 2023. This standard is not applicable to the Group.

Discretional evaluations and significant accounting estimates

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

The ESMA (European Securities and Markets Authority) outlined in its European Common Enforcement Priorities on October 28, 2022 three areas (climate change, financial impacts of Russia's invasion of Ukraine and the general economic environment) which issuers should assess closely in preparing their financial statements.
We summarise below management's considerations on the aspects considered significant for the preparation of the consolidated financial statements.

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

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

a) IFRIC 12 - Service Concession Arrangements

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

b) IFRS 9 Loans and Bonds

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

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

The legislation introduced in response to climate change may give rise to new obligations that previously did not exist. The Group has therefore put in place an environmental policy which outlines its compliance with practices to contain and reduce its environmental impact, which even go beyond the legal requirements, while also not compromising the protection of other general interests under the concession. The full implementation of this policy, which also targets the cutting of CO_2 emissions, includes energy efficiency measures.

In view of this regulatory framework, management has assessed that these policies do not require the recognition of new liabilities.
It was therefore not necessary to critically review the provisions presented in the financial statements.

d) IAS 36- Impairment of Assets

Reference should be made to Note 1 - Intangible Assets.
As detailed in the "Test on the recoverability of assets and groups of assets" section, while considering these factors, the impairment test and related sensitivities did not indicate any impairment loss.

Significant estimates

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

a) Impairment test

The Group provides in the Note to the "Test on the recoverability of assets and groups of assets" paragraph the estimates and assumptions for the Impairment Test at the reporting date, mainly referring to traffic volumes, tariff models and the general economic environment.

b) Provision for renewal of airport infrastructure

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

c) Deferred tax assets

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

d) Fair value of investment property

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

e) Fair value of financial instruments

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

f) IAS 10 Subsequent events to the reporting date

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

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

In this context, it should be noted that the Airport Service Agreement entered into by the parent company with the main carrier operating at the airport was finalised on February 1, 2023, with retroactive effect from the winter season 2022/2023. The incentives defined in the new contract were therefore reflected in the financial statements for the two-month period November-December 2022.

Operating Segment information

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

- Aviation;
- Non-Aviation;
- Other.

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

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

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

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

The segment assets are those employed by the segment for operating activities or which may be allocated reasonably for the carrying out of operating activities.
The segment assets presented are measured utilising the same accounting policies adopted for the presentation of the Group consolidated financial statements.

in thousands of Euro	for the year ended 31.12.2022 Aviation	for the year ended 31.12.2022 Non-Aviation	for the year ended 31.12.2022 Other	Total for the year ended 31.12.2022
Revenues	69,935	43,483	21,137	134,555
Costs	(64,461)	(15,266)	0	(79,727)
Gross operating profit	**5,474**	**28,217**	**21,137**	**54,828**
Depreciation and amortisation	(7,299)	(6,625)	0	(13,924)
Provisions	(4,370)	(573)	0	(4,943)
Operating result	**(6,195)**	**21,019**	**21,137**	**35,961**
Financial income	0	0	1,427	1,427
Financial expenses	0	0	(1,471)	(1,471)
Pre-tax result	**(6,195)**	**21,019**	**21,093**	**35,917**
Taxes for the year	0	0	(4,808)	(4,808)
Profit/(loss) for the year	**(6,195)**	**21,019**	**16,285**	**31,109**
Minority interest profit (loss)	0	0	0	0
Group profit (loss)	**0**	**0**	**0**	**31,109**

in thousands of Euro	for the year ended 31.12.2021 Aviation	for the year ended 31.12.2021 Non-Aviation	for the year ended 31.12.2021 Other	Total for the year ended 31.12.2021
Revenues	36,635	21,854	0	58,489
Costs	(43,861)	(11,099)	0	(54,960)
Gross operating profit/(loss)	**(7,226)**	**10,755**	**0**	**3,529**
Depreciation and amortisation	(7,210)	(3,345)	0	(10,555)
Provisions	(1,050)	(293)	0	(1,343)
Operating result	**(15,486)**	**7,117**	**0**	**(8,369)**
Financial income	0	0	499	499
Financial expenses	0	0	(1,079)	(1,079)
Pre-tax result	**(15,486)**	**7,117**	**(580)**	**(8,949)**
Taxes for the year	0	0	2,232	2,232
Profit/(loss) for the year	**(15,486)**	**7,117**	**1,652**	**(6,717)**
Minority interest profit (loss)	**0**	**0**	**0**	**0**
Group profit (loss)	**0**	**0**	**0**	**(6,717)**

The table below presents the segment information for assets:

in thousands of Euro	As at 31.12.2022 Aviation	As at 31.12.2022 Non-Aviation	As at 31.12.2022 Other	Consolidated As at 31.12.2022
Non-current assets	**185,291**	**35,158**	**23,789**	**244,238**
Intangible assets	**181,186**	**26,202**	**0**	**207,388**
Concession rights	180,362	25,635	0	**205,997**
Other intangible assets	824	567	0	**1,391**
Tangible assets	**4,034**	**8,945**	**0**	**12,979**
Land, property, plant and equipment	4,034	7,328	0	**11,362**
Investment property	0	1,617	0	**1,617**
Other non-current assets	**71**	**11**	**23,789**	**23,871**
Investments	0	0	119	**119**
Other non-current financial assets	0	0	13,489	**13,489**
Deferred tax assets	0	0	10,002	**10,002**
Other non-current assets	71	11	179	**261**
Current assets	**11,111**	**6,263**	**74,298**	**91,672**
Inventories	411	501	0	**912**
Trade receivables	7,301	5,371	0	**12,672**
Other current assets	3,399	391	1,372	**5,162**
Current financial assets	**0**	**0**	45,058	**45,058**
Cash and cash equivalents	**0**	**0**	27,868	**27,868**
Total assets	**196,402**	**41,421**	**98,087**	**335,910**

in thousands of Euro	As at 31.12.2021 Aviation	As at 31.12.2021 Non-Aviation	As at 31.12.2021 Other	Consolidated As at 31.12.2021
Non-current assets	**178,018**	**38,375**	**26,563**	**242,956**
Intangible assets	**173,922**	**26,356**	**0**	**200,278**
Concession rights	173,313	26,051	0	199,364
Other intangible assets	609	305	0	914
Tangible assets	**4,018**	**12,007**	**0**	**16,025**
Land, property, plant and equipment	4,018	7,275	0	11,293
Investment property	0	4,732	0	4,732
Other non-current assets	**78**	**12**	**26,563**	**26,653**
Investments	0	0	44	44
Other non-current financial assets	0	0	13,306	13,306
Deferred tax assets	0	0	13,093	13,093
Other non-current assets	78	12	120	210
Current assets	**22,032**	**3,597**	**28,691**	**54,320**
Inventories	457	278	0	735
Trade receivables	17,001	2,976	0	19,977
Other current assets	4,574	343	476	5,393
Current financial assets	0	0	0	0
Cash and cash equivalents	0	0	28,215	28,215
Total assets	**200,050**	**41,972**	**55,254**	**297,276**

Segment disclosure regarding the identified operating segments is undertaken as outlined below.
Aviation: refers to the airport's core business. This includes aircraft landing, take-off and parking fees, passenger boarding fees, freight fees, in addition to passenger security control fees and hand-carry and checked baggage control fees. It includes also cargo handling, customs clearance and fuelling operations. Finally, this segment includes all centralised infrastructure and exclusive assets: the centralised infrastructure represents revenues received in relation to infrastructure under the exclusive operation of the airport management company for reasons of safety, security or in view of their economic impact. Exclusive assets concern check-in desks, the gates and spaces assigned to airport operators.
Non-Aviation: operations not directly connected to the aviation business. This include sub-concession, retail, catering, self-hire and parking management operations, the Marconi Business Lounge and advertising.
The breakdown of revenues and costs between the Aviation and Non-Aviation SBU's follows ENAC's guidelines for analytic/regulatory reporting for airport management companies, in line with Article 11 *decies* of Law No. 248/05 and the Ministry of Transport Guidelines of December 31, 2006.
The residual accounts excluded from regulatory reporting were subsequently allocated according to the operating criteria.
The main differences were as follows:

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

Information concerning the Main Clients

In 2022, the Group's revenue was primarily from the customers shown in the table below compared to 2021:

31/12/2022	*31/12/2021*
RYANAIR DAC	RYANAIR DAC
WIZZ AIR HUNGARY LTD	WIZZ AIR HUNGARY LTD
HEINEMANN ITALIA SRL	EMIRATES
SOCIETE' AIR FRANCE S.A.	HEINEMANN ITALIA SRL
VECCHIA MALGA NEGOZI SRL	SOCIETE' AIR FRANCE S.A.
BRITISH AIRWAYS PLC	VECCHIA MALGA NEGOZI SRL
EMIRATES	EUROPEAN AIR TRANSPORT LEIPZIG GMBH
TURKISH AIRLINES	TURKISH AIRLINES
LUFTHANSA LINEE AEREE GERMANICHE	KLM CITYHOPPER B.V.
VUELING AIRLINES SA	VOLOTEA S.L.

As in the previous year, eight of the top ten clients by revenue in 2022 are carriers. Among these, Ryanair and Wizz Air are confirmed as the Group’s top clients, as carrying the highest number of passengers. The two non-aviation clients, Heinemann and Vecchia Malga, present also in the comparative year, are sub-concession holders for Duty Free and a number of Food & Beverage points at the Terminal.

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

ASSETS

1. Intangible assets

The following table breaks down intangible assets at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Concession rights	205,997	199,364	6,633
Software, licences and similar rights	765	404	361
Other intangible assets	45	50	(5)
Other intangible assets in progress	581	460	121
TOTAL INTANGIBLE ASSETS	**207,388**	**200,278**	**7,110**

The table below shows the changes in intangible assets for the year ended December 31, 2022 compared to December 31, 2021, by intangible asset category.

in thousands of Euro	31.12.2021 Historic cost	Accumulated amortisation	Book value	Changes in the year Increases / Acquisitions	Amortisation	Decreases/ Disposals/ Write-downs	Decrease provision	As at 31.12.2022 Historic cost	Accumulated amortisation	Book value
Concession rights	254,589	(55,225)	199,364	15,928	(7,447)	(1,848)	0	268,669	(62,672)	205,997
Software, licences and similar rights	14,532	(14,128)	404	1,017	(656)	0	0	15,549	(14,784)	765
Other intangible assets	250	(200)	50	0	(5)	0	0	250	(205)	45
Energy Certificates	0	0	0	77	0	(77)	0	0	0	0
Other intangible assets in progress	460	0	460	121	0	0	0	581	0	581
TOTAL INTANGIBLE ASSETS	**269,831**	**(69,553)**	**200,278**	**17,143**	**(8,108)**	**(1,925)**	**0**	**285,049**	**(77,661)**	**207,388**

At December 31, 2022, Concession rights increased by Euro 16 million (equal to the fair value of construction services provided in the period) principally due to the following works:

- construction of a new aircraft apron; this concerns the work to expand Apron 3 and connect it with the dedicated General Aviation apron (Apron 4);
- creation of a new airport run-off water overflow system and concurrent retirement of the current system, replacing the existing basin known as the Olmi Quarry;
- reconfiguration of the cargo area, including the completion of a new canopy, installation of new roller conveyors for loading and unloading cargo and the reorganisation of interior spaces to maximize areas for storing import and export goods:
- redevelopment of security and passport controls: following contract termination during 2022 due to a significant violation by the contractor, the phases commenced but not completed were concluded as a matter of urgency, therefore commencing the emergency project update necessary for the remaining tasks.

Other investments in the year include the construction of a bike station under the People Mover station to encourage sustainable transportation and a new well to feed the de-icing plant by implementing the water network and containing operating costs.

Amortisation of concession rights in the period amounted to Euro 7.4 million and was applied according to the residual duration of the concession.

Software, licenses and similar rights increased Euro 1 million, mainly with regards to the construction of the new website to improve the passenger service, the development and integration of the Wayfinding functionality in the BLQ – Bologna Airport Mobile Apps, which offer the user, compared to the website, an added value in terms of experience, use of services and facilitation of movement within the airport and the creation of an IT platform for the protocol and management of company documents.

Test on the recoverability of assets and groups of assets

The Concession Rights are tested for impairment at least once a year, when the financial statements are approved, as well as periodically when there are internal and external indicators of the reduction in value of such assets in order to identify any loss in value.
For the year 2022, the Group updated the impairment test in order to assess the existence of any long-term losses in value with reference to the amounts recorded under Concession Rights, equal to Euro 206 million (corresponding respectively to 60.76% of the total assets).
The test, as per IAS 36, compares the carrying value of the asset or group of assets of the cash generating unit (CGU) with the recoverable value, arising from the discounted net cash flows which are expected to be produced from the asset or group of assets of the CGU (value in use).

For impairment testing purposes, the Group has identified a single CGU which coincides with the Aeroporto G. Marconi di Bologna S.p.A. Group. The methodology and assumptions related to the impairment test were approved by the Board of Directors on February 20, 2023.
The test used the explicit operating and financial forecasts for the period 2023-2046 and the method applying the "Terminal Value" as the cash flow provided for in IAS 36, paragraph 39, letter c) for the disposal of assets at the end of the concession to which the Group is entitled under the regulations (Article 703 of the Navigation Code).

The method used is based on the presumption that the economic capital value of a company at a certain date (in the present case, December 31, 2022) is representative of the algebraic sum of the following elements:

- “operating’ value”, i.e. the present value of the cash flows from operating activities over a defined time period including the discounted cash flows of the Terminal Value receivable from the collection of the estimated Terminal Value receivable on conclusion of the concession (explicit projection period; in the present case this coincides with the end of the airport concession expected for 2046);
- value of the non-strategic surplus assets at the measurement date. It should be noted that there are no non-core or non-capital ancillary activities included in the projections.

The main assumptions underlying the 2023-2046 operating-financial forecasts for the impairment tests are summarised below:

- with regard to passenger traffic 2023, it was estimated based on the available flight schedule. Up to 2027, low growth rates have been estimated, taking into account the work that will affect the terminal in the coming years, while in the medium to long term, passenger traffic estimates are slightly more conservative than the traffic growth predicted by the main industry studies;

- the aviation revenues underlying the cash flow calculation for the purpose of the impairment test were calculated from the estimated traffic volumes and 2023-2026 tariffs corresponding to the tariff dynamics presented to the Users at the March 2, 2023 hearing (pending completion of the relevant authorisation process), with assumptions on the regulatory framework for subsequent periods;

- for Non-Aviation and Other Revenues for the period 2023-2027, growth estimates were made based on traffic trends, historical trends, and trends in commercial space available to passengers.

The operating cash flow was discounted utilising the UDCF (Unlevered Discounted Cash Flow) at a rate equal to the weighted average cost of debt and own funds (WACC - Weighted Average Cost of Capital), determined through the application of the Capital Asset Pricing Model (“CAPM”) with:

- Italian risk-free rate of 3.5%;
- Equity risk premium of 6.5%;
- Average unlevered beta for peers (panel of listed airport companies) equal to 0.66.

The cost of debt was calculated as the weighted average of the cost of existing borrowings net of the tax effect (24%), amounting to 1.61%.

The weighting of own funds and of debt capital equal to respectively 64.1% and 35.9% was made on the basis of an average gearing of industry peers equal to 55.9%.
A premium was also applied on the additional risk equal to 1.0% taking into account the following factors:

- level of risk in the 2023-2046 Economic-Financial Forecasts, in particular considering forecasts relating to a period as long as 2028-2046;
- smaller size of the company compared to the listed companies in the sample.

Based on that outlined above the company therefore determined a WACC of 7.38%.

The impairment test performed did not identify any impairment of the carrying amounts of the concession rights for the year ended December 31, 2022 and no impairment losses were therefore recognised on the assets concerned.

The Group considered it appropriate to undertake some sensitivity analysis in order to verify the impacts on the recoverable amount deriving from changes considered reasonably possible in the following parameters considered significant:

- EBITDA margin;
- WACC:

and analysing the impacts which such changes could have in relation to the differential with the value of the Net Invested Capital Employed (“NIC”) and with the account Intangible Assets.

Neither of the sensitivities indicated any impairment loss.

The value of the EBITDA margin of the plan period used for the impairment test, with all other conditions remaining equal, which renders the value of the CGU equal to the book value of the Net Invested Capital, is approximately 14% lower than that used in the impairment test.

The value of the WACC which, with all other conditions remaining equal, renders the value of the CGU equal to the book value of the Net Invested Capital is 9.22%.

As required by ESMA in the European Common Enforcement Priorities of October 28, 2022, risk factors related to climate change, the financial impacts of Russia's invasion of Ukraine, and the general economic environment were also considered as part of the impairment test. Among these factors that may have non-negligible impacts on the Group's future cash flows are:

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

The Group, despite the significant degree of uncertainty surrounding the estimates, assessed the possible impacts of the risk factors outlined above, concluding that they have already been incorporated by the sufficiently prudent estimates used for the impairment test or, alternatively, by carrying out a sensitivity test which have demonstrated that they could reasonably result in a decrease in operating margin which is not significant in comparison to the decrease which, as described above, would eliminate the headroom emerging from an impairment test.

In this regard, it should be noted that in the context of a regulation sector such as the one in which the Group operates, it is to be expected that unfavourable trends in many variables underlying future economic forecasts, such as lower levels of traffic and/or higher levels of costs or investments, will give rise in the medium term, within the framework of the regulatory agreements defined every four years, to higher tariffs. This specific issue to the sector in which the Group operates is also a risk mitigating element with reference to the uncertainty factors described above.

More generally, the headroom outlined above, even in the context of uncertainty typical of an exercise conducted over such a large time horizon as the concession period, should also allow against any worse-than-expected trends in some of the model's most critical assumptions, including:

- future tariff levels, which are in turn dependent on (i) changes in the underlying models; (ii) negotiations with industry authorities and users, as yet unfinished with reference to the 2023-2026 tariffs; and (iii) commercial relations with major carriers, which are subject to periodic renegotiation;

- significant growth in traffic volumes expected by all industry studies, although within an uncertain environment due to the gradual increase in tariffs, the difficulties related to airports, supply chain and the capacity management challenges (particularly for the network carriers);
- the adequacy of the airport infrastructure in view of the expected growth rates.

2. Tangible assets

The following table breaks down tangible assets at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Land	2,763	2,763	0
Buildings, light constructions and improvements	3,232	3,151	81
Machinery, equipment & plant	1,877	2,085	(208)
Furniture, EDP and transport	1,663	1,405	258
Tangible fixed assets in progress	809	487	322
Investment property	1,617	4,732	(3,115)
TOTAL TANGIBLE ASSETS	***11,961***	***14,623***	***(2,662)***
Land in leasing	560	855	(295)
Leased buildings and minor construction and improvements	0	0	0
Leased machinery, equipment & plant	262	397	(135)
Leased furniture, office machinery, transport equipment	196	150	46
TOTAL LEASED TANGIBLE ASSETS	***1,018***	***1,402***	***(384)***
TOTAL TANGIBLE ASSETS	***12,979***	***16,025***	***(3,046)***

The table below shows the changes in tangible assets for the year ended December 31, 2022 compared to December 31, 2021, by asset category.

in thousands of Euro	*31.12.2021*			*Changes in the period*				*As at 31.12.2022*		
	Historic cost	**Accumulated depreciation**	**Book value**	**Increases/ Acquisitions**	**Depreciation**	**Decreases/ Disposals/ Write-downs Reclassifications**	**Decrease provision**	**Historic 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	8,625	(5,474)	3,151	381	(300)	0	0	9,006	(5,774)	3,232
Machinery, equipment & plant	16,049	(13,964)	2,085	480	(688)	(273)	273	16,256	(14,379)	1,877
Furniture, EDP and transport	10,598	(9,193)	1,405	879	(618)	(65)	62	11,412	(9,749)	1,663
Assets in progress and advances	487	0	487	322	0	0	0	809	0	809
Investment property	4,732	0	4,732	0	0	(3,115)	0	1,617	0	1,617
TOTAL TANGIBLE ASSETS	**43,254**	**(28,631)**	**14,623**	**2,062**	**(1,606)**	**(3,453)**	**335**	**41,863**	**(29,902)**	**11,961**
Land in leasing	1,898	(1,043)	855	8	(327)	(4)	28	1,902	(1,342)	560
Leased buildings and minor construction and improvements	0	0	0	0	0	0	0	0	0	0
Leased machinery, equipment & plant	488	(91)	397	0	(120)	(15)	0	473	(211)	262
Leased furniture, office machinery, transport equipment	445	(295)	150	122	(81)	(107)	112	460	(264)	196
TOTAL LEASED TANGIBLE ASSETS	**2,831**	**(1,429)**	**1,402**	**130**	**(528)**	**(126)**	**140**	**2,835**	**(1,817)**	**1,018**
TOTAL TANGIBLE ASSETS	**46,085**	**(30,060)**	**16,025**	**2,192**	**(2,134)**	**(3,579)**	**475**	**44,698**	**(31,719)**	**12,979**

At December 31, 2022, the overall increase in this category was Euro 2.2 million and mainly concerns the purchase of a Firewall device to protect the company network, a new enterprise storage system for the datacenter, two new servers ensuring the technological upgrade of the central datacenter, the self-propelled elevator with a lithium battery for passengers with reduced mobility (PRM), a friction tester vehicle to measure friction levels on the runway, and various computers and hardware. New furniture and furnishings were also purchased as a result of the reorganisation of cargo terminal space.

This category includes right-of-use assets, recognised in accordance with IFRS 16, which the Group recognises as a lessee primarily for the long-term lease of land used for parking, employee motor vehicles, De Icer plant and some equipment. The amount recognised at December 31, 2022 corresponds to the present value of the lease instalments falling due, which is reflected under current and non-current financial liabilities for leases.

The item Investment properties includes the total value of the real estate complex owned by the Group and intended for investment properties; it was initially recorded at purchase cost and subsequently valued using the cost method.
As indicated by IAS 40, including through assessments carried out internally by the parent company, any indicators of impairment are assessed annually.

When drawing up the financial statements at December 31, 2022, the Company noted how the recent change in the urban planning tools PTM (metropolitan territorial plan) and PUG (general urban plan) of the Municipality of Bologna, together with the interruption to the talks with a major operator in the mobility sector, which would have allowed the full exploitation of the investment made, could be indications of a possible reduction in value.
In this context, taking into account the above and the absence - as of the preparation date of these Financial Statements - of a mature and shared planning with the regional entities, the valuation of the property complex entrusted to an external appraiser to support the fair value measurement resulted in the write-down recognised to the present financial statements. However, AdB has already initiated updated planning in order to assess the development of the area's potential, in line with that still offered by the current urban planning tools.

3. Investments

The following table breaks down other investments at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2021	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 31.12.2022
Other investments	44	75	0	0	119
TOTAL INVESTMENTS	**44**	**75**	**0**	**0**	**119**

On November 10 this year, the Parent Company acquired from Aeroporti di Roma a 5% holding in UrbanV Spa, established on June 28, 2022 by Aeroporti di Roma, Aeroporto di Venezia and Aeroports de la Cote d'Azur to develop urban air mobility internationally.

The composition of the account is as follows:

in thousands of Euro	Holding	As at 31.12.2022	As at 31.12.2021	Change
UrbanV Spa	5%	75	0	75
Bologna Welcome Srl	10%	41	41	0
Consorzio Energia Fiera District	14.3%	3	3	0
CAAF dell'Industria Spa	0.07%	0	0	0
TOTAL OTHER INVESTMENTS		**119**	**44**	**0**

4. Other non-current financial assets

The following table shows the movements in other non-current financial assets for the year ended December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2021	Increases/ Acquisitions	Decreases / Reclass.	Write-downs	As at 31.12.2022
Receivables from Terminal Value	1,387	165	0	0	1,553
Equity Financial Instruments	10,873	0	0	0	10,873
Other financial assets	1,046	17	0	0	1,063
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**13,306**	**182**	**0**	**0**	**13,489**

At December 31, 2022 the account "Other non-current financial assets" mainly comprises:

- Euro 1.6 million in receivables from Terminal Value relating to investments in concession rights and on the interventions carried out on the provisions for renewal of airport infrastructure. This receivable, recorded at present value, derives from application of the Terminal Value regulation as per Article 703 of the Navigation Code, which established that, for investments in concession rights and for the interventions carried out on the provisions for renewal of airport infrastructure, the airport manager shall receive from the succeeding concession holder, on conclusion of the concession, an amount equal to the residual value at that date of the investment according to the regulatory accounting rules.

- Euro 10.9 million of equity financial instruments in Marconi Express Spa, concession holder for the construction and management of the rapid rail link infrastructure between the Airport and Bologna Central Station called People Mover. This financial instrument, subscribed by the Parent Company on January 21, 2016 for a total value of Euro 10.9 million, is recorded corresponding to the amount effectively paid or rather the cost incurred at that date. The investment, in addition to the strategic/operating interest related to improving accessibility to the airport, meets the Group's objective both in relation to the collection of the contractual cash flows and to any future sale of the financial asset. In accordance with IFRS 9, since it is an equity instrument, financial assets are measured at fair value through profit or loss. In this case, considering the difficulty in measuring the fair value of these Equity Financial Instruments, the subsequent valuations of this EFI is at cost as the best fair value estimate. Due to the wide range of values that the fair value of the instrument can take as part of a valuation based on the present value of expected cash flows over a very long period such as that of the airport concession, this analysis is used only for the purpose of identifying possible impairment.
- Euro 1.1 million of a capitalisation product purchased in 2019, with a 10-year duration and 2029 maturity. In accordance with the standard IFRS 9, these assets are classified to the category "Held to collect – HTC", as this complies with the Group's need to invest temporary liquidity held in order to collect the contractual cash flows. In this specific case, the maturity is defined contractually, but the return is related to the capital management performance and therefore this financial instrument is measured at fair value through profit or loss.

5. Deferred tax assets

The following table presents the movements in deferred tax assets for the year ended December 31, 2022 compared with December 31, 2021.

in thousands of Euro	As at 31.12.2021	Provisions	Util./adjustments	As at 31.12.2022
DEFERRED TAX ASSETS	**13,093**	**1,218**	**(4,309)**	**10,002**

The temporary differences on which deferred tax assets are recognized are detailed in the following table. The decrease in the year is mainly due to the utilisation, as a deduction from income generated in the year, of a portion of the prior tax loss and ACE accrued in 2020 and 2021.

The recoverability of deferred tax assets is based on forecasts of taxable income derived from the 2023-2027 operating and financial forecasts approved by the Board of Directors on February 20, 2023 and is therefore reliably attributable to the underlying forecasts from the Group's most up-to-date operating projections.

IRES	Assessable				Tax			
in thousands of Euro	As at 31.12.2021	Increases	Uses	As at 31.12.2022	As at 31.12.2021	Increases	Uses	As at 31.12.2022
1) Other costs with deferred IRES deductibility	5,447	2,834	(1,901)	6,380	1,307	680	(456)	1,531
2) Provision for doubtful accounts	1,547	1,054	(249)	2,352	371	253	(59)	565
3) IRES deferred tax provisions	1,373	564	(693)	1,244	329	135	(167)	297
4) Provision for renewal of airport infrastructure	12,453	0	(724)	11,729	2,987	0	(174)	2,813
5) Amort. Concession rights from ENAC - ENAV Agreement	180	0	(13)	167	44	0	(3)	41
6) Discounting of severance provision plus other long-term personnel costs	645	90	(540)	195	130	23	(103)	50
7) Amort. Formation and start-up costs	14	0	(3)	11	3	0	0	3
8) Prior ACE surplus	1,485	0	(1,485)	0	357	0	(357)	0
9) Recoverable tax losses	29,113	10	(11,972)	17,151	6,988	2	(2,873)	4,117
Total IRES	**52,257**	**4,552**	**(17,580)**	**39,229**	**12,516**	**1,093**	**(4,192)**	**9,417**

IRAP	Assessable				Tax			
in thousands of Euro	As at 31.12.2021	Increases	Uses	As at 31.12.2022	As at 31.12.2021	Increases	Uses	As at 31.12.2022
IRAP deferred tax provisions	364	6	(305)	65	15	0	(12)	3
Provision for renewal of airport infrastructure	11,822	2,891	(1,555)	13,158	496	122	(66)	552
Amortisation FTA set-up and expansion costs	14	0	(3)	11	1	0	0	1
Amortisation concession rights from ENAC - ENAV Agreement	108	0	(13)	95	4	0	0	4
Discounting other long-term personnel costs	224	90	(106)	208	10	3	(4)	9
Total IRAP	**12,532**	**2,987**	**(1,982)**	**13,537**	**526**	**125**	**(82)**	**569**

In this context, it should be noted that the parent company has not provided for deferred tax assets calculated on the write-down of investment properties made during the year, as the recoverability of these is uncertain to date and subject to factors partly beyond its control.

The table below, on the other hand, shows the tax credits for the utilisation of the fiscal benefits in relation to energy recovery actions and the relative utilisations in the year.

Other	*Tax Receivables*			
in thousands of Euro	**As at 31.12.2021**	**Increases**	**Util./adjustments**	**As at 31.12.2022**
Other receivables	51	0	(35)	16
Total "other receivables"	**51**	**0**	**(35)**	**16**

6. Other non-current assets

The following table breaks down other non-current assets at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	**As at 31.12.2022**	**As at 31.12.2021**	**Change**
Non-current prepayments and accrued income	42	50	(8)
Security deposits	92	93	(1)
Non-current tax receivables	127	67	60
OTHER NON-CURRENT ASSETS	**261**	**210**	**51**

"Non-current tax receivables", which is the most significant change in this category, includes the tax receivable due beyond one year for:

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

7. Inventories

The following table breaks down inventories at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	**As at 31.12.2022**	**As at 31.12.2021**	**Change**
Inventories of raw materials, supplies and consumables	524	562	(38)
Inventories of finished products	388	173	215
INVENTORIES	**912**	**735**	**177**

Supplies and consumables concern inventories held of heating fuel and de-icing liquid for the runway, workshop materials and consumables, such as stationery, moulds and uniforms, while inventories of finished goods refer to aircraft fuel and antifreeze liquid for de-icing the aircraft. The increase in inventories at December 31, 2022 is due to these latter components.

8. Trade receivables

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

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Trade receivables	15,075	21,616	(6,541)
Provisions for doubtful accounts	(2,403)	(1,639)	(764)
TRADE RECEIVABLES	**12,672**	**19,977**	**(7,305)**

At December 31, 2022, gross trade receivables, which include allowances for invoices and credit notes to be issued, totalled Euro 15.1 million, decreasing Euro 6.5 million despite the increase in traffic volumes and therefore revenues. This is due to the resumption of normal terms of trade receivables collection after the sharp slowdown in the previous two years. In 2022, days sales outstanding were 48, compared to 79 days in 2021.

An analysis of the aging of trade receivables of the Group at December 31, 2022 compared with December 2021 is reported below:

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

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

Of trade receivables over 90 days past due, 69% are covered by the provisions for doubtful accounts.

in thousands of Euro	Not yet due	Overdue	Total at 31.12.2021
Trade receivables for invoices/credit notes issued	7,110	14,099	21,210
Trade receivables for invoices/credit notes to be issued	406	0	406
TOTAL TRADE RECEIVABLES	**7,516**	**14,099**	**21,616**

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	**7,110**	**5,046**	**3,844**	**2,004**	**3,205**	**21,210**

As can be seen in the year under review, the ageing of receivables improved; in particular, receivables due by December 31, 2022 were 43% of total receivables compared to 33% at December 31, 2021.

The provision for doubtful accounts saw increases both to the write-downs carried out on the basis of specific analysis of cases in arrears and/or in dispute and to the write-down applied on the residual debtor balance, classified by customer category and overdue period, with the simplified parameter method applied, as permitted by IFRS 9 for companies with a diversified and fragmented client portfolio (Provision Matrix*)*.
The provisions in the year total Euro 1.1 million, of which Euro 384 thousand recorded as a direct reduction of the relative revenues as concerning amounts invoiced during the year and no longer considered collectible. In addition to the write-down of receivables from carriers in bankruptcy proceedings, a significant provision was made against the credit position of an airport operator whose solvency was assessed to be at risk.

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

in thousands of Euro	As at 31.12.2021	Provisions	Uses	Releases	As at 31.12.2022
PROVISIONS FOR DOUBTFUL ACCOUNTS	**(1,639)**	**(1,100)**	**312**	**24**	**(2,403)**

in thousands of Euro	As at 31.12.2020	Provisions	Uses	Releases	As at 31.12.2021
PROVISIONS FOR DOUBTFUL ACCOUNTS	**(992)**	**(816)**	**111**	**58**	**(1,639)**

In the first two months of 2023, the parent company had collected approximately 47% of trade receivables (trade and surtax and Iresa related) present at December 31, 2022.

9. Other current assets

The following table breaks down other current assets at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
VAT Receivable	170	88	82
Direct income tax receivables	217	54	163
Employee receivables	31	53	(22)
Other receivables	4,744	5,198	(454)
OTHER CURRENT ASSETS	**5,162**	**5,393**	**(231)**

This category includes the increase in the VAT receivable related to the higher volume of sales and direct tax receivable mainly related to the current receivable for investment in capital goods under Law No. 160/2019, Article, para.184 to 197, Law No. 178/2020 Article 1, para. 1051 to 1063, in addition to tax credits on higher charges incurred for electricity and natural gas as per Article 6 of Legislative Decree No. 115/2022 purchased and actually used from the second quarter of 2022.

Finally, decreasing "other receivables" consist of the following items:

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Receivables for passenger boarding fees surtax	3,986	5,279	(1,293)
IRESA receivables	200	341	(141)
Other current receivables provision for doubtful accounts	(1,283)	(1,584)	301
Prepayments and accrued income	790	761	29
Advances to suppliers	5	7	(2)
Pension and social security institutions	80	77	3
Other current receivables	966	317	649
TOTAL OTHER RECEIVABLES	**4,744**	**5,198**	**(454)**

The receivables for passenger boarding fee surtax and for IRESA decreased, due to the higher collections towards the end of the present year in comparison to 2021. The account "other current receivables provision for doubtful accounts" includes the provision for passenger boarding fee surtax doubtful accounts and for IRESA, obtained for reclassification under assets in the statement of financial position, as a deduction of the respective receivable, of the surtax and IRESA charged to the carriers which in the meantime were subject to administration procedures or which contested the charge. This item, which is exclusively posted in the statement of financial position, is classified as a deduction of the respective receivables due to the high improbability of recovery, reporting the following movements:

in thousands of Euro	As at 31.12.2021	Provisions/Increases	Uses	Releases	As at 31.12.2022
Municipal surtax/IRESA receivable provision	(1,584)	(134)	267	168	(1,283)
TOTAL PROVISIONS FOR OTHER DOUBTFUL RECEIVABLES	**(1,584)**	**(134)**	**267**	**168**	**(1,283)**

The increase in "other current receivables" principally concerns the advance for works disbursed to a contractor whose contract was terminated for damages in 2022 as per Article 108 of Legislative Decree No. 50/2016. Reference should be made to the disputes section of the Directors' Report for further details.
Finally, at the end of 2022 AdB submitted to GH Italia S.p.A. a request for a verification of the price adjustment clause of the sales price of the holding in Marconi Handling, a clause contained in the December 2012 deed of sale of the holding that provides for a price adjustment mechanism linked to conditions which would needed to be completed by December 31, 2022 at the latest. In view of the currently uncertain nature of the receivable, the directors do not consider the conditions for its recognition at December 31, 2022 to exist. The verifications and contacts with GH continue to arrive at the prompt calculation of the receivable in fulfilment of this contractual clause and due disclosure shall be provided in the next financial statements.

10. Current financial assets

The following table breaks down current financial assets at December 31, 2022 and in the subsequent table the movements in the year.

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Time deposits	45,058	0	45,058
CURRENT FINANCIAL ASSETS	**45,058**	**0**	**45,058**

in thousands of Euro	As at 31.12.2021	Acquisitions	Other increases Reclassifications	Decreases / Disposals	As at 31.12.2022
Time deposits	0	45,000	58	0	45,058
TOTAL CURRENT FINANCIAL ASSETS	**0**	**45,000**	**58**	**0**	**45,058**

At December 31, 2022, this account comprised four Time Deposits undertaken by the parent company at the end of 2022 with six and twelve-month durations.

11. Cash and cash equivalents

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Bank and postal deposits	27,839	28,180	(341)
Cash in hand and similar	29	35	(6)
CASH AND CASH EQUIVALENTS	**27,868**	**28,215**	**(347)**

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

Net Financial Position

The following table shows the breakdown of the net financial position at December 31, 2022 and December 31, 2021, in accordance with Consob Communication of July 28, 2006 and the ESMA/2011/81 and ESMA32-382-1138 Recommendations of March 4, 2021:

	in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021
A	Cash	27,868	28,215
B	Other cash equivalents	0	0
C	Other current financial assets	45,058	0
D	**Liquidity (A+B+C)**	**72,926**	**28,215**
E	Current financial debt	(2,819)	(1,732)
F	Current portion of non-current debt	(14,976)	(6,191)
G	**Current financial debt (E + F)**	**(17,795)**	**(7,923)**
H	**Net current financial position (G - D)**	**55,131**	**20,292**
I	Non-current financial payables	(47,605)	(62,577)
J	Debt instruments	0	0
K	Trade payables and other non-current payables	(521)	(949)
L	**Non-current financial debt (I + J + K)**	**(48,126)**	**(63,526)**
M	**Total Net Financial Position (H + L)**	**7,005**	**(43,234)**

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

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

For a detailed analysis on the movements in the net financial position in the two-year period 2021-2022 reference should be made to the analytical analysis in the Directors’ Report.

LIABILITIES

12. Shareholders' Equity

The following table breaks down the Shareholders' Equity at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Share capital	90,314	90,314	0
Reserves	67,887	74,201	(6,314)
Profit/(loss) for the year	31,109	(6,717)	37,826
GROUP SHAREHOLDERS' EQUITY	**189,310**	**157,798**	**31,512**

i. Share capital

The share capital of the Parent Company at December 31, 2022 amounts to Euro 90,314,162, entirely paid-in and comprising 36,125,665 ordinary shares without par value.

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

in Euro	for the year ended 31.12.2022	for the year ended 31.12.2021
Group profit/(loss) for the year (*)	31,511,149	(6,739,017)
Average number of shares outstanding	36,125,665	36,125,665
Undiluted earnings/(losses) per share	**0.87**	**(0.19)**
Diluted earnings/(losses) per share	**0.87**	**(0.19)**

(*) from Consolidated Statement of Comprehensive Income

The undiluted earnings/(losses) and diluted earnings/(losses) per share of the AdB Group December 31, 2022 and December 31, 2021 are the same due to the absence of potential dilutive instruments.

ii. Reserves

The following table breaks down the Reserves at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Share premium reserve	25,683	25,683	0
Legal reserve	8,179	8,179	0
Extraordinary reserve	57,389	57,116	273
FTA Reserve	(3,272)	(3,272)	0
Profits (losses) carried forward	(19,435)	(12,445)	(6,990)
OCI reserve	(658)	(1,060)	402
TOTAL RESERVES	**67,887**	**74,201**	**(6,315)**

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 2021 profit of the subsidiary FFM.

The change in the profits/losses carried forward is due to:

- the profits/losses deriving from the IAS accounting entries of the subsidiary companies;
- the allocation of result for the previous year of the subsidiary Tag and 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 31.12.2022	As at 31.12.2021	Change
IAS 19 actuarial profits/losses	(862)	(1,395)	533
Deferred taxes on actuarial gains/losses as per IAS 19	204	335	(131)
OCI RESERVE	**(658)**	**(1,060)**	**402**
of which minority interest	**0**	**0**	**0**
of which Group	**(658)**	**(1,060)**	**402**

13. Severance and other personnel provisions

The following table breaks down severance and other personnel provisions at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Severance	3,106	3,616	(510)
Other personnel provisions	207	225	(18)
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**3,313**	**3,841**	**(528)**

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

in thousands of Euro	As at 31.12.2021	Service cost	Net interest	Benefits paid	Actuarial profits/ (losses)	As at 31.12.2022
Severance	3,616	20	61	(116)	(475)	3,106
Other personnel provisions	225	126	0	(86)	(58)	207
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**3,841**	**146**	**61**	**(202)**	**(533)**	**3,313**

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

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

a) discount rate: 3.63% for the valuation at December 31, 2022 and 0.98% for the valuation at December 31, 2021;
b) inflation rate: 2.30% for the valuation at December 31, 2022 and 1.75% for the valuation at December 31, 2021;
c) demographic bases (mortality/invalidity): the mortality tables RG 48 published by the State General Office were used for the mortality rates. For invalidity, an INPS table based on age and gender was utilised;
d) staff turnover rate: 1%.

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

	Valuation parameter					
in thousands of Euro	+1 % on turnover rate	-1 % on turnover rate	+ 0.25% on annual inflation rate	- 0.25% on annual inflation rate	+ 0.25% on annual discount rate	- 0.25% on annual discount rate
Severance	3,121	3,089	3,145	3,067	3,045	3,168

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

Years	Estimated future disbursements (in Euro thousands)
1	216
2	233
3	213
4	248
5	122

The other personnel provisions at December 31, 2022 concern the long-term incentive plan and the non-competition agreement of the Chief Executive Officer/General Manager as governed by the Remuneration Policy commented upon in the Corporate Governance and Share Ownership Report, to which reference should be made.

The actuarial valuation at December 31, 2022 of the long-term incentive plan and the non-competition agreement of the CEO/GM was made with the support of actuarial experts utilising the "benefits matured" method based on IAS 19 (paragraphs 67-69) through the "Project Unit Credit" criterion. Under this method the valuation is based on the average present value of the obligations matured based on the employment service up to the time of the valuation.
The main valuation parameters were:

a) discount rate: 3.77% for the valuation at December 31, 2022 (0.98% for the valuation at December 31, 2021) of the liability for the non-competition agreement equal to the yield on the comparable duration of the employment duration in the sector and 3.34% for the valuation at December 31, 2022 (-0.17% for the valuation at December 31, 2021) of the liabilities for the long-term incentive, yield in line with the three-year duration of the plans under consideration;
b) demographic bases (mortality/invalidity): the mortality tables RG 48 published by the State General Office were used for the mortality rates.
c) frequency voluntary resignations and dismissals by the company: 1%;
d) probability of reaching objectives equal to 70-100% of the second cycle.

Finally, we report the sensitivity which highlights the effects on the other employee provisions, in particular on the provision relating to the non-competitive agreement, in the case of termination of employment with probability equal to 10%:

in thousands of Euro	Service cost
Other personnel provisions	70

14. Deferred tax liabilities

The following table breaks down the deferred tax liabilities at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2021	Provisions	Uses	As at 31.12.2022
DEFERRED TAX LIABILITIES	**2,691**	**152**	**0**	**2,843**

The deferred tax liability provision amounts to Euro 2.8 million. The deferred tax liabilities were recorded on transition to IFRS following the application of IFRIC 12 "*Service concession arrangements*", as illustrated in the note relating to the Transition to International Accounting Standards IFRS in the 2014 Financial Statements. The increase in the year is attributable to the application of IFRIC 12 on the investments in concession rights without any tax impact and the recognition of the deferred tax liabilities on the IAS measurement of the severance indemnities.

IRES rate 24%	Assessable				Tax			
in thousands of Euro	As at 31.12.2021	Increases	Uses	As at 31.12.2022	As at 31.12.2021	Increases	Uses	As at 31.12.2022
Amortisation of concession rights	9,647	234	0	9,881	2,314	56	0	2,370
Discounting of severance benefits IAS 19	0	239	0	239	0	86	0	86
Total IRES	**9,647**	**473**	**0**	**10,120**	**2,314**	**142**	**0**	**2,456**

IRAP rate 4.2%	Assessable				Tax			
in thousands of Euro	As at 31.12.2021	Increases	Uses	As at 31.12.2022	As at 31.12.2021	Increases	Uses	As at 31.12.2022
Amortisation of concession rights	8,954		0	8,954	377	10	0	387
Total IRAP	**8,954**	**0**	**0**	**8,954**	**377**	**10**	**0**	**387**
Total					**2,691**	**152**	**0**	**2,843**

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 year ending December 31, 2022 are reported below, divided between non-current and current.

in thousands of Euro	As at 31.12.2021	Provisions	Uses	Reclassifications	As at 31.12.2022
Provision for renewal of airport infrastructure (non-current)	10,097	2,877	0	(2,434)	10,541
Provision for renewal of airport infrastructure (current)	1,676	0	(1,555)	2,434	2,555
TOTAL PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE	**11,773**	**2,877**	**(1,555)**	**0**	**13,096**

The movements during the year regard:

- ✓ the provision (Euro 4.1 million) net of the update to the discount rate of cash flows, with a positive impact for financial income of Euro 1.2 million;
- ✓ the uses (Euro 1.6 million) for actions which mainly included the renovation of a section of the runway wear layer, in addition to work on the terminal roofing, office upgrades, and various work on the facilities.

The reclassifications concern the periodic reclassification to current liabilities of the disbursements expected in the twelve months subsequent to period end.

For completeness the following table shows the sensitivity in the interest rates applied for the discounting of the provision for renewal of airport infrastructure at December 31, 2022:

in thousands of Euro	Financial (charges)/ financial income	Sensitivity Analysis (+0.5%)	Sensitivity Analysis (-0.1%)
Provision for renewal of airport infrastructure	(1,202)	(1,140)	(1,214)

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 year are reported below:

in thousands of Euro	As at 31.12.2021	Provisions	Util./Other decreases	As at 31.12.2022
Risk provision for disputes	978	423	(235)	1,166
Provisions for other risks and charges	539	1	(471)	69
PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)	**1,517**	**424**	**(706)**	**1,235**
Employee back-dated provision	23	6	0	29
PROVISIONS FOR RISKS AND CHARGES (CURRENT)	**23**	**6**	**0**	**29**
TOTAL PROVISIONS FOR RISKS AND CHARGES	**1,540**	**430**	**(706)**	**1,264**

The “Risk provision for disputes" includes the updated liabilities prudently estimated, including with the help of mandated lawyers, for pending litigation and mainly includes:

- the estimates of interest owing in relation to the fire prevention service (Euro 18.6 million at December 31, 2022), as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3-bis of Law No. 2/2009.
- the estimation of revocation risks on clients going bankrupt in previous years, with the exception of the Alitalia bankruptcy. For the latter, please refer to the next section;
- the estimated liability for possible litigation with employees and contractors for work on airport grounds.

For further details, reference should be made to the chapter on Disputes in the Directors’ Report;

The item “other provision risks and charges” changed following the signature of the assessment by consent agreement with the Municipality of Bologna, which in turn followed changes in the land registry classification of a number of buildings. These changes were made on December 13, 2021 by the by the Bologna provincial office of the Italian Tax Agency responsible for land registration, by official measure as per Law 311/04. The definition of this measure was definitively concluded with the payment of the amount due, although this settlement does not constitute an admission of acquiescence, and was signed merely to avoid onerous and costly legal proceedings for the Group, given the limited application scope of the fees in question and the non-application of sanctions. On February 9, 2022, the Group asserted its case by notifying that a tax appeal had been filed against the Land Registry and Tax Administration to contest the classification of December 13, 2021, for which we fundamentally dispute the assumptions and justifications. The hearing on the merits before the competent Tax Commission was held on March 7, 2023, the outcome of which was favourable, with the Tax Court of First Instance of Bologna - with ruling No. 123/2023 filed on March 13, 2023 - having accepted the Group's reasons in full, ruling - disregarding all contrary objections - for the annulment of the contested act and compensating for costs. As long as the land registry dispute continues without a final judgment, the Group will pay the relevant IMU taxes and then, within the terms of the law, make any claims for reimbursement of the amount paid.

Finally, the employee back-dated provision relates to the subsidiary FFM and, in particular, the estimated economic impact of the renewal of the Handlers' Collective Bargaining Agreement, which concluded on June 30, 2017.

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

Contingent liabilities

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

In relation, finally, to the extraordinary administration of Alitalia, in early May 2020 the Company received notification of revocatory action submitted by the Extraordinary Commissioner of ALITALIA SAI in administration. The Group assessed the potential liability related to the revocation of receivables arising in the six months before the procedure, for an amount of Euro 2.01 million (gross of municipal passenger boarding fee surtaxes already paid to the competent authorities). At the preparation date of this document, taking account of the information noted and the defensive arguments against the advanced action, the Directors, having met with the appointed lawyers, judged the liability as possible but not probable. They therefore considered it appropriate to provide disclosure in the Notes, without making any accrual, while at the same time continuing its defensive action. In any event, the case will not be settled before the end of the year 2024.

17. Non-current and current financial liabilities

The following table breaks down non-current and current financial liabilities at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Bank loans – non-current	47,605	62,577	(14,972)
Non-current financial liabilities for leasing	521	949	(428)
NON-CURRENT FINANCIAL LIABILIITES	**48,126**	**63,526**	**(15,400)**
Bank loans - current	14,976	6,191	8,785
Current financial liabilities for leasing	540	597	(57)
Payables due for boarding fee surtaxes and Iresa	2,254	1,112	1,142
Other current financial debt	25	23	2
CURRENT FINANCIAL LIABILITIES	**17,795**	**7,923**	**9,872**
TOTAL FINANCIAL LIABILITIES	**65,921**	**71,449**	**(5,528)**

Financial liabilities at December 31, 2022 totalled Euro 65.9 million, decreasing Euro 5.5 million compared to December 31, 2021, mainly due to the payment of the loan instalments maturing in the period (Euro 6.2 million).

“Loans” include:

- loan with SACE guarantee, maturing in 2026, issued by Intesa Sanpaolo Spa in July 2020 for Euro 33.9 million to support the infrastructural development plan and offset the reduction in traffic due to the COVID-19 emergency. This loan, with a grace period of 3 years and first repayment in 2023, was classified for Euro 28.25 million to non-current financial liabilities and for Euro 5.65 million to current financial liabilities;
- loan with SACE guarantee, maturing in 2026, issued by Unicredit Spa in July 2020 for Euro 25 million to support the infrastructural development plan and offset the reduction in traffic due to the COVID-19 emergency. This loan, which had a grace period of 2 years ending in June 2022, is classified for Euro 15.6 million to non-current financial liabilities and for Euro 6.25 million, equating to the principal to be repaid over the coming 12 months, to current loans. In 2022, the initial two instalments for Euro 3.1 million were repaid;
- fifteen-year bank loan with maturity 2026, with a residual balance of Euro 1.7 million at December 31, 2022 (Euro 2.2 million at December 31, 2021), issued by Monte dei Paschi di Siena (former Banca Agricola Mantovana) to fund investments of the General Aviation Terminal. This liability is classified for Euro 1.2 million under bank loans - non-current (Euro 1.7 million at December 31, 2021), and for Euro 0.5 million, equal to the principal to be repaid over the coming 12 months, under current loans (Euro 0.5 million at December 31, 2021); In 2022, the instalments due for Euro 0.5 million were repaid;
- ten-year bank loan with December 2024 maturity, with a balance of Euro 5.1 million at December 31, 2022 (Euro 7.7 million at December 31, 2021), issued by Banca Intesa to fund the infrastructure investment plan. This loan is classified for Euro 2.55 million under non-current loans and for Euro 2.55 million under current loans. In 2022, the two instalments due for Euro 2.6 million were repaid.

In order to guarantee the necessary liquidity to support the airport infrastructure investment and development plan, in December 2021 the Parent Company signed a loan with the European Investment Bank (EIB), for which as of December 31, 2022 no request for disbursement has been made. The loan agreement will provide AdB with the flexibility required for the progression of the infrastructural development plan and funding requirements, with disbursement available up to 48 months from signing and in multiple tranches and in any case for a total amount not exceeding 50% of the total estimated project costs. This is alongside the flexibility of the option to choose between a fixed rate and a variable rate, the amount of which in both cases will be determined by the EIB in relation to the timing of the loan request and the overall conditions of disbursement and repayment. The last repayment date for each tranche shall fall no earlier than four years and no later than eighteen years from the relevant disbursement date, subject to the option for AdB to make voluntary early repayments. The contract includes negative pledges and covenants, including of a disclosure nature typical of such situations, with an early settlement obligation where control of AdB is acquired.

Loans breakdown:

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Bank loans – non-current	47,605	62,577	(14,972)
Bank loans - current	14,976	6,191	8,785
TOTAL LOANS	**62,581**	**68,768**	**(6,187)**

The contractual conditions of the loans in place at December 31, 2022 are illustrated below:

Credit Institution	Type of loan	Interest rate applied	Rate	Maturity	Covenant
Intesa San Paolo S.p.A.	Loan	Fixed rate of 3%	Half-Yearly	2024	NFP/EBITDA NFP/SE
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	NFD/EBITDA NFD/SN
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, an acceleration clause may be triggered where the Company financed is not in compliance with obligations of a credit or financial nature, or with guarantees assumed with any party. We report that at December 31, 2022 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.

A sensitivity analysis is illustrated below on variable interest rate loans held at December 31, 2022.

			in Euro thousands			
Credit Institution	**Type of loan**	**Interest rate applied**	**Balance at 31.12.2022**	**Interest balance for year**	**Sensitivity Analysis (+0.5%)**	**Sensitivity Analysis: (-0.1%)**
Monte dei Paschi di Siena (former Banca Agricola Mantovana)	Banking	Euribor 3 months/360 + 0.9%	1,711	15	25	13
Intesa San Paolo Spa - SACE-backed	Banking	Euribor 3 months/360 + 1.29%	33,900	437	607	403

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 31.12.2022	As at 31.12.2021	Change
Non-current lease liabilities	521	949	(428)
Current lease liabilities	540	597	(57)
TOTAL LEASE LIABILITIES	**1,061**	**1,546**	**(485)**

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 1 million for contractual instalments due beyond 12 months
- current: Euro 0.6 million relating to contractual instalments due within the current year.

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	31/12/2021	Cash flows	New contracts	Interest/Other Reclassifications	31/12/2022
Loans - current portion	6,191	6,197	0	14,982	14,976
Lease liabilities - current portion	597	(647)	70	520	540
Loans - non-current portion	62,557	0	0	14,952	47,605
Lease liabilities - non-current portion	949	0	78	(506)	521
Total	**70,294**	**6,844**	**148**	**44**	**63,642**

The passenger boarding fee surtax and IRESA payable concerns the portion received from carriers at December 31, 2022 and reversed to the Authority in January.

18. Trade payables

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
TRADE PAYABLES	**24,869**	**19,035**	**5,834**

Trade payables concern the purchase of goods and services, including investments and mainly concern Italian suppliers; the account increased on December 31, 2021, in line with the overall recovery of operations. Days payable outstanding remained substantially unchanged on the previous year (52 in 2022, compared to 54 in 2021).

The table below shows the breakdown of trade payables at December 31, 2022 and December 31, 2021 by due date:

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

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

in thousands of Euro	Not yet due	Overdue	Total at 31.12.2021
Invoices/credit notes received	5,112	1,148	6,260
Invoices/credit notes to be received	12,775	0	12,775
TOTAL TRADE PAYABLES	**17,887**	**1,148**	**19,035**

in thousands of Euro	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE PAYABLES	**5,112**	**646**	**102**	**93**	**307**	**6,260**

As indicated in the above tables, the ageing of trade payables slightly increased at December 31, 2022 compared to December 31, 2021. Overdue trade payables increased from 18% of total payables to 20% due to the increase in payables overdue by over 90 days as a result of the halting of a payment to a supplier due to irregularities in contribution payments.

19. Other Liabilities

The following table breaks down current liabilities at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Current tax payables	2,923	1,062	1,861
Employee payables and social security institutions	4,137	3,873	264
ENAC concession fee and other State payables	23,339	18,971	4,368
Other current liabilities, accrued liabilities and deferred income	4,780	5,188	(408)
TOTAL OTHER CURRENT LIABILITIES	**35,179**	**29,094**	**6,085**

The principal changes were as follows:

i. Current tax payables

The following table breaks down tax payables at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
VAT payable	216	133	83
Direct income taxes	1,665	16	1,649
Other tax payables	1,042	913	129
TOTAL CURRENT TAX PAYABLES	**2,923**	**1,062**	**1,861**

The increase in tax payables is due to the higher VAT payable on the basis of the increased revenues, of the payable for direct income taxes in relation to the estimate for income taxes in the period, in addition to the employee and self-employed workers withholding taxes. Direct tax payables, which was extremely marginal at the end of the previous year, at December 31, 2022 comprise the IRAP payable for Euro 981 thousand and the IRES tax consolidation payable for Euro 684 thousand.

ii. Employee payables and social security institutions

The following table breaks down employee payables and social security institutions at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Due to personnel renumeration	975	1,038	(63)
Employee deferred compensation	1,911	1,790	121
Social security payables	1,251	1,045	206
EMPLOYEE PAYABLES AND SOCIAL SECURITY INSTITUTIONS	**4,137**	**3,873**	**264**

Employee payables and social security institution payables reported an increase due to the increased personnel costs. Reference should be made to the relative section for further details.

iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 18.6 million (Euro 17.1 million in 2021) 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;
- Euro 4.6 million as the variable airport concession fee payable regarding the second payment on account and the 2022 final settlement. The payable increased on the previous year (Euro 1.9 million at December 31, 2020), given the increase in traffic underlying the calculation of the concession fee.

The liability relating to the fire prevention service, as further described in the Directors' Report, to which reference should be made, was recognised to incorporate the contribution owed by AdB to the Fund established by the 2007 Budget Law in order to reduce the cost borne by the State for organising and providing the **fire prevention service** at Italian airports. The Parent Company promoted, in 2012, a specific

judicial action before the Rome Civil Tax Court, substantially requesting the Judge to ascertain and declare the cessation of the obligatory contribution following the change in the purpose of the afore-mentioned Fund, i.e. from January 1, 2009. In fact, from that date the resources accumulated in the Fund were allocated to the generic requirements of the public purse and civil defence, as well as for financing salary increases of the Fire Prevention Service.
While awaiting the civil procedure, which extended over numerous years across a series of different judges and postponements, a consolidated jurisprudence (ex pluris Rome Provincial Tax Court No. 10137/51/2014 - passed into Law - and Rome Provincial Tax Court No. 2517/2019) sealed by the pronouncement of the Court of Cassation No. 3162 of February 1, 2019 and, latterly, by the Lazio Regional Tax Commission No. 7164/2019, affirmed: i) the nature of the contribution to the Fire Prevention Fund, ii) the consequent competent tax jurisdiction, iii) the non-obligation to pay the tax from 2009, due to the non-applicability of its original legislative purpose, pending a legitimate legal provision.

Finally, on February 8, 2022, the Rome Court issued its ruling No. 2012/2022 clarifying the jurisdiction of the tax court. The company in order to obtain a direct recognition of the principles embodied universally by the Court of Cassation and by the Rome Provincial Tax Court in December presented the case before the Rome Court (RG No. 22375/12). The hearing on the substance of the case before the Rome Provincial Tax Commission has been set for April 17, 2023. The pronouncement of the United Sections in May 2023 is also awaited for the final affirmation of the legal principles issued by the tax jurisprudence and to confirm its comprehensive legal efficacy.

While considering the above, we highlight that a legal provision is still in place indicating that AdB is required to settle these amounts. It is also hoped that negotiations will be restarted in order to reach a final settlement and for the issuance of a new rule governing the matter.

iv. Other current liabilities, accrued liabilities and deferred income

The following table breaks down current liabilities, accrued liabilities and deferred income December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Payables due for boarding fee surtaxes and Iresa	2,904	4,035	(1,131)
Other current liabilities	1,684	1,068	616
Current accrued liabilities and deferred income	192	85	107
TOTAL OTHER CURRENT LIABILITIES, ACCRUED LIABILITIES AND DEFERRED INCOME	**4,780**	**5,188**	**(408)**

The main account concerns the surtax for passenger boarding fees and for IRESA (Regional Tax on Aircraft sound Emissions), relating to the receivables from carriers not yet collected at December 31, 2022, for Euro 2.9 million. The portion of the passenger boarding fees payable and for IRESA relating to receivables collected from carriers, to be 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. The increase on the previous year is mainly due to the higher security deposits from clients and the collection of the advance on the Conciliamo project, a tender of the department for family policies of the Prime Minister's office, to which the parent company had access and which targets work-life balance actions and activities for employees. Finally, also the "other accrued liabilities and deferred income" account increased, mainly due to the portion of online sales revenues collected in advance.

NOTES TO THE MAIN CONSOLIDATED INCOME STATEMENT ACCOUNTS

REVENUES

20. Revenues

The tables below breakdown revenues for the years ending 2022 and 2021. In relation to the performance, reference should be made to the greater detail provided in the Directors' Report.

Consolidated revenues totalled Euro 134.6 million, growth on Euro 76 million in 2021. Isolating the "revenues from construction services" item which concerns investments in concession rights in the year, which significantly increased in 2022 (nearly Euro 16 million, compared to Euro 8.1 million in 2021) excluding the contribution of the COVID compensation fund for Euro 21.1 million, revenues in the year were however up 93.24% (from Euro 50.4 million in 2021 to Euro 97.5 million in 2022).

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Revenues from aeronautical services	53,754	29,820	23,934
Revenues from non-aeronautical services	42,257	19,917	22,340
Revenues from construction services	15,952	8,051	7,901
Other operating revenues and income	22,592	701	21,891
TOTAL REVENUES	**134,555**	**58,489**	**76,066**

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 year ended 31.12.2022	for the year ended 31.12.2021	Change
Airport fees	45,162	24,718	20,444
Parking	15,970	6,987	8,983
Revenues from construction services	15,952	8,051	7,901
Other	34,770	7,639	27,131
TOTAL IFRS 15 REVENUE STREAMS	**111,854**	**47,395**	**64,459**

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

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Airport fees	45,162	24,718	20,444
Parking	15,970	6,987	8,983
Revenues from construction services	15,952	8,051	7,901
Other	34,770	7,639	27,131
TOTAL IFRS 15 REVENUE STREAMS	**111,854**	**47,395**	**64,459**
Commercial/non-comm. sub-licenses	22,465	11,043	11,422
TOTAL NON IFRS 15 REVENUE STREAMS	**22,465**	**11,043**	**11,422**
TOTAL NON IFRS 15 Revenues	236	51	185
TOTAL REVENUES	**134,555**	**58,489**	**76,066**

i. Revenues from aeronautical services

The table below shows revenues from aeronautical services in 2022 and 2021. This category of revenues grew 80.3%, directly related to the traffic performance (+107% passengers and +66.8% movements). The impact from the altered traffic mix, with the low-cost component significantly increasing, together with the decrease in aviation tariffs, offset the increase for this revenue category.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Revenues from centralised infrastructure/other airport services	749	577	172
Exclusive use revenues	884	628	256
Airport fee revenues	65,746	36,149	29,597
PRM revenues	5,725	2,760	2,965
Air traffic development incentives	(26,499)	(14,334)	(12,165)
Handling services	2,810	2,087	723
Other aeronautical revenues	4,408	1,977	2,431
Reduction in revenues from aeronautical services to doubtful debt provision	(69)	(24)	(45)
TOTAL REVENUES FROM AERONAUTICAL SERVICES	**53,754**	**29,820**	**23,934**

The breakdown of airport fee revenues is shown below:

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Passenger boarding fees	29,385	15,321	14,064
Landing, take-off and parking fees	22,551	13,444	9,107
Passenger security fees	9,341	4,977	4,364
Baggage stowage control fees	3,647	1,840	1,807
Freight loading and unloading charges	859	777	82
Reduction for provision	(37)	(210)	173
TOTAL AVIATION FEE REVENUES	**65,746**	**36,149**	**29,597**

ii. Revenues from non-aeronautical services

The table below shows revenues from non-aeronautical services in 2022 and 2021.

This revenue category was up 112.1%, due to the recovery of parking services, which is closely connected to the traffic performance and sub-concession revenues, also connected with revenue and therefore traffic movements.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Commercial premises and spaces sub-concession	20,442	9,566	10,876
Parking	15,970	6,987	8,983
Other commercial revenues	5,845	3,368	2,477
Reduction in revenues from non-aeronautical services to doubtful debt provision	0	(4)	4
TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES	**42,257**	**19,917**	**22,340**

Other commercial revenues also rose significantly and are broken down in the following table, which highlights increases across all categories, particularly for the *Marconi Business Lounge* services in view of the significant uptick of business and trade fair trips. Finally, the “other commercial revenues” account, which includes (among others) security services, vehicle maintenance, airport personnel training courses and Terminal access and which generally increased thanks to the general recovery in activities.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Marconi Business Lounge	2,154	611	1,543
Advertising	1,254	948	306
Misc. commercial revenues	2,437	1,809	632
TOTAL OTHER COMMERCIAL REVENUES	**5,845**	**3,368**	**2,481**

iii. Revenues from construction services

Revenues from construction services concern the construction services undertaken by the Aeroporto Guglielmo Marconi di Bologna S.p.A. Group on behalf of the ENAC granting entity for the capital investments previously commented upon in relation to the Concession Rights in Note 1.
These revenues amounted to Euro 15.6 million compared to Euro 8.1 million in 2021, due to the higher investments in airport infrastructure under concession; see Directors' Report for further information.

iv. Other Revenue and Income

The table below shows other revenues and income in 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Indemnities, reimbursement and misc. income	903	549	354
Operating and plant grants	559	162	397
Cont. COVID-19 compensation fund Budget Law 2021	21,137	0	21,137
Revenues from Terminal Value on Provision for Renewal	34	0	34
Capital gains	10	(10)	20
Reduction in other revenues to Provision for doubtful accounts	(51)	0	(51)
TOTAL OTHER REVENUES AND INCOME	**22,592**	**701**	**21,891**

The significant increase is due to the contribution from the compensation fund established under Italian law No. 178 of December 30, 2020 (the 2021 Budget Law), enacted by Decree of the Ministry for Infrastructure and Sustainable Mobility, in concert with the Ministry for the Economy and Finance, of November 25, 2021. In light of the approval of the applications for access to the fund and the collection of the contribution, both of which took place in the first half of 2022, it appears that the conditions set out in paragraph 7 of IAS 20 necessary for the recognition of the contribution have been met, and therefore it has been recognised as other income and revenues in the financial report in question. As per paragraph 20 of IAS 20, the contribution is fully attributable to the reporting period as it represents compensation for costs and losses incurred in previous years and is not related to future costs. Finally, in accordance with paragraph 29 of IAS 20, assuming that, as noted above, in the case at hand, there is no matching between costs and losses incurred (recognised in FY 2020) and the related contribution, it was recognised under "other income and revenues."
In addition, "Operating and plant grants" include the contributions recorded by the parent company:

- to partially offset the higher charges incurred for the energy and natural gas acquired and effectively utilised from the second quarter of 2022, as a non-energy and non-gas consuming enterprise experiencing a rise of over 30% of the average electricity and gas price compared to the same period of FY 2019;
- in relation to the Cyrano funded project;
- to cover the provision of employee training courses;
- to incur costs that are eligible for tax credits on research, development, technological innovation, design and aesthetics under Article 1, paragraphs 198-209 of Italian Law No. 160 of December 27, 2019.

"Compensation, reimbursements and other income" reports increased revenues from condominium expense recharges following the increased cost of energy and revenues from penalties imposed on a contractor for the delayed execution of works.

COSTS

Total costs in 2022 increased 45% on 2021. Isolating the "construction service costs" item which nearly doubled due to the increased investment in airport infrastructure in 2022, the adjusted costs still report a significant increase (36%) due to the increase in all cost components, mainly costs for services, the airport concession fee and personnel costs.

21. Costs

i. Consumables and goods

The table below presents consumables and goods in 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Consumables and goods	940	776	164
Maintenance materials	180	121	59
Fuel and gasoline	3,013	1,079	1,934
TOTAL CONSUMABLES AND GOODS	**4,133**	**1,976**	**2,157**

This category of costs rose significantly, mainly related to increased purchase of fuel to service General Aviation aircraft and de-icing liquid.

ii. Service costs

The following table shows the breakdown of services costs for 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Maintenance costs	4,836	4,198	638
Utilities	3,565	1,777	1,788
Cleaning and accessory services	2,305	1,717	588
Services	5,654	4,519	1,135
MBL Services	392	113	279
Advertising, promotion and development	669	377	292
Insurance	1,074	868	206
Professional and consultancy services	1,827	1,243	584
Statutory board fees and expenses	625	571	54
Other service costs	436	170	266
TOTAL SERVICE COSTS	**21,383**	**15,553**	**5,830**

All cost items of this category also increased on 2021, due to the increase in traffic related services and therefore the volume effect for the PRM service, security services and the MBL service, although also due to the increase in raw material costs and particularly of energy, alongside inflation in general, that have resulted in higher costs for all services.

A breakdown of maintenance expenses is provided below:

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Owned asset maintenance expenses	1,132	971	161
Airport infrastructure maintenance expenses	3,186	2,999	187
Third party asset maintenance expenses	518	228	290
TOTAL MAINTENANCE EXPENSES	**4,836**	**4,198**	**638**

The breakdown of services is illustrated below:

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Snow clearance	398	350	48
Porterage, transport third-party services	509	39	470
PRM assistance service	850	539	311
De-icing and other public service charges	350	323	27
Security service	2,001	1,632	369
Other outsourcing	1,546	1,636	(90)
TOTAL SERVICES	**5,654**	**4,519**	**1,135**

For the disclosure pursuant to Article 38, paragraph 1, letter o) of Legislative Decree No. 127/91, it should be noted that the remuneration of the sole director of Adb, who also serves on the Board of Directors of the subsidiary, FFM, amounts to Euro 106.2 thousand (Euro 96.2 thousand for Adb and Euro 10 thousand for FFM).

The table below reports the fees paid to the Board of Statutory Auditors and the Independent Audit Firm:

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Statutory auditors fees	175	157	18
Independent auditors fees	159	141	18
Total	**334**	**298**	**36**

The independent auditors' fees are illustrated below:

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Audit (*)	136	124	12
Certification work	11	6	5
Other services (**)	11	11	0
Total	**159**	**141**	**18**

(*) Including review of Non-Financial Information Report
(**) Certification of regulatory accounting

iii. Construction service costs

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

iv. Leases, rentals and other costs

The following table shows the breakdown of leases, rentals and other costs for 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Concession fees	6,342	2,842	3,500
Hire charges	208	176	32
Rental charges	151	4	147
EDP service processing charges	1,550	1,547	3
Other rental & hire costs	8	0	8
TOTAL LEASES, RENTALS AND OTHER COSTS	**8,259**	**4,569**	**3,690**

The increase in this cost category is due to the airport concession fee due to the higher traffic volumes on the basis of which it is calculated.

v. Other operating expenses

The following table shows the breakdown of other operating expenses for 2022 and 2021 (no significant changes).

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Misc. and local taxes	1,327	1,179	148
Fire prevention service contribution	1,526	1,476	50
Capital losses	3	1	2
Other operating expenses	401	481	(80)
TOTAL OTHER OPERATING EXPENSES	**3,257**	**3,137**	**120**

vi. Personnel costs

The following table shows the breakdown of personnel costs for 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Wages and salaries	18,921	14,693	4,228
Social security contributions	5,348	4,391	957
Severance provisions	1,420	1,236	184
Retirement pension and similar	196	193	3
Other personnel costs	1,618	1,545	73
TOTAL PERSONNEL COSTS	**27,503**	**22,058**	**5,445**

The increase in personnel costs is due on the one hand to the increase in the workforce (+13 average headcount in 2022 compared to 2021; +30 headcount at December 31, 2022 compared to December 31, 2021), and on the other to the gradual reduced use of the Temporary Lay-Off Scheme following the recovery in traffic. The use of temporary staff also increased, in order to deal with the traffic peaks and in general the recovery of full operability. This was added to by higher costs for the canteen service and staff training. On the other hand, leaving incentive costs were not present in the year compared to the previous year.

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

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Employee canteen	521	371	150
Personnel training and refresher courses	177	101	76
Employee expenses	124	41	83
Misc. personnel costs	671	940	(269)
Other personnel provisions	125	92	33
TOTAL OTHER PERSONNEL COSTS	**1,618**	**1,545**	**73**

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

Average workforce (No.)	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Executives	8	9	(1)
White-collar	391	379	12
Blue-collar	87	85	2
TOTAL PERSONNEL	**486**	**473**	**13**

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

Workforce (number)	As at 31.12.2022	As at 31.12.2021	Change
Executives	8	8	0
White-collar	404	379	25
Blue-collar	93	88	5
TOTAL PERSONNEL	**505**	**475**	**30**

22. Depreciation, amortisation and impairment

The following table shows the movement of depreciation and amortisation for the periods ended December 31, 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Amortisation/impairment of Concession Rights	8,014	7,440	574
Amortisation of other intangible assets	661	890	(229)
Depreciation/impairment of tangible assets	5,249	2,225	3,024
TOTAL DEPRECIATION AND AMORTISATION	**13,924**	**10,555**	**3,369**

The depreciation and amortisation is in line with the effects of the full year application from the progressive roll-out of investments over the last twelve months (see Investment Chapter in the Directors' Report and notes 1 and 2).
The account includes Euro 567 thousand of excerpts of designs that can no longer be used, in addition to Euro 3.1 million in write-downs on the value of "investment properties" (see Note 2).
"Depreciation of tangible assets", finally, includes Euro 528 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 in 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Provisions for doubtful accounts	693	504	189
Provision for renewal of airport infrastructure	4,079	671	3,408
Provisions for other risks and charges	171	168	3
TOTAL PROVISIONS	**4,943**	**1,343**	**3,600**

This category of costs increased due almost exclusively to the higher provision for renewal of airport infrastructure, which represents the amount accrued by the Parent Company 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 accrual in 2021 was particularly contained due to the postponement of a number of actions to subsequent years, due to the COVID emergency which resulted in a review of the ten-year restoration and replacement action plan.

With regards to 2022, the increased accrual, which resulted in a net increase in the provision of approximately 11%, is due to:

- the resumption of operations, which resulted in higher projected utilisations with the consequent need for provisions to restore the provision,
- the updating of its economic framework due to rising prices of raw materials and energy;
- certain interventions not previously planned but deemed necessary to improve the quality of service at the terminal and to ensure the efficiency of airside operations.

With regard to the provision for doubtful debts, the amount in the table consists of Euro 717 thousand in provisions, net of Euro 24 thousand in releases due to the cessation of risk on certain customer positions. In addition to the above-mentioned amount, the write-down of receivables during the year against the risk of non-collectability also derives from the reduction of revenues accrued during the year for a further Euro 384 thousand.

24. Net financial income and expenses

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Income from securities	18	19	(1)
Other income	100	4	96
Discounting income on provisions	1,309	476	833
TOTAL FINANCIAL INCOME	**1,427**	**499**	**928**
Interest expenses and bank charges	(850)	(747)	(103)
Discounting charges on provisions	(77)	(41)	(36)
Interest charges for discounting of liabilities for leasing	(18)	0	(18)
Other financial expenses	(526)	(291)	(235)
TOTAL FINANCIAL EXPENSES	**(1,471)**	**(1,079)**	**(392)**
TOTAL FINANCIAL INCOME AND EXPENSES	**(44)**	**(580)**	**536**

Net financial expense came to Euro 44 thousand due to the significant increase in income from the discounting of provisions deriving from the sharp increase in interest rates.

In terms of financial income, the “financial income other than above” item includes Euro 58 thousand for the return on the Time Deposits recognised to current assets, while the greatest increase in financial charges related to the accessory costs of the SACE-backed loans.

25. Income taxes

The following table shows income taxes for the year for 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Current income taxes	1,727	50	1,677
Deferred tax (assets) and liabilities	3,081	(2,282)	5,363
TOTAL INCOME TAXES FOR THE YEAR	**4,808**	**(2,232)**	**7,040**
% current taxes on results before taxes	**4.81%**	**n.a.**	**/**
% income taxes for the year on results before taxes	**13.39%**	**n.a.**	**/**

Income taxes in 2022 amount to Euro 4.8 million and report a net charge in the year, differing from 2021 in which it constituted net income of over Euro 2.2 million as a result of the 2021 tax loss, a year still heavily negatively impacted by the COVID-19 crisis. The low impact of this item on pre-tax profit (4.81% current taxes and 13.39% total income taxes)) is chiefly due to the tax break on the COVID-19 contribution, which is not included in taxable income for IRES or IRAP pursuant to Article 10-bis of Legislative Decree No. 137/2020. With reference to IRES, we highlight the renewal for the 2021-2023 three-year period of the option for Group taxation. The estimated IRES tax charge for the year, amounting to Euro 718 thousand, concerns the consolidated tax charge, corresponding to IRES of 24% on realised income net of the use of the IRES tax losses in 2020 and the excess ACE recorded in 2020 and 2021. ”Current taxes” in addition comprise Euro 1 million of IRAP in the year, compared to Euro 30 thousand in the previous year.

The breakdown of current income taxes is illustrated below:

Breakdown of current taxes for the year	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Ires surtax	0	2	(2)
Charges from tax consolidation	718	0	718
IRAP	1,012	30	982
Prior year taxes	(3)	18	(21)
TOTAL	**1,727**	**50**	**1,677**

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

IRES effective/theoretical Tax Rate Reconciliation	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Pre-tax result	35,917	(8,949)	44,866
Ordinary tax rate	**24.00%**	**24%**	**0.00%**
Ires surtax	**0.00%**	**3.5%**	**-3.50%**
Theoretical tax charge / (recovery) 24%	8,620	(2,148)	10,768
Effect of increases and decrease to the ordinary rate			
Provisions deductible in future years	1,708	991	717
Costs deductible in future years	3,361	3,135	226
Other non-deductible costs	4,026	924	3,102
Utilisation provisions deductible in future years	(1,150)	(264)	(886)
Costs not deductible in previous years	(2,394)	(2,810)	416
Other differences	(3,611)	(1,701)	(1,910)
Contribution COVID compensation fund	(21,137)	0	21,137
Prior ACE use	(1,485)	0	(1,485)
Utilisation prior year losses	(11,972)	0	(11,972)
Release deferred tax assets/deferred tax liabilities	(270)	(245)	(25)
Total increase/decrease	**(32,924)**	**30**	**(32,954)**
Assessable income	**2,993**	**(8,919)**	**11,912**
Current IRES	718	0	718
IRES deferred tax assets on tax loss 24%	0	(2,141)	2,141
Effective IRES rate	**2%**	**23.92%**	**6.37%**

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.

Reference should be made to Note 26 of the parent company financial statements with regards to transactions with subsidiaries, while the following paragraph reports transactions with other related parties.

Related party transactions

In 2022, the Group undertook commercial transactions with subsidiaries of the shareholder Atlantia Spa as follows:

- Telepass Spa: under the contract for the supply of electronic parking payment services using the Telepass system, the Parent Company incurred costs of Euro 173 thousand compared with Euro 82 thousand in 2021. Trade payables were recognised for Euro 49 thousand (Euro 45 thousand at December 31, 2021);
- Infoblu Spa: under the contract for the supply of multimedia traffic information services, the Parent Company incurred costs of Euro 9 thousand and reported trade payables of Euro 11 thousand at December 31, 2021.
- Malpensa Logistica Europa Spa for cargo handling services provided by FFM for Euro 1 thousand.

Finally, at December 31, 2022 the parent company incurred costs for professional services provided by the investee Urban V for Euro 25 thousand and recognised trade payables for Euro 31 thousand.

27. Commitments 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.

In particular, in 2022 the nature conservation project of the site of community interest SCI IT4050018 "Golena San vitale" was completed, and the tender for the creation of a large wooded strip north of the airport (including a bike path usable by the community) of approximately 40 hectares was launched. The design phase continues of a cycle path linking the airport to the residents of Bologna and Lippo di Calderara di Reno.

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.

28. Law 124/2017 Article 1, paragraphs 125-129 - Transparency of public disbursements

In 2022, the Group utilised "State Aid" by benefiting from operating grants to compensate for damages resulting from the COVID-19 health emergency provided for airport operators and airport ground handling service providers (fund under Law No. 178, Article 1, paragraphs 714 - 719 of December 30, 2020).

For further details and with regards to other "State Aid" received, reference should be made to the National Registry for State Aid website, as per Article 52 of Law No. 234 of December 24, 2012.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

The main subsequent events concerned:

- on February 1, the Group and the largest low cost carrier operating at the airport consolidated their partnership by signing a new 6-year agreement, applicable retrospectively from winter season 2022/2023. The incentives under the new contract were therefore reflected in the financial statements for the November-December 2022 period;
- on March 2, 2023, as part of the consultation procedure with Users, a proposal for the review of the regulated tariffs was presented, together with an updated proposal relating to the service levels of the airport for the 2023-2026 four-year period; the Airport Manager and Airport Users have reached a substantial understanding on the tariff proposal for the 2023-2026 period, effective June 1, 2023, and on the related SLAs. In the manner and within the timeframe stipulated in Model 1 set forth in Resolution No. 92/2017 defined by the Transportation Regulatory Authority, the process will be completed with the publication of the tariffs, which are still undergoing the Authority's final review.

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

The Chairperson of the Board of Directors
(Enrico Postacchini)

Bologna, March 14, 2023

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

1. The undersigned Nazareno Ventola, as Chief Executive Officer, and Patrizia Muffato, as Executive Officer for Financial Reporting, of Aeroporto Guglielmo Marconi di Bologna S.p.A., declare, also in consideration of Article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of February 24, 1998:
   - the accuracy of the information on company operations and
   - of the administrative and accounting procedures for the preparation of the consolidated financial statements for the year ended December 31, 2022.

2. The valuation of the adequacy of the accounting and administrative procedures for the preparation of the consolidated financial statements at December 31, 2022, 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 the benchmark standard generally accepted at international level.

3. We also declare that:

   3.1 - the Consolidated Financial Statements as at December 31, 2022:

   a) were prepared in accordance with international accounting standards, recognised in the European Union pursuant to EU Regulation No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
   b) corresponds to the underlying accounting documents and records;
   c) provide a true and fair view of the financial position, financial performance and cash flow of the Issuer and of the other companies in the consolidation scope.

   3.2 The Directors' Report includes a reliable analysis on the performance and operating result as well as on the situation of the issuer and of the companies included in the consolidation, together with a description of the principal risks and uncertainties to which they are exposed.

Bologna, March 14, 2023

Amministratore Delegato

Nazareno Ventola

Dirigente preposto alla redazione dei documenti contabili societari

Patrizia Muffato

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

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

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. (the "Company") and its subsidiaries (the "Group" or "Aeroporto Guglielmo Marconi di Bologna Group"), which comprise the statement of financial position as at December 31, 2022, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in shareholders' equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Aeroporto Guglielmo Marconi di Bologna S.p.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters	Audit Response
Impairment test on the Concession rights	
Concession rights recognized in the consolidated financial statements as at 31 December 2022 amount to Euro 206.0 million and are subjected to an Impairment Test at least once a year or more frequently if internal and external indicators of impairment of these assets occur. The processes and methodologies for measuring the recoverable amount of these assets are based at times on complex assumptions, which by their nature imply the use of judgment by the directors, especially with reference to the forecast of traffic volumes, tariff levels and the consequent cash flows, as well as the determination of the applicable discount rates. These forecasts, relating to a broad time horizon such as that of the concession period, are impacted by the risk factors and uncertainties that characterize the current market context. In consideration of the judgment required and the complexity of the assumptions used in estimating the recoverable amount of the *Concession Rights*, we deemed that this aspect represents a key matter in the audit. The disclosures relating to this key matter are included in note 1. “Intangible assets”.	Our audit procedures in response to this key audit matter included, amongst others: • analysis of the valuation methodology adopted by the Group; • analysis of the main assumptions underlying the financial and economic forecasts used for the Impairment Test; • analysis of the consistency of these assumptions with the 2023-2027 business plan approved by the directors and with the market context; • discussions with *management* regarding the manner of construction of the Impairment Test model; • testing the consistency of the discount rate applied (WACC). In performing our audit procedures, we also involved our valuation specialists who performed an independent calculation and carried out a sensitivity analysis of the key assumptions for the purpose of determining changes in assumptions that could significantly impact the determination of the recoverable amount. Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements in relation to the key audit matter.
Estimate of the *Provision for renewal of airport infrastructure*	
The *Provision for renewal of airport infrastructure* (the “Provision”) recorded in the consolidated financial statements as at December 31, 2022 amounts to Euro 13.1 million and includes accruals for non-recurring maintenance expenses, as well as estimated future costs for restoration and replacement of assets under concession that the Group plans to incur in accordance with the obligations of the concession agreements in place. The processes and methodologies for measuring	Our audit procedures performed in response to this key audit matter included, amongst others: • analysis of the process and key controls implemented by the Group; • understanding of the concession agreement from which the obligation arises; • analysis of the main changes to the amount of the Provision as compared to

and determining such estimated future costs are based at times on complex assumptions, which by their nature, imply the use of judgment by the directors, in particular with reference to the nature of the maintenance work to be carried out, the expected timing of such and the quantification of the related costs, including the relevant financial component applied based on the timing of such maintenance work. Considering the judgment required by the directors in order to evaluate the nature of the maintenance work, the timing of such and the quantification of the related costs, we deemed that this aspect represents a key matter in the audit.

The disclosures relating to the valuation of the *Provision for renewal of airport infrastructure* are included in paragraph "Provisions for risks and charges" of the section "Accounting policies", as well as in notes 15. "Provision for renewal of airport infrastructure (non-current and current)".

the prior year;

- a critical analysis of the assumptions underlying the calculation of the Provision, through the verification of the consistency of such with the supporting technical report prepared by the Group's competent departments, with the 2023-2027 business plan approved by the directors and with the additional historical and forecast information available;
- test of details on a sample of Provision's utilizations recorded during the fiscal year;
- testing the reasonableness of the discount rate used and the mathematical accuracy of the accrued Provision.

Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements in relation to the key audit matter.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Aeroporto Guglielmo Marconi di Bologna S.p.A. or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;
- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We have communicated with those charged with governance, identified at an appropriate level as required by international standards on auditing (ISA Italia), regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Aeroporto Guglielmo Marconi di Bologna S.p.A., in the general meeting held on May 20, 2015, engaged us to perform the audits of the financial statements and the consolidated financial statements for each of the years ending December 31, 2015 to December 31, 2023.

We declare that we have not provided prohibited non-audit services, referred to article 5, paragraph 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the consolidated financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the consolidated financial statements as at December 31, 2022 with the provisions of the Delegated Regulation.

In our opinion, the consolidated financial statements as at December 31, 2022 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Due to certain technical limitations, some information included in the notes to the consolidated financial statements when extracted from the XHTML format to an XBRL instance may not be reproduced in an identical manner with respect to the corresponding information presented in the consolidated financial statements in XHTML format.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated January 27, 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998

The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for the preparation of the Directors' Report and of the Report on Corporate Governance and Ownership Structure of Aeroporto Guglielmo Marconi di Bologna Group as at December 31, 2022, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Directors' Report and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, with the consolidated financial statements of Aeroporto Guglielmo Marconi di Bologna Group as at December 31, 2022 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Directors' Report and the above-mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of Aeroporto Guglielmo Marconi di Bologna Group as at December 31, 2022 and comply with the applicable laws and regulations.

With reference to the statement required by article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated January 27, 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated December 30, 2016

The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for the preparation on voluntary basis of the non-financial information pursuant to article 7 of Legislative Decree n. 254, dated December 30, 2016. We have verified that non-financial information has been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated December 30, 2016, such non-financial information is subject to a separate compliance report signed by us.

Bologna, March 30, 2023

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

As disclosed by the Directors on the first page, the accompanying consolidated financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Financial Statements for the year ended December 31, 2022

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

Statement of Financial Position

in units of Euro	Note	As at 31.12.2022	As at 31.12.2021
Concession rights		201,572,968	194,754,612
Other intangible assets		1,389,785	913,916
Intangible assets	**1**	**202,962,753**	**195,668,528**
Land, property, plant and equipment		11,084,299	10,985,216
Investment property		1,617,000	4,732,016
Tangible assets	**2**	**12,701,299**	**15,717,232**
Investments	**3**	3,264,098	3,189,098
Other non-current financial assets	**4**	12,425,301	12,259,914
Deferred tax assets	**5**	9,793,525	12,807,321
Other non-current assets	**6**	220,536	169,328
Other non-current assets		**25,703,460**	**28,425,661**
NON-CURRENT ASSETS		**241,367,512**	**239,811,421**
Inventories	**7**	816,159	694,423
Trade receivables	**8**	11,664,737	19,590,124
Other current assets	**9**	5,294,660	5,376,609
Current financial assets	**10**	45,058,219	0
Cash and cash equivalents	**11**	20,655,663	21,972,457
CURRENT ASSETS		**83,489,438**	**47,633,613**
TOTAL ASSETS		**324,856,950**	**287,445,034**

in units of Euro	Note	As at 31.12.2022	As at 31.12.2021
Share capital		90,314,162	90,314,162
Reserves		62,420,877	69,583,556
Profit/(loss)		29,443,458	(7,542,354)
TOTAL SHAREHOLDERS' EQUITY	**12**	**182,178,497**	**152,355,364**
Severance and other personnel provisions	13	2,973,914	3,474,412
Deferred tax liabilities	14	2,163,127	2,080,175
Provision for renewal of airport infrastructure	15	10,447,818	10,008,996
Provisions for risks and charges	16	1,216,472	1,390,231
Non-current financial liabilities	17	46,933,974	61,819,269
Other non-current liabilities		113,638	55,490
NON-CURRENT LIABILITIES		**63,848,943**	**78,828,573**
Trade payables	18	24,291,756	18,643,390
Other liabilities	19	34,722,056	28,671,560
Provision for renewal of airport infrastructure	15	2,554,961	1,556,266
Current financial liabilities	17	17,260,737	7,389,881
CURRENT LIABILITIES		**78,829,510**	**56,261,097**
TOTAL LIABILITIES		**142,678,453**	**135,089,670**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**324,856,950**	**287,445,034**

Income Statement

in units of Euro	Note	for the year ended 31.12.2022	for the year ended 31.12.2021
Revenues from aeronautical services		46,087,684	25,396,113
Revenues from non-aeronautical services		41,664,406	19,381,987
Revenues from construction services		15,951,846	8,050,779
Other operating revenues and income		22,520,682	736,054
Revenues	**20**	**126,224,618**	**53,564,933**
Consumables and goods		(1,093,278)	(878,500)
Service costs		(20,298,568)	(14,479,528)
Construction service costs		(15,192,235)	(7,667,409)
Leases, rentals and other costs		(8,171,533)	(4,491,232)
Other operating expenses		(3,159,663)	(3,096,288)
Personnel expense		(25,938,026)	(20,742,879)
Costs	**21**	**(73,853,303)**	**(51,355,836)**
Amortisation/impairment of Concession Rights		(7,829,176)	(7,255,273)
Amortisation of other intangible assets		(660,055)	(880,954)
Depreciation of tangible assets		(5,176,077)	(2,148,537)
Depreciation, amortisation and impairment	**22**	**(13,665,308)**	**(10,284,764)**
Provisions for doubtful accounts		(687,141)	(493,451)
Provision for renewal of airport infrastructure		(4,060,490)	(646,428)
Provisions for other risks and charges		(165,097)	(200,344)
Provisions for risks and charges		**(4,912,728)**	**(1,340,223)**
Total Costs		**(92,431,339)**	**(62,980,823)**
Operating Profit/(loss)		**33,793,279**	**(9,415,890)**
Financial income		1,392,763	477,010
Financial charges		(1,449,090)	(1,063,712)
Profit/(loss) before taxes		**33,736,952**	**(10,002,592)**
Taxes for the year		(4,293,494)	2,460,238
Profit/(loss) for the year		**29,443,458**	**(7,542,354)**

Undiluted earnings/(loss) per share (in Euro)	**0.83**	**(0.21)**
Diluted earnings/(loss) per share (in Euro)	**0.83**	**(0.21)**

Statement of Comprehensive Income

in units of Euro	**for the year ended 31.12.2022**	**for the year ended 31.12.2021**
Profit (loss) for the year (A)	**29,443,458**	**(7,542,354)**
Other profits (losses) that will be reclassified in the net result for the year	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	**502,754**	**(26,118)**
Tax impact on actuarial profits (losses) on severance and other personnel provisions	**(123,079)**	**5,532**
Total other profits (losses) that will not be reclassified in the net result for the year (B2)	**379,675**	**(20,586)**
Total other profits (losses), net of taxes (B1 + B2) = B	**379,675**	**(20,586)**
Total profits (losses), net of taxes (A + B)	**29,823,133**	**(7,562,939)**

Cash Flow Statement

in units of Euro	As at 31.12.2022	As at 31.12.2021
Core income-generating operations		
Result for the year before taxes	33,736,952	(10,002,592)
Adjustments to items with no impact on cash and cash equivalents		
- Margin from construction services	(759,611)	(383,370)
+ Depreciation and amortisation	13,665,308	10,284,764
+ Provisions	4,912,728	1,340,223
+ Interest expense (income) on discounting and severance provisions	(1,207,813)	(438,180)
+/- Interest income and financial expenses	1,264,140	1,024,882
+/- Losses/gains and other non-monetary costs/revenues	341,907	506,937
+/- Severance provisions and other personnel costs	125,631	92,967
Cash flow generated/(absorbed) by operating activities before changes in working capital	**52,079,242**	**2,425,631**
Change in inventories	(121,736)	(45,210)
(Increase)/decrease in trade receivables	7,163,224	(14,543,204)
(Increase)/decrease in other receivables and current/non-current assets	976,150	(1,541,948)
Increase/(decrease) in trade payables	6,366,866	5,783,682
Increase/(decrease) in other liabilities, various and financial	5,590,355	6,065,451
Interest paid	(1,352,051)	(1,257,536)
Interest collected	899	1,925
Taxes paid	131,679	0
Severance and other personnel provisions paid	(92,102)	(527,832)
Use of provisions	(2,342,546)	(784,605)
Cash flow generated / (absorbed) by net operating activities	**68,399,980**	**(4,423,645)**
Purchase tangible assets	(2,027,785)	(418,639)
Purchases of intangible assets/concession rights	(16,302,730)	(8,468,617)
Payment from sale of tangible/intangible assets	10,874	0
Acquisition of equity investments	(75,000)	0
Changes in current and non-current financial assets	(45,000,000)	273,980
Cash flow generated / (absorbed) by investing activities	**(63,394,641)**	**(8,613,277)**
Loans repaid	(5,680,557)	(2,555,556)
Payments of leasing capital share	(641,576)	(425,592)
Cash flow generated / (absorbed) by financing activities	**(6,322,133)**	**(2,981,148)**
Final cash change	**(1,316,794)**	**(16,018,070)**
Cash and cash equivalents at beginning of year	**21,972,457**	**37,990,527**
Final cash change	**(1,316,794)**	**(16,018,070)**
Cash and cash equivalents at end of the year	**20,655,663**	**21,972,457**

Statement of changes in Shareholders' Equity

in units of Euro	*Share capital*	*Share Premium Reserve*	*Legal Reserve*	*Others Reserves*	*FTA Reserve*	*Actuarial profits/(losses) reserve*	*Profit (losses) carried forward*	*Profit (loss) for the year*	*Shareholders' Equity*
Shareholders' Equity as at 31.12.2020	**90,314,162**	**25,683,134**	**8,034,062**	**52,034,855**	**(3,205,671)**	**(970,657)**	**1,991,758**	**(13,963,341)**	**159,918,302**
Allocation of the 2020 financial year result	0	0	0	0	0	0	(13,963,341)	13,963,341	0
Share capital increase	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	(20,586)	0	(7,542,354)	(7,562,940)
Shareholders' Equity as at 31.12.2021	**90,314,162**	**25,683,134**	**8,034,062**	**52,034,855**	**(3,205,671)**	**(991,243)**	**(11,971,583)**	**(7,542,354)**	**152,355,364**
Allocation of the 2021 financial year result	0	0	0	0	0	0	(7,542,354)	7,542,354	0
Share capital increase	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	379,675	0	29,443,458	29,823,133
Shareholders' Equity at 31.12.2022	**90,314,162**	**25,683,134**	**8,034,062**	**52,034,855**	**(3,205,671)**	**(611,568)**	**(19,513,937)**	**29,443,458**	**182,178,497**

Notes to the Financial Statements for the year ended December 31, 2022

Information on the Company’s business

Aeroporto Guglielmo Marconi di Bologna S.p.A. (hereinafter “AdB” or the “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.

Accounting Standards adopted for the preparation of the Financial Statements for the year ended December 31, 2022

Basis of preparation

These financial statements of the company concern the year ended December 31, 2022 and include the comparative figures for the year ended December 31, 2021 (hereafter “the financial statements of the company”, “separate financial statements” or “financial statements”).
The 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.

Disclosure on the COVID-19 pandemic, the Russia-Ukraine conflict, the economic outlook and on the going concern

While the Company's performance has been severely negatively impacted by the effects of the COVID-19 crisis, it has shown a marked improvement since spring 2022 thanks to the strong recovery in air traffic. This comes alongside the stimulus measures in Italy and Europe to which the Company has had access, above all the contribution from the COVID-19 compensation fund (Article 128-*bis* of the 2021 Budget Law and Decree-Law No. 73 of May 25, 2021, as published in the Official Journal, General Series, No. 123 of May 25, 2021) in the amount of Euro 20.9 million, which at the date of this document had been received in its entirety.

The impact of the conflict between Russia and Ukraine on the company in 2022 was residual. At the moment, connections from Bologna to cities in Russia and Ukraine are suspended for war-related reasons, with a reduced impact on the total airport passenger traffic (approximately 150 thousand passengers for all of 2022). The potential impacts of the conflict in Ukraine are only partially assessable, as they will depend on the geographic extent and severity of the conflict and the duration.

Furthermore, air transport as a whole may be also negatively impacted by the slowing economic recovery caused by rising interest rates and inflation.

While the current situation is in constant flux and the short- and medium-term future remains difficult to predict, in view of the improvement in the Company's economic, equity, and financial situation, and considering the credit lines available to date, the Directors believe that there are no significant going-concern uncertainties (as defined by paragraph 25 of IAS 1) and that the Company is able to cope with the risk factors associated with the current environment and fulfil its financial, contractual and concessionary commitments.

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

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

Compliance with IAS/IFRS and the enacting provisions of Article 9 of Legislative Decree 38/2005

These financial statements were prepared in compliance with International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") endorsed by the European Union and in force at the preparation date of the financial statements, in addition to the provisions issued in enactment of Article 9 of Legislative Decree 38/2005 (Consob Motions No. 15519 and 15520 of July 27, 2006).

In 2014, the Company voluntarily opted to prepare the consolidated financial statements and the separate financial statements in accordance with the International Accounting Standards ("IFRS") 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, 2021 with the exception of the new accounting standards, amendments and interpretations which entered into force from January 1, 2022, applied for the first time by the Company 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 Company".

The Company has not adopted in advance any accounting standard, interpretation or amendment issued but not yet in effect.
The publication of the financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. for the year ended December 31, 2022 was approved by the Board of Directors on March 14, 2023.

Content and form of the Financial Statements

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

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

All other assets are classified as non-current.

A liability is current when:

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

The Company classifies all other liabilities as non-current.

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

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

Information upon investments in subsidiaries and associates

The information at December 31, 2022 and 2021 concerning the name, Share Capital and percentage holding in the subsidiaries is provided below:

in thousands of Euro	Currency	Share capital	% Held As at 31.12.2022	% Held As at 31.12.2021
Fast Freight Marconi S.p.a. Società Unipersonale	Euro	520	100.00%	100.00%
Tag Bologna S.r.l. Società Unipersonale	Euro	316	100.00%	100.00%

Accounting policies

Business combinations and goodwill

Business combinations are recognised using the acquisition method. The purchase cost is calculated as the total of the fair value consideration transferred at the acquisition date, and the value of any minority equity holding. For every business combination, the company decides whether to measure the minority interest at fair value or in proportion to the amount held in the identifiable net assets of the investee. The acquisition costs are expensed in the year and classified under administration expenses.

When the company acquires a business, the financial assets acquired or liabilities assumed under the agreement are classified or designated in accordance with the contractual terms, the economic conditions and the other conditions at the acquisition date. This includes the verification to establish whether an embedded derivative must be separated from the host contract.

In the case of business combinations undertaken in a series of phases, the previous holding is remeasured at fair value at the acquisition date and any gain or loss is recorded to the income statement. It is therefore considered in the determination of goodwill.

Any contingent payment to be recognised is recorded by the acquirer at fair value at the acquisition date. The change in the fair value of the potential payment classified as an asset or liability must be recorded in the income statement or in the statement of comprehensive income. Where the potential payment is not within the scope of IAS 39, the amount is measured in accordance with the appropriate IFRS. If the potential payment is classified in equity, the amount is not remeasured and its subsequent settlement is recorded in equity.

The goodwill is initially recorded at cost represented by the excess of the total consideration paid and the amount recognised for the minority interest holdings compared to the net identifiable assets acquired and liabilities assumed by the company. If the fair value of the net assets acquired exceeds the total consideration paid, the company again verifies if it has correctly identified all the assets acquired and all the liabilities assumed and reviews the procedure utilised to determine the amount to be recorded at the acquisition date. If from the new valuation the fair value of the net assets acquired is still above the consideration, the difference (profit) is recorded in the income statement.

After its initial recognition, goodwill is measured at cost net of accumulated impairment. For the purpose of impairment testing, goodwill acquired in a business combination must be allocated, from the acquisition date, to each of the company's cash-generating units which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the entity are assigned to those units.

If the goodwill is allocated to a cash generating unit and the entity sells part of the activities of this unit, the goodwill associated with the activity sold is included in the book value of the activity when determining the gain or loss deriving from the sale. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash generating unit.

Investments in subsidiaries, associates and joint ventures
A subsidiary is a company over which control may be exercised.
This occurs when and only when 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 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.

The company 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 investments of the company in subsidiaries are valued at cost, adjusted in the case of impairment.

An associated company is one in which the company exercises significant influence and is not classifiable as a subsidiary or joint venture.
The investments of the company in associates are valued at cost, adjusted in the case of impairment.

Conversion of accounts in foreign currencies
Transactions and balances
Foreign currency transactions are initially recorded in the functional currency, applying the exchange rate at the transaction date.
Monetary assets and liabilities in foreign currencies are translated to the functional currency at the exchange rate at the reporting date. The profits and losses deriving from the conversion are recorded in the income statement.
Non-monetary items, measured at historical cost in foreign currency, are translated using the exchange rates on the date the transaction was first recorded. The non-monetary accounts recorded at fair value in foreign currencies are converted using the exchange rate at the date the value was determined. The profit or loss deriving from the translation of non-monetary items is treated in line with the recognition of the profit or loss recorded on the change in the fair value of these items (i.e. the translation differences on the accounts to which the fair value changes is recorded in the statement of comprehensive income or in the income statement are recorded, respectively in the statement of comprehensive income or in the income statement).

Intangible assets
An intangible asset is an asset without physical substance, identifiable, under control of the entity and capable of generating future economic benefits, and those derived from business combinations.
The useful life of the intangible assets is measured as finite or indefinite.

Intangible assets with a definite useful life are recorded at acquisition or production cost or, where deriving from business combinations, are capitalised at the fair value at the acquisition date; these assets include accessory charges, amortised on a straight-line basis for the period of their residual useful life in accordance with IAS 36 and undergo an impairment test whenever there are indications of loss in value.
The residual value at the end of the useful life is presumed to be zero unless there is a commitment by a third-party purchaser of the asset at the end of the useful life or an active market for the asset exists. The Directors review the estimate of the useful life of intangible assets at each reporting date.
The amortisation of definite intangible assets is recorded in the income statement.

The company has not identified intangible assets with indefinite useful lives.
The useful life of an intangible asset deriving from contractual rights or other legal rights is determined on the basis of the lower between the duration of the contractual or legal rights (concession duration) and the utilisation period of the asset. The recoverability of the carrying value less amortisation is verified annually adopting the impairment test criteria.

The gains and losses deriving from the elimination of an intangible asset are measured as the difference between the net sales proceeds and the book value of the intangible asset, and are recorded in the income statement in the year in which they are eliminated.

“Concession rights” refer to the amount recognised under intangible assets against the airport infrastructure assets held in relation to the concession rights acquired for the management of the infrastructures which permits the right to charge for the utilisation of such infrastructure, in execution of a public service, in accordance with the provisions of IFRIC 12 – Service Concession Arrangements.

The Concession under which the company operates meets the requirement that the concession holder must construct and operate the infrastructure on the grantor's behalf. Accordingly, the Group may not recognise it among tangible assets.

The Company contracts with third parties responsible for constructing and improving the infrastructure. Accordingly, the increases in “Concession rights” are at cost, equal to the fair value of the fees for the construction/improvement services rendered by the company and the fair value of the fees for the construction/improvement service rendered by third parties, plus a mark-up representative of the internal costs of planning and coordination of the work by a specific internal unit.

The external costs incurred to provide construction service are therefore recognised under the item “Construction service costs” of the income statement.

Together with these costs, the company also recognises an increase in the item “Concession rights” equal to the fair value of the service rendered, with a balancing entry to the item “Revenues from Construction services”.

The resulting concession rights are amortised on a straight-line basis over the term of the concession, starting when the asset constructed on the grantor's behalf becomes operational.

In accordance with Article 703 of the Navigation Code (Article 15-quinquies, paragraph 1, Legislative Decree No. 148 of October 16, 2017, converted with amendments by Law No. 172 of December 4, 2017), AdB, as an airport manager, shall receive on conclusion of the concession from the succeeding party, a fee equal to the residual value, where positive (Terminal Value) of the investments made on the concession areas, net of amortisation and depreciation, calculated according to the regulatory accounting rules.

The Receivables from Terminal Value is recorded for the portion of fees from construction/improvement services provided by the company regarding the investments which shall have a Terminal Value at concession conclusion, calculated according to the regulatory accounting rules. The Terminal Value is discounted and recognised to non-current financial assets.

The Terminal Value rule is applicable also to interventions on the provisions for renewal, while calculated according to the regulatory accounting rules. This Terminal Value is an integration to the performance obligation fee, as per IFRS 15, concerning the concession contract. Consequently, non-current financial assets are recorded, with counter entry to Other revenues and income in the income statement. Subsequent to the initial recognition, the Terminal Value receivable is valued at amortised cost on the basis of a "Hold to Collect" business model. For further details, reference should be made to the accounting policies for financial assets. With regards to the Terminal Value receivable, this is subject to an impairment test as per IFRS 9, taking account of the default risk of the State counterparty.

"Software, licences and similar rights" primarily refers to the costs of implementing and customising management software and of purchasing software licences, amortised at a rate of 33%.

Tangible assets

Tangible assets are initially recognised at purchase price or construction cost and includes the price paid to acquire or construct the asset (net of discounts) and any directly attributable costs to the acquisition and necessary for the asset to enter into service.

Land, both constructible and relating to civil and industrial buildings, is accounted for separately and is not depreciated in that it has an indefinite useful life.

Tangible fixed assets are presented net of accumulated depreciation and any losses in value, calculated as described below. Depreciation is calculated, on a straight-line basis, based on the estimated useful life. Where a tangible fixed asset comprises a number of significant components with differing useful lives, the depreciation is carried out separately for each component. Land is not depreciated and fixed assets held-for-sale are valued at the lower of the subscription value and the fair value net of selling costs.

The depreciation rates used are as follows:

- Buildings and light construction: from 3% to 10%;
- Machinery, equipment and plant: from 10% to 31.5%;
- Furnishings, office machines and vehicles: from 12% to 25%.

The residual value of the asset, useful life and the methods applied are reviewed on an annual basis and adjusted if necessary at the end of each year.

Losses in value are charged to the income statement under depreciation costs. Such losses are restated when the reasons for their write-down no longer exist.

At the time of sale, or when there are no expected future economic benefits from the use of an asset, it is eliminated from the financial statements and any loss or profit (calculated as the difference between sale's price and book value) is charged to the income statement in the year of its elimination.

Maintenance and repair expenses, which do not increase the value and/or extend the residual useful life of the asset are expensed in the year in which they are incurred; where they increase the value and/or extend the residual life of the assets, they are capitalised.

Investment property

The Company classifies the property complex purchased for the execution of future real-estate investments to be defined as investment property.

The complex is initially recognised at purchase cost and then measured at cost, in accordance with IAS 16.

The Company uses technical valuations to monitor the fair value of the property in question in order to determine whether it has become impaired.

Investment properties are eliminated from the financial statement when they are sold or when they are unusable on a long-term basis and no future economic benefits are expected from their sale. Any profits or losses due to the retirement or disposal an investment property are recognised in the income statement when the property is retired or disposed of.

Impairment of non-financial assets

The carrying amount of non-financial assets undergo an impairment test whenever there are signs internal or external to the entity which indicate the possibility of a loss in value of the assets or group of assets (defined as the Cash Generating Unit or CGU).

The recoverable value is the higher between the fair value of the asset or cash generating unit, net of selling costs, and its value in use. The recoverable value is determined by individual asset except when this asset generates cash flows which are not sufficiently independent from those generated by other assets or groups of assets.

If the carrying amount of an asset is higher than its recoverable value, this asset has incurred a loss in value and is consequently written down to the recoverable value. In the determination of the value in use, the estimated future cash flows are discounted by the Company at a pre-tax rate that reflects the market assessment of the current value of money and the risks specific to the asset. In determining the fair value less selling costs, an adequate valuation model is utilised. These calculations are made utilising appropriate valuation multipliers, listed equity prices for publicly traded securities and other fair value indicators available.

The losses in value incurred by operating assets are recorded in the income statement in the category of costs relating to those assets.

At each reporting date, the company evaluates, in relation to the assets other than goodwill, the existence of indicators of a reduction in the loss of value previously recorded and, where these indicators exist, makes an estimate of the recoverable value. The value of an asset previously written down may be restated only if there have been changes in the estimates used to determine the recoverable value of the asset after the last recording of a loss in value. The recovery of value cannot exceed the carrying amount which would have been calculated, net of amortisation, where no such loss in value was recorded in previous years. This recovery is recorded in the income statement unless the fixed asset is recorded at revalued amount, in which case the recovery is treated as a revaluation profit.

The following criteria are utilised for the recording of impairments on specific categories of assets:

<u>Concession rights</u>

The company undertakes an impairment test on Concession rights annually at the year-end close or more frequently if events or changes in circumstances indicate that the carrying amount may have incurred a loss in value (whenever impairment indicators arise).

The loss in value on such intangible assets is determined through a valuation of the recoverable value of the cash generating unit (or group of units) to which they relate. When the recoverable value of the cash generating unit (or group of units) is lower than the carrying value of the cash generating unit (or group of cash-generating units) to which the intangible assets are allocated, a loss in value is recognised.

For impairment testing purposes, the company has identified a single CGU (cash generating unit), which coincides with the entity Aeroporto G. Marconi di Bologna S.p.A..

The impairment test compares the carrying amount of the asset or of the cash generating unit (CGU) with the recoverable value of the asset, arising from the higher between the fair value (net of selling costs) and the value of the net discounted cash flows which are expected to arise from the asset or from the CGU.
Each unit or Group of units to which the intangible asset is allocated represents the lowest level within the group to which the goodwill is monitored at internal management level.
The conditions and the methods for any write-back of an asset previously written down applied by the company, excluding in any case any recovery in the value of goodwill, are those as per IAS 36.

Financial assets
IFRS 9 provides for a single approach for the analysis and classification of all financial assets, including those contained in embedded derivatives. The classification and the relative measurement is made considering both the management model of the financial assets and the contractual characteristics of the cash flows from the asset.
The financial asset is measured using the amortised cost method where both of the following conditions are satisfied:

- the management model of the financial asset consists of holding the asset with the sole purpose of collecting the relative cash flows; and
- the financial asset generates, at pre-determined contractual dates, cash flows exclusively representative of the return from the financial asset and repayment of capital.

The financial asset is measured at fair value, with recognition of the effects in the statement of comprehensive income, if the objectives of the management model are to hold the financial asset in order to obtain the contractual cash flows or to sell the asset.
Finally, there is the residual category of financial assets measured at fair value with recognition of the effects through the income statement, which includes assets held for trading.
A financial asset which satisfies the requirements to be classified and measured at amortised cost may, on initial recognition, be designated as a financial asset at fair value, with recognition through the income statement, if this accounting treatment permits the elimination or significant reduction of the asymmetry in the measurement or recognition (so-called “accounting mismatch”), which would otherwise arise from the measurement of the asset or liability or from the recognition of the relative profits or losses on a different basis.
In addition, in the case of investments in equity instruments for which, therefore, it is not possible the recognition and measurement at amortised cost, where this concerns equity investments not held for trading purposes, but for strategic purposes, IFRS 9 provides that on initial recognition the entity may irrevocably choose to measure these at fair value, with recognition of any subsequent changes in the statement of comprehensive income without passing through profit or loss any gains or losses in the case of disposal.

Where the financial assets are only held for the company’s temporary needs to invest liquidity in order to obtain the contractual cash flows these are classified in the category “Held to collect - HTC”.
Where the financial assets meet the company’s objective either to collect the contractual cash flows or the future sale these are classified in the category “Held to collect and sell – HTC&S”.
The company does not hold and did not hold during the two-year period derivative financial instruments.

Loans and receivables
Loans, similar to trade receivables, are held until their collection at the contractual maturities and generate cash flows relating to the collection of the principal and interest. The company analysed the contractual cash flows of these instruments and concluded that they comply with the amortised cost measurement criteria in accordance with IFRS 9.

The amortised cost is calculated taking into consideration all discounts or purchase premiums and includes the commissions which are an integral part of the effective interest rate and of the transaction costs. Current trade receivables are not discounted as the effect of discounting the cash flows is immaterial. The gains and losses are recognised to the income statement when the loans and receivables are eliminated or if there is an impairment loss, also through the amortisation process.

Fair value
In the notes, the company discloses the fair value of financial instruments at amortised cost and non-financial assets, such as investment property.

Fair value concerns the price that will be received for the sale of an asset or which will be paid for the transfer of a liability, in a transaction settled between market operators at the measurement date.

Fair value measurement requires that the sale of the asset or transfer of the liability has taken place:

(a) in the principal market of the asset or liability; or

(b) in the absence of a principal market, in the most advantageous market for the asset or liability.

The principal market or the most advantageous market must be accessible for the Company.

The fair value of an asset or liability is measured adopting the assumptions which market operators would utilise in the determination of the price of the asset or liability, assuming they act to best satisfy their economic interests.

The fair value measurement of a non-financial asset considers the capacity of a market operator to generate economic benefits utilising the asset to its maximum and best use or of selling to another market operator that would utilise the asset to its maximum or best use.

The Company utilises measurement techniques which are appropriate to the circumstances and for which there is sufficient available data to measure the fair value, maximising the utilisation of relevant observable inputs and minimising the use of non-observable inputs.

All the assets and liabilities for which the fair value is measured or stated in the financial statements are categorised based on the fair value hierarchy, as described below:

- Level 1 - listed prices (not adjusted) on active markets for identical assets or liabilities which the entity can access at the measurement date;
- Level 2 - inputs other than listed prices included in Level 1, directly or indirectly observable for the asset or the liability;
- Level 3 - measurement techniques for which the input data are not observable for the asset or for the liability.

The fair value measurement is classified entirely in the same hierarchical level of the fair value in which the lowest hierarchical input level utilised for the measurement is classified.

For the assets and liabilities recognised in the financial statements on a recurring basis, the company assesses whether there have been transfers between the hierarchy levels, reviewing the classification (based on the lowest input level, which is significant for the fair value measurement in its entirety) at each reporting date.

Impairment of financial assets

IFRS 9 defines a new impairment model of financial assets, with the objective to provide useful information to the readers of the financial statements in relation to expected losses. In particular, the model requires verification and recognition of any expected losses at any time over the life of the instrument and the updating of the expected losses at each reporting date to reflect the changes in the credit risk of the instrument; therefore, it is no longer necessary that a particular event arises ("trigger event") in order to verify and recognise losses on receivables.

The impairment test must be applied to all financial instruments, with the exception of those measured at fair value with recognition through the income statement.

The company applies the simplified Provision Matrix approach and recognises the expected losses on all trade receivables based on the residual duration, defining a matrix for the provision based on the historical experience relating to the losses on receivables, adjusted to take into account specific forecast factors relating to the creditors and the economic environment (Expected Credit Loss – ECL concept).

The book value of the asset is reduced through the use of a provision and the amount of the loss recognised in the income statement.

Receivables which have incurred a loss in value are reversed when it is determined that they are irrecoverable.

Derecognition of financial assets

Financial assets (or, where applicable, part of a financial asset or part of a group of similar financial assets) are derecognised firstly (e.g. eliminated from the balance sheet) when:

- the rights to receive cash flows from the asset are extinguished, or
- the company has transferred to a third party the right to receive the cash flows of the asset or has assumed the contractual obligation to pay entirely and without delay and (a) has substantially transferred all of the risks and rewards of ownership of the financial asset, or (b) has not substantially transferred all of the risks and rewards of the asset, but has transferred control.

Non-current assets held-for-sale and discontinued operations

Non-current assets classified as held-for-sale are measured at the lower of their carrying value and the fair value less selling costs. They are classified as such if the carrying value will be recovered through a sales operation rather than through their continual use. This condition exists only when the sale is highly probable and the asset or discontinued group is available for an immediate sale in its current conditions. Management must be committed to the sale, whose completion must be expected within one year from the date of the classification.

In the income statement and the previous year comparative period, the profits and losses of discontinued operations must be classified separately from profits and losses from continuing operations, shown after taxes, even when the company maintains a minority interest in the subsidiary after the sale. The resulting profit or loss, after income taxes, is shown separately in the income statement.

Plant, property and equipment and intangible assets once classified as held-for-sale are no longer amortised or depreciated.

Construction and service contracts work-in-progress

Construction contracts work-in-progress are measured on the basis of the contractual payments matured with reasonable certainty in relation to the advancement of work under the percentage of completion method, determined through the measurement of work completed, to be attributed to the revenues and economic result of the contract to each year in proportion to the advancement of work. The positive or negative difference between the value of the completed portion of the contracts and that of the advances received is recognised in the statement of financial position, as an asset or liability, respectively, while also taking account of any impairment losses recognised due to risks associated with non-payment for work done on behalf of clients.

The contract revenues, in addition to the contractual payments, include the variances, price revisions and any claims up to the amount it is probable that they represent effective revenues that can be determined reliably.

If a project is expected to yield a loss, this loss is immediately recognised in full, regardless of the progress on the project.

Construction services for the grantor relating to the concession agreement to which the Company is a party are also recognised in the income statement according to the state of progress, i.e. the assessment of progress towards complete fulfilment of the obligation over time. In particular, construction and/or improvement revenue – which represents the consideration due for the services rendered – is measured at fair value, determined on the basis of the total costs incurred, consisting primarily of the costs of external services and the costs of benefits for employees engaged in the activities concerned.

The balancing entry for such construction service revenue is to a financial asset or airport concession taken to concession rights among intangible assets, as discussed in the relevant section.

Inventories

Inventories are recorded at the lower of purchase or production cost and realisable value represented by the amount that the company expects to obtain from their sale in the normal course of operations. The cost of inventories is calculated using the weighted average cost method.

Cash and cash equivalents

Cash and cash equivalents include those values which are available on demand at short notice, certain in nature and with no payment expenses.

Employee benefits

The benefits guaranteed to employees paid on the conclusion of employment (leaving indemnity) or other long-term benefits (e. g. non-competitive agreements, long-term incentive plans) are recognised in the period the right matures.

The liability, net of any plan assets, is calculated on the basis of actuarial assumptions and is recorded by the accrual method consistent with the years of employment necessary to obtain such benefits. The liability is calculated by independent actuaries utilising the projected unit credit method.

The amount not only reflects the payables matured at the financial statement date but also the future salary increases and related statistical data.

Revaluations, which include actuarial profits and losses, changes in the effect of the limit on the assets, not including net interest (not applicable to the company) and the return on plan assets (not including net interest) are recognised immediately in the statement of financial position by debiting or crediting profits/(losses) carried forward through other comprehensive income in the year in which they occur. Revaluations are not reclassified to the income statement in subsequent years.
The cost of employee service in prior periods is recognised in the income statement on the later of the following dates:

(a) the date on which the plan is changed or reduced; and

(b) the date on which the company recognises the related restructuring costs.

Net interest on the net defined-benefit liabilities/assets are calculated by multiplying the net asset/liability by the discount rate. The company recognises the following changes in the net defined-benefit obligation in the cost of goods sold, administrative expenses and selling and distribution costs in the income statement (by nature):

- Costs of employee service, inclusive of costs of both current and prior employee service, profits and losses on non-routine curtailments and settlements;
- Net interest income or charges.

Following the amendments to severance benefits introduced by Law No. 296 of December 27, 2006 (Finance Law 2007) and subsequent Decrees and Regulations, the severance benefits of Italian companies with more than 50 employees matured from January 1, 2007, or from the option date chosen by the employee, is included under defined contribution plans, both in the case of supplementary pension options and in the case of allocation to the INPS Treasury Fund. The severance benefits accrued until December 31, 2006 have been treated as defined-benefit.

The contributions to be paid into a defined-contribution plan in exchange for the employee service in question are treated both as a liability (account payable) after having deducted any contributions already paid, and as a cost.

Provisions for risks and charges

Provisions for risks and charges relate to costs and expenses of a defined nature and of certain or probable existence whose amount or date of occurrence is uncertain at the present financial statement date.
The provisions are recorded when:

(i) it is probable the existence of a current obligation, legal or implicit, deriving from a past event;

(ii) it is probable that compliance with the obligation will result in a charge;

(iii) the amount of the obligation can be estimated reliably.

Provisions are recorded at the value representing the best estimate, supported by expert opinion, of the amount that the Company would rationally pay to discharge the obligation or to transfer it to a third party at the reporting date. When the financial effect of the time is significant and the payment dates of the obligations can be reliably estimated, the provision shall be discounted at the average cost of debt to the company; the increase of the provision due to the passing of time is recorded in the income statement in the account "Net financial income/(charges)".
If the liability relates to a tangible fixed asset (demolition of assets), the provision is recognised in line with the asset to which it refers; the recognising of the charge to the income statement is made through depreciation.
The provisions are periodically updated to reflect the changes in the estimate of the costs, of the time period and of the discounting rate; the revision of estimates is recorded in the same income statement accounts in which the provision was recorded, when the liability relates to tangible fixed assets, and in the asset account to which it refers.

Provision for renewal of airport infrastructure

In accordance with the obligations assumed under current agreements, the provision for renewal of airport infrastructure includes accruals relating to extraordinary maintenance, refurbishment and replacement to be undertaken at a future point in time to ensure that airport infrastructure remains duly functional and secure. Accruals to this provision are recognised according to the degree of use of the infrastructure, indirectly reflected in the expected date of replacement/renewal. The values recorded in this line item also take due account of a financial component, to be applied according to the intervals between the various renewal cycles, intended to ensure that the provisions set aside are adequate. The estimate of the provision for renewal of airport infrastructure therefore requires complex professional technical judgement, in particular in relation to the nature of the costs to be incurred, their amount and the timing of the expected interventions.

Trade payables and other non-financial liabilities

Short-term trade payables, which mature within the normal commercial terms, are recognised at cost (their nominal value) and are not discounted as the discounting of cash flows is insignificant.
The other non-financial liabilities are recorded at cost (identified as nominal value).

Loans

Other financial liabilities, with the exception of the derivatives, are recognised initially at cost, corresponding to the fair value of the liability plus transaction costs that are directly attributable at the issue of the liability. After initial recognition, the financial liabilities are measured at amortised cost using the original effective interest rate, which is the rate that renders equal, on the initial recognition, the present cash flow value and the initial recognition value (amortised cost method).
Any gain or loss is recognized in the income statement when the liability is extinguished, as well as through the amortization process.

Financial guarantee liabilities

Financial guarantee liabilities issued by the company are contracts which require a specific payment to reimburse the holder of a debt security against a loss incurred following non-compliance of the debtor in the payment at the scheduled contractual maturity date. Financial guarantee contracts are initially recognised as a liability at fair value, increased by the directly attributable transaction costs to the issue of the guarantee. After initial recognition, the liability is measured at the higher of the best estimate of the expenditure required to settle the present obligation at the reporting date and the amount initially recognised, less accumulated amortisation.

Derecognition of financial liabilities

A financial liability is derecognised when the underlying obligation of the liability is extinguished, settled or cancelled. If an existing financial liability is replaced by another by the same lender but under substantially different conditions, or if the conditions of an existing financial liability are substantially changed, such a swap or change is treated as an elimination of the original liability and the opening of a new liability, with any differences in accounting values recorded in the income statement.

Recognition of revenues
Revenues are recognised for an amount which reflects the payment which the entity considers to have the right to in exchange for the transfer of goods or services to the customer and are calculated on the basis of the following five phases:
1. identification of the contract;
2. identification of the performance obligations present in the contract;
3. Establishment of the sales price;
4. Allocation of the transaction price to each of the performance obligations identified;
5. Recognition of the revenues on the satisfaction of the performance obligation.

These are recognised when the contractual obligations have been complied with and in particular when control has been transferred to the customer. In addition, in the measurement of revenue it is necessary to take into account the probability of obtaining and/or collecting the economic benefit related to the income.

The Company has identified the following revenue streams:
1. Airport fees
2. Commercial/non-comm. sublicense/lease
3. Parking
4. Construction Services
5. Others.

Revenues are recorded net of returns, discounts and premiums and promotional charges directly related to the sales revenue, in addition to direct sales taxes.

Commercial discounts, recorded as a direct deduction of revenues, are measured on the basis of contracts signed with airlines and tour operators.
Royalties are recorded based on the accruals principle in accordance with the contracts in force and as per IFRS 15.
As per IFRS 16, operating lease income whereby the Company acts as lessee is recognised on a straight-line basis over the lease term, and is recognised as revenues to the income statement given its operating nature. The initial brokering costs are added to the carrying amount of the leased asset and recognised over the duration of the contract, on the same basis as lease income. Variable fees or rents are recognised as revenue in the period in which they mature.

Interest income is recognised in accordance with the accruals principle, which takes into account the effective yield of the assets to which it refers.

Dividends are recorded when the shareholders have the right to receive them.

Recognition of costs and expenses
Costs are recorded when relating to goods and services sold or consumed in the year or when there is no future utility.

Interest expense is recognised in accordance with the accruals principle, which takes into account the effective yield of the liabilities to which it refers. Borrowing costs that are directly attributable to the acquisition, construction or production of an asset which requires a lengthy period before availability for use shall be capitalised as part of the cost of that asset.

Taxes for the year

Current income taxes

Current income taxes are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the operational financial statements. Current income taxes relating to items recorded directly in equity are charged directly to shareholders' equity and not to the income statement. The Directors periodically assess the positions assumed in the income tax returns where the fiscal regulations are subject to interpretations and, where appropriate, record appropriate provisions.

In 2021, the National Tax Consolidation was renewed for 2021-2023, pursuant to Articles 117 to 129 of Presidential Decree No. 917 of December 26, 1986 (CFA), in which all Group companies have participated and which allows for IRES taxation at Group level. As of December 31, 2022, the companies FFM and TAG have an IRES payable to AdB arising from the profit reported in the year.

Deferred tax liabilities

Deferred taxes are calculated using the liability method on temporary differences between values used for fiscal purposes and the assets and liabilities reported in the present financial statements. The deferred tax liabilities are recorded against all temporary taxable differences, with the exception of:

- the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for purposes of the Financial Statements or on profit or loss calculated for tax purposes;
- the reversal of the temporary differences, related to investments in subsidiaries, associates and joint ventures, can be controlled and it is probable that such will not occur in the foreseeable future.

Deferred tax assets are recognised on all temporary differences and fiscal losses carried forward to the extent of the probable existence of adequate future tax profits that can justify the use of deductible temporary differences and fiscal loses carried forwards, except:

- when deferred tax assets relate to the temporary differences deriving from the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the year's profit calculated for the purposes of the Financial Statements or on profit or loss calculated for tax purposes;
- in the case of temporary differences related to investments in subsidiaries, associates and joint ventures, the deferred tax assets are only recognised to the probable extent that the temporary differences will reverse in the foreseeable future and there are sufficient assessable amounts to utilise such temporary differences.

The carrying value of deferred tax assets is reviewed at each reporting date and reduced to the extent it is unlikely that sufficient tax profits will be available in the future, so that some or all of the asset may be used. Unrecognised deferred tax assets are reviewed at each reporting date and are recognised to the extent of the probability that the tax profit is sufficient to permit such deferred tax assets to be recovered.

Deferred tax assets and liabilities are calculated on the basis of the tax rates expected to be applied in the year in which the assets are realised or the amounts are paid, considering the rates in effect and those already issued or substantially issued as of the closing date of the financial statements.

Deferred taxes concerning items recognised outside of the income statement are also recognised outside of the income statement and therefore to net equity or to the statement of comprehensive income, in line with the item to which they refer.

The Group offsets deferred tax assets and deferred tax liabilities when there is a legal right to offset current tax assets and current tax liabilities and the deferred tax assets and liabilities relate to income taxes due to the same tax authority.

The fiscal benefits acquired following a business combination, but which do not satisfy the criteria for separate recognition at the acquisition date, may be recognised subsequently, when updated information is received on the facts and on the circumstances. The adjustment is recognised as a reduction of goodwill (up to the value of the goodwill), where this is recorded during the measurement period, or in the income statement, if recorded subsequently.

The rates utilised for the calculation of deferred taxes, which reflect the expected rates on the basis of national legislation in force, are the following:

- IRES 24%
- IRAP 4.2% (in force for airport management companies)

Indirect taxes

Costs, revenues, assets and liabilities are recognized net of indirect taxes, such as value added tax, with the following exceptions:

- the tax applied to the purchase of goods or services is non-deductible; in this case, it is recognized as part of the purchase cost of the asset or part of the cost recognized in the income statement;
- trade receivables and payables include the indirect tax applicable.

The net amount of indirect taxes to be recovered or paid to the tax authorities is included in the financial statements as receivables or payables.

Earnings per share

Undiluted

The earnings/(loss) per share is calculated by dividing the result of the company by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares.

Diluted

The diluted earnings/(loss) per share is calculated by dividing the result of the company by the weighted average number of ordinary shares outstanding during the year, excluding any treasury shares. In order to calculate the diluted earnings per share, the average weighted number of shares outstanding is adjusted in respect of the dilution potential of ordinary shares, while the profit or loss of the company is adjusted to take into account the effects, net of income taxes, of the conversion.

Dividends and distribution of assets other than Cash and Cash Equivalents

The company records a liability against the distribution to its shareholders of available liquidity or assets other than available liquidity when the distribution is appropriately authorised and is no longer at the discretion of the company. Based on company law in Europe, a distribution is authorised when it is approved by the shareholders. The corresponding amount is recorded directly in shareholders' equity.
The distribution of assets other than available liquidity is measured at fair value of the assets to be distributed; the remeasurement of the fair value is recorded directly in shareholders' equity.
On the payment of the dividend, any difference between the book value of the assets distributed and the book value of the dividend payable is recorded in the statement of comprehensive income.

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

From January 1, 2022 the following new accounting standards, amendments and interpretations, revised by the IASB, entered into force, which have not impacted the Company's financial statements:

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 taxes when measuring the fair value of assets under IAS 41 where the Net Present Value method is applied. This standard is not applicable to the Group.

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

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 Company will adopt these standards when they enter into force, if applicable. No material impact to the Company 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.

In addition, on October 31, 2022, the IASB published amendments concerning non-current liabilities subject to conditions. Only the terms of a liability arising from a financing arrangement, which an entity must settle by the period-end will affect the classification of that liability as current or non-current.

The new amendment is applied from January 1, 2024 and must be applied retrospectively. The Company is currently assessing any impact from these amendments.

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.

Amendments to IFRS 16: Lease Liability in a Sale and Leaseback".

On September 22, 2022, the IASB issued an amendment to this standard that specifies the requirements that a seller-lessee uses to measure the lease liability arising from a sale and leaseback transaction to ensure that the seller-lessee does not recognise any amount of the gain or loss that relates to the right-of-use it retains. The amendment seeks to improve the requirements for sale and leaseback transactions in IFRS 16 but does not change the accounting for leases unrelated to sale and leaseback transactions. The amendment will be effective for fiscal years beginning January 1, 2024, 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 Company.

Amendments to IFRS 17: Insurance Contracts: Initial application of IFRS 17 and IFRS 9 – Comparative information

The IASB published an amendment to this standard on December 9, 2021. The amendment is a transition option related to comparative disclosure on financial assets presented upon first-time application of IFRS 17. It is intended to help entities avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and thus improve the utility of comparative disclosure for users of financial statements. The amendment will be effective for fiscal years beginning January 1, 2023. This standard is not applicable to the Company.

Discretional evaluations and significant accounting estimates

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

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

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

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

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

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

e) IFRIC 12 - Service Concession Arrangements

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

f) IFRS 9 Loans and Bonds

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

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

The legislation introduced in response to climate change may give rise to new obligations that previously did not exist. The Company has therefore put in place an environmental policy which outlines its compliance with practices to contain and reduce its environmental impact, which even go beyond the legal requirements, while also not compromising the protection of other general interests under the concession. The full implementation of this policy, which also targets the cutting of CO_2 emissions, includes energy efficiency measures.
In view of this regulatory framework, management has assessed that these policies do not require the recognition of new liabilities.
It was therefore not necessary to critically review the provisions presented in the financial statements.

h) IAS 36- Impairment of Assets

Reference should be made to Note 1 - Intangible Assets.
As detailed in the "Test on the recoverability of assets and groups of assets" section, while considering these factors, the impairment test and related sensitivities did not indicate any impairment loss.

Significant estimates

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

a) Impairment test

The Company provides in the Note to the "Test on the recoverability of assets and groups of assets" paragraph the estimates and assumptions for the Impairment Test at the reporting date, mainly referring to traffic volumes, tariff models and the general economic environment.

b) Provision for renewal of airport infrastructure

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

c) Deferred tax assets

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

d) Fair value of investment property

The Company initially accounts for its investment properties at cost. This value is maintained as approximates the fair value of the investment properties given their particular nature (absence of a comparable active market).

e) Fair value of financial instruments

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

f) IAS 10 Subsequent events to the reporting date

The company 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).

In this context, it should be noted that the Airport Service Agreement entered into by the Company with the main carrier operating at the airport was finalised on February 1, 2023, with retroactive effect from the winter season 2022/2023. The incentives defined in the new contract were therefore reflected in the financial statements for the two-month period November-December 2022.

ANALYSIS OF THE MAIN ITEMS ON THE STATEMENT OF FINANCIAL POSITION

ASSETS

1. Intangible assets

The following table breaks down intangible assets at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Concession rights	201,573	194,755	6,818
Software, licences and similar rights	765	405	359
Other intangible assets	45	50	(5)
Other intangible assets in progress	580	459	121
TOTAL INTANGIBLE ASSETS	**202,963**	**195,669**	**7,293**

The table below shows the changes in intangible assets for the year ended December 31, 2022 compared to December 31, 2021, by intangible asset category.

	31.12.2021			Changes in the year				As at 31.12.2022		
in thousands of Euro	**Historic cost**	**Accumulated depreciation**	**Book value**	**Increases / Acquisitions**	**Depreciation**	**Decreases/ Disposals/ Write-downs/ Reclassifications**	**Decrease provision**	**Historic cost**	**Accumulated depreciation**	**Book value**
Concession rights	248,043	(53,288)	194,755	15,928	(7,262)	(1,848)	0	262,123	(60,550)	201,573
Software, licences and similar rights	14,297	(13,892)	405	1,014	(655)	0	0	15,312	(14,547)	765
Other intangible assets	100	(50)	50	0	(5)	0	0	100	(55)	45
Energy Certificates	0	0	0	77	0	(77)	0	0	0	0
Other intangible assets in progress	459	0	459	121	0	0	0	580	0	580
TOTAL INTANGIBLE ASSETS	**262,899**	**(67,230)**	**195,669**	**17,140**	**(7,922)**	**(1,925)**	**0**	**278,115**	**(75,152)**	**202,963**

In 2022, Concession rights increased by Euro 16 million (equal to the fair value of construction services provided in the period) principally due to the following works in progress at December 31:

- construction of a new aircraft apron; this concerns the work to expand Apron 3 and connect it with the dedicated General Aviation apron (Apron 4);
- creation of a new airport run-off water overflow system and concurrent retirement of the current system, replacing the existing basin known as the Olmi Quarry;
- reconfiguration of the cargo area, including the completion of a new canopy, installation of new roller conveyors for loading and unloading cargo and the reorganisation of interior spaces to maximize areas for storing import and export goods:
- redevelopment of security and passport controls: following contract termination during 2022 due to a significant violation by the contractor, the phases commenced but not completed were concluded as a matter of urgency, therefore commencing the emergency project update necessary for the remaining tasks.

Other investments in the year include the construction of a bike station under the People Mover station to encourage sustainable transportation and a new well to feed the de-icing plant by implementing the water network and containing operating costs.

Amortisation of concession rights in the period amounted to Euro 7.3 million and was applied according to the residual duration of the concession.

Software, licenses and similar rights increased Euro 1 million, mainly with regards to the construction of the new website to improve the passenger service, the development and integration of the Wayfinding functionality in the BLQ – Bologna Airport Mobile Apps, which offer the user, compared to the website, an added value in terms of experience, use of services and facilitation of movement within the airport and the creation of an IT platform for the protocol and management of company documents.

Other intangible assets in progress include software development not concluded at December 31, 2022.

Test on the recoverability of assets and group of assets

The Concession Rights are tested for impairment at least once a year, when the financial statements are approved, as well as periodically when there are internal and external indicators of the reduction in value of such assets in order to identify any loss in value.
With regard to the full year 2022, the Company updated the impairment test in order to assess the existence of any impairment losses with reference to the amounts recorded under Concession Rights at December 31, 2022; a brief summary of the subject is provided below, with reference to Note 1 to the Consolidated Financial Statements for further details.

The test, as per IAS 36, compares the carrying value of the asset or group of assets of the cash generating unit (CGU) with the recoverable value, arising from the discounted net cash flows which are expected to be produced from the asset or group of assets of the CGU (value in use).

For impairment testing purposes, the company has identified a single CGU which coincides with the Aeroporto G. Marconi di Bologna S.p.A. Group. The methodology and assumptions related to the impairment test were approved by the Board of Directors on February 20, 2023.

The test used the explicit operating and financial forecasts for the period 2023-2046 and the method applying the "Terminal Value" as the cash flow provided for in IAS 36, paragraph 39, letter c) for the disposal of assets at the end of the concession to which the Company is entitled under the regulations (Article 703 of the Navigation Code).

The method used is based on the presumption that the economic capital value of a company at a certain date (in the present case, December 31, 2022) is representative of the algebraic sum of the following elements:

- “operating’ value”, i.e. the present value of the cash flows from operating activities over a defined time period including the discounted cash flows of the Terminal Value receivable from the collection of the estimated Terminal Value receivable on conclusion of the concession (explicit projection period; in the present case this coincides with the end of the airport concession expected for 2046);
- value of the non-strategic surplus assets at the measurement date. It should be noted that there are no non-core or non-capital ancillary activities included in the projections.

These operating cash flow was discounted utilising the UDCF (Unlevered Discounted Cash Flow) at a rate equal to the weighted average cost of debt and own funds (WACC - Weighted Average Cost of Capital), equal to 7.38%.

The impairment test performed did not identify any impairment of the carrying amounts of the concession rights for the year ended December 31, 2022 and no impairment losses were therefore recognised on the assets concerned.

Also in view of the fact that the carrying amount of the statutory and consolidated financial statements are substantially aligned, for all other considerations, including the necessary sensitivity analysis, please refer to Note 1 of the consolidated financial statements.

2. Tangible assets

The following table breaks down tangible assets at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Land	2,763	2,763	0
Buildings, light constructions and improvements	3,235	3,154	81
Machinery, equipment & plant	1,754	1,931	(177)
Furniture, EDP and transport	1,517	1,258	259
Tangible fixed assets in progress	809	487	322
Investment property	1,617	4,732	(3,115)
TOTAL TANGIBLE ASSETS	***11,695***	***14,325***	***(2,630)***
Land in leasing	560	855	(295)
Leased buildings and minor construction and improvements	0	0	0
Leased machinery, equipment & plant	257	388	(131)
Leased furniture, office machinery, transport equipment	188	149	39
TOTAL LEASED TANGIBLE ASSETS	***1,005***	***1,392***	***(387)***
TOTAL TANGIBLE ASSETS	**12,700**	**15,717**	***(3,017)***

The table below shows the changes in tangible assets for the period ended December 31, 2022 compared to the previous year, by asset category.

	31.12.2021			Changes in the year				As at 31.12.2022		
in thousands of Euro	**Historic cost**	**Accumulated depreciation**	**Book value**	**Increases/Acquisitions**	**Depreciation**	**Decreases / Disposals Write-downs/ Reclassifications**	**Decrease provision**	**Historic 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	8,606	(5,452)	3,154	381	(300)	0	0	8,987	(5,752)	3,235
Machinery, equipment & plant	15,115	(13,184)	1,931	479	(656)	(273)	273	15,321	(13,567)	1,754
Furniture, EDP and transport	10,074	(8,816)	1,258	845	(583)	(65)	62	10,854	(9,337)	1,517
Assets in progress and advances	487	0	487	322	0	0	0	809	0	809
Investment property	4,732	0	4,732	0	0	(3,115)	0	1,617	0	1,617
TOTAL TANGIBLE ASSETS	*41,777*	*(27,452)*	*14,325*	*2,027*	*(1,539)*	*(3,453)*	*335*	*40,351*	*(28,656)*	*11,695*
Land in leasing	1,898	(1,043)	855	8	(327)	(4)	28	1,902	(1,342)	560
Leased buildings and minor construction and improvements	0	0	0	0	0	0	0	0	0	0
Leased machinery, equipment & plant	418	(30)	388	0	(116)	(15)	0	403	(146)	257
Leased furniture, office machinery, transport equipment	435	(286)	149	113	(79)	(97)	102	451	(263)	188
TOTAL LEASED TANGIBLE ASSETS	*2,751*	*(1,359)*	*1,392*	*121*	*(522)*	*(116)*	*130*	*2,756*	*(1,751)*	*1,005*
TOTAL TANGIBLE ASSETS	**44,528**	**(28,811)**	**15,717**	**2,148**	**(2,061)**	**(3,569)**	**465**	**43,107**	**(30,407)**	**12,700**

At December 31, 2022, the overall increase in this category was Euro 2.1 million and mainly concerns the purchase of a Firewall device to protect the company network, a new enterprise storage system for the datacenter, two new servers ensuring the technological upgrade of the central datacenter, the self-propelled elevator with a lithium battery for passengers with reduced mobility (PRM), a friction tester vehicle to measure friction levels on the runway, and various computers and hardware.

This category includes right-of-use assets, recognised in accordance with IFRS 16, which the Company recognises as a lessee primarily for the long-term lease of land used for parking, employee motor vehicles, De Icer plant and equipment. The amount recognised at December 31, 2022 corresponds to the present value of the lease instalments falling due, which is reflected under current and non-current financial liabilities for leases.

Investment property includes the total value of the property complex owned earmarked for the construction of investment property; these amounts were initially recorded at purchase cost and subsequently measured using the cost method.

As indicated by IAS 40, including through assessments carried out internally by the Company, any indicators of impairment are assessed annually.

When drawing up the financial statements at December 31, 2022, the Company noted how the recent change in the urban planning tools PTM (metropolitan territorial plan) and PUG (general urban plan) of the Municipality of Bologna, together with the interruption to the talks with a major operator in the mobility sector, which would have allowed the full exploitation of the investment made, could be indications of a possible reduction in value.

In this context, taking into account the above and the absence - as of the preparation date of these Financial Statements - of a mature and shared planning with the regional entities, the valuation of the property complex entrusted to an external appraiser to support the fair value measurement resulted in the write-down recognised to the present financial statements. However, AdB has already initiated updated planning in order to assess the development of the area's potential, in line with that still offered by the current urban planning tools.

3. Investments

The following table breaks down the Reserves at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2021	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 31.12.2022
Investments in subsidiaries	3,147	0	0	0	3,147
Other investments	42	75	0	0	117
TOTAL INVESTMENTS	**3,189**	**75**	**0**	**0**	**3,264**

The following table breaks down investments in subsidiaries at the end of the two comparative years:

in thousands of Euro	Holding	As at 31.12.2022	As at 31.12.2021	Change
Fast Freight Marconi Spa	100%	597	597	0
Tag Bologna Srl	100%	2,550	2,550	0
TOTAL INVESTMENTS IN SUBSIDIARIES		**3,147**	**3,147**	**0**

Finally, the following table breaks down investments in other companies in the two comparative years:

in thousands of Euro	Holding	As at 31.12.2022	As at 31.12.2021	Change
Consorzio Energia Fiera District	7.14%	2	2	0
CAAF dell'Industria Spa	0.07%	0	0	0
Bologna Welcome Srl	10%	40	40	0
Urban V. Spa	5%	75	0	75
TOTAL OTHER INVESTMENTS		**117**	**42**	**75**

On November 10 this year, AdB acquired from Aeroporti di Roma a 5% holding in UrbanV Spa, established on June 28, 2022 by Aeroporti di Roma, Aeroporto di Venezia and Aeroports de la Cote d'Azur to develop urban air mobility internationally.

Investments held at December 31, 2022 are broken down below, with indication of the holding and the relative carrying amount.

in Euro thousands	Registered Office	Currency	% Holding	Share capital as at 31.12.2022	Profit (loss) 2022	Net Equity 31.12.2022	Share Net Equity 31.12.2022	Book value	Difference
Fast Freight Marconi S.p.A.	Bologna	Euro	100%	520	566	6,556	6,556	597	5,959
Tag Bologna Srl	Bologna	Euro	100%	316	898	2,022	2,022	2,550	(528)
TOTAL INVESTMENTS IN SUBSIDIARIES								**3,147**	

in thousands of Euro	Registered Office	Currency	% Holding	Share capital as at 31.12.2022	Profit (loss) 2022	Net Equity 31.12.2022	Share Net Equity 31.12.2022	Book value	Difference
Consorzio Energia Fiera District	Bologna	Euro	7.14%	33	0	33	2	2	0
CAAF dell'Industria Spa	Bologna	Euro	0.07%	367	(109)	562	0.39	0.30	0.09
Bologna Welcome Srl	Bologna	Euro	10%	310	697	969	97	40	57
Urban V. Spa	Rome	Euro	5%	50	(426)	1,074	54	75	(21)
TOTAL OTHER INVESTMENTS								**117**	

The negative difference concerning the subsidiary TAG Bologna S.r.l. is not considered an impairment.
The figures concerning shareholders' equity and the net result of Consorzio Energia Fiera District, of CAAF dell'Industria Spa and of Bologna Welcome S.r.l. concern the years ending December 31, 2021.

4. Other non-current financial assets

The following table shows the movements in other non-current financial assets for the year ended December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2021	Increases/ Acquisitions	Decreases / Reclass.	Write-downs	As at 31.12.2022
Receivables from Terminal Value	1,387	165	0	0	1,553
Equity Financial Instruments	10,873	0	0	0	10,873
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**12,260**	**165**	**0**	**0**	**12,426**

At December 31, 2022 the account "Other non-current financial assets" mainly comprises:

- Euro 1.6 million in receivables from Terminal Value relating to investments in concession rights and on the interventions carried out on the provisions for renewal of airport infrastructure. This receivable, recorded at present value, derives from application of the Terminal Value regulation as per Article 703 of the Navigation Code, which established that, for investments in concession rights and for the interventions carried out on the provisions for renewal of airport infrastructure, the airport manager shall receive from the succeeding concession holder, on conclusion of the concession, an amount equal to the residual value at that date of the investment according to the regulatory accounting rules.
- Euro 10.9 million of equity financial instruments in Marconi Express Spa, concession holder for the construction and management of the rapid rail link infrastructure between the Airport and Bologna Central Station called People Mover. This financial instrument, subscribed by the Parent Company on January 21, 2016 for a total value of Euro 10.9 million, is recorded corresponding to the amount effectively paid or rather the cost incurred at that date. The investment, in addition to the strategic/operating interest related to improving accessibility to the airport, meets the company's objective both in relation to the collection of the contractual cash flows and to any future sale of the financial asset. In accordance with IFRS 9, since it is an equity instrument, financial assets are measured at fair value through profit or loss. In this case, considering the difficulty in measuring the fair value of these Equity Financial Instruments, the subsequent valuations of this EFI is at cost as the best fair value estimate. Due to the wide range of values that the fair value of the instrument can take as part of a valuation based on the present value of expected cash flows over a very long period such as that of the airport concession, this analysis is used only for the purpose of identifying possible impairment.

5. Deferred tax assets

The following table presents the movements in deferred tax assets for the year ended December 31, 2022 compared with December 31, 2021.

in thousands of Euro	As at 31.12.2021	Provisions	Util./adjustments	As at 31.12.2022
DEFERRED TAX ASSETS	**12,807**	**1,169**	**(4,182)**	**9,794**

The main temporary differences on which deferred tax assets are recognized are detailed in the following table.
The decrease in the year is mainly due to the utilisation, as a deduction from income generated in the year, of a portion of the prior tax loss and ACE accrued in 2020 and 2021.

The recoverability of deferred tax assets is based on forecasts of taxable income derived from the 2023-2027 operating and financial forecasts approved by the Board of Directors on February 20, 2023 and is therefore reliably attributable to the underlying forecasts from the Company's most up-to-date operating projections.

IRES	Assessable				Tax			
in thousands of Euro	As at 31.12.2021	Increases	Uses	As at 31.12.2022	As at 31.12.2021	Increases	Uses	As at 31.12.2022
Other costs with deferred IRES deductibility	5,049	2,641	(1,854)	5,836	1,213	633	(445)	1,401
Doubtful debt provision	1,516	1,052	(244)	2,324	363	253	(58)	558
IRES deferred tax provisions	1,234	558	(623)	1,169	296	134	(150)	280
Provision for renewal of airport infrastructure	12,303	0	(628)	11,675	2,952	0	(150)	2,802
Amortisation concession rights from ENAC - ENAV Agreement	180	0	(13)	167	43	0	(3)	40
Disc. severance prov. plus other Long-term personnel costs	619	90	(501)	208	120	23	(93)	50
ACE excess	1,485	0	(1,485)	0	357	0	(357)	0
Unlimited tax losses carried forward	28,817	10	(11,797)	17,030	6,916	2	(2,831)	4,087
Total IRES	**51,203**	**4,351**	**(17,145)**	**38,409**	**12,260**	**1,045**	**(4,087)**	**9,218**

IRAP	Assessable				Tax			
in thousands of Euro	As at 31.12.2021	Increases	Uses	As at 31.12.2022	As at 31.12.2021	Increases	Uses	As at 31.12.2022
IRAP deferred tax provisions	311	0	(305)	6	13	0	(12)	1
Provision for renewal of airport infrastructure	11,565	2,873	(1,436)	13,002	486	121	(61)	546
Amortisation concession rights from ENAC - ENAV Agreement	108	0	(13)	95	4	0	0	4
Discounting other long-term personnel costs	224	90	(106)	208	10	3	(4)	9
Total IRAP	**12,208**	**2,963**	**(1,860)**	**13,311**	**513**	**124**	**(77)**	**560**

In this context, it should be noted that the Company has not provided for deferred tax assets calculated on the write-down of investment properties made during the year, as the recoverability of these is uncertain to date and subject to factors partly beyond its control.

The following table presents the tax credits for the utilisation of the tax benefits in relation to the energy upgrade investments made in previous years and the relative utilisation in the year.

Other	Tax Receivables			
in thousands of Euro	As at 31.12.2021	Increases	Util./adjustments	As at 31.12.2022
Other receivables	34	0	(18)	16
Total “other receivables”	**34**	**0**	**(18)**	**16**

6. Other non-current assets

The following table breaks down other non-current assets at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Security deposits	52	52	0
Non-current prepayments and accrued income	42	50	(8)
Non-current tax receivables	127	67	60
OTHER NON-CURRENT ASSETS	**221**	**169**	**52**

”Non-current tax receivables”, which is the most significant change in this category, includes the tax receivable due beyond one year for:

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

7. Inventories

The following table breaks down inventories at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Inventories of raw materials, supplies and consumables	524	562	(38)
Inventories of Finished Products	293	133	160
INVENTORIES	**817**	**695**	**122**

Supplies and consumables concern inventories held of heating fuel and de-icing liquid for the runway, workshop materials and consumables, such as stationery, moulds and uniforms, while inventories of finished goods refer to antifreeze liquid for de-icing the aircraft. The increase in inventories at December 31, 2022 is mainly due to this latter component.

8. Trade receivables

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

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Trade receivables	14,027	21,190	(7,163)
Provisions for doubtful accounts	(2,363)	(1,600)	(763)
TRADE RECEIVABLES	**11,664**	**19,590**	**(7,926)**

At December 31, 2022, gross trade receivables, which include allowances for invoices and credit notes to be issued, totalled Euro 14 million, decreasing Euro 7.2 million despite the increase in traffic volumes and therefore revenues. This is due to the resumption of normal terms of trade receivables collection after the sharp slowdown in the previous two years. In 2022, days sales outstanding were 53, compared to 81 days in 2021.

The following tables provide an analysis of the aging of trade receivables of the company at December 31, 2022 and December 31, 2021:

in thousands of Euro	Not yet due	Overdue	Total at 31.12.2022
Trade receivables for invoices/credit notes issued	5,722	7,509	13,231
Trade receivables for invoices/credit notes to be issued	796	0	796
TOTAL TRADE RECEIVABLES	**6,518**	**7,509**	**14,027**

in thousands of Euro	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE RECEIVABLES	**5,722**	**2,867**	**1,603**	**229**	**2,810**	**13,231**

Of trade receivables over 90 days past due, 71% are covered by the provisions for doubtful accounts.

in thousands of Euro	Not yet due	Overdue	Total at 31.12.2021
Trade receivables for invoices/credit notes issued	6,939	13,776	20,715
Trade receivables for invoices/credit notes to be issued	475	0	475
TOTAL TRADE RECEIVABLES	**7,413**	**13,776**	**21,190**

in thousands of Euro	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE RECEIVABLES	**6,939**	**4,758**	**3,775**	**2,036**	**3,207**	**20,715**

As can be seen in the year under review, the ageing of receivables improved; in particular, receivables due by December 31, 2022 were 43% of total receivables compared to 33% at December 31, 2021.

The provision for doubtful accounts saw increases both to the write-downs carried out on the basis of specific analysis of cases in arrears and/or in dispute and to the write-down applied on the residual debtor balance, classified by customer category and overdue period, with the simplified parameter method applied, as permitted by IFRS 9 for companies with a diversified and fragmented client portfolio (Provision Matrix*)*.
The provisions in the year total Euro 1.1 million, of which Euro 384 thousand recorded as a direct reduction of the relative revenues as concerning amounts invoiced during the year and no longer considered collectible. In addition to the write-down of receivables from carriers in bankruptcy proceedings, a significant provision was made against the credit position of an airport operator whose solvency was assessed to be at risk.

In relation to that above, the movements in the provision for doubtful accounts in the year and in the previous year were as follows:

in thousands of Euro	As at 31.12.2021	Provisions	Uses	Releases	As at 31.12.2022
PROVISIONS FOR DOUBTFUL ACCOUNTS	**(1,600)**	**(1,091)**	**309**	**21**	**(2,363)**

in thousands of Euro	As at 31.12.2020	Provisions	Uses	Releases	As at 31.12.2021
PROVISIONS FOR DOUBTFUL ACCOUNTS	**(960)**	**(806)**	**107**	**59**	**(1,600)**

In the initial two months of 2023, the monitoring of collections indicated that approximately 47% of trade receivables (commercial and concerning the boarding fee surtaxes and IRESA) were collected and therefore the strong trend beginning in 2022 has continued.

9. Other current assets

The following table breaks down other current assets at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Tax assets	199	45	154
Tax consolidation receivables	416	225	191
Employee receivables	30	52	(22)
Other receivables	4,649	5,055	(406)
OTHER CURRENT ASSETS	**5,294**	**5,377**	**(83)**

This category includes tax receivables, which significantly increased on the previous year, and mainly related to the current receivable for investment in capital goods under Law No. 160/2019, Article, para. 184 to 197, Law No. 178/2020 Article 1, para. 1051 to 1063, in addition to tax credits on higher charges incurred for electricity and natural gas purchased and actually used from the second quarter of 2022.
Receivables from subsidiaries for the IRES tax consolidation also increased following the transfer of the IRES taxable base, while “other receivables” decreased. A breakdown is provided in the following table:

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Receivables for passenger boarding fees surtax	3,988	5,279	(1,291)
IRESA receivables	197	341	(144)
Other current receivables provision for doubtful accounts	(1,283)	(1,584)	301
Prepayments and accrued income	749	676	73
Advances to suppliers	4	5	(1)
Pension and social security institutions	79	76	3
Other current assets	915	262	653
TOTAL OTHER RECEIVABLES	**4,649**	**5,055**	**(406)**

The receivables for passenger boarding fee surtax and for IRESA decreased, due to the higher collections towards the end of the present year in comparison to 2021. The account "other current receivables provision for doubtful accounts" includes the provision for passenger boarding fee surtax doubtful accounts and for IRESA, obtained for reclassification under assets in the statement of financial position, as a deduction of the respective receivable, of the surtax and IRESA charged to the carriers which in the meantime were subject to administration procedures or which contested the charge. This item, which is exclusively posted in the statement of financial position, is classified as a deduction of the respective receivables due to the high improbability of recovery, reporting the following movements:

in thousands of Euro	As at 31.12.2021	Provisions/Increases	Uses	Releases	As at 31.12.2022
Municipal surtax/IRESA receivable provision	(1,584)	(134)	267	168	(1,283)
TOTAL PROVISIONS FOR OTHER DOUBTFUL RECEIVABLES	**(1,584)**	**(134)**	**267**	**168**	**(1,283)**

The increase in "other current receivables" principally concerns the advance for works disbursed to a contractor whose contract was terminated for damages in 2022 as per Article 108 of Legislative Decree No. 50/2016. Reference should be made to the disputes section of the Directors' Report for further details.
At the end of 2022 AdB submitted to GH Italia S.p.A. a request for a verification of the price adjustment clause of the sales price of the holding in Marconi Handling, a clause contained in the December 2012 deed of sale of the holding that provides for a price adjustment mechanism linked to conditions which would needed to be completed by December 31, 2022 at the latest. In view of the currently uncertain nature of the receivable, the directors do not consider the conditions for its recognition at December 31, 2022 to exist. The verifications and contacts with GH continue to arrive at the prompt calculation of the receivable in fulfilment of this contractual clause and due disclosure shall be provided in the next financial statements.

10. Current financial assets

The following table breaks down current financial assets at December 31, 2022 and in the subsequent table the movements in the year.

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Time deposits	45,058	0	45,058
CURRENT FINANCIAL ASSETS	**45,058**	**0**	**45,058**

in thousands of Euro	As at 31.12.2021	Acquisitions	Other increases Reclassifications	Decreases / Disposals	As at 31.12.2020
Time deposits	0	45,000	58	0	45,058
TOTAL CURRENT FINANCIAL ASSETS	**0**	**45,000**	**58**	**0**	**45,058**

At December 31, 2022, this account comprised four Time Deposits undertaken at the end of 2022 with six and twelve-month durations.

11. Cash and cash equivalents

The following table breaks down cash and cash equivalents at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Bank and postal deposits	20,634	21,946	(1,312)
Cash in hand and similar	22	26	(4)
CASH AND CASH EQUIVALENTS	**20,656**	**21,972**	**(1,316)**

"Bank and postal deposits" comprise the bank current accounts, while the company also has an unutilised credit line of Euro 5 million available.
For the comment on liquidity in the period, reference should be made to Section 3.2 of the Directors' Report.

Net Financial Position

The following table shows the breakdown of the net financial position at December 31, 2022 and December 31, 2021, in accordance with Consob Communication of July 28, 2006 and the ESMA/2011/81 and ESMA32-382-1138 recommendations of March 4, 2021:

	in thousands of Euro	As at 31.12.2022	As at 31.12.2021
A	Cash	20,656	21,972
B	Other cash equivalents	0	0
C	Other current financial assets	45,058	0
D	**Liquidity (A+B+C)**	**65,714**	**21,972**
E	Current financial payables	(2,805)	(1,722)
F	Current portion of non-current financial debt	(14,456)	(5,669)
G	**Current financial debt (E + F)**	**(17,261)**	**(7,391)**
H	**Net Current Financial Position (G - D)**	**48,453**	**14,581**
I	Non-current financial payables	(46,419)	(60,874)
J	Debt instruments	0	0
K	Trade payables and other non-current payables	(515)	(945)
L	**Non-current financial debt (I + J + K)**	**(46,934)**	**(61,819)**
M	**Total Net Financial Position (H + L)**	**1,519**	**(47,238)**

Account A is equal to the account "cash and cash equivalents"; reference should be made to note 11 for further details.
Account G is equal to the account "current financial liabilities"; reference should be made to note 17 for further details.
Account L is equal to the account "non-current financial liabilities"; reference should again be made to note 17 for further details.
For a detailed analysis on the movements in the net financial position, reference should be made to the analytical analysis in the Directors' Report.

LIABILITIES

12. Shareholders' Equity

The following table breaks down the Shareholders' Equity at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Share capital	90,314	90,314	0
Reserves	62,421	69,583	(7,162)
Profit/(loss)	29,443	(7,542)	36,985
SHAREHOLDERS' EQUITY	**182,178**	**152,355**	**29,823**

a. Share capital

The share capital of the Parent Company at December 31, 2022 amounts to Euro 90,314,162, entirely paid-in and comprising 36,125,665 ordinary shares without par value.

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

in Euro	for the year ended 31.12.2022	for the year ended 31.12.2021
Group profit/(loss) for the year (*)	29,823,133	(7,562,939)
Average number of shares outstanding	36,125,665	36,125,665
Undiluted earnings/(losses) per share	**0.83**	**(0.21)**
Diluted earnings/(losses) per share	**0.83**	**(0.21)**

(*) from Statement of Comprehensive Income

The undiluted earnings/(losses) and diluted earnings/(losses) per share of AdB at December 31, 2022 and December 31, 2021 are the same due to the absence of potential dilutive instruments.

b. Reserves

The following table breaks down the Reserves at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Share premium reserve	25,683	25,683	0
Legal reserve	8,034	8,034	0
Extraordinary reserve	52,035	52,035	0
FTA Reserve	(3,206)	(3,206)	0
Profits (losses) carried forward	(19,514)	(11,972)	(7,542)
OCI reserve	(611)	(991)	380
TOTAL RESERVES	**62,421**	**69,583**	**(7,162)**

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 is entirely made up of profits from previous years, while the reserves for retained earnings/losses were established, as for the FTA reserves, on the occasion of the transition to IAS/IFRS accounting standards, in addition to the losses in 2020 and 2021.

The OCI reserve records the changes deriving from the discounting of the Severance and other personnel provisions (Note 13) in accordance with IAS 19 revised, net of the relative tax effect.
The following table breaks down the OCI reserve for the year ended December 31, 2022 and the comparative period:

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
IAS 19 actuarial profits/losses	(801)	(1,304)	503
Deferred taxes on actuarial gains/losses as per IAS 19	190	313	(123)
OCI RESERVE	**(611)**	**(991)**	**380**

The information required by Article 2427, No. 7 *bis* of the Civil Code is presented in the following table:

Key: A=Share capital increase, B = Coverage of losses, C = Distribution to shareholders

in thousands of Euro	31.12.2022	Possibility of use	Quota available	Summary of utilisations made in the three previous years
Share premium reserve	25,683	A/B	25,683	/
Legal reserve	8,034	B	/	/
Extraordinary reserve	52,035	A/B/C	30,529	/
Profits (losses) carried forward	(21,506)	/	/	/
FTA Reserve	(3,206)	/	/	/
Profit/loss carried forward IAS transition	1,992	/	/	/
OCI reserve	(611)	/	/	/
TOTAL RESERVES	**62,421**			

13. Severance and other personnel provisions

The following table breaks down severance and other personnel provisions at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Severance	2,767	3,250	(483)
Other personnel provisions	206	225	(19)
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**2,974**	**3,475**	**(501)**

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

in thousands of Euro	As at 31.12.2021	Service cost	Net interest	Benefits paid	Actuarial profits/ (losses)	As at 31.12.2022
Severance	3,250	0	55	(92)	(445)	2,767
Other personnel provisions	225	126	0	(87)	(58)	206
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**3,475**	**126**	**55**	**(179)**	**(503)**	**2,974**

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

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

e) discount rate: 3.63% for the valuation at December 31, 2022 and 0.98% for the valuation at December 31, 2021;
f) inflation rate: 2.30% for the valuation at December 31, 2022 and 1.75% for the valuation at December 31, 2021;
g) 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;
h) staff turnover rate: 1%.

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

	Valuation parameter					
in thousands of Euro	+1 % on turnover rate	-1 % on turnover rate	+ 0.25% on annual inflation rate	- 0.25% on annual inflation rate	+ 0.25% on annual discount rate	- 0.25% on annual discount rate
Severance	2,781	2,751	2,802	2,731	2,711	2,824

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

Years	Future estimated disbursements (in thousands of Euro)
1	178
2	197
3	178
4	196
5	91

The other personnel provisions at December 31, 2022 concern the long-term incentive plan and the non-competition agreement of the Chief Executive Officer/General Manager as governed by the Remuneration Policy commented upon in the Corporate Governance and Share Ownership Report, to which reference should be made.

The actuarial valuation at December 31, 2022 of the long-term incentive plan and the non-competition agreement of the CEO/GM was made with the support of actuarial experts utilising the "benefits matured" method based on IAS 19 (paragraphs 67-69) through the "Project Unit Credit" criterion. Under this method the valuation is based on the average present value of the obligations matured based on the employment service up to the time of the valuation.
The main valuation parameters were:

e) discount rate: 3.77% for the valuation at December 31, 2022 (0.98% for the valuation at December 31, 2021) of the liability for the non-competition agreement equal to the yield on the comparable duration of the employment duration in the sector and 3.34% for the valuation at December 31, 2022 (-0.17% for the valuation at December 31, 2021) of the liabilities for the long-term incentive, yield in line with the three-year duration of the plans under consideration;
f) demographic bases (mortality/invalidity): the mortality tables RG 48 published by the State General Office were used for the mortality rates.
g) frequency voluntary resignations and dismissals by the company: 1%;
h) probability of reaching objectives equal to 70-100% of the second cycle.

Finally, we report the sensitivity which highlights the effects on the other employee provisions, in particular on the provision relating to the non-competitive agreement, in the case of termination of employment with probability equal to 10%:

in thousands of Euro	Service cost
Other personnel provisions	70

14. Deferred tax liabilities

The following table breaks down the deferred tax liabilities at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2021	Provisions	Uses	As at 31.12.2022
DEFERRED TAX LIABILITIES	**2,080**	**83**	**0**	**2,163**

IRES rate 24% *in thousands of Euro*	*Assessable*				*Tax*			
	As at 31.12.2021	Increases	Uses	As at 31.12.2022	As at 31.12.2021	Increases	Uses	As at 31.12.2022
Amortisation of concession rights	7,480	0	0	7,480	1,795	0	0	1,795
Severance provision IAS 19	0	226	0	226	0	83	0	83
Total IRES	**7,480**	**226**	**0**	**7,706**	**1,795**	**83**	**0**	**1,878**

IRAP rate 4.2% *in thousands of Euro*	Assessable				Tax			
	As at 31.12.2021	Increases	Uses	As at 31.12.2022	As at 31.12.2021	Increases	Uses	As at 31.12.2022
Amortisation of concession rights	0	0	0	0	285	0	0	285
Total IRAP	**0**	**0**	**0**	**0**	**285**	**0**	**0**	**285**
Total					**2,080**	**83**	**0**	**2,163**

The deferred tax liabilities were recorded on transition to IFRS following the application of IFRIC 12 "*Service concession arrangements*", as illustrated in the note relating to the Transition to International Accounting Standards IFRS in the 2014 Financial Statements, a transition that resulted in the misalignment between statutory and tax values of concession rights for the mark-up on construction services and the redefinition of the amortization schedule based on the duration of the concession.
The increase in the assessable amount, exclusively for IRES purposes, which results in the recognition of the deferred tax liabilities, is attributable to the recognition of deferred taxes on the OCI actuarial gain regarding the measurement as per IAS 19 of the Severance Provision.

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

The provision for renewal of airport infrastructure include the provision allocated to cover the maintenance and renewal expenses of the airport infrastructure in the areas obtained under concession, which the company is required to return in a perfect operational state at the end of the concession.

The changes in the provision in the year ending December 31, 2022 are reported below, divided between non-current and current.

in thousands of Euro	As at 31.12.2021	Provisions	Utilizations	Reclassifications	As at 31.12.2022
Provision for renewal of airport infrastructure (non-current)	10,009	2,873	0	(2,435)	10,448
Provision for renewal of airport infrastructure (current)	1,556	0	(1,436)	2,435	2,555
TOTAL PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE	**11,566**	**2,873**	**(1,436)**	**0**	**13,003**

The movements during the year regard:

- ✓ the provision (Euro 4.1 million) net of the update to the discount rate of cash flows, with a positive impact for financial income of Euro 1.2 million;
- ✓ the uses (Euro 1.4 million) for actions which mainly included the renovation of a section of the runway wear layer, in addition to work on the terminal roofing, office upgrades, and various work on the facilities.

The reclassifications concern the periodic reclassification to current liabilities of the disbursements expected in the twelve months subsequent to period end.

For completeness the following table shows the sensitivity in the interest rates applied for the discounting of the provision for renewal of airport infrastructure at December 31, 2022:

in thousands of Euro	Financial income/(charges)	Sensitivity Analysis (+0.5%)	Sensitivity Analysis (-0.1%)
Provision for renewal of airport infrastructure	1,187	1,126	1,199

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 following table presents the movements in the year ending December 31, 2022 in the provisions for risks and charges:

in thousands of Euro	As at 31.12.2021	Provisions	Util./Other decreases	As at 31.12.2022
Risk provision for disputes	972	423	(235)	1,160
Provisions for other risks and charges	418	1	(362)	57
PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)	**1,390**	**424**	**(598)**	**1,217**
TOTAL PROVISIONS FOR RISKS AND CHARGES	**1,390**	**424**	**(598)**	**1,217**

The “Risk provision for disputes" includes the updated liabilities prudently estimated, including with the help of mandated lawyers, for pending litigation and mainly includes:

- the estimates of interest owing in relation to the fire prevention service (Euro 18.6 million at December 31, 2022), as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3-bis of Law No. 2/2009.
- the estimation of revocation risks on clients going bankrupt in previous years, with the exception of the Alitalia bankruptcy. For the latter, please refer to the next section;
- the estimated liability for possible litigation with employees and contractors for work on airport grounds.

For further details, reference should be made to the chapter on Disputes in the Directors' Report;

The item "other provision risks and charges" changed following the signature of the assessment by consent agreement with the Municipality of Bologna, which in turn followed changes in the land registry classification of a number of buildings. These changes were made on December 13, 2021 by the by the Bologna provincial office of the Italian Tax Agency responsible for land registration, by official measure as per Law 311/04. The position was definitively concluded with the payment of the amount due, although this settlement does not constitute an admission of acquiescence, and was signed merely to avoid onerous and costly legal proceedings for the Company, given the limited application scope of the fees in question and the non-application of sanctions. On February 9, 2022, the Company asserted its case by notifying that a tax appeal had been filed against the Land Registry and Tax Administration to contest the classification of December 13, 2021, for which we fundamentally dispute the assumptions and justifications. The hearing on the merits before the competent Tax Commission was held on March 7, 2023, the outcome of which was favourable, with the Tax Court of First Instance of Bologna - with ruling No. 123/2023 filed on March 13, 2023 - having accepted the Company's reasons in full, ruling - disregarding all contrary objections - for the annulment of the contested act and compensating for costs. As long as the land registry dispute continues without a final judgment, Adb will pay the relevant IMU taxes and then, within the terms of the law, make any claims for reimbursement of the amount paid.

Contingent liabilities

As regards the customs dispute involving the subsidiary FFM in 2021 (which is described in greater detail in the "disputes" section of the Directors' Report, to which reference should be made), we note that on April 20, 2021, the Bologna Customs Office notified FFM that it had corrected a number of customs declaration assessments. It therefore requested payment of higher customs and VAT duties which, including interest for late payment, totalled approximately Euro 4.3 million. The subsidiary FFM, which maintains that it has always operated with the fullest correctness and legality, filed an appeal against these notices and the Bologna Provincial Tax Commission ruled on this appeal on July 6, 2022, finding partially in favour of FFM and reducing the sum requested by the Tax Agency by Euro 0.8 million.

The Company, supported by the opinion of its appointed lawyers, having evaluated the dossier outlining the position and the jurisprudence on the subject, and the recent first instance ruling, consider it possible but not probable that the case will be lost. Within the procedural deadline, FFM will appeal regarding its arguments that were not accepted in the July 2022 ruling. Finally in relation to this dispute, we note that the Euro 5.8 million guarantee issued by a leading bank in favour of the Customs Authority as requested by FFM, for the suspension of the assessment notices issued to the Company, includes a co-obligation for AdB. At the beginning of 2023, an additional surety was added for a value of Euro 278 thousand in order to obtain the suspension of the enforceability of the assessment reports covered by the appeal, following a partial increasing amendment as a result of a customs office audit.

In relation, finally, to the extraordinary administration of Alitalia, in early May 2020 the Company received notification of revocatory action submitted by the Extraordinary Commissioner of ALITALIA SAI in administration. The Group assessed the potential liability related to the revocation of receivables arising in the six months before the procedure, for an amount of Euro 2.01 million (gross of municipal passenger boarding fee surtaxes already paid to the competent authorities). At the preparation date of this document, taking account of the information noted and the defensive arguments against the advanced action, the Directors, having met with the appointed lawyers, judged the liability as possible but not probable. They therefore considered it appropriate to provide disclosure in the Notes, without making any accrual, while at the same time continuing its defensive action. In any event, the case will not be settled before the end of the year 2024.

17. Non-current and current financial liabilities

The following table breaks down non-current and current financial liabilities at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Bank loans – non-current	46,419	60,874	(14,455)
Non-current financial liabilities for leasing	515	945	(430)
NON-CURRENT FINANCIAL LIABILIITES	**46,934**	**61,819**	**(14,885)**
Bank loans - current	14,456	5,669	8,787
Current financial liabilities for leasing	534	592	(58)
Payables due for boarding fee surtaxes and Iresa	2,254	1,112	1,142
Other current financial debt	17	18	(1)
CURRENT FINANCIAL LIABILITIES	**17,261**	**7,391**	**9,870**
TOTAL FINANCIAL LIABILITIES	**64,195**	**69,210**	**(5,015)**

Total bank loans at December 31 amount to Euro 60.9 million, of which Euro 46.4 million non-current and Euro 14.5 million current.

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Bank loans – non-current	46,419	60,874	(14,455)
Bank loans - current	14,456	5,669	8,787
TOTAL LOANS	**60,875**	**66,543**	**(5,668)**

“Loans” include:

- loan with SACE guarantee, maturing in 2026, issued by Intesa Sanpaolo Spa in July 2020 for Euro 33.9 million to support the infrastructural development plan and offset the reduction in traffic due to the COVID-19 emergency. This loan, with a grace period of 3 years and first repayment in 2023, was classified for Euro 28.25 million to non-current financial liabilities and for Euro 5.65 million to current financial liabilities;

- loan with SACE guarantee, maturing in 2026, issued by Unicredit Spa in July 2020 for Euro 25 million to support the infrastructural development plan and offset the reduction in traffic due to the COVID-19 emergency. This loan, which had a grace period of 2 years ending in June 2022, is classified for Euro 15.6 million to non-current financial liabilities and for Euro 6.25 million, equating to the principal to be repaid over the coming 12 months, to current loans. In 2022, the initial two instalments for Euro 3.1 million were repaid;
- ten-year bank loan with December 2024 maturity, with a balance of Euro 5.1 million at December 31, 2022 (Euro 7.7 million at December 31, 2021), issued by Banca Intesa to fund the infrastructure investment plan. This loan is classified for Euro 2.55 million under non-current loans and for Euro 2.6 million under current loans. In 2022, the two instalments due for Euro 2.55 million were repaid.

In order to guarantee the necessary liquidity to support the airport infrastructure investment and development plan, in December 2021 the Parent Company signed a loan with the European Investment Bank (EIB), for which as of December 31, 2022 no request for disbursement has been made. The loan agreement will provide AdB with the flexibility required for the progression of the infrastructural development plan and funding requirements, with disbursement available up to 48 months from signing and in multiple tranches and in any case for a total amount not exceeding 50% of the total estimated project costs. This is alongside the flexibility of the option to choose between a fixed rate and a variable rate, the amount of which in both cases will be determined by the EIB in relation to the timing of the loan request and the overall conditions of disbursement and repayment. The last repayment date for each tranche shall fall no earlier than four years and no later than eighteen years from the relevant disbursement date, subject to the option for AdB to make voluntary early repayments. The contract includes negative pledges and covenants, including of a disclosure nature typical of such situations, with an early settlement obligation where control of AdB is acquired.

The contractual conditions of the loans in place at December 31, 2022 are illustrated below:

Credit Institution	Type of loan	Interest rate applied	Rate	Maturity	Covenant
Intesa San Paolo S.p.A.	Loan	Fixed rate of 3%	Half-Yearly	2024	NFP/EBITDA NFP/SE
Unicredit Spa Sace guarantee	Loan	Fixed rate of 0.77%	Quarterly	2026	NFD/EBITDA NFD/SN
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 Company, 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 December 31, 2022, AdB has not received any communication for application of cross default clauses by any of its lenders as the Company is in compliance with its existing contractual commitments.

On the basis of the figures at December 31, 2022, compliance with the financial covenants is confirmed.

			in Euro thousands			
Credit Institution	**Type of loan**	**Interest rate applied**	**Balance at 31.12.2022**	**Interest balance for year**	**Sensitivity Analysis (+0.5%)**	**Sensitivity Analysis: (-0.1%)**
Intesa San Paolo Spa - SACE-backed	Banking	Euribor 3 months/360 + 1.29%	33,900	437	607	403

Non-current and current financial liabilities for leases at the end of the two fiscal years are as follows:

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Non-current lease liabilities	515	945	(430)
Current lease liabilities	534	592	(58)
TOTAL LEASE LIABILITIES	**1,049**	**1,537**	**(488)**

The Company 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.

“Non-current financial liabilities for leasing” of slightly more than Euro 500 thousand concern contractually due fees and with maturity beyond 12 months for the right to use third party assets recorded as fixed assets in application of IFRS 16 (note 2), while current financial liabilities for leases regard the current portion of the instalments due for the right to use third party assets recorded as fixed assets as of January 1, 2019 in application of IFRS 16.

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	31/12/2021	Cash flows	New contracts	Interest/Other Reclassifications	31/12/2022
Loans - current portion	5,669	(5,681)	0	14,468	14,456
Lease liabilities - current portion	592	(642)	69	515	534
Loans - non-current portion	60,874	0	0	(14,455)	46,419
Lease liabilities - non-current portion	945	0	0	0	945
Total	**68,080**	**(6,323)**	**69**	**528**	**62,354**

Finally, also relating to current financial liabilities, the surtax on passenger boarding fees payable and for IRESA concerns the portion received by airlines and reversed to the authority body in January.

18. Trade payables

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
TRADE PAYABLES	**24,291**	**18,643**	**5,648**

Trade payables are primarily owed to domestic suppliers and increased due to the rise in costs. In terms of payment times, the average days remained unchanged on 2021 (53 days).

The table below shows the breakdown of trade payables at December 31, 2022 and December 31, 2021 by due date:

in thousands of Euro	Not yet due	Overdue	Total at 31.12.2022
Invoices/credit notes received	11,805	2,993	14,798
Invoices/credit notes to be received	9,493	0	9,493
TOTAL TRADE PAYABLES	**21,298**	**2,993**	**24,291**

in thousands of Euro	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE PAYABLES	**11,805**	**1,669**	**74**	**89**	**1,161**	**14,798**

in thousands of Euro	Not yet due	Overdue	Total at 31.12.2021
Invoices/credit notes received	4,865	986	5,851
Invoices/credit notes to be received	12,793	0	12,793
TOTAL TRADE PAYABLES	**17,658**	**986**	**18,643**

in thousands of Euro	Not yet due	Overdue 0-30	Overdue 30-60	Overdue 60-90	Overdue over 90 days	Total
TRADE PAYABLES	**4,865**	**511**	**109**	**95**	**271**	**5,851**

The ageing of trade payables indicates a greater amount due beyond 90 days at December 31, 2022 compared to the previous year as a result of the blockages to the payment of one supplier in particular, pending the certification of contributory compliance. With the exception of this position, overdue payables declined from 20% to 17% of total payables and, consequently, payables not yet due increased from 80% to 83%.

19. Other Liabilities

The following table breaks down other liabilities at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Current tax payables	2,815	1,000	1,815
Employee payables and social security institutions	3,946	3,688	258
ENAC concession fee and other State payables	23,339	18,970	4,369
Other current liabilities, accrued liabilities and deferred income	4,622	5,012	(390)
Fiscal consolidation payables	0	2	(2)
OTHER LIABILITIES	**34,722**	**28,672**	**6,050**

The principal changes were as follows:

i. CURRENT TAX PAYABLES

The following table breaks down tax payables at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
VAT payables	216	133	83
Direct income taxes	1,625	0	1,625
Other tax payables	974	867	107
CURRENT TAX PAYABLES	**2,815**	**1,000**	**1,815**

This category of costs increased mainly due to the payables for direct taxes, absent on conclusion of the previous year and at December 31, 2022 concerned the IRAP payable for Euro 942 thousand and the IRES tax consolidation payable for Euro 684 thousand.

Other tax payables primarily relates to IRPEF payables for employed and self-employed staff, in which the former increased as a result of the increase in payroll costs.

ii. Employee payables and social security institutions

The following table breaks down employee payables and social security institutions at December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Due to personnel renumeration	892	958	(66)
Employee deferred compensation	1,860	1,738	122
Social security payables	1,194	992	202
CURRENT PAYABLES TO PERSONNEL AND SOCIAL SECURITY INSTITUTIONS	**3,946**	**3,688**	**258**

Employee payables and social security institution payables reported an increase at December 31, 2022, due to the increased personnel costs.

iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 18.6 million (Euro 17.1 million in 2021) 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;
- Euro 4.6 million (compared to Euro 1.9 million at December 31, 2021) as the variable airport concession fee payable regarding the second payment on account and the 2022 final settlement.

The liability relating to the fire prevention service, as further described in the Directors' Report, to which reference should be made, was recognised to incorporate the contribution owed by AdB to the Fund established by the 2007 Budget Law in order to reduce the cost borne by the State for organising and providing the **fire prevention service** at Italian airports. The Parent Company promoted, in 2012, a specific judicial action before the Rome Civil Tax Court, substantially requesting the Judge to ascertain and declare the cessation of the obligatory contribution following the change in the purpose of the afore-mentioned Fund, i.e. from January 1, 2009. In fact, from that date the resources accumulated in the Fund were allocated to the generic requirements of the public purse and civil defence, as well as for financing salary increases of the Fire Prevention Service.
While awaiting the civil procedure, which extended over numerous years across a series of different judges and postponements, a consolidated jurisprudence (ex pluris Rome Provincial Tax Court No. 10137/51/2014 - passed into Law - and Rome Provincial Tax Court No. 2517/2019) sealed by the pronouncement of the Court of Cassation No. 3162 of February 1, 2019 and, latterly, by the Lazio Regional Tax Commission No. 7164/2019, affirmed: i) the nature of the contribution to the Fire Prevention Fund, ii) the consequent competent tax jurisdiction, iii) the non-obligation to pay the tax from 2009, due to the non-applicability of its original legislative purpose, pending a legitimate legal provision.

Finally, on February 8, 2022, the Rome Court issued its ruling No. 2012/2022 clarifying the jurisdiction of the tax court. The company in order to obtain a direct recognition of the principles embodied universally by the Court of Cassation and by the Rome Provincial Tax Court in December presented the case before the Rome Court (RG No. 22375/12). The hearing on the substance of the case before the Rome Provincial Tax Commission has been set for April 17, 2023. The pronouncement of the United Sections in May 2023 is also awaited for the final affirmation of the legal principles issued by the tax jurisprudence and to confirm its comprehensive legal efficacy.

While considering the above, we highlight that a legal provision is still in place indicating that AdB is required to settle these amounts. It is also hoped that negotiations will be restarted in order to reach a final settlement and for the issuance of a new rule governing the matter.

iv. Other current liabilities, accrued liabilities and deferred income

The following table breaks down current liabilities, accrued liabilities and deferred income December 31, 2022 (compared with December 31, 2021).

in thousands of Euro	As at 31.12.2022	As at 31.12.2021	Change
Payables due for boarding fee surtaxes and Iresa	2,904	4,035	(1,131)
Other current liabilities	1,545	909	636
Current accrued liabilities and deferred income	173	68	105
TOTAL OTHER CURRENT LIABILITIES, ACCRUED LIABILITIES AND DEFERRED INCOME	**4,622**	**5,012**	**(390)**

The main account concerns the surtax for passenger boarding fees and for IRESA (Regional Tax on Aircraft sound Emissions), relating to the receivables from carriers not yet collected at December 31, 2022, for Euro 2.9 million. The portion of the passenger boarding fees payable and for IRESA relating to receivables collected from carriers, to be 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. The increase on the previous year is mainly due to the higher security deposits from clients and the collection of the advance on the Conciliamo project, a tender of the department for family policies of the Prime Minister’s office, to which the Company had access and which targets work-life balance actions and activities for employees. Finally, also the “other accrued liabilities and deferred income” account increased, mainly due to the portion of online sales revenues collected in advance.

NOTES TO THE MAIN INCOME STATEMENT ACCOUNTS

REVENUES

20. Revenues

The following table shows details of revenues by category for the years 2022 and 2021, and in relation to the performance reference should be made to the detailed comments in the Directors' Report.

Revenues rose very significantly to Euro 126.2 million on the previous year (Euro 53.5 million). Isolating the item "revenues from construction services", which concerns investments in concession rights in the period (Euro 15.9 million, compared to Euro 8.1 million in 2021) and excluding the contribution of the COVID compensation fund for Euro 20.9 million, revenues grew significantly (96.4%), from Euro 45.5 million in 2021 to Euro 89.4 million in 2022.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Revenues from aeronautical services	46,088	25,396	20,692
Revenues from non-aeronautical services	41,665	19,380	22,285
Revenues from construction services	15,952	8,051	7,901
Other operating revenues and income	22,520	736	21,784
REVENUES	**126,225**	**53,563**	**72,662**

The reclassification of Company 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 year ended 31.12.2022	for the year ended 31.12.2021	Change
Airport fees	45,162	24,718	20,444
Parking	15,971	6,988	8,983
Revenues from construction services	15,952	8,051	7,901
Other	26,600	2,852	23,748
TOTAL IFRS 15 REVENUE STREAMS	**103,685**	**42,609**	**61,076**

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

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Airport fees	45,162	24,718	20,444
Parking	15,971	6,988	8,983
Revenues from construction services	15,952	8,051	7,901
Other	26,600	2,852	23,748
TOTAL IFRS 15 REVENUE STREAMS	**103,685**	**42,609**	**61,076**
Commercial/non-comm. sub-licenses	22,321	10,911	11,410
TOTAL NON IFRS 15 REVENUE STREAMS	**22,321**	**10,911**	**11,410**
TOTAL NON IFRS 15 Revenues	219	43	176
TOTAL REVENUES	**126,225**	**53,563**	**72,662**

i. Revenues from aeronautical services

The table below shows revenues from aeronautical services in 2022 and 2021. Thanks to the traffic recovery, this revenue category grew 81.5% against a passenger traffic increase of 107% and of movements of 66.8%. The impact from the altered traffic mix, with the low-cost component significantly increasing, together with the decrease in aviation tariffs, offset the increase for this revenue category.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Revenues from centralised infrastructure/other airport services	191	143	48
Exclusive use revenues	959	703	256
Airport fee revenues	65,746	36,149	29,597
PRM revenues	5,725	2,760	2,965
Air traffic development incentives	(26,499)	(14,334)	(12,165)
Other aeronautical revenues	35	(1)	36
Reduction in other aviation revenues to Provision for doubtful accounts	(69)	(24)	(45)
TOTAL REVENUES FROM AERONAUTICAL SERVICES	**46,088**	**25,396**	**20,692**

The breakdown of airport fee revenues is shown below:

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Passenger boarding fees	29,385	15,321	14,064
Landing, take-off and parking fees	22,551	13,444	9,107
Passenger security fees	9,341	4,977	4,364
Baggage stowage control fees	3,647	1,840	1,807
Freight loading and unloading charges	859	777	82
Reduction fees to provision for doubtful accounts and other	(37)	(210)	173
TOTAL AVIATION FEE REVENUES	**65,746**	**36,149**	**29,597**

ii. Revenues from non-aeronautical services

The table below shows revenues from non-aeronautical services in 2022 and 2021. Also for this category of revenues, the significant increase (+115%) concerns the revenues from the sub-concession of spaces and commercial areas and for parking services, both related to traffic served. Other commercial revenues also increased, mainly related to the MBL service and advertising income, as broken down in the following tables:

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Sub-licensing of areas and premises	20,224	9,363	10,861
Parking	15,971	6,988	8,983
Other commercial revenues	5,470	3,032	2,438
Reduction sub-concession spaces and commercial areas to FSC	0	(3)	3
TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES	**41,665**	**19,380**	**22,285**

Other commercial revenues are broken down as follows:

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Marconi Business Lounge	2,154	611	1,543
Advertising	1,254	948	306
Misc. commercial revenues	2,062	1,473	589
TOTAL OTHER COMMERCIAL REVENUES	**5,470**	**3,032**	**2,438**

iii. Revenues from construction services

Revenues from construction services concern the construction services undertaken by the Company on behalf of the ENAC granting entity for the capital investments previously commented upon in relation to the Concession Rights in Note 1.
These revenues amounted to Euro 15.9 million compared to Euro 8.1 million in 2021, due to the greater investments in airport infrastructure under concession; see the Directors' Report for further information.

iv. Other Revenue and Income

The table below shows other revenues and income in 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Indemnities, reimbursement and misc. income	1,065	704	361
Operating and plant grants	559	42	517
Cont. COVID-19 compensation fund Budget Law 2021	20,903	0	20,903
Revenues from Terminal Value on Provision for Renewal	34	0	34
Capital gains	10	0	10
Reduction in other revenues and income to provision for doubtful accounts.	(51)	(10)	(41)
TOTAL OTHER REVENUES AND INCOME	**22,520**	**736**	**21,784**

The significant increase is due to the contribution from the compensation fund established under Italian law No. 178 of December 30, 2020 (the 2021 Budget Law), enacted by Decree of the Ministry for Infrastructure and Sustainable Mobility, in concert with the Ministry for the Economy and Finance, of November 25, 2021. In light of the approval of the applications for access to the fund and the collection of the contribution, both of which took place in the first half of 2022, it appears that the conditions set out in paragraph 7 of IAS 20 necessary for the recognition of the contribution have been met, and therefore it has been recognised as other income and revenues in the financial report in question. As per paragraph 20 of IAS 20, the contribution is fully attributable to the reporting period as it represents compensation for costs and losses incurred in previous years and is not related to future costs. Finally, in accordance with paragraph 29 of IAS 20, assuming that, as noted above, in the case at hand, there is no matching between costs and losses incurred (recognised in FY 2020) and the related contribution, it was recognised under "other income and revenues."
Finally, "Operating and plant grants" include the contributions recorded:

- ✓ to partially offset the higher charges incurred for the energy and natural gas acquired and effectively utilised from the second quarter of 2022, as a non-energy and non-gas consuming enterprise experiencing a rise of over 30% of the average electricity and gas price compared to the same period of FY 2019;
- ✓ in relation to the Cyrano funded project;
- ✓ to cover the provision of employee training courses;

- ✓ to partially cover costs that are eligible for tax credits on research, development, technological innovation, design and aesthetics under Article 1, paragraphs 198-209 of Italian Law No. 160 of December 27, 2019.

COSTS

21. Costs

Costs in 2022 increased 44%, from Euro 51.4 million in 2021 to Euro 73.8 million in 2022. Excluding "construction services" - nearly doubling due to higher investments in concession rights, operating costs increased 34%.

i. Consumables and goods

The table below presents consumables and goods in 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Consumables and goods	727	631	96
Maintenance materials	179	121	58
Fuel and gasoline	188	126	62
TOTAL CONSUMABLES AND GOODS	**1,094**	**878**	**216**

This cost category saw broad increases related to the resumption of activities and increased prices. This latter factor has negatively impacted all external operating costs.

ii. Service costs

The following table shows the breakdown of services costs for 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Maintenance costs	4,775	4,125	650
Utilities	3,449	1,701	1,748
Cleaning and accessory services	2,259	1,682	577
Services	5,329	4,041	1,288
MBL Services	392	113	279
Advertising, promotion and development	670	376	294
Insurance	862	740	122
Professional and consultancy services	1,741	1,132	609
Statutory board fees and expenses	564	513	51
Other service costs	259	57	202
TOTAL SERVICE COSTS	**20,300**	**14,480**	**5,820**

Costs for services saw a general increase due to the increase in traffic served and the related greater infrastructure and services activities, in addition to the rising raw material and energy prices. The largest increases were for utilities due to the noted rises in tariffs, maintenance costs and in services (see the table at the end of this section), as a result of the growth in traffic which underlies the increase in service costs, such as the service for passengers with reduced mobility (PRM), security and shuttle services.

A further breakdown in maintenance expenses is provided below:

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Owned asset maintenance expenses	1,100	922	178
Airport infrastructure maintenance expenses	3,158	2,975	183
Third party asset maintenance expenses	517	228	289
TOTAL MAINTENANCE EXPENSES	**4,775**	**4,125**	**650**

The breakdown of services is illustrated below:

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Snow clearance	398	350	48
Porterage, transport third-party services	478	24	454
PRM assistance service	850	539	311
De-icing and other public service charges	626	626	0
Security service	1,947	1,576	371
Other outsourcing	1,030	926	104
TOTAL SERVICES	**5,329**	**4,041**	**1,288**

iii. Construction service costs

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

iv. Leases, rentals and other costs

The following table shows the breakdown of leases, rentals and other costs for 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Concession fees	6,342	2,842	3,500
Hire charges	197	162	35
Rental charges	151	4	147
EDP processing charges	1,474	1,484	(10)
Other rental & hire costs	8	0	8
TOTAL LEASES, RENTALS AND OTHER COSTS	**8,172**	**4,492**	**3,680**

The increase in this cost category is almost exclusively due to the higher traffic volumes, on whose basis the concession and security fees are calculated.

v. Other operating expenses

The following table shows the breakdown of other operating expenses for 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Misc. and local taxes	1,244	1,146	98
Fire prevention service contribution	1,526	1,476	50
Capital losses	3	1	2
Other operating expenses	387	473	(86)
TOTAL OTHER OPERATING EXPENSES	**3,160**	**3,096**	**64**

This costs category does not report significant changes.

vi. Personnel costs

The following table shows the breakdown of personnel costs for 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Wages and salaries	17,812	13,796	4,016
Social security charges	5,015	4,118	897
Severance provisions	1,342	1,167	175
Retirement pension and similar	186	183	3
Other personnel costs	1,582	1,479	103
TOTAL PERSONNEL COSTS	**25,937**	**20,743**	**5,194**

The increase in personnel costs is due on the one hand to the increase in the workforce (+12 average headcount in 2022 compared to 2021; +30 headcount at December 31, 2022 compared to December 31, 2021), and on the other to the gradual reduced use of the Temporary Lay-Off Scheme following the recovery in traffic. The use of temporary staff also increased, in order to deal with the traffic peaks and in general the recovery of full operability. This was added to by higher costs for the canteen service and staff training. On the other hand, leaving incentive costs were not present in the year compared to the previous year.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Employee canteen	494	348	146
Personnel training and refresher courses	172	84	88
Employee expenses	122	40	82
Other personnel provisions	669	915	(246)
Misc. personnel costs	125	92	33
TOTAL OTHER PERSONNEL COSTS	**1,582**	**1,479**	**103**

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

Average workforce (number)	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Executives	8	9	(1)
White-collar	366	355	11
Blue-collar	81	79	2
TOTAL PERSONNEL	**455**	**443**	**12**

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

Workforce (number)	As at 31.12.2022	As at 31.12.2021	Change
Executives	8	8	0
White-collar	380	355	25
Blue-collar	86	81	5
TOTAL PERSONNEL	**474**	**444**	**30**

22. Depreciation, amortisation and impairment

The table below shows amortisation, depreciation and write-downs in 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Amortisation/write-downs Concession rights	7,829	7,255	574
Amortisation of other intangible assets	660	881	(221)
Depreciation/impairment of tangible assets	5,176	2,148	3,028
TOTAL DEPRECIATION AND AMORTISATION	**13,665**	**10,284**	**3,381**

The depreciation and amortisation is in line with the effects of the full year application from the progressive roll-out of investments over the last twelve months (see Investment Chapter in the Directors' Report and notes 1 and 2).
The account includes Euro 567 thousand of excerpts of designs that can no longer be used, in addition to Euro 3.1 million in write-downs on the value of "investment properties" (see Note 2).
"Depreciation of tangible assets", finally, includes Euro 522 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 in 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Provisions for doubtful accounts	687	493	194
Provision for renewal of airport infrastructure	4,060	646	3,414
Provisions for other risks and charges	165	200	(35)
TOTAL PROVISIONS	**4,912**	**1,339**	**3,573**

This category of costs increased due almost exclusively to the higher provision for renewal of airport infrastructure, which represents the amount accrued during the period of the costs of restoration and replacement of the airport infrastructure to be returned to ENAC at the end of the concession in a state of efficiency and full operation. The accrual in 2021 was particularly contained due to the postponement of a number of actions to subsequent years, due to the COVID emergency which resulted in a review of the restoration and replacement action plan.
With regards to 2022, the increased accrual, which resulted in a net increase in the provision of approximately 11%, is due to:
- the resumption of operations, which resulted in higher utilisations with the consequent need for provisions to restore the provision,
- the updating of its economic framework due to rising prices of raw materials and energy;
- certain interventions not previously planned but deemed necessary to improve the quality of service at the terminal and to ensure the efficiency of airside operations.

With regard to the provision for doubtful debts, the amount in the table consists of a little more than Euro 700 thousand in provisions, net of Euro 21 thousand in releases due to the cessation of risk on certain customer positions. In addition to the above-mentioned amount, the write-down of receivables during the year against the risk of non-collectability also derives from the reduction of revenues accrued during the year for a further Euro 384 thousand.

24. Net financial income and expenses

The following table shows the breakdown of Financial income and financial expenses for 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Income from securities	0	2	(2)
Other income	98	0	98
Discounting income on provisions	1,294	475	819
TOTAL FINANCIAL INCOME	**1,392**	**477**	**915**
Interest expenses and bank charges	(838)	(737)	(101)
Discounting charges on provisions	(69)	(36)	(33)
Interest charges for discounting of liabilities for leasing	(17)	0	(17)
Other financial expenses	(525)	(290)	(235)
TOTAL FINANCIAL EXPENSES	**(1,449)**	**(1,063)**	**(386)**
TOTAL FINANCIAL INCOME AND EXPENSES	**(57)**	**(586)**	**529**

Net financial expense came to Euro 57 thousand due to the significant increase in income from the discounting of provisions deriving from the sharp increase in interest rates.
In terms of financial income, the “financial income other than above” item includes Euro 58 thousand for the return on the Time Deposits recognised to current assets, while the greatest increase in financial charges related to the accessory costs of the SACE-backed loans.

25. Income taxes

The following table shows income taxes for the year for 2022 and 2021.

in thousands of Euro	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Current income taxes	1,335	(76)	1,411
Deferred and prepaid taxes	2,958	(2,384)	5,342
TOTAL INCOME TAXES FOR THE YEAR	**4,293**	**(2,460)**	**6,753**
% current taxes on results before taxes	**3.96%**	**n.a.**	**/**
% income taxes for the year on results before taxes	**12.73%**	**n.a.**	**/**

Income taxes in 2022 amount to Euro 4.3 million and report a net charge in the year, differing from 2021 in which it constituted net income of almost Euro 2.5 million as a result of the 2021 tax loss, a year still heavily impacted by the COVID-19 crisis. The low impact of this item on pre-tax profit (3.96% current taxes and 12.73% total income taxes)) is chiefly due to the tax break on the COVID-19 contribution, which is not included in taxable income for IRES or IRAP pursuant to Article 10-bis of Legislative Decree No. 137/2020.

"Current income taxes" comprise IRAP in the year of Euro 942 thousand, compared to an absence of IRAP in the previous year and "tax consolidation charges" of Euro 393 thousand for IRES on a reduced taxable base in 2022 thanks to the utilisation of a portion of the 2020 tax losses and of the ACE surplus recorded in 2020 and 2021, as presented in the effective and theoretical IRES rate reconciliation table.

The breakdown of current income taxes is illustrated below:

Breakdown of taxes for the year	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Income from IRES tax consolidation	393	(94)	487
IRAP	942	0	942
Prior year taxes	0	18	(18)
TOTAL	**1,335**	**(76)**	**1,411**

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

IRES effective/theoretical Tax Rate Reconciliation	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Pre-tax result	33,736	(10,002)	43,738
Ordinary tax rate	**24%**	**24%**	**0%**
Additional IRES 3.5% (from 2019 to 2021)	**/**	**3.5%**	**-3.5%**
Theoretical tax charge/(recovery) 24%	8,097	(2,400)	10,497

Effect of increase or decrease to the IRES ordinary tax rate:	for the year ended 31.12.2022	for the year ended 31.12.2021	Change
Provisions deductible in future years	1,699	986	713
Costs deductible in future years	3,168	2,995	173
Other non-deductible costs	4,000	899	3,101
Utilisation provisions deductible in future years	(938)	(201)	(737)
Costs not deductible in previous years	(2,342)	(2,744)	402
Other differences	(3,500)	(1,244)	(2,256)
Contribution COVID compensation fund	(20,903)	0	(20,903)
Prior ACE use	(1,485)	0	(1,485)
Utilisation prior year losses	(11,797)	0	(11,797)
Total increase/decrease	**(32,098)**	**691**	**(32,789)**
Assessable income	**1,638**	**(9,311)**	**10,949**
IRES deferred tax assets on tax loss 24%	0	(2,141)	2,141
Income from IRES tax consolidation	0	(94)	94
Current IRES 24%	393	0	393
TOTAL	***393***	***(2,235)***	***2,628***
Effective tax rate	**1.16%**	**22.35%.**	**-21.18%**

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 year:

Transactions with subsidiary companies

Commercial transactions between the Parent Company and the subsidiary Tag Bologna Srl, in terms of receivables, principally concern the twenty-year sub-concession of the General Aviation traffic assistance infrastructure and the provision of administration and legal services, including the compensation, reversed to the employer Adb, of directors of the Parent Company and the secondment of personnel, for Euro 120 thousand (Euro 147 thousand in 2021).
Adb's contract liabilities to the subsidiary relate primarily to:

- 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;
- contract awarded to Tag on April 1, 2021;

for Euro 475 thousand compared to Euro 386 thousand in 2021.

Non-commercial transactions with Tag concerned:

- the tax consolidation contract renewed on the basis of the Board of Directors’ motions of the companies Aeroporto Guglielmo Marconi di Bologna Spa of January 25, 2021 (consolidating company) and Tag Bologna Srl of February 22, 2021 (consolidated company) for the years 2021-2023;
- a letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena), equal to the residual principal, which at the end of the period amounted to Euro 1.7 million.

Commercial transactions between the Parent Company and the subsidiary Fast Freight Marconi S.p.A. concern 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 393 thousand compared to Euro 329 thousand in 2021.

The contract liabilities to FFM relate to the mandate to collect airport fees on board and the payment for the public service charge connected with management of the Temporary Storage Warehouse. The former was not activated in 2022 or in the comparative year, whilst for the latter, in 2022 contributions to cover the loss from management of the Temporary Storage Warehouse amounting to Euro 84 thousand accrued compared to Euro 128 thousand in 2021.

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, in addition to Adb's co-obligation in the surety of Euro 5.8 million issued by UnipolSai in favour of the Customs Agency at the request of the subsidiary FFM for the customs litigation in which it is involved. Please refer to the Directors' Report for further details.

Related party transactions

In 2022, the Company undertook commercial transactions with subsidiaries of the shareholder Atlantia Spa as follows:

- Telepass Spa: under the contract for the supply of electronic parking payment services using the Telepass system, AdB incurred costs of Euro 173 thousand compared with Euro 82 thousand in 2021. Trade payables were recognised for Euro 49 thousand (Euro 45 thousand at December 31, 2021);
- Infoblu Spa: under the contract for the supply of multimedia traffic information services, AdB incurred costs of Euro 9 thousand, unchanged compared to the previous year and there were no trade payables (Euro 11 thousand at December 31, 2021).

Finally, at December 31, 2022 the parent company incurred costs for professional services provided by the investee Urban V for Euro 25 thousand and recognised trade payables for Euro 31 thousand.

The following tables present the balances of related parties transactions contained in the financial statements balances.

in thousands of Euro	for the year ended 31.12.2022		for the year ended 31.12.2021	
	Total	**of which related parties**	**Total**	**Total**
Concession rights	201,573	0	194,755	0
Other intangible assets	1,390	0	914	0
Intangible assets	**202,963**	**0**	**195,669**	**0**
Land, property, plant and equipment	11,083	0	10,985	232
Investment property	1,617	0	4,732	0
Tangible assets	**12,700**	**0**	**15,717**	**232**
Investments	3,264	0	3,189	0
Other non-current financial assets	12,426	0	12,261	0
Deferred tax assets	9,794	0	12,807	0
Other non-current assets	221	0	168	0
Other non-current assets	**25,705**	**0**	**28,425**	**0**
NON-CURRENT ASSETS	**241,368**	**0**	**239,811**	**232**
Inventories	817	0	695	0
Trade receivables	11,664	250	19,590	597
Other current assets	5,294	429	5,377	251
Current financial assets	45,058	0	0	0
Cash and cash equivalents	20,656	0	21,972	0
CURRENT ASSETS	**83,489**	**680**	**47,634**	**849**
TOTAL ASSETS	**324,857**	**680**	**287,445**	**1,081**

in thousands of Euro	for the year ended 31.12.2022		for the year ended 31.12.2021	
	Total	of which related parties	Total	of which related parties
Share capital	90,314	0	90,314	0
Reserves	62,421	0	69,583	0
Profit/(loss)	29,443	0	(7,542)	0
TOTAL EQUITY	**182,178**	**0**	**152,355**	**0**
Severance and other personnel provisions	2,974	0	3,475	0
Deferred tax liabilities	2,163	0	2,080	0
Provision for renewal of airport infrastructure	10,448	0	10,009	0
Provisions for risks and charges	1,217	0	1,390	43
Non-current financial liabilities	46,934	0	61,819	142
Other non-current liabilities	114	0	55	0
NON-CURRENT LIABILITIES	**63,850**	**0**	**78,828**	**185**
Trade payables	24,291	259	18,643	270
Other liabilities	34,722	3	28,672	3
Provision for renewal of airport infrastructure	2,555	0	1,556	0
Current financial liabilities	17,261	0	7,391	70
CURRENT LIABILITIES	**78,829**	**262**	**56,262**	**342**
TOTAL LIABILITIES	**142,679**	**262**	**135,090**	**528**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES	**324,857**	**262**	**287,445**	**528**

in thousands of Euro	**for the year ended 31.12.2022**		**for the year ended 31.12.2021**	
	Total	**of which related parties**	**Total**	**of which related parties**
Revenues from aeronautical services	46,088	75	25,396	75
Revenues from non-aeronautical services	41,665	258	19,380	236
Revenues from construction services	15,952	0	8,051	0
Other operating revenues and income	22,520	180	736	163
Revenues	**126,225**	**512**	**53,563**	**475**
Consumables and goods	(1,094)	0	(878)	0
Service costs	(20,300)	(750)	(14,480)	(606)
Construction service costs	(15,192)	0	(7,667)	0
Leases, rentals and other costs	(8,172)	(9)	(4,492)	(9)
Other operating expenses	(3,160)	(5)	(3,096)	(4)
Personnel expense	(25,937)	(2)	(20,743)	(2)
Costs	**(73,855)**	**(766)**	**(51,356)**	**(621)**
Amortisation/write-downs Concession rights	(7,829)	0	(7,255)	0
Amortisation of other intangible assets	(660)	0	(881)	0
Depreciation/impairment of tangible assets	(5,176)	0	(2,148)	(78)
Depreciation, amortisation and impairment	**(13,665)**	**0**	**(10,284)**	**(78)**
Provisions for doubtful accounts	(687)	0	(493)	0
Provision for renewal of airport infrastructure	(4,060)	0	(646)	0
Provisions for other risks and charges	(165)	0	(200)	0
Provisions for risks and charges	**(4,912)**	**0**	**(1,339)**	**0**
Total Costs	**(92,432)**	**(766)**	**(62,979)**	**(699)**
Operating Profit/(loss)	**33,793**	**0**	**(9,416)**	**0**
Financial income	1,392	0	477	0
Financial charges	(1,449)	0	(1,063)	0
Profit/(loss) before taxes	**33,736**	**0**	**(10,002)**	**0**
Taxes for the year	(4,293)	**0**	2,460	**0**
Profit/(loss) for the year	**29,443**	**0**	**(7,542)**	**0**

The movements with regards to the individual related parties respectively in 2022 and 2021 are presented below.

2022								
in thousands of Euro	Trade Receivables	Other current assets	Total Current Assets	Total Assets	Trade payables	Other Liabilities	Current Financial Liabilities	Total liabilities
Tag Bologna Srl	164	185	349	349	95	1	96	96
Fast Freight Marconi S.p.A.	86	244	331	331	84	1	85	85
Telepass Spa	0	0	0	0	49	0	49	49
Infloblu Spa	0	0	0	0	0	0	0	0
Urban V. Spa	0	0	0	0	31	0	31	31
Total	**250**	**429**	**680**	**680**	**259**	**2**	**262**	**262**

	2021										
in thousands of Euro	Land, Property, plant and equipment	Trade Receivables	Other current assets	Total Current Assets	Total Assets	Non-current financial liabilities	Provisions for risks and charges	Trade payables	Other Liabilities	Current Financial Liabilities	Total liabilities
Tag Bologna Srl	0	277	47	324	324	0	0	82	2	0	85
Fast Freight Marconi S.p.A.	0	320	202	522	522	0	0	128	1	0	129
Autostrade Spa	232	0	0	0	232	142	43	0	0	70	255
Telepass Spa	0	0	0	0	0	0	0	45	0	0	45
Autostrade Tech	0	0	3	3	3	0	0	4	0	0	4
Infloblu Spa	0	0	0	0	0	0	0	11	0	0	11
Total	**232**	**597**	**251**	**849**	**1,081**	**142**	**43**	**270**	**3**	**70**	**528**

2022									
in thousands of Euro	Revenues from aeronautical services	Revenues from non-aeronautical services	Other operating revenues and income	TOTAL REVENUES	Service costs	Leases, rentals and other costs	Other operating expenses	Personnel costs	TOTAL COSTS
Tag Bologna Srl	0	73	47	120	(468)	0	(5)	(2)	(475)
Fast Freight Marconi S.p.A.	75	185	132	392	(84)	0	0	0	(84)
Telepass Spa	0	0	0	0	(173)	0	0	0	(173)
Infloblu Spa	0	0	0	0	0	(9)	0	0	(9)
Urban V. Spa	0	0	0	0	(25)	0	0	0	(25)
Total	**75**	**258**	**180**	**512**	**(750)**	**(9)**	**(5)**	**(2)**	**(766)**

	2021									
in thousands of Euro	**Revenues from aeronautical services**	**Revenues from non-aeronautical services**	**Other operating revenues and income**	**TOTAL REVENUES**	**Service costs**	**Leases, rentals and other costs**	**Other operating expenses**	**Personnel costs**	**TOTAL COSTS**	**Depreciation of tangible assets**
Tag Bologna Srl	0	69	77	147	(379)	0	(4)	(2)	(386)	0
Fast Freight Marconi S.p.A.	75	167	86	329	(128)	0	0	0	(128)	0
Autostrade Spa	0	0	0	0	0	0	0	0	0	(78)
Telepass Spa	0	0	0	0	(82)	0	0	0	(82)	0
Autostrade Tech	0	0	0	0	(16)	0	0	0	(16)	0
Infloblu Spa	0	0	0	0	0	(9)	0	0	(9)	0
Total	**75**	**236**	**163**	**475**	**(606)**	**(9)**	**(4)**	**(2)**	**(621)**	**(78)**

All the related party transactions described above were undertaken during the course of ordinary operations and on an arm's length basis.

27.Commitments and risks

Environmental investment commitments

The 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.

In particular, in 2022 the nature conservation project of the site of community interest SCI IT4050018 "Golena San vitale" was completed, and the tender for the creation of a large wooded strip north of the airport (including a bike path usable by the community) of approximately 40 hectares was launched. The design phase continues of a cycle path linking the airport to the residents of Bologna and Lippo di Calderara di Reno.

Guarantees granted

With regards to the guarantees provided, reference should be made to the summary table at December 31 presenting the two comparative years. These concern:

- sureties, the principal of which being Adb's co-obligation in the surety of Euro 5.8 million issued by UnipolSai in favour of the Customs Office at the request of the subsidiary, FFM, regarding the customs dispute in which it is involved (see the section on disputes in the Directors' Report), in addition to the surety in favour of Enac provided for in the Full Management Agreement (Euro 1.6 million);
- a pledge of the equity financial instrument issued by Marconi Express S.p.a. and subscribed for by the Company for a nominal value of Euro 10.87 million, securing the obligations of Marconi Express to the credit institutions that financed the People Mover project;
- letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena) which at the end of the period amounted to Euro 1.7 million.

in thousands of Euro	31/12/2022	31/12/2021	Change	% Change
Sureties	8,400	7,669	730	10%
Pledge on Equity Financial Instruments	10,873	10,873	0	0%
Patronage letters	1,711	2,231	(520)	-23%
Total guarantees provided	**20,983**	**20,773**	**210**	**1%**

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 company is subject.

28 Law 124/2017 Article 1, paragraphs 125-129 - Transparency of public disbursements

In 2022, the Company utilised "State Aid" by benefiting from operating grants to compensate for damages resulting from the COVID-19 health emergency provided for airport operators and airport ground handling service providers (fund under Law No. 178, Article 1, paragraphs 714 - 719 of December 30, 2020).

For further details reference should be made to the National Registry for State Aid website, as per Article 52 of Law No. 234 of December 24, 2012.

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

The main subsequent events concerned:

- on February 1, the Company and the largest low cost carrier operating at the airport consolidated their partnership by signing a new 6-year agreement, applicable retrospectively from winter season 2022/2023. The incentives under the new contract were therefore reflected in the financial statements for the November-December 2022 period;
- on March 2, 2023, as part of the consultation procedure with Users, a proposal for the review of the regulated tariffs was presented, together with an updated proposal relating to the service levels of the airport for the 2023-2026 four-year period; the Airport Manager and Airport Users have reached a substantial understanding on the tariff proposal for the 2023-2026 period, effective June 1, 2023, and on the related SLAs. In the manner and within the timeframe stipulated in Model 1 set forth in Resolution No. 92/2017 defined by the Transportation Regulatory Authority, the process will be completed with the publication of the tariffs, which are still undergoing the Authority's final review.

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

PROPOSAL FOR THE ALLOCATION OF THE RESULT FOR THE YEAR

Dear Shareholders,
the financial statements of the company Aeroporto Guglielmo Marconi di Bologna Spa, which we present for your approval, report a profit of Euro 29,443,457.82, for which the Board of Directors proposes the following allocation:

- to the legal reserve 5% on the basis of the statutory provisions and Article 2430 of the Civil Code, for Euro 1,472,172.89;
- the residual amount of Euro 27,971,284.93 to the extraordinary reserve.

The Chairperson of the Board of Directors
(Enrico Postacchini)

Bologna, March 14, 2023

Declaration on the statutory financial statements as per Article 154-bis, paragraph 5, CFA

1. The undersigned Nazareno Ventola, as Chief Executive Officer, and Patrizia Muffato, as Executive Officer for Financial Reporting, of Aeroporto Guglielmo Marconi di Bologna S.p.A., declare, also in consideration of Article 154-bis, paragraphs 3 and 4 of Legislative Decree No. 58 of February 24, 1998:
    - the accuracy of the information on company operations and
    - the effective application of the administrative and accounting procedures for the compilation of the financial statements at December 31, 2022.

2. The valuation of the adequacy of the accounting and administrative procedures for the preparation of the statutory financial statements at December 31, 2022, 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 the benchmark standard generally accepted at international level.

3. We also declare that:

   3.1 the Statutory Financial Statements at December 31, 2022:

   a) were prepared in accordance with international accounting standards, recognised in the European Union pursuant to EU regulation No. 1606/2002 of the European Parliament and Council, of July 19, 2002;
   b) corresponds to the underlying accounting documents and records;
   c) provides a true and fair view of the financial position, financial performance and cash flow of the issuer.

   3.2 The Directors' Report includes a reliable analysis on the performance and as well as the issuer's situation, together with a description of the main risks and uncertainties to which it is exposed.

Bologna, March 14, 2023

Amministratore Delegato

Nazareno Ventola

Dirigente preposto alla redazione dei documenti contabili societari

Patrizia Muffato

Aeroporto Guglielmo Marconi di Bologna S.p.A.
Registered Office in Bologna
Share capital Euro 90,314,162 fully paid-in
Enrolled in the Bologna Companies Registry at No. 03145140376
Bologna Economic & Administrative Register No. - 268716

Report of the Board of Statutory Auditors to the Shareholders' Meeting
(pursuant to Article 153 of Legislative Decree 58/1998 and Article 2429, paragraph 2 of the Civil Code)

Dear Shareholders,

this report, drawn up as per Article 153 of Legislative Decree 58/1998 (hereafter "CFA") and Article 2429, paragraph 2 of the Civil Code, outlines the oversight activities carried out by the Board of Statutory Auditors of Aeroporto Marconi di Bologna during financial year 2022, in compliance with the indications of Consob Communication DEM/1025564 of April 6, 2001 and subsequent amendments and supplements.

The current Board of Statutory Auditors was appointed on April 26, 2022 by the Shareholders' Meeting of AdB SpA, with its mandate concluding on the approval of the 2024 Annual Accounts.

During the year, the Board of Statutory Auditors performed its supervisory activities, as the chief body of the corporate controls system, as required by law, the "Rules of conduct for Boards of Statutory Auditors of listed companies" issued by the Italian Accounting Profession (Consigli Nazionale dei Dottori Commercialisti e degli Esperti Contabili) and the CONSOB provisions concerning corporate controls and activities of the Board of Statutory Auditors and the indications of the Corporate Governance Code.

The Board of Statutory Auditors has verified that its members met the requirements of integrity and professionalism specified by Ministerial Decree No. 162 of March 30, 2000, that there were no reasons for removal from office or ineligibility pursuant to Article 148, paragraph 3 of the CFA and that they met the same independence requirements that apply to directors under the Corporate Governance Code.

The accounting and statutory audit duties are assigned to the Independent Audit Firm Ernst & Young S.p.A. (hereinafter the "Independent Audit Firm" or "EY"), following appointment for the financial years 2015-2023 by the Shareholders' Meeting of May 20, 2015.

The following is reported based on information obtained during meetings of the Board of Directors and Internal Committees to the Board (the Control, Risks and Sustainability Committee, the Remuneration Committee) and through meetings with corporate departments and as a result of audits performed.

Significant transactions

The Board of Statutory Auditors considers that sufficient information was obtained on the significant operating, equity and financial transactions carried out by the company, as shown in the documents that comprise the consolidated and separate financial statements and in the Directors' Report.

Bologna Airport in 2022 saw a gradual recovery of passenger traffic compared to 2021 (+107.0%), while however still 9.7% down on 2019. Cargo traffic however rose both on 2021 and on 2019 (respectively +10.1% and +13.0%).

From an operating viewpoint, 2022 reports a net profit of Euro 29.4 million, compared to a loss of Euro 7.5 million in 2021 and a net profit in the last pre-COVID year (2019) of Euro 20.1 million.

Among the significant transactions, we highlight that the profit for the year was due to the recognition of the contribution of Euro 20.9 million. Budget Law No. 178 of December 30, 2020 (Article 1, paragraphs 714-719) provided for a Compensation Fund for damages incurred due to COVID-19, subsequently implemented by Decree of November 25, 2021 of the Ministry of Sustainable Infrastructure and Mobility, in consultation with the Ministry of Economy and Finance. On the application of the Airport, the Ministry of Infrastructure and Sustainable Mobility with decree of May 5, 2022 recognised and issued in the first half of 2022 an amount of Euro 20.9 million as damages incurred due to the health emergency in the March 1 - June 30, 2020 period.

Subsequent events

Among the subsequent events, the Board of Statutory Auditors highlights the positive conclusion of the negotiations undertaken with the Transport Regulation Authority (ART) with regards to the regulated tariffs, and with the airline Ryanair in terms of the signing of a new 6-year agreement. Reference should be made to the Directors' Report for further details.

Atypical or unusual transactions

No atypical or unusual transactions carried out in 2022 emerged from the information received from the Directors and from meetings with representatives of the Independent Audit Firm, including any inter-company or related party transactions. The Board did not receive communications from subsidiaries' Control Bodies or from the Independent Audit Firm, containing findings in this respect.

Related party or inter-company transactions

The characteristics of inter-company transactions carried out during the year, the parties involved and the corresponding financial effects are suitably reported in the Notes to the company's separate and consolidated financial statements, which also set out the related receivables/payables and cost/revenue transactions.

Related party transactions, implemented in compliance with the applicable "Related Party Transaction Policy" adopted by the Board of Directors in the meeting of June 28, 2021 principally concern commercial and financial transactions, in addition to participation in the tax consolidation. These transactions are also listed in the Notes to the company's separate and consolidated financial statements, which also set out the related receivables/payables and cost/revenue transactions, and the fact that these transactions will be carried out at normal market conditions.

The Board of Statutory Auditors in 2022 expressed a non-binding opinion, in implementation of the regulation, as per Article 9.1, third paragraph, of the Issuers’ RPT Policy, concerning a less significant transaction with related parties - due to the interests of two members on the Committee and a potential interest of a member of the Board of Statutory Auditors - applying, as required by best practice, the expert assessment of a highly reliable provider assigned by the company.

Supervisory Activities of the Board of Statutory Auditors

In exercising its functions pursuant to Article 2403 of the Civil Code and Article 149 of the CFA, the Board of Statutory Auditors:

- verified compliance with law and the company's By-Laws;
- continuously obtained information from Directors on the activities performed, the general operating performance and its outlook, in addition to significant economic, equity and financial transactions carried out by the company, including through its subsidiaries, and in relation to such can reasonably assure that approved and executed transactions are in conformity with law and the by-laws of the company and were not manifestly imprudent, risk-related, in conflict of interest or contrary to the motions passed by the Shareholders' Meeting, or such as to compromise the integrity of company assets;
- in particular, it received sufficient information concerning:
    - debt collection and litigation developments;
    - the update of the payables cycle procedure;
    - Information technology and CyberSecurity;
    - organisational chart, staff recruitment and occupational safety;
- verified compliance with the principles of correct administration;
- oversaw the adequacy of the indications to the subsidiaries as per Article 114, paragraph 2 of the CFA, ensuring that subsidiaries' coordination activities (Fast Freight Marconi S.p.A and TAG Bologna S.r.l.) are also carried out through the presence of Parent Company executives on the corporate boards;
- exchanged information with subsidiaries' corresponding boards pursuant to Art. 151, paragraph 2 of the CFA;

- held periodic meetings with the Independent Audit Firm, also in accordance with the provisions of Article 19, paragraph 1 of Legislative Decree No. 39/2010 and Article 150, paragraph 3 of the CFA, in order to supervise the financial disclosure process and its suitability and integrity, as well as compliance with legal provisions concerning the formation of financial statements, their layout and structure;
- verified the suitability of the administrative and accounting system and its capacity to accurately reflect operating events by obtaining information from managers of the respective departments and analysing the results of work carried out by the Independent Audit Firm. The certification as per Article 154-bis, paragraph 5 of the CFA, signed by the Chief Executive Officer and the Executive Officer for financial reporting, on the adequacy of the administrative and accounting procedures for the drafting of the statutory financial statements and the consolidated financial statements are annexed to these documents;
- acquired information and supervised the suitability of the company's organisational structure and the internal control system, including through participation in the meetings of the Control, Risks and Sustainability Committee. The Board of Statutory Auditors examined the assessment expressed by the Board of Directors in the meeting of March 14, 2023, on the basis of the preliminary report undertaken by the Control and Risks Committee, which considered AdB's internal control and risk management system to be generally suitable with respect to the characteristics of the company and the risk profile assumed;

- the activities of the Internal Audit Manager carried out during the year covered the scope of activities planned in 2022, and the review of the annual report of these activities did not reveal any significant critical profiles except for certain carefully considered aspects of improvement to be undertaken in the current year. The Board of Statutory Auditors acknowledges that the annual report of the internal audit concludes with an opinion on the reliability of the internal controls in place and that the Control and Risks Committee has assessed the internal control and risk management system as adequate with respect to the company's size and characteristics.
- examined the annual disclosure report of the Supervisory Board relating to the updating of the Model, control on the functioning and compliance of the Model pursuant to Legislative Decree No. 231/2001, from which no significant events emerged;
- reviewed the report of the Ethics and Anticorruption Committee (a collective body which replaces the position of Prevention, Transparency and Anticorruption Manager (RPCT)), which has been assigned the duty to monitor and verify the effective implementation of the "Anticorruption Policy" and reviewed the activities carried out;
- did not receive any statements pursuant to Article 2408 of the Civil Code, nor any petitions from third parties;
- verified the correct application of assessment criteria and procedures adopted by the Board of Directors to assess the independence of its members and has no observations to make in this regard;

- supervised compliance with the corporate governance rules laid down by the Corporate Governance Code of listed companies, issued by Borsa Italiana and approved by the Corporate Governance Committee, to which the company declared and confirmed its compliance. The governance system adopted by the company is described in detail in the Corporate Governance and Ownership Structure Report for the year 2022, approved by the Board of Directors in the meeting of March 14, 2023; supervised the independence of the Independent Audit Firm EY S.p.A., pursuant to Article 19 of Legislative Decree 39/2010 and, in its concomitant capacity of Internal Control and Audit Committee, ascertained the compatibility of services, other than the statutory audit provided to the company, with the limitations envisaged by Article 5 of EU Regulation No. 537/2014. In 2022, the company paid Euro 104,396 in fees to EY S.p.A. for assignments involving audit services and the auditing of regulatory accounts, while subsidiaries (Fast Freight Marconi S.p.A and TAG Bologna S.r.l.) paid Euro 19,899 for auditing services. In addition, the following non-audit services assignments were conferred by the Parent Company to EY S.p.A.: the review of the requirements concerning the Non-Financial Information Report (Euro 23,126) and the certifications for the purposes of Legislative Decree No. 118 of June 23, 2011 and miscellaneous (Euro 11,400). The Independent Audit Firm issued the "Statement of Independence" certifying that no situations were in place that may compromise their independence nor were there grounds for incompatibility in respect of AdB. Considering the above statement, it should be noted that no critical aspects emerged that could have compromised the Independent Audit Firm's independence.

The current Board of Directors comprising 9 members was appointed by the Shareholders' Meeting of April 26, 2022 and will remain in office until the approval of the Financial Statements as at December 31, 2024.

Eight directors are non-executive, while five of these are independent as per Article 147-*ter*, paragraph 4, of the CFA and the Corporate Governance Code.

During 2022, the Board of Statutory Auditors attended:

- 9 Board of Directors' meetings;
- 3 Control, Risks and Sustainability Committee meetings;
- 3 Remuneration Committee meetings;

In all the above meetings, the undersigned Board of Statutory Auditors always received sufficient information on activities performed and the nature of transactions carried out.

During the year, the Board of Statutory Auditors held 9 meetings and held joint meetings with the Risks, Control and Sustainability Committee for the exchange of information between parties with significant duties in terms of internal control and audit.

During the supervisory activities carried out and on the basis of the information obtained from the Independent Audit Firm, at the periodic meetings, as per Article 150, paragraph 3 of the CFA, no significant data and information were noted that would need to be highlighted in this report, nor were there omissions and/or citable events and/or irregularities or, in any case, significant matters meriting mention in this report.

Non-Financial Information Report

As per Article 3, paragraph 7 of Legs. Decree No. 254 of December 30, 2016, it is confirmed that, with regards to the Non-Financial Information Report, the Board of Statutory Auditors oversaw, to the extent of its remit, compliance with the provisions set out in the stated decree. The company appointed EY S.p.A. as the auditor, and to also undertake the tasks as per Article 3, paragraph 10 of the decree. The Independent Audit Firm issued a certification upon the consistency of the information provided in the Non-Financial Information Report against that required by Articles 3 and 4 of the decree and the reporting standard adopted.

Separate and Consolidated Financial Statements

The Board of Statutory Auditors carried out the necessary audits on compliance with the rules concerning the compilation of the statutory financial statements and Group consolidated financial statements as at December 31, 2022, approved by the Board of Directors on March 14, 2023. In particular, it acknowledges that the separate and consolidated financial statements were drawn up in compliance with International Financial Reporting Standards adopted by the European Union and that the company applied the format of financial statements and company information as established by CONSOB. Compliance with regulations relating to the preparation of the Directors' Report was verified and, in this regard, there are no particular matters to report. With reference to its content, we point out that this Directors' Report sufficiently illustrates the operating result, cash flows, financial position and operating performance during the year and provides significant data concerning the company within the scope of consolidation, also providing information on the principal risks and uncertainties which the company is exposed to.

The Independent Audit Firm EY S.p.A. issued on March 30, 2023 the reports as per Article 14 of Legislative Decree No. 39 of January 27, 2010 and Article 10 of Regulation (EU) No. 537/2014, in which it declared that the separate and consolidated financial statements at December 31, 2022, provide a true and fair view of the statement of financial position, the result and cash flows of the company and the Group and that the Directors' Report and information contained in the Corporate Governance and Ownership Structure Report indicated in Article 123-bis, paragraph 4 of the CFA, are consistent with the company's statutory financial statements and Group consolidated financial statements.

The Independent Audit Firm also produced the Additional Report indicated in Article 11 of Regulation (EU) No. 537/2014 which denotes that there were no significant deficiencies in the internal control system or in the administrative and accounting system of the company.

Conclusions

The Board of Statutory Auditors, in concluding this report on the control activities carried out in 2022 since the date of appointment of April 26, 2022, considering the results of the activities carried out by the Independent Audit Firm appointed for the audit and noting the declaration of the Executive Officer for Financial Reporting, together with the Chief Executive Officer, expresses, to the extent of its remit, a favourable opinion on the proposal to approve the statutory financial statements of AdB SpA at December 31, 2022, as per the draft prepared and approved by the Board of Directors at its meeting of March 14, 2023, agreeing with the proposal of the latter with regards to the allocation to the legal and extraordinary reserves of the net profit.

Bologna, March 30, 2023

The Board of Statutory Auditors

Ms. Rosalba COTRONEO (Chairperson)

Ms. Francesca AIELLI (Statutory Auditor)

Mr. Alessandro BONURA (Statutory Auditor)

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

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

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. (the "Company"), which comprise the statement of financial position as at December 31, 2022, the income statement, the statement of comprehensive income, the cash flow statement, the statement of changes in shareholders' equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2022, and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

We identified the following key audit matters:

Key Audit Matters	Audit Response
Impairment test on the Concession rights *Concession rights* recognized in the financial statements as at 31 December 2022 amount to Euro 201.6 million and are subjected to an Impairment Test at least once a year or more frequently if internal and external indicators of impairment of these assets occur. The processes and methodologies for measuring the recoverable amount of these assets are based at times on complex assumptions, which by their nature imply the use of judgment by the directors, especially with reference to the forecast of traffic volumes, tariff levels and the consequent cash flows, as well as the determination of the applicable discount rates. These forecasts, relating to a broad time horizon such as that of the concession period, are impacted by the risk factors and uncertainties that characterize the current market context. In consideration of the judgment required and the complexity of the assumptions used in estimating the recoverable amount of the *Concession Rights*, we deemed that this aspect represents a key matter in the audit. The disclosures relating to this key matter are included in note 1. “Intangible assets”.	Our audit procedures performed in response to this key audit matter included, amongst others: • analysis of the valuation methodology adopted by the Company; • analysis of the main assumptions underlying the financial and economic forecasts used for the Impairment Test; • analysis of the consistency of these assumptions with the 2023-2027 business plan approved by the directors and with the market context; • discussions with *management* regarding the manner of construction of the Impairment Test model; • testing the consistency of the discount rate applied (WACC). In performing our audit procedures, we also involved our valuation specialists who performed an independent calculation and carried out a sensitivity analysis of the key assumptions for the purpose of determining changes in assumptions that could significantly impact the determination of the recoverable amount. Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements in relation to the key audit matter.
Estimate of the *Provision for renewal of airport infrastructure* The *Provision for renewal of airport infrastructure* (the “Provision”) recorded in the financial statements as at December 31, 2022 amounts to Euro 13.0 million and includes accruals for non-recurring maintenance expenses, as well as estimated future costs for restoration and replacement of assets under concession that the Company plans to incur in accordance with obligations of the concession agreements in place.	Our audit procedures performed in response to this key audit matter included, amongst others: • analysis of the process and key controls implemented by the Company; • understanding of the concession agreement from which the obligation arises; • analysis of the main changes to the amount of the Provision as compared to

The processes and methodologies for measuring and determining such estimated future costs are based at times on complex assumptions, which by their nature, imply the use of judgment by the directors, in particular with reference to the nature of the maintenance work to be carried out, the expected timing of such and the quantification of the related costs, including the relevant financial component applied based on the timing of such maintenance work. Considering the judgment required by the directors in order to evaluate the nature of the maintenance work, the timing of such and the quantification of the related costs, we deemed that this aspect represents a key matter in the audit.

The disclosures relating to the valuation of the *Provision for renewal of airport infrastructure* are included in paragraph "Provisions for risks and charges" of the section "Accounting policies"a, as well as in note 15. "Provision for renewal of airport infrastructure (non-current and current)".

the prior year;

- a critical analysis of the assumptions underlying the calculation of the Provision, through the verification of the consistency of such with the supporting technical report prepared by the Company's competent departments, with the 2023-2027 business plan approved by the directors and with the additional historical and forecast information available;
- test of details on a sample of Provision's utilizations recorded during the fiscal year;
- testing the reasonableness of the discount rate used and the mathematical accuracy of the accrued Provision.

Lastly, we reviewed the adequacy of the disclosures provided in the notes to the financial statements in relation to the key audit matter.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005, and, within the terms provided by the law, for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

The Directors are responsible for assessing the Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA

Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We have communicated with those charged with governance, identified at an appropriate level as required by international standards on auditing (ISA Italia), regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated with them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Aeroporto Guglielmo Marconi di Bologna S.p.A., in the general meeting held on May 20, 2015, engaged us to perform the audits of the financial statements and the consolidated financial statements for each of the years ending December 31, 2015 to December 31, 2023.

We declare that we have not provided prohibited non-audit services, referred to article 5, paragraph 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion on the compliance with Delegated Regulation (EU) 2019/815

The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for applying the provisions of the European Commission Delegated Regulations (EU) 2019/815 for the regulatory technical standards on the specification of a single electronic reporting format (ESEF – European Single Electronic Format) (the "Delegated Regulation") to the financial statements, to be included in the annual financial report.

We have performed the procedures under the auditing standard SA Italia n. 700B, in order to express an opinion on the compliance of the financial statements as at December 31, 2022 with the provisions of the Delegated Regulation.

In our opinion, the financial statements as at December 31, 2022 have been prepared in the XHTML format and have been marked-up, in all material aspects, in compliance with the provisions of the Delegated Regulation.

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated January 27, 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998

The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for the preparation of the Directors' Report and of the Report on Corporate Governance and Ownership Structure of Aeroporto Guglielmo Marconi di Bologna S.p.A. as at December 31, 2022, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Directors' Report and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, with the financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. as at December 31, 2022 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Directors' Report and the above-mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. as at December 31, 2022 and comply with the applicable laws and regulations.

With reference to the statement required by article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated January 27, 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated December 30, 2016

The Directors of Aeroporto Guglielmo Marconi di Bologna S.p.A. are responsible for the preparation on voluntary basis of the non-financial information pursuant to article 7 of Legislative Decree n. 254, dated December 30, 2016. We have verified that non-financial information has been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated December 30, 2016, such non-financial information is subject to a separate compliance report signed by us.

Bologna, March 30, 2023

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

As disclosed by the Directors on the first page, the accompanying financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815.

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

Aeroporto di Bologna

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