

Consolidated Interim Report at 31 March 2022

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





Interim Financial Report

Aeroporto Guglielmo Marconi di Bologna Group

at March 31, 2022

This document is a courtesy translation from Italian into English.

In case of any inconsistency between the two versions, the Italian original version shall prevail.

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

Ownership of the Parent Company Aeroporto Guglielmo Marconi di Bologna Spa

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

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

The following have been considered in presenting the Parent Company's ownership structure:

- interests held by the party reporting the holding, or by the party at the head of the chain of control of the holding
- interests deriving from notices submitted by shareholders or notices relating to significant shareholdings pursuant to Article 152 of the CONSOB Issuers' Regulation.

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

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

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

PUBLIC SHAREHOLDERS**% Share Capital subject to
Transfer Restriction
Agreement**

BOLOGNA CHAMBER OF COMMERCE	37.5325326%
MUNICIPALITY OF BOLOGNA	3.8477737%
METROPOLITAN CITY OF BOLOGNA	2.2972543%
REGION OF EMILIA ROMAGNA	2.0210297%
MODENA CHAMBER OF COMMERCE	0.0835370%
FERRARA CHAMBER OF COMMERCE	0.0627298%
REGGIO EMILIA CHAMBER OF COMMERCE	0.0427747%
PARMA CHAMBER OF COMMERCE	0.0314848%

Board of Directors

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

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

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

Member of the Remuneration Committee (Chairperson Eugenio Sidoli)

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

The Shareholders' Meeting of April 26, 2022, the approval date of the financial statements as at December 31, 2021, appointed the new Board of Directors in office until the approval date of the financial statements as at December 31, 2024, comprising:

Name	Office
Enrico Postacchini	Chairperson
Nazareno Ventola	Chief Executive Officer (*) (**)
Elena Leti	Director (B)

Giada Grandi	Director (A)
Sonia Bonfiglioli	Director (A)
Valerio Veronesi	Director
Alessio Montrella	Director
Giovanni Cavallaro	Director (B)
Laura Pascotto	Director (A) (B)

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

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

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

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

Board of Statutory Auditors

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

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

The Shareholders' Meeting of April 26, 2022, the approval date of the financial statements as at December 31, 2021, appointed the new Board of Statutory Auditors in office until the approval date of the financial statements as at December 31, 2024, comprising:

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

Auditing Firm

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

Directors' Report of Aeroporto Guglielmo Marconi di Bologna S.p.A. Group at March 31, 2022

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INTRODUCTION

This report, accompanying the interim Condensed Consolidated Financial Statements of the Aeroporto Guglielmo Marconi di Bologna Group (hereinafter also the “Aeroporto Group”, “Aeroporto” or “AdB”) for the three months ended March 31, 2022, 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 Law Decree No. 34 of May 19 (Relaunch Decree), converted into Law No. 77 of July 17, 2020, extended the duration of airport concessions by two years in order to cushion the consequent economic blow. Given the direct applicability of the above law, Bologna Airport's concession is extended to December 2046.

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



- Tag Bologna S.r.l. (hereinafter also “TAG”), formed in 2001 and operational since 2008, following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector. The Parent Company on October 2, 2018, taking the opportunity to better control the dedicated airside flight infrastructure, acquired 49% of TAG to gain full ownership;
- Fast Freight Marconi Spa (hereinafter also “FFM”), formed in 2008 by the former subsidiary Marconi Handling S.r.l. (GH Bologna Spa with effect from April 1, 2017), following the contribution of a cargo and mail handling business unit based out of Bologna airport. The Parent Company acquired a 100% interest in FFM in 2009.

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

Business Description

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

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

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

Aviation SBU

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

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

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

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

The Aviation SBU's other major revenue sources are:

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

Non-Aviation SBU

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

Parking

Bologna airport's directly operated paid parking areas offer approximately 5,300 car parking spaces, located in three parking areas: the first close to the terminal, the second close to airport grounds and the third located at approx. 1.5 KM away. The latter has been temporarily closed, taking account of the sharp reduction in demand due to the COVID-19 emergency. The drop in traffic following the outbreak of the pandemic meant that many more parking spaces were supplied than demanded, resulting in the closure of outlying car parks in order to continue reducing costs while ensuring the minimum level of airport service.

Retail

Bologna airport's retail offerings include internationally recognised brands with local ties and some of the leading local, domestic and international retail and catering chains. The shopping area extends over approximately 4,200 m² and includes 36 shops. The latest airport upgrade developed the Duty-free areas – one of the SBU's main revenue sources. In 2020 because of the spread of the pandemic and the resulting dramatic fall in traffic most sub-concession holders closed their commercial establishments, only starting to reopen gradually in July. At March 31, 2022, following a gradual recovery in traffic, most of the retail spaces are now operating.

Advertising

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

Passenger services

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

Among the other services offered to passengers is car hire: nine rental companies offer a total of 16 specialised brands, with a total of 500 vehicle spaces available for their fleets. Car rental services remained available at all times, despite the drastic reduction in traffic caused by the pandemic.

Real Estate

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

The total commercial premises under sub-concession extend to over 90,000 square metres, of which over 70,000 square metres of offices, warehouses, technical service areas and hangars and approximately 20,000 square metres of outdoor space used for parking operating vehicles, manoeuvring in loading and loading areas and aircraft refuelling vehicle areas. In June 2021, areas under sub-concession increased following the start of operations of a new area for a cargo operator, which was created by the airport operator on a parcel of land within the airport measuring about 17,000 sq. m. and includes a building with a surface area of about 6,000 sq. m. used for offices and warehousing.

1 STRATEGIES AND RESULTS

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

Global economic activity has shown signs of slowing down since the beginning of the year due to the spread of COVID-19 Omicron variant and rising geopolitical tensions, culminating in Russia's invasion of Ukraine. Inflation continued to rise almost everywhere, reflecting the increases in energy prices, supply-side constraints, and the recovery in demand, especially in the United States.

Sector analysts suspect that the global economy slowed down in Q1 2022 due to a resurgence of the pandemic caused by the spread of the new Omicron variant in almost all advanced economies at the beginning of the year, followed by heightened geopolitical tensions, resulting in the invasion of Ukraine.

The International Monetary Fund forecasts issued in January – before the start of the war in Ukraine – revised global product dynamics downwards from its October forecast due to the rise in COVID-19 cases and energy prices, and business supply difficulties. Compared to January, GDP growth forecasts for 2022 were revised downwards in March for the major advanced countries specifically, which were significantly impacted by the effects of the ongoing conflict. The eurozone was significantly affected by the revised forecasts (-0.8%), which reduced GDP growth in 2022 to 3.2%. Among the emerging countries, Russia is expected to suffer a heavy drop in output in 2022 (-9.9%). According to the assessments issued by the OECD in March, global GDP (excluding Russia) will weaken by nearly 1% in the 12 months following the invasion. Around two-thirds of this phenomenon is explained by rising commodity prices and deteriorating financial markets, while the remainder is owed to a fall in demand from the countries directly involved in the conflict.

The war drove oil prices up to USD 133 a barrel in the first few days of March, which is the highest price recorded since 2008. This rise can be attributed to the risk of reduced oil exports from Russia due to potential energy sector sanctions and the voluntary decision made by some public and private operators not to purchase oil from Russia. The coordinated release of strategic stock by some countries, the increased production by other members of the OPEC+ group, the possibility of a successful US-Iran nuclear deal, and the drop in oil demand from China due to lockdowns have put downward pressure on oil prices. "Futures" contracts indicate that oil prices will decrease gradually over the course of this year, although they will remain higher than those indicated by the same contracts before the invasion. The price of natural gas hit historic highs in Europe in March, rising to 20 times the levels recorded in early 2020 and more than 10 times those recorded in early April. In addition to the increases observed in the second half of 2021, elevated prices are largely expected to reflect the effects of potential energy sector sanctions. Increased imports of liquefied natural gas (LNG), mainly from the United States, partly mitigated price movements. The short term will see physical constraints to LNG production, regasification, and transportation emerge. Thanks in part to milder temperatures in northern Europe, stocks have almost returned to the levels recorded in past years after having thinned considerably by the end of 2021. Futures contracts will be characterised by high volatility in the coming months, suggesting that prices will remain high.

According to the March 2022 ECB projections, GDP will grow 3.7% in 2022, 2.8% in 2023, and 1.6% in 2024. Estimates for 2022 and 2023 were revised downwards by 0.5% and 0.1%, respectively, compared to December projections. The high levels of uncertainty associated with the war in Ukraine prompted the ECB to prepare two scenarios in addition to its baseline projections. These alternative scenarios foresee tougher international sanctions on Russia, which would result in a drop in gas flows to the Euro area and other disruptions along global value chains. In the worst-case scenario – which nevertheless assesses the possibility of countries in the eurozone partially offsetting gas imports from Russia with other sources – GDP growth in 2022 would drop by 1.4% compared to the baseline estimate.

The ECB also states that price inflation could rise to 5.1% in 2022, before falling to 2.1% and 1.9% in 2023 and 2024, respectively. The December projections have been revised upwards by 1.9% for 2022 and downwards by 0.3% and 0.1% for 2023 and 2024, respectively. In the worst-case scenario considered by the ECB, inflation would exceed 7% in 2022, before returning to below 3% and 2% in 2023 and 2024, respectively (*Source: Economic Bulletin, Bank of Italy, April 2022*).

Against this backdrop, IATA data reveals that up to March 2022, global passenger traffic has increased by 76% compared to 2021. Although this increase is lower than February (+115.9%), volumes in March were closest to those recorded in 2019, narrowing the gap to -41%. The conflict in Ukraine has had a limited overall impact on air travel demand, while the effects of new COVID-19 infections in China have mainly affected Asian domestic markets. Meanwhile cargo traffic has already recovered to pre-COVID levels. In Q1 2022, volumes were in line with Q1 2021 (-0.2%), and higher than the same period in 2019 (+4.6%). However, there was evidence of a slowdown in March 2022 (-5.2% compared to 2021) due to a drop in demand caused by the spread of COVID-19 in China and the war in Ukraine, which negatively impacted capacity in Europe (*Air Passenger and Air Freight Market Analysis (IATA), March 2022*).

According to ACI Europe, in March 2022, European passenger traffic reached its highest level since the start of the pandemic (-34.1% on 2019). Overall, Q1 2022 recorded a 39.6% decline compared to 2019 (*ACI Europe*).

Italian passenger traffic grew by 401.4% compared to 2021 (-38.7% on 2019). Italian airports ended March with nearly 10 million passengers (9,848,164), reaching 70% of pre-pandemic volumes. Meanwhile, in Q1, cargo traffic surpassed the values recorded in 2019 (+5.3%). (*Source: Assaeroporti, March 2022*). Bologna Airport reported in Q1 2022 a +502.9% increase in passenger traffic compared to 2021 (-35.3% compared to 2019). At the end of Q1 2022, Bologna Airport ranked sixth in Italy by number of passengers and third by cargo volume transported.

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

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

In 2022, as in previous years, the Group is continuing to introduce measures to ensure the safety of passengers, employees and the entire airport community.

In order to reduce costs while also protecting jobs in the extremely uncertain climate created by the pandemic, in January 2022, Adb signed at regional level an agreement with the Trade Unions/Workers' Representative Body (RSU) for the introduction of an additional period of the Extraordinary Temporary Lay-Off Scheme, with a maximum duration of 12 months (from February 1, 2022 until the end of January 2023). Due to the deeply uncertain market situation

and ongoing pandemic, the Italian government has provided the airport sector with recourse to a special temporary lay-off scheme due to a "sudden and unforeseen event" related to the emergence of the COVID-19 Omicron variant.

From a financial viewpoint, the Group entered this critical period with a solid and balanced equity and financial structure, which has allowed it to meet its commitments even in those months of greatest pressure on liquidity. Among the main measures introduced to tackle the crisis, in addition to cost reductions, the Group focused on revising the timeframes for investments and non-urgent replacement/upgrade work. In mid-2020, the Parent Company also signed two loans for a total of Euro 58.9 million, in order to ensure adequate resources for the Group to meet its financial needs, related to the increase in working capital and support for its business plan. In addition, last December, AdB signed with the European Investment Bank (EIB) a long-term loan up to a maximum amount of Euro 90 million to support the infrastructural development plan.

A strong focus on the Group's cost streamlining measures remains in place to limit liquidity pressure resulting from the continuing crisis.

1.3 STRATEGIC OBJECTIVES

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

Since the outbreak of the pandemic, the Group has inevitably been forced to concentrate on managing first the emergency, then the subsequent crisis. This continues to have profound effects on air transport and the airport sector, the industry which has been hardest hit. 2021 and early 2022 therefore constitute a period of transition towards recovery and a new focus on the following strategic objectives:

“Connect”

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

“Develop”

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

The Group also plans to develop non-aviation business with the opening of new stores, new car spaces and the extension of the range of services available to passengers.

“Experience”

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

“Care”

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

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

“Maximise financial performance”

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

“Performing and sustainable corporation”

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

1.3 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, 2022 and March 31, 2022;
- tracking of the company's share performance against the FTSE Italia all-share index.

On March 31, 2022, the official share price was Euro 8.84 per share, resulting in an AdB Group market capitalisation of Euro 319.4 million at that date.

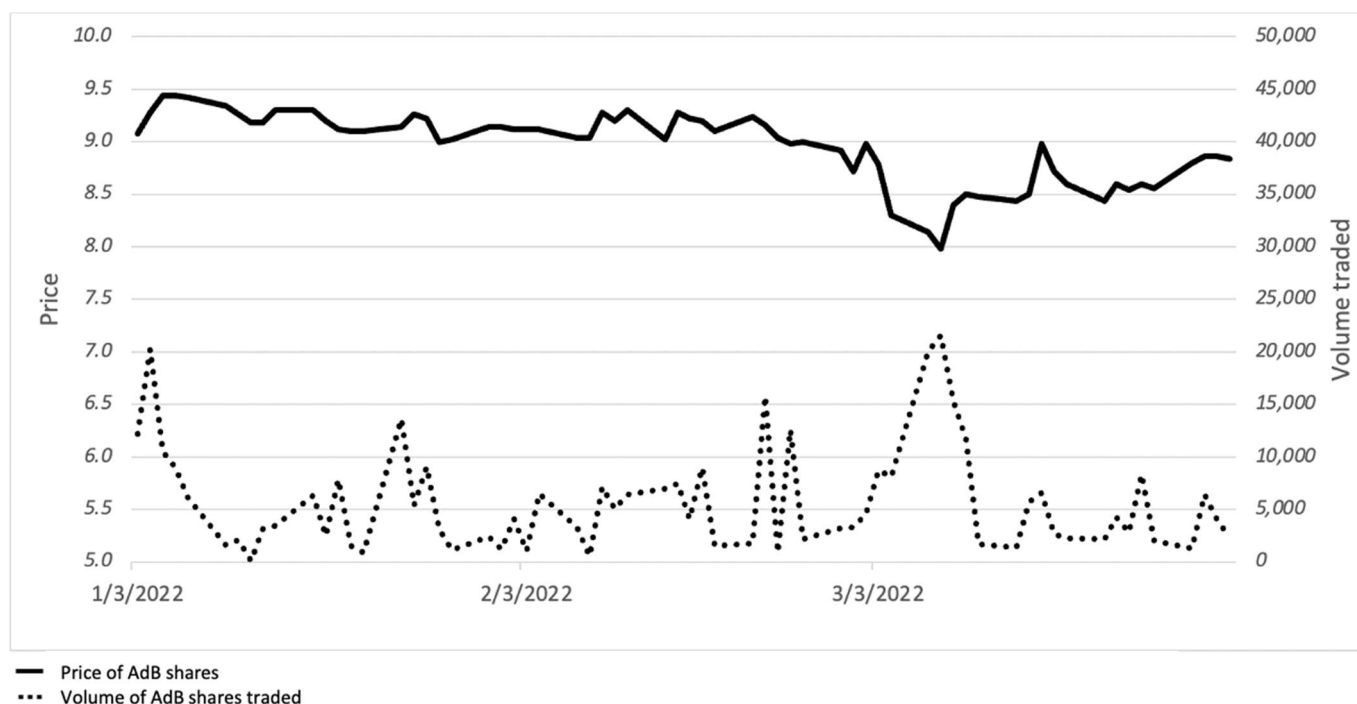
AdB share performance (01/01/2022-31/03/2022)



AdB share and FTSE Italia All-Share performance (01/01/2022-31/03/2022)



AdB share performance – prices and volumes (01/01/2022-31/03/2022)



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 two months of 2022, AdB's share price remained essentially stable before slipping in early March as market trading volumes increased. This was followed by a progressive increase in share price to return nearly to the prices seen at the start of the year.

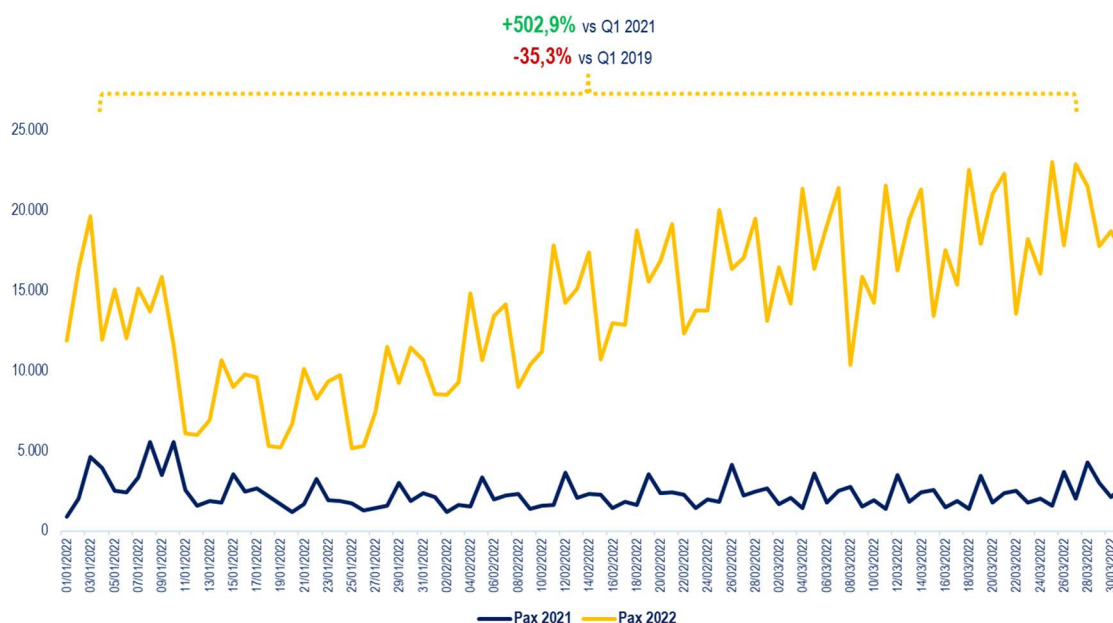
2. KEY OPERATING RESULTS ANALYSIS

2.1 AVIATION STRATEGIC BUSINESS UNIT

2.1.1 AVIATION STRATEGIC BUSINESS UNIT: TRAFFIC DATA

The first quarter of 2022 saw a gradual recovery in traffic volumes. After a January that was adversely impacted by infections of the Omicron variant, traffic volumes posted a gradual increase beginning in February, thanks to a loosening of restrictions for arrivals into Italy from EU countries. During the first quarter, the airport recorded a total of 1,269,709 passengers, a sharp increase compared to Q1 2021 (+502.9%), which had been compromised by the second wave of COVID-19 infections. There were 12,459 movements (+231.4%) and 13,909 tonnes of cargo transported (+20.5%). Compared to 2019, passenger traffic for Q1 2022 was 35.3% lower and movements were 26.4% lower, whereas cargo traffic increased by 10.2%. The average load factor increased from 53.6% in Q1 2021 to 67.2% in Q1 2022. Nonetheless, average load factor remained below the levels of Q1 2019 (78.8%).

Passenger traffic performance January-March 2022



	January – March 2022	January – March 2021	Change % 2022-2021	January – March 2019	Change % 2022-2019
Passengers	1,269,709	210,617	502.9%	1,961,807	(35.3%)
Movements	12,459	3,760	231.4%	16,922	(26.4%)
Tonnage	864,898	258,902	234.1%	1,116,241	(22.5%)
Cargo	13,908,914	11,538,620	20.5%	12,622,100	10.2%

Data includes General Aviation and transits

Passenger traffic breakdown	January – March 2022	% of total	January – March 2021	% of total	January – March 2019	% of total	Change % 22-21	Change % 22-19
Legacy	265,326	20.9%	103,250	49.0%	791,467	40.3%	157.0%	(66.5%)
Low-cost	999,706	78.7%	102,846	48.8%	1,155,977	58.9%	872.0%	(13.5%)
Charter	2,090	0.2%	2,779	1.3%	10,282	0.5%	(24.8%)	(79.7%)
Transits	1,399	0.1%	927	0.4%	2,821	0.1%	50.9%	(50.4%)
Total Commercial Aviation	1,268,521	99.9%	209,802	99.6%	1,960,547	99.9%	504.6%	(35.3%)
General Aviation	1,188	0.1%	815	0.4%	1,260	0.1%	45.8%	(5.7%)
Total	1,269,709	100.0%	210,617	100.0%	1,961,807	100.0%	502.9%	(35.3%)

Low-cost traffic posted a significant recovery in volumes compared to 2019 (-13.5%), whereas legacy traffic saw a slower recovery (-66.5% 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 58.9% in Q1 2019 to 78.7% for Q1 2022.

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

A two-speed recovery is therefore confirmed, with passengers on domestic flights already reaching 90% of pre-pandemic levels (-9.1% on 2019), while international passengers numbers continue to be subdued by uncertainties surrounding the international health situation and the different access rules among countries (-43.0% on 2019).

Passenger traffic breakdown	January – March 2022	% of total	January – March 2021	% of total	January – March 2019	% of total	Change % 22-21	Change % 22-19
Domestic	404,338	31.8%	88,866	42.2%	444,979	22.7%	355.0%	(9.1%)
International	864,183	68.1%	120,936	57.4%	1,515,568	77.3%	614.6%	(43.0%)
Total Commercial Aviation	1,268,521	99.9%	209,802	99.6%	1,960,547	99.9%	504.6%	(35.3%)
General Aviation	1,188	0.1%	815	0.4%	1,260	0.1%	45.8%	(5.7%)
Total	1,269,709	100.0%	210,617	100.0%	1,961,807	100.0%	502.9%	(35.3%)

Despite the restrictions which continue to impact international travel, in the first three months of 2022 six of the top ten destinations were overseas cities, with Barcelona the most popular with over 58 thousand passengers.

Main passenger traffic routes	January – March 2022	January – March 2021	Change % 2022-2021	January – March 2019	Change % 2022-2019
Catania	105,500	33,573	214.2%	89,181	18.3%
Palermo	85,646	13,297	544.1%	70,692	21.2%
Barcelona	57,556	2,118	2,617.5%	82,350	(30.1%)
Madrid	56,176	12,557	347.4%	71,109	(21.0%)
Bari	50,932	1,969	2,486.7%	39,017	30.5%
Paris CDG	43,522	11,932	264.8%	74,664	(41.7%)
Brindisi	42,013	7,457	463.4%	38,062	10.4%
Tirana	41,285	17,801	131.9%	34,793	18.7%
Valencia	32,290	-	n.a.	44,212	(27.0%)
Bucharest OTP	31,564	1,629	1,837.6%	49,026	(35.6%)

Passenger traffic including transits

Cargo Traffic

(in KG)	January – March 2022	January - March 2021	Change % 2022-2020	January - March 2019	Change % 2022-2019
Air cargo of which	10,503,401	9,077,010	15.7%	10,099,549	4.0%
Cargo	10,503,399	9,077,010	15.7%	10,082,239	4.2%
Mail	2	0	n.a.	17,310	(100.0%)
Road cargo	3,405,513	2,461,610	38.3%	2,522,551	35.0%
Total	13,908,914	11,538,620	20.5%	12,622,100	10.2%

Cargo traffic in the first three months of 2022 amounted to 13,908,914 kg, up 20.5% on the first three months of 2021 and 10.2% on the same period of 2019.

This performance follows a good recovery of the cargo business, which in two years has regained its pre-pandemic traffic volumes, in particular thanks to the strong development of courier traffic, supported by the buoyant e-commerce area. Ground traffic also increased significantly compared to 2019 (+35), offsetting the decreased air capacity of the legacy carriers.

2.1.2 AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Total change vs 2021	% change vs 2021	for the quarter ended 31.03.2019	% change vs 2019
Passenger Revenues	7,102	1,255	5,847	465.9%	12,455	-43.0%
Carrier Revenues	4,933	2,034	2,899	142.5%	5,805	-15.0%
Airport Operator Revenues	680	354	326	92.1%	728	-6.6%
Traffic Incentives	(4,277)	(402)	(3,875)	963.9%	(5,698)	-24.9%
Revenues from Construction Services	929	869	60	6.9%	3,735	-75.1%
Other revenues	332	243	89	36.6%	352	-5.7%
Aeronautical and FSC Revenue Reduction	0	0	0	n.a.	0	n.a.
Total AVIATION SBU Revenues	9,699	4,353	5,346	122.8%	17,377	-44.2%

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.

For Q1 2022, revenues increased on the same period of 2021, but fell compared to 2019, due mainly to the trend in traffic volumes plus, in 2019, the decrease in revenues from construction services as a result of decreased investments in assets under concession.

Group revenues from the Aviation Strategic Business Unit were up 122.8% overall on 2021 and down 44.2% on 2019. The individual accounts broke down as follows:

- Passenger Revenues (+465.9% on 2021 and -43% on 2019); passenger revenues are in line with the trend in passenger traffic and in tariffs, which, in 2022, decreased slightly compared to both 2021 and 2019;
- Carrier Revenues (+142.5% on 2021 and -15% on 2019): carrier revenues are in line with the trend in movements and tonnage and with the trend in tariffs, particularly take-off and landing tariffs, which increased on 2019 and decreased on 2021;
- Airport Operator Revenues (+92.1% on 2021 and -6.6% on 2019): revenues increased due to the growth in traffic volumes and, compared to 2021, also as a result of the revision of fees for premises and operating equipment granted by the manager in Q1 2021 to support operators during the emergency phase;
- Incentives: the movement in incentives (+963.9% on 2021 and -24.9% on 2019) relates to the incentivised traffic performance;
- Revenues from Construction Services: the decrease in this component compared to 2019 (-75.1%) is attributable to the reduced investments made.

2.2 NON-AVIATION STRATEGIC BUSINESS UNIT

2.2.1 NON-AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Total change vs 2021	% change vs 2021	for the quarter ended 31.03.2019	% change vs 2019
Retail and Advertising	2,247	461	1,786	387.4%	3,378	-33.5%
Parking	2,222	464	1,758	378.9%	3,663	-39.3%
Real Estate	735	532	203	38.2%	602	22.1%
Passenger services	1,012	275	737	268.0%	1,413	-28.4%
Revenues from Construction Services	94	1,143	(1,049)	-91.8%	369	-74.5%
Other revenues	638	301	337	112.0%	687	-7.1%
Total NON AVIATION SBU Revenues	6,948	3,176	3,772	118.8%	10,112	-31.3%

Total non-aviation business revenues in the period increased 118.8% on 2021 and decreased 31.3% on 2019.

The individual areas of this business unit performed as follows.

Retail and Advertising

Performance in this revenue category (+387.4% on 2021 and -33.5% on 2019) is mainly tied to the contract terms in effect beginning in 2021, mainly retail and some advertising agreements, according to which fees vary on the basis of traffic levels compared to 2019.

Parking

The changes in parking and rail access revenues (+378.9% on 2021 and -39.3% on 2019) are also strictly tied to the trend in traffic volumes.

Real Estate

The growth in real estate revenues (+38.2% on 2021 and +22.1% on 2019) is due to the minimal impact of the health emergency on this business (in 2020 and 2021, discounts were offered only to operators suffering from adverse traffic trends) and related mainly to a new sub-licencing agreement related to new areas consigned beginning in June 2021.

Passenger services

In Q1 2022, passenger services posted growth of 268% on 2021, attributable both to premium services (i.e. lounge and accessory services) and to car hires, while decreasing 28.4% on 2019 attributable solely to premium services. The performance of the individual businesses is described below.

Premium services

In Q1 2022, this business posted an increase in revenues on 2021 due to the growth in traffic and in the share of departing passengers. However, volumes remained well below 2019 levels due to the slow recovery in business traffic, whose passengers are the primary users of these services.

Self-hire sub-concessions

Car hire revenues increased on 2021 and were in line with Q1 2019. This performance was due to not renewing discounts for 2022 and to the solid level of royalties generated by the recovery in traffic.

Revenues from Construction Services

The reduction in this account (-91.8% on 2021 and -74.5% on 2019) relates to reduced investment in the business unit compared to the same period in previous years.

Other revenues

The increase in other revenues on 2021 (+112%) is mainly attributable to the increased maintenance on the vehicles of airport operators, to the sale of greater quantities of de-icing fluid, to the increased use of passenger trolleys, and to increased training provided. Reduced maintenance activities carried out on airport operator vehicles, the reduced use of passenger trolleys, and the provision of fewer training courses caused the reduction on 2019 (-7.1%), as did a decrease in the number of energy efficiency certificates sold. Partially offsetting this decrease were revenues 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.

2.3 STRATEGIC BUSINESS UNIT OTHER

2.3.1 STRATEGIC BUSINESS UNIT OTHER: FINANCIAL HIGHLIGHTS

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Total change vs 2021	% change vs 2021	for the quarter ended 31.03.2019	% change vs 2019
Retail and Advertising	0	0	0	n.a.	0	n.a.
Parking	0	0	0	n.a.	0	n.a.
Real Estate	0	0	0	n.a.	0	n.a.
Passenger services	0	0	0	n.a.	0	n.a.
Revenues from Construction Services	0	0	0	n.a.	0	n.a.
Other revenues	21,137	0	21,137	n.a.	0	n.a.
Total OTHER SBU Revenues	21,137	0	21,137	n.a.	0	n.a.

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

The significant amount 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

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Total change vs 2021	% change vs 2021	for the quarter ended 31.03.2019	% change vs 2019
Revenues from aeronautical services	8,515	3,272	5,243	160.2%	13,400	-36.5%
Revenues from non-aeronautical services	6,990	2,126	4,864	228.8%	9,794	-28.6%
Revenues from construction services	1,023	2,012	(989)	-49.2%	4,104	-75.1%
Other operating revenues and income	21,256	119	21,137	n.a.	191	n.a.
REVENUES	37,784	7,529	30,255	401.8%	27,489	37.5%
Consumables and goods	(650)	(315)	(335)	106.3%	(425)	52.9%
Service costs	(4,691)	(3,793)	(898)	23.7%	(5,013)	-6.4%
Construction service costs	(974)	(1,916)	942	-49.2%	(3,908)	-75.1%
Leases, rentals and other costs	(1,363)	(632)	(731)	115.7%	(1,885)	-27.7%
Other operating expenses	(673)	(630)	(43)	6.8%	(765)	-12.0%
Personnel costs	(6,138)	(5,052)	(1,086)	21.5%	(7,145)	-14.1%
COSTS	(14,489)	(12,338)	(2,151)	17.4%	(19,141)	-24.3%
GROSS OPERATING PROFIT (LOSS) (EBITDA)	23,295	(4,809)	28,104	n.a.	8,348	179.0%
Amortisation of concession rights	(1,850)	(1,822)	(28)	1.5%	(1,500)	23.3%
Amortisation of other intangible assets	(88)	(208)	120	-57.7%	(273)	-67.8%
Depreciation of tangible assets	(506)	(574)	68	-11.8%	(697)	-27.4%
DEPRECIATION, AMORTISATION AND IMPAIRMENT	(2,444)	(2,604)	160	-6.1%	(2,470)	-1.1%
Provisions for doubtful accounts	3	(156)	159	n.a.	(25)	n.a.
Provision for renewal of airport infrastructure	(524)	(512)	(12)	2.3%	(475)	10.3%
Provisions for other risks and charges	(54)	(7)	(47)	671.4%	(94)	-42.6%
PROVISIONS FOR RISKS AND CHARGES	(575)	(675)	100	-14.8%	(594)	-3.2%
TOTAL COSTS	(17,508)	(15,617)	(1,891)	12.1%	(22,205)	-21.2%
OPERATING RESULT	20,276	(8,088)	28,364	n.a.	5,284	283.7%
Financial income	378	10	368	3680.0%	39	869.2%
Financial expenses	(302)	(306)	4	-1.3%	(299)	1.0%
RESULT BEFORE TAXES	20,352	(8,384)	28,736	n.a.	5,024	305.1%
TAXES FOR THE PERIOD	31	2,053	(2,022)	-98.5%	(1,477)	n.a.
PROFIT (LOSS) FOR THE PERIOD	20,383	(6,331)	26,714	n.a.	3,547	474.7%
Profit (loss) for the period - Minority interests	0	0	0	n.a.	0	n.a.
Profit (loss) for the period – Group	20,383	(6,331)	26,714	n.a.	3,547	n.a.

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

The first quarter of 2022 reported a **consolidated net profit of Euro 20.4 million**, compared to a net loss of Euro 6.3 million in Q1 2021, and net profit of Euro 3.5 million in Q1 2019.

The net profit for the quarter is due to recognition of the Euro 21,137 contribution from the fund to compensate for damages caused by COVID-19 during the period March 1 to June 30, 2020, pursuant to Italian law No. 178 of December 30, 2020 (the 2021 Budget Law), enacted by Decree of the Ministry for Infrastructure and Sustainable Mobility, in concert with the Ministry for the Economy and Finance, of November 25, 2021, confirming, despite the recovery in traffic and in business, that the effects of the pandemic continue alongside the negative impact of the current economic and geopolitical crises. Recognition of the contribution in Q1 2022 is in accordance with the issuance on May 5, 2022 for Adb and on May 9 for Tag of the Executive Decrees of the Ministry of Infrastructure and of Sustainable Mobility approving the applications for fund access - measures containing the outcome of the ENAC analysis, the quantification of damages eligible for compensation, and the contributions actually granted, of which the Group received an initial tranche of Euro 10,596 thousand (approximately 50%) on March 31, 2022. These Decrees fully recognised the Parent Company's compensation for the loss incurred in the March 1 - June 30, 2020 period in the amount of Euro 20,903 thousand, while for the subsidiary Tag, against the eligible loss of Euro 244 thousand, a contribution of Euro 234 thousand was recognised following the proportional recalculation of the amounts due to lower funding availability of the portion of the fund reserved for ground handling providers compared to the recognisable contributions.

Operating **revenues** overall grew 401.8% on 2021 and 37.5% on 2019.

This performance was significantly impacted by the contribution from the compensation fund as described above. See the section on adjusted EBITDA for an analysis of performance for the period without this contribution. Revenues break down as follows:

- **revenues from aeronautical services** grew 160.2% on 2021 and decreased 36.5% on 2019;
- **revenues from non-aeronautical services** grew 228.8% on 2021 and fell 28.6% on 2019 due to the performance of the various category components, as outlined in the relative section;
- **revenues from construction services** dropped (49.2% on 2021 and 75.1% on 2019) due to reduced investments in the aviation and non-aviation sectors;
- **other operating revenues and income**: this aggregate includes the contribution from the compensation fund as described above, in the amount of Euro 21,137 thousand. Net of this contribution, other operating revenues and income would be in line with 2021, while decreasing 37.2% on 2019 due to lower sales of energy efficiency certificates.

Period **costs** overall increased 17.4% on the same period of 2021 and fell 24.3% on 2019.

These break down as follows:

- ✓ **costs for consumables and goods** increased (+106.3% on 2021 and +52.9% on 2019), due mainly to greater purchases of de-icing fluid and of aircraft fuel;
- ✓ **service costs** increased on 2021 (+23.7%), due both to the increase in traffic-related services (PRM, security and MBL services) and to increased costs for all other services, such as utilities, maintenance, cleaning, snow removal, consulting and other professional services, insurance, development and advertising. Service costs decreased on 2019 (-6.4%) as a result of a contraction in both traffic-related services and all other services, with the exception of utilities, additional security services due to the pandemic, insurance, and consulting and other professional services.
- ✓ the movements in the **lease, rentals and other costs** account (+115.7% on 2021 and -27.7% on 2019) is mainly due to the change in traffic volume, on whose basis the concession and security fees are calculated;
- ✓ **other operating expenses** increased 6.8% on 2021 due to increased tax charges, but decreased 12% on 2019 as a result of lower donations, association dues, and other contributions.

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

Overall, Q1 2022 reported **EBITDA of Euro 23.3 million**, compared to the loss of Euro 4.8 million at this level in 2021 and a profit of Euro 8.3 million in 2019. This performance significantly reflects the contribution from the Compensation fund. See the section on adjusted EBITDA for a description of performance for the period without this contribution.

Overheads did not change significantly from Q1 2021, settling at Euro 3 million, compared to Euro 3.3 million for the comparative period.

Thanks to the contribution as per the 2021 Budget Law, **EBIT** came to **Euro 20.3 million**, as opposed to the loss of Euro 8.1 million in Q1 2021 and compared to the profit of Euro 5.3 million for the same period in the last year pre-COVID.

Net financial income came to **Euro 76 thousand**, compared to the net expense of Euro 296 thousand for the comparative period, due to increased financial income from the discounting of provisions.

On the basis of the above, the **Result before taxes** for Q1 2022 came to a profit of **Euro 20.4 million**, compared to the loss of Euro 8.4 million in Q1 2021 and the profit of Euro 5 million in Q1 2019.

The **result for the period**, entirely concerning the Group, was therefore a net profit of **Euro 20.4 million**, compared to a net loss of Euro 6.3 million in Q1 2021 and net profit of Euro 3.5 million in Q1 2019. This performance was due, in part, to the tax break on the COVID-19 contribution, which is not included in taxable income for IRES or IRAP pursuant to Article 10-bis of Legislative Decree NO. 137/2020.

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

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Total change vs 2021	% change vs 2021	for the quarter ended 31.03.2019	% change vs 2019
Revenues from aeronautical services	8,515	3,272	5,243	160.2%	13,400	-36.5%
Revenues from non-aeronautical services	6,990	2,126	4,864	228.8%	9,794	-28.6%
Other operating revenues and income	119	119	0	0.0%	191	-37.7%
ADJUSTED REVENUES	15,624	5,517	10,107	183.2%	23,385	-33.2%
Consumables and goods	(650)	(315)	(335)	106.3%	(425)	52.9%
Service costs	(4,691)	(3,793)	(898)	23.7%	(5,013)	-6.4%
Leases, rentals and other costs	(1,363)	(632)	(731)	115.7%	(1,885)	-27.7%
Other operating expenses	(673)	(630)	(43)	6.8%	(765)	-12.0%
Personnel costs	(6,138)	(5,052)	(1,086)	21.5%	(7,145)	-14.1%
ADJUSTED COSTS	(13,515)	(10,422)	(3,093)	29.7%	(15,233)	-11.3%
ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)	2,109	(4,905)	7,014	n.a.	8,152	-74.1%
Revenues from construction services	1,023	2,012	(989)	-49.2%	4,104	-75.1%
Construction service costs	(974)	(1,916)	942	-49.2%	(3,908)	-75.1%
Construction Services Margin	49	96	(47)	-49.0%	196	-75.0%
Revenues from compensation fund contribution Budget Law 2021	21,137	0	21,137	n.a.	0	n.a.
GROSS OPERATING PROFIT (LOSS) (EBITDA)	23,295	(4,809)	28,104	n.a.	8,348	179.0%

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 2022	Change % vs 2021	Change % vs 2019	FEBRUARY 2022	Change % vs 2021	Change % vs 2019	MARCH 2022	Change % vs 2021	Change % vs 2019
Passenger Traffic	316,730	307.0%	-50.6%	394,459	548.2%	-33.0%	558,520	676.4%	-23.6%
INCOME STATEMENT (in thousands of Euro)									
ADJUSTED REVENUES	4,363	168.0%	-40.0%	4,205	194.1%	-37.3%	5,864	255.2%	-28.4%
Revenues from aeronautical services	2,116	149.5%	-46.6%	2,207	200.9%	-41.0%	3,090	231.9%	-32.2%
Revenues from non-aeronautical services	2,204	201.0%	-32.5%	1,959	200.9%	-33.0%	2,700	312.8%	-22.6%
Other operating revenues and income	43	-10.0%	-13.4%	39	-14.6%	-16.1%	74	12.7%	-47.3%
ADJUSTED COSTS	-4,185	28.0%	-10.8%	-4,049	36.6%	-8.6%	-4,391	26.4%	-15.6%
Personnel costs	-1,924	25.8%	-15.2%	-1,858	26.5%	-16.0%	-1,973	12.7%	-15.3%
Other operating expenses	-2,261	29.8%	-6.7%	-2,191	46.5%	-1.2%	-2,418	40.3%	-15.9%
ADJUSTED EBITDA	178	n.a.	-93.1%	156	n.a.	-93.2%	1,473	n.a.	-50.7%
ADJUSTED EBITDA MARGIN	4.1%	n.a.	n.a.	3.7%	n.a.	n.a.	25.1%	n.a.	n.a.

3.2 CASH FLOW ANALYSIS

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

in thousands of Euro	At 31.03.2022	As at 31.03.2021	Change
Cash flow generated / (absorbed) by operating activities before working capital changes	23,299	(4,882)	28,181
Cash flow generated / (absorbed) by net operating activities	16,547	(5,325)	21,872
Cash flow generated / (absorbed) by investment activities	(1,196)	(1,796)	600
Cash flow generated / (absorbed) by financing activities	(319)	(229)	(90)
Change in closing cash flow	15,032	(7,350)	22,382
Cash and cash equivalents at beginning of period	28,215	43,658	(15,443)
Change in closing cash flow	15,032	(7,350)	22,382
Cash and cash equivalents at end of period	43,247	36,310	6,937

Cash flow generated by operating activities before working capital changes amounted to Euro 23.3 million, compared to an absorption of Euro 4.9 million in the comparative year.

The improvement of Euro 28.2 million is essentially attributable to the Euro 21.1 million contribution from the fund established to compensate COVID-19 damages. Net of this contribution, operating activities generated cash of Euro 2.2 million, an increase of Euro 7.1 million on the comparative period.

Working capital cash flow absorbed Euro 6.8 million in cash for the period, bringing **cash flow from operating activities** net of changes in working capital to **Euro 16.5 million**, compared to cash flow of Euro 5.3 million absorbed in Q1 2021.

Investing activities absorbed **Euro 1.2 million**, compared to Euro 1.8 million in the comparative quarter, as a result of reduced infrastructural investment.

Finally, **financing activities absorbed cash flows** of **Euro 0.3 million** due to the settlement of a loan instalment, in addition to payments for lease liabilities.

As a result, the **final overall change in cash** for the period was a **positive Euro 15 million**.

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

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the year ended 31.12.2021	Change
A Cash and cash equivalents	43,247	28,215	15,032
B Other cash equivalents	0	0	0
A Other current financial assets	0	0	0
D Liquidity (A+B+C)	43,247	28,215	15,032
E Current financial debt	(1,609)	(1,732)	123
F Current portion of non-current debt	(7,754)	(6,191)	(1,563)
G Current financial debt (E + F)	(9,363)	(7,923)	(1,440)
H Net current financial debt (G - D)	33,884	20,292	13,592
I Non-current financial payables	(60,887)	(62,577)	1,690
J Debt instruments	0	0	0
K Trade payables and other non-current payables	(864)	(949)	85
L Non-current financial debt (I + J + K)	(61,751)	(63,526)	1,775
M Total financial debt (H + L)	(27,867)	(43,234)	15,367

The Group Net Financial Debt at March 31, 2022 was Euro 27.9 million, compared to Euro 43.2 million at December 31, 2021.

The most significant change was due to the increase in cash as a result of receiving the first tranche of the contribution from the COVID-19 compensation fund, as well as the cash generated from the increase in business, the reduction in the average collection period of receivables, and the lower volume of investments for the period.

3.3 FINANCIAL POSITION ANALYSIS

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

USES	As at 31.03.2022	As at 31.12.2021	As at 31.03.2021	Change 31.03.2022 - 31.12.2021	Change 31.03.2022 - 31.03.2021
- Trade receivables	14,462	19,977	5,509	(5,515)	8,953
- Tax receivables	175	142	1,476	33	(1,301)
- Other Receivables	15,881	5,251	2,952	10,630	12,929
- Inventories	731	735	670	(4)	61
Sub-total	31,249	26,105	10,607	5,144	20,642
- Trade payables	(16,516)	(19,035)	(11,826)	2,519	(4,690)
- Tax payables	(1,173)	(1,062)	(833)	(111)	(340)
- Other payables	(29,365)	(28,032)	(24,799)	(1,333)	(4,566)
Sub-total	(47,054)	(48,129)	(37,458)	1,075	(9,596)
Net operating working capital	(15,805)	(22,024)	(26,851)	6,219	11,046
Fixed assets	215,164	216,303	217,036	(1,139)	(1,872)
- Deferred tax assets	13,157	13,093	12,800	64	357
- Other non-current assets	13,576	13,560	13,272	16	304
Total fixed assets	241,897	242,956	243,108	(1,059)	(1,211)
- Provisions for risks, charges & severance	(17,280)	(17,154)	(17,899)	(126)	619
- Deferred tax liabilities	(2,707)	(2,691)	(2,632)	(16)	(75)
- Other non-current liabilities	(57)	(55)	(40)	(2)	(17)
Sub-total	(20,044)	(19,900)	(20,571)	(144)	527
Fixed Operating Capital	221,853	223,056	222,537	(1,203)	(684)
Total Uses	206,048	201,032	195,686	5,016	10,362

SOURCES	As at 31.03.2022	As at 31.12.2021	As at 31.03.2021	Change 31.03.2022 - 31.12.2021	Change 31.03.2022 - 31.03.2021
Net financial (debt) position	(27,867)	(43,234)	(37,480)	15,367	9,613
- Share Capital	(90,314)	(90,314)	(90,314)	0	0
- Reserves	(67,484)	(74,201)	(74,223)	6,717	6,739
- Result for the period	(20,383)	6,717	6,331	(27,100)	(26,714)
Group Shareholders' Equity	(178,181)	(157,798)	(158,206)	(20,383)	(19,975)
-Minority Interests	0	0	0	0	0
Total Shareholders' Equity	(178,181)	(157,798)	(158,206)	(20,383)	(19,975)
Total sources	(206,048)	(201,032)	(195,686)	(5,016)	(10,362)

Net capital employed at March 31, 2022, came to **Euro 206 million**, an increase of Euro 5 million from December 31, 2021, due mainly to the reduction of Euro 5.5 million in trade payables and recognition of the receivable from ENAC for the balance of the contribution from the COVID-19 compensation fund, included under other receivables, which increased by Euro 10.6 million.

The increase in net capital employed compared to March 31, 2021 (up Euro 10.4 million), is also essentially due to the ENAC receivable for the contribution.

In terms of sources, **net financial debt** at March 31, 2022, came to **Euro 27.9 million**, compared to Euro 43.2 million at December 31, 2021, and Euro 37.5 million at March 31, 2021. This improvement was due to the increase in cash as a result of the recovery in traffic and the receipt of the first tranche of the contribution from the COVID-19 compensation fund. **Consolidated and Group shareholders' equity** came to **Euro 178.2 million**, compared to Euro 157.8 million at December 31, 2021, and Euro 158.2 million at March 31, 2021.

3.4 INDICATORS

The Directors deemed the Group's major income statement and statement of financial position indicators at and for the period ended March 31, 2022 to be immaterial due to their interim nature.

3.5 INVESTMENTS

Investments totalled Euro 1.2 million in Q1 2022, of which approx. Euro 0.55 million for Masterplan investments and the remainder on airport operations.

Of note among the main Masterplan investments was the continuation of construction of an aircraft apron for Commercial Aviation.

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

- work to restore functionality to the cargo area, which includes optimising storage areas, opening new gates, and unifying the import-export warehouses;
- energy-efficiency projects, including the installation of LED bulbs at the air-side light towers;
- purchase of a PRM vehicle;
- various IT interventions;
- start of creation of a new website.

Provisions for Renewal

The total works for the realisation of the cyclical renewal and maintenance of the airport infrastructure and plant at March 31, 2022 amount to approximately Euro 172 thousand for landside work (Terminals and Parking) and work on plant.

3.6 PERSONNEL

Workforce breakdown

	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Total change vs 2021	% change vs 2021	for the quarter ended 31.03.2019	Total change vs 2019	% change vs 2019
Full Time Equivalent average workforce	409	428	-19	-4%	477	-68	-14%
Executives	8	9	-1	-11%	10	-2	-20%
Managers	36	35	1	3%	31	5	16%
White-collar	289	306	-17	-6%	338	-49	-14%
Blue-collar	76	78	-2	-3%	98	-22	-22%

	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Total change vs 2021	% change vs 2021	for the quarter ended 31.03.2019	Total change vs 2019	% change vs 2019
Average workforce	452	463	-11	-2%	531	-79	-15%
Executives	8	9	-1	-11%	10	-2	-20%
Managers	36	35	1	3%	31	5	16%
White-collar	329	338	-9	-3%	388	-59	-15%
Blue-collar	79	81	-2	-2%	102	-23	-23%

Source: Company workings

The reduction in the workforce of 19 full-time equivalent staff compared to 2021 was largely due to the incentivised redundancy programme agreed upon with the trade unions in 2021 and to a number of voluntary resignations in all sectors. Compared to 2019, the average workforce decreased by 68 FTE staff due mainly to the numerous non-renewals of fixed-term contracts in response to the pandemic.

Costs

	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Total change vs 2021	% change vs 2021	for the quarter ended 31.03.2019	Total change vs 2019	% change vs 2019
Personnel costs	6,138	5,052	1,086	21.5%	7,145	-1,007	-14.1%

Despite the reduction in the workforce as described above, personnel costs for Q1 2022 increased by 21.5% on the same period of 2021 due mainly to the reduced use of the Temporary Lay-off Scheme as a result of the recovery of traffic.

The 14.1% decrease compared to 2019 was due mainly to:

- reduction in the workforce;
- reduced use of overtime;
- greater use of paid holidays;

as well as decreased costs for:

- canteen service related to the reduction in staff on site due to the Temporary Lay-off Scheme and to the use of remote work;
- training and travel;

and a reduced use of temporary workers.

TRADE UNION RELATIONS

On January 26, 2022, the agreement for the Extraordinary Temporary Lay-off Scheme for AdB employees, mainly administrative personnel, was signed with the trade unions for the period February 1, 2022, to January 30, 2023. The agreement provides for a rotational system based on interchangeable job roles, in line with a set of criteria that guarantee fairness. The new Extraordinary Temporary Lay-Off Scheme includes income support from the Air Transport Solidarity Fund, which covered remuneration up to an effective 80% of the average salary of every worker calculated in the 12 months prior to the pandemic period.

In March, negotiations began for the signing of a second-level agreement with the trade unions on remote work on an ongoing basis, even after the emergency protocol signed on December 7, 2021, by Italy's Ministry of Labour and Social Policy and by the Social Partners.

The agreements on GPS and video surveillance, on single parents, and on the Hour Bank are also in the process of being updated and signed. Meetings with the trade unions, handlers, ENAC, and government bodies on the issue of passenger attacks on airport operators are also continuing, so as to identify mitigating actions that can dissuade people from committing these violent acts.

TRAINING OF PERSONNEL

Compared to the first quarter of last year, training costs have increased as a result of a return to in-person training and a robust schedule of financed courses.

During the period, three management training programmes were conducted:

- We Can Be Heroes, to provide lower and middle management who have their own staff to manage with a stimulating programme aimed at helping course participants to focus on their personal growth;
- The Growth Toolkit, to provide young people with a programme of personal development aimed at realising their full potential.

A course for front-line personnel on interacting with disruptive passengers was also held in order to teach them how to interact with kindness, listen and quickly understand the true needs of the passenger in order to satisfy their request, anticipate aggressive behaviour, and resolve any critical situations that should arise.

Finally, in the area of safety, the course Human Factor was held for training centre staff, as were the courses of basic SMS and advanced Compliance Monitoring for the Safety Compliance and Management System area.

3.7 KEY INFORMATION ON THE SUBSIDIARIES' PERFORMANCES

Fast Freight Marconi Spa

The Parent Company acquired a 100% interest in FFM in 2009. The main activity of the subsidiary is cargo and mail handling at Bologna airport. In particular, FFM is the handling agent for cargo export and import operations of carriers moved through the airport via air and for surface cargo and manages the Temporary Customs Warehouse for Non-EU Cargo arriving at the airport. The company thereafter in subsequent years developed accessory services such as booking, operating as a regulated agent and has a specialist customs operations structure.

At March 31, 2022, the company had 15 employees and, in continuity with previous years, assigned many staff activities to the Parent Company under a management & staffing contract which covers the accounting, administrative, legal, personnel and ICT areas.

FFM closed Q1 2022 with growth of 24% in traffic served (with more than 954,000 kg more processed than in the same period of 2021), thereby continuing the recovery that can be seen in the reported financial performance.

The company prepares its financial statements according to Italian GAAP. The key indicators for the period, adjusted where necessary entirely for the purposes of preparing these consolidated financial statements as per IAS/IFRS, are presented below.

In Q1 2022, revenues were up 20% on Q1 2021, while operating expenses decreased by 1%, resulting in EBITDA of Euro 178 thousand, compared to Euro 54 thousand in Q1 2021. Finally, net profit for the period came to Euro 130 thousand, compared to Euro 40 thousand in Q1 2021.

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 as of March 31, 2022.

The first quarter of 2022 saw a significant recovery in General Aviation traffic, and TAG posted a 27% increase in aircraft movements and a 50% increase in passenger traffic.

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.

As a result of the trend in traffic, of the 24-hour coverage assigned by the Parent Company beginning on April 1, 2021, and of the compensation fund contribution of Euro 234 thousand pursuant to the 2021 Budget Law, revenues increased 143% on the comparative period, and costs increased by 72%, resulting in EBITDA of Euro 357 thousand, compared to Euro 44 thousand in Q1 2021, and net profit of Euro 295 thousand, as opposed to the net loss of Euro 31 thousand in Q1 2021.

Reference should be made to the specific paragraph of the interim financial report at March 31, 2022 for information concerning transactions undertaken during Q1 2022 with subsidiaries and related parties.

4 MAIN NON-FINANCIAL RESULTS ANALYSIS

4.1 QUALITY

In the first quarter of 2022, service quality overall received a good level of satisfaction, in line with pre-pandemic performance, despite the fact that the recovery in traffic led to certain challenging situations that affected passengers' perception of wait times and general comfort, particularly in the air-side area.

The airport's strengths are again the politeness and professionalism of the staff, the information provided to passengers, parking availability, and connections to and from the airport. COVID-19 containment measures put into place during the period were also assessed very positively.

INDICATORS	Jan-Mar 2022
Perception of the cleaning level and functionality of toilets	98.3
Perception of the availability of mobile phone and laptop recharging stations in common areas	82.8
Overall perception of the efficacy and accessibility of public information services	99.2
Perception of the clarity, comprehensibility and effectiveness of internal signage	99.5
Check-in waiting time	14'31''
Perception of passport control waiting time	9'03''
Wait time for departing PRM passengers with reservations	11'55''
Wait time for arriving PRM passengers with reservations	7'14''
First baggage return times	23'00''
Last baggage return times	29'59''
Boarding wait time for the 1st passenger	7'38''

(*) year-ago period not available due to operational limitations due to COVID-19

5 REGULATORY FRAMEWORK

5.1 REGULATORY AGREEMENT AND NEW TARIFF DYNAMIC 2020-2023

2022 is the third year of the 2020-2023 regulatory period. In 2019 the Parent Company initiated preliminary activities with ENAC for the drafting of the Regulatory Agreement for the 2020-2023 four-year period and with the Transport Regulation Authority (TRA), for the calculation of the airport “tariffs” for the same four-year period.

In this connection, AdB has brought an Extraordinary Appeal to the Head of State in relation to the clause referred to in Article 19 of the draft Regulatory Agreement. Similar appeals have been lodged by other Italian management companies. In December 2020, the Council of State issued an opinion on this matter confirming that the grounds for appeal raised regarding this unlawful clause by the appellant companies were correct. Once the judgments have been transposed they will be decided by means of a Presidential Decree. The expectation and the hope - at this point - is that the relevant entities will carry out an internal review of the provisions of the above clause with all possible urgency. As highlighted in previous reports, for various reasons independent of the Parent Company's motivation, which confirmed its full availability to ENAC in all settings and dealings, the Agreement was not formalised in writing – but its commitments were implemented in good faith, naturally being interpreted in line with the pandemic which had a strong adverse impact on the airport manager and concession holder. In relation to this, also ENAC on its part, similarly ensured full implementation of the Regulatory Agreement, carrying out the monitoring within its scope. In this regard, the Parent Company will continue discussions with ENAC for an updated assessment of its particular position and an adequate preliminary investigation to update the situation in relation to the impact of the pandemic on the various fronts affected by the typical regulations of the Regulatory Agreement. The operator for the time being will proceed with the airport management, as up to now, in good faith and with loyal cooperation, even in the absence of formal constraints and also taking into account the sector's situation and the specific airport situation, which on the whole is very different from the targets and commitments underlying the preliminary assumptions of 2019 due to the still ongoing external event of the pandemic.

With Resolution No. 68/2021, on May 20, 2021 the Transport Regulation Authority deferred the entry into force of the new Models for the regulation of airport fees (Resolution No. 136/2020 of July 16, 2020), originally planned to come into force on July 1, 2021, to January 1, 2023.

On October 27, 2021, an annual hearing was held with Users regarding the updating of airport fees for 2022. The new tariffs, which have been published on the Parent Company's website, will apply from January 1, 2022.

On March 23, 2022, with Resolution No. 42/2022, the Transport Regulation Authority initiated the review of the models for regulated airport fees pursuant to Resolution No. 92/2017, as supplemented by Resolution No. 68/2021. A date of September 30, 2022 was also specified for completion of the process.

5.2 AIRPORT SECTOR SUPPORT MEASURES

The Budget Law 2021 provides for the creation at the MIT of a fund of Euro 500 million (Euro 450 million of which is earmarked for airport management companies and the remaining Euro 50 million for handlers) to offset damage suffered by sector operators as a result of COVID-19. This fund was then increased by Euro 300 million by Legislative Decree No. 73/2021, bringing the total funds for airport operators to Euro 735 million and to Euro 65 million for handlers. On July 26, 2021, the European Commission approved the Italian aid scheme pursuant to Article 107(2)(b) of the TFEU. In the Official Gazette General Series No. 307 of December 28, 2021, the Decree of November 25, 2021 of the Ministry of Infrastructure and Sustainable Mobility in agreement with the Ministry for the Economy and Finance was published, setting out the implementing procedures for compensation for damages suffered due to the COVID-19 emergency by airport operators and providers of airport ground handling services.

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

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

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

By decree of the Director General dated May 9, 2022, notified to the subsidiary Tag on May 10, 2022, the loss suffered by the latter during the same period was recognised in the amount indicated in the application (Euro 244,376.00), but due to the unavailability of the fund allocated to ground handling service providers, the measure recognised Tag the amount of Euro 233,850.69.

For more information on the other issues related to this section, see the Directors' Report of the 2021 Annual Accounts.

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 IMU - Municipality of Bologna

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

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

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

Therefore, the Group decided to submit a proposal for settlement, with limited and justified concessions in the interest of the company and without the assessment of the sanctions demanded by the Municipality of Bologna, in light of the provisions of Law 212/2000 (the Taxpayers Law), given the legitimate expectations of the companies of the Group. The voluntary settlement proposal is not an admission of guilt and is solely motivated so as to settle the 2015-2020 period of taxation without having to contest the individual assessments for each year and to avoid a tax dispute that would, in any event, be excessively costly. At the same time, on February 9, 2022, a tax appeal has been filed against the Land Registry and Tax Administration to contest the classification of December 13, 2021, for which we fundamentally dispute the assumptions and justifications.

On May 11, 2022, the appeal was filed with the Bologna Provincial Tax Commission for the purpose of settling the dispute, following the rejection of the attempted mediation communicated together with a draft of the counter arguments of the other party.

For more information on the other issues related to this section, see the Directors' Report of the 2021 Annual Accounts.

7 MAIN RISKS AND UNCERTAINTIES

Risks relating to the COVID-19 pandemic

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

According to data from ACI Europe, total passenger traffic in Europe in the first quarter of 2022 was 39.6% below 2019 levels. According to the former's estimates, 2019 traffic levels may return by 2025, with significant diseconomies of scale for airport managers who shall see their earnings significantly impacted. *(Source: COVID-19 & AIRPORTS Traffic Forecast, Revised Q4 2021, FY 2021 & 2022 Scenarios, October 13, 2021).*

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

Depending on the specific way in which they evolve, these factors can have a impact on long-term performance, thus resulting in changes to the Group's development policies. The areas listed below may be affected by these issues, given the pervasive and uncertain nature of the developing pandemic.

In the context of such an extreme and prolonged crisis and given the considerable commitments to infrastructure developments, the **liquidity risk** could manifest as difficulty in obtaining timely, cost-effective financing to cover the requirements of the operations plan and, at the same time, cover the new requirement for finance in the Net Working Capital cycle until the end of the crisis - a crisis first stemming from the pandemic and now additionally the war in Ukraine and its consequences. 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 with the European Investment Bank (EIB) up to a maximum of Euro 90 million. Thanks to these new sources, the contributions from the COVID compensation fund (already 50% collected at March 31, 2021), the current account balances held and the additional credit line of Euro 5 million, the Group believes to have a flexibility of financing in line with the progress of the infrastructure development plan and with actual funding needs. With regard to any failure to meet the covenants due to the worsening of margins as a result of the ongoing emergency, covenants which are verified annually related to the loan received from Banca Intesa prior to the COVID-19 pandemic, discussions with the bank are underway in order to redefine the covenants originally set in 2013. The annual contractual covenants on the Unicredit loan finalised in July 2020 shall apply from the 2022 financial statements. Finally, the new EIB financing agreement includes pledges and covenants, including of a disclosure nature typical of such situations, with an early settlement obligation where control of AdB is acquired; for this funding at March 31, 2022 no draw down request was made.

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 54% of its accounts receivable at March 31, 2022 are claimed from its top ten clients (down on 68% at December 31, 2022). In general, the credit risk is offset through specific trade payable management and control tools and procedures, in addition to adequate provisioning for doubtful accounts – taking into account the increased risk owed to the current crisis – according to the principles of prudence and in compliance with the accounting standards IFRS 15 and IFRS 9, which strengthens the *ex-ante* analysis approach, rather than existing receivable recovery, in the credit risk assessment processes.

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

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

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

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

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

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

Risks arising from the conflict in Ukraine

The impacts resulting from the conflict in Ukraine are only partially assessable at this time, 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 in the short term as a result of the pandemic are possible, but are currently difficult to assess. At the moment, connections from Bologna to Kiev, Lviv and Odessa in Ukraine, Chisinau in Moldova and Moscow in Russia are suspended for war-related reasons, with an estimated impact in terms of the passenger traffic decline from/to these destinations of approximately 150-180 thousand passengers for all of 2022.

This conflict could 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.

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 67.3% of the airport's total traffic volumes in Q1 2022. AdB and Ryanair strengthened their partnership on October 27, 2016 by entering into a long-term agreement set to expire at the end of October 2022, whereby they undertook to increase the number of destinations served by Bologna airport, in addition to achieving a consistently high standard of service due to the airport's continuing investments and the airline's "Always Getting Better" programme. The agreement lays out a scheme relating to the airport's traffic development policy and Ryanair's commitment to abide by it, in addition to a contractual safeguard mechanism that ensures that the objectives will be met. Although in the Group's opinion Bologna airport is of strategic importance to the airline, it is still possible that Ryanair may decide to change the routes served, significantly reducing or discontinuing entirely its flights at the airport, or that at some point in the future the agreement might not be renewed, in whole or in part, or might contain conditions less favourable for the Group. Any reduction or stoppage of flights by the afore-mentioned airline or the stoppage or change to flights with other destinations with high passenger traffic volumes may impact - even to a significant degree - the Group financial statements. In view of the current air transport industry crisis, any redistribution of passenger traffic among other airlines is more complex and uncertain. However, the parent company maintains active relationships with all sector operators.

Risk related to the effect of incentives on revenue margins

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

Although the low-cost segment's share of the Italian national market is increasing, the Group manages this risk by actively developing traffic that generates a positive marginal contribution. Given the continuation of the pandemic crisis and the significant uncertainty and enduring discontinuity with the previous market situation, the Parent Company has introduced an ad hoc policy to support the recovery of traffic, in the interest of users and the operator, in order to recover as much traffic as possible despite the exceptional contingency. The Company published the new annual incentive policy valid for Winter 2021/2022 and Summer 2022, so as to promote long-haul/intercontinental traffic, in addition to more environmentally sustainable traffic.

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

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

Further negotiations have therefore been conducted to redefine the agreements and contracts with airport operators and sub-concession holders in light of updated forecasts and based on a progressive increase in fees in line with the gradual recovery of traffic at the airport. As of the preparation date of this report, the sub-concession agreements for some retail outlets have been cancelled or have not been extended. The main retail outlets at the airport are food and beverage outlets.

Risks related to implementation of the Action Plan

The Parent Company invests in the airport as part of its overall management on the basis of an Action Plan approved by the Italian Civil Aviation Authority (ENAC). The Action Plan was drafted on the basis of the investments envisaged in the Master Plan according to a modular approach, the main driver of which is air traffic performance.

AdB could encounter difficulties in implementing the investments provided for under the Action Plan in a timely manner due to unforeseeable events, such as delays in the process of obtaining authorisation for and/or executing the works, 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 risks of withdrawal from or termination of the Agreement. The execution of the planned interventions could be conditioned by the non-availability of raw materials or by sharply increasing costs. Recent international geopolitical tensions have, in fact, led to an increase in energy prices, which have reached exceptionally high levels, accompanied by a general rise in inflation. These effects, together with great uncertainty regarding the availability of raw materials, could lead to criticality in the supply of certain materials, an increase in operating costs linked to the functioning of airport infrastructure and an increase in the costs of carrying out certain investments. An additional extraordinary risk that has also emerged in 2020 in this context is "pandemic risk", with all its impacts (in terms of the airport company's organisational capacity and performance, possible further slowdown in procedures, risk of unavailability of financial resources, etc. etc.).

On September 30, 2021, 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 S.p.A. Group. The adjusted and now formally authorised investment plan is to be implemented, through 2023, with funds that are 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, 2021 for Euro 199 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 at December 31, 2021 and no impairment losses were therefore recognised on the assets concerned.

Seasonality of revenues

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

8 ALTERNATIVE PERFORMANCE INDICATORS

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

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

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

- **EBITDA:** EBITDA (earnings before interest, taxation, depreciation and amortisation) is defined by management as the result before taxes for the year, financial income and charges, income and charges from equity investments, depreciation, amortisation and impairment. It therefore coincides, in this case, with the gross operating margin. EBITDA is not identified as an accounting measure as per IFRS and therefore should be considered as an alternative measure for the evaluation of the Group's performance. Since calculation of this indicator is not governed by the accounting standards that form the basis of preparation of the Group's Consolidated Financial Statements, the criterion used to determine and measure the indicator might not be uniform with that adopted by other groups. Accordingly, the figure in question might not be comparable with that presented by such other groups;
- **Adjusted EBITDA:** this is a measure used by the Group's management to monitor and assess the Group's operating and financial performance. This is calculated by subtracting from EBITDA:
 - the margin calculated as the difference between the Group's construction revenues and construction costs as the Airport's manager and
 - Terminal value receivable revenues on the provision for renewal, where this account is understood to refer to the consideration – equal to the present value of the terminal value credit – that the airport manager is entitled to be paid at the end of the concession from the new manager for renewal work on the assets under concession that at the date concerned have not been fully depreciated according to the regulatory accounting rules (Art. 703 of the Navigation Code, as amended by Art. 15-quinquies, para. 1, of Decree-Law No. 148/2017, converted, with amendments, by Law No. 172 of December 4, 2017).
 - the COVID-19 compensation fund contribution as described under subsection 2.3.1 above.
- **Net Financial Debt:** the composition of the Net Financial Debt is represented in accordance with the Consob Communication of July 28, 2006 and ESMA recommendations ESMA/2011/81 and 04/03/2021 and ESMA 32-382-1138 of March 4, 2021.

9 GUARANTEES PROVIDED

The following table summarises the guarantees granted by the Group.

in thousands of Euro	31/03/2022	31/03/2021	Change	Change
Sureties	9,485	4,049	5,435	134%
Pledge on Equity Financial Instruments	10,873	10,873	0	0%
Patronage letters	2,101	2,621	(521)	-20%
Total guarantees provided	22,458	17,543	4,915	28%

At March 31, 2022, the guarantees provided by the Group total Euro 22.5 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 2021 Annual Accounts), in addition to the surety in favour of Enac provided for in the Full Management Agreement (Euro 1.6 million);
- a pledge of the equity financial instrument issued by Marconi Express S.p.a. and subscribed for by the Company for a nominal value of Euro 10.87 million, securing the obligations of Marconi Express to the credit institutions that financed the People Mover project;
- letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena) which at the end of the period amounted to Euro 2.1 million.

10 SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to period end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements.

However, some significant events occurred after the end of the period or are set to occur in the coming months.

Traffic performance

At April, with 724,955 passenger, we significantly closed the gap on pre-COVID traffic volumes, reporting a 9% decrease on the same month of 2019 (the most recent "normal" year). The triple-digit growth (+678.9%) on 2021, on the other hand, was due to the fact that, last spring, Italy was amidst the second wave of infections, when there were major restrictions on travel.

As in previous months, performance at April 2022 came in two different speeds, with domestic passengers increasing significantly, even on 2019 levels, whereas international passenger numbers remained below pre-COVID levels, despite a significant recovery due in part to major events such as the Formula 1 race in Imola and the Cosmoprof trade show.

Specifically, in April 188,831 passengers travelled on domestic flights (+17.3% on 2019 and +267.0% on 2021) and 536,124 passengers on international flights (-15.7% on 2019, +1,188.0% on 2021).

Air movements numbered 5,659, reducing 8.7% on 2019 (+326.5% on 2021), while air cargo transported totalled 3,259 tonnes, up 4.3% on 2019 and 5.8% on 2021.

The to-date figures of passengers and of flights for the first four months of 2022 underscore the reduction, compared to the previous month, of the gap compared to 2019, whereas significant growth was posted compared to 2021. Cargo, on the other hand, increased on both 2021 and 2019.

In detail, the first four months of the year recorded 1,993,476 passengers (-27.7% on 2019 and +558.2% on 2021), 17,268 movements (-22.7% on 2019 and +290.1% on 2021) and 13,763 tons of cargo transported (+4.2% on 2019 and +13.2% on 2021).

Operating and Financial Performance and Business Outlook

The COVID-19 health emergency has continued to have impacts on the airport industry at the beginning of this year. Nonetheless, due to the decline in infections and the success of the vaccine roll-outs, we have seen a gradual increase in air traffic since February, with more significant increases in March and April, despite the continued uncertainty surrounding future developments, mainly related to the continuing spread of variants of the virus.

In the first part of the year, the recovery in the airport's traffic volumes has been driven, in particular, by the low-cost segment, which posted a significant increase in market share compared to 2019 due to the slower recovery in legacy traffic, which has had an impact on the operating margins of the Parent Company.

Studies on the pandemic and its impact on the air transport sector suggest an uneven recovery over the coming years, with volumes likely to see-saw as coronavirus spreads through countries at different rates and as vaccine roll-outs also proceed at varying speeds. Currently there is a general consensus that air traffic will not fully recover to pre-COVID-19 levels before 2024-2025. The performance of passenger traffic in recent months sends a positive signal as concerns the future recovery of volumes, although with a different mix of traffic types due to the more rapid growth in the low-cost segment.

At the moment it is difficult to estimate the impact of the Russia-Ukraine conflict on the recovery of air traffic. According to IATA, this conflict is unlikely to impact the long-term growth of air transport, which has always proved resilient to shocks. On the other hand, impacts are possible in the short term, in particular for markets directly exposed to the conflict, but these are currently difficult to assess. The impacts will depend on the geographic extent and severity of the conflict and the duration and magnitude of sanctions and airspace closures. These impacts will be felt most severely in Russia, Ukraine, and surrounding areas. Prior to the COVID-19 pandemic, Russia was the 11th largest market for air transport services in terms of number of passengers, including its large domestic market, while Ukraine ranked 48th. Also according to IATA, consumer confidence and economic activity are likely to be impacted outside of Eastern Europe (Source: IATA, Air Passenger Numbers to Recover in 2024, March 1, 2022).

For 2022, ACI Europe estimates a possible recovery ranging from 61% to 80% of annual pre-COVID19 traffic volumes, with a larger recovery estimated for the second half of the year. The Parent Company estimates that the recovery of volumes at Bologna airport is substantially in line with these forecasts, although 2022 will continue to be influenced by the resilience and recovery capacity of the various stakeholders (carriers, sub-concessionaires, handlers, etc.).

The non-aviation sector may continue to be adversely affected by the crisis, due to the not yet complete recovery of traffic volumes on which variable contract components are based, which have in the interim been redefined, substantially eliminating minimum guaranteed components.

As far as possible, the Group will continue its cost containment measures, taking account of the need to keep the airport fully operative despite the reduced traffic volumes.

In terms of social sustainability and the linked impact on personnel costs, the Parent Company can rely on the Extraordinary Temporary Lay-Off Scheme introduced from February 1, 2022 and with a maximum duration of 12 months.

In 2022, the Group will be committed to overcoming the limits of the infrastructure capacity of certain subsystems, with a proactive focus on improving service quality. This is against a backdrop of fully functioning infrastructure and operational processes, albeit with lower traffic volumes than 2019.

On May 10, 2022, by way of the decrees on May 5, 2022 for AdB and on May 9 for Tag, the General Department of Airports, Air Transport & Satellite Services of the Ministry for Infrastructure and Sustainable Mobility, notified the Parent Company of its approval of the application submitted for access to the fund to compensate damages incurred by airport operators and by ground-support handlers, pursuant to Article 1(715) of law No. 178 of December 30, 2020, as increased by Article 73, paragraphs 2 and 3, of Legislative Decree No. 73 of May 25, 2021.

The measures, adopted following the positive opinion of ENAC, fully recognise to the "Marconi" Management Company the amount requested as compensation for damages suffered due to the COVID-19 pandemic for the period from March 1, 2020 to June 30, 2020, while for the subsidiary Tag, due to the insufficiency of the fund allocated to ground handling providers, the amount of compensation covers approximately 96% of the recognised loss.

This support measure, while important, represents partial compensation for the overall damage resulting from the pandemic, the impact of which has deeply impacted - and continues to impact - the airport sector. Together with the bank borrowings obtained by the Parent Company in 2020 and 2021 and the cash flow generated by operating activities as a result of the gradual recovery of business, despite the general landscape of significant uncertainty concerning the international context, the contribution will help the airport to continue returning to normal operations, particularly with regard to the development of infrastructures and passenger services and the ongoing pursuit of innovation and sustainability.

The Chairperson of the Board of Directors

(Enrico Postacchini)

Bologna, May 13, 2022

Consolidated Financial Statements at March 31, 2022

Statement of Consolidated Financial Position
Consolidated Income Statement
Consolidated Statement of Comprehensive Income
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Statement of Consolidated Financial Position

<i>in thousands of Euro</i>	Note	As at 31.03.2022	As at 31.12.2021
Concession rights		198,535	199,364
Other intangible assets		967	914
Intangible assets	1	199,502	200,278
Land, property, plant and equipment		10,930	11,293
Investment property		4,732	4,732
Tangible assets	2	15,662	16,025
Investments	3	44	44
Other non-current financial assets	4	13,321	13,306
Deferred tax assets	5	13,157	13,093
Other non-current assets	6	211	210
Other non-current assets		26,733	26,653
NON-CURRENT ASSETS		241,897	242,956
Inventories	7	731	735
Trade receivables	8	14,462	19,977
Other current assets	9	16,056	5,393
Current financial assets		0	0
Cash and cash equivalents	10	43,247	28,215
CURRENT ASSETS		74,496	54,320
TOTAL ASSETS		316,393	297,276

<i>in thousands of Euro</i>	Note	As at 31.03.2022	As at 31.12.2021
Share capital		90,314	90,314
Reserves		67,484	74,201
Profit (loss) for the period		20,383	(6,717)
GROUP SHAREHOLDERS' EQUITY	11	178,181	157,798
MINORITY INTERESTS		0	0
TOTAL SHAREHOLDERS' EQUITY	11	178,181	157,798
Severance and other personnel provisions	12	3,917	3,841
Deferred tax liabilities	13	2,707	2,691
Provision for renewal of airport infrastructure	14	10,265	10,097
Provisions for risks and charges	15	1,569	1,517
Non-current financial liabilities	16	61,751	63,526
Other non-current liabilities		57	55
NON-CURRENT LIABILITIES		80,266	81,727
Trade payables	17	16,516	19,035
Other liabilities	18	30,538	29,094
Provision for renewal of airport infrastructure	14	1,504	1,676
Provisions for risks and charges	15	25	23
Current financial liabilities	16	9,363	7,923
CURRENT LIABILITIES		57,946	57,751
TOTAL LIABILITIES		138,212	139,478
TOTAL SHAREHOLDERS' EQUITY AND LIABILITIES		316,393	297,276

Consolidated Income Statement

<i>in thousands of Euro</i>	Note	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021
Revenues from aeronautical services		8,515	3,272
Revenues from non-aeronautical services		6,990	2,126
Revenues from construction services		1,023	2,012
Other operating revenues and income		21,256	119
Revenues	19	37,784	7,529
Consumables and goods		(650)	(315)
Service costs		(4,691)	(3,793)
Construction service costs		(974)	(1,916)
Leases, rentals and other costs		(1,363)	(632)
Other operating expenses		(673)	(630)
Personnel costs		(6,138)	(5,052)
Costs	20	(14,489)	(12,338)
Amortisation of concession rights		(1,850)	(1,822)
Amortisation of other intangible assets		(88)	(208)
Depreciation of tangible assets		(506)	(574)
Depreciation, amortisation and impairment	21	(2,444)	(2,604)
Provisions for doubtful accounts		3	(156)
Provision for renewal of airport infrastructure		(524)	(512)
Provisions for other risks and charges		(54)	(7)
Provisions for risks and charges	22	(575)	(675)
Total Costs		(17,508)	(15,617)
Operating result		20,276	(8,088)
Financial income	23	378	10
Financial expenses	23	(302)	(306)
Profit (loss) before taxes		20,352	(8,384)
Taxes for the period	24	31	2,053
Profit (loss) for the period		20,383	(6,331)
Minority interest profit (loss)		0	0
Group profit (loss)		20,383	(6,331)
Undiluted earnings (loss) per share (in Euro)		0.56	(0.18)
Diluted earnings (loss) per share (in Euro)		0.56	(0.18)

Consolidated Comprehensive Income Statement

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021
Profit (loss) for the period (A)	20,383	(6,331)
<i>Other profits (losses) that will be reclassified in the net result for the period</i>	0	0
<i>Total other profits (losses) that will be reclassified in the net result for the period (B1)</i>	0	0
<i>Other profits (losses) that will not be reclassified in the net result for the period</i>		
Actuarial profits (losses) on severance and other personnel provisions	0	0
Tax impact on actuarial profits (losses) on severance and other personnel provisions	0	0
<i>Total other profits (losses) that will not be reclassified in the net result for the period (B2)</i>	0	0
Total other profits (losses), net of taxes (B1 + B2) = B	0	0
Total profits (losses), net of taxes (A + B)	20,383	(6,331)
of which Minority Interests	0	0
of which Group	20,383	(6,331)

Consolidated Cash Flow Statement

<i>in thousands of Euro</i>	As at 31.03.2022	As at 31.03.2021
Core income-generating operations		
Result for the period before taxes	20,352	(8,384)
Adjustments to items with no impact on cash and cash equivalents		
- Margin from construction services	(49)	(96)
+ Depreciation and amortisation	2,444	2,604
+ Provisions	575	675
+ Interest expense (income) for discounting and severance provisions	(362)	59
+/- Interest income and financial charges	286	238
+/- Losses/gains and other non-monetary costs/revenues	3	0
+/- Severance provisions and other personnel expenses	50	22
Cash flow generated/(absorbed) by operating activities before changes in working capital	23,299	(4,882)
Change in inventories	4	5
(Increase)/decrease in trade receivables	5,692	620
(Increase)/decrease in other receivables and current/non-current assets	(10,658)	(625)
Increase/(decrease) in trade payables	(2,519)	(1,786)
Increase/(decrease) in other liabilities, various and financial	1,226	1,774
Interest paid	(111)	(120)
Interest received	0	0
Taxes paid	0	0
Severance and other personnel provisions paid	(41)	(226)
Use of provisions	(345)	(83)
Cash flow generated / (absorbed) by net operating activities	16,547	(5,325)
Purchase tangible assets	(84)	(104)
Proceeds on sale of tangible assets	0	0
Purchases of intangible assets/concession rights	(1,112)	(1,962)
Proceeds on sale of intangible assets/concession rights	0	0
Purchase/capital increase of equity investments	0	0
Proceeds on sale of equity investments	0	0
Changes in current and non-current financial assets	0	270
Cash flow generated / (absorbed) by investment activities	(1,196)	(1,796)
Proceeds from the issuance of shares and other equity instruments	0	0
Dividends paid	0	0
Loans received	0	0
Loans repaid	(130)	(130)
Payments of leasing capital share	(189)	(99)
Cash flow generated / (absorbed) by financing activities	(319)	(229)
Change in closing cash flow	15,032	(7,350)
Cash and cash equivalents at beginning of period	28,215	43,658
Change in closing cash flow	15,032	(7,350)
Cash and cash equivalents at end of period	43,247	36,310

Statement of changes in Consolidated Shareholders' Equity

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

<i>in thousands of Euro</i>	<i>Share capital</i>	<i>Share Premium Reserve</i>	<i>Legal Reserve</i>	<i>Other reserves</i>	<i>FTA Reserve</i>	<i>Actuarial profits/(losses) reserve</i>	<i>Profit (losses) carried forward</i>	<i>Profit (loss) for the period</i>	<i>Group shareholders' equity</i>	<i>Total Shareholders' Equity</i>
Shareholders' Equity at 31.12.2020	90,314	25,683	8,179	56,655	(3,272)	(1,036)	1,604	(13,590)	164,538	164,538
Allocation of the 2020 financial year result	0	0	0	460	0	0	(14,050)	13,590	0	0
Share Capital Increase	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0
Assets held-for-sale	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	0	0	(6,331)	(6,331)	(6,331)
Shareholders' Equity at 31.03.2021	90,314	25,683	8,179	57,115	(3,272)	(1,036)	(12,446)	(6,331)	158,206	158,206

Notes to the consolidated financial statements

Group activities

The Group operates in the airport management business. Specifically:

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

Accounting standards adopted for the Preparation of the Consolidated interim financial statements as at March 31, 2022

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, 2022 and include the comparative figures for the year ended December 31, 2021, limited to the Consolidated Statement of Financial Position and the comparative figures for the January 1 - March 31, 2021 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.

Impacts of the COVID-19 pandemic and going concern

As described in the Directors' Report, Group performance remains impacted by the COVID-19 pandemic, exacerbated by the conflict in Ukraine and by increases in the cost of energy and raw materials.

In relation to the health emergency in 2022, as in previous years, the Group is continuing to introduce measures to ensure the safety of passengers, employees and the entire airport community.

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

Given the (somewhat inconsistent) recovery in traffic and the stimulus measures in Italy and Europe to which the Group has had access, the contribution from the COVID-19 compensation fund (Article 128-bis of the 2021 Budget Law and Legislative Decree No. 73 of May 25, 2021, as published in the Official Journal, General Series, No. 123 of May 25, 2021) in the amount of Euro 21.1 million, approximately 50% of which was received on March 31, 2022, and taking account of all the measures put in place over the last two years and continuing to be implemented in order to strengthen financial performance and standing, the Group does not believe there are material uncertainties (as defined by IAS 1.25) as to the going-concern assumption.

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

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

The consolidated financial statements are presented in thousands of Euro, which is 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, 2022 was approved by the Board of Directors on May 13, 2022.

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 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 2021 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, 2021, as from January 1, 2022 the new amendments to international accounting standards entered into force which did not have an impact on the quarter under review.

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 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, 2022 and December 31, 2021 in terms of the Group's direct and indirect holding.

<i>Subsidiaries (in thousands of Euro)</i>	<i>Currency</i>	<i>Share capital</i>	<i>As at 31.03.2022</i>	<i>As at 31.12.2021</i>
Fast Freight Marconi S.p.a. Società Unipersonale	Euro	520	100.00%	100.00%
Tag Bologna S.r.l. Società Unipersonale	Euro	316	100.00%	100.00%

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), 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, aimed at covering losses caused by the pandemic during the period March 1 to June 30, 2020. The Group decided not to allocate this component of income to the individual operating segments so as not to alter the presentation of the business units' performance for the period.

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

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

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

<i>in thousands of Euro</i>	for the 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 (loss) for the period	0	0	0	20,383

<i>in thousands of Euro</i>	for the quarter ended	for the quarter ended	for the quarter ended	Total for the
	As at	31.03.2021	31.03.2021	quarter
	31.03.2021	Non-Aviation	Other	ended
	Aviation			31.03.2021
Revenues	4,353	3,176	0	7,529
Costs	(9,348)	(2,990)	0	(12,338)
EBITDA	(4,995)	186	0	(4,809)
Depreciation, amortisation & impairment	(1,440)	(1,164)	0	(2,604)
Provisions	(601)	(74)	0	(675)
Operating result	(7,036)	(1,052)	0	(8,088)
Financial income	0	0	10	10
Financial expenses	0	0	(306)	(306)
Result before taxes	(7,036)	(1,052)	(296)	(8,384)
Taxes for the period	0	0	2,053	2,053
Profit (loss) for the period	(7,036)	(1,052)	1,757	(6,331)
Minority interest profit (loss)	0	0	0	0
Group profit (loss) for the period	0	0	0	(6,331)

The table below presents the segment information for assets:

<i>in thousands of Euro</i>	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

<i>in thousands of Euro</i>	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	177,085	40,040	25,983	243,108
Intangible assets	172,765	27,302	0	200,067
Concession rights	171,826	26,834	0	198,660
Other intangible assets	939	468	0	1,407
Tangible assets	4,258	12,711	0	16,969
Land, property, plant and equipment	4,258	7,979	0	12,237
Investment property	0	4,732	0	4,732
Other non-current assets	62	27	25,983	26,072
Investments	0	0	44	44
Other non-current financial assets	0	0	12,955	12,955
Deferred tax assets	0	0	12,800	12,800
Other non-current assets	62	27	184	273
Current assets	5,867	2,716	38,334	46,917
Inventories	442	228	0	670
Trade receivables	3,468	2,041	0	5,509
Other current assets	1,957	447	2,024	4,428
Current financial assets	0	0	0	0
Cash and cash equivalents	0	0	36,310	36,310
Total assets	182,952	42,756	64,317	290,025

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

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

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

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

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

The main differences were as follows:

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

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, 2022 (compared with December 31, 2021).

<i>in thousands of Euro</i>	At 31.03.2022	At 31.12.2021	Change
Concession rights	198,535	199,364	(829)
Software, licences and similar rights	413	404	9
Other intangible assets	49	50	(1)
Other intangible assets in progress	505	460	45
TOTAL INTANGIBLE ASSETS	199,502	200,278	(776)

In the first three months of 2022, Concession rights increased by Euro 1 million, of which Euro 0.97 million (equal to the fair value of construction services provided in the period), principally due to works on:

- building of a new commercial aviation aircraft apron;
- redevelopment of the cargo area;
- redevelopment of the security area in the passenger terminal.

Amortisation of concession rights in the period amounted to Euro 1.8 million and was applied according to the residual duration of the concession.

Software, licenses and similar rights increased Euro 96 thousand, mainly due to the purchase of software licences.

Other intangible assets in progress include costs incurred to develop software that had not been completed at March 31, 2022, including for development of the new website.

Test on the recoverability of assets and groups of assets

Given the ongoing COVID-19 pandemic, rising costs for energy and raw materials and, last but not least, the conflict in Ukraine, the Group constantly monitors financial performance and compares it with the 2022-2046 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, 2021, which did not point to any impairment losses. In view of the performance for the first three months of 2022, against the 2022 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, 2022, in addition to the Group's net capital employed.

2. Tangible assets

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

<i>in thousands of Euro</i>	As at 31.03.2022	As at 31.12.2021	Change
Land	2,763	2,763	0
Buildings, light constructions and improvements	3,084	3,151	(67)
Machinery, equipment & plant	1,923	2,085	(162)
Furniture, EDP and transport	1,281	1,405	(124)
Building plant and machinery in progress and advances	547	487	60
Investment property	4,732	4,732	0
TOTAL TANGIBLE ASSETS	14,330	14,623	(293)
Land in leasing	776	855	(79)
Leased buildings and minor construction and improvements	0	0	0
Leased machinery, equipment & plant	363	397	(34)
Leased furniture, office machinery, transport equipment	193	150	43
TOTAL LEASED TANGIBLE ASSETS	1,332	1,402	(70)
TOTAL TANGIBLE ASSETS	15,662	16,025	(363)

The increase in this aggregate at March 31, 2022, was Euro 154 thousand and concerned the purchase of computers and other hardware, equipment to provide PRM support and services, and investments in progress, such as the down payment for the purchase of a PRM vehicle.

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

Investment property includes the total value of land owned by the Group earmarked for the construction of investment property; these amounts were initially recorded at purchase cost and subsequently measured using the cost method.

This land is not subject to depreciation but, as per IAS 40, a technical report is undertaken to support the fair value. The technical report undertaken internally by the Parent Company confirms that the value of the inscription cost approximates, for nature and strategic value of the investment, its fair value. At the preparation date of the financial statements, there were no impairment indicators on these assets.

3. Investments

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

<i>in thousands of Euro</i>	As at 31.12.2021	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 31.03.2022
Other investments	44	0	0	0	44
TOTAL INVESTMENTS	44	0	0	0	44

The composition of the account is as follows:

<i>in thousands of Euro</i>	Share	As at 31.03.2022	As at 31.12.2021	Change
Consorzio Energia Fiera District	14.3%	3	3	0
CAAF dell'Industria Spa	0.07%	0	0	0
Bologna Welcome Srl	10%	41	41	0
TOTAL OTHER INVESTMENTS		44	44	0

4. Other non-current financial assets

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

<i>in thousands of Euro</i>	As at 31.12.2021	Increases/ Acquisitions	Decreases / Reclass.	Write- downs	As at 31.03.2022
Receivables from Terminal Value	1,387	11	0	0	1,398
Equity Financial Instruments	10,873	0	0	0	10,873
Other financial assets	1,046	4	0	0	1,050
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	13,306	15	0	0	13,321

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

- Euro 1.4 million in receivables from Terminal Value for the portion of fees for construction/improvement services provided by the Group relating to investments in concession rights, as well as a supplement to the performance obligation fee, in accordance with IFRS 15, on the interventions carried out on the provisions for renewal of airport infrastructure. This receivable, recorded at present value, derives from application of the Terminal Value regulation as per Article 703 of the Navigation Code, which established that, for investments in concession rights, the airport manager shall receive from the succeeding concession holder, on conclusion of the concession, an amount equal to the residual value at that date of the investment, in addition to the interventions made on the provisions for renewal, both calculated according to the regulatory accounting rules. The movement in the period relates to the financial income for the quarter calculated on the receivable recognised at December 31, 2021.

- Euro 10.9 million of equity financial instruments in Marconi Express Spa, concession holder for the construction and management of the rapid rail link infrastructure between the Airport and Bologna Central Station called People Mover. This financial instrument, subscribed by the Parent Company on January 21, 2016 for a total value of Euro 10.9 million, is recorded corresponding to the amount effectively paid or rather the cost incurred at that date. The investment, in addition to the strategic/operating interest related to improving accessibility to the airport, meets the Group's objective both in relation to the collection of the contractual cash flows and to any future sale of the financial asset. In accordance with IFRS 9, since it is an equity instrument, financial assets are measured at fair value through profit or loss. In this case, considering the difficulty in measuring at fair value the Equity Financial Instrument, the subsequent valuations of this EFI are at cost as the best fair value estimate and any reductions in value, quantified comparing the book value with the present value of the expected cash flows discounted at the market rate for similar instruments, are recorded in the Income Statement. No change in the value of the Equity Financial Instrument at March 31, 2022, was recognised compared to December 31, 2021, for the reasons described in relation to the 2021 Annual Accounts;
- Euro 1 million of a capitalisation product purchased in 2019, with a 10-year duration and 2029 maturity. In accordance with the standard IFRS 9, these assets are classified to the category "Held to collect – HTC", as this complies with the Group's need to invest temporary liquidity held in order to collect the contractual cash flows. In this specific case, the maturity is defined contractually, but the return is related to the capital management performance and therefore this financial instrument is measured at fair value through profit or loss.

5. Deferred tax assets

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

<i>in thousands of Euro</i>	<i>As at 31.12.2021</i>	<i>Provisions</i>	<i>Util./adjustments</i>	<i>As at 31.03.2022</i>
DEFERRED TAX ASSETS	13,093	263	(199)	13,157

6. Other non-current assets

The following table breaks down other non-current assets at March 31, 2022 (compared with December 31, 2021): no significant changes are reported in the period.

<i>in thousands of Euro</i>	<i>As at 31.03.2022</i>	<i>As at 31.12.2021</i>	<i>Change</i>
Non-current prepaid expenses and accrued income	51	50	1
Guarantee deposits	93	93	0
Non-current tax receivables	67	67	0
OTHER NON-CURRENT ASSETS	211	210	1

7. Inventories

The following table breaks down inventories at March 31, 2022 (compared with December 31, 2021): no significant changes are reported in the period.

<i>in thousands of Euro</i>	As at 31.03.2022	As at 31.12.2021	Change
Inventories of raw materials, supplies and consumables	691	562	129
Inventories of finished products	40	173	(133)
INVENTORIES	731	735	(4)

8. Trade receivables

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

<i>in thousands of Euro</i>	As at 31.03.2022	As at 31.12.2021	Change
Trade receivables	15,924	21,616	(5,692)
Provision for doubtful accounts	(1,462)	(1,639)	177
TRADE RECEIVABLES	14,462	19,977	(5,515)

At March 31, 2022, gross trade receivables, which include allowances for invoices and credit notes to be issued, totalled Euro 15.9 million, decreasing Euro 5.7 million as a result of a reduction in the average collection period despite the increase in traffic volumes and therefore revenues.

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).

An assessment of the solvency of credit positions during the quarter under review did not result in any further provisions compared to December 31, 2021. This provision was used following the approval of the composition plan of the carrier Blue Air, which confirmed payment of 30% of the receivable within 5 years of the plan's approval.

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

<i>in thousands of Euro</i>	As at 31.12.2021	Provisions	Utilisations	Releases	As at 31.03.2022
PROVISION FOR DOUBTFUL ACCOUNTS	(1,639)	(0)	173	4	(1,462)

9. Other current assets

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

<i>in thousands of Euro</i>	As at 31.03.2022	As at 31.12.2021	Change
Receivable for COVID-19 compensation fund contribution	10,541	0	10,541
VAT Receivable	127	88	39
Direct income tax receivables	48	54	(6)
Employee receivables	46	53	(7)
Other receivables	5,294	5,198	96
OTHER CURRENT ASSETS	16,056	5,393	10,663

The increase in this aggregate was due almost entirely to the receivable from ENAC for the amount still to be received for the COVID-19 compensation fund contribution established under the 2021 Budget Law to support the airport sector. The Group received an initial tranche of the contribution in Q1 2022 and recognised a receivable for the balance, following approval of the applications for access to the fund issued by Executive Decrees of the Ministry for Infrastructure and Sustainable Mobility and notified to the Group companies on May 10, 2022.

The summary of "other receivables" is as follows:

<i>in thousands of Euro</i>	As at 31.03.2022	As at 31.12.2021	Change
Receivables for passenger boarding fees surcharge	4,783	5,279	(496)
IRESA receivables	229	341	(112)
Other current receivables provision for doubtful accounts	(1,584)	(1,584)	0
Prepayments and accrued income	1,321	761	560
Advances to suppliers	41	7	34
Pension and social security institutions	174	77	97
Other current receivables	330	317	13
TOTAL OTHER RECEIVABLES	5,294	5,198	96

The receivable from carriers for the boarding fee surtax, as per Article 2, paragraph 11 of Law 350/2003 and subsequent integrations and modifications, is directly related to the traffic; the Group, once it collects the boarding fee, pays the amount to the State and to INPS respectively in the measure of Euro 1.50 and Euro 5.00 per passenger boarded.

The IRESA receivable is linked to the introduction, as of January 1, 2020, of the new regional tax on aircraft noise emissions, which the Group charges to carriers based on the noise certificate and the take-off/landing time of the aircraft and reimburses, once collected, to the Emilia Romagna Region.

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.

"Accrued income and prepayments" includes insurance premiums, data processing fees and other services invoiced in advance. The increase in this aggregate was mainly due to seasonal factors.

10. Cash and cash equivalents

<i>in thousands of Euro</i>	<i>As at 31.03.2022</i>	<i>As at 31.12.2021</i>	<i>Change</i>
Bank and postal deposits	43,206	28,180	15,026
Cash in hand and similar	41	35	6
CASH AND CASH EQUIVALENTS	43,247	28,215	15,032

“Bank and postal deposits” represent the bank current account balances. The increase for the period was due mainly to receipt of the first tranche of the COVID-19 compensation fund contribution in the amount of Euro 10 million, along with the cash flow generated by operating activities.

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

LIABILITIES

11. Shareholders' Equity

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

<i>in thousands of Euro</i>	<i>As at 31.03.2022</i>	<i>As at 31.12.2021</i>	<i>Change</i>
Share capital	90,314	90,314	0
Reserves	67,484	74,201	(6,717)
Profit/(loss) for the period	20,383	(6,717)	27,100
GROUP SHAREHOLDERS' EQUITY	178,181	157,798	20,383

i. Share capital

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

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

<i>in Euro</i>	<i>for the quarter ended 31.03.2022</i>	<i>for the quarter ended 31.03.2021</i>
Group profit/(loss) for the period (*)	20,383,353	(6,739,017)
Average number of shares outstanding	36,125,665	36,125,665
Undiluted earnings/(losses) per share	0.56	(0.19)
Diluted earnings/(losses) per share	0.56	(0.19)

(*) Consolidated Statement of Comprehensive Income

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

ii. Reserves

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

<i>in thousands of Euro</i>	<i>As at 31.03.2022</i>	<i>As at 31.12.2021</i>	<i>Change</i>
Share premium reserve	25,683	25,683	0
Legal reserve	8,179	8,179	0
Extraordinary reserve	57,116	57,116	0
FTA Reserve	(3,272)	(3,272)	0
Profits (losses) carried forward	(19,162)	(12,445)	(6,717)
OCI reserve	(1,060)	(1,060)	0
TOTAL RESERVES	67,484	74,201	(6,717)

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 carried forward increased due to:

- the profits/losses deriving from the IAS accounting entries of the subsidiary companies;
- allocation of the earnings of the Parent Company and of the subsidiaries from the prior year.

The OCI reserve is unchanged on December 31, 2021 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

12. Severance and other personnel provisions

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

<i>in thousands of Euro</i>	<i>As at 31.03.2022</i>	<i>As at 31.12.2021</i>	<i>Change</i>
Severance	3,648	3,616	32
Other personnel provisions	268	225	43
SEVERANCE AND OTHER PERSONNEL PROVISIONS	3,917	3,841	76

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

<i>in thousands of Euro</i>	As at 31.12.2021	Service cost	Net interest	Benefits paid	Actuarial profits/(losses)	As at 31.03.2022
Severance	3,616	7	66	(41)	0	3,648
Other personnel provisions	225	43	0	0	0	268
SEVERANCE AND OTHER PERSONNEL PROVISIONS	3,841	50	66	(41)	0	3,917

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

13. Deferred tax liabilities

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

<i>in thousands of Euro</i>	As at 31.12.2021	Provisions	Utilisations	As at 31.03.2022
DEFERRED TAX LIABILITIES	2,691	16	0	2,707

14. 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, 2022 are reported below, divided between non-current and current.

<i>in thousands of Euro</i>	As at 31.12.2021	Increases	Utilisations	Reclassifications	As at 31.03.2022
Provision for renewal of airport infrastructure (non-current)	10,097	168	0	0	10,265
Provision for renewal of airport infrastructure (current)	1,676	0	(172)	0	1,504
TOTAL PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE	11,773	168	(172)	0	11,769

The increases in the period totalled Euro 0.2 million, of which Euro 0.5 million classified under provisions and net of Euro 0.3 million recorded under financial income from discounting.

The uses of Euro 0.2 million were mainly due to various land-side works (terminal and parking) and work on systems.

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

The changes in the non-current and current provision for risks and charges in the quarter ended March 31, 2022 are reported below:

<i>in thousands of Euro</i>	As at 31.12.2022	Provisions	Util./Other decreases	As at 31.03.2022
Risk provision for disputes	978	52	0	1,030
Provisions for other risks and charges	539	0	0	539
PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)	1,517	52	0	1,569
Employee back-dated provision	23	2	0	25
PROVISIONS FOR RISKS AND CHARGES (CURRENT)	23	2	0	25
TOTAL PROVISIONS FOR RISKS AND CHARGES	1,540	54	0	1,594

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

Contingent liabilities

With regard to the customs dispute that involved the subsidiary FFM in 2021 and outlined in the "Disputes" section of the Directors' Report of the 2021 Annual Accounts, it should be noted that a risk has arisen for this company, which operates in the cargo sector. The Euro 5.8 million guarantee issued by a leading bank in favour of the Customs Authority as requested by FFM, for the suspension of the assessment notices issued to the Company, includes a co-obligation for AdB. The appointed lawyers, having evaluated the dossier outlining the position and the jurisprudence on the subject, consider it possible but not probable that the case will be lost.

In relation, finally, to the extraordinary administration of Alitalia, the Group assessed the potential liability related to the revocation of receivables arising in the six months before the procedure, for an amount of Euro 1.49 million, net of municipal surtaxes for passenger boarding fees. At the preparation date of this document, and specifically taking account of the information noted and the defensive arguments against the advanced action, the Directors considered it appropriate to provide disclosure in the Notes, without making any accrual, in view of the consideration that in this case the conditions in fact and in law for action by the creditor do not exist, while at the same time continuing its defensive action.

16. Non-current and current financial liabilities

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

<i>in thousands of Euro</i>	As at 31.03.2022	As at 31.12.2021	Change
Bank loans – non-current	60,887	62,577	(1,690)
Non-current financial payables for leasing	864	949	(85)
NON-CURRENT FINANCIAL LIABILITIES	61,751	63,526	(1,775)
Bank loans - current	7,754	6,191	1,563
Current financial liabilities for leasing	556	597	(41)
Payables due for boarding fee surtaxes and Iresa	969	1,112	(143)
Other current financial debt	84	23	61
CURRENT FINANCIAL LIABILITIES	9,363	7,923	1,440
TOTAL FINANCIAL LIABILITIES	71,114	71,449	(335)

Financial liabilities at March 31, 2022 totalled Euro 71.1 million, decreasing Euro 0.3 million compared to December 31, 2021, mainly due to loan repayments for Euro 130 thousand and leasing instalments maturing in the period (Euro 189 thousand).

At March 31, 2022 the account comprised:

- 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, which establishes a grace period of 3 years, was classified for Euro 33.9 million to non-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, with a grace period of 2 years, is classified for Euro 20.3 million to non-current financial liabilities and for Euro 4.7 million, equating to the principal to be repaid over the coming 12 months, to current loans;
- fifteen-year bank loan with maturity 2026, with a residual balance at March 31, 2022 of Euro 2.1 million, granted by Monte dei Paschi di Siena (former Banca Agricola Mantovana) to fund investments of the General Aviation Terminal. This liability is classified for Euro 1.6 million under non-current loans and for Euro 0.5 million under current loans;
- ten-year bank loan with December 2024 maturity, with a balance of Euro 7.6 million at March 31, 2022, issued by Banca Intesa to fund the infrastructure investment plan. This loan is classified for Euro 5.1 million under non-current loans and for Euro 2.5 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 2021 Annual Accounts. At March 31, 2022, no requests for disbursements had yet been received.

The following table summarises the loans:

<i>in thousands of Euro</i>	As at 31.03.2022	As at 31.12.2021	Change
Bank loans – non-current	60,887	62,577	(1,690)
Bank loans - current	7,754	6,191	1,563
TOTAL LOANS	68,641	68,768	(127)

and the contractual conditions of the loans in place at March 31, 2022:

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

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

The loans are not covered by secured guarantees.

With reference to the cross default clauses on the loan contracts of the Group, these include both clauses where the benefits are no longer applicable and where the Company financed is not in compliance with obligations of a credit or financial nature, or guarantees assumed with any party. We report that at March 31, 2022, the Group has not received any communication for application of cross default clauses by any of its lenders as the Group is in compliance with its existing contractual commitments.

For more information on Group financing, see the 2021 Annual Accounts.

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

<i>in thousands of Euro</i>	As at 31.03.2022	As at 31.12.2021	Change
Non-current lease liabilities	864	949	(85)
Current lease liabilities	556	597	(41)
TOTAL LEASE LIABILITIES	1,420	1,546	(126)

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 0.9 million for contractual instalments due beyond 12 months
- current: Euro 0.6 million relating to contractual instalments due within 12 months

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

<i>in thousands of Euro</i>	31/12/2021	Cash flows	New contracts	Interest/Other Reclassifications	31/03/2022
Loans - current portion	6,191	(130)	0	1,693	7,754
Lease liabilities - current portion	597	(189)	25	122	556
Loans - non-current portion	62,557	0	0	(1,670)	60,887
Lease liabilities - non-current portion	949	0	45	(130)	864
Total	70,294	(319)	70	15	70,061

17. Trade payables

<i>in thousands of Euro</i>	As at 31.03.2022	As at 31.12.2021	Change
TRADE PAYABLES	16,516	19,035	(2,519)

Trade payables decreased Euro 2.5 million at March 31, 2022 and concern the purchase of goods and services, including investments and mainly concern Italian suppliers.

18. Other Liabilities

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

<i>in thousands of Euro</i>	<i>As at 31.03.2022</i>	<i>As at 31.12.2021</i>	<i>Change</i>
Current tax payables	1,173	1,062	111
Employee payables and social security institutions	4,621	3,873	748
ENAC concession fee and other State payables	19,304	18,971	333
Other current payables, accrued expenses and deferred income	5,440	5,188	252
TOTAL OTHER CURRENT LIABILITIES	30,538	29,094	1,444

The principal changes were as follows:

i. Current tax payables

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

<i>in thousands of Euro</i>	<i>As at 31.03.2022</i>	<i>As at 31.12.2021</i>	<i>Change</i>
VAT payable	286	133	153
Direct income taxes	27	16	11
Other tax payables	860	913	(53)
CURRENT TAX PAYABLES	1,173	1,062	111

At March 31, 2022, in addition to the VAT payable, current tax payables comprise almost entirely of the IRPEF payable for employees and consultants and the payable for local taxes.

ii. Employee payables and social security institutions

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

<i>in thousands of Euro</i>	<i>As at 31.03.2022</i>	<i>As at 31.12.2021</i>	<i>Change</i>
Employee salaries	874	1,038	(164)
Employee deferred compensation	2,489	1,790	699
Social security payables	1,258	1,045	213
EMPLOYEE PAYABLES AND SOCIAL SECURITY INSTITUTIONS	4,621	3,873	748

The payables to employees and social security institutions increased on December 31, 2021, mainly due to the interim nature of the current period, which includes deferred remuneration and vacation pay.

iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 17.3 million (Euro 17.1 million at December 31, 2021) concerning the fire prevention service as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3bis of Law No. 2/2009. For further details, reference should be made to the chapter on Disputes in the Directors' Report of the 2021 Annual Accounts;
- Euro 2 million as the payable for the variable airport concession fee related to the portion accrued in Q1 2022 plus the 2021 balance payment.

iv. Other current liabilities, accrued liabilities and deferred income

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

<i>in thousands of Euro</i>	<i>As at 31.03.2022</i>	<i>As at 31.12.2021</i>	<i>Change</i>
Payables due for boarding fee surtaxes and Iresa	3,379	4,035	(656)
Other current liabilities	984	1,068	(84)
Current accrued liabilities and deferred income	1,077	85	992
TOTAL OTHER CURRENT PAYABLES, ACCRUED EXPENSES AND DEFERRED INCOME	5,440	5,188	252

The main account concerns the passenger boarding fees surtax and for IRESA, relating to the receivables from carriers not yet received at March 31, for Euro 3.4 million. The portion of the municipal surtax payable and for IRESA relating to receivables collected from carriers, not yet paid to the creditor entities on the other hand is classified under current financial liabilities (Note 16).

"Other current liabilities" include deposits and advances received from customers in addition to deferred income and miscellaneous payables. Finally, the increase in the accruals and deferred income is due to the timing of the invoicing process which provides for the advance invoicing of sub-license fees and other services.

NOTES TO THE MAIN CONSOLIDATED INCOME STATEMENT ACCOUNTS

19. REVENUES

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

Overall, consolidated revenues totalled Euro 37.8 million, a significant increase on Q1 2021, which reported revenues of Euro 7.5 million.

Isolating the item "revenues from construction services", which concerns investments in concession rights in the period which reduced in Q1 2022 (Euro 1 million, compared to Euro 2 million in Q1 2021) and excluding the contribution of the Covid compensation fund for Euro 21 million, revenues grew 183.2%, from Euro 5.5 million in Q1 2021 to Euro 15.6 million in Q1 2022.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Revenues from aeronautical services	8,515	3,272	5,243
Revenues from non-aeronautical services	6,990	2,126	4,864
Revenues from construction services	1,023	2,012	(989)
Other operating revenues and income	21,256	119	21,137
TOTAL REVENUES	37,784	7,529	30,255

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

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Airport fees	7,186	2,383	4,803
Parking	2,222	464	1,758
Revenues from construction services	1,023	2,012	(989)
Other	2,268	1,275	993
TOTAL IFRS 15 REVENUE STREAMS	12,699	6,134	6,565

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

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Airport fees	7,186	2,383	4,803
Parking	2,222	464	1,758
Revenues from construction services	1,023	2,012	(989)
Other	2,268	1,275	993
TOTAL IFRS 15 REVENUE STREAMS	12,699	6,134	6,565
Commercial/non-comm. sub-licenses	3,942	1,379	2,563
TOTAL NON IFRS 15 REVENUE STREAMS	3,942	1,379	2,563
TOTAL NON IFRS 15 Revenues	21,144	16	21,128
TOTAL REVENUES	37,784	7,529	30,255

i. Revenues from aeronautical services

The table below presents revenues from aeronautical services in Q1 2022 and Q1 2021.

This revenue category increased 160.2%, and comprised the following components:

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Centralised infrastructure/other airport services	167	96	71
Exclusive use revenues	183	104	79
Airport fee revenues	10,517	2,612	7,905
PRM revenues	844	136	708
Air traffic development incentives	(4,277)	(402)	(3,875)
Handling services	507	445	62
Other aeronautical revenues	574	281	293
TOTAL REVENUES FROM AERONAUTICAL SERVICES	8,515	3,272	5,243

The breakdown of airport fee revenues is shown below:

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Passenger boarding fees	4,344	784	3,560
Landing, take-off and parking fees	4,049	1,311	2,738
Passenger security fees	1,376	245	1,131
Baggage stowage control fees	538	90	448
Freight loading and unloading charges	210	182	28
TOTAL AVIATION FEE REVENUES	10,517	2,612	7,905

ii. Revenues from non-aeronautical services

The table below presents revenues from non-aeronautical services in Q1 2022 and Q1 2021.

The strong growth (+228.8%) is due to the sharp increase in passenger traffic, with the increase in revenues from services directly linked to traffic (parking 378.9%, Marconi Business Lounge 408.5%), but was also particularly significant in the sub-concessions of premises and areas (210.9%).

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Commercial premises and spaces sub-concession	3,448	1,109	2,339
Parking	2,222	464	1,758
Other commercial revenues	1,320	553	767
TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES	6,990	2,126	4,864

Other commercial revenues are broken down as follows:

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Marconi Business Lounge	300	59	241
Advertising	326	178	148
Misc. commercial revenues	694	316	378
TOTAL OTHER COMMERCIAL REVENUES	1,320	553	767

Other commercial revenues also increased significantly, mainly due to the recovery in operations-related services, such as maintenance on vehicles used in operations, training of airport personnel, and the sale of a greater quantity of aircraft de-icing fluid.

iii. Revenues from construction services

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

iv. Other Revenue and Income

The table below shows other revenues and income in Q1 2022 and Q1 2021.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Indemnities, reimbursement and misc. income	119	119	0
COVID-19 compensation fund contribution as per 2021 Budget Law	21,137	0	21,137
TOTAL OTHER REVENUES AND INCOME	21,256	119	21,137

The significant increase is due to the contribution from the compensation fund established under Italian law No. 178 of December 30, 2020 (the 2021 Budget Law), enacted by Decree of the Ministry for Infrastructure and Sustainable Mobility, in concert with the Ministry for the Economy and Finance, of November 25, 2021. This contribution, approximately 50 percent of which was collected in the first quarter of 2022, was recognised as revenue in the first quarter of 2022 for the full amount granted to the Group companies following the motions approving applications for access to the fund that the Ministry of Infrastructure and Sustainable Mobility notified the Group on May 10, 2022.

20. COSTS

In summary, in Q1 2022 costs rose 17.4%, from Euro 12.3 million in Q1 2021 to Euro 14.5 million in Q1 2022. Excluding "construction services" - down 49% due to lower investments in concession rights - the increase in total operating costs (from Euro 10.4 million to Euro 13.5 million) is 29.7%.

i. Consumables and goods

The table below presents consumables and goods in Q1 2022 and Q1 2021.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Consumables and goods	354	194	160
Maintenance materials	31	17	14
Fuel and gasoline	265	104	161
TOTAL CONSUMABLES AND GOODS	650	315	335

As shown in the table, this cost category reports a 106.3% increase related to the recovery in business mainly due to the increased purchases of de-icing fluid and aircraft fuel.

ii. Service costs

The table below presents service costs in Q1 2022 and Q1 2021.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Maintenance costs	1,102	992	110
Utilities	609	444	165
Cleaning and accessory services	482	377	105
Services	1,456	1,197	259
MBL Services	51	16	35
Advertising, promotion and development	101	50	51
Insurance	268	244	24
Professional and consultancy services	326	232	94
Statutory board fees and expenses	233	226	7
Other service costs	63	15	48
TOTAL SERVICE COSTS	4,691	3,793	898

Service costs increased by 23.7% on Q1 2021. The growth in traffic and in operations generally underlies the increase in service costs, such as the service for passengers of reduced mobility (PRM), security services, and the MBL service, although utility costs also increased as a result of rate increases, as did all categories shown above.

A breakdown in maintenance expenses is provided below:

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Owned asset maintenance expenses	255	236	19
Airport infrastructure maintenance expenses	756	719	37
Third party asset maintenance expenses	91	37	54
TOTAL MAINTENANCE COSTS	1,102	992	110

The breakdown of services is illustrated below:

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Snow clearance	239	204	35
Porterage, transport third-party services	4	3	1
PRM assistance service	186	46	140
De-icing and other public service charges	210	182	28
Security service	487	338	149
Other outsourcing	330	424	(94)
TOTAL SERVICES	1,456	1,197	259

iii. Construction service costs

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

iv. Leases, rentals and other costs

The following table presents the breakdown of leases, rentals and other costs for Q1 2022 and Q1 2021.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Concession fees	926	182	744
Hire charges	51	64	(13)
Rental charges	4	0	4
EDP processing charges	380	383	(3)
Other rental & hire costs	2	3	(1)
TOTAL LEASES, RENTALS AND OTHER COSTS	1,363	632	731

This cost category also increased significantly (115.7%), mainly due to higher traffic volumes, on whose basis the concession fees are calculated.

v. **Other operating expenses**

The following table shows the breakdown of other operating expenses for Q1 2022 and 2021 (no significant changes).

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Misc. and local taxes	335	276	59
Fire prevention service contribution	253	249	4
Capital losses	3	0	3
Other operating expenses	82	105	(23)
TOTAL OTHER OPERATING EXPENSES	673	630	43

vi. **Personnel costs**

The following table shows the breakdown of personnel costs for Q1 2022 and Q1 2021.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Salaries and wages	4,263	3,336	927
Social security charges	1,256	1,085	171
Severance provisions	339	302	37
Retirement pension and similar	45	47	(2)
Other personnel costs	235	282	(47)
TOTAL PERSONNEL COSTS	6,138	5,052	1,086

The increase (21.5%) in personnel costs, despite the reduction in the workforce (11 fewer average employees in Q1 2022 compared to Q1 2021; 13 fewer employees at March 31, 2022, compared to March 31, 2021), is mainly attributable to the reduced use of the Temporary Lay-off Scheme as a result of the recovery in traffic.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Employee canteen	107	75	32
Personnel training and refresher courses	51	25	26
Employee expenses	5	4	1
Other personnel provisions	28	18	10
Misc. personnel costs	44	160	(116)
TOTAL OTHER PERSONNEL COSTS	235	282	(47)

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

<i>Average workforce (No.)</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Executives	8	9	(1)
White-collar	365	373	(8)
Blue-collar	79	81	(2)
TOTAL PERSONNEL	452	463	(11)

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

<i>Workforce (number)</i>	As at 31.03.2022	As at 31.03.2021	Change
Executives	8	10	(2)
White-collar	365	377	(12)
Blue-collar	82	81	1
TOTAL PERSONNEL	455	468	(13)

21. Depreciation, amortisation and impairment

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

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Amortisation of concession rights	1,850	1,822	28
Amortisation of other intangible assets	88	208	(120)
Depreciation of tangible assets	506	574	(68)
TOTAL DEPRECIATION AND AMORTISATION	2,444	2,604	(160)

The item comprised of Euro 2.4 million of amortisation and depreciation and includes Euro 132 thousand of amortisation of leased assets as per IFRS 16. The increase is in line with the effects of the full year application from the progressive roll-out of investments over the last twelve months. No revaluations have been made in the period.

22. Provisions for risks and charges

The following table shows the movement of the provisions for risks and charges for the periods ended March 31, 2022 and 2021.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Provisions for doubtful accounts	(3)	156	(159)
Provision for renewal of airport infrastructure	524	512	12
Provisions for other risks and charges	54	7	47
TOTAL PROVISIONS	575	675	(100)

This cost category did not change significantly from Q1 2021, with the exception of the lack of allocations to provisions for doubtful accounts as a result of an assessment of the adequacy of provisions set aside at December 31, 2021.

23. Net financial income and expenses

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Income from securities	4	6	(2)
Other income	7	0	7
Discounting income on provisions	367	4	363
TOTAL FINANCIAL INCOME	378	10	368
Interest expenses and bank charges	(168)	(191)	23
Discounting charges on provisions	(5)	(62)	57
Other financial expenses	(129)	(53)	(76)
TOTAL FINANCIAL EXPENSES	(302)	(306)	4
TOTAL FINANCIAL INCOME AND EXPENSES	76	(296)	372

The period closed with net financial income of Euro 76 thousand, compared to the net financial expense of Euro 300 thousand for Q1 2021. This improvement is attributable to the increased financial income on the discounting of provisions.

24. Taxes for the period

The following table shows the taxes for Q1 2022 and Q1 2021.

<i>in thousands of Euro</i>	for the quarter ended 31.03.2022	for the quarter ended 31.03.2021	Change
Current and deferred taxes	31	2,053	(2,022)
TOTAL TAXES FOR THE PERIOD	31	2,053	(2,022)
% taxes in the period on result before taxes	n.a.	n.a.	/

Income taxes in Q1 2022 amounted to tax income of Euro 0.03 million, compared to tax income of Euro 2 million in the comparative period primarily due to the recognition of deferred tax assets on the IRES tax loss for the comparative quarter.

25. 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 related parties

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 30 thousand (Euro 40 thousand in Q1 2021).

AdB payables to the subsidiary mainly concern the capital grant for the covering of General Aviation terminal infrastructure operation and maintenance costs for the boarding and disembarking of passengers, against the financial advantage for AdB of including these costs in the calculation of passenger boarding fees. In addition to the above, the new H24 contract awarded to the subsidiary on April 1, 2021 is considered and not matured in the comparative quarter. Overall, costs for TAG totalled Euro 114 thousand in Q1 2022, compared to Euro 45 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 2.1 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 89 thousand compared to Euro 84 thousand in Q1 2021.

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 about Euro 6 million, the most significant of which (at Euro 5.8 million) is the guarantee issued by UnipolSai to the customs authority on request of FFM for a customs dispute in which the subsidiary is involved. For more information, see the Directors' Report for the 2021 Annual Accounts.

Related party transactions

In the first three months of 2022, the parent company undertook commercial transactions with subsidiaries of the shareholder Atlantia Spa as follows:

- Autostrade spa: under the lease agreement valid until 31/12/2024 of land for parking use, the Parent Company recognised a leasing asset for a net value of Euro 233 thousand at March 31, 2022 (Euro 306 thousand at March 31, 2021) and has payables for invoices to be received of Euro 71 thousand, in addition to current leasing liabilities for Euro 86 thousand and non-current for Euro 124 thousand (respectively Euro 88 thousand and Euro 195 thousand at March 31, 2021);
- Telepass Spa: under the contract for the supply of electronic parking payment services using the Telepass system, the Parent Company incurred costs of Euro 29 thousand (Euro 5 thousand at March 31, 2021) and had payables of Euro 46 thousand (Euro 7 thousand at March 31, 2021);
- Movyon Spa (ex Autostrade Tech:) under the facilities maintenance contract mentioned in the previous point, the Parent Company incurred costs of Euro 3 thousand, unchanged from Q1 2021;
- Infoblu Spa: under the contract for the supply of multimedia traffic information services, the Parent Company incurred costs of Euro 2 thousand, unchanged from the comparative period.

26. 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, 2022.

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

The Chairperson of the Board of Directors
(*Enrico Postacchini*)

Bologna, May 13, 2022

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

Interim Financial Report at March 31, 2022

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)

