

MILIONE S.P.A.

Consolidated Half-Year Report
at June 30, 2022

Contents

3	Board of Directors
4	Board of Statutory Auditors
5	Interim Directors' Report
32	Condensed Consolidated Half-Year Financial Statements <ul style="list-style-type: none">• Consolidated Balance Sheet• Consolidated Income Statement• Consolidated Comprehensive Income Statement• Consolidated Cash Flow Statement• Statement of Changes in Consolidated Shareholders' Equity
38	Notes to the Condensed Consolidated Half-Year Financial Statements
92	Supplementary Statements <ul style="list-style-type: none">• Statement of changes in intangible assets• Statement of changes in tangible assets• Related party transactions
95	Independent Auditors' Report

MILIONE S.p.A.

Share capital: Euro 188,737.00 fully paid-in

Registered office: viale G. Galilei No. 30/1 - 30173 Venice

Venice REA No.: 418330

Venice Companies Registration Office, Tax and VAT No.: 03411340262

According to the Shareholder Register, at June 30, 2022, the share capital of Milione S.p.A was broken down as follows:

	%
	HELD
INFRA HUB S.R.L.	43.9942
LEONE INFRASTRUCTURE S.R.L.	43.9942
SVILUPPO 87 S.R.L.	12.0079
CENTRO VACANZE PRA' DELLE TORRI S.R.L.	0.0037

Board of Directors

The Board of Directors appointed by the Shareholders' Meeting of October 8, 2020 and in office at June 30, 2022 were:

Name	Office
Enrico Marchi	Chairperson
Hamish Macphail Massie Mackenzie	Vice Chairperson
Athanasios Zoulovits	Vice Chairperson
Fabio Battaggia	Director
Grégoire Parrical De Chamard	Director
Zeynep Lucchini Gilera	Director
Walter Manara	Director
Giovanni Marchi	Director
Monica Scarpa	Director

Board of Statutory Auditors

The Board of Statutory Auditors appointed by the Shareholders' Meeting of October 8, 2020 and in office at June 30, 2022 were:

Name	Office
Nicola Broggi	Chairperson
Paolo Caprotti	Statutory Auditor
Roberto Lonzar	Statutory Auditor
Fabrizio Acerbis	Alternate Auditor
Michele Crisci	Alternate Auditor
Anna Masè	Alternate Auditor

Independent Audit Firm

Deloitte & Touche S.p.A. (appointed by the Shareholders' AGM of April 17, 2020)

Directors' Report

Consolidated Financial Highlights

	H1 2022	H1 2021 restated	% Change	2021
<i>(Euro millions)</i>				
Revenues	127.3	21.1	504.4%	86.4
EBITDA	80.1	(8.1)	-1088.3%	14.6
EBIT	41.9	(46.6)	-189.8%	(62.9)
Group Net Profit/(loss)	32.1	(52.2)	-161.5%	(75.7)
Fixed Capital Employed	1,584.2	1,604.3	-1.3%	1,593.4
Net operating working capital	(42.3)	(59.9)	-29.3%	(48.5)
Net capital employed	1,541.9	1,544.4	-0.2%	1545.3
- Own funds	550.3	524.9	4.8%	502.9
- Minority shareholders	2.9	2.4	17.6%	2.5
SHAREHOLDERS' EQUITY	553.2	527.4	4.9%	505.4
NET FINANCIAL POSITION	988.7	1018.8	-3.0%	1039.9
EBIT/Revenue (ROS)	32.9%	-221.4%		-72.7%
Venice-Treviso Airport System Passenger Nos.	4,972,573	742,777	569.5%	4,659,150

For comparative purposes, the above figures, in addition to the financial statements, present a comparison with the balance sheet at December 31, 2021 and with the H1 2021 income statement, restated following the sale of the company Triveneto Sicurezza S.r.l., which resulted in the application of IFRS 5 or rather the reclassification of the income statement effects to "Profit/Loss from discontinued operations/held-for-sale".

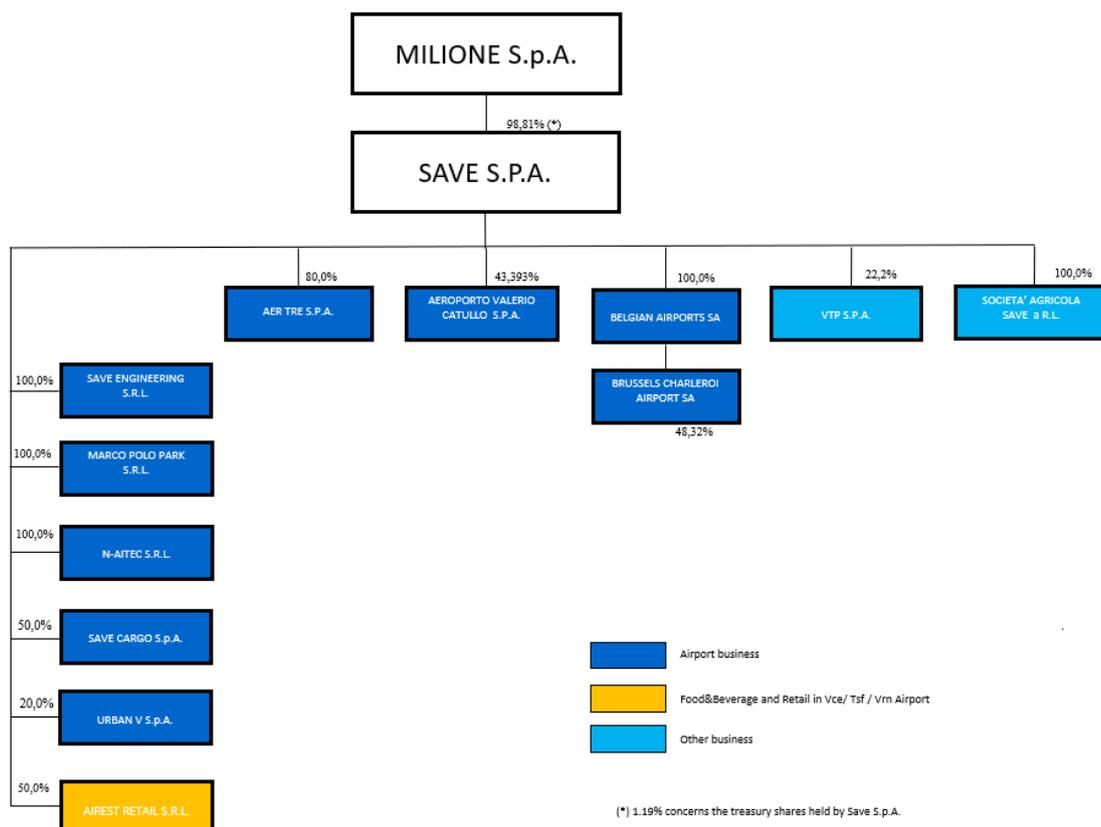
In this Consolidated Half-Year Report, a number of alternative performance measures are used. These are therefore not defined within the scope of IFRS accounting standards. Their meaning and content is outlined in the specific section of the Directors' Report.

The Group

The Milione Group was created as a result of the acquisition process completed on August 10, 2017 by the newly incorporated Milione S.p.A.. Following a reverse merger, completed on March 7, 2018, the newly incorporated Milione S.p.A. was integrated, together with the other entities within the same chain of control, by the subsidiary Agorà Investimenti S.p.A. which simultaneously took the name Milione S.p.A..

Milione S.p.A. (hereafter also the “Company” or “Milione” or “Parent Company”), previously Agorà Investimenti S.p.A., holds a majority investment in SAVE S.p.A. – hereafter also “SAVE” –, an investment holding company which mainly operates through its subsidiaries in the airport management sector. The subsidiary directly manages Venice Marco Polo Airport and controls the management company of the Treviso Antonio Canova airport. Save in addition has significant holdings in the companies that manage Valerio Catullo di Verona Villafranca airport, Gabriele D’Annunzio di Montichiari (BS) airport and Charleroi (Belgium) airport, while also in companies operating in airport management related sectors.

We report below the Group structure, indicating the main operating companies and the Group holding percentage.



Market performance

The first half of 2022 featured two events whose impact on our market has prevented a return to normality for the entire sector.

The first is the ongoing COVID-19 pandemic which, thanks to the mass vaccination campaigns and the reduced impacts from the latest variants of the virus, saw an easing of movement restrictions - and in particular on our core markets, such as Europe and North America, which were still heavily impacted in 2021 and in the initial months of 2022. This new situation supported a clear air traffic recovery and particularly with the start of the summer season - even creating an operational crisis for some major European hubs.

The second concerned the start of the conflict between Russia and Ukraine in February, which in addition to creating a political, military and humanitarian emergency, for the rest of Europe resulted in the greatest energy crisis of recent decades, leading to increased operating costs for the entire sector as a result of the increases - which were entirely unpredictable before the conflict - in the cost of gas and fuel.

The development of the conflict, which is still difficult to predict, is the greatest factor of uncertainty for the European and Italian economy.

Furthermore, inflation in the Eurozone over recent months, driven by energy raw material price rises and fresh procurement difficulties for businesses, hit a record 8.6% in June and is significantly impacting economic growth after the strong performances of 2021.

The European Bank, in the face of these developments, rose the reference rate to contain the inflationary pressures, resulting in a rise in the cost of money and consequently impacting investment confidence.

GDP growth in Italy, just in positive territory for the first three months of the year, strengthened in the spring as a result of the contribution of all major sectors and in particular of services, thanks to the recovery of the tourism and transport sectors. The recent government crisis, with the resignation of the Prime Minister Draghi, now brings additional uncertainty to Italy in terms of the economic forecasts which, for example, may call the achievement of the target set out in the National Recovery and Resilience Plan (PNRR) into question and consequently the receipt of the related EU funds.

European and Italian traffic in the period, following on from a Q1 which was still impacted by the pandemic restrictions, saw significant growth in Q2. The European airports, on the basis of the figures published by ACI Europe, in the first five months of the year saw a 68.5% recovery on 2019 (the last “normal” year).

Italian airports saw even better results, with a recovery of 73.3%.

The North-Eastern Airports in the period reported a recovery of 72.2%, with a 54.1% gain in Q1 and of 84.6% in Q2, confirming therefore the general market trend.

H1 significant events

With regards to the Group structure, we report the completion of the process for the sale to third parties of the subsidiary Triveneto Sicurezza in May 2022 and the reverse merger, completed on June 28, 2022, resulting in the incorporation of Save International Holding into the subsidiary Belgian Airport S.a..

In addition, we indicate the increase in the Group's holding in Bruxelles South Charleroi Airport S.A. (BSCA) from 27.65% to 48.3%, on the basis of the share capital increase subscribed by Belgian Airport S.a. in February 2022.

The acquisition of small minority stakes in the investee company Aeroporto Valerio Catullo di Verona Villafranca continues, following their sale by the public shareholders, with the holding increasing from 43.05% to 43.39% in the period, thereby strengthening our role as the company's majority shareholder.

Also during the half year, we highlight the Group's refinancing of the Banking syndicate facilities at December 31, 2021 for Euro 595 million. The new contract, agreed on February 16, 2022, increases the available funding to Euro 640 million, extending its duration from December 2025 to December 2027. In addition, the new agreement establishes the initial financial covenant tests for June 2023. Two prestigious banks (CDP and Mediobanca) join the existing set of Group lenders. This new credit line together with the alignment of the main conditions also of the Euro 300 million bond loan, which extends the maturity to December 2028, has laid the foundation for more comfortable management of the Group's funding needs for the coming years.

Consolidated Operational Overview

In view of that outlined in the preceding paragraphs, the comparison between H1 2022 and H1 2021 is heavily impacted by the exceptional loss for the comparative period, in which the pandemic was at its peak. The comparison between the two periods is therefore not particularly meaningful except to highlight the return, particularly in Q2 2022, of a certain degree of operating normality.

The Group consolidated reclassified income statement is reported below (in thousands of Euro):

Euro/000	H1 2022		H1 2021 restated		CHANGE	
Operating revenue and other income	127,313	100.0%	21,066	100.0%	106,247	504.4%
Raw materials and goods	588	0.5%	365	1.7%	223	61.3%
Services	23,731	18.6%	14,726	69.9%	9,005	61.2%
Lease and rental costs	3,752	2.9%	1,134	5.4%	2,618	230.8%
Personnel costs	18,172	14.3%	11,944	56.7%	6,228	52.1%
Other operating charges	951	0.7%	1,004	4.8%	(53)	-5.3%
Total operating costs	47,194	37.1%	29,173	138.5%	18,021	61.8%
EBITDA	80,119	62.9%	(8,107)	-38.5%	88,226	-1088.3%
Amortisation & write-down of intangible assets	29,854	23.4%	29,713	141.0%	141	0.5%
Depreciation & write-down of tangible assets	5,377	4.2%	5,786	27.5%	(409)	-7.1%
Replacement provision	2,600	2.0%	1,346	6.4%	1,254	93.2%
Losses and doubtful debt provision	117	0.1%	1,668	7.9%	(1,551)	-93.0%
Provision for risks and charges	300	0.2%	13	0.1%	287	2207.7%
Total amortisation, depreciation, provisions & write-downs	38,248	30.0%	38,526	182.9%	(278)	-0.7%
EBIT	41,871	32.9%	(46,633)	-221.4%	88,504	-189.8%
Financial income and (charges)	(16,395)	-12.9%	(11,161)	-53.0%	(5,234)	-46.9%
Profit/losses from Associates & JV's carried at equity	1,501	1.2%	(9,522)	-45.2%	11,023	115.8%
Profit/(loss) before tax	26,977	21.2%	(67,316)	-319.5%	94,293	140.1%
Income taxes	(5,530)	-4.3%	(15,246)	-72.4%	9,716	63.7%
Profit/(loss) from Continuing Operations	32,507	25.5%	(52,070)	-247.2%	84,577	162.4%
Profit/(loss) from Discontinued Operations/Held-for-sale	(6)	0.0%	(998)	-4.7%	992	99.4%
Net Profit/(loss)	32,501	25.5%	(53,068)	-251.9%	85,569	161.2%
Minorities	(406)	-0.3%	843	4.0%	(1,249)	-148.2%
Group Net Profit/(loss)	32,095	25.2%	(52,225)	-247.9%	84,320	161.5%

The H1 2021 income statement figures were restated following the sale of the company Triveneto Sicurezza S.r.l., resulting in the application of IFRS 5, i.e. the reclassification in the comparative period of the relative income statement effects to "Profit/Loss from discontinued operations/assets held-for-sale".

Revenues in the period totalled Euro 127.3 million, compared to Euro 21.1 million in H1 2021. They principally derive from Group operations at Venice and Treviso airports and are broken down as follows:

Euro / 1000	H1 2022				H1 2021				Change				Change %
	Total	Venice	Treviso	Other	Total	Venice	Treviso	Other	Total	Venice	Treviso	Other	Total
Aviation fees and tariffs	50,086	44,810	5,276	0	11,202	10,740	462	0	38,884	34,070	4,814	0	347.1%
Handling	1,507	719	788	0	353	266	87	0	1,154	453	701	0	326.9%
Aviation Revenue	51,593	45,529	6,064	0	11,555	11,006	549	0	40,038	34,523	5,515	0	346.5%
Ticketing	58	12	46	0	5	0	5	0	53	12	41	0	1,060.0%
Parking	7,295	6,528	767	0	1,734	1,660	74	0	5,561	4,868	693	0	320.7%
Advertising	695	660	35	0	333	313	20	0	362	347	15	0	108.7%
Commercial	13,845	12,281	1,564	0	3,357	3,117	240	0	10,488	9,164	1,324	0	312.4%
Non-Aviation Revenue	21,893	19,481	2,412	0	5,429	5,090	339	0	16,464	14,391	2,073	0	303.3%
Other income	53,827	47,411	4,379	2,037	4,082	1,735	114	2,233	49,745	45,676	4,265	(196)	1,218.7%
Total Revenue	127,313	112,421	12,855	2,037	21,066	17,831	1,002	2,233	106,247	94,590	11,853	(196)	504.4%

As can be seen, the various revenue items benefitted from the significant improvement in traffic for the Venice-Treviso system in the period. Specifically:

- *aviation revenues* totalled approx. Euro 51.6 million (Euro 11.6 million in H1 2021). In particular, the Q2 performance, with average traffic at 85% of 2019 traffic, drove a recovery in operations and therefore of aviation revenue.
- *non-aviation revenues* amounted to approx. Euro 21.9 million, compared to Euro 5.4 million in H1 2021. We particularly highlight the parking and VIP lounge results, which outperformed the 2022 traffic recovery.
- the significant increase in *other revenues* is due to the recognition of the contribution from the *Aviation sector damage compensation fund*, approved by the Ministry for Infrastructure and Sustainable Mobility in May 2022 and collected in two tranches in the period, for Euro 48 million, in partial compensation of the damages incurred by the Group's airports in the March-June 2020 period.

EBITDA returned to a profit at Euro 80.1 million (Euro 32 million net of the above-stated COVID contribution), compared to a loss of Euro 8.1 million in H1 2021. The significant increase is obviously due to the greater level of operations in the period and the continual focus on operating costs. In particular, after a first quarter which still reported contained results, the margin in Q2, net of the COVID contribution, was substantially in line with the same period of 2019.

EBIT amounted to Euro 41.9 million, after expensing amortisation and depreciation of Euro 35.2 million.

Financial management reports charges of Euro 14.9 million, compared to charges of Euro 20.7 million in H1 2021. The improvement is due to the result of the investees which, also benefitting from improved operating levels, reported net income of Euro 1.5 million, compared to net charges of Euro 9.5 million in H1 2021. The net balance between Financial charges and income however declined to a charge of Euro 16.4 million, compared to Euro 11.2 million in 2021, due to the net balance of the renegotiation charges for Euro 2.7 million, based on the refinancing transaction of a Group credit line in February 2022 and an increase in the cost of money in March 2022.

The **net result** therefore returned to a profit at approx. Euro 27 million, compared to a loss of approx. Euro 67.3 million in H1 2021.

The **Group net result** was a profit of approx. Euro 32.1 million, compared to a loss of Euro 52.2 million in H1 2021. The period benefitted from a net positive balance between current and deferred taxes of approx. Euro 5.5 million, also calculated in view of the non-taxability of the COVID contribution.

Group Reclassified Balance Sheet

Euro/000	06/30/2022	12/31/2021	Change	Change %	06/30/2021
Property, plant and equipment	56,020	57,576	(1,556)	-2.7%	62,077
Airport concession rights	598,612	604,942	(6,330)	-1.0%	615,403
Intangible assets	1,007,617	1,024,695	(17,078)	-1.7%	1,041,650
Financial assets	102,220	84,663	17,557	20.7%	72,730
Deferred tax assets	59,101	57,953	1,148	2.0%	53,255
TOTAL FIXED ASSETS	1,823,570	1,829,829	(6,259)	-0.3%	1,845,115
Post-employment benefits	(3,389)	(3,407)	18	-0.5%	(3,713)
Provision for liabilities and deferred taxes	(235,980)	(233,056)	(2,924)	1.3%	(237,102)
Fixed Capital from assets held-for-sale	0	(80)	80		631
FIXED CAPITAL	1,584,201	1,593,286	(9,085)	-0.6%	1,604,931
Inventories	2,378	2,299	79	3.4%	2,058
Trade receivables	56,022	35,337	20,685	58.5%	23,865
Tax receivables	319	2,204	(1,885)	-85.5%	4,838
Other receivables and other current assets	5,875	6,530	(655)	-10.0%	5,324
Trade payables and advances	(52,133)	(48,444)	(3,689)	7.6%	(56,203)
Tax payables	(2,396)	(1,336)	(1,060)	79.3%	(1,049)
Payables to social security institutions	(2,844)	(2,543)	(301)	11.8%	(2,241)
Other payables	(49,539)	(42,542)	(6,997)	16.4%	(36,483)
Net working capital from assets held-for-sale	0	516	(516)	-100.0%	1,067
TOTAL NET WORKING CAPITAL	(42,318)	(47,979)	5,661	-11.8%	(58,824)
TOTAL CAPITAL EMPLOYED	1,541,883	1,545,307	(3,424)	-0.2%	1,546,107
Group Net Equity	550,339	502,887	47,452	9.4%	524,904
Minority Interest Net Equity	2,877	2,471	406	16.4%	2,446
SHAREHOLDERS' EQUITY	553,216	505,358	47,858	9.5%	527,350
Cash	(26,964)	(24,587)	(2,378)	9.7%	(18,276)
Other financial assets	(22,146)	(540)	(21,606)		0
Current bank payables	9,668	60,662	(50,994)	-84.1%	59,535
Non-current bank payables	1,023,224	999,287	23,937	2.4%	971,010
Other lenders	5,035	5,277	(241)	-4.6%	6,638
Financial receivables from group & related companies	(150)	(591)	441	-74.6%	(3,920)
Financial payables to group & related companies	0	0	0	0.0%	0
Financial payables related to assets held-for-sale	0	441	(441)	-100.0%	3,770
TOTAL NET FINANCIAL POSITION	988,667	1,039,948	(51,281)	-4.9%	1,018,757
TOT. FINANCING SOURCES	1,541,883	1,545,307	(3,424)	-0.2%	1,546,107

The H1 2021 figures were restated for better comparison in view of the sale of the company Triveneto Sicurezza S.r.l. during the period.

Fixed Assets reported a reduction of approx. Euro 6.3 million, due to amortisation and depreciation in the period of approx. Euro 35 million, which absorbs Euro 10 million of investments and the financial investments in the period.

Working capital reflects the substantial full reopening of business activities in Q2 2022, as evident from the increase in trade receivables, partially offset by the increase in other payables, comprising the payables for the municipal surtax and for the concession fee.

Shareholders' equity of Euro 553.2 million increased Euro 47.9 million on December 2021. In addition to the net result for the period, the increase considers also the valuation of the interest rate hedges in February 2022 as a result of the above-stated refinancing transaction, which resulted in net increases of over Euro 15 million, net of the relative deferred tax effect.

Net Financial Position

The Group **net debt** improved by approx. Euro 51 million, from debt of Euro 1,040 million at December 31, 2021 to a debt of Euro 988.7 million at June 30, 2022.

(Euro thousands)	06/30/2022	12/31/2021	06/30/2021
Cash and cash equivalents	26,964	24,587	18,276
Financial assets of group companies held-for-	0	441	3,770
Other financial assets	22,296	690	150
Financial assets	49,260	25,718	22,196
Bank payables	9,668	60,662	59,535
Other financial liabilities – current portion	350	377	1,536
Financial liabilities of Discontinued Operations	0	441	3,770
Current liabilities	10,018	61,480	64,841
Bank payables – less current portion	1,023,224	999,287	971,010
Other lenders – less current portion	4,685	4,899	5,102
Non-current liabilities	1,027,909	1,004,186	976,112
Net financial position from Continuing Operations	(988,667)	(1,040,389)	(1,022,527)
Net financial position from Discontinued Operations	0	441	3,770
Net financial position	(988,667)	(1,039,948)	(1,018,757)
Total gross payables to banks	1,032,892	1,059,949	1,030,545

Cash and other cash equivalents totalled approx. Euro 27 million (substantially in line with December 31, 2021). In the first half of 2022, the new hedges undertaken in February generated a market valuation at June 30, 2022 of a positive Euro 22.1 million, recognised to Other financial assets.

Cash and cash equivalents increased from a positive balance of approximately Euro 24.6 million at the end of 2021 to a positive balance of approximately Euro 27 million at June 30, 2022.

Operating activities generated cash, excluding the government contribution of Euro 48 million, of Euro 16 million, while investing activities absorbed cash of approx. Euro 25 million, of which approx. Euro 9.1 million due to the payment of investments at the various terminals and for Euro 15.9 million the investments to acquire additional holdings in the companies BSCA s.a. and Aeroporto V.Catullo di Verona Villafranca Spa.

A refinancing transaction of the main Group credit line was also executed in the period through an expanded bank syndicate. This transaction resulted in the full repayment of the capital portions of the existing loan of Euro 545 million and the drawing down of a new line for Euro 565 million, against a total line granted of Euro 640 million. Capital portions totalling approx. Euro 3 million were repaid in the period of the various loan tranches with the European Investment Bank. During the period, the overall management of long-term loans and short-term drawdowns resulted in an outflow of approx. Euro 37 million.

Group bank loans at June 30, 2022, measured under the amortised cost method, totalled Euro 1,033 million, compared to Euro 1,060 million at December 31, 2021. Nominal capital instalments maturing in the coming 12 months amounted to Euro 7.7 million, of which Euro 6.2 million relating to the parent company. Nominal capital instalments due beyond one year amounted to Euro 1,030.6 million, Euro 1,002.2 million of which matures beyond five years.

Guarantees granted

Guarantees granted (Euro thousands)	amount
Sureties:	1,028
- as a guarantee for lease contracts	411
- as a guarantee for public grants	461
- as a guarantee for loans	-
- other	156
Mortgages and privileges in guarantee of loans	35,830
Total guarantees granted	36,858

The Company pledged the SAVE shares held in favour of its lenders. Current accounts held by Milione S.p.A. with a balance of approx. Euro 0.3 million as at June 30, 2022 have also been pledged to the above lenders.

The shares of Milione have in addition been provided as a lien in favour of these lending institutes.

Human Resources

The Group's workforce is outlined below.

Workforce	06/30/2022		12/31/2021		06/30/2021		Cge. 6/30 - 12/31		Cge. 06/22 - 06/21	
	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time	Full Time	Part Time
Executives	17	0	17	0	18	0	0	0	(1)	0
Managers	51	0	48	0	53	1	3	0	(2)	(1)
White-collar	325	130	571	239	588	237	(246)	(109)	(263)	(107)
Blue-collar	163	55	138	50	137	39	25	5	26	16
Apprentices	0	0	0	0	0	0	0	0	0	0
TOTAL	556	185	774	289	796	277	(218)	(104)	(240)	(92)
TOTAL WORKFORCE	741		1,063		1,073		(322)		(332)	

Employees at June 30, 2022, including both full-time and part-time, in addition to fixed contract employees, totalled 741, decreasing 322 compared to December 31, 2021 and by 332 compared to June 30, 2021. The full-time equivalent of the total workforce at June 30, 2022 was 687 employees, compared to 986 at December 31, 2021.

This reduction is due to the exit from the consolidation scope of the company Triveneto Sicurezza, sold in H1 2022.

At like-for-like consolidation scope, the workforce therefore increased by 44 (by 40 EFT month-end) compared to December 31, 2021 and by 59 (by 49 units EFT month-end) compared to June 30, 2021.

The average full-time equivalent in the first six months of 2022 was 643.48, a decrease of 7.06 employees compared to the first six months of 2021 (at like-for-like scope).

Airport Management Review

Traffic performance

According to ACI Europe's published figures, European airport passenger traffic in the first 5 months of the year declined 31.5% compared to the same period of 2019 (movements: -25.7%). Cargo movements rose 4.6% on 2019.

The figures for the Italian airports for the January-May period indicate a contraction in passenger traffic of 26.7% compared to the same period of 2019, with a total of almost 52 million passengers, for 515 thousand movements (-16.6% on 2019). Cargo traffic increased 3.7% on the first 5 months of 2019.

North-Eastern Airport Hub

The North-Eastern Airport Hub began to recover in 2021. The recovery was driven mainly by the significant domestic component, which was the first to return to flight.

In H1 2022, the North-East Airport Hub, which includes the airports of Venice, Treviso, Verona, and Brescia, carried over 6.1 million passengers, recovering 72% of the traffic for the first 6 months of 2019. The recovery in passenger numbers gained pace over the months, arriving at 87% in June.

The operations of the North-Eastern Airport Hub focus on developing the network of direct destinations and improving intramodality and infrastructure, with a particular view towards sustainable growth.

Venice Airport System

A total of 4,972,573 passengers was reported in H1 2022 for the Airport System (Venice and Treviso), for 45,622 movements, with a 72% recovery of 2019 traffic volumes (pre-pandemic reference year).

Venice Airport reports over 3.8 million passengers since the beginning of the year, for a total of 35,054 movements. The traffic recovery on 2019 was 72%, with the performance consistently improving over the months (in June the recovery was 87%).

Treviso airport carried 1.16 million passengers in H1 (for 10,568 movements), with a 71% recovery on 2019 numbers (recovery in June of 88%).

The following table outlines the key traffic indicators for the first six months of 2022 compared with the same period of 2021 and 2019:

VENICE AIRPORT SYSTEM

Year-to-date June

	Jan/June 2022	Cge. % '22/'19	Cge. % '22/'21
SAVE			
Movements	35,054	-22%	230%
Passengers	3,806,705	-28%	484%
Tonnage	2,425,680	-26%	278%
Cargo (Tonnage)	23,337	-25%	18%
AERTRE			
Movements	10,568	-15%	292%
Passengers	1,165,868	-29%	1186%
Tonnage	562,169	-19%	859%
Cargo (Tonnage)	9		
SYSTEM			
Movements	45,622	-20%	243%
Passengers	4,972,573	-28%	569%
Tonnage	2,987,849	-25%	326%
Cargo (Tonnage)	23,346	-25%	18%

Venice

Following a Q1 in which airport operations were still impacted by the continued COVID-19 global pandemic and - although more marginally - by the war between Ukraine and Russia, in Q2 a strong recovery of traffic volumes emerged, resulting in over 1 million passengers at Venice in the month of June.

“Marco Polo” airport reported over 3.8 million passengers since the beginning of the year, with a 72% recovery of H1 2019 traffic volumes.

The domestic market was reconfirmed as the largest between January and June, with over 1 million passengers (26% of total traffic), followed by France, Great Britain and Spain. The main destinations were Paris CDG, Naples and Catania.

Passengers between Venice and the long-haul destinations (United States, Canada, UAE) numbered 150 thousand in H1, of which 70 thousand in June.

The main carriers at the airport by passenger volume in H1 2022 were: Ryanair, which carried over 1 million passengers, with a 26% share of total traffic, EasyJet and Wizz Air, followed by Air France and Volotea.

4 carriers are currently based at Venice airport (Ryanair and Wizz Air were joined by EasyJet and Volotea), for a total of 12 based aircraft, with an extensive network of direct destinations, guaranteeing the region excellent accessibility both internationally and domestically.

In H1 2022, 17% of passengers continued their journey beyond their first flight destination. The main layovers were: Frankfurt, Paris CDG and Istanbul.

The main final destinations were: New York, Atlanta, Dhaka, Los Angeles, Chicago.

For new flights, in early March Wizz Air announced the opening of its new base of operations in Venice and connections to 17 new destinations (4 domestic and 13 international). Ryanair opened its new Venice base in late March, adding to the Treviso base that became operational in June 2021. This will add 17 new routes, which come in addition to the 7 already operating and 33 connected from Treviso.

Volotea, which in April celebrated its 10-year anniversary at Venice Airport, added a connection to Lourdes from Marco Polo from July and has announced the addition of two new destinations - Nice and Lille - in October.

On June 12 Polish airline LOT, which already operates regular services between Venice and Warsaw, launched a new weekly scheduled Venice-Rzeszów service. The connection will operate until September 18.

During the summer season, direct connections to North America (the United States and Canada) also restarted, as did Emirates' existing operational flight to Dubai (5 weekly flights since July). These reactivations saw Marco Polo reclaim its role as the third busiest intercontinental airport in the country.

Air Canada and Air Transat now operate 8 weekly flights to Toronto and Montreal, while Delta Air Lines, United and American Airlines have brought Atlanta, New York JFK, New York Newark and Philadelphia back into the Venice network, for a total of 28 weekly flights.

During these months, focus was placed on co-marketing proposals with carriers, activities in the region, including in synergy with local institutions, to stimulate traffic and the full restoration of air connections available to airport users.

Cargo traffic (including couriers and mail) decreased by 25% compared to the same period in 2019, affected by the shortage of wide-bodies aircraft used for medium to long-haul routes, which were suspended as a result of the pandemic.

Treviso

Treviso Airport reported more than 1.1 million passengers in H1 2022, marking a 71% recovery compared to 2019 figures and an upward trend since the beginning of the year. In June, passenger numbers reached 88% of 2019 levels.

The opening of Ryanair's base in June 2021 caused a significant increase in traffic to international markets (89% of passengers travelled to international destinations in the half year). The most popular international market was Spain, followed by Romania. The domestic market was the third largest, reporting more than 120 thousand passengers in the six-month period.

Ryanair has handled over 980 thousand passengers at Treviso airport since the beginning of the year, constituting 84% of total traffic.

The main routes in H1 2022 were Brussels CRL, Bucharest OTP and Tirana.

During the summer, Treviso airport makes more than 50 scheduled destinations available to the local area and airport users.

Ryanair's 2 based aircraft and Wizz Air's connections to Eastern Europe guarantee Canova an extensive network, which complements the routes operated from the bases at Marco Polo Airport.

Garda Airports System

Verona

Verona Airport handled nearly 1.2 million passengers in H1 2022, recovering more than 70% of 2019 traffic volumes (85% in June, with the figures improving month-on-month).

Domestic traffic, Verona airport's main market, contributed 49% (573 thousand passengers). England was the second largest market by passenger traffic, followed by Albania, Germany and Egypt.

The steady increase in traffic is related to the launch of new routes as the summer season began, including Palma and Porto (Ryanair), Barcelona and Paris CDG (Volotea) and Hamburg (Eurowings). It has also benefited from the reopening of both incoming (mainly from Great Britain) and outgoing (mainly to the Red Sea and Spain) leisure traffic.

The main domestic destinations in the half year were Catania (over 150 thousand passengers) and Palermo. Internationally, the most popular destinations were London (over 100 thousand passengers) and Tirana.

Between January and June the main carriers were: Ryanair, which operated 14 routes and transported 429 thousand passengers (36% of total traffic), Volotea (169 thousand passengers, 14%), Wizzair (156 thousand passengers, 13%) and Neos (over 100 thousand passengers, 9%).

Brescia

In H1 2022, cargo figures for Brescia Airport decreased by 2.5% overall compared to the same period of 2021 (nearly 19 thousand tonnes of cargo/mail handled). This was a 60% increase on 2019.

The air cargo segment performed well (+5.6%), driven by DHL, which operates three daily import and export turnarounds, five days a week.

Postal business, however, which constitutes 61% of total cargo volumes, was down 7.1%. This decline relates to the redirection of e-commerce to the Italian islands to routes managed in-house by the customer and not associated with the *Poste Italiane* (Italian Postal Service) network.

In the coming months, DHL and Poste Italiane will continue to be the two pillars that support new activities at the Brescia Airport. In the meantime, contact is ongoing with potential international clients, while uncertainty continues to surround the slow recovery

in China. This is mainly the result of the continuation of significant governmental anti-COVID measures, which are hindering steady growth on a particularly unstable market.

Charleroi Airport

Nearly 3.6 million passengers passed through Charleroi Airport in H1 2022, a 91% recovery on 2019 levels.

The main airline at the airport remains Ryanair, with a market share of 81.7% and carrying nearly 2.9 million passengers. Ryanair's operations to June 2022 comprised 106 regular destinations.

In contrast, the carrier Wizzair, which operates 15 routes, carried almost 360 thousand passengers in H1 2022.

Investments at Venice and Treviso airports

Investments totalled Euro 10.6 million in the half year, of which approx. Euro 0.2 million allocated to the assets under concession replacement provision.

The most significant investments made in H1 2022 include Euro 3.2 million for the purchase of the land and buildings in an area adjacent to Venice Airport, Euro 2.8 million for investments and work to maintain infrastructure operations at the same airport, Euro 1.4 million for planning and environmental work or compensation at Venice airport, Euro 0.9 million for IT investments, Euro 0.8 million for other investments and work to maintain infrastructure operations at Treviso airport, Euro 0.6 million for planning and work on the expansion of terminal lot 2 (South Pier) at Venice airport and other minor investments.

Regulatory framework developments

Regulatory Agreement and airport fees

SAVE applies the airport fees established on the basis of the Regulatory Agreement signed with ENAC on October 26, 2012 and approved with Ministerial Decree of December 28, 2012, in accordance with Article 17, paragraph 34-*bis* of Legislative Decree No. 78/2009, enacted into Law 102/2009, authorized ENAC to undertake, for airports of national importance and however with traffic of greater than 8 million passengers annually, long-term Regulatory Agreements with options for updating throughout their applicability. The tariff system entered into force on March 11, 2013. The fees are updated annually in accordance with Article 15 of the Regulatory Agreement.

Law No. 37 of May 3, 2019, which came into effect on May 26, 2019, states that: "*(National Supervisory Authority). - 1. The transport regulation authority, set up in accordance with Article 37 of Legislative Decree No. 201 of December 6, 2011, converted with amendments by law No. 214 of December 22, 2011, acts as the National oversight authority as per this decree also with regards to the regulatory agreements established by Article 17, paragraph 34-bis, of Legislative Decree No. 78 of July 1, 2009, converted with amendments by law No. 102 of August 3, 2009. The above Authority undertakes the functions transferred with the human resources, tools and funding available in its financial statements, without new or additional charges for public funding*".

With this provision, it is provided that the Transport Authority carries out the functions of the national oversight authority also for the supplementary regulatory agreements governed by Article 17, paragraph 34-*bis*, Legislative Decree No. 78 of July 1, 2009, converted with amendments by Law No. 102 of August 3, 2009. These functions were previously reserved to ENAC.

With Resolution No. 136/2020 of July 16, 2020, the Authority approved the airport fee regulation models and the relative annexes, establishing that these models shall enter into force on July 1, 2021. SAVE proceeded to appeal the new models, deeming them harmful to its position in relation to the Regulatory Agreement in derogation.

On May 20, 2021, the Transport Regulation Authority (ART) published Resolution No. 68/2021 *establishing extraordinary provisions in connection with the entry into force of Resolution No. 136/2020 and additions to the sector regulation due to the COVID-19 pandemic*. This resolution postponed to January 1, 2023, the application of the airport regulation models of Resolution No. 136/2020 of July 16, 2020, from the original effective date of July 1, 2021.

Most recently, with Resolution No. 42/2022 of March 23, 2022, the Authority began proceedings to revise the airport fee regulation models approved by the Transport Regulation Authority's (ART) Resolution No. 92/2017 of July 6, 2017, as supplemented by Resolution No. 68/2021 of May 20, 2021. With Resolution No. 80/2022 dated May 12, 2022, the ART published the regulatory act outline on "Airport fee regulation models", establishing deadlines for consultation. These were later extended by Resolution No. 103/2022 dated June 16, 2022.

Fire Service Fund contribution

In Article 1, paragraph 1328, of Law No. 296 of December 27, 2006 (2007 Finance Law), the Legislature provided, "in order to reduce the cost to the State of firefighting services at airports," for a surcharge on passenger boarding fees and the creation of a Fund, "*with contributions from airport companies in proportion to the traffic generated,*" which contributes a total amount of Euro 30 million annually for this purpose.

Subsequently, Law No. 2 of January 28, 2009, which converted with amendments Decree-Law No. 185 of November 29, 2008, from January 1, 2009 changed the legal prerequisite for reducing the cost for firefighting service at airports borne by the state, allocating the relevant amounts to the payment of expenses other than those set out in the establishing regulation.

Moreover, amended Article 39-*bis* of Legislative Decree No. 159/2007, establishing that *“The provisions with regard to [...] payments by airport managers concerning the fire protection services at airports, as per Article 1, paragraph 1328 of Law No. 296 of December 25, 2006, are considered not to impose tax obligations”*.

With judgment No. 167/2018 of July 20, 2018, the Constitutional Court declared the unconstitutionality of Article 1, paragraph 478 of Law No. 208 of December 28, 2015 implementing “Provisions for the drawing up of annual and multi-year budgets of the State” (2016 Stability Law). The aforementioned provision established that the fees charged to airport management companies for fire-fighting services at airports, as per Article 1, Paragraph 1328, of Law 296 of 2006, are not subject to taxation.

Finally, the unified sections, following the restart of the process suspended ahead of the Constitutional Court’s pronouncement, with judgment No. 3162/2019 published on February 1, 2019 declared the contribution to the Fire Fighting Fund as of a tax nature, consequently declaring the tax court to have exclusive jurisdiction.

With regard to SAVE, in judgment No. 264/2020 of February 5, 2020 the Ordinary Court of Venice quashed order for payment No. 676/2013, whereby the administrations had sought the payment of the contribution for the year 2010, finding in favour of the jurisdiction of the tax courts rather than the ordinary courts. In addition, by Judgment No. 667/2020, filed on April 15, 2020, the Court of Venice declared the nullity of Injunction No. 785/13, by which the administrations had requested the payment of the contribution for 2009. Finally, by Judgment No. 10561/2020 of November 16, 2020, the Rome Provincial Tax Commission annulled the ENAC Note with Ref. No. 0050644/DIRGEN/CEC of July 31, 2009 and the "distribution of the Fire Service Fund – Article - Paragraph 1 - Finance Law 2007" table attached to the aforementioned measure, with which tax was allocated to the obligated parties. In particular, according to the tax judges, following the establishment of the Fire Service Fund, intended to reduce State costs for fire-fighting services at airports, “The subsequent provision introduced by Article 4, Paragraph 3-bis, of Decree-Law No. 185 of 2008, without changing the scope and the original purpose of the regulation, instead changed the use of the fund’s proceeds, which are being used to pay for expenses that are unrelated to the purpose set out in the provision, and namely for the general benefit of Fire Service employees”. In so doing, continue the judges, “It is clear that the purpose for which the original tax was levied has been breached and that obliging airport management companies to pay part of the public employee contribution for purposes other than those linked to the service provided at those airports appears to render the tax unlawful [...]’.

LAW No. 234 of December 30, 2021, “State forecast budget for the 2022 financial year and multi-annual budget for the three-year period 2022-2024” (the 2022 Budget Law)

Article 1, paragraph 131, provides that "to ensure the continuity of income support to the employees of Alitalia - Società aerea italiana S.p.A. and Alitalia Cityliner S.p.A. – which are involved in enacting the program for the extraordinary administration procedure referred to in Article 79, paragraph 4-bis, of Decree-Law No. 18 of March 17, 2020, converted, with amendments, by Law No. 27 of April 24, 2020 – the

Exceptional Temporary Lay-Off Scheme defined in Article 10, paragraph 1, of Decree-Law No. 146 of October 21, 2021, converted, with amendments, by Law no. 215 of December 17, 2021, may be extended for a further twelve months. The above program may continue after the commissioner's activities have concluded and up to December 31, 2023. The programs referred to in this paragraph have a limit of Euro 63.5 million for 2022 and Euro 193.6 million for 2023." Article 1, paragraph 132 provides for an increase in the "Solidarity fund for the air transport sector and the airport system" of Euro 32.7 million for 2022 and Euro 99.9 million for 2023 to guarantee the additional benefits provided for by the same provision.

Article 1, paragraph 198 extends the application of the Extraordinary Temporary Lay-off Scheme (CIGS) to "air transport and airport management companies and companies deriving therefrom, as well as companies operating within the airport system" for 2022.

INTERMINISTERIAL DECREE No. 474 of November 25, 2021

The decree of the Ministry for Sustainable Infrastructure and Mobility in consultation with the Ministry for the Economy and Finance on "Enacting methods for the compensation of damages suffered by airport operators and airport ground handling service providers due to the COVID-19 emergency" regulates the terms and forms for the submission of applications for access to the fund established under Article 1, paragraph 715, of Law No. 178 of December 30, 2020, as increased by Article 73, paragraphs 2 and 3, of Decree-Law No. 73 of May 25, 2021.

ENAC Note prot. 2053-P dated January 11, 2022 on Guidelines for the centralised management of fuel depots as strategic infrastructure for airport operations

The note in question was addressed to airport management companies. In it, after a brief reconstruction of the regulatory framework, the Authority provided that: *"the Board of Directors of ENAC has shared as a guideline, in order to overcome the aforementioned critical issues, the need to return to the airport operator the possibility of and responsibility for managing fuel depots, simultaneously providing for the adoption of a technical provision to uniformly regulate - on the basis of the aforementioned guideline - the means of managing fuel depots as centralised, strategic airport infrastructure."*

ENAC Regulation "*Certification of airport ground-handling service providers*" edition 6 of July 22, 2021

On May 31, 2022 the new Regulation on the certification of ground-handling service providers (edition 7) was published on the ENAC website.

The new version of the Regulation updates the scope of application of the 2018 version (the later 2021 version never entered into force) (some categories under Annex A of Legislative Decree No. 18/99 are excluded from the certification requirement) and certification class, introducing, in the latter regard, distinct certificates based on the type and length of aircraft to be served.

The terms of the certificate issuing process are also detailed, stipulating that *"Within 30 days of receipt of the Operations Manual referred to in the previous paragraph, the Airport*

Management Company must express its opinion on the compliance of the operating, environmental protection, and quality standard procedures contained in the Operations Manual with those in force at the airport. In the event of a justified negative opinion by the Operator, the applicant may, in the following 10 days, submit to ENAC detailed and reasoned observations, which the Authority will evaluate in order to adopt its final judgement" (Article 4, point 2) and that "If the Operator does not express the relevant opinion within the time limit referred to in paragraph 2, ENAC shall provide notice that it must comply within 10 days. If this deadline expires without response, ENAC - through the territorially competent Airport Directorate and the Operations Directorate - exercises the power of substitution in place of the Operator, issuing an opinion on the Operations Manual and initiating a sanctioning procedure against the Operator as per the applicable conventional framework. In the event of repeated failure by the Operator to issue the competent opinion, ENAC will apply increased penalties in accordance with the progressiveness principle set out in Law No. 689/1981. All the above is without prejudice to any further sanctioning measures that ENAC may take in compliance with the provisions set out in the convention." Further amendments concern airports for which a measure is adopted to limit the number of ground-handling service providers. In this case, it is stipulated that *"the issue of certification to providers is only permitted for one of the two classes of certification referred to in Article 2, paragraph 2"* (Article 4). It is also provided that *"Where, at limited airports, the Operator exercises its reservation right, the identification by the Operator of the corporate partner must be carried out using transparent and non-discriminatory procedures. Duplication of office and managerial function is allowed, and the handling company must bear at least 50% of the costs associated with the employee holding the office/function."* (Article 12) Finally, the regulations on subcontracting (known as entrusting of services Article 10) and commercial agreements (included under "protection of airport operations" Article 11) are further revised.

Pursuant to Article 23, *"1. The provisions of these Regulations are in force at the time of their publication on ENAC's institutional website: "www.enac.gov.it". 2. Lenders that are already certified according to previous Editions of the Regulations must adapt their certificates to the provisions of these Regulations within 4 months of the publication date. 3. Parties that already hold technical suitability certification, who are authorised to subcontract under previous Editions of the Regulations, may acquire certification within 8 months of the publication date. Certifications lapse beyond that time. 4. The parties referred to in the above paragraphs 2 and 3 must adapt their insurance coverage within 4 months of the publication date of these Regulations. 5. Restriction measures previously adopted under Article 4 and 5 of Legislative Decree No. 18/99 prior to these Regulations remain in effect until their conclusion date. The lenders identified retain exclusivity for as long as the restriction is in force, subject to the conversion of the certification into Class 1 certification, for limited lenders for commercial aviation, and Class 2 certification, for limited lenders for general aviation."*

DECREE-LAW No. 68 of June 16, 2022: Urgent provisions on the safety and development of infrastructure, transport and sustainable mobility, and on major events and the functioning of the Ministry for Sustainable Infrastructure and Mobility

Article 6 of the aforementioned Decree-Law, published in Official Gazette No. 139 of June 16, 2022, amended the terms regarding EIA and public debate by providing that:

1. To accelerate the development of the National Integrated Transport System (SNIT) and increase rail access through public transport to airports, and to increase the strategic significance and development of Italy's intercontinental airports:

(a) The environmental impact assessment procedures set out in Article 6, paragraph 3-ter, of Legislative Decree No. 152 of April 3, 2006, and those relating to work included in airport

development plans, including environmental mitigation and improvement works, must be carried out within the timeframe provided for the projects referred to in Article 8, paragraph 2-bis, of Legislative Decree No. 152 of 2006;

(b) the public debate referred to in Article 22 of Legislative Decree No. 50 of April 18, 2016, will be held in accordance with the terms provided for in Article 46, paragraph 1, second sentence, of Decree-Law No. 77 of May 31, 2021, converted, with amendments, by Law No. 108 of July 29, 2021.

(c) the deadlines for the assessment of compliance as per Article 2 of Presidential Decree No. 383 of April 18, 1994 for airport development plans and work included in such plans, are halved.

2. The work referred to in Paragraph 1 that improves environmental impacts on man-made areas must be incorporated as a priority as part of existing instruments for urban, nature and landscape planning.

3. As regards development plans for airports of national interest other than those identified in paragraph 1, and for work included in the same development plans, the deadlines for the environmental assessment procedures as per Part Two of Legislative Decree No. 152 of 2006 are halved. The provisions of paragraph 1(b) and (c) also apply.

Alternative performance indicators

In addition to the financial indicators established by IFRS, in reference to the half-year report, a number of alternative performance indicators are presented to provide more complete disclosure on the operating performance and financial position. A description follows of the means to calculate these alternative indicators, as not uniform and comparable with those applied by other operators.

“EBITDA” measures the result before amortisation, depreciation, provisions for risks and the replacement provision, write-downs, financial income and charges, taxes and non-recurring operations.

“EBIT” measures the result excluding financial income and charges, income taxes and non-recurring operations.

The “Net financial position” includes liquidity, financial receivables and current securities, net of financial payables (current and non-current) and the fair value of the derivative financial instruments.

“Net working capital” includes inventory, trade receivables, tax and social security receivables and payables, other assets and liabilities and trade payables.

“Net capital employed” measures the sum of “Net working capital” as defined above and fixed assets, net of the Post-Employment benefit provision and risks provisions and added to Other non-current non-financial assets.

“ROS” is the ratio between EBIT, as defined above, and Revenues.

“ROI” is the ratio between EBIT, as defined above, and Net capital employed.

“Gearing” is the ratio between the Net Financial Position and Net equity.

“Total Workforce” is the number of employees enrolled to the employee register on the last day of the period.

“Movements” relates to the total number of arriving/departing aircraft.

“Passengers” concerns the total number of arriving/departing passengers.

Financial Risks

The management of financial risks is in line with Company objectives and focuses on the minimisation of interest rate risk and the relative optimisation of the cost of debt, the credit risk and the liquidity risk. Management of these risks is based on the principle

of prudence and in line with best market practices. For further information, reference should be made to the paragraph “Type and management of financial risk” of this consolidated half-year report.

Other principal risks and uncertainties of the Group

Risks associated with economic conditions

The economic and financial situation of the Group is affected by various factors related to the general economic environment (including the increase or the decrease of GDP, the level of consumer and business confidence, interest rates for consumer credit, the cost of raw materials and the unemployment rate) in the various countries in which the Group operates.

The present report contains a number of forward-looking statements. These statements are based on current Group expectations and projections made by Management concerning future events, including the general conditions of the economy described above, subject to an intrinsic degree of risk and uncertainty, and, by nature, outside the Group's control given the particular current economic and market situation.

Risks deriving from a reduction in the number of passengers or the quantity of cargo transported through airports managed by the Group

The volume of passenger traffic and cargo in transit at the Group managed airports represents a key factor in the results achieved by the Group. In particular, any reduction or interruption to flights, or where their recovery does not materialise as expected, by one or more airlines (particularly those operating at the airports managed by the Group), also as a result of the continuance of the situation generated by the Covid 19 pandemic and the subsequent economic and financial difficulties of such airlines, the stoppage or alteration to connections with destinations with a particularly high level of passenger numbers, the discontinuation or alteration of airline alliances or the occurrence of events which may impact upon the general quality perception of users, of services provided at the airports managed by the Group (due, for example, to a reduction in service quality standards provided by the handling companies operating at the airports, or the interruption to the activities exercised), in addition to the occurrence of unforeseeable natural events, may result in a decrease in traffic, with a consequent impact on the activities and the results of the Group.

The Group however, based on past experience, considers that - although no certainty may be assured - the risk of a reduction or suspension of flights by one or more airlines operating out of the airports managed by the Group does not pose a significant threat, also in consideration of the redistribution of passengers among airlines present on the market and the capacity of the Group to attract new airlines to the airports managed by the Group. However, such redistribution of traffic may require a certain period of time and may temporarily affect traffic volumes.

Risks related to Group results

All general macro-economic events, such as a significant contraction in one of the main markets, the volatility of the financial markets and the consequent deterioration of the

capital markets, an increase in commodity prices, unfavourable movements in specific sector variables, susceptible to causing impacts in the sector in which the Group operates, may significantly impact the Group outlook, in addition to the results and financial position. The profitability of the activities of the Group is also subject to risks related to interest rate and inflation fluctuations, the solvency of the counterparties, as well as the general economic conditions of the countries in which these activities are undertaken.

Risks connected with the importance of certain key figures

The success of the Group depends on a number of key figures who have contributed significantly to the Group's development. The Group considers that it has in place an adequate operational and managerial structure to ensure continuity of general and operational management. However, in the case where such key figures discontinued their working relationship with the Group, there is no guarantee that a suitable replacement may be found in such a time period so as to ensure the same contribution in the short-term, with consequent possible implications for the Group.

Risks concerning the regulatory framework

The Group operates within a sector governed by an extensive domestic and international regulatory framework. 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.

For greater details on the principal amendments to the regulatory framework and sector developments, reference should be made to the dedicated paragraph of the Interim Directors' Report.

Holding and acquisition of treasury shares of the Parent Company

No treasury shares are held, nor were held during the year, even through subsidiaries, associates, trust companies or nominees.

Inter-company and other related party transactions

Reference should be made to the specific paragraph of the Explanatory Notes to the half-year financial statements for information concerning transactions undertaken during the period with subsidiaries, associated companies and related parties.

Outlook

As described in the section on market trends, traffic levels at the various airports operated by the Group are forecast to continue to recover in H2. This growth is expected to bring the Group to volumes very close to pre-pandemic levels in 2023.

Nevertheless, persistent elevated geopolitical uncertainty could delay this recovery and even precipitate a recession in the entire European area.

Against this backdrop, management continues to closely follow the market trajectory, drawing on all possible measures that may facilitate greater operating and financial flexibility.

Subsequent events

No significant events which could substantially alter the current balance sheet and financial situation or which would require amendments or supplements to the financial statements took place after the reporting date.

Venice Tessera, July 28, 2022

Chairperson of the Board of Directors
Mr. Enrico Marchi

CONDENSED CONSOLIDATED HALF-YEAR
FINANCIAL STATEMENTS AT JUNE 30, 2022

FINANCIAL STATEMENTS

Consolidated Balance Sheet
Separate Consolidated Income Statement
Consolidated Comprehensive Income Statement
Consolidated Cash Flow Statement
Statement of Changes in Shareholders' Equity

Consolidated Balance Sheet

Assets	(Euro thousands)	note	06/30/2022	12/31/2021
Cash and cash equivalents		1	26,964	24,587
Other financial assets		2	22,296	1,131
<i>of which related parties</i>		2	150	591
Tax receivables		3	319	2,203
Other receivables		4	5,876	6,493
Trade receivables		5	56,022	35,336
<i>of which related parties</i>		5	7,351	2,380
Inventories		6	2,378	2,299
Total current assets			113,855	72,049
Assets held-for-sale			0	1,720
Property, plant and equipment		7	56,020	57,576
Airport Concession rights		8	598,612	604,942
Concessions		8	692,132	708,539
Other intangible fixed assets with finite useful life		8	4,951	5,623
Goodwill - other intangible fixed assets with indef. useful life		8	310,533	310,533
Equity investments in associates and Joint Ventures		9	101,004	83,444
Other equity investments		9	1,155	1,155
Other assets		10	61	63
Deferred tax assets		11	59,101	57,953
Total non-current assets			1,823,569	1,829,828
TOTAL ASSETS			1,937,424	1,903,597
Liabilities	(Euro thousands)	note	06/30/2022	12/31/2021
Trade payables		12	52,133	48,443
<i>of which related parties</i>		12	883	1,160
Other payables		13	49,395	42,359
<i>of which related parties</i>		13	195	762
Tax payables		14	2,396	1,336
Social security institutions		15	2,844	2,544
Bank payables		16	9,668	60,662
Other financial liabilities – current portion		17	350	377
Total current liabilities			116,786	155,721
Liabilities related to assets held-for-sale			0	1,722
Other payables		18	144	144
Bank payables – less current portion		19	1,023,224	999,287
Other lenders – less current portion		20	4,685	4,900
Deferred tax liabilities		21	209,372	208,997
Post-employment benefits and other employee provisions		22	3,389	3,408
Provisions for other risks and charges		23	26,608	24,059
Total non-current liabilities			1,267,422	1,240,795
TOTAL LIABILITIES			1,384,208	1,398,238
Shareholders' Equity	(Euro thousands)	note	06/30/2022	12/31/2021
Share capital			189	189
Share premium reserve			27,651	27,651
Legal reserve			76	76
Reserve for treasury shares in portfolio			0	0
Other reserves and retained earnings			490,328	550,663
Net Profit/(loss)			32,095	(75,691)
Total Group shareholders' equity		24	550,339	502,888
Shareholders' equity - minority interest			2,877	2,471
TOTAL SHAREHOLDERS' EQUITY		24	553,216	505,359
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY			1,937,424	1,903,597

Separate Consolidated Income Statement

(Euro thousands)	note	H1 2022	H1 2021 Restated
Operating revenue	25	74,709	18,015
Other income	25	52,604	3,050
Total operating revenue and other income		127,313	21,065
Costs of Production			
Raw and ancillary materials, consumables and goods	26	577	315
Services	27	23,731	14,727
Lease and rental costs	28	3,752	1,134
Personnel costs:			
wages and salaries and social security charges	29	17,007	10,875
post-employment benefits	29	941	869
other costs	29	224	200
Amortisation, depreciation & write-downs			
amortisation	30	29,854	29,713
depreciation	30	5,377	5,786
Write-downs of current assets	31	117	1,668
Change in inventories of raw and ancillary materials, consumables & goods	32	11	50
Provisions for risks	33	300	13
Replacement provision	34	2,600	1,346
Other charges	35	951	1,002
Total costs of production		85,442	67,698
EBIT		41,871	(46,634)
Financial income and revaluation of financial assets	36	5,069	19
Interest, other financial charges and write-down of financial assets	36	(21,464)	(11,180)
Profit/losses from Associates & JV's carried at equity	36	1,501	(9,522)
		(14,894)	(20,683)
Profit/(loss) before taxes		26,977	(67,317)
Income taxes	37	(5,530)	(15,246)
<i>current</i>		962	35
<i>deferred</i>		(6,491)	(15,281)
Profit/(loss) on Continuing Operations		32,507	(52,070)
Profit/(loss) from Discontinued Operations/Held-for-sale	38	(6)	(998)
Net Profit/(loss)	39	32,501	(53,068)
Minority interest		406	(843)
Group Net Profit/(loss)		32,095	(52,225)

Income statement figures for June 2021 have been restated following the sale of Triveneto Sicurezza S.r.l., which entailed the application of IFRS 5 or the reclassification for the comparison year of the economic effects attributable to it in the entry "Profit/Loss from discontinued operations/held-for-sale."

Consolidated Comprehensive Income Statement

(Euro thousands)	Note	H1 2022	H1 2021
Net Profit/(loss) for the period		32,501	(53,068)
Effect oci of equity investment valuation as per equity method	9	109	16
Hedging instruments	19	15,229	1,316
Total Gains/(Losses) on other comprehensive income statement items net of taxes which may be reclassified to the income statement		15,338	1,332
Actuarial gains/(losses) of employee defined plans, net of taxes	22	19	(35)
Total Gains/(Losses) on other comprehensive income statement items net of taxes which may not be reclassified to the income statement		19	(35)
Total comprehensive income/(expense)		47,857	(51,774)
Minority comprehensive income/(expense)		405	(844)
Total comprehensive income/(expense) pertaining to the Group		47,452	(50,930)

Consolidated Cash Flow Statement

(Euro thousands)	H1 2022	H1 2021	Note
Operating activities			
Profit/(loss) from continuing operations	32,507	(52,074)	
Profit on discontinued operations/held-for-sale	(6)	(998)	36
Profit/(loss) for the period	32,501	(53,072)	37
Adjustments for:			
- Amortisation, depreciation and write-downs	35,231	35,517	29
- Provisions	2,931	3,076	32 - 33
- Financial income and charges	13,833	20,703	35
- Income taxes	(5,530)	(15,246)	36
- Elimination of result of discontinued assets/available-for-sale		0	
- Other changes in provisions	(140)	(136)	22
- Financial income received	3,998	0	
- Interest paid	(11,372)	(8,765)	35
- Other financial charges	(690)	0	
- (Gains)/Losses on disposal of assets	(1)	5	
- Taxes paid in the year	(144)	(167)	14 - 36
- Other changes in deferred taxes	403	162	20 - 36
Sub-total (A)	71,020	(17,924)	
Decrease (increase) in trade receivables	(20,363)	(4,299)	5
Decrease (increase) in other current assets	498	333	4 - 6
Decrease (increase) in other tax assets/liabilities	2,128	1,553	14 - 20
Increase (decrease) in trade payables	2,320	179	12
Increase (decrease) in social security payables	301	(624)	15
Increase (decrease) in other liabilities	8,447	(907)	13
Sub-total (B)	(6,669)	(3,764)	
CASH FLOW FROM OPERATING ACTIVITIES (A + B) = (C)	64,350	(21,687)	
Investing activities			
(Acquisition) of property, plant & equipment	(3,884)	(193)	7
Divestments of property, plant & equipment	63	60	7
(Acquisition) of intangible assets	(6,757)	(2,451)	8
Divestments of intangible assets	103	12	8
Change in Trade payables for investments	1,370	(6,375)	7 - 8 - 12
Decrease in financial fixed assets	(0)	(0)	9
(Increase) in financial fixed assets	(15,864)	(36)	9
(Acquisition) of minority interests in subsidiaries	0	(1,300)	
CASH FLOW FROM INVESTING ACTIVITIES (D)	(24,969)	(10,283)	
Financing activities			
New loans from other lenders	0		20
(Repayment) to other lenders	(242)	(190)	20
Issue of loans and related charges	580,080		16 19
(Repayment) and other changes in loans	(616,841)	(2,282)	16 19
CASH FLOW FROM FINANCING ACTIVITIES (E)	(37,002)	(2,472)	
CASH FLOW FROM DISCONTINUED OPERATIONS (F)	0	0	
NET CASH FLOW FOR THE PERIOD (C+D+E+F)	2,378	(34,443)	
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	24,587	52,719	
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	26,964	18,276	

Statement of Changes in Consolidated Shareholders' Equity

	SHARE CAPITAL	LEGAL RESERVE	SHARE PREMIUM RESERVE	OTHER RESERVES AND RETAINED EARNINGS	NET PROFIT/(LOSS)	GROUP SHAREHOLDERS' EQUITY	MINORITY INTEREST SHARE- EQUITY	TOTAL SHAREHOLDERS' EQUITY
(Euro thousands)								
Balance at January 1, 2021	189	76	27.651	625.892	(80.605)	573.203	7.221	580.424
Profit/(loss) previous year				(80.605)	80.605			
Result of separate income statement					(52.228)	(52.228)	(843)	(53.071)
Other comprehensive profits / losses				1.297		1.297	(1)	1.296
Result of comprehensive income statement				1.297	(52.228)	(50.930)	(844)	(51.774)
Other movements				2.632		2.632	(3.932)	(1.300)
Balance at June 30, 2021	189	76	27.651	549.216	(52.228)	524.904	2.446	527.350

	SHARE CAPITAL	LEGAL RESERVE	SHARE PREMIUM RESERVE	OTHER RESERVES AND RETAINED EARNINGS	NET PROFIT/(LOSS)	GROUP SHAREHOLDERS' EQUITY	MINORITY INTEREST SHARE- EQUITY	TOTAL SHAREHOLDERS' EQUITY
(Euro thousands)								
Balance at January 1, 2022	189	76	27.651	550.663	(75.691)	502.888	2.471	505.359
Profit/(loss) previous year				(75.691)	75.691			
Result of separate income statement					32.095	32.095	406	32.501
Other comprehensive profits / losses				15.357		15.357		15.357
Result of comprehensive income statement				15.357	32.095	47.453	406	47.859
Balance at June 30, 2022	189	76	27.651	490.329	32.095	550.339	2.877	553.216

Notes to the Condensed Consolidated
Half-Year Financial Statements at June 30, 2022

MILIONE S.p.A.

Share capital: Euro 188,737.00 fully paid-in

Registered office: viale G. Galilei No. 30/1 - 30173 Venice

Venice REA No.: 418330

Venice Companies Registration Office, Tax and VAT No.: 03411340262

EXPLANATORY NOTES AT JUNE 30, 2022**Group activities**

Milione S.p.A. (hereafter also the “Company” or “Milione” or “Parent Company”), previously Agorà Investimenti S.p.A., holds a majority investment in Save S.p.A. – hereafter also “SAVE” –, an investment holding company which mainly operates in the airport management sector. The subsidiary directly manages Venice Marco Polo Airport and controls the management company of the Treviso Antonio Canova airport. Save in addition has significant holdings in the companies that manage Valerio Catullo di Verona Villafranca airport, Gabriele D’Annunzio di Montichiari (BS) airport and Charleroi (Belgium) airport, while also in companies operating in airport management related sectors.

Accounting Standards adopted for the preparation of the Condensed Consolidated Half-Year Financial Statements at June 30, 2022**Basis of preparation**

These condensed consolidated financial statements of the Group concern the period ended June 30, 2022.

The condensed consolidated half-year financial statements were prepared under the historic cost convention, except for financial instruments, which were recognised at fair value, and in accordance with the going concern principle.

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

Statement of compliance with IAS/IFRS

The condensed consolidated half-year financial statements were prepared in compliance with IFRS adopted by the European Union and in force at the preparation date of the financial statements and in particular IAS 34 “Interim Financial Statements” for interim financial disclosure.

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

These explanatory notes were prepared by the Board of Directors on the basis of the consolidation and accounting records updated to June 30, 2022. The company opted to apply the Separate and Comprehensive Income Statements, the Balance Sheet, the Cash Flow Statement and the Statement of changes in Shareholders’ Equity, as permitted by IAS 1, considering such more representative of operations. In particular, the balance sheet was broken down between current and non-current assets and liabilities, the income

statement with allocation of income and charges by type and the cash flow statement using the indirect method, with breakdown of operating, investing and financing activities.

For comparative purposes, the financial statements are presented with the comparative balance sheet at December 31, 2021 and the H1 2021 income statement. These latter were restated in application of IFRS 5 in terms of the contribution of the subsidiary Triveneto Sicurezza which, as described in greater detail in the “Assets, liabilities and result of discontinued operations” was sold in H1 2022.

Consolidation scope

Subsidiaries

The Group condensed consolidated financial statements at June 30 include, through the line-by-line method, the companies in which it holds, directly or indirectly, control, as defined by IFRS 10, or the majority of share capital and voting rights.

All inter-company balances and transactions, including any unrealised gains and losses deriving from transactions between Group companies, are fully eliminated.

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 book value of the investments included in the consolidation scope is eliminated against the net equity of the investee companies according to the line-by-line method. Any difference between the acquisition cost and the book value of the net equity of the investees on the acquisition of the investment, is allocated to the specific assets, liabilities, or contingent liabilities of the acquired companies, based on their fair value at the acquisition date and for the residual part, where fulfilling the requirements, to Goodwill. In this case, these amounts are not amortised but subject to an impairment test at least annually and where indicators of impairment exist.

Minority interests represent the part of profits or losses and of net assets not held by the Group and are shown in a separate income statement account and in the balance sheet under equity, separately from the Group net equity. The acquisition of minority interests in previous years are recognised utilising the “parent entity extension method”, on the basis of which the difference between the price paid and the book value of the share of net assets acquired is recorded as goodwill. Changes in ownership not resulting in a loss of control were treated as equity transactions and therefore recognised to net equity.

The companies included in the consolidation scope through the line-by-line method are listed below:

Company	Currency	Share Capital	Group % holding	
			06/30/2022	12/31/2021
PARENT COMPANY:				
Milione S.p.A.	Euro	188,737		
<i>its subsidiary:</i>				
SAVE S.p.A.	Euro	35,971,000	100	100
<i>its subsidiaries:</i>				
Marco Polo Park S.r.l.	Euro	516,460	100	100
Belgian Airports SA	Euro	13,050,000	100	100
Save Engineering S.r.l.	Euro	100,000	100	100
N-AITEC S.r.l.	Euro	50,000	100	100
Aer Tre S.p.A.	Euro	13,119,840	80	80
Società Agricola Save a r.l.	Euro	75,000	100	100
Triveneto Sicurezza S.r.l.	Euro	100,000	-	93
Archimede 3 S.r.l.	Euro	50,000	100	100

In October, the subsidiary Save S.p.A. published a tender notice in the Official Gazette for the selection of an economic operator to purchase the entire share capital of the company Triveneto Sicurezza S.r.l. On January 27, 2022, the SAVE Group concluded the tender and on February 16, 2022, the sales agreement was signed. On May 16, 2022, the share transfer was formalised.

We also note that in H1 the subsidiary Save International Holding SA was merged into its subsidiary Belgian Airport SA.

Associates and JV's

Where control of an activity is assigned jointly to two or more operators a Joint Arrangement is deemed to be in place and as such is classified as a Joint Operation (JO) or as a Joint Venture (JV) on the basis of the contractually-established underlying rights and obligations. In particular, a JV is a Joint Arrangement in which the participants, although having control over the main strategic and financial decisions through voting mechanisms which provide for the unanimous approval of decisions, do not have significant legal rights over the individual assets and liabilities of the JV. In this case, joint control concerns the net assets of the JV. This form of control is represented in the financial statements through valuation at equity. Joint Operations are however Joint Arrangements in which the participants have rights upon assets and direct obligations for the liabilities. In this case, the individual assets and liabilities and the relative costs and revenues are recognised to the financial statements of the participant on the basis of the rights and obligations of each, independently of the interest held. The Group's Joint Arrangements have all been classified as Joint Ventures.

The companies over which significant influence is exercised, generally accompanied by a holding of between 20% and 50% (investments in associates) and Joint Ventures (as previously qualified) are valued at equity.

For the application of the equity method the value of the investment is aligned with the adjusted equity, where necessary, to reflect the application of international financial reporting standards and includes the recognition of the higher amount paid and subject

of the purchase price allocation identified on acquisition, and the effects of the adjustments required by the standards relating to the preparation of the consolidated financial statements.

In the case in which the Group establishes losses in value in the investment greater than already recognised through the equity method, the existence of an impairment is assessed to be recognised to the income statement, as the difference between the recoverable amount of the investment and its carrying amount.

A breakdown of the companies consolidated at equity (associates and JV's) are reported below.

Company	Currency	Share Capital	Group % holding	
			06/30/2022	12/31/2021
Associates and Joint Ventures				
Airest Retail S.r.l.	Euro	1,000,000	50	50
GAP S.p.A.	Euro	510,000	49.87	49.87
Venezia Terminal passeggeri S.p.A	Euro	3,920,020	22.18	22.18
Brussels South Charleroi Airport SA	Euro	26,877,000	48.32	48.32
Save Cargo S.p.A.	Euro	1,000,000	50.0	50.00
2A - Airport Advertising S.r.l.	Euro	10,000	50	50
Aeroporto Valerio Catullo di Verc	Euro	86,323,688	43.39	43.05
Urban V S.p.A.	Euro	50,000	20	-

We note that following the subscription by the subsidiary Belgian Airport SA of the share capital increase in the associated company Brussels South Charleroi Airport SA carried out in several stages in Q1 2022, the Save Group's ownership in the Belgian airport increased to 48.32%.

On June 28, 2022, the company Urban V S.p.A. was established, with stakes held by Aeroporti di Roma, Aeroporto di Venezia, Aeroports de la Cote d'Azur and Aeroporto Guglielmo Marconi di Bologna, for the development of international urban air transport infrastructure. Save S.p.A. will hold 20% of the company, which will study, design, construct and manage the infrastructure, known as “vertiports”, which will be essential to enabling electric vertical take-off and landing (e-VTOL) aircraft to connect airports with city centres, thereby enhancing intracity mobility and promoting lower levels of traffic in urban areas.

Consolidation Principles

Change of accounting standards

The accounting standards adopted for the preparation of the condensed consolidated half-year financial statements conform with those for the preparation of the annual financial statements of the Group at December 31, 2021 and the condensed consolidated financial statements at June 30, 2021.

Accounting Standards, Amendments and Interpretations applied from January 1, 2022

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group from January 1, 2022:

- On May 14, 2020, the IASB published the following amendments:
 - **Amendments to IFRS 3 Business Combinations:** the purpose of the amendments is to update the reference in IFRS 3 to the revised version of the Conceptual Framework, without changing the provisions of the standard.
 - **Amendments to IAS 16 Property, Plant and Equipment:** the purpose of the amendments is not to allow the amount received from the sale of goods produced during the testing phase of the asset to be deducted from the cost of the asset. These sales revenues and related costs will therefore be recognised to the statement of profit or loss.
 - **Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets:** the amendment clarifies that in estimating the possible onerousness of a contract, all costs directly attributable to the contract must be considered. Accordingly, the assessment of whether a contract is onerous includes not only incremental costs (such as the cost of direct material used in processing), but also all costs that the enterprise cannot avoid because it has entered into the contract (such as, for example, the share of depreciation of machinery used to perform the contract).
 - **Annual Improvements 2018-2020:** the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

The adoptions of these amendments do not have any effects on the Group consolidated financial statements.

IFRS and IFRIC Accounting Standards, Amendments and Interpretations approved by the EU, not yet mandatory and not adopted in advance by the Group at June 30, 2022

- On May 18, 2017, the IASB published **IFRS 17 - Insurance Contracts** which replaces IFRS 4 - Insurance Contracts.
The new standard ensures that an entity provides pertinent information which accurately presents the rights and obligations under insurance contracts. The IASB developed the standard in order to eliminate inconsistencies and weaknesses in the existing accounting

policies, providing a single principle-based framework to take account of all types of insurance contracts, including reinsurance contracts held by an insurer.

The new standard sets out in addition presentation and disclosure requirements to improve comparability between entities belonging to the same sector.

It measures insurance contracts on the basis of a General Model or a simplified version of such, called the Premium Allocation Approach (“PAA”).

The main features of the General Model are:

- the estimates and assumptions of future cash flows always refer to the current portion;
- the measurement reflects the time value of money;
- the estimates include an extensive use of observable market information;
- a current and clear risk measurement exists;
- the expected profit is deferred and aggregated into groups of insurance contracts on initial recognition; and,
- the expected profit is recognised in the period of contractual coverage, taking account of adjustments from changes in the assumptions on cash flows for each group of contracts.

The PAA approach involves the measuring of the liability for the residual coverage of a group of insurance contracts on the condition that, on initial recognition, the entity expects that this liability reasonably reflects an approximation of the General Model. Contracts with a coverage period of one year or less are automatically considered appropriate for the PAA approach. The simplifications from application of the PAA method do not apply to the valuation of liabilities for existing claims, which are measured with the General Model. However, it is necessary to discount these cash flows where it is expected that the balance will be paid or received within one year from the date on which the claim occurred.

The entity should apply the new standard to insurance contracts issued, including reinsurance contracts issued, reinsurance contracts held and also investment contracts with a discretionary participation feature (DPF).

The standard is effective from January 1, 2023, although advance application is permitted, only for entities applying IFRS 9 – Financial Instruments and IFRS 15 - Revenue from Contracts with Customers. The Directors do not expect this standard to have a significant impact on the Group consolidated financial statements.

- On February 12, 2021, the IASB published two amendments entitled “***Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2***” and “***Definition of Accounting Estimates—Amendments to IAS 8***”. The changes are intended to improve disclosure on accounting policies to provide more useful information to investors and other primary users of financial statements and to help companies distinguish between changes in accounting estimates and changes in accounting policies. The amendments will be applicable from January 1, 2023, although advance application is permitted. The Directors do not expect these amendments to have a significant impact on the Group consolidated financial statements.

IFRS Standards, Amendments and Interpretations not yet approved by the European Union

At the reporting date, the relevant bodies of the European Union had not yet concluded the process necessary for the implementation of the amendments and standards described below.

- On January 23, 2020, the IASB published an amendment entitled “**Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current**”. The purpose of the document is to clarify how to classify payables and other short or long-term liabilities. These amendments shall enter into force on January 1, 2023 and early application is permitted. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.

- On May 7, 2021, the IASB published an amendment called “**Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction**”. The document clarifies how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning obligations. The amendments will be applicable from January 1, 2023, although advance application is permitted. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.

- On December 9, 2021, the IASB published an amendment called “**Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information**”. The amendment is a transition option related to comparative information on financial assets presented at the date of initial application of IFRS 17. The amendment is intended to avoid temporary accounting mismatches between financial assets and insurance contract liabilities, and thus improve the usefulness of comparative information for financial statement readers. The amendments will apply from January 1, 2023, together with the application of IFRS 17. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.

Seasonal activities

The Group operates in a sector in which, when operating under normal conditions and due to its cyclical nature, higher revenues and operating results are expected in the second and third quarters rather than in the first and final quarters of the year. It has been observed in fact that in recent years air traffic is concentrating in the June-September period, during the peak summer vacation period and the maximum usage levels of the directly managed infrastructure.

Significant accounting estimates

The preparation of the condensed consolidated half-year financial statements and the relative notes in application of the relevant accounting standards requires that directors make estimates and assumptions on the values of the assets and liabilities in the financial statements and on the disclosures relating to the assets and contingent liabilities at the

reporting date. The estimates and assumptions adopted are based on experience and other elements deemed relevant and are periodically revised; the effects of all changes to such estimates and assumptions are reflected in the income statement of the year in which the estimate is revised. The emergence of results that differ from those estimated may require even significant adjustments that cannot be estimated or predicted at present.

It should also be noted that some valuation processes, in particular the most complex, such as the determination of any loss in value of non-current assets, are generally made on a complete basis on the preparation of the annual accounts, when all the necessary information is available, except where there are specific indications of impairment which require an immediate valuation of any loss in value.

Impairment on goodwill and other intangible assets

An impairment test is carried out on goodwill on an annual basis; this test requires an estimate of the value in use from the cash generating units of the cash flows to which the goodwill is attributed, in turn based on the expected future cash flows of the unit and discounted in accordance with an adequate discount rate.

Reference should be made to the “Test on the recoverability of assets and group of assets” paragraph for further information.

Deferred tax assets

Deferred tax assets refer to the temporary differences between the amounts recorded in the financial statements and those recorded for tax purposes, attributable to the deferred deductibility of costs, principally relating to risk provisions, and tax losses carried forward by some Group companies.

These assets are recognised in the financial statements on the basis of a discretionary assessment by the Directors on the probability of their recovery, with particular regard to the capacity of the Parent Company and of the subsidiaries, also considering the option of a “tax consolidation”, to generate future assessable income in the coming years on the basis of the forecasts made considering the above-mentioned operating and industrial environment, subject by definition to significant uncertainties, in particular within the current economic and sector environment.

The calculation was made based on the expected tax rates for the year in which the temporary differences are expected to reverse.

Doubtful debt provision

The doubtful debt provision is based on a specific analysis of both receivables in dispute and an analysis of overdue receivables, although not in dispute. The provision includes, in addition, the measurement of the residual receivables according to the Expected Loss method, calculated over the entire duration of the receivable as per IFRS 9. The overall valuation of the realisable value of trade receivables requires estimates on the probability of recovery of the above-mentioned receivables, in addition to the write-down percentages applied to receivables not in dispute and, therefore, is subject to uncertainty.

Assets under concession replacement provision

The Replacement provision, in line with the contractual obligations in place, includes the allocations for maintenance and restoration on assets comprising infrastructure on the

Balance Sheet which must be returned to the state in perfect operating condition on conclusion of the concession.

The Replacement Provision is updated annually based on a technical evaluation of the estimated future charges relating to the cyclical maintenance of the assets which will be returned free at the end of the concession and is utilised based on the maintenance undertaken during the year.

Pension provision and other post-employment benefits

The cost of defined benefit plans and post-employment benefits are determined utilising actuarial valuations. The actuarial valuations require the consideration of statistical hypothesis concerning discount rates, the expected return on plan assets, future salary increases, mortality rates and future pension increases. Actuarial profits and losses concerning defined benefit plans are recognised to the comprehensive income statement and are not subsequently recognised to the income statement; the cost for interest is however recognised to the income statement. Due to the long-term nature of these plans, these estimates are subject to a significant degree of uncertainty.

Current income taxes

Current income taxes are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the condensed consolidated half-year financial statements. Current income taxes relating to items recorded directly in net equity are charged directly to equity and not to the income statement.

Test on the recoverability of assets and groups of assets

The crisis in Ukraine, which is first and foremost an extremely serious humanitarian crisis for all those affected, is also causing significant negative effects on economic activity, both in the region directly affected by the conflict and globally, and on markets. The conflict and the sanctions imposed by the international community on Russia's government, companies and economy, in addition to the countermeasures taken by Russia, have led and continue to lead to sharp increases in commodities prices, particularly in energy and oil.

These macroeconomic phenomena are reinforcing the inflationary trends that began to appear in late 2021 following the crisis triggered by the COVID-19 pandemic. Rising inflation has brought about a change in central bank monetary policy in major countries, which in turn has created systematic effects on financial rates and, subsequently, on the real economy.

The current scenario means that Milione Group management must continuously monitor the recorded values of balance sheet assets and particularly the gains that have emerged as part of the Save Purchase Price Allocation.

These periodic tests must be carried out annually in accordance with IAS 36 – Impairment of Assets, as well as in response to trigger events or when there are internal/external indicators of a potential impairment loss.

In H1 2022, in accordance with the provisions of IAS 36, Group management examined and assessed the internal/external factors that could have led to an impairment loss since

the measurements made when preparing the financial statements for the year ended December 31, 2021.

As part of this analysis (which focused mainly on the Venice CGU because of both the higher values involved and the results of the sensitivity analysis carried out during the last audit), Group management assessed that the forecast data used for the impairment tests at December 31, 2021, approved by the Board of Directors on March 23, 2022, are still to be considered valid in light of the actual data for H1 2022 and the consequent re-forecasts for 2022, which confirm the accuracy of the estimates made at the beginning of the year.

In view of the above and having considered the effect on the test of the recent rise in market interest rates, management therefore deemed it unnecessary to update the test as part of the preparation of the half-year financial statements. This update, in accordance with accounting standards, will be carried out for the financial statements at December 31, 2022.

Accounting policies

The 2022 condensed consolidated half-year financial statements were prepared in accordance with IAS 34 Interim Financial Reporting.

The IAS/IFRS accounting principles applied are illustrated below.

Intangible assets

An intangible asset is an asset without physical substance, identifiable, under control of the entity and capable of generating future economic benefits, and those derived from business combinations.

The useful life of the intangible assets is measured as finite or indefinite.

Intangible assets with a finite useful life are recorded at acquisition or production cost or, where deriving from business combinations, are capitalised at the fair value at the acquisition date; these assets include accessory charges, amortised on a straight-line basis for the period of their residual useful life in accordance with IAS 36 and undergo an impairment test whenever there are indications of loss in value.

The residual value at the end of the useful life is presumed to be zero unless there is a commitment by a third-party purchaser of the asset at the end of the useful life or an active market for the asset exists. The Directors review the estimate of the useful life of intangible assets at each reporting date.

The amortisation of finite intangible assets is recorded in the income statement under the category of costs relating to intangible assets.

The indefinite intangible assets undergo a half-year and/or annual impairment test for loss in value at individual level or at cash generating unit level. The recoverability of the value recorded is verified adopting the criteria indicated below. These assets are not amortised. The useful life of an indefinite intangible asset is reviewed on an annual basis in order to assess whether the conditions exist for it to remain in this classification.

The useful life of the various intangible asset categories is illustrated below:

CATEGORY	AMORTISATION PERIOD
Patents and intellectual property rights software	3 years
Airport Concession rights	Duration of Airport concession
Patents and intellectual property rights	5 years
Licences, brands and similar rights	Duration of contract

“Patents and intellectual property rights” principally refers to costs for the implementation and tailoring of operational software.

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

Business combinations and goodwill

Business combinations before January 1, 2010

Business combinations are recorded in accordance with the purchase method. The cost of the business combination is measured as the aggregate of the present values, at the date of exchange, of assets sold, liabilities incurred or assumed, and equity instruments issued by the purchaser, in exchange for control of the company acquired, plus any costs directly attributable to the business combination.

The acquisition cost is allocated to the assets, liabilities and contingent liabilities of the company acquired measured at fair value at the acquisition date, which satisfy the criteria as per IFRS 3. The difference recorded between the business combination cost and the amount acquired at net fair value of the assets, liabilities and contingent liabilities is recorded as goodwill.

Goodwill acquired in a business combination is not amortised; an impairment test is undertaken annually to verify any loss in value, or more frequently if specific events or changed circumstances indicate the possibility of an impairment, in accordance with IAS 36 “Impairment of assets”.

In the determination of the fair value of the assets and liabilities and the impairment tests, the evaluations of the Directors are supported by opinions from independent experts.

The minority interests in the companies acquired are initially measured at the fair value of the assets, liabilities and contingent liabilities recognised.

Business combinations after January 1, 2010

Following the introduction of IFRS 3 Revised, from January 1, 2010, date of first prospective application of the standard, business combinations are recognised utilising the acquisition method.

The acquisition cost is calculated as the total of the fair value at the date of acquisition and the value of any minority equity holding in the acquisition. For every business combination, the buyer must measure any minority holding at fair value or in proportion to the amount held in the identifiable net assets of the acquisition. The acquisition costs are expensed and classified under administration expenses.

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

If the business combination is realised in a series of phases, the purchaser recalculates the fair value of the holding previously held and measures under the equity method and records to the income statement any resulting profit or loss. Every potential payment is recorded by the purchaser at fair value at the acquisition date. The change in the fair value of the potential payment classified as an asset or liability will be recorded in accordance with IAS 39, in the income statement or in the statement of comprehensive income. If the potential payment is classified under equity, the value must not be recalculated until its elimination is recorded against equity. Goodwill is initially valued at cost calculated as the difference between the sum of the amount paid and the amount recognised for the minority interest holdings compared to the net identifiable assets acquired and liabilities assumed by the Group. If the amount is lower than the fair value of the net assets of the subsidiary acquired, the difference is recorded in the income statement. After initial recognition, goodwill is measured at cost, less any accumulated loss in value. For the purpose of impairment testing, goodwill acquired in a business combination must, from the acquisition date, be allocated to each of the Group's cash-generating units which are expected to benefit from the synergies of the combination, irrespective of whether other assets or liabilities of the entity are assigned to those units.

If the goodwill is allocated to a cash-generating unit and the entity sells part of the activities of this unit, the goodwill associated with the activity sold is included in the book value of the activity when determining the gain or loss deriving from the sale. The goodwill associated to assets sold is calculated based on the relative values of the asset sold and the part maintained by the cash-generating unit.

Property, plant & equipment

Property, plant and equipment are initially recognised at purchase price or construction cost or, where deriving from business combinations, at fair value at the acquisition date; the value includes the price paid to acquire or construct the asset (net of discounts) and any directly attributable costs to the acquisition and necessary for the asset to enter into service. The assets held by third parties are measured at fair value on the basis of a specific valuation.

The purchase price or construction cost is net of public grants which are recognised when the conditions for their concession are verified.

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

Tangible assets are presented net of accumulated depreciation and any losses in value, calculated as described below. Depreciation is calculated, on a straight-line basis, based on the estimated useful life.

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

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

Where a tangible fixed asset comprises a number of significant components with differing useful lives, the depreciation is carried out separately for each component. Land is not depreciated and fixed assets held-for-sale are valued at the lower of the subscription value and the fair value net of selling costs.

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

Property, plant and equipment are depreciated on a straight-line basis based on the residual useful life of the asset, as follows:

CATEGORY	%
Runway vehicles and equipment	31.5%
Office machinery	12.5%
Other machinery/plant	15.0%
Communication plant	25.0%
Alarm systems	30.0%
Operating/loading/unloading machinery	10.0%
Equipment	35% - 15% - 12.5%
Motor vehicles	20% - 25%
Ordinary office machinery	12.0%
Furniture & fittings	15.0%
Telephones and EDP	20.0%

Leased fixed assets

The assets acquired with financial leasing contracts, which provide for the right of use of the asset itself (identifying the asset itself, the right to replace it, the right to obtain substantially all the economic benefits deriving from the use of the asset and the right to direct the use of the asset underlying the contract), are recognised as per IFRS 16 Leases. This latter provides also for the recognition of operating leases under assets with a related financial payable. Lease instalments are allocated to principal and interest to obtain application of a constant interest rate on the balance of the debt (principal). Financial charges are expensed to the income statement. Capitalised lease assets are depreciated over their estimated useful life.

Impairments on intangible assets and property, plant and equipment

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

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

If the carrying amount of an asset is higher than its recoverable value, this asset has incurred a loss in value and is consequently written down to the recoverable value. In the

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

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

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

The value of goodwill may not be reversed following an increase in the recoverable value.

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

Goodwill and Concessions

The Group undertakes an impairment test on goodwill and concessions annually, or more frequently if events or changes in circumstances indicate that the carrying amount may have incurred a loss in value.

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

The decrease in the value of goodwill cannot be restated in future years.

The Group undertakes the annual impairment test on the value of the above-mentioned intangible assets close to the end of the year, or more frequently where market conditions require.

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

Each unit or Group of units to which the intangible asset is allocated represents the lowest level within the Group to which the goodwill is monitored at internal management level. The conditions and the methods for any write-back of an asset previously written down applied by the Group, excluding in any case any recovery in the value of goodwill, are those as per IAS 36.

Investments in subsidiaries and associates

The Group may hold some investments in subsidiaries or associates which however are not consolidated as not considered operative and/or significant, whose balance sheet and income statement effects from full consolidation or consolidation at equity would substantially be in line with the carrying value in the financial statements of the Group.

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

Non-current assets and discontinued groups classified as held-for-sale are measured at the lower of their carrying value and the fair value net of selling costs. Non-current assets and discontinued groups are classified as held-for-sale when the carrying value will be recovered through a sales operation rather than through their continual use. This condition exists only when the sale is highly probable and the asset or discontinued group is available for an immediate sale in its current conditions.

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

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

Financial assets

With regards to the classification and measurement of financial assets, the Group applied IFRS 9 to the instruments recognised at January 1, 2018 and did not apply this standard to assets which had already been eliminated for accounting purposes at the initial application date.

All financial assets recognised which fall within the scope of IFRS 9 should subsequently be measured at amortised cost or at fair value on the basis of the business model of the entity managing the financial assets and the characteristics concerning the contractual cash flows of the financial asset.

Specifically:

- Debt instruments held within a business model whose objective is the holding of financial assets for the collection of the contractual cash flows, and whose cash flows are represented only by the payment of capital and interest on the amount of the capital to be repaid, are subsequently measured at amortised cost;

Debt instruments held within a business model whose objective is achieved both through the collection of the contractual cash flows and the sale of the financial assets, and whose cash flows only derive from the payment of capital and interest on the amount of capital to be repaid, are subsequently measured at fair value with changes recognised to other comprehensive income (FVTOCI);

- All other debt instruments and capital instruments are subsequently measured at fair value, with changes recognised to profit or loss (FVTPL).

Where an investment in a debt instrument measured as FVTOCI is eliminated, the cumulative profit (loss) recognised previously to other comprehensive income is

reclassified from shareholders' equity to the profit (loss) for the year through a reclassification adjustment. On the other hand, when an investment in a capital instrument designated as measured at FVTOCI is eliminated, the cumulative profit (loss) recognised previously to other comprehensive income is subsequently transferred to retained earnings without transiting from the income statement.

Debt instruments subsequently valued at amortised cost or FVTOCI are subject to an impairment test.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments, which are not listed on an active market. After initial recognition, these assets are measured in accordance with the amortised cost criteria using the effective discount rate method net of all provisions for loss in value.

The amortised cost is calculated taking into consideration all discounts or purchase premiums and includes the commissions which are an integral part of the effective interest rate and of the transaction costs. The gains and losses are recognised to the income statement when the loans and receivables are eliminated or if there is a loss in value, also through the amortisation process.

Available-for-sale financial assets

The financial assets available-for-sale are those financial assets, excluding derivative financial instruments, which were designated as such or are not classified in any of the other preceding categories. After initial recognition, the financial assets held for sale are measured at fair value and the gains and losses are recorded in a separate equity reserve. The fair value is determined with reference to the market value (bid price) at the reporting date; in the case of non-quoted instruments, they are determined through technical financial valuation methods commonly used. When the assets are eliminated, the gains or losses accumulated in equity are recognised in the Income Statement. Interest matured or paid on these investments is recorded as interest income or expense, utilising the effective interest rate. Dividends matured on these investments are recognised in the Income Statement as "dividends received" when the right for collection arises.

Fair value

In the case of shares widely traded in regulated markets, the fair value is determined with reference to the stock market prices recorded at the end of trading at the reporting date. For the investments for which no active market exists, the fair value is determined through valuation techniques based on recent transaction prices between independent parties; the current market value of a substantially similar instrument; the analysis of the discounted cash flows; option pricing models.

Impairment of financial assets

In relation to the loss in value of the financial assets, IFRS 9 requires the application of a model based on expected credit losses, instead of based on the losses on receivables already incurred required by IAS 39. The differing model based on expected losses on receivables requires the Group to consider these losses and their changes and at each balance sheet date to reflect changes in the credit risk since the initial recognition of the financial asset. In other words, it is no longer necessary that an event occurs to put in doubt the recoverability of the receivable before the recognition of a doubtful debt.

IFRS 9 requires the Group to recognise the doubtful debt provision for expected losses on receivables with regards to:

- 1) Investments in debt instruments valued subsequently at amortised cost or FVTOCI;
- 2) Financial lease receivables;
- 3) Commercial receivables and contract assets;
- 4) commitments to issue loans and guarantee contracts to which the reduction in value provisions of IFRS 9 apply.

In particular, IFRS 9 requires that the Group measures the provision to cover the losses of a financial asset at an amount equal to the expected losses over the lifetime of the receivable (lifetime expected credit losses, ECL), where the credit risk of this financial asset is significantly increased after initial recognition, or where the financial instrument is an acquired or arising deteriorated financial asset. Therefore, where the credit risk of a financial instrument has not increased significantly after initial recognition (except for an acquired or arising deteriorated financial asset), the Group should measure the coverage of losses provision for the financial instrument for an amount equal to the expected credit losses from a default event in the 12 subsequent months (12-months expected credit losses). IFRS 9 in addition, in such circumstances, requires the adoption of a simplified method to measure the provision for the coverage of losses for the trade receivables, the contract assets and the finance lease receivables, estimating the lifetime expected credit losses.

Treasury shares

Treasury shares acquired are recorded at cost and as a reduction of shareholders' equity. The purchase, sale or cancellation of treasury shares does not give rise to any profit or loss in the income statement. The difference between the carrying value and the payment received is recorded in the share premium reserve. The voting rights related to treasury shares are cancelled, as are the rights to receive dividends. In the case of the exercise of options on shares in the period, such are settled with treasury shares.

Inventories

Inventories, excluding contract work-in-progress, are recorded at the lower of purchase or production cost and realisable value represented by the amount that the Company expects to obtain from their sale in the normal course of operations. The cost of inventories is calculated using the weighted average cost method. Contract work-in-progress is measured on the basis of the payments agreed in relation to the advancement of the work, determined utilising the cost-to-cost method. The payments on account paid by clients are deducted from inventories up to the payments matured; the remaining part is recorded under liabilities. Any losses deriving from the completion of the contracts are recognised fully in the period in which such is ascertained.

Cash and cash equivalents

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

Employee benefits

The benefits guaranteed to employees paid on the conclusion of employment or other long-term benefits are recognised in the period the right matures.

The liability, net of any plan assets, is calculated on the basis of actuarial assumptions and is recorded by the accrual method consistent with the years of employment necessary to obtain such benefits. The liability is calculated by independent actuaries utilising the projected unit credit method. The amount not only reflects the payables matured at the condensed half-year consolidated balance sheet date, but also the future salary increases (only for companies with less than 50 employees) and related statistical data.

Provisions for risks and charges

Provisions for risks and charges relate to costs and expenses of a defined nature and of certain or probable existence whose amount or date of occurrence is uncertain at the present condensed half-year consolidated balance sheet date. The provisions are recorded when:

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

Provisions are recorded at the value representing the best estimate, supported by expert opinion, of the amount that the Company would rationally pay to discharge the obligation or to transfer it to a third party at the reporting date. When the financial effect of the time is significant and the payment dates of the obligations can be reliably estimated, the provision shall be discounted at the average cost of debt to the company; the increase of the provision due to the passing of time is recorded in the income statement in the account "Net financial income/(charges)".

Where the liability relates to an intangible asset (infrastructure), it includes the amounts necessary for initial maintenance or replacement of all assets comprising the infrastructure held, necessary for the proper maintenance of the asset conditions until the conclusion of the concession.

Trade payables and other non-financial liabilities

Payables, which mature within the normal commercial terms, are recognised at cost (their nominal value). The payables in foreign currencies are recorded at the transaction exchange rate and, subsequently, translated at the year-end rate. The profits and losses deriving from the conversion are recorded in the income statement.

The other liabilities are recorded at cost (identified as nominal value).

Loans

Other financial liabilities, with the exception of the derivatives, are recognised initially at cost, corresponding to the fair value of the liability plus transaction costs that are directly attributable at the issue of the liability.

After initial recognition, the financial liabilities are measured at amortised cost using the original effective interest rate, which is the rate that renders equal, on the initial recognition, the present cash flow value and the initial recognition value (amortised cost method).

Any gain or loss is recognized in the income statement when the liability is extinguished, as well as through the amortization process.

Financial liabilities

Financial liabilities are recognised in accordance with IFRS 9 and, with the exception of derivative financial instruments, are initially recognised at cost, corresponding to the fair value of the liability plus transaction costs that are directly attributable at the issue of the liability.

After initial recognition, the financial liabilities are measured at amortised cost using the original effective interest rate, which is the rate that renders equal, on the initial recognition, the present cash flow value and the initial recognition value (amortised cost method).

Any gain or loss is recognized in the income statement when the liability is extinguished, as well as through the amortization process.

Derivative financial instruments and hedging operations

In line with the strategy chosen, the Group does not carry out operations and derivatives for speculative purposes. However, in the case in which these operations were undertaken for hedging purposes not qualifying as hedges according to the rules of IFRS 9, such are recognised as trading operations.

Derivative financial instruments are classified as hedging instruments (therefore designated as Hedge Accounting) when the relation between the derivative and the hedged item is formally documented and the effectiveness of the hedge, periodically verified, is high. In accordance with IFRS 9, the verification of the efficacy of the hedge is based on the evaluation of the “economic relationship” between the hedged element and the hedging element, favouring therefore qualitative aspects over quantitative aspects. When the hedged derivatives cover the risk of change of the fair value of the instruments hedged (fair value hedge; e.g. hedge in the variability of the fair value of asset/liabilities at fixed rate), these are recorded at fair value through the income statement; therefore, the hedging instruments are adjusted to reflect the changes in fair value associated to the risk covered. When the derivatives hedge the risk of changes in the cash flows of the hedge instrument (cash flow hedge; e.g. coverage of changes in cash flow of asset/liabilities at variable interest rate due to changes in the interest rates), the changes in the fair value are initially recognised under equity and subsequently through the income statement in line with the economic effects produced from the operation hedged.

The changes in the fair value of the derivatives compared to their initial value, which do not satisfy the conditions for hedge accounting, are recorded through the income statement.

Measurement of income components

Revenues are recognised as per IFRS 15 and for an amount which reflects the payment which the entity considers to have the right to in exchange for the transfer of goods or services to the customer. These are recognised when the contractual obligations have been complied with and in particular when control has been transferred to the customer. In addition, in the measurement of revenue it is necessary to take into account the probability of obtaining and/or collecting the economic benefit related to the income.

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

Airport management services can be broken into two categories: aviation and non-aviation.

Aviation revenues

The former category primarily consists of managing, maintaining and developing airport infrastructure, which also includes security checks and surveillance, as well as services related to the landing and departure of aircraft for passengers, other users and airport operators. Consideration for such services takes the form of airport fees of the following types paid by airlines, airport operators and passengers (defined by a regulated tariff system). These principally comprise: passenger boarding fees, landing and departure fees, aircraft parking and storage fees. Other sources of revenues concern the fees for the checking of departing passengers, checked baggage safety control fees, PRM fees (reduced mobility passengers), fees for the exclusive use of assets and de-icing service fees. The General Aviation business includes the full range of services relating to business traffic. Commercial discounts, recorded as a direct deduction of revenues, are measured on the basis of contracts signed with airlines and tour operators.

Non-aviation revenues

The main non-aviation activities include however a wide range of services, some provided directly and others indirectly through sub-concession contracts for commercial services for passengers and operators. These include parking management, retail and advertising. These revenues consist of the market fees for activities directly carried out by the Group and from activities carried out by third parties under license and of royalties based on a percentage of revenues generated by the licensee, usually with the provision of a guaranteed minimum.

Royalties are recorded based on the accruals principle, in accordance with the contracts in force and IFRS 15.

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

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

Measurement of costs and expenses

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

Income taxes

Current income taxes

Current income taxes are valued at the amount expected to be recovered or paid to the tax authorities. The tax rates and regulations used to calculate such amounts are those issued or substantially issued as at the reporting date of the consolidated financial statements. Current income taxes relating to items recorded directly in equity are charged directly to net equity and not to the income statement.

Deferred taxes

Deferred taxes are calculated using the liability method on temporary differences between values used for fiscal purposes and the assets and liabilities reported in the present consolidated financial statements. Deferred tax liabilities derive from all temporary timing differences, except for the initial recognition of goodwill or of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, has no effects on the profit for the year calculated for the financial statements or on the profit or loss calculated for tax purposes.

The reversal of the temporary differences, related to investments in subsidiaries, associates and joint ventures, can be controlled and it is probable that such will not occur in the foreseeable future.

Deferred tax assets are recorded against all temporary deductible differences and fiscal losses carried forward, up to the amount it is probable there exists adequate future assessable profits against the utilisation of the temporary deductible differences and of the assets or liabilities carried forward, except in the case where the deferred tax asset related to the temporary deductible differences derives from the initial recording of an asset or a liability in a transaction that is not a business combination and that, at the time of the transaction, does not impact on the profit of the period calculated for the accounts or on the losses calculated for tax purposes. In the case of temporary differences related to investments in subsidiaries, associates and joint ventures, the deferred tax assets are only recognised to the probable extent that the temporary differences will reverse in the foreseeable future and there are sufficient assessable amounts to utilise such temporary differences.

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

IRES	24%
IRAP	4.2% (Airport Companies)
IRAP	3.9%

Translation of accounts in foreign currencies

The present condensed half-year consolidated financial statements are presented in Euro, which is the Company's operational currency. Each Group company decides the operative currency to be used to value the accounts in the financial statements. Transactions in foreign currency are initially recorded at the exchange rate (referred to the operative

currency) at the transaction date. Monetary assets and liabilities in foreign currency are translated to the operative currency at the exchange rate at the condensed half-year consolidated balance sheet date. All exchange differences are recognized in the income statement. Non-monetary items valued at historical cost in foreign currency are translated by using the exchange rates in effect on the date the transaction was first recorded. Non-monetary items recorded at fair market value in foreign currency are translated by using the exchange rate on the date the value was calculated.

Regional overview

The Group focus on Airport operations resulted in the *de facto* concentration of the business in Italy, therefore no longer requiring disclosure upon the main geographic areas.

Information concerning the Principal Clients

Approx. 9.7% of total revenue (net of COVID-19 contributions) in H1 2022 of the subsidiary SAVE S.p.A. derived from the airline Ryanair; the subsidiary Aer Tre S.p.A., which manages the Treviso airport, also derived approx. 60.6% of revenue (net of COVID-19 contributions) in H1 2022 from the airline Ryanair.

Net Financial Position

The Group **net debt** decreased from Euro 1,039.9 million at December 31, 2021 to Euro 988.7 million at June 30, 2022.

(Euro thousands)	06/30/2022	12/31/2021	06/30/2021
Cash and cash equivalents	26,964	24,587	18,276
Financial assets of group companies held-for-sale (Discontinued Operations)	0	441	3,770
Other financial assets	22,296	690	150
Financial assets	49,260	25,718	22,196
Bank payables	9,668	60,662	59,535
Other financial liabilities – current portion	350	377	1,536
Financial liabilities of Discontinued Operations	0	441	3,770
Current liabilities	10,018	61,480	64,841
Bank payables – less current portion	1,023,224	999,287	971,010
Other lenders – less current portion	4,685	4,899	5,102
Non-current liabilities	1,027,909	1,004,186	976,112
Net financial position from Continuing Operations	(988,667)	(1,040,389)	(1,022,527)
Net financial position from Discontinued Operations	0	441	3,770
Net financial position	(988,667)	(1,039,948)	(1,018,757)
Total gross payables to banks	1,032,892	1,059,949	1,030,545

ANALYSIS OF THE MAIN BALANCE SHEET ACCOUNTS

(where not otherwise specified, the amounts are expressed in thousands of Euro)

ASSETS

Current Assets

amount to:

06.30.2022	€	113,855
12.31.2021	€	72,049
Cge.		41,806

The items of the above stated account are as follows:

1. Cash and cash equivalents

amount to:

06.30.2022	€	26,964
12.31.2021	€	24,587
Cge.		2,377

These concern the bank current accounts available and cash and cash equivalents at the reporting date. The main asset amounts are held by the subsidiary Save S.p.A. and amount to approx. Euro 26.3 million.

Cash and cash equivalents are reported at their book value, which is considered a reasonable approximation of the fair value at the date of the present condensed half-year consolidated financial statements.

2. Other financial assets

amount to:

06.30.2022	€	22,296
12.31.2021	€	1,131
Cge.		21,165

The Group holds financial derivatives in order to cover its exposure to interest rate risk regarding specific liabilities. These instruments meet the conditions to be accounted for under hedge accounting rules.

H1 2022 saw the conclusion of existing hedging contracts related to the loan agreement signed in 2018 with the bank syndicate, a contract that also concluded in February 2022. At the same time that the original 2018 loan agreement concluded, a new one was signed, also with a bank syndicate, and new hedging contracts were established. At June 30, 2022, therefore, Milione S.p.A. has the following contracts in place:

- six IRS contracts entered into on February 16, 2022 with effect from February 14, 2022 and maturity on December 31, 2026, with a total notional value of Euro 486 million. As a result of these contracts, Milione S.p.A. pays a fixed rate of 0.6955%, which is exchanged for a variable rate of Euribor at 6M

The fair value of the aforementioned IRS instruments at June 30, 2022 was positive and amounted to Euro 22.1 million.

The item also includes financial receivables from the associated company Save Cargo S.p.A.

3. Tax receivables

amount to:

06.30.2022	€	319
12.31.2021	€	2,203
Cge.		(1,884)

The item includes approx. Euro 0.2 million in tax credits for new investments in tangible and intangible capital goods pursuant to Law No. 160 of December 26, 2019 (2020 Budget Law) and Law No. 178 of December 30, 2020 (2021 Budget Law) and other tax credits for approx. Euro 0.1 million. During the half year, IRES tax credits in place at December 31, 2021 were used for approx. Euro 1.8 million to offset other taxes and contributions.

4. Other receivables

amount to:

06.30.2022	€	5,876
12.31.2021	€	6,493
Cge.		(617)

The composition of the account is as follows:

(Euro thousands)	06.30.22	12.31.21	CHANGE
ENAC guarantee deposits	2,205	2,205	-
Social security institution receivables	21	216	(195)
Suppliers for advances	1,026	1,535	(509)
Other receivables	2,056	2,469	(414)
Other assets for suspended financial charges	568	68	500
Total other receivables	5,876	6,493	(617)

The item includes the security deposits paid to ENAC of Euro 2.2 million recognized as current in the previous year following the ruling by the Lazio Regional Administrative Court, which affirmed AerTre S.p.A.'s right "to obtain authorisation to release the amounts paid as security, corresponding to the difference between 100% of airport fees and the amounts spent". Subsequent to this measure, the Decree of the Ministry of Infrastructure and Transport was sent,

authorising the "release of the relative amounts" of the guarantee deposits paid by AerTre S.p.A., for a total amount of Euro 2.2 million.

Receivables from suppliers for advances refers mainly to contractual advances for investments. "Other assets for suspended financial charges" includes the portion of ancillary charges incurred as part of the refinancing transaction carried out in H1 2022 and referring to currently unused credit lines.

5. Trade receivables

amount to:

06.30.2022	€	56,022
12.31.2021	€	35,336
Cge.		20,686

The breakdown of trade receivables is outlined below:

(Euro thousands)	06.30.22	12.31.21	CHANGE
Trade receivables – third parties	48,671	32,956	15,715
Trade receivables - related parties	7,351	2,380	4,971
Total trade receivables	56,022	35,336	20,686

This principally concerns receivables from airlines for aviation activities and receivables from sub-agents for commercial spaces.

Trade receivables increased on December 2021 by Euro 20.7 million due to the resumption of operations in the period.

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

(Euro thousands)	06.30.22	12.31.21	CHANGE
Trade receivables	52,708	36,955	15,753
Doubtful debt provision	(4,037)	(3,999)	(38)
Total trade receivables	48,671	32,956	15,715

The Group doubtful provision amounts to Euro 4 million; this considers the analysis of individual positions, for a number of which a credit recoverability risks exists, an analysis concerning the aging of the receivable, and the opinion expressed by the appointed legal counsel. This is in line with the valuation methods as per IFRS 9 already described.

The movements in the doubtful debt provision during the year were as follows:

BALANCE AT 12/31/2021	3,999
Utilisations and other movements	117
Provisions in the half-year	(79)
BALANCE AT 06/30/2022	4,037

An analysis of the ageing of trade receivables of the Group at June 30, 2022 is reported below:

TRADE RECEIVABLES FROM THIRD PARTIES	TOTAL	NOT YET DUE	DUE < 30 DAYS	DUE 30-60 DAYS	DUE 60-90 DAYS	DUE 90-120 DAYS	DUE > 120 DAYS
06/30/2022							
Net receivables	48.671	38.457	2.184	3.647	610	450	3.322

TRADE RECEIVABLES FROM THIRD PARTIES	TOTAL	NOT YET DUE	DUE < 30 DAYS	DUE 30-60 DAYS	DUE 60-90 DAYS	DUE 90-120 DAYS	DUE > 120 DAYS
12/31/2021							
Net receivables	32.956	12.402	7.081	4.730	2.073	1.312	5.358

The monitoring and reminder activities continued in order to limit credit risk, granting, in view of the current crisis and upon reminders also from the granting body, a longer payment extension to carriers and sub-concession holders.

In relation to trade receivables, it is considered that, following the actions, also of a legal nature, undertaken for credit protection and receipt, based on the information currently available, supported by the legal experts handling the relative disputes and in view of the guarantees received, including sureties, the net value indicated above prudently reflects the expected realisable value.

Trade receivables are reported at their book value net of write-downs; it is considered that this value reasonably approximates the fair value of such receivables, as at Group level there are no medium/long-term receivables which require discounting.

Trade receivables from related parties entirely concern investee companies not consolidated line-by-line:

(Euro thousands)	06.30.22	12.31.21	CHANGE
Airest Group	5,410	507	4,903
2A - Airport Advertising S.r.l.	803	577	226
Aeroporto Valerio Catullo S.p.A.	816	713	103
Save Cargo S.p.A.	316	474	(158)
Triveneto Sicurezza	-	105	(105)
Other minor	6	4	2
Total	7,351	2,380	4,971

The increase in receivables from Airest Group companies can be attributed to the strong business volume growth in H1 2022 at the stores operated by Airest at Venice, Treviso and

Verona airports compared to the December 2021 figures, which continued to be affected by a significant reduction in traffic compared to pre-pandemic figures.

6. Inventories

amount to:

06.30.2022	€	2,378
12.31.2021	€	2,299
Cge.		79

The value of inventories substantially relates to Save S.p.A. and concerns material inventories for airport activities.

Non-current assets

amount to:

06.30.2022	€	1,823,569
12.31.2021	€	1,829,828
Cge.		(6,259)

The account is comprised as follows:

7. Property, plant & equipment

amount to:

06.30.2022	€	56,020
12.31.2021	€	57,576
Cge.		(1,556)

The balance decreased on December 31, 2021, with amortisation, depreciation and write-downs of approx. Euro 1.6 million.

The account includes Euro 4.5 million relating to “Rights-of-use of buildings” in accordance with IFRS 16.

The composition of these assets is outlined in Attachment “B”, which highlights the historic cost, accumulated depreciation and net values, for each asset category.

8. Intangible Assets

amount to:

06.30.2022	€	1,606,228
12.31.2021	€	1,629,637
Cge.		(23,409)

The intangible asset items are indicated separately:

(Euro thousands)	06.30.22	12.31.21	CHANGE
Airport Concession rights	598,612	604,942	(6,330)
Concessions	692,132	708,539	(16,407)
Other intangible fixed assets with finite useful life	4,951	5,623	(672)
Goodwill – other intangible assets with indefinite life	310,533	310,533	-
Total intangible assets	1,606,228	1,629,637	(23,409)

The composition of these intangible assets is outlined in Attachment “A”, which highlights the historic cost, accumulated amortisation and net values, for each asset category. There was a net decrease of approx. Euro 23.4 million in the period, mainly as a result of depreciation and amortisation for approx. Euro 29.9 million. See the paragraph “Accounting policies – Intangible assets”, where the accounting treatment of investments in accordance with IFRIC 12 is described.

Concessions reflect the greater amount paid by Milione S.p.A. on the acquisition of the controlling interest in SAVE in 2017 allocated to the Save S.p.A. and Aertre S.p.A. concessions.

The breakdown of the account Goodwill, with reference to the cash-generating units deriving from the acquisition operations which generated the value, is outlined below:

(Euro thousands)	06.30.22	12.31.21	CHANGE
Save S.p.A.	303,556	303,556	-
Aer Tre S.p.A.	6,937	6,937	-
Naitec S.r.l.	40	40	-
Total Goodwill	310,533	310,533	-

The balance does not present any changes and includes:

- for Euro 303,556 thousand, the share of the higher value paid compared to net equity allocated to “Goodwill” on the acquisition of Save S.p.A in 2017.
- for Euro 6,937 thousand, the higher value paid compared to net equity, entirely allocated to “Goodwill” on acquisition from minority shareholders of 35% of the investment held by the Group in the company Aer Tre S.p.A. in 2007, which brought the stake held by the Group in the company to 80%;
- for Euro 40 thousand the higher amount paid in 2006, compared to the relative share of net equity, deriving from the acquisition from minority shareholders of 49% of Naitec S.r.l. The Group therefore increased its investment in the company to 100%.

9. Equity investments

amount to:

06.30.2022	€	102,159
12.31.2021	€	84,599
Cge.		17,560

The “Investments in associates and joint ventures” and “Other investments” are reported separately.

(Euro thousands)	06.30.22	12.31.21	CHANGE
Investments in associates and joint ventures	101,004	83,444	17,560
Other investments	1,155	1,155	-
Total equity investments	102,159	84,599	17,560

The Investments in associates and joint ventures, measured using the equity method, are illustrated below.

(Euro thousands)	% HELD	06.30.22	12.31.21	CHANGE
Venezia Terminal Passeggeri S.p.A.	22.18	8,005	8,899	(894)
GAP S.p.A.	49.87	292	288	4
Brussels South Charleroi Airport SA	27.65	25,161	8,907	16,254
2A – Airport Advertising S.r.l.	50	-	21	(21)
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	43.393	36,012	33,961	2,051
Airest Retail S.p.A.	50	30,472	30,602	(130)
Save Cargo S.p.A.	50	762	799	(37)
Urban V S.p.A.	20%	300	-	300
Total Investments carried at equity		101,004	83,444	17,560

The valuation at equity mainly relates to the pro-quota write-downs following the net profit reported by investees in the period.

We note that on June 28, 2022, the company Urban V S.p.A. was established, with stakes held by Aeroporti di Roma, Aeroporto di Venezia, Aeroports de la Cote d'Azur and Aeroporto Guglielmo Marconi di Bologna, for the development of international urban air transport infrastructure. Save S.p.A. will hold 20% of the company, which will study, design, construct and manage the infrastructure, known as “vertiports”, which will be essential to enabling electric vertical take-off and landing (e-VTOL) aircraft to connect airports with city centres, thereby enhancing intracity mobility and promoting lower levels of traffic in urban areas.

The value of the shareholding at June 30, 2022 corresponds to the investment made, amounting to Euro 300 thousand for the acquisition of 20% of the newly established company.

The valuations at equity mainly relate to the pro-quota effect of the net profit reported by investees in the period.

10. Other assets

amount to:

06.30.2022	€	61
12.31.2021	€	63
Cge.		(2)

This item mainly includes receivables for security deposits.

11. Deferred tax assets

amount to:

06.30.2022	€	59,101
12.31.2021	€	57,953
Cge.		1,148

Deferred tax assets totalled Euro 59.1 million and concern both the benefit resulting from the tax losses carried forward from the previous two years, the temporary differences between the carrying values and the values for tax purposes of assets and liabilities. The Directors believe that the recoverability of this amount is probable based on currently available information.

The main items on which deferred tax assets are recognised concern:

- tax losses generated in 2020 and 2021, which may be carried forward without time limit and offset against future taxable income;
- interest expense that will be deductible in subsequent years;
- the realignment of the higher tax values of the controlling investments allocated to goodwill and concessions, in application of Article 15, paragraphs 10-*bis* and 10-*ter* of Decree-Law No. 185/2008 and the Tax Agency provision of November 22, 2011;
- depreciation deductible in the future following the revaluation of fixed assets in application of Article 110 of Decree-Law No. 104/2020 carried out by the subsidiary Marco Polo Park S.r.l.;
- fiscally deductible provisions in subsequent periods such as the assets under concession replacement provision, the risks and charges provision and the doubtful debt provision;
- adjustments related to the application of international accounting standards (principally non-capitalised non-current charges);
- other expense items concerning subsequent periods;
- other consolidation adjustments which generate deferred tax assets.

LIABILITIES

Current liabilities

amount to:

06.30.2022	€	116,786
12.31.2021	€	155,721
Cge.		(38,935)

The account is comprised as follows:

12. Trade payables

amount to:

06.30.2022	€	52,133
12.31.2021	€	48,443
Cge.		(3,690)

Trade payables principally concern Italian suppliers and are reported at their book value, which approximates their reasonable fair value, as at Group level the amount of medium/long-term payables is insignificant and therefore do not require discounting processes.

The breakdown of trade payables is shown below:

(Euro thousands)	06.30.22	12.31.21	CHANGE
Trade payables – third parties	51,250	47,283	3,967
Trade payables - related parties	883	1,160	(277)
Total trade payables	52,133	48,443	3,690

The breakdown of trade payables to related parties is as follows:

(Euro thousands)	06.30.22	12.31.21	CHANGE
Airest Retail S.p.A. Group	878	100	778
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	4	14	(10)
Triveneto Sicurezza S.r.l.	-	1,041	(1,041)
Other minor	1	5	(4)
Total	883	1,160	(277)

13. Other payables

amount to:

06.30.2022	€	49,395
12.31.2021	€	42,359
Cge.		7,036

The following table provides greater details on the account “Other Payables”

(Euro thousands)	06.30.22	12.31.21	CHANGE
Payables to related parties	195	762	(567)
Customer advances	374	109	265
Personnel for deferred compensation	3,289	2,388	901
Airport concession fee	4,292	2,010	2,282
Fire prevention services	26,213	26,173	40
Municipal surtax payables	11,427	7,340	4,087
Other payables	3,605	3,627	(22)
Total	49,395	42,359	7,036

Payables for the fire protection service, amounting to Euro 26.2 million, relate to the contribution to the Fire service fund, currently subject to a dispute.

Payables for municipal surtaxes reflect the increase in the Group's aviation revenues.

Payables relating to airport license fees rose sharply in response to the increase in traffic at the airports managed by the Group.

14. Tax payables

amount to:

06.30.2022	€	2,396
12.31.2021	€	1,336
Cge.		1,060

For a breakdown of the account reference should be made to the following table:

(Euro thousands)	06.30.22	12.31.21	CHANGE
Employee withholding taxes	1,002	844	158
Other tax payables	512	188	324
Direct income taxes	882	305	577
Total	2,396	1,336	1,060

15. Payables to social security institutions

amount to:

06.30.2022	€	2,844
12.31.2021	€	2,544
Cge.		300

16. Bank payables

amount to:

06.30.2022	€	9,668
12.31.2021	€	60,662
Cge.		(50,994)

The account is comprised as follows:

(Euro thousands)	06.30.22	12.31.21	CHANGE
Ordinary current accounts	4	1	3
Short-term advances	2,000	23,000	(21,000)
Current portion of bank loans	7,664	37,661	(29,997)
Total	9,668	60,662	(50,994)

The nominal portions of loans with payment due within 12 months amounted to Euro 7.7 million, down from December 31, 2021 following the repayment of portions due in H1 2022. The following table provides a breakdown of bank credit lines utilised and available at June 30, 2022.

TYPE	Granted	Used	Residual
Cash credit facilities	35,077	(2,000)	33,077
Endorsement credit	1,575	(184)	1,391
Cash and credit commitment	0	0	0
Leasing	0	0	0
Mortgages / loans	1,163,340	(1,038,340)	125,000
Total	1,199,992	(1,040,524)	159,468

17. Other financial liabilities – current portion

amount to:

06.30.2022	€	350
12.31.2021	€	377
Cge.		(27)

The account chiefly includes the current portion of payables to other lenders for lease contracts in compliance with IFRS 16 was recognised for Euro 0.4 million.

Non-current liabilities

amount to:

06.30.2022	€	1,267,422
12.31.2021	€	1,240,795
Cge.		26,627

The account is comprised as follows:

18. Other payables

amount to:

06.30.2022	€	144
12.31.2021	€	144
Cge.		-

19. Bank payables – less current portion

amount to:

06.30.2022	€	1,023,224
12.31.2021	€	999,287
Cge.		23,937

(Euro thousands)	06.30.22	12.31.21	CHANGE
Medium/long-term loans	627,826	601,785	26,041
Bond loans	395,398	397,502	(2,104)
Total	1,023,224	999,287	23,937

Non-current bank payables mainly comprise the medium/long-term portion of loans undertaken by the Group and outstanding at June 30, 2022.

The nominal value of loan instalments due within one year totals Euro 7.7 million and beyond one year amounts to Euro 1,030.7 million.

The following loans were outstanding as at June 30, 2022:

- loan signed by Aer Tre S.p.A. in November 2017 with Mediocredito Italiano, now Banca Intesa SanPaolo S.p.A., for an initial amount of Euro 10 million. Repayment is through equal half-yearly instalments from September 30, 2018 and with final payment on September 30, 2024. The two instalments due during 2020 were subject to a moratorium, with the final maturity of loan now September 30, 2025. The interest, settled on time during the year, is calculated at a variable rate linked to the 6-month Euribor increased by a spread. On issue, an up-front fee recognised to the financial statements in line with the valuation of financial liabilities at amortised cost was paid. In guarantee of these loans, SAVE S.p.A. committed to repay in full the residual payable;

- The loan contracted by Milione S.p.A. in February 2022 from a syndicate of banks with a total amount of Euro 640 million, of which Euro 565 million initially disbursed, followed by an early repayment of Euro 25 million in H1 2022. Accordingly, at June 30, 2022 the total debt amounted to Euro 540 million, subject to bullet repayment in December 2027. The additional sum of Euro 75 million remains available to be drawn down. The loan provides for the payment of interest based on Euribor plus a spread, which is the subject of hedging derivative contracts described in detail in paragraph 16. Other financial liabilities
- The loan contracted by Milione S.p.A. from the European Investment Bank in late 2018 for a total of Euro 150 million, to be disbursed in one or more tranches in the first four years and then repaid according to a repayment schedule of up to 18 years from the disbursement date. On December 31, 2022, the loan was disbursed for a total of Euro 100 million, of which Euro 80 million with a grace period of two years and repayment in equal capital instalments from 2021, with maturity in 2037, and Euro 20 million with a grace period of two years and repayment in equal capital instalments from 2022, with maturity in 2037. The loan stipulates the half-yearly payment of interest based on Euribor plus a spread.

The loan with a bank syndicate - underwritten by Milione S.p.A. at the end of 2018 with a total value of Euro 695 million initially disbursed for Euro 515 million and subsequently subject to both early repayment and further drawdowns - was fully repaid in February 2022. At the same time, a new syndicate loan agreement was signed as described above. Likewise, all related hedging contracts concluded.

The loan using existing cash credit lines, signed by Save S.p.A. with Banca Intesa SanPaolo S.p.A and disbursed on September 23, 2020, was fully repaid in H1 2022.

The table below presents the information required by IFRS 7 with regard to the maturities of the principal amounts of the outstanding financial payables, including bond loans, in addition to an estimate of the financial charges that will accrue in the coming years.

Maturity	Capital portion	Up-front fee	Interest portion (*)	Total
06/30/2023	7,694	(3,461)	21,114	25,347
06/30/2024	7,694	(2,750)	22,533	27,477
06/30/2025	7,694	(1,954)	23,242	28,982
06/30/2026	6,924	(515)	24,522	30,931
06/30/2027	6,155	949	25,818	32,922
06/30/2028	546,156	430	18,146	564,732
06/30/2029	306,155	(429)	6,077	311,803
06/30/2030	6,155	(114)	2,298	8,339
06/30/2031	6,155	(114)	2,229	8,270
06/30/2032	106,156	(40)	1,294	107,410
06/30/2033	6,155	(8)	359	6,506
06/30/2034	6,155	(7)	284	6,432
06/30/2035	6,155	(4)	210	6,361
06/30/2036	6,156	(3)	138	6,291
06/30/2037	6,156	(1)	63	6,218
06/30/2038	625	0	4	629
total	1,038,340	(8,021)	148,331	1,178,650

Finally, the parent company Milione S.p.A. issued the following bond loans:

- A bond of Euro 300 million on the Extra MOT market in Milan, to be redeemed in bullet form at maturity in 2026. This bond was subscribed by a single banking counterparty and stipulates the payment of half-year interest in arrears at a fixed rate. During H1 an agreement was reached to extend the duration of the contract, on payment of a fee, by an additional two years, bringing the conclusion date to 2028;
- A bond of Euro 100 million on the Vienna Securities Exchange, to be redeemed in bullet form at maturity in 2031. The bonds were subscribed by two US insurers and bear interest at a fixed rate, payable in half-yearly instalments at arrears.

	NOMINAL VALUE	FIN. STATS. VALUE	CURR.	RATE	COUPON	MATURITY
SENIOR SECURED BONDS	300.000	297.886	EURO	2,47%	ALF-YEARL	20/12/2028
SENIOR SECURED NOTES	100.000	98.876	EURO	1,72%	ALF-YEARL	27/09/2031

(IN EURO THOUSANDS)

These financial payables stipulate a number of covenants for the parent company based on the consolidated financial statements of the Milione Group, to be verified on a half-yearly basis. As a result of the COVID-19 pandemic, management obtained specific waivers on compliance with these covenants and other contractual terms. Therefore, at June 30, 2022, the above parameters were not subject to testing.

20. Other lenders – less current portion

at

06.30.2022	€	4,685
12.31.2021	€	4,900
Cge.		(215)

The account refers to the leasing payable less current portion deriving from the application of IFRS 16, of which the principal impacts at June 30, 2021 are summarised below.

NET CARRYING VALUE OF LAND AND BUILDINGS	4,465
DEPRECIATION - LAND AND BUILDINGS	313
FINANCIAL CHARGES ON LIABILITY RELATED TO LEASING	96
LIABILITIES FOR LEASING - DUE WITHIN 12 MONTHS	350
LIABILITIES FOR LEASING - DUE OVER 12 MONTHS	4,685

21. Deferred tax liabilities

at

06.30.2022	€	209,372
12.31.2021	€	208,997
Cge.		375

Deferred tax liabilities amount to Euro 209.4 million.

The principal reasons for recognition of deferred tax liabilities include:

- the higher price paid on the acquisition of control of the Save Group allocated definitively to the Concessions;
- adjustments to IFRIC 12 “Service concession arrangements”;
- amortisation and depreciation and other future deductible costs.

22. Post-employment benefits and other employee provisions

at

06.30.2022	€	3,389
12.31.2021	€	3,408
Cge.		(19)

The post-employment benefits at June 30, 2022 are reported in the following table. The change is based on the movements reported below:

Balance at 12/31/2021	3,408
Utilisations and other changes	(144)
Payments to suppl. provision and INPS Treasury	(789)
Provisions and revaluations	940
Change due to actuarial calculation	(25)
Balance at 06/30/2022	3,389

23. Other provisions for risks and charges

at

06.30.2022	€	26,608
12.31.2021	€	24,059
Cge.		2,549

The account comprises:

(Euro thousands)	06.30.22	12.31.21	CHANGE
Provisions for risks and charges	1,420	1,241	179
Assets under concession replacement provision	25,101	22,818	2,283
Provision to cover losses on investments	86	-	86
Total other provisions for risks and charges	26,608	24,059	2,549

“Provisions for risks and charges” comprise provisions to cover the estimated risk undertaken by the Group companies, principally against disputes with suppliers and ex-employees. The provisions are considered sufficient to cover legal case and dispute risks of a specific nature where the Group is plaintiff or respondent, based on a reasonable estimate according to the available information and having consulted with legal experts.

We note that in 2021 the subsidiary Save S.p.A. received a revocation action from Alitalia's extraordinary administration regarding the receivables collected for approx. Euro 4.9 million. At the preparation date of this document, and specifically taking into account the information available and the elements of defence that may be put forward in relation to the action brought, the Directors have decided not to make any provision for risks concerning this matter in light of the fact that the counterparty's claim is considered groundless.

Assets under concession replacement provision

at

06.30.2022	€	25,101
12.31.2021	€	22,818
Cge.		2,283

This concerns an estimate for the necessary maintenance and replacement on assets under concession, which require free transfer to the state in optimal working condition on the conclusion of the Group airport concession. The entire provision concerns cyclical restoration and maintenance at the Venice and Treviso airports.

The Replacement Provision is updated based on a technical evaluation of the estimated future charges relating to the maintenance of the assets which will be returned free at the end of the concession and is utilised based on the maintenance undertaken during the period. The provision was increased by Euro 2.6 million in the period for the allocation concerning the period and utilised for Euro 0.3 million.

Shareholders' Equity

24. Shareholders' Equity

at

06.30.2022	€	553,216
12.31.2021	€	505,359
Cge.		47,857

The Shareholders' Equity comprises the Group Shareholders' Equity of Euro 550.3 million and Minority interest shareholders' equity for Euro 2.9 million.

The Group Shareholders' equity is broken down as follows:

Share capital

at

06.30.2022	€	189
12.31.2021	€	189
Cge.		-

Share premium reserve

at

06.30.2022	€	27,651
12.31.2021	€	27,651
Cge.		-

Legal reserve

at

06.30.2022	€	76
12.31.2021	€	76
Cge.		-

Other reserves and retained earnings

at

06.30.2022	€	490,328
12.31.2021	€	550,663
Cge.		(60,335)

Minority interest shareholders' equity

at

06.30.2022	€	2,877
12.31.2021	€	2,471
Cge.		406

The Minority interest shareholders' equity concerns the share of Shareholders' equity and the net result for the period of the subsidiaries not fully held.

ANALYSIS OF THE PRINCIPAL INCOME STATEMENT ACCOUNTS

(where not otherwise specified, the amounts are expressed in thousands of Euro)

OPERATING REVENUE AND OTHER INCOME

25. Operating revenue and other income

HI 2022	€	127,313
HI 2021	€	21,065
Cge.		106,249

Other operating revenues

HI 2022	€	74,709
HI 2021	€	18,015
Cge.		56,694

Other income

HI 2022	€	52,604
HI 2021	€	3,050
Cge.		49,555

For a detailed analysis of revenues and income, reference should be made to the Directors' Report.

COSTS OF PRODUCTION

HI 2022	€	85,442
HI 2021	€	67,698
Cge.		17,744

The costs of production are broken down in the following table:

26. Raw materials, consumables and goods

HI 2022	€	577
HI 2021	€	315
Cge.		262

27. Services

HI 2022	€	23,731
HI 2021	€	14,727
Cge.		9,004

Specifically:

(Euro thousands)	HI 2022	HI 2021	CGE.
Utilities	2,585	1,750	835
Maintenance	4,509	3,617	892
Professional services	2,434	1,252	1,182
Cleaning and waste removal	2,388	1,427	961
Development charges and traffic promo	250	174	77
Other general services	1,640	631	1,008
Corporate board fees	680	684	(4)
Other personnel charges	479	235	244
Recovery of expenses	770	464	306
Insurance	742	695	47
Operating services	197	152	45
Airport security	6,239	2,650	3,589
IT Systems	479	419	60
Other sales expenses	339	577	(238)
Total	23,731	14,727	9,004

The increase in service costs follows the recovery in traffic volumes at Venice and Treviso Airports and is particularly impacted by the rising costs for airport security services charged by the company Triveneto Sicurezza S.r.l., which left the consolidation scope in HI 2022.

28. Rents, leasing and similar costs

HI 2022	€	3,752
HI 2021	€	1,134
Cge.		2,618

They consist of:

(Euro thousands)	HI 2022	HI 2021	CHANGE
Airport concession fee	3,571	1,068	2,503
Rentals and other	180	66	114
Total Lease and rental costs	3,752	1,134	2,618

29. Personnel costs

HI 2022	€	18,172
HI 2021	€	11,944
Cge.		6,228

30. Amortisation, depreciation & write-downs

HI 2022	€	35,231
HI 2021	€	35,499
Cge.		(268)

This account is divided as follows:

(Euro thousands)	HI 2022	HI 2021	CHANGE
Amortisation & write-down of intangible assets	29,854	29,713	141
Depreciation & write-down of tangible assets	5,377	5,786	(409)
Total amortisation & depreciation	35,231	35,499	(268)

31. Write down of current assets

HI 2022	€	117
HI 2021	€	1,668
Cge.		(1,551)

The account "write-down of current assets" includes the doubtful debt provisions; in calculating the allocation, further account was taken of the provision compared to total overdue receivables.

The provisions cover the risk concerning specific positions for which payment difficulties may arise.

32. Change in inventories of raw materials, ancillaries, consumables and goods

HI 2022	€	11
HI 2021	€	50
Cge.		(39)

Change in inventories principally concerns consumable material stores.

33. Provisions for risks

HI 2022	€	300
HI 2021	€	13

Cge.	(287)
------	-------

The provision made in the half year relates to the Directors' best estimate regarding the risks associated with litigation brought in 2022.

34. Assets under concession replacement provision

HI 2022	€	2,600
HI 2021	€	1,346
Cge.		1,254

The increase in the item reflects operational performance during the period.

35. Other charges

HI 2022	€	951
HI 2021	€	1,002
Cge.		(51)

Other charges comprise:

(Euro thousands)	HI 2022	HI 2021	CHANGE
Sector association contributions	173	178	(5)
Taxes	619	637	(18)
Charitable donations and gifts	2	2	
Other costs	157	185	(28)
Total other charges	951	1,002	(51)

FINANCIAL INCOME AND CHARGES

36. Financial income and charges

HI 2022	€	(14,894)
HI 2021	€	(20,683)
Cge.		5,789

"Financial income and charges" are broken down as follows:

(Euro thousands)	HI 2022	HI 2021	CHANGE
Financial income and revaluation of financial assets	5,069	19	5,050
Interest, other financial charges	(21,464)	(11,180)	(10,284)
Profit/losses from associates carried at equity	1,501	(9,522)	11,023
Total financial income and charges	(14,894)	(20,683)	5,789

"Interest and other financial charges" broken down as follows:

(Euro thousands)	HI 2022	HI 2021	CHANGE
Interest charges on current accounts	(15)	(3)	(12)
Interest charges on loans	(11,008)	(8,677)	(2,331)
Agency, arrangement and upfront fees	(10,338)	(2,425)	(7,913)
Other financial expenses	(31)	(5)	(26)
Interests relating to leasing (IFRS16)	(72)	(71)	(1)
Total	(21,464)	(11,181)	(10,283)

There was an increase in interest expense on loans on the same period of the previous year, mainly as a result of hedging rates for newly signed derivative contracts and to a lesser extent due to higher average debt in the period.

The increase in this item, on the other hand, is mainly due to the recognition of Euro 7.5 million as accounting charges from renegotiation of the bank syndicate loan, Euro 0.2 million in costs related to the early conclusion of CAP derivative contracts, and Euro 0.1 million for additional up-front fees paid for changing the duration of bonds.

Profit/losses from Associates & JV's carried at equity

The change in profit and losses concerning associates and joint ventures carried at equity is provided in the following table:

(Euro thousands)	H1 2022	H1 2021	CHANGE
Valuation at equity of GAP S.p.A.	4	(18)	22
Valuation at equity of BSCA SA	981	(3,208)	4,189
Valuation at equity of Aeroporto Catullo di Verona Villafranca S.p.A.	1,651	(2,855)	4,506
Valuation of equity of 2A S.r.l.	(107)	(119)	12
Valuation at equity of Airst S.p.A.	(129)	(2,428)	2,299
Valuation at equity of Cargo S.p.A.	(4)	(63)	59
Valuation at equity of VTP S.p.A.	(895)	(831)	(64)
Total	1,501	(9,522)	11,023

The strong operating performance of the investee companies operating the Verona and Charleroi airports in H1 2022 compared to the same period of the previous year led to net income, despite the ongoing negative contribution of the other investees.

INCOME TAXES

37. Income taxes

H1 2022	€	(5,530)
H1 2021	€	(15,246)
Cge.		9,716

Income taxes for the period are broken down as follows:

(Euro thousands)	H1 2022	H1 2021	
Current income taxes	962	35	927
Deferred tax income & charges	(6,491)	(15,281)	8,790
Total income taxes	(5,530)	(15,246)	9,716

Income taxes for the year reported net income of Euro 5.5 million, as a result of the recognition of current IRES and IRAP taxes and income from the release of deferred taxes on the amortisation of the value allocated to concessions resulting from the allocation of the higher price paid for acquisition of control of the Save Group.

The analysis of tax adjustments, resulting in a change in the effective tax rate compared to the notional rate of 24%, is outlined in the following table. The result before taxes and income taxes were reclassified taking into account the loss from discontinued operations.

Tax rate <i>(Euro thousands)</i>	06/30/2022	%	06/30/2021	%
Profit/(loss) before taxes	26,977		(67,317)	
Profit/(loss) on assets held-for-sale	(6)		(998)	
Reclassified profit/(loss) before taxes	26,971		(68,315)	
Notional taxes	6,473	24.00%	(16,396)	24.00%
Effective taxes	(5,530)	-20.50%	(15,246)	22.32%
Net profit/(loss)	32,501		(53,069)	
Difference from theoretical tax rate of 24%	(12,003)	-44.50%	1,150	-1.68%
<i>Permanent differences:</i>				
i) effect of increased IRES rate on deferred taxes			(349)	0.51%
ii) IRAP	(88)	-0.33%	52	-0.08%
iii) ACE transferable to Tax Consolidation (CNM)	(228)	-0.85%	(320)	0.47%
(iv) losses from Tax Transparency	(10)	-0.04%		
(v) exempt capital gains/losses not deducted	10	0.04%		
vi) other non-deductible costs / exempt income	(346)	-1.28%	(339)	0.50%
vii) income taxes of prior years				
viii) valuation of investments at equity	(355)	-1.32%	2,106	-3.08%
ix) COVID-19 contributions	(11,523)	-42.72%		
xi) GOP transferable to Tax Consolidation (CNM) / deductible interest expense	537	1.99%		
	(12,003)	-44.50%	1,150	-1.68%

38. Discontinued Operations

H1 2022	€	(6)
H1 2021	€	(998)
Cge.		992

The breakdown of Triveneto Sicurezza S.r.l.'s contribution to the half-year result is presented below. As described in detail above, the company was sold during H1 2022 and H1 2021.

	H1 2022	H1 2021
Cash flows from operating activities	0	(482)
Cash flows from investing activities	100	(3)
Cash flows from financing activities	(100)	485
Total cash flows	0	0

Details of the contribution of discontinued operations (Triveneto Security) to the Group's cash flow statement at June 30, 2022 and June 30, 2021 are shown below.

	H1 2022	H1 2021
Revenues	0	2,665
Operating costs	0	(3,644)
EBIT	0	(979)
Financial income/(charges)	(6)	(19)
Net Profit/(loss)	(6)	(998)

RESULT FOR THE PERIOD

H1 2022	€	32,501
H1 2021	€	(53,068)
Cge.		85,569

The Group and minority interest results are broken down as follows:

(Euro thousands)	H1 2022	H1 2021	CHANGE
Profit/(loss) for the period	32,501	(53,068)	85,569
Minority interest loss (profit)	(406)	843	(1,249)
Group Net Profit/(loss)	32,095	(52,225)	84,320

38. Types of financial risks and management

The Group strategy for the management of financial risks is based on the Company objectives and focuses on the minimisation of the risk of rising interest rates and the relative optimisation of the cost of debt, the credit risk and the liquidity risk.

The management of these risks is undertaken in compliance with the principles of prudence and market best practices, with all risk management operations managed centrally.

Interest rate risk

The pre-fixed Group objectives concern:

- hedging of the interest rate risk and financial liabilities;
- compliance with, in the hedging of risk, the general balance criteria between loans and usages for the Group (variable rate and fixed rate portion, short-term and medium/long-term portion).

The Group, in the pursuit of the above-stated objectives and in consideration of the current continually monitored market conditions, decided to implement hedges in the period, which at June 30, 2022 overall accounted for 46.8% of the total value of the loans.

The current hedging operations concern the loan of Milione S.p.A. for a value to date issued of Euro 540 million, with bullet repayment on maturity in 2027 and supported by a set of secured guarantees.

The loan stipulates, among other conditions, compliance by the Company with a series of financial covenants measured on the Group, to be verified on a half-yearly basis and which at June 30, 2022 were subject to waivers and therefore were not subject to testing.

The following table provides a breakdown of the derivative instruments in place at Group level at June 30, 2022:

Statement on the recording of hedging transactions

(In euro thousands; the positive values are receivables for the company, while the negative values are payables)

Type of instrument	Group company	Nature of hedged risk	Counterparty bank	Contract date	Start date - Option exercise date	Contract maturity date	Contract notional amount	Amount outstanding at 12/31/2021	Amount outstanding at 06/30/2022	Fair Value (Mark to Market) at 12/31/2021	Fair Value (Mark to Market) at 06/30/2022
CAP RATE (*)	Milione SpA	Change in interest rates	Unicredit SpA	2/27/19	9/30/20	2/14/22	15,250	15,250	0	(116)	0
CAP RATE (*)	Milione SpA	Change in interest rates	Intesa SanPaolo SpA	2/27/19	9/30/20	2/14/22	15,250	15,250	0	(116)	0
IRS	Milione SpA	Change in interest rates	Unicredit SpA	9/25/19	9/30/20	2/14/22	130,000	130,000	0	(431)	0
IRS	Milione SpA	Change in interest rates	Intesa SanPaolo SpA	9/25/19	9/30/20	2/14/22	130,000	130,000	0	(433)	0
IRS (**)	Milione SpA	Change in interest rates	Intesa SanPaolo SpA	9/22/20	9/30/20	2/14/22	85,094	85,094	0	725	0
IRS (**)	Milione SpA	Change in interest rates	Unicredit SpA	9/25/20	9/30/20	2/14/22	85,094	85,094	0	710	0
IRS (***)	Milione SpA	Change in interest rates	Societe Generale SA	12/2/20	12/31/20	2/14/22	24,313	24,313	0	201	0
IRS	Milione SpA	Change in interest rates	Intesa SanPaolo SpA	2/16/22	2/14/22	12/31/26	112,649	0	112,649	0	5,125
IRS	Milione SpA	Change in interest rates	Unicredit SpA	2/16/22	2/14/22	12/31/26	112,649	0	112,649	0	5,130
IRS	Milione SpA	Change in interest rates	BNP Paribas S.A.	2/16/22	2/14/22	12/31/26	112,649	0	112,649	0	5,097
IRS	Milione SpA	Change in interest rates	Societe Generale SA	2/16/22	2/14/22	12/31/26	56,325	0	56,325	0	2,596
IRS	Milione SpA	Change in interest rates	Crédit Agricole C.I.B.	2/16/22	2/14/22	12/31/26	56,325	0	56,325	0	2,573
IRS	Milione SpA	Change in interest rates	Mediobanca SpA.	2/16/22	2/14/22	12/31/26	35,403	0	35,403	0	1,625
Total							971,001	485,001	486,000	540	22,146

* the contractual notional amount is 15.25 million from 09.30.2020 to 06.30.2022 and 50.25 million from 07.01.2022 to 12.31.2022

** the contractual notional amount is 85.09 million from 09.30.2020 to 06.30.2022 and 54.47 million from 07.01.2022 to 09.30.2025

*** the contractual notional amount is 24.3 million from 12.31.2020 to 06.30.2022 and 15.56 million from 07.01.2022 to 09.30.2025

An analysis of non-discounted cash flows is broken down by the timing of the derivative instruments is also presented.

On the basis of the same maturities, the table also presents a summary of cash flows for medium/long term, including the capital and interest portions.

	Total estimated cash flows		within 1 year		from 2 to 5 years		over 5 years	
	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021	06/30/2022	12/31/2021
Derivative instruments	(10,448)	(2,298)	(2,318)	(1,406)	(8,130)	(892)	0	0
Medium/long-term loans	(1,186,671)	(1,159,401)	(28,808)	(74,239)	(124,582)	(910,227)	(1,033,281)	(174,935)
Total	(1,197,119)	(1,161,699)	(31,126)	(75,645)	(132,712)	(911,119)	(1,033,281)	(174,935)

Credit risk

This concerns the risk that either of the parties undertaking a contract, which provides for deferred settlement over a period, does not fulfil a payment obligation, resulting therefore in a financial loss for the other party.

This risk may therefore give rise to more strictly technical-commercial or administrative-legal repercussions (disputes on the nature/quantity of supply, on the interpretation of the contractual clauses, on the supporting invoices etc.), in addition to issues of a typically financial nature, i.e. the credit standing of the counterparty.

For the Group, exposure to credit risk is principally related to the commercial activities concerning the sale of aviation services and property activities.

In order to control this risk, the Group has implemented procedures and actions under which the customers may be evaluated according to the assigned level of attention.

In addition, when impaired positions arise, the Group takes action to legally protect its positions, including with the help of outside experts.

The credit risk concerning other financial assets of the Group, which comprise cash and cash equivalents, presents a maximum value equal to the book value of these activities in the case of insolvency of the counterparty. Given the fact that the Group works with leading financial institutions, this risk is deemed to be minimal.

Cash flow sensitivity analysis

The Group prepared a cash flow analysis concerning loans in place. The analysis begins with the market position at June 30, 2022 and on the basis of interest rate increases/decreases of 0.25% and of 0.50%.

The impact of these changes on future cash flows is Euro +/- 3.9 million for a 0.25% interest rate increase/decrease, and Euro +/- 7.7 million for an increase/decrease in the interest rate of 0.50%.

Liquidity Risk

The liquidity risk management policy, i.e. the strategy put in place to avoid cash flow difficulties constituting a problem for the Group, continued to favour prudence. The impact on Group operations and the wider sector from the restrictions introduced to contain the COVID-19 outbreak required the adoption of measures to safeguard Group liquidity and its ability to operate as a going concern.

Unutilised credit lines of the banking system at Group level amount to Euro 33.1 million, while the credit lines not yet utilised concerning the loan contract subscribed amount to Euro 125 million. These are in line with the current and forecast needs of company operations, the needs as per management's most recent provisional data and as per the investment plan.

The financial payables of the Parent Company stipulate a number of covenants based on the consolidated financial statements of the Milione Group (to be verified on a half-yearly basis). Following the COVID-19 pandemic, management obtained specific waivers on these covenants and other contractual terms. Therefore, at June 30, 2022 these covenants were not tested.

For the breakdown of the medium/long-term loans in place, reference should be made to the notes to the consolidated financial statements and the paragraph “Bank payables less current portion”.

Fair value hierarchy levels

A list of derivative financial instruments at June 30, 2022, measured at fair value, is reported in the table of the "Interest rate risk" paragraph above.

In relation to the financial instruments recorded in the balance sheet at fair value, IFRS 7 requires that these values are classified based on the hierarchy levels which reflects the significance of the input utilised in the determination of fair value. The following levels are used:

- Level 1 - assets or liabilities subject to valuation listed on an active market;
- Level 2 - input based on prices listed at the previous point, which are directly observable (prices) or indirectly (derivatives from the prices) on the market;
- Level 3 - input which is not based on observable market data.

The derivative instruments measured at fair value at June 30, 2022 are classifiable to hierarchy Level 2 of the fair value measurement. During the year, no transfers occurred from Level 1 to Level 2 or Level 3 or vice-versa.

39. Investments in subsidiaries, associates and other companies

The Parent Company controls the following companies, fully consolidated. The figures reported are based on the financial statements at period-end, prepared in accordance with the accounting standards adopted by each company.

- **Save S.p.A.**

Holding: 100%

SAVE S.p.A. (“Save” or the “Parent Company”) is an investment holding company which principally operates as an airport manager. It directly manages Venice Marco Polo Airport and controls Treviso Antonio Canova Airport. The Company also has significant holdings in Verona Valerio Catullo Airport and in Charleroi Airport (Belgium).

Save in addition holds investments in companies operating in the airport management sector.

- **Marco Polo Park S.r.l.**

Holding: 100%

The company manages airport parking under sub-concession from SAVE and AerTre.

- **Save International Holding SA**

Holding: 100%

The company was incorporated in 2009 as a vehicle company for the acquisition of Brussels South Charleroi Airport SA in December 2009. In H1 2022 the company was merged into the subsidiary Belgian Airport SA.

- **Belgian Airport SA**

Holding: 100%

The company was incorporated in 2009, also as a vehicle company for the acquisition of a stake in Brussels South Charleroi Airport SA in December 2009. The company therefore incorporates the investment in Brussels South Charleroi Airport SA, consolidated in the present condensed half-year financial statements at equity.

- **Save Engineering S.r.l.**

Holding: 100%

The company is involved in the design and coordination of works concerning the airport development programmes carried out by the Parent Company SAVE as part of the Airport Master Plan. The company utilises know-how acquired in the completion and management of infrastructure development projects related to the passenger transport, such as for example, airports and railway stations.

- **Naitec S.r.l.**

Holding: 100%

The company is involved in the implementation of IT projects for airports in the operational and administrative management areas. The company also develops and commercialises software products in this field.

- **Treviso Airport AERTRE S.p.A.**

Holding: 80%

The Company Aer Tre S.p.A. holds the concession for the management of Treviso Antonio Canova airport.

- **Società Agricola Save a.r.l.**

Holding: 100%

The company is wholly-owned by the Parent Company and is exclusively involved in the activities established by Article 2135 of the Civil Code.

- **Archimede 3 S.r.l.**

Holding: 100%

The company was acquired in 2004. It did not report significant costs or revenues in the period.

The associated companies and joint ventures consolidated under the equity method are:

- **Airest Retail S.r.l.**

Holding: 50%

Airest Retail S.r.l., operating in the Food & Beverage and Retail sectors at Venice, Treviso and Verona airports, where the Save Group operates.

- **Brussels South Charleroi Airport SA**

Holding: 48.32% through Belgian Airport SA.

The company manages Charleroi airport (Belgium).

- **Aeroporto Valerio Catullo di Verona Villafranca S.p.A.**

Holding: 43.393%

The company manages Verona Villafranca and Brescia Montichiari airports.

- **VTP S.p.A.**

Holding: 22.18%

Founded by the Venice Port Authority, the company manages 10 multi-function terminals, 1 ship stores' depot, 5 parking lots and 7 docks, providing services for all vessels (cruise ships, pleasure boats, catamarans) which dock at Venice port. The subsidiary's operations are also greatly reduced by the restrictions on maritime traffic in the port of Venice imposed by recent measures regarding cruise ships.

- **2A – Airport Advertising S.r.l.**

Holding: 50%

The company was incorporated in February 2012 for the management of advertising spaces.

- **G.A.P. S.p.A.**

Holding: 49.87%

The company, held 49.87%, operates in the airport sector, principally carrying out land assistance activities at Pantelleria Airport.

- **Save Cargo S.p.A.**

Holding: 50%

The company provides cargo and postal assistance services at Venice's Marco Polo airport. In 2017, Save S.p.A. in fact conferred the "Cargo" business unit to the subsidiary Save Cargo S.p.A..

At June 2019, 50% of the company was sold, previously fully held, with the consequent loss of control.

- **Urban V S.p.A.**

Holding: 20%

The Company was incorporated in June 2022 and performs all activities related to the Advanced Air Mobility (AAM) and Urban Air Mobility (UAM) sectors. It is owned by Aeroporti di Roma, Aeroporto di Venezia, Aeroports de la Cote d'Azur and Aeroporto Guglielmo Marconi di Bologna. Save S.p.A. will hold 20% of the company, which will study, design, construct and manage the infrastructure, known as "vertiports", which will be essential to enabling electric vertical take-off and landing (e-VTOL) aircraft to connect airports with city centres, thereby enhancing intracity mobility and promoting lower levels of traffic in urban areas.

Related party transactions

The transactions with associated companies and related parties were undertaken at the respective average market values for similar services and of a similar quality.

In relation to transactions in the period with Group Companies, reference should be made to the comments of the Balance Sheet and Income Statement accounts of the Explanatory Notes and attachment C for payable/receivable and cost/revenue transactions.

Supplementary Statements

Supplementary Statements

Annex A

Statement of changes in intangible assets and relative amortisation
(In Euro/000)

	Historical cost					Accumulated amortisation					Net intangible assets
	Value at 01/01/22	Acquisitions	Decreases	Reclassifications/Other movements	Value at 12/31/22	Value at 01/01/22	Increases in the period	Utilisations	Reclassifications/Other movements	Value at 12/31/22	
Airport Concession rights	762,221	899	(110)	483	763,493	189,845	12,071	(8)	0	201,907	561,586
Assets in progress and advances	32,566	4,936	0	(476)	37,026						37,026
Sub-total airport concession rights	794,787	5,835	(110)	7	800,519	189,845	12,071	(8)	0	201,907	598,612
Concessions (*)	865,401	0	0	0	865,401	156,863	16,406	0	0	173,269	692,132
Other intangible fixed assets with finite useful life	29,433	601	(118)	97	30,013	24,732	1,377	(118)	0	25,991	4,021
Assets in progress and advances	923	109	0	(103)	930	0	0	0	0	0	930
Subtotal other intangible fixed assets with finite useful life	30,356	711	(118)	(6)	30,943	24,732	1,377	(118)	0	25,991	4,951
Goodwill and other intangible assets with indefinite useful life (*)	310,533	0	0	0	310,533	0	0	0	0	0	310,533
Total intangible assets	2,001,077	6,546	(228)	1	2,007,396	371,440	29,854	(126)	0	401,168	1,606,229

Additional Statements

Annex B

Statement of changes in tangible assets and relative depreciation
(In Euro/000)

	Historical cost					Accumulated depreciation					Net tangible assets
	Value at 01/01/22	Acquisitions	Decreases	Reclassifications/Other movements	Value at 12/31/22	Value at 01/01/22	Increases in the period	Utilisations	Reclassifications/Other movements	Value at 12/31/22	
Land & buildings	52,032	2	(202)	0	51,833	5,389	539	(127)	0	5,801	46,032
Plant and machinery	80,665	227	0	29	80,922	63,016	2,474	0	0	65,491	15,431
Industrial & commercial equipment	9,272	41	0	7	9,320	7,372	320	0	0	7,692	1,628
Other assets	29,074	346	(128)	0	29,292	23,133	1,207	(127)	0	24,213	5,080
Impairment						16,988	824	0	0	17,812	(17,812)
Assets in progress and payments on account	2,431	3,269	0	(38)	5,661						5,661
Total tangible assets	173,475	3,884	(330)	(1)	177,028	115,898	5,365	(255)	0	121,008	56,020

Attachment C1**Balance sheet transactions
with group companies incl. in the financial statements
and associates**

amounts stated in Euro thousands

Amounts stated in Euro thousands	Financial assets	Trade receivables	Trade payables	Other payables
Save Cargo Sp.A.	150	316	1	145
Airest Retail S.r.l.		4,790	879	-
Airest Collezioni Venezia S.r.l.		619		
2A - Airport Advertising S.r.l.		803	1	51
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.		814	4	
Gabriele D'Annunzio Handling S.p.A.		2		
Brussels South Charleroi Airport (BSCA) SA		4		
Total	150	7,348	884	195

Attachment C2**Income statement transactions
with group companies incl. in the financial statements**

Amounts stated in Euro thousands	Operating revenue	Other income	Raw and ancillary materials, consumables and goods	Services	Other charges	Financial charges
Save Cargo Sp.A.	162	28				
Airest Retail S.r.l.	4,317	172	-	914	4	
2A - Airport Advertising S.r.l.	694	37			-	
Airest Collezioni Venezia S.r.l.	612	8				
Airest Sp.A.						
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	125	506	-	3	-	
Gabriele D'Annunzio Handling S.p.A.	24	0				
Brussels South Charleroi Airport (BSCA) SA	32	13				
Triveneto Sicurezza S.r.l.	51	89		4,476		3
Total	6,017	853	-	5,393	4	3

REPORT ON REVIEW OF CONDENSED CONSOLIDATED HALF-YEARLY FINANCIAL STATEMENTS

To the Board of Directors of
Milione S.p.A.

Introduction

We have reviewed the condensed consolidated half-yearly financial statements of Milione S.p.A. and subsidiaries (Milione Group), which comprise the consolidated balance sheet as of June 30, 2022, the separate consolidated income statement, the comprehensive consolidated income statement, the statement of changes in consolidated shareholders' equity and the consolidated cash flow statement for the six-month period then ended, and a summary of significant accounting policies and other explanatory notes. The Directors are responsible for the preparation of these condensed half-yearly financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on this interim financial information based on our review.

Scope of Review

We conducted our review in accordance with International Standard on Review Engagements 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity". A review of condensed consolidated half-yearly financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Ancona Bari Bergamo Bologna Brescia Cagliari Firenze Genova Milano Napoli Padova Parma Roma Torino Treviso Udine Verona

Sede Legale: Via Tortona, 25 - 20144 Milano | Capitale Sociale: Euro 10.328.220,00 i.v.

Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 03049560166 - R.E.A. n. MH-1720239 | Partita IVA: IT 03049560166

Il nome Deloitte si riferisce a una o più delle seguenti entità: Deloitte Touche Tohmatsu Limited, una società inglese a responsabilità limitata ("DTTL"), le member firm aderenti al suo network e le entità a esse correlate. DTTL e ciascuna delle sue member firm sono entità giuridicamente separate e indipendenti tra loro. DTTL (denominata anche "Deloitte Global") non fornisce servizi ai clienti. Si invita a leggere l'informativa completa relativa alla descrizione della struttura legale di Deloitte Touche Tohmatsu Limited e delle sue member firm all'indirizzo www.deloitte.com/about.

© Deloitte & Touche S.p.A.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed consolidated half-yearly financial statements of Milione Group as at June 30, 2022 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Barbara Moscardi
Partner

Treviso, Italy
July 29, 2022

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

MILIONE S.P.A.

Milione S.p.A.

Viale G. Galilei, 30/1 - 30173 Tessera-Venezia (Ve)