Consolidated Interim Report at 31 March 2023

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

Aeroporto di Bologna

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Interim Financial Report

Aeroporto Guglielmo Marconi di Bologna Group

At March 31, 2023

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

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Aeroporto Guglielmo Marconi di Bologna Spa

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 March 31, 2023:

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

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

Furthermore, on August 2, 2021 the Bologna Chamber of Commerce, Municipality of Bologna, Metropolitan City of Bologna, Region of Emilia-Romagna, Modena Chamber of Commerce, Ferrara Chamber of Commerce (from April 6, 2023 Ferrara and Ravenna Chamber of Commerce), Reggio Emilia Chamber of Commerce and Parma Chamber of Commerce entered into a new shareholder agreement governing certain rights and obligations in respect of the shareholder structure and corporate governance of Aeroporto Guglielmo Marconi di Bologna S.p.A.
This Shareholder Agreement, filed at the Bologna Companies Registration Office on August 5, 2021 sent to Consob on the same date and concludes on August 1, 2024, and includes provisions on voting and transfer restrictions, binding the following interests:

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

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

Board of Directors

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

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

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

(A) Member of the Remuneration Committee (Chairperson Sonia Bonfiglioli)
(B) Member of the Control, Risks and Sustainability Committee (Chairperson Laura Pascotto)

Board of Statutory Auditors

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

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

Auditing Firm

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

Directors' Report of Aeroporto Guglielmo Marconi di Bologna S.p.A. Group at March 31, 2023

Contents

INTRODUCTION

This report, accompanying the interim Condensed Consolidated Financial Statements of the Aeroporto Guglielmo Marconi di Bologna Group (hereinafter also the “Aeroporto Group”, “Aeroporto” or “AdB”) for the three months ended March 31, 2023, in presenting the Group's performance also indirectly analyses 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 March 31, 2023 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 5,000 car parking spaces, located in three parking areas: the first close to the terminal, the second close to airport grounds and the third located at approx. 1.5 KM away.

Retail

Bologna airport's retail offerings include internationally recognised brands with local ties and some of the leading local, domestic and international retail and catering chains. The shopping area extends over approximately 4,215 m² and includes 33 shops. The latest airport upgrade developed the Duty-free areas – one of the SBU's main revenue sources.

Advertising

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

Passenger services

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

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

Real Estate

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

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

1 STRATEGIES AND RESULTS

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

More than a year on from the invasion of Ukraine, the global economy continues to suffer from a significant degree of uncertainty, causing raw material price volatility and slowing manufacturing output and international trade. The available indicators at the beginning of 2023 point towards slowing global growth, while China has received a boost from the lifting of the Zero-COVID policy.

According to the OECD's March forecast, global GDP growth, revised 0.4% upwards against four months ago, is expected to come in at 2.6% in 2023 (from 3.2% in 2022). Downside risks remain, linked to the continuation of the war in Ukraine, the persistence of high levels of inflation and a consequent restrictive monetary policy outlook among the leading economies, in addition to the impacts on global funding conditions from the recent banking crises in the United States and in Switzerland.

The Eurozone's most recent indicators point towards a return to GDP growth in Q1 (although moderate). The 2023 estimates were revised 0.5% upwards, due both to the drop in energy prices and the greater resilience of the economy over recent months. The 2024-25 GDP estimates were however revised downwards (by approx. 0.3%), as particularly impacted by the monetary policy restrictions. Consumer inflation fell for the fifth consecutive month in March to 6.9%, reflecting the significant contraction of energy prices. Food item inflation rose to 15.4%.

After remaining stable for the first two months of the year, the cost of oil (Brent) fell in March, partly as a result of the recent financial turmoil. It subsequently rose again in early April after the announcement by the OPEC countries of a production cut of more than a million barrels per day from May through the end of the year. The sanctions against the Russian oil sector introduced by the European Union and the G7 have resulted in a broad reshaping of international trade flows, although without causing global supply to contract. In addition, in the initial months of 2023 it emerged that Russia's difficulties from the imposition of the embargo have worsened.

The price of natural gas on the European markets (Title Transfer Facility, TTF) has continued to decline since mid-January, reaching approximately Euro 45 per megawatt hour. It benefited from high storage levels, the mild temperatures which contained household demand and a continued moderate level of industrial consumption. TTF futures for deliveries in the coming winter also fell sharply, thanks to the improved diversification of supply sources by the European nations over recent months. However, the prospect of a recovery in Asian demand, due to its effects on global liquefied natural gas availability, is contributing to the maintenance of historically high price levels. This outlook has also driven industrial metals prices. (*Source: Economic Bulletin, Bank of Italy, April 2023*).

Against this backdrop, according to the IATA, passenger traffic in March 2023 recovered well from the preceding months, although slowing in line with seasonality. Global passenger traffic in March was down 12.0% on pre-COVID volumes, while improving on 2022, which saw a 41% decline on 2019, due to the continued pandemic and restrictions, in addition to the outbreak of the Russia-Ukraine conflict. It was domestic traffic that once again drove the recovery, with volumes 1.1% lower than in 2019 and international traffic still 18.4% below pre-COVID volumes. Global cargo traffic in March decreased on the same month of 2022 (-7.7%), in line with the slowdown in the previous month and amid similar performances across the various regions. The general contraction of the cargo segment emerging in February 2022 was therefore confirmed, following on from the period of significant growth in 2021. According to the IATA, cargo transport was impacted by the current general economic and geopolitical conditions, and particularly the slowing global economy, linked to (i) tightening global financial conditions, (ii) high levels of debt and (iii) supply chain pressures due to the ongoing Russia-Ukraine conflict (*Source: IATA, Air Passenger and Air Freight Market Analysis, March 2023).*

European passenger traffic in Q1 2023 was down 10.6% on 2019, continuing to be only marginally impacted by the war in Ukraine, although affected by seasonality and a number of factors slowing the global economy, such as inflation and the recent financial turmoil. Cargo traffic was down 7.9% on 2019, worsening due to the general economic and geopolitical environment (*Source: ACI Europe, March 2023*).

Italian passenger traffic continued to recover on pre-pandemic levels in Q1 2023, with volumes overall 4.5% behind 2019. In March, passenger traffic was 5.1% lower than 2019. Cargo traffic in the quarter contracted 2.1% on 2019. (*Source: Assaeroporti and Aeroporti 2030, March 2023*).

Passenger traffic at Bologna Airport in Q1 2023 was 8.1% lower than 2019 (+42.0% on Q1 2022). A two-speed recovery is confirmed, driven by domestic traffic (-4.6% vs 2019), while international traffic was still 9.2% lower than the same period of 2019, with the traffic mix featuring a 65.6% contribution from the low-cost carriers. In Q1 2023, Bologna Airport ranked eighth in Italy by number of passengers and third by cargo volume transported (*Source: Assaeroporti, Aeroporti2030, March 2023*).

1.2 STRATEGIC OBJECTIVES

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

"Connect"

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

“Develop”

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

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

“Experience”

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

“Care”

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

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

“Maximise financial performance”

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

“Performing and sustainable corporation”

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

1.3 SHARE PERFORMANCE

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

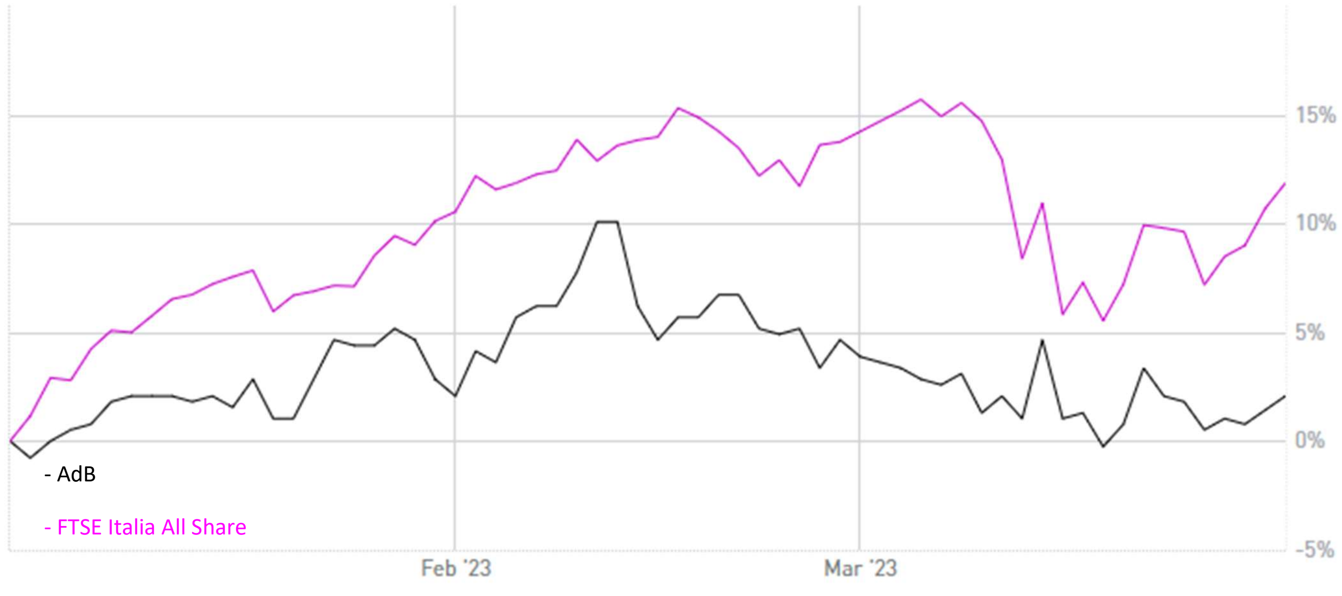
The following graphs present:

- the share performance between January 1, 2023 and March 31, 2023;
- tracking of the company's share performance against the FTSE Italia all-share index.

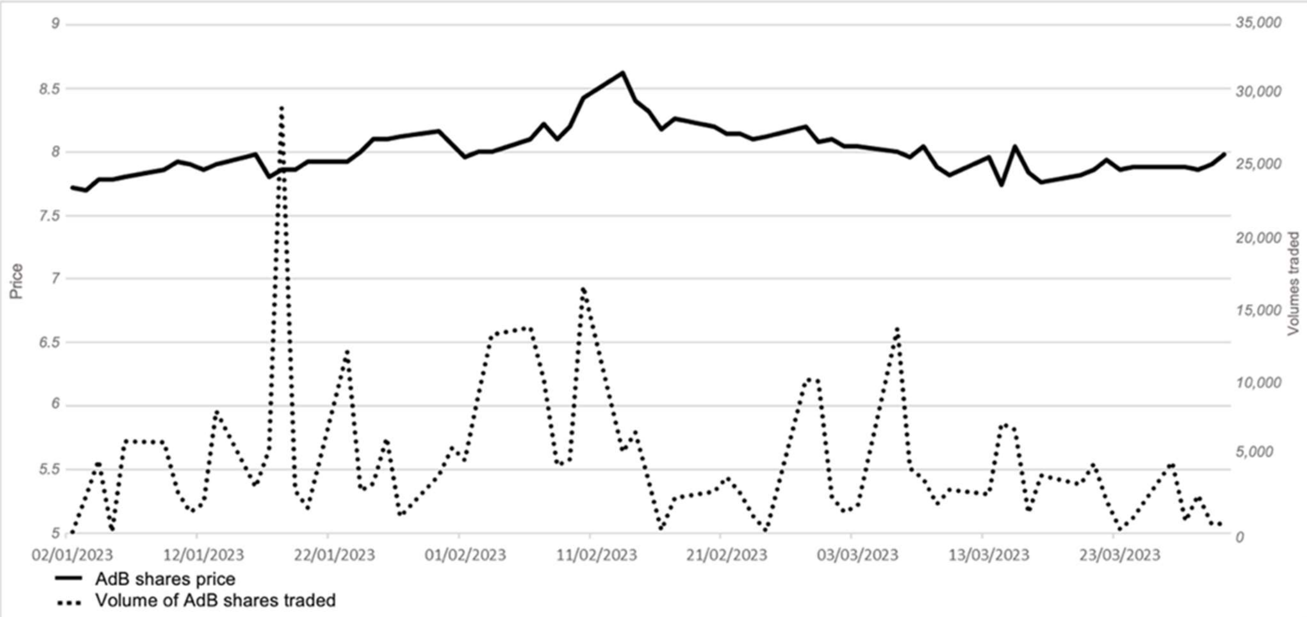
On March 31, 2023, the official share price was Euro 7.98 per share, resulting in an AdB Group market capitalisation of Euro 282.3 million at that date.

AdB share performance (01/01/2023-31/03/2023)

AdB share and FTSE Italia All-Share performance (01/01/2023-31/03/2023)



AdB share performance – prices and volumes (01/01/2023-31/03/2023)



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

In the first three months of 2023, AdB's share price remained essentially stable, peaking in mid-February as market trading volumes increased. A recovery emerged in the period from the decline seen the second half of 2022, in which the general market suffered due to the significant level of raw material price inflation. This recovery has benefitted from the recent market upswing, particularly following the improved global pandemic situation and the initial drops in the rate of inflation. The share price from mid-February began to gradually decline, although staying above the price at the beginning of the year.

2. KEY OPERATING RESULTS ANALYSIS

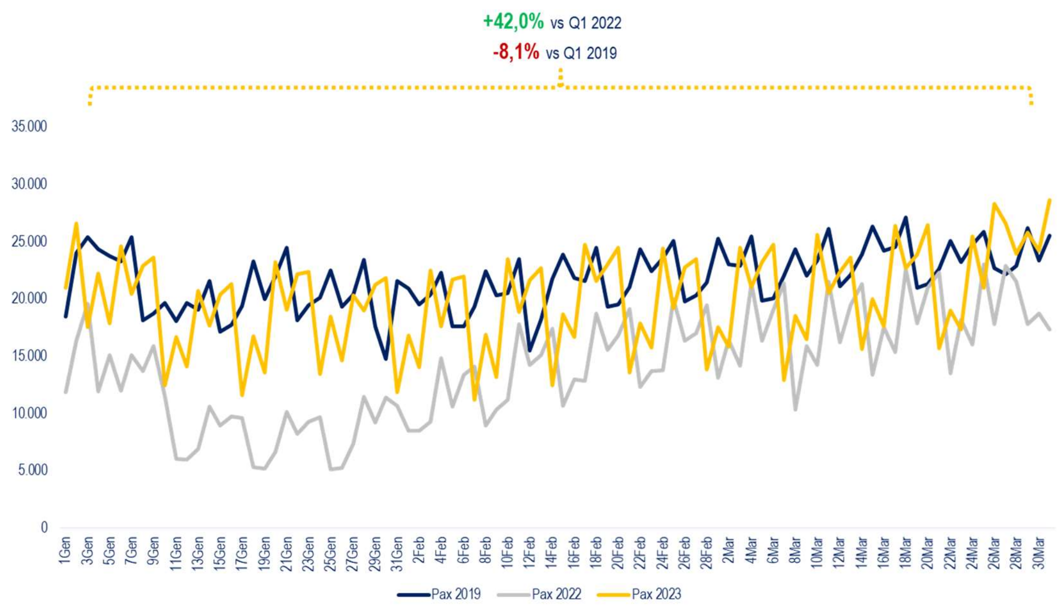
2.1 AVIATION STRATEGIC BUSINESS UNIT

2.1.1 AVIATION STRATEGIC BUSINESS UNIT: TRAFFIC DATA

The first quarter of 2023 saw a gradual recovery in traffic volumes. However, although recovering on 2019's levels, the initial three months of the year continued to be impacted by the seasonality of demand and the current general economic and geopolitical uncertainties.

During the first quarter, the airport recorded a total of 1,803,185 passengers, an increase on the first quarter of 2022 (+42.0%), which was shaped by the Omicron variant outbreak and Russia's aggression towards Ukraine, with 14,916 movements (+19.7%) and 13,413 tonnes of cargo transported (-3.6%). Compared to 2019, passenger traffic for Q1 2023 was 8.1% lower and movements were 11.9% lower, whereas cargo traffic increased by 6.3%. The average load factor increased from 67.2% in Q1 2022 to 81.4% in Q1 2023. The average aircraft load factor in addition increased on the first quarter of 2019 (78.8%).

Passenger traffic performance January-March 2023



	January – March 2023	January – March 2022	Change % 2023-2022	January – March 2019	Change % 2023-2019
Passengers	1,803,185	1,269,709	42.0%	1,961,807	(8.1%)
Movements	14,916	12,459	19.7%	16,922	(11.9%)
Tonnage	1,033,939	864,898	19.5%	1,116,241	(7.4%)
Cargo	13,413,206	13,908,914	(3.6%)	12,622,100	6.3%

Data includes General Aviation and transits

Passenger traffic breakdown	January – March 2023	*% of total*	January – March 2022	*% of total*	January – March 2019	*% of total*	*Change % 23-22*	*Change % 23-19*
Legacy	612,810	34.0%	265,326	20.9%	791,467	40.3%	131.0%	(22.6%)
Low-cost	1,183,464	65.6%	999,706	78.7%	1,155,977	58.9%	18.4%	2.4%
Charter	3,925	0.2%	2,090	0.2%	10,282	0.5%	87.8%	(61.8%)
Transits	1,210	0.1%	1,399	0.1%	2,821	0.1%	(13.5%)	(57.1%)
Total Commercial Aviation	**1,801,409**	**99.9%**	**1,268,521**	**99.9%**	**1,960,547**	**99.9%**	**42.0%**	**(8.1%)**
General Aviation	1,776	0.1%	1,188	0.1%	1,260	0.1%	49.5%	41.0%
Total	**1,803,185**	**100.0%**	**1,269,709**	**100.0%**	**1,961,807**	**100.0%**	**42.0%**	**(8.1%)**

Low-cost traffic saw increased volumes compared to 2019 (+2.4%), whereas legacy traffic saw a slower recovery (-22.6% 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, from 58.4% in 2019 to 65.6% in Q1 2023, and which features lower margins.

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

The domestic segment recovered quicker, with passengers on domestic flights reaching 95% of pre-pandemic levels (-4.6% on 2019), while the international segment continues to be impacted by the current general economic and geopolitical uncertainties (-9.2% on 2019).

Passenger traffic breakdown	January – March 2023	% of total	January – March 2022	% of total	January – March 2019	% of total	Change % 23-22	Change % 23-19
Domestic	424,674	23.6%	404,338	31.8%	444,979	22.7%	5.0%	(4.6%)
International	1,376,735	76.4%	864,183	68.1%	1,515,568	77.3%	59.3%	(9.2%)
Total Commercial Aviation	**1,801,409**	**99.9%**	**1,268,521**	**99.9%**	**1,960,547**	**99.9%**	**42.0%**	**(8.1%)**
General Aviation	1,776	0.1%	1,188	0.1%	1,260	0.1%	49.5%	41.0%
Total	**1,803,185**	**100.0%**	**1,269,709**	**100.0%**	**1,961,807**	**100.0%**	**42.0%**	**(8.1%)**

Despite the partial limitations on international travel again in the winter season, especially to and from East Asia, seven of the top ten destinations were overseas cities, with Barcelona the most popular with approximately 91 thousand passengers.

Main passenger traffic routes	January – March 2023	January – March 2022	Change % 2023-2022	January – March 2019	Change % 2023-2019
Catania	150,765	105,500	42.9%	89,181	69.1%
Barcelona	91,183	57,556	58.4%	82,350	10.7%
Paris CDG	65,722	43,522	51.0%	74,664	(12.0%)
Madrid	63,871	56,176	13.7%	71,109	(10.2%)
Tirana	63,728	41,285	54.4%	34,793	83.2%
Palermo	61,242	85,646	(28.5%)	70,692	(13.4%)
London LHR	59,875	18,504	223.6%	62,279	(3.9%)
Istanbul	53,097	26,099	103.4%	45,022	17.9%
Bucharest OTP	49,413	31,564	56.5%	49,026	0.8%
Frankfurt	47,710	16,023	197.8%	72,720	(34.4%)

Passenger traffic including transits

Cargo Traffic

(in KG)	January – March 2023	January – March 2022	Change % 2023-2022	January – March 2019	Change % 2023-2019
Air cargo of which	10,678,150	10,503,401	1.7%	10,099,549	5.7%
Cargo	10,678,002	10,503,399	1.7%	10,082,239	5.9%
Mail	148	2	7,300.0%	17,310	(99.1%)
Road cargo	2,735,056	3,405,513	(19.7%)	2,522,551	8.4%
Total	**13,413,206**	**13,908,914**	**(3.6%)**	**12,622,100**	**6.3%**

Cargo traffic in the first three months of 2023 reports cargo and mail traffic at Bologna of 13,413,206 Kg, decreasing 3.6% on 2022. This result reflects the significant degree of uncertainty in the cargo segment, due to the challenging international and economic situation related to the continuing war in Ukraine.

An overall increase of 6.3% is reported for Q1 2023 cargo traffic on the same period of 2019.

2.1.2 AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Total change vs 2022	% change vs 2022	for the quarter ended 31.03.2019	% change vs 2019
Passenger Revenues	10,126	7,102	3,024	42.6%	12,455	-18.7%
Carrier Revenues	5,961	4,933	1,028	20.8%	5,805	2.7%
Airport Operator Revenues	823	680	143	21.0%	728	13.0%
Traffic Incentives	(4,889)	(4,277)	(612)	14.3%	(5,698)	-14.2%
Revenues from Construction Services	5,209	929	4,280	460.7%	3,735	39.5%
Other revenues	404	332	72	21.7%	352	14.8%
Aeronautical and FSC Revenue Reduction	(46)	0	(46)	n.a.	0	n.a.
Total AVIATION SBU Revenues	**17,588**	**9,699**	**7,889**	**81.3%**	**17,377**	**1.2%**

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

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

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

Group revenues from the Aviation Strategic Business Unit were up 81.3% on 2022 and 1.2% on 2019. The individual accounts broke down as follows:

- Passenger Revenues (+42.6% on 2022 and -18.7% on 2019); passenger revenues are in line with the trend in passenger traffic and in tariffs, which in Q1 2023 were unchanged on 2022, although declining on 2019;
- Carrier Revenues (+20.8% on 2022 and +2.7% on 2019): carrier revenues are in line with the trend in movements and tonnage and with the trend in tariffs, particularly take-off and landing tariffs, which increased on 2019 and were in line with 2022;
- Airport Operator Revenues (+21% on 2022 and +13% on 2019): revenues benefited from traffic volumes and particularly from General Aviation, which generates fuel service revenues;
- Incentives: the movement in incentives (+14.3% on 2022 and -14.2% on 2019) relates to the incentivised traffic performance;
- Revenues from Construction Services: the increase in this item (+460.7% on 2022 and +39.5% on 2019) is linked to the greater capex.

2.2 NON-AVIATION STRATEGIC BUSINESS UNIT

2.2.1 NON-AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Total change vs 2022	% change vs 2022	for the quarter ended 31.03.2019	% change vs 2019
Retail and Advertising	3,315	2,247	1,068	47.5%	3,378	-1.9%
Parking	3,861	2,222	1,639	73.8%	3,663	5.4%
Real Estate	752	735	17	2.3%	602	24.9%
Passenger services	1,529	1,012	517	51.1%	1,413	8.2%
Revenues from Construction Services	129	94	35	37.2%	369	-65.0%
Other revenues	766	638	128	20.1%	687	11.5%
Total NON AVIATION SBU Revenues	**10,352**	**6,948**	**3,404**	**49.0%**	**10,112**	**2.4%**

Total non-aviation business revenues increased 49% on 2022 and 2.4% on 2019.

The individual areas of this business unit performed as follows.

Retail and Advertising

Performance in this revenue category (+47.5% on 2022 and -1.9% 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. The growth over 2022 reflects also the fact that a number of commercial spaces closed during the pandemic had not yet been reopened. The good Duty Free performance helped to offset the differential against 2019.

Parking

The movements in parking and rail access revenues (+73.8% on 2022 and +5.4% on 2019) are also strictly tied to the trend in traffic volumes, in addition to a new sales strategy which led to improved performance.

Real Estate

The increase in Real Estate revenues on 2019 was mainly due to a new sub-concession agreement related to new areas delivered from June 2021. Revenues were in line with 2022.

Passenger services

In Q1 2023, passenger services posted growth of 51.1% on 2022, attributable both to premium services (i.e. lounge and accessory services) and to car hire, and of 8.2%% on 2019, attributable solely to car hire. The performance of the individual businesses is described below.

Premium services

In Q1 2023, this business posted an increase in revenues on 2022 due to the growth in traffic and in the share of departing passengers. However, volumes remained below 2019 levels due to the incomplete recovery in business traffic, whose passengers are the primary users of these services.

Self-hire sub-concessions

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

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

Revenues from Construction Services

The movement in this item (+37.2% on 2022 and -65% on 2019) relates to investments in the business unit compared to the same period in previous years.

Other revenues

The increase in other revenues on 2022 (+20.1%) is mainly attributable to the increased maintenance on the vehicles of airport operators, increased security services, the greater use of passenger trolleys, and increased training provided. Further support came from 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, as a non-energy and non-gas consuming enterprise experiencing a rise of over 30% of the average price compared to the same period of FY 2019, as the contribution for the third quarter of 2022 was disbursed in the first quarter of 2023.
Compared to 2019 (+11.5%) 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 quarter ended 31.03.2023	for the quarter ended 31.03.2022	Total change vs 2022	% change vs 2022	for the quarter ended 31.03.2019	% change vs 2019
Other revenues	0	21,137	(21,137)	n.a.	0	n.a.
Total OTHER SBU Revenues	**0**	**21,137**	**(21,137)**	**n.a.**	**0**	**n.a.**

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

The significant amount for Q1 2022 is due to the contribution from the compensation fund established under Italian law No. 178 of December 30, 2020 (the 2021 Budget Law), enacted by Decree of the Ministry for Infrastructure and Sustainable Mobility, in concert with the Ministry for the Economy and Finance, of November 25, 2021, for the coverage of losses caused by the pandemic during the period March 1 to June 30, 2020. The amount granted to the Group as compensation for damages was Euro 21,137 thousand, of which Euro 20,903 thousand related to the Parent Company and Euro 234 thousand to the subsidiary TAG Bologna S.r.l.

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

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

3.1 CONSOLIDATED OPERATING RESULTS ANALYSIS

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Total change vs 2022	% change vs 2022	for the quarter ended 31.03.2019	% change vs 2019
Revenues from aeronautical services	12,029	8,515	3,514	41.3%	13,400	-10.2%
Revenues from non-aeronautical services	10,390	6,990	3,400	48.6%	9,794	6.1%
Revenues from construction services	5,337	1,023	4,314	421.7%	4,104	30.0%
Other operating revenues and income	184	21,256	(21,072)	-99.1%	191	-3.7%
REVENUES	**27,940**	**37,784**	**(9,844)**	**-26.1%**	**27,489**	**1.6%**
Consumables and goods	(841)	(650)	(191)	29.4%	(425)	97.9%
Service costs	(6,007)	(4,691)	(1,316)	28.1%	(5,013)	19.8%
Construction service costs	(5,083)	(974)	(4,109)	421.9%	(3,908)	30.1%
Leases, rentals and other costs	(1,927)	(1,363)	(564)	41.4%	(1,885)	2.2%
Other operating expenses	(848)	(673)	(175)	26.0%	(765)	10.8%
Personnel costs	(7,332)	(6,138)	(1,194)	19.5%	(7,145)	2.6%
COSTS	**(22,038)**	**(14,489)**	**(7,549)**	**52.1%**	**(19,141)**	**15.1%**
GROSS OPERATING PROFIT/(LOSS) (EBITDA)	**5,902**	**23,295**	**(17,393)**	**-74.7%**	**8,348**	**-29.3%**
Amortisation of concession rights	(1,878)	(1,850)	(28)	1.5%	(1,500)	25.2%
Amortisation of other intangible assets	(119)	(88)	(31)	35.2%	(273)	-56.4%
Depreciation of tangible assets	(538)	(506)	(32)	6.3%	(697)	-22.8%
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**(2,535)**	**(2,444)**	**(91)**	**3.7%**	**(2,470)**	**2.6%**
Provisions for doubtful accounts	(274)	3	(277)	n.a.	(25)	996.0%
Provision for renewal of airport infrastructure	(525)	(524)	(1)	0.2%	(475)	10.5%
Provisions for other risks and charges	(342)	(54)	(288)	533.3%	(94)	263.8%
PROVISIONS FOR RISKS AND CHARGES	**(1,141)**	**(575)**	**(566)**	**98.4%**	**(594)**	**92.1%**
TOTAL COSTS	**(25,714)**	**(17,508)**	**(8,206)**	**46.9%**	**(22,205)**	**15.8%**
OPERATING RESULT	**2,226**	**20,276**	**(18,050)**	**-89.0%**	**5,284**	**-57.9%**
Financial income	220	378	(158)	-41.8%	39	464.1%
Financial expenses	(795)	(302)	(493)	163.2%	(299)	165.9%
RESULT BEFORE TAXES	**1,651**	**20,352**	**(18,701)**	**-91.9%**	**5,024**	**-67.1%**
TAXES FOR THE PERIOD	**(486)**	**31**	**(517)**	**n.a.**	**(1,477)**	**-67.1%**
PROFIT (LOSS) FOR THE PERIOD	**1,165**	**20,383**	**(19,218)**	**-94.3%**	**3,547**	**-67.2%**
Profit (loss) for the period - Minority interests	**0**	**0**	**0**	**n.a.**	**0**	**n.a.**
Profit (loss) for the period – Group	**1,165**	**20,383**	**(19,218)**	**-94.3%**	**3,547**	**-67.2%**

To offer a more useful comparison with the pre-pandemic figures, the operating results tables also provide figures for Q1 2019.

A **consolidated profit of Euro 1.2 million** is reported for the first quarter of 2023, which compares to the particularly strong result for the comparable quarter (Euro 20.4 million), due to the contribution of over Euro 21 million from the COVID-19 damage compensation fund, as per the "2021 Budget Law".

Operating **revenues** overall declined 26.1% on 2022 and were up 1.6% on 2019.
This performance was significantly impacted by the contribution from the compensation fund disbursed in Q1 2022. See the section on adjusted EBITDA for an analysis of performance for the period without this contribution. Revenues break down as follows:
- **revenues from aeronautical services** grew 41.3% on 2022, while decreasing 10.2% against 2019, due to the traffic performance and a reduction in aviation tariffs compared to 2019;
- **revenues from non-aeronautical services** grew 48.6% on 2022 and 6.1% on 2019 due to the performance of the various category components, as outlined in the relative section;
- **revenues from construction services** grew (+421.7% on 2022 and +30% on 2019) due to the increased aviation sector capex;
- **other operating revenues and income**: this aggregate in the same period of 2022 includes the contribution from the compensation fund as described above, in the amount of Euro 21,137 thousand. Net of this contribution, other operating revenues and income in 2023 rose 54.6% on 2022. The increase is due also to the contributions outlined in the non-aviation section and the increased revenues from condominium expenses following the increase in the cost of energy.

Period **costs** overall increased 52.1% on the same period of 2022 and 15.1% on 2019.

These break down as follows:

- ✓ **costs for consumables and goods** increased (+29.4% on 2022 and +97.9% on 2019), due mainly to greater purchases of aircraft fuel and goods packaging material compared to 2022, in addition to an increase in the purchase of de-icing liquid compared to 2019;
- ✓ **service costs** increased on 2022 (+28.1%), 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, consulting and other professional services, insurance, development and advertising; services costs also increased on 2019 (+19.8%) as the contraction in traffic-related services is offset by the increase, in particular, of utility costs, professional services and consultancy, security services, cleaning and insurance;
- ✓ the movements in **lease, rentals and other costs** (+41.4% on 2022 and +2.2% on 2019) is mainly due to the increase in traffic volumes, on whose basis the concession and security fees are calculated, although the increase on the same period of both 2022 and of 2019 is due also to the increased charges for data processing, hire charges and rental fees;
- ✓ **other operating expenses** increased 26% on 2022 and 10.8% on 2019, due to the increased taxes and association dues, alongside, in the comparison with 2022, an increase also of the fire prevention contribution.

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

Overall, **EBITDA of Euro 5.9 million** is reported for the first quarter of 2023, compared to Euro 23.3 million in 2022, which benefited significantly from the Compensation fund contribution, and to Euro 8.3 million in 2019. See the section on adjusted EBITDA for a description of performance for the period without this contribution.

Looking to **overheads**, "**depreciation, amortisation and impairment**" **of Euro 2.5 million** increased slightly on 2022, in line with the progress of the investment plan, while **provisions** report a sharper increase (from Euro 0.6 million to Euro 1.1 million), due to the accrual to the provision for doubtful accounts, not made in Q1 2022 as the existing provision was considered sufficient based on the client solvency risk, and to the provisions for risks and charges to adjust the liabilities in the period.

EBIT was **Euro 2.2 million,** compared to Euro 20.3 million in the first quarter of 2022 (loss of Euro 0.9 million net of the COVID contribution) and Euro 5.3 million in the last pre-COVID year.

Net financial expense was **Euro 0.6 million,** compared to net income of Euro 76 thousand in the first quarter of 2022, due to higher interest rates on loans and the financial expense from the discounting of provisions due to future expected interest rate rises.

On the basis of that outlined above, the **Result before taxes** was a profit of **Euro 1.7 million,** compared to Euro 20.4 million in Q1 2022 (loss of Euro 0.8 million net of the COVID contribution) and Euro 5 million in Q1 2019.

Income taxes decreased from a positive amount (net income) of Euro 31 thousand in Q1 2022, due mainly to the tax exemption of the COVID-19 contribution to a net charge of **Euro 0.5 million** in 2022.

The result for the period, entirely concerning the Group, as a result of that outlined above was a profit of **Euro 1.2 million**, compared to Euro 20.4 million in Q1 2022 due to the recognition of the COVID contribution. The improvement in the quarter was significant considering that, excluding the COVID contribution, Q1 2022 would have reported a loss of Euro 0.8 million, while lower than the profit of Euro 3.5 million for the first quarter of the last pre-COVID year.

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

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Total change vs 2022	% change vs 2022	for the quarter ended 31.03.2019	% change vs 2019
Revenues from aeronautical services	12,029	8,515	3,514	41.3%	13,400	-10.2%
Revenues from non-aeronautical services	10,390	6,990	3,400	48.6%	9,794	6.1%
Other operating revenues and income	184	119	65	54.6%	191	-3.7%
ADJUSTED REVENUES	**22,603**	**15,624**	**6,979**	**44.7%**	**23,385**	**-3.3%**
Consumables and goods	(841)	(650)	(191)	29.4%	(425)	97.9%
Service costs	(6,007)	(4,691)	(1,316)	28.1%	(5,013)	19.8%
Leases, rentals and other costs	(1,927)	(1,363)	(564)	41.4%	(1,885)	2.2%
Other operating expenses	(848)	(673)	(175)	26.0%	(765)	10.8%
Personnel costs	(7,332)	(6,138)	(1,194)	19.5%	(7,145)	2.6%
ADJUSTED COSTS	**(16,955)**	**(13,515)**	**(3,440)**	**25.5%**	**(15,233)**	**11.3%**
ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)	**5,648**	**2,109**	**3,539**	**167.8%**	**8,152**	**-30.7%**
Revenues from construction services	5,337	1,023	4,314	421.7%	4,104	30.0%
Construction service costs	(5,083)	(974)	(4,109)	421.9%	(3,908)	30.1%
Construction Services Margin	**254**	**49**	**205**	**418.4%**	**196**	**29.6%**
Revenues from compensation fund contribution Budget Law 2021		21,137	(21,137)	n.a.		n.a.
GROSS OPERATING PROFIT/(LOSS) (EBITDA)	**5,902**	**23,295**	**(17,393)**	**-74.7%**	**8,348**	**-29.3%**

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

	JANUARY 2023	Change % vs 2022	Change % vs 2019	FEBRUARY 2023	Change % vs 2022	Change % vs 2019	MARCH 2023	Change % vs 2022	Change % vs 2019
Passenger Traffic	590,666	86.5%	-7.9%	535,874	35.9%	-9.0%	676,645	21.1%	-7.5%
INCOME STATEMENT (in thousands of Euro)									
ADJUSTED REVENUES	**6,862**	**57.3%**	**-5.7%**	**6,361**	**51.3%**	**-5.2%**	**7,820**	**33.4%**	**-4.5%**
Revenues from aeronautical services	3,478	64.4%	-12.2%	3,214	45.6%	-14.1%	3,914	26.7%	-14.2%
Revenues from non-aeronautical services	3,309	50.1%	1.3%	3,055	55.9%	4.5%	3,825	41.7%	9.6%
Other operating revenues and income	75	74.4%	51.1%	92	135.9%	97.9%	81	9.5%	-42.3%
ADJUSTED COSTS	**-5,227**	**24.9%**	**11.4%**	**-4,993**	**23.3%**	**12.7%**	**-5,518**	**25.7%**	**6.1%**
Personnel costs	-2,287	18.9%	0.8%	-2,243	20.7%	1.4%	-2,396	21.4%	2.9%
Other operating expenses	-2,940	30.0%	21.3%	-2,750	25.5%	24.0%	-3,122	29.1%	8.6%
ADJUSTED EBITDA	**1,635**	**818.5%**	**-36.8%**	**1,368**	**776.9%**	**-40.0%**	**2,302**	**56.3%**	**-22.9%**
ADJUSTED EBITDA MARGIN	**23.8%**	**n.a.**	**n.a.**	**21.5%**	**n.a.**	**n.a.**	**29.4%**	**n.a.**	**n.a.**

3.2 CASH FLOW ANALYSIS

The consolidated cash flow statement, indicating cash flows generated/absorbed from operating, investing and financing activities, is summarised below for the first quarters of 2023 and 2022:

in Euro thousands	As at 31.03.2023	As at 31.03.2022	Change
Cash flow generated / (absorbed) by operating activities before working capital changes	5,738	23,299	(17,561)
Cash flow generated / (absorbed) by net operating activities	(3,785)	16,547	(20,332)
Cash flow generated / (absorbed) by investment activities	9,721	(1,196)	10,917
Cash flow generated / (absorbed) by financing activities	(1,818)	(319)	(1,499)
Change in closing cash flow	**4,118**	**15,032**	**(10,914)**
Cash and cash equivalents at beginning of period	**27,868**	**28,215**	**(347)**
Change in closing cash flow	**4,118**	**15,032**	**(10,914)**
Cash and cash equivalents at end of period	**31,986**	**43,247**	**(11,261)**

Cash flow generated by operating activities before working capital changes amounted to Euro 5.7 million, against Euro 23.3 million in Q1 2022.

Net of the Euro 21.1 million contribution from the COVID-19 compensation fund, an improvement over the same period of 2022 of Euro 3.4 million is reported.

Working capital cash flow absorbed Euro 9.5 million in the period, with **cash flow from operating activities** net of changes in working capital absorbing **Euro 3.8 million**, compared to the generation of Euro 16.5 million of cash flow of 2022.

Working capital absorbed liquidity of Euro 6.4 million, due to the increase in receivables of Euro 6.4 million, in addition to the reduction in payables of Euro 2.3 million. Outflows for interest and the utilisation of provisions amounted to Euro 786 thousand.

The generation of cash flows of Euro 9.7 million from **investing activities** was due to:

- the absorption of cash from **investment activities** in tangible and intangible assets, mainly concession rights: **Euro 5.3 million,** compared to Euro 1.2 million in the comparative period,
- the generation of cash of Euro 15 million following the reclassification to cash and cash equivalents of the use of liquidity with a duration of less than 3 months.

Financing activities absorbed cash flows of **Euro 1.9 million** due to the settlement of loan instalments, in addition to payments for lease liabilities.

As a result, the **final overall change in cash** for the period was a positive Euro 4.1 million.

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

	in thousands of Euro	for the quarter ended 31.03.2023	for the year ended 31.12.2022	Change
A	Cash and Cash Equivalents	16,912	27,868	(10,956)
B	Other cash equivalents	15,074	0	15,074
C	Other current financial assets	30,191	45,058	(14,867)
D	**Liquidity (A+B+C)**	**62,177**	**72,926**	**(10,749)**
E	Current financial debt	(2,554)	(2,819)	265
F	Current portion of non-current debt	(17,796)	(14,976)	(2,820)
G	**Current financial debt (E + F)**	**(20,350)**	**(17,795)**	**(2,555)**
H	**Net current financial debt (G - D)**	**41,827**	**55,131**	**(13,304)**
I	Non-current financial payables	(43,099)	(47,605)	4,506
J	Debt instruments	0	0	0
K	Trade payables and other non-current payables	(385)	(521)	136
L	**Non-current financial debt (I + J + K)**	**(43,484)**	**(48,126)**	**4,642**
M	**Net financial debt (H + L)**	**(1,657)**	**7,005**	**(8,662)**

The Group Net Financial Debt at March 31, 2023 was **Euro 1.7 million,** compared to a positive Net Financial Position (Net Cash) of Euro 7 million at December 31, 2022.

The movement in liquidity is due to:

- an absorption of operating cash flows, net of Net Working Capital movements, of Euro 3.7 million.
- the cash flow absorbed from investing and financing activities.

Cash and cash equivalents comprise time deposits with a residual duration of less than 3 months, while current financial assets comprise time deposits with a residual duration of 9 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.

3.3 FINANCIAL POSITION ANALYSIS

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

USES *in thousands of Euro*	As at 31.03.2023	As at 31.12.2022	As at 31.03.2022	Change 31.03.2023 31.12.2022	Change 31.03.2023 31.03.2022
- Trade receivables	15,682	12,672	14,462	3,010	1,220
- Tax receivables	465	387	175	78	290
- Other Receivables	7,950	4,775	15,881	3,175	(7,931)
- Inventories	945	912	731	33	214
Sub-total	**25,042**	**18,746**	**31,249**	**6,296**	**(6,207)**
- Trade payables	(18,666)	(24,869)	(16,516)	6,203	(2,150)
- Tax payables	(3,337)	(2,923)	(1,173)	(414)	(2,164)
- Other payables	(36,575)	(32,256)	(29,365)	(4,319)	(7,210)
Sub-total	**(58,578)**	**(60,048)**	**(47,054)**	**1,470**	**(11,524)**
Net operating working capital	**(33,536)**	**(41,302)**	**(15,805)**	**7,766**	**(17,731)**
Fixed assets	223,382	220,367	215,164	3,015	8,218
- Deferred tax assets	9,807	10,002	13,157	(195)	(3,350)
- Other non-current assets	13,892	13,869	13,576	23	316
Total fixed assets	**247,081**	**244,238**	**241,897**	**2,843**	**5184**
- Provisions for risks, charges & severance	(18,441)	(17,673)	(17,280)	(768)	(1,161)
- Deferred tax liabilities	(2,857)	(2,843)	(2,707)	(14)	(150)
- Other non-current liabilities	(115)	(115)	(57)	0	(58)
Sub-total	**(21,413)**	**(20,631)**	**(20,044)**	**(782)**	**(1,369)**
Fixed Operating Capital	**225,668**	**223,607**	**221,853**	**2,061**	**3815**
Total Uses	**192,132**	**182,306**	**206,048**	**9,827**	**(13,916)**

SOURCES *in thousands of Euro*	As at 31.03.2023	As at 31.12.2022	As at 31.03.2022	Change 31.03.2023 31.12.2022	Change 31.03.2023 31.03.2022
Net financial (debt) position	**(1,657)**	**7,006**	**(27,867)**	**(8,662)**	**26210**
- Share Capital	(90,314)	(90,314)	(90,314)	0	0
- Reserves	(98,996)	(67,887)	(67,484)	(31,109)	(31,512)
- Result for the period	(1,165)	(31,109)	(20,383)	29,944	19,218
Group Shareholders' Equity	**(190,475)**	**(189,310)**	**(178,181)**	**(1,165)**	**(12,294)**
Minority Interests	0	0	0	0	0
Total Shareholders' Equity	**(190,475)**	**(189,310)**	**(178,181)**	**(1,165)**	**(12,294)**
Total sources	**(192,132)**	**(182,305)**	**(206,048)**	**(9,827)**	**13916**

Net capital employed at March 31, 2023 was **Euro 192 million,** increasing Euro 10 million on December 31, 2022, mainly due to the movement in net working capital from -Euro 41 to -Euro 34 million, due to the reduction in trade payables.
Fixed assets increased Euro 2 million to Euro 226 million (Euro 224 million at December 31, 2022).

In terms of sources, at March 31, 2023 a net financial debt of Euro 1.7 million is reported, compared to a net cash position of Euro 7 million at December 31, 2022, while **consolidated and Group Shareholders’ Equity** amounted to **Euro 190.5 million,** compared to Euro 189.3 million at December 31, 2022, increasing due to the overall profit in the period.

3.4 KEY INDICATORS

The Directors deemed the Group's major income statement and statement of financial position indicators at and for the period ended March 31, 2023 to be immaterial due to their interim nature.

3.5 INVESTMENTS

Total **investments** in **Q1 2023** amounted to **Euro 5.1 million.**

In particular, Euro 4.3 million concerned investments in infrastructure and environmental compensation, with Euro 0.8 million regarding investments in sustainability, innovation, quality and airport operations.

The main infrastructure investments concerned:

- **Aircraft Parking Lot 3 expansion**: works continued on the expansion of Apron 3, connected 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 work to reconfigure the cargo area to increase the storage capacity of the existing cargo infrastructure continues, reorganising internal spaces and maximising the areas for storing import and export cargo.
- **Curbside reconfiguration 1st floor**: work has begun on upgrading and adjusting the landside spaces located outside the passenger terminal on the first floor.

Environmental compensation measures include the expropriation of properties located in the areas earmarked for the creation of a wooded strip along the northern perimeter of the airport site in order to comply with the requirements of the Masterplan EIA Decree and the Implementing Territorial Agreement for the Decarbonisation of G. Marconi Airport, compensating for the environmental impacts related to airport transactions.

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

- installation of charging stations for electric vehicles;
- construction of a rainwater recovery system to collect rainwater downspouts to be diverted to a new prefabricated underground tank intended for reuse for compatible uses;
- purchase of Self Service Kiosks for tracking non-EU citizens entering/exiting the EU territory (Entry Exit System) to be installed once the preparation of the necessary areas is completed;
- redevelopment of the new access road to the airport;
- various information technology actions (feasibility study on the new APOC Airport Operations Center; BLQ Performance Dashboard - quality data dashboard for continuous monitoring);
- completion of a facility to relocate within the airport grounds the kennel of the Finance Police ("Guardia di Finanza") dog units in order to be able to carry out institutional tasks.

Provisions for Renewal

The total works for the **renewal and maintenance cycle of the airport infrastructure** and plant in Q1 2023 amounted to **Euro 0.4 million**, of which Euro 121 thousand for work on plant (cogeneration plant, elevators, automatic doors and gates, uninterruptible power supplies) and Euro 237 thousand for landside work to maintain operations (in particular, the upgrading of terminal bathrooms).

3.6 PERSONNEL

Workforce breakdown

	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Total change vs 2022	% change vs 2022	for the quarter ended 31.03.2019	Total change vs 2019	% change vs 2019
Full Time Equivalent average workforce	**451**	**409**	**42**	**10%**	**477**	**-26**	**-5%**
Executives	8	8	0	0%	10	-2	-20%
Managers	36	36	0	0%	31	5	16%
White-collar	317	289	28	10%	338	-21	-6%
Blue-collar	90	76	14	18%	98	-8	-8%

	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Total change vs 2022	% change vs 2022	for the quarter ended 31.03.2019	Total change vs 2019	% change vs 2019
Average workforce	**497**	**452**	**45**	**10%**	**531**	**-34**	**-6%**
Executives	8	8	0	0%	10	-2	-20%
Managers	36	36	0	0%	31	5	16%
White-collar	360	329	31	9%	388	-28	-7%
Blue-collar	93	79	14	18%	102	-9	-9%

Source: Company workings

The change to the workforce (+42 FTE compared to 2022 and -26 FTE compared to 2019) almost exclusively concerns operating personnel, and therefore related to the traffic performance for the three years under review.

Costs

	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Total change vs 2022	% change vs 2022	for the quarter ended 31.03.2019	Total change vs 2019	% change vs 2019
Personnel costs	7,332	6,138	1,194	19.5%	7,145	187	2.6%

Personnel costs for Q1 2023 increased by 19.5% on the same period of 2022, mainly due to:

- the increase in the workforce outlined above;
- the use of the social security schemes in the initial months of 2022, although for a minimal percentage;
- increased use of temporary staffing;
- increased use of overtime;
- lesser paid holidays;
- increased costs for canteen, training, missions and social security charges.

Despite the contraction in the workforce, personnel costs rose 2.6% also on 2019, mainly due to the salary increases based on the renewal of the National Collective Bargaining Agreement (CCNL), settled in tranches between January 2020 and July 2022.

TRADE UNION RELATIONS

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

Discussions and monitoring of the procedure for assaults introduced in 2022 also continued, with presentation and dissemination (also institutional), in collaboration with the ETF European trade union, to ACI Europe. This led to the creation and publication of a compendium by ETF (the European transport union) and ACI Europe on best practices in Europe for the prevention and management of disruptive passengers, in which the case of Bologna airport was also reported.

TRAINING OF PERSONNEL

In the first quarter, delivery of the Front Line and Disruptive Passenger Relations course continued, aimed at front line staff, particularly security officers, information office staff and parking staff, to teach them how to greet with kindness, listen and understand, within the limited time available, the real needs of users in order to satisfy their requests and in particular anticipate aggressive attitudes and resolve critical situations, which increasingly occur.

Delivery of cyber-security courses, which are mandatory for all AdB staff, also continued, both with in-house training and in pills on the Cyrano platform and through phishing simulations.

Refresher courses for security personnel from 2023 onward shall be delivered in-house by an Enac-certified Training Center instructor. In addition to annual refresher training for all colleagues, the Enac-certified instructor will deliver initial training in organised groups starting in January to train new security staff candidates and prepare them for the Enac exam.

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 March 31, 2023, the company had 15 employees (same as December 31, 2022) and, in continuity with previous years, assigned many staff activities to the parent under a management & staffing contract which covers the accounting, administrative, legal, personnel and ICT areas.

FFM in Q1 2023 managed 6,182,532 Kg of cargo, with a 25% increase in traffic served compared to the previous year. The increase followed also a 6% rise in air traffic and, to a greater extent, the contribution of road traffic (+33%).

Against the outlined traffic recovery, FFM reported revenue growth of 22% and an increase in core operating costs of 35%, due to:

- an increase in materials used due to the heavy use of such for goods handling and the higher raw material costs (+187%);
- higher costs for security services, customs services and other third-party services related to increased operations;
- the increase in personnel costs also due to the posting of two resources not present in the first quarter of 2022.

As a result of the factors outlined above, EBITDA contracted 16%, from Euro 178 thousand in Q1 2022 to Euro 150 thousand in Q1 2023, in line with the decrease in EBIT from Euro 173 thousand to Euro 142 thousand, due to the substantial stability and reduced amount of depreciation, amortisation and provisions. The profit for the period, finally, was Euro 107 thousand, compared to Euro 130 thousand in Q1 2022 (-18%).
Finally, reference should be made to the disputes section of the 2022 Annual Financial Report 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 March 31, 2023 (same at December 31, 2022).
The company prepares its financial statements according to Italian GAAP. The key indicators for the period, adjusted where necessary entirely for the purposes of preparing these consolidated financial statements as per IAS/IFRS, are presented below.

General Aviation in Italy in the first quarter of 2023 contracted 0.4% on 2022 (Source: Assaeroporti).
Against this backdrop, the traffic served by TAG grew significantly: +18% in terms of movements, +28% in terms of tonnage and +44% in terms of passengers.

Thanks to the good traffic performance and of the aircraft fuel sales service, overall period revenues were slightly ahead of Q1 2022 (+1%), despite the absence of the COVID contribution under the 2021 Budget Law in Q1 2022 of approximately Euro 234 thousand.
Operating costs rose 29%, mainly due to the acquisition of fuel as a result of the higher volumes and the increased price, resulting in EBITDA of Euro 195 thousand (+42% on Q1 2022, adjusted for the COVID contribution) and a profit for the period of Euro 78 thousand (+27% on Q1 2022, adjusted for the COVID contribution).

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

4 MAIN NON-FINANCIAL RESULTS ANALYSIS

4.1 QUALITY

Service Quality in the first quarter of 2023 reported good satisfaction levels for cleanliness, communication and comfort, while performance declined for check-in waiting times, aircraft deplaning and baggage reclaim. Waiting time at security checks decreased in March after higher times at the beginning of the year, thanks to effective mitigation actions introduced in terms of resources and service monitoring. The Manager has set up a working group on baggage reclaim with the handlers that has identified a number of areas for joint work and which will continue throughout the year, particularly in view of the summer season. Performance data is regularly shared both at the Regularity and Quality of Service Committee and through periodic reporting.

In February, AdB started work on the complete upgrading of the bathrooms most frequently used by passengers, both in the landside and airside areas (Schengen departures and Non-Schengen arrivals), with expected completion by May. Initial surveys have already shown an increase in satisfaction with the upgraded points.
On the accessibility and mobility front, work began in the first quarter of the year on access roads and parking lots with the aim of improving vehicular flows.
As part of Service Quality monitoring, the work of the cross-functional Quality & Facilitation group continues, which carries out inspection, control and introduction of corrective actions to ensure the highest comfort and ambience and effective passenger information. In parallel, a cross-functional Quality, Infrastructure, Communication, Commercial and Operations Group has been set up to follow up in a coordinated manner the construction works at the terminal.

INDICATORS	**Jan-Mar 2023**	**Jan-Mar 2022**
Perception of the cleaning level and functionality of toilets	98.3%	98.4%
Perception of the availability of mobile phone and laptop recharging stations in common areas	90.4%	82.8%
Overall perception of the efficacy and accessibility of public information services	99.7%	99.2%
Perception of the clarity, comprehensibility and effectiveness of internal signage	99.5%	99.5%
Check-in waiting time	18’00’’	14’31’’
Perception of passport control waiting time	8’29’’	9’03’’
Wait time for departing PRM passengers with reservations	9’18’’	11’55’’
Wait time for arriving PRM passengers with reservations	6’37’’	7’14’’
First baggage return times	25’59’’	21’59’’
Last baggage return times	33’59’’	28’59’’
Boarding wait time for the 1st passenger	6’29’’	7’38’’

5 REGULATORY FRAMEWORK

5.1 REGULATORY AGREEMENT AND 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.

On April 28, 2023, with Resolution No. 82/2023, the Transportation Regulation Authority declared compliance with the requirements in relation to the proposed revision of airport fees prepared by AdB S.p.A. and approved by airport users. The Authority's requirements will be taken into account by the Company when preparing and publishing the amended tariff proposal, to be completed within 60 days of the publication of the Authority's resolution.

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 entered into force on April 1, 2023 and shall be applied to procedures to review airport fees beginning from that date.

5.2 FIRE PREVENTION FUND

For further details, reference should be made to Regulatory Framework section of the 2022 Annual Financial Report and to the Disputes section.

5.3 NEW PUBLIC CONTRACTS CODE

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

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

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

5.4 THE NEW CORPORATE SUSTAINABILITY REPORTING DIRECTIVE (CSRD)

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

Finally, regarding privacy regulations, Alitalia under Extraordinary Administration, the return of Visual Aid Lights (VALs) and Enav assets and areas, please refer to the Regulatory Framework chapter of the 2022 Annual Financial Report.

6 DISPUTES

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

6.1 Fire Prevention Fund

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

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

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

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

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

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).
On April 17, 2023, the Rome Provincial Tax Court dismissed AdB's appeal, radically departing from all relevant precedents. In this regard, a regular appeal will be filed as per the procedural deadlines.

In conclusion, it should be noted that a public hearing was held on May 11, 2023, at the Supreme Court of Cassation, as part of jurisdictional proceedings of significant importance for the definition of the legal principles concerning the case.

6.2 Tax appeal against the Tax Agency - Provincial Office

For further details, reference should be made to the Disputes section of the 2022 Annual Financial Report.

6.3 Alitalia Revocatory Action

For further details, reference should be made to the Disputes section of the 2022 Annual Financial Report.

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

For further details, reference should be made to the Disputes section of the 2022 Annual Financial Report.

6.5 FFM customs dispute

For further details, reference should be made to the Disputes section of the 2022 Annual Financial Report.

6.6 Tender contract - termination for damages

For further details, reference should be made to the Disputes section of the 2022 Annual Financial Report.

6.7 Land Litigation - EMILIA ROMAGNA Regional Administrative Court

For further details, reference should be made to the Disputes section of the 2022 Annual Financial Report.

7 MAIN RISKS AND UNCERTAINTIES

Risks relating to the COVID-19 pandemic

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

According to ACI Europe's latest forecasts of December 2022, a full European traffic recovery is expected in 2025, mainly driven by domestic tourism and impacted by the increasing concerns regarding geopolitical uncertainty, in addition to the economic environment and the current possibility of recession.

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

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

In the context of such an extreme and prolonged crisis and given the considerable commitments to infrastructure developments, the **liquidity risk** could manifest as difficulty in obtaining timely, cost-effective financing to cover the requirements of the operations plan and, at the same time, cover the new requirements for finance in the Net Working Capital cycle until the end of the crisis - a crisis first stemming from the pandemic which as now been joined by the war in Ukraine, the energy crisis, and spiralling inflation. The Group has addressed this risk, on the one hand by strategically reviewing its investment plan in consultation with ENAC, identifying new priorities and implementation phases, and on the other by agreeing new loans, most recently, in December 2021, with the European Investment Bank (EIB) up to a maximum of Euro 90 million not requested at March 31, 2023. Thanks to these new sources, the contributions from the COVID compensation fund, the current account balances held and the additional credit line of Euro 5 million, the Group believes it has flexibility of financing in line with the progress of the infrastructure development plan and with actual funding needs. With regard to the covenants of the existing loan agreements, the Group is in compliance with its contractual commitments.

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

The Group's **credit risk** is concentrated, in that 39% of its accounts receivable at March 31, 2023 are claimed from its top ten clients (30% at December 31, 2022). In general, the credit risk is offset through specific trade payable management and control tools and procedures, in addition to adequate provisioning for doubtful accounts – taking into account the increased risk owed to the current crisis – according to the principles of prudency and in compliance with the accounting standards IFRS 15 and IFRS 9, which strengthens the *ex-ante* analysis approach, rather than existing receivable recovery, in the credit risk assessment processes.

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

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

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

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

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

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

Risks arising from the conflict in Ukraine

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

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

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

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

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

The possible impacts of the occurrence of one of these events on airport operations currently do not appear to be readily assessable. The Group, however, has begun 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 49.5% of the airport's total traffic volumes in Q1 2023.

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

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

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

Risk related to the effect of incentives on revenue margins

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

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

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

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

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

Risks related to implementation of the Action Plan

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

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

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

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

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

Risks concerning the regulatory framework

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

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

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

The impairment test did not 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 ALTERNATIVE PERFORMANCE INDICATORS

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

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

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

- **EBITDA:** EBITDA (earnings before interest, taxation, depreciation and amortisation) is defined by management as the result before taxes for the year, financial income and charges, income and charges from equity investments, depreciation, amortisation and impairment. It therefore coincides, in this case, with the gross operating margin. EBITDA is not identified as an accounting measure as per IFRS and therefore should be considered as an alternative measure for the evaluation of the Group's performance. Since calculation of this indicator is not governed by the accounting standards that form the basis of preparation of the Group's Consolidated Financial Statements, the criterion used to determine and measure the indicator might not be uniform with that adopted by other groups. Accordingly, the figure in question might not be comparable with that presented by such other groups;
- **Adjusted EBITDA:** this is a measure used by the Group's management to monitor and assess the Group's operating and financial performance. This is calculated by subtracting from EBITDA:
  - the margin calculated as the difference between the Group's construction revenues and construction costs as the Airport's manager;
  - 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 in the comparative quarter.
- **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 04/03/2021 and ESMA32-382-1138 of March 4, 2021.

9 GUARANTEES PROVIDED

The following table summarises the guarantees granted by the Group in the two quarters compared:

in thousands of Euro	31/03/2023	31/03/2022	Change	Change. %
Sureties	10,770	9,485	1,286	14%
Pledge on Equity Financial Instruments	10,873	10,873	0	0%
Patronage letters	1,584	2,101	(517)	-25%
Total guarantees provided	**23,227**	**22,458**	**769**	**3%**

At March 31, 2023, the guarantees provided by the Group total Euro 23.2 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 of the 2022 Annual Financial Report), in addition to the surety in favour of ENAC provided for in the Full Management Agreement (Euro 2.7 million);
- a pledge of the equity financial instrument issued by Marconi Express S.p.a. and subscribed for by the Company for a nominal value of Euro 10.87 million, securing the obligations of Marconi Express to the credit institutions that financed the People Mover project;

- letter of comfort concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena) which at the end of the period amounted to Euro 1.6 million.

10 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 March 31, 2023.

Traffic performance

The airport reported 872,805 passengers in April 2023, increasing both on April 2022 (+20.4%) and on April 2019 (pre-COVID period). Year-to-date passenger numbers of 2,674,214 for the January-April period were however up on 2022 (+34.1%), although lower than the first four months of 2019 (-3.0%).

Specifically, in April 2023 passengers on domestic flights numbered 206,418 (+9.3% on the same month of 2022 and +28.2% on April 2019), while passengers on international flights numbered 666,387, increasing on 2022 (+24.3%) and on 2019 (+4.8%) on 2019.

Aircraft movements in April numbered 6,352, an increase of 12.2% on 2022 and of 2.5% on 2019. Air cargo volumes decreased 5.8% on 2022 to 3,071 tonnes and 1.7% on 2019.

The most popular destinations in April 2023, which coincided with the Easter celebrations and the spring bank holidays, were particularly the European capitals and Southern Italy. The “top ten” destinations were: Catania, Barcelona, Palermo, Paris Charles de Gaulle, Madrid, Brindisi, Tirana, London Heathrow, Istanbul and Frankfurt.

In the first four months of 2023, Bologna Airport reported 20,366 total movements (+17.9% on 2022 and -8.9% on 2019), while cargo transported totalled 13,749 tonnes (-0.1% on 2022 and +4.1% on 2019).

Operating and Financial Performance and Business Outlook

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”). Positive variables, on the other hand, include resilience in users' propensity to travel (S23, *Source*: *ACI Europe, Airport Traffic Forecast - 2023 Scenarios & 2023-2027 Outlook, December 2022*).

This growth framework, where confirmed in 2023, foresees an 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.

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, May 15, 2023

Consolidated Financial Statements at March 31, 2023

Statement of Consolidated Financial Position

Consolidated Income Statement

Consolidated Statement of Comprehensive Income

Consolidated Cash Flow Statement

Consolidated statement of changes in equity

Statement of Consolidated Financial Position

in thousands of Euro	Notes	As at 31.03.2023	As at 31.12.2022
Concession rights		209,588	205,997
Other intangible assets		1,385	1,391
Intangible assets	**1**	**210,973**	**207,388**
Land, property, plant and equipment		10,792	11,362
Investment property		1,617	1,617
Tangible assets	**2**	**12,409**	**12,979**
Investments	**3**	119	119
Other non-current financial assets	**4**	13,499	13,489
Deferred tax assets	**5**	9,807	10,002
Other non-current assets	**6**	274	261
Other non-current assets		**23,699**	**23,871**
NON-CURRENT ASSETS		**247,081**	**244,238**
Inventories	**7**	945	912
Trade receivables	**8**	15,682	12,672
Other current assets	**9**	8,415	5,162
Current financial assets	**10**	30,191	45,058
Cash and cash equivalents	**11**	31,986	27,868
CURRENT ASSETS		**87,219**	**91,672**
TOTAL ASSETS		**334,300**	**335,910**

in thousands of Euro	Notes	As at 31.03.2023	As at 31.12.2022
Share capital		90,314	90,314
Reserves		98,996	67,887
Profit/(loss) for the period		1,165	31,109
GROUP SHAREHOLDERS' EQUITY	**12**	**190,475**	**189,310**
MINORITY INTERESTS		**0**	**0**
TOTAL SHAREHOLDERS' EQUITY	**12**	**190,475**	**189,310**
Severance and other personnel provisions	**13**	3,330	3,313
Deferred tax liabilities	**14**	2,857	2,843
Provision for renewal of airport infrastructure	**15**	11,318	10,541
Provisions for risks and charges	**16**	1,464	1,235
Non-current financial liabilities	**17**	43,484	48,126
Other non-current liabilities		115	115
NON-CURRENT LIABILITIES		**62,568**	**66,173**
Trade payables	**18**	18,666	24,869
Other liabilities	**19**	39,912	35,179
Provision for renewal of airport infrastructure	**15**	2,187	2,555
Provisions for risks and charges	**16**	142	29
Current financial liabilities	**17**	20,350	17,795
CURRENT LIABILITIES		**81,257**	**80,427**
TOTAL LIABILITIES		**143,825**	**146,600**
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		**334,300**	**335,910**

Consolidated Income Statement

in thousands of Euro	Notes	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022
Revenues from aeronautical services		12,029	8,515
Revenues from non-aeronautical services		10,390	6,990
Revenues from construction services		5,337	1,023
Other operating revenues and income		184	21,256
Revenues	**20**	**27,940**	**37,784**
Consumables and goods		(841)	(650)
Service costs		(6,007)	(4,691)
Construction service costs		(5,083)	(974)
Leases, rentals and other costs		(1,927)	(1,363)
Other operating expenses		(848)	(673)
Personnel costs		(7,332)	(6,138)
Costs	**21**	**(22,038)**	**(14,489)**
Amortisation of concession rights		(1,878)	(1,850)
Amortisation of other intangible assets		(119)	(88)
Depreciation of tangible assets		(538)	(506)
Amortisation, depreciation & write-downs	**22**	**(2,535)**	**(2,444)**
Provisions for doubtful accounts		(274)	3
Provision for renewal of airport infrastructure		(525)	(524)
Provisions for other risks and charges		(342)	(54)
Provisions for risks and charges	**23**	**(1,141)**	**(575)**
Total Costs		**(25,714)**	**(17,508)**
Operating result		**2,226**	**20,276**
Financial income	**24**	220	378
Financial expenses	**24**	(795)	(302)
Profit before taxes		**1,651**	**20,352**
Taxes for the period	**25**	(486)	31
Profit (loss) for the period		**1,165**	**20,383**
Minority interest profit (loss)		0	**0**
Group profit (loss)		**1,165**	**20,383**
Undiluted earnings/(loss) per share (in Euro)		**0.03**	**0.56**
Diluted earnings/(loss) per share (in Euro)		**0.03**	**0.56**

Consolidated Comprehensive Income Statement

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022
Profit (loss) for the period (A)	**1,165**	**20,383**
Other profits (losses) that will be reclassified in the net result for the period	0	0
Total other profits (losses) that will be reclassified in the net result for the period (B1)	**0**	**0**
Other profits (losses) that will not be reclassified in the net result for the period		
Actuarial profits (losses) on severance and other personnel provisions	**0**	**0**
Tax impact on actuarial profits (losses) on severance and other personnel provisions	**0**	**0**
Total other profits (losses) that will not be reclassified in the net result for the period (B2)	**0**	**0**
Total other profits (losses), net of taxes (B1 + B2) = B	**0**	**0**
Total profits (losses), net of taxes (A + B)	**1,165**	**20,383**
of which Minority Interests	**0**	**0**
of which Group	**1,165**	**20,383**

Consolidated Cash Flow Statement

in thousands of Euro	As at 31.03.2023	As at 31.03.2022
Core income-generating operations		
Result for the period before taxes	1,651	20,352
Adjustments to items with no impact on cash and cash equivalents		
- Margin from construction services	(254)	(49)
+ Depreciation and impairment of tangible assets and right-of-use assets	2,535	2,444
+ Provisions	1,141	575
+ Interest charges not involving cash outlays	256	(362)
+/- Interest income and financial charges	319	286
+/- Losses/gains and other non-monetary costs/revenues	46	3
+/- Severance provisions and other personnel expenses	44	50
Cash flow generated / (absorbed) by operating activities before changes in working capital	**5,738**	**23,299**
Change in inventories	(33)	4
(Increase)/decrease in trade receivables	(3,218)	5,692
(Increase)/decrease in other receivables and current assets (non financial)	(3,187)	(10,658)
Increase/(decrease) in trade payables	(6,314)	(2,519)
Increase/(decrease) in other liabilities, various and financial	4,015	1,226
Interest paid	(374)	(111)
Interest received	1	0
Severance paid	(45)	(41)
Utilisation of provisions for payments	(368)	(345)
Cash flow generated / (absorbed) by net operating activities	**(3,785)**	**16,547**
Purchase tangible assets	(390)	(84)
Purchases of intangible assets/concession rights	(4,889)	(1,112)
Changes in current and non-current financial assets	15,000	0
Cash flow generated / (absorbed) by investment activities	**9,721**	**(1,196)**
Loans repaid	(1,689)	(130)
Leases liability payments	(129)	(189)
Cash flow generated / (absorbed) by financing activities	**(1,818)**	**(319)**
Change in closing cash flow	**4,118**	**15,032**
Cash and cash equivalents at beginning of period	**27,868**	**28,215**
Change in closing cash flow	**4,118**	**15,032**
Cash and cash equivalents at end of period	**31,986**	**43,247**

Statement of changes in Consolidated Shareholders' Equity

thousands of Euro	*Share capital*	*Share Premium Reserve*	*Legal Reserve*	*Other reserves*	*FTA Reserve*	*Actuarial profits (losses) reserve*	*Profit (losses) carried forward*	*Profit (loss) for the period*	*Total Group shareholders' equity*
Shareholders' Equity at 31.12.2022	**90,314**	**25,683**	**8,179**	**57,389**	**(3,272)**	**(658)**	**(19,435)**	**31,109**	**189,310**
Allocation of the 2022 financial year result	0	0	0	0	0	0	31,109	(31,109)	0
Share capital increase	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
Assets held-for-sale	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	0	0	1,165	1,165
Shareholders' Equity at 31.03.2023	**90,314**	**25,683**	**8,179**	**57,389**	**(3,272)**	**(658)**	**11,674**	**1,165**	**190,475**

thousands of Euro	*Share capital*	*Share Premium Reserve*	*Legal Reserve*	*Other reserves*	*FTA Reserve*	*Actuarial profits (losses) reserve*	*Profit (losses) carried forward*	*Profit (loss) for the period*	*Total Group shareholders' equity*
Shareholders' Equity as at 31.12.2021	**90,314**	**25,683**	**8,179**	**57,116**	**(3,272)**	**(1,060)**	**(12,445)**	**(6,717)**	**157,798**
Allocation of the 2021 financial year result	0	0	0			0	(6,717)	6,717	0
Share capital increase	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0
Assets held-for-sale	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	0	0	20,383	20,383
Shareholders' Equity as at 31.03.2022	**90,314**	**25,683**	**8,179**	**57,116**	**(3,272)**	**(1,060)**	**(19,162)**	**20,383**	**178,181**

Notes to the consolidated financial statements

Information on Group activities

The Group operates in the airport management business. Specifically:

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

Accounting standards adopted for the Preparation of the Consolidated interim financial statements as at March 31, 2023

Basis of preparation

The condensed consolidated interim financial statements of the Group (hereafter “the consolidated interim financial statements of the Group” or “consolidated financial statements”) were prepared for the quarter ended March 31, 2023 and include the comparative figures for the year ended December 31, 2022, limited to the Consolidated Statement of Financial Position and the comparative figures for the January 1, 2022 - March 31, 2022 quarter, limited to the Consolidated Income Statement, Consolidated Statement of Comprehensive Income and Consolidated Cash Flow Statement. The consolidated financial statements were prepared under the historic cost convention, except for 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.

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

The publication of the consolidated interim financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. and its subsidiaries (the Group) for the quarter ended March 31, 2023 was approved by the Board of Directors on May 15, 2023.

Content and form of the consolidated financial statements

The Condensed Consolidated Interim Financial Statements at March 31 were prepared as per IAS 34 "Interim Financial Statements" including condensed explanatory notes in accordance with the above-mentioned international accounting standard and supplemented in order to provide greater disclosure where considered necessary. These Consolidated Financial Statements must therefore be read together with the Consolidated Financial Statements for the year 2022 prepared in accordance with IFRS International Accounting Standards issued by the International Accounting Standards Board ("IASB") and prepared considering the transition date to IFRS (First Time Adoption "FTA") as January 1, 2012.

The accounting standards and policies utilised are those adopted for the preparation of the financial statements at December 31, 2022, as from January 1, 2023 the new amendments to international accounting standards entered into force which did not have an impact on the quarter under review. The new accounting standard IFRS 17 - Insurance Contracts - effective January 1, 2023 does not apply to the Group.

This interim report has not been audited.

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 considered 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.

Consolidation scope

The consolidated financial statements were prepared based on the financial statements of the Parent Company and its subsidiaries, directly and indirectly held, approved by the respective shareholders' meetings or executive bodies, appropriately adjusted in line with IFRS. The subsidiary companies are fully consolidated from the date of acquisition, or from the date in which the Group acquires control, and ceases to be consolidated at the date on which the Group no longer has control.

The following tables summarise the information on the subsidiaries at March 31, 2023 and December 31, 2022 in terms of the Group's direct and indirect holding.

		% Held	
SUBSIDIARIES (in thousands of Euro)	**Share capital**	**As at 31.03.2023**	**As at 31.12.2022**
Fast Freight Marconi S.p.a. Società Unipersonale	520	100.00%	100.00%
Tag Bologna S.r.l. Società Unipersonale	316	100.00%	100.00%

Operating Segment information

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

- Aviation;
- Non-Aviation;
- Other.

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

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

The account "Other" residually includes those businesses not directly attributable to the identified segments. The significant amount for Q1 2022 is due to the contribution from the compensation fund established under Italian law No. 178 of December 30, 2020 (the 2021 Budget Law) 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 quarter ended 31.03.2023 Aviation**	**for the quarter ended 31.03.2023 Non-Aviation**	**for the quarter ended 31.03.2023 Other**	**Total for the quarter ended 31.03.2023**
Revenues	17,588	10,352	0	27,940
Costs	(17,616)	(4,422)	0	(22,038)
EBITDA	**(28)**	**5,930**	**0**	**5,902**
Depreciation, amortisation & impairment	(1,709)	(826)	0	(2,535)
Provisions	(964)	(177)	0	(1,141)
Operating result	**(2,701)**	**4,927**	**0**	**2,226**
Financial income	0	0	220	220
Financial expenses	0	0	(795)	(795)
Profit (loss) before taxes	**(2,701)**	**4,927**	**(575)**	**1,651**
Taxes for the period	0	0	(486)	(486)
Profit (loss) for the period	**(2,701)**	**4,927**	**(1,061)**	**1,165**
Minority interest profit (loss)	**0**	**0**	**0**	**0**
Group profit (loss) for the period	**0**	**0**	**0**	**1,165**

in thousands of Euro	**for the quarter ended 31.03.2022 Aviation**	**for the quarter ended 31.03.2022 Non-Aviation**	**for the quarter ended 31.03.2022 Other**	**Total for the quarter ended 31.03.2022**
Revenues	9,699	6,948	21,137	37,784
Costs	(11,441)	(3,048)	0	(14,489)
EBITDA	**(1,742)**	**3,900**	**21,137**	**23,295**
Depreciation, amortisation & impairment	(1,596)	(848)	0	(2,444)
Provisions	(508)	(67)	0	(575)
Operating result	**(3,846)**	**2,985**	**21,137**	**20,276**
Financial income	0	0	378	378
Financial expenses	0	0	(302)	(302)
Result before taxes	**(3,846)**	**2,985**	**21,213**	**20,352**
Taxes for the period	0	0	31	31
Profit (loss) for the period	**(3,846)**	**2,985**	**21,244**	**20,383**
Minority interest profit (loss)	0	0	0	0
Group profit for the period	0	0	0	20,383

The table below presents the segment information for assets:

in Euro thousands	As at 31.03.2023 Aviation	As at 31.03.2023 Non-Aviation	As at 31 03.2023 Other	As at 31.03.2023 Total
Non-current assets	**188,301**	**35,176**	**23,604**	**247,081**
Intangible assets	**184,707**	**26,266**	**0**	**210,973**
Concession rights	183,983	25,605	0	209,588
Other intangible assets	724	661	0	1,385
Tangible assets	**3,513**	**8,896**	**0**	**12,409**
Land, property, plant and equipment	3,513	7,279	0	10,792
Investment property	0	1,617	0	1,617
Other non-current assets	**81**	**14**	**23,604**	**23,699**
Investments	0	0	119	119
Other non-current financial assets	0	0	13,499	13,499
Deferred tax assets	0	0	9,807	9,807
Other non-current assets	81	14	179	274
Current assets	**17,736**	**5,634**	**63,849**	**87,219**
Inventories	447	498	0	945
Trade receivables	11,286	4,396	0	15,682
Other current assets	6,003	740	1,672	8,415
Current financial assets	0	0	30,191	30,191
Cash and cash equivalents	0	0	31,986	31,986
Total assets	**206,037**	**40,810**	**87,453**	**334,300**

in Euro thousands	As at 31.03.2021 Aviation	As at 31.03.2021 Non-Aviation	As at 31.03.2021 Other	As at 31.03.2021 Total
Non-current assets	**176,820**	**38,435**	**26,642**	**241,897**
Intangible assets	**173,099**	**26,403**	**0**	**199,502**
Concession rights	172,498	26,037	0	198,535
Other intangible assets	601	366	0	967
Tangible assets	**3,643**	**12,019**	**0**	**15,662**
Land, property, plant and equipment	3,643	7,287	0	10,930
Investment property	0	4,732	0	4,732
Other non-current assets	**78**	**13**	**26,642**	**26,733**
Investments	0	0	44	44
Other non-current financial assets	0	0	13,321	13,321
Deferred tax assets	0	0	13,157	13,157
Other non-current assets	78	13	120	211
Current assets	**14,448**	**5,556**	**54,492**	**74,496**
Inventories	398	333	0	731
Trade receivables	9,752	4,710	0	14,462
Other current assets	4,298	513	11,245	16,056
Current financial assets	0	0	0	0
Cash and cash equivalents	0	0	43,247	43,247
Total assets	**191,268**	**43,991**	**81,134**	**316,393**

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

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

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

ASSETS

1. Intangible assets

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

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Concession rights	209,588	205,997	3,591
Software, licences and similar rights	791	765	26
Other intangible assets	44	45	(1)
Other intangible assets in progress	550	581	(31)
TOTAL INTANGIBLE ASSETS	**210,973**	**207,388**	**3,585**

In the first three months of 2023, Concession rights increased by over Euro 5 million (equal to the fair value of construction services provided in the period), principally due to the advancement of works for:

- the creation of a wooded strip north of the airport as environmental compensation work, including a bicycle path usable by the community, covering 40 hectares;
- the 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);
- the redevelopment of the cargo area;
- the reconfiguration of the curbside of the first floor of the Terminal
- the 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.

In addition to the progress of the aforementioned work, which was ongoing as of March 31, the construction of a new building for the Finance Police (“Guardia di Finanza”) dog unit was completed during the quarter. Amortisation of concession rights in the period amounted to Euro 1.9 million and was applied according to the residual duration of the concession.

Software, licenses and similar rights increased Euro 144 thousand, which mainly concerns the development and implementation of an API - Application Programming Interface platform related to the Innovation Plan.

Test on the recoverability of assets and groups of assets

The Group constantly monitors financial performance and compares it with the 2023-2046 forecasts approved by the Board of Directors of the Parent Company and used to conduct impairment testing of the concession rights for the year ended December 31, 2022, which did not point to any impairment losses. In view of the performance for the first three months of 2023, against the 2023 Y-o-Y forecasts, as indicators of impairment as defined by IAS 36 are not evident, the Group confirms the relative recoverability results of the amounts recognised to Concession rights at March 31, 2023, in addition to the Group’s net capital employed.

2. Tangible assets

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

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Land	2,763	2,763	0
Buildings, light constructions and improvements	3,157	3,232	(75)
Machinery, equipment & plant	1,826	1,877	(51)
Furniture, EDP and transport	1,554	1,663	(109)
Building plant and machinery in progress and advances	593	809	(216)
Investment property	1,617	1,617	0
TOTAL TANGIBLE ASSETS	***11,510***	***11,961***	***(451)***
Land in leasing	474	560	(86)
Leased buildings and minor construction and improvements	0	0	0
Leased machinery, equipment & plant	251	262	(11)
Leased furniture, office machinery, transport equipment	174	196	(22)
TOTAL LEASED TANGIBLE ASSETS	***899***	***1,018***	***(119)***
TOTAL TANGIBLE ASSETS	***12,409***	***12,979***	***(570)***

At March 31, 2023, the overall increase of this category was Euro 0.4 million and mainly concerns the purchase of x-ray machines for security checks, in addition to computers, hardware and various equipment.

This category includes right-of-use assets, recognised in accordance with IFRS 16, which the Group recognises as a lessee primarily for the long-term lease of land used for parking, employee motor vehicles, De Icer plant and some equipment. The amount recognised at March 31, 2023 corresponds to the present value of the lease instalments falling due, which is reflected under current and non-current financial liabilities for leases.

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, not subject to depreciation, although as indicated by IAS 40 - also through evaluations carried out internally by the parent company - annually subjected to checks for any impairment indicators.

3. Investments

The following table breaks down other investments at March 31, 2023 (unchanged on December 31, 2022):

in thousands of Euro	As at 31.12.2022	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 31.03.2023
Other investments	119	0	0	0	119
TOTAL INVESTMENTS	**119**	**0**	**0**	**0**	**119**

The composition of the account is as follows:

in thousands of Euro	Share	As at 31.03.2023	As at 31.12.2022	Change
UrbanV Spa	5%	75	75	0
Bologna Welcome Srl	10%	41	41	0
Consorzio Energia Fiera District	14.3%	3	3	0
CAAF dell'Industria Spa	0.07%	0	0	0
TOTAL OTHER INVESTMENTS		**119**	**119**	**0**

4. Other non current financial assets

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

in thousands of Euro	As at 31.12.2022	Increases/ Acquisitions	Decreases / Reclass.	Write-downs	As at 31.03.2023
Receivables from Terminal Value	1,553	7	0	0	1,560
Equity Financial Instruments	10,873	0	0	0	10,873
Other financial assets	1,063	3	0	0	1,066
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**13,489**	**10**	**0**	**0**	**13,499**

At March 31, 2023, 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, which did not emerge at December 31, 2022 and at the reporting date of these financial statements.
- 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 in the first quarter of 2023, compared with December 31, 2022.

in thousands of Euro	As at 31.12.2022	Provisions	Util./adjustments	As at 31.03.2023
DEFERRED TAX ASSETS	**10,002**	**390**	**(585)**	**9,807**

6. Other non-current assets

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

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Non-current prepaid expenses and accrued income	55	42	13
Guarantee deposits	92	92	0
Non-current tax receivables	127	127	0
OTHER NON-CURRENT ASSETS	**274**	**261**	**13**

7. Inventories

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

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Inventories of raw materials, supplies and consumables	593	524	69
Inventories of finished products	352	388	(36)
INVENTORIES	**945**	**912**	**33**

8. Trade receivables

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

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Trade receivables	18,405	15,075	3,330
Provisions for doubtful accounts	(2,723)	(2,403)	(320)
TRADE RECEIVABLES	**15,682**	**12,672**	**3,010**

At March 31, 2023, gross trade receivables, which include allowances for invoices and credit notes to be issued, totalled Euro 18.4 million, increasing Euro 3.3 million on December 31, 2022.

Gross trade receivables are shown net of the provision for doubtful accounts: this latter is calculated on 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 assessment of the solvency of credit positions in the quarter resulted in an accrual of Euro 320 thousand, of which Euro 46 thousand as a direct reduction of the relative revenues as concerning amounts invoiced in the period and not considered as collectible, while the provision was not utilised.

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

in thousands of Euro	As at 31.12.2022	Provisions	Utilisations	Releases	As at 31.03.2023
PROVISIONS FOR DOUBTFUL ACCOUNTS	**(2,403)**	**(320)**	**0**	**0**	**(2,723)**

9. Other current assets

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

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
VAT Receivable	216	170	46
Direct income tax receivables	250	217	33
Employee receivables	43	31	12
Other receivables	7,906	4,744	3,162
OTHER CURRENT ASSETS	**8,415**	**5,162**	**3,253**

Within this category, the largest increase concerned the "other receivables" item, which is broken down as follows:

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Receivables for passenger boarding fees surtax	6,023	3,986	2,037
IRESA receivables	213	200	13
Other current receivables provision for doubtful accounts	(1,283)	(1,283)	0
Accrued income and prepayments	1,564	790	774
Advances to suppliers	43	5	38
Pension and social security institutions	227	80	147
Other current receivables	1,119	966	153
TOTAL OTHER RECEIVABLES	**7,906**	**4,744**	**3,162**

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

The account "other current receivables provision for doubtful accounts" includes the provision for passenger boarding fee surtax doubtful accounts and for IRESA, obtained for reclassification under assets in the statement of financial position, as a deduction of the respective receivable, of the surtax and IRESA charged to the carriers which in the meantime were subject to administration procedures or which contested the charge. This item, which is exclusively posted in the statement of financial position, is classified as a deduction of the respective receivables due to the high improbability of recovery, with no movements in the quarter.

10. Current financial assets

The following table breaks down current financial assets at March 31, 2023 and in the subsequent table the movements in the period.

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Time deposits	30,191	45,058	(14,867)
CURRENT FINANCIAL ASSETS	**30,191**	**45,058**	**(14,867)**

in thousands of Euro	As at 31.12.2022	Acquisitions	Other increases Reclassifications	Decreases / Disposals	As at 31.03.2023
Time deposits	45,058	0	149	(15,016)	30,191
TOTAL CURRENT FINANCIAL ASSETS	**45,058**	**0**	**149**	**(15,016)**	**30,191**

At December 31, 2022, this account comprised four Time Deposits undertaken by the parent company at the end of 2022 with six and twelve-month durations. The movement in the quarter is due to the reclassification to account 11. Cash and cash equivalents of the nominal value of the two Time Deposits maturing in June 2023, in addition to the recognition of financial income matured in Q1.

11. Cash and cash equivalents

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Bank and postal deposits	16,881	27,839	(10,958)
Time deposits	15,074	0	15,074
Cash in hand and similar	31	29	2
CASH AND CASH EQUIVALENTS	**31,986**	**27,868**	**4,118**

“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. The “Time deposit” item concerns current financial investments, classified to account 10. Current financial assets at December 31, 2022 and with maturity in June 2023, including financial income matured in the quarter.

LIABILITIES

12. Shareholders' Equity

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

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Share capital	90,314	90,314	0
Reserves	98,996	67,887	31,109
Profit/(loss) for the period	1,165	31,109	(29,944)
GROUP SHAREHOLDERS' EQUITY	**190,475**	**189,310**	**1,165**

i. Share capital

The share capital of the Parent Company at March 31, 2023 amounts to Euro 90,314,162, entirely paid-in and comprising 36,125,665 ordinary shares without par value.

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

in Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022
Group profit/(loss) for the year (*)	1,165,279	20,383,353
Average number of shares outstanding	36,125,665	36,125,665
Undiluted earnings/(losses) per share	**0.03**	**0.56**
Diluted earnings/(losses) per share	**0.03**	**0.56**

(*) from Consolidated Statement of Comprehensive Income

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

ii. Reserves

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

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Share premium reserve	25,683	25,683	0
Legal reserve	8,179	8,179	0
Extraordinary reserve	57,389	57,389	0
FTA Reserve	(3,272)	(3,272)	0
Profits (losses) carried forward	11,674	(19,435)	31,109
OCI reserve	(658)	(658)	0
TOTAL RESERVES	**98,996**	**67,887**	**31,109**

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.

Profits (losses) carried forward increased due to the 2022 profit, ahead of the allocation resolutions of the Shareholders' Meetings of the Group companies held in April.

The OCI reserve is unchanged on December 31, 2022 as the Group proceeded with discounting the severance and other personnel provisions in accordance with IAS 19 revised, only for the half-year and annual financial statements

13. Severance and other personnel provisions

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

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Severance	3,084	3,106	(22)
Other personnel provisions	246	207	39
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**3,330**	**3,313**	**17**

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

in thousands of Euro	As at 31.12.2022	Service cost	Net interest	Benefits paid	Actuarial profits/(losses)	As at 31.03.2023
Severance	3,106	5	18	(45)	0	3,084
Other personnel provisions	207	39	0	0	0	246
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**3,313**	**44**	**18**	**(45)**	**0**	**3,330**

Actuarial profits/losses did not report any movement in the quarter, due to that stated at note 12.

14. Deferred tax liabilities

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

in thousands of Euro	As at 31.12.2022	Provisions	Utilisations	As at 31.03.2023
DEFERRED TAX LIABILITIES	**2,843**	**14**	**0**	**2,857**

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

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

The changes in the provision in the period ending March 31, 2023 are reported below, divided between non-current and current.

in thousands of Euro	As at 31.12.2022	Provisions	Utilisations	Reclassifications	As at 31.03.2023
Provision for renewal of airport infrastructure (non-current)	10,541	777	0	0	11,318
Provision for renewal of airport infrastructure (current)	2,555	0	(368)	0	2,187
TOTAL PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE	**13,096**	**777**	**(368)**	**0**	**13,505**

The increase of Euro 0.8 million is due to the accrual for the quarter of Euro 0.5 million, in addition to Euro 0.3 million of financial expenses due to the updating of the cash flow discounting rates. The utilisations (Euro 0.4 million) mainly concern the upgrading works on the Terminal's bathrooms and the replacement of a trigeneration plant motor.

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

The changes in the non-current and current provision for risks and charges in the period ended March 31, 2023 are reported below:

in thousands of Euro	As at 31.12.2022	Provisions	Util./Other decreases	As at 31.03.2023
Risk provision for disputes	1,166	229	0	1,395
Provisions for other risks and charges	69	0	0	69
PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)	**1,235**	**229**	**0**	**1,464**
Employee back-dated provision	29	113	0	142
PROVISIONS FOR RISKS AND CHARGES (CURRENT)	**29**	**113**	**0**	**142**
TOTAL PROVISIONS FOR RISKS AND CHARGES	**1,264**	**342**	**0**	**1,606**

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

The accrual in the period is due to the estimate of interest owing in relation to the fire prevention service (Euro 18.9 million at March 31, 2023), as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3-*bis* of Law No. 2/2009.

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

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

Contingent liabilities

In relation to the customs dispute involving the subsidiary FFM in 2021, which is described in greater detail in the "disputes" section of the Directors' Report of the 2022 Annual Financial Report and to which reference should be made, and concerning notices of adjustment of various customs declaration assessments, 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 first instance ruling of July 2022, consider it possible but not probable that the case will be lost.

In relation, finally, to the extraordinary administration of Alitalia, the Group assessed the potential liability related to the revocation of receivables arising in the six months before the procedure, for an amount of Euro 2.01 million (gross of municipal surtaxes for passenger boarding fees previously paid to the relevant authorities). At the preparation date of this document, and specifically taking account of the information noted and the defensive arguments against the advanced action, the Directors, having met with the appointed lawyers, 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 March 31, 2023 (compared with December 31, 2022).

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Bank loans – non-current	43,099	47,605	(4,506)
Non-current financial payables for leasing	385	521	(136)
NON-CURRENT FINANCIAL LIABILIITES	**43,484**	**48,126**	**(4,642)**
Bank loans - current	17,796	14,976	2,820
Current financial liabilities for leasing	573	540	33
Payables due for boarding fee surtaxes and Iresa	1,922	2,254	(332)
Other current financial debt	59	25	34
CURRENT FINANCIAL LIABILITIES	**20,350**	**17,795**	**2,555**
TOTAL FINANCIAL LIABILITIES	**63,834**	**65,921**	**(2,087)**

Financial liabilities at March 31, 2023 totalled Euro 63.8 million, decreasing Euro 2.1 million compared to December 31, 2022, mainly due to the payment of the loan instalments maturing in the period (Euro 1.7 million), with loans being the main item in this category and no new loans granted or drawdowns on existing loans in the period.

"Loans" include:

- loan with SACE guarantee, maturing in 2026, issued by Intesa Sanpaolo Spa in July 2020 for Euro 33.9 million to support the infrastructural development plan and offset the reduction in traffic due to the COVID-19 emergency. This loan, with a grace period of 3 years and first repayment in September 2023, was classified for Euro 25.4 million to non-current financial liabilities and for Euro 8.5 million to current financial liabilities;

- loan with SACE guarantee, maturing in 2026, issued by Unicredit Spa in July 2020 for Euro 25 million to support the infrastructural development plan and offset the reduction in traffic due to the COVID-19 emergency. This loan is classified for Euro 14.1 million under non-current financial liabilities and for Euro 6.25 million under current loans. In the first quarter 2023, the third instalment was settled for Euro 1.6 million;
- fifteen-year bank loan with maturity 2026, with a residual balance at March 31, 2023 of Euro 1.6 million (Euro 1.7 million at December 31, 2022), granted by Monte dei Paschi di Siena (former Banca Agricola Mantovana) to fund investments of the General Aviation Terminal. This liability is classified for Euro 1.1 million under bank loans - non-current (Euro 1.2 million at December 31, 2022), 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, 2022); In the first quarter of 2023, the instalment falling due was settled for Euro 0.1 million;
- ten-year bank loan with December 2024 maturity, with a balance of Euro 5.1 million at March 31, 2023 (unchanged on December 31, 2022), 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.

At December 2021, in order to ensure the liquidity needed to support the investment plan and development of airport infrastructure, the Parent Company received financing from the European Investment Bank (EIB) of up to Euro 90 million, which will ensure 48 months of availability of disbursements from the signing date. For details, see the 2022 Annual Financial Report. At March 31, 2023, no requests for disbursements had yet been received.

Loans breakdown:

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Bank loans – non-current	43,099	47,605	(4,506)
Bank loans - current	17,796	14,976	2,820
TOTAL LOANS	**60,895**	**62,581**	**(1,686)**

The contractual conditions of the loans in place at March 31, 2023 are illustrated below:

Credit Institution	Type of loan	Interest rate applied	Rate	Maturity	Covenant
Intesa San Paolo S.p.A.	Loan	Fixed rate of 3%	Half-Yearly	2024	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 1% in the present period.

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 March 31, 2023, the Group has not received any communication for application of cross default clauses by any of its lenders as the Group is in compliance with its existing contractual commitments.

The 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 31.03.2023	As at 31.12.2022	Change
Non-current lease liabilities	385	521	(136)
Current lease liabilities	573	540	33
TOTAL LEASE LIABILITIES	**958**	**1,061**	**(103)**

The Group has both underwritten leasing contracts as lessor with the sub-license of airport areas and spaces to its customers and also has undertaken leasing contracts as lessee for equipment, plant, machinery, automotive vehicles and land.
The table above refers to these latter obligations broken down into financial liabilities for leases:

- non-current: Euro 0.4 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	31/12/2022	Cash flows	New contracts	Interest/Other Reclassifications	31/03/2023
Loans - current portion	14,976	(1,689)	0	4,509	17,796
Lease liabilities - current portion	540	(129)	11	151	573
Loans - non-current portion	47,605	0	0	(4,506)	43,099
Lease liabilities - non-current portion	521	0	7	(143)	385
Total	**63,642**	**(1,818)**	**18**	**11**	**61,853**

The passenger boarding fee surtax and IRESA payable concerns the portion received from carriers at March 31, 2023 and reversed to the Authority in April.

18. Trade payables

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
TRADE PAYABLES	**18,666**	**24,869**	**(6,203)**

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

19. Other Liabilities

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

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Current tax payables	3,337	2,923	414
Employee payables and social security institutions	5,250	4,137	1,113
ENAC concession fee and other State payables	23,465	23,339	126
Other current liabilities, accrued liabilities and deferred income	7,860	4,780	3,080
TOTAL OTHER CURRENT LIABILITIES	**39,912**	**35,179**	**4,733**

The principal changes were as follows:

i. CURRENT TAX PAYABLES

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

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
VAT payable	413	216	197
Direct income taxes	1,941	1,665	276
Other tax payables	983	1,042	(59)
TOTAL CURRENT TAX PAYABLES	**3,337**	**2,923**	**414**

The increase in tax payables is due, in addition to the higher VAT payable, the increase of the payable for direct income taxes in relation to the estimate for income taxes in the period.

ii. Employee payables and social security institutions

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

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Employee salaries	1,053	975	78
Employee deferred compensation	2,740	1,911	829
Social security payables	1,457	1,251	206
EMPLOYEE PAYABLES AND SOCIAL SECURITY INSTITUTIONS	**5,250**	**4,137**	**1,113**

The payables to employees and social security institutions increased on December 31, 2022, also due to the interim nature of the current period, which includes deferred remuneration.

iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 18.9 million (Euro 18.6 million in 2022) concerning the fire prevention service as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3bis of Law No. 2/2009. For further details, reference should be made to the chapter on Disputes in the Directors' Report and the Notes of the 2022 Annual Financial Report;

- Euro 4.6 million as the variable airport concession fee payable regarding the 2022 final settlement, in addition to the portion matured in the quarter.

iv. Other current liabilities, accrued liabilities and deferred income

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

in thousands of Euro	As at 31.03.2023	As at 31.12.2022	Change
Payables due for boarding fee surtaxes and Iresa	4,956	2,904	2,052
Other current liabilities	1,673	1,684	(11)
Current accrued liabilities and deferred income	1,231	192	1,039
TOTAL OTHER CURRENT PAYABLES, ACCRUED EXPENSES AND DEFERRED INCOME	**7,860**	**4,780**	**3,080**

The main account concerns the passenger boarding fee surtax and for IRESA, relating to the receivables from carriers not yet received at March 31, 2023 for approx. Euro 5 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", almost unchanged on December 31, 2022, include deposits and advances received from customers in addition to deferred income and miscellaneous payables. Finally, "other accrued liabilities and deferred income" increased, mainly due to the interim nature of the period in which advanced invoicing of sub-licensing fees and other revenues is made.

NOTES TO THE MAIN CONSOLIDATED INCOME STATEMENT ACCOUNTS

REVENUES

20. Revenues

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

Consolidated revenues overall totalled Euro 27.9 million, compared to Euro 37.8 million in Q1 2022; these latter included the contribution from the COVID-19 damage compensation fund for Euro 21.1 million. Net of this contribution and isolating the "revenues from construction services" item, which depends on investments made in concession rights, the adjusted revenues for the period amounted to Euro 5.6 million, compared to Euro 2.1 million for the quarter of 2022.

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Revenues from aeronautical services	12,029	8,515	3,514
Revenues from non-aeronautical services	10,390	6,990	3,400
Revenues from construction services	5,337	1,023	4,314
Other operating revenues and income	184	21,256	(21,072)
TOTAL REVENUES	**27,940**	**37,784**	**(9,844)**

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 quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Airport fees	10,373	7,186	3,187
Parking	3,861	2,222	1,639
Revenues from construction services	5,337	1,023	4,314
Others	3,154	23,405	(20,251)
TOTAL IFRS 15 REVENUE STREAMS	**22,725**	**33,836**	**(11,111)**

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

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Airport fees	10,373	7,186	3,187
Parking	3,861	2,222	1,639
Revenues from construction services	5,337	1,023	4,314
Other	3,154	23,405	(20,251)
TOTAL IFRS 15 REVENUE STREAMS	**22,725**	**33,836**	**(11,111)**
Commercial/non-comm. sub-licenses	5,211	3,942	1,269
TOTAL NON IFRS 15 REVENUE STREAMS	**5,211**	**3,942**	**1,269**
TOTAL NON IFRS 15 Revenues	4	7	(3)
TOTAL REVENUES	**27,940**	**37,784**	**(9,844)**

i. Revenues from aeronautical services

The table below presents revenues from aeronautical services in Q1 2023 and Q1 2022. This category increased 41.3%, and comprised the following components:

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Centralised infrastructure/other airport services	227	167	60
Exclusive use revenues	213	183	30
Airport fee revenues	13,951	10,517	3,434
PRM revenues	1,192	844	348
Air traffic development incentives	(4,889)	(4,277)	(612)
Handling services	672	507	165
Other aeronautical revenues	663	574	89
TOTAL REVENUES FROM AERONAUTICAL SERVICES	**12,029**	**8,515**	**3,514**

The breakdown of airport fee revenues is shown below:

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Passenger boarding fees	6,230	4,344	1,886
Landing, take-off and parking fees	4,849	4,049	800
Passenger security fees	1,945	1,376	569
Baggage stowage control fees	759	538	221
Freight loading and unloading charges	214	210	4
Reduction fees to Prov. for doubtful accounts	(46)	0	(46)
TOTAL AVIATION FEE REVENUES	**13,951**	**10,517**	**3,434**

ii. Revenues from non-aeronautical services

The table below shows revenues from non-aeronautical services in Q1 2023 and Q1 2022.
These revenues rose 48.6%, owing to all revenue categories and principally stemming from the traffic recovery.

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Commercial premises and spaces sub-concession	4,704	3,448	1,256
Parking	3,861	2,222	1,639
Other commercial revenues	1,825	1,320	505
TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES	**10,390**	**6,990**	**3,400**

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Marconi Business Lounge	645	300	345
Advertising	327	326	1
Misc. commercial revenues	853	694	159
TOTAL OTHER COMMERCIAL REVENUES	**1,825**	**1,320**	**505**

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 5.3 million, compared to Euro 1 million in Q1 2022, due to the higher 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 Q1 2023 and Q1 2022.

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Indemnities, reimbursement and misc. income	184	119	65
COVID-19 compensation fund contribution as per 2021 Budget Law	0	21,137	(21,137)
TOTAL OTHER REVENUES AND INCOME	**184**	**21,256**	**(21,072)**

Net of the contribution recognized in the first quarter of 2022 deriving from the COVID damage compensation fund, as per the 2021 Budget Law, the movement of other revenues and income between the two periods was not significant.

COSTS

Total costs in Q1 2023 increased 52.1% on 2022. Isolating the "construction service costs" item which is linked to the increased investment in airport infrastructure in 2023, the adjusted costs still report a significant increase (25.5%) 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 Q1 2023 and Q1 2022.

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Consumables and goods	342	354	(12)
Maintenance materials	59	31	28
Fuel and gasoline	440	265	175
TOTAL CONSUMABLES AND GOODS	**841**	**650**	**191**

This category of costs rose, mainly related to increased purchase of fuel to service aircraft and of goods packaging materials.

ii. Service costs

The table below shows service costs in Q1 2023 and Q1 2022.

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Maintenance costs	1,257	1,102	155
Utilities	1,008	609	399
Cleaning and accessory services	589	482	107
Services	1,737	1,456	281
MBL Services	105	51	54
Advertising, promotion and development	147	101	46
Insurance	309	268	41
Professional and consultancy services	482	326	156
Statutory board fees and expenses	240	233	7
Other service costs	133	63	70
TOTAL SERVICE COSTS	**6,007**	**4,691**	**1,316**

All cost items of this category also increased on 2022, 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 other service costs.

A breakdown of maintenance expenses is provided below:

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Owned asset maintenance expenses	328	255	73
Airport infrastructure maintenance expenses	770	756	14
Third party asset maintenance expenses	159	91	68
TOTAL MAINTENANCE EXPENSES	**1,257**	**1,102**	**155**

The breakdown of services is illustrated below:

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Snow clearance	234	239	(5)
Porterage, transport third-party services	213	4	209
PRM assistance service	211	186	25
De-icing and other public service charges	210	210	0
Security service	459	487	(28)
Other outsourcing	410	330	80
TOTAL SERVICES	**1,737**	**1,456**	**281**

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 Q1 2023 and Q1 2022.

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Concession fees	1,420	926	494
Hire charges	33	51	(18)
Rental charges	40	4	36
EDP service processing charges	434	380	54
Other rental & hire costs	0	2	(2)
TOTAL LEASES, RENTALS AND OTHER COSTS	**1,927**	**1,363**	**564**

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 table below shows other operating expenses in Q1 2023 and Q1 2022.

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Tax charges	387	335	52
Fire prevention service contribution	299	253	46
Capital losses	0	3	(3)
Other operating costs and expenses	162	82	80
TOTAL OTHER OPERATING EXPENSES	**848**	**673**	**175**

vi. Personnel costs

The following table shows the breakdown of personnel costs for Q1 2023 and Q1 2022.

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Salaries and wages	5,139	4,263	876
Social security charges	1,499	1,256	243
Severance provisions	321	339	(18)
Retirement pension and similar	48	45	3
Other personnel costs	325	235	90
TOTAL PERSONNEL COSTS	**7,332**	**6,138**	**1,194**

The increase in personnel costs is due to the expanded workforce, mainly of operational staff (+45 average personnel in the quarter, +56 personnel at March 31, 2023 compared to March 31, 2022), which also resulted in higher “other personnel costs”, as detailed in the following table:

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Employee canteen	144	107	37
Personnel training and refresher courses	35	51	(16)
Personnel travel expenses	37	5	32
Misc. personnel costs	70	28	42
Other personnel provisions	39	44	(5)
TOTAL OTHER PERSONNEL COSTS	**325**	**235**	**90**

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

Average workforce (No.)	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Executives	8	8	0
White-collar	396	365	31
Blue-collar	93	79	14
TOTAL PERSONNEL	**497**	**452**	**45**

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

Workforce (number)	As at 31.03.2023	As at 31.03.2022	Change
Executives	8	8	0
White-collar	412	365	47
Blue-collar	91	82	9
TOTAL PERSONNEL	**511**	**455**	**56**

22. Depreciation, amortisation and impairment

The following table shows the movement of depreciation and amortisation for the first quarters of 2023 and 2022.

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Amortisation of concession rights	1,878	1,850	28
Amortisation of other intangible assets	119	88	31
Depreciation of tangible assets	538	506	32
TOTAL DEPRECIATION AND AMORTISATION	**2,535**	**2,444**	**91**

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 Investments Chapter of the Directors' Report and notes 1 and 2).

"Depreciation of tangible assets" includes Euro 136 thousand of depreciation on leased assets in accordance with IFRS 16. No revaluations have been made in the period.

23. Provisions for risks and charges

The table below presents the provisions in Q1 2023 and Q1 2022.

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Provisions for doubtful accounts	274	(3)	277
Provision for renewal of airport infrastructure	525	524	1
Provisions for other risks and charges	342	54	288
TOTAL PROVISIONS	**1,141**	**575**	**566**

This category of costs increased due to the accrual to the provisions for doubtful accounts for Euro 274 thousand, against an absence of accruals in the comparable quarter as the provision was considered adequate at that time. In addition to the above-mentioned amount, the write-down of receivables during the first quarter of 2023 against the risk of uncollectability also derives from the reduction of revenues accrued during the period for a further Euro 46 thousand. Accruals to the provisions for other risks and charges also increased, to cover the estimate of probable liabilities maturing in the period.

24. Net financial income and expenses

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Income from securities	4	4	0
Other income	208	7	201
Discounting income on provisions	8	367	(359)
TOTAL FINANCIAL INCOME	**220**	**378**	**(158)**
Interest expenses and bank charges	(390)	(168)	(222)
Discounting charges on provisions	(263)	(5)	(258)
Other financial expenses	(142)	(129)	(13)
TOTAL FINANCIAL EXPENSES	**(795)**	**(302)**	**(493)**
TOTAL FINANCIAL INCOME AND EXPENSES	**(575)**	**76**	**(651)**

Net financial expense amounted to nearly Euro 0.6 million, as a result of the increase in interest expense on loans and of charges from the discounting of provisions due to the decrease in future expected interest rates. In terms of financial income, the "other income" item includes also the return on the Time Deposits in place at March 31, 2023.

25. Taxes for the period

The following table shows the taxes for Q1 2023 and Q1 2022.

in thousands of Euro	for the quarter ended 31.03.2023	for the quarter ended 31.03.2022	Change
Current and deferred taxes	(486)	31	(517)
TOTAL TAXES FOR THE PERIOD	**(486)**	**31**	**(517)**
% taxes in the period on result before taxes	**29.44%**	**n.a.**	**n.a.**

The estimate of income taxes for the first quarter of 2023 was a cost of Euro 0.5 million, compared to net income (a positive amount) of approximately Euro 30 thousand in Q1 2022, essentially due to the tax relief on the COVID-19 contribution, which is not included in taxable income for IRES or IRAP purposes pursuant to Article 10-*bis* of Legislative Decree No. 137/2020.

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.

Transactions with subsidiary companies

Commercial transactions between the Parent Company and the subsidiary Tag Bologna Srl, in terms of receivables, principally concern the provision of administration and legal services, including the compensation, reversed to the employer AdB, of directors of the Parent Company, in addition to the twenty-year sub-concession of the General Aviation traffic assistance infrastructure for Euro 27 thousand (Euro 30 thousand in Q1 2022).

Adb payables to the subsidiary mainly concern the capital grant for the covering of General Aviation terminal infrastructure operation and maintenance costs for the boarding and disembarking of passengers, against the financial advantage for AdB of including these costs in the calculation of passenger boarding fees. In addition to that above, we indicate the H24 contract. Overall, costs for TAG totalled Euro 118 thousand in Q1 2023, compared to Euro 114 thousand for the comparative period.

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 1.6 million.

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

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

Revenues in the year from the subsidiary amount to Euro 121 thousand, compared to Euro 89 thousand in Q1 2022. This increase is mainly attributable to the greater use of seconded personnel.

Non-commercial transactions with FFM included:

- the tax consolidation contract renewed on the basis of the Board of Directors' motions of the companies Aeroporto Guglielmo Marconi di Bologna Spa of January 25, 2021 (consolidating company) and FFM of February 17, 2021 (consolidated company) for the years 2021-2023;
- the co-obligation of AdB in a number of FFM's guarantees for Euro 6.1 million, the most significant of which (at Euro 5.8 million) is the guarantee issued by UnipolSai to the customs authority on request of FFM for a customs dispute in which the subsidiary is involved. For more information, see the Directors' Report for the 2022 Annual Financial Report.

Related party transactions

In the first three months of 2023, the parent company undertook commercial transactions with subsidiaries of the shareholder Mundys Spa (Edizione Srl) as follows:

- Telepass Spa: under the contract for the supply of electronic parking payment services using the Telepass system, the Parent Company incurred costs of Euro 46 thousand (Euro 29 thousand at March 31, 2022) and had payables of Euro 49 thousand (Euro 46 thousand at March 31, 2022);
- Malpensa Logistica Europa Spa for cargo handling services provided by FFM for Euro 1 thousand and with a payable for a similar amount.

Finally, at March 31, 2023 the parent company incurred costs for professional services provided by the investee Urban V for Euro 50 thousand.

27. Commitments and risks

Types and management of other risks

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

SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to period end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements with reference to the amounts reported at March 31, 2023.

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, May 15, 2023

Annex 1

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

Interim Financial Report at March 31, 2023

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

The officer in charge of preparing the corporate accounting documents

(Patrizia Muffato)

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