

MILIONE S.P.A.

Consolidated Half-Year Report
at June 30, 2023

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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, 2023, 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, 2023 were:

Name	Office
Enrico Marchi	Chairperson
Hamish Macphail Massie Mackenzie	Vice Chairperson
Athanasios Zoulovits	Vice Chairperson
Fabio Battaglia	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, 2023 were:

Name	Office
Alessandro Danovi (*)	Chairperson
Raffaele Carlotti (*)	Statutory Auditor
Roberto Lonzar	Statutory Auditor
Matteo Sala (*)	Alternate Auditor
Golova Newsky Carolina	Alternate Auditor
Magdalena (*)	
Anna Masè	Alternate Auditor

(*) On May 11, 2023, the statutory auditors Ms. Nicola Broggi (Chairperson of the Board of Statutory Auditors), Paolo Caprotti (standing auditor), Michele Crisci (alternate auditor) and Fabrizio Acerbis (alternate auditor) resigned, effective upon their replacement by the Shareholders' Meeting. The Shareholders' Meeting of May 18, 2023 therefore supplemented the Board of Statutory Auditors by appointing Mr. Alessandro Danovi (as Chairperson of the Board of Statutory Auditors), Mr. Raffaele Carlotti (as Statutory Auditor) and Mr. Matteo Sala and Ms. Golova Newsy Carolina Magdalena (as Alternate Auditors).

Independent Audit Firm

Deloitte & Touche S.p.A. (appointed by the Shareholders' Meeting of May 18, 2023)

Directors' Report

Consolidated Financial Highlights

	HI 2023	HI 2022	% CHANGE	2022
<i>(Euro millions)</i>				
Revenues	105.1	127.3	-17.4%	255.5
EBITDA	49.6	80.1	-38.1%	148.6
EBIT	11.0	41.9	-73.6%	70.6
Group Net Profit	1.5	32.1	-95.3%	45.8
Fixed Capital Employed	1,549.0	1,584.2	-2.2%	1,564.0
Net operating working capital	(59.7)	(42.3)	41.1%	(65.0)
Net capital employed	1,489.3	1,541.9	-3.4%	1499.0
- Own funds	582.3	550.3	5.8%	582.1
- Minority shareholders	2.9	2.9	1.5%	3.2
SHAREHOLDERS' EQUITY	585.2	553.2	5.8%	585.2
NET FINANCIAL POSITION	904.0	988.7	-8.6%	913.7
EBIT/Revenue (ROS)	10.5%	32.9%		27.6%
Venice-Treviso Airport System Passenger Nos.	6,740,802	4,972,573	35.6%	11,954,328

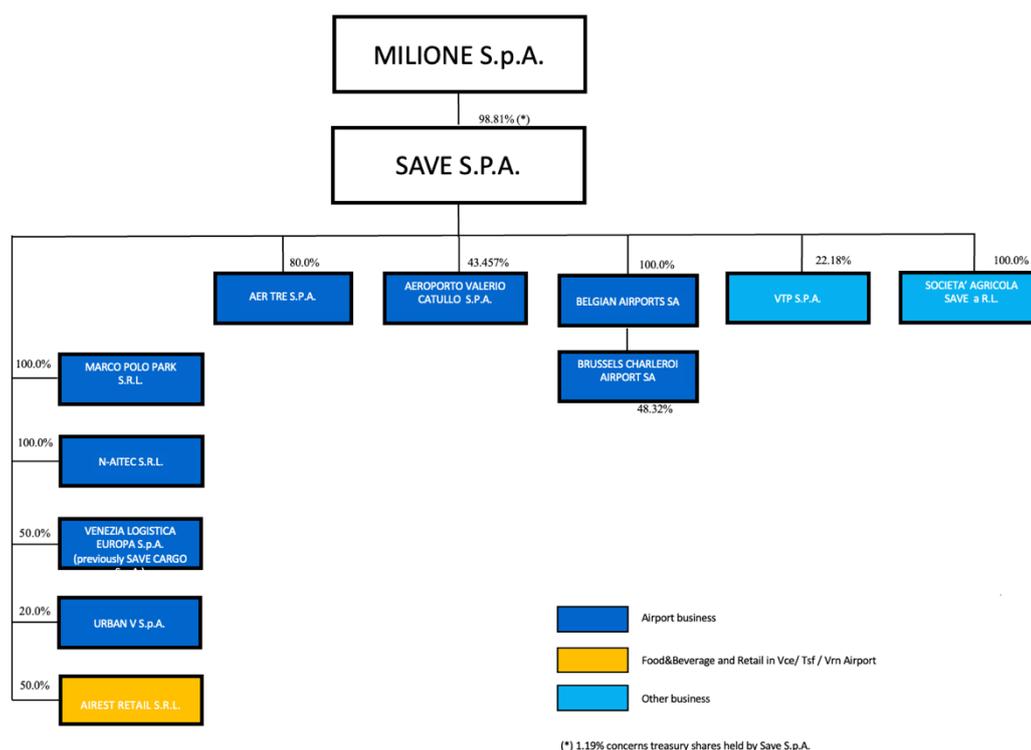
In this Consolidated Half-Year Report, a number of alternative performance measures are used. These are therefore not defined within the scope of IFRS accounting standards. Their meaning and content is outlined in the specific section of the Directors' Report.

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 2023 featured the persistently unstable geopolitical environment centring on the ongoing Russia-Ukraine conflict and its political-military and humanitarian emergency implications, in addition to its general economic repercussions. The high levels of inflation in 2022 among the leading global economies, mainly in terms of energy, has led to the imposition of severely restrictive monetary policies in the second half of 2022 by all the major Central Banks, which in particular slowed the manufacturing cycle and, more generally, the global economic recovery¹.

A decline in manufacturing in the Eurozone was offset by an expansion in services, resulting in considerable employment growth which sustained the high levels of consumer inflation, despite the significant drop in energy costs.

The general economic environment therefore continues to be impacted by a considerable degree of uncertainty, with risks to growth stemming from the development of the conflict in Ukraine, and the possibility of stringent monetary conditions remaining in place for a prolonged period.

Our market in the first half of 2023 saw confirmation of the recovery in post-pandemic traffic. In Europe, significant divergences were apparent among the various countries, with the southern airports already performing in line with 2019. The continued increase in Low Cost carrier market share is also highlighted, with these airlines having taken an aggressive strategy by offering an ever-greater capacity of available seats.

Italian traffic² in the first 5 months of the year recovered 97.3% of 2019's volumes, while in fact even beating the comparative May figure (+4.1%), supporting the idea that Leisure and VFR (a key Italian market) traffic has been the first to recover.

The Venice Treviso system reported 6.7 million passengers, up 35.6% on the first half of 2022, substantially recovering 2019's numbers (-2.7%).

H1 significant events

No transactions affecting the Group structure are reported in the period.

¹ Source: Bank of Italy Bulletin

² Source: Assaeroporti.

Consolidated Operational Overview

On the basis of that outlined above, the H1 2023 and H1 2022 figures are still not fully comparable, as traffic in the first half of 2022 was still impacted by the international COVID-19 pandemic movement restrictions.

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

Euro/000	H1 2023		H1 2022		CHANGE	
Operating revenue and other income	105,110	100.0%	127,313	100.0%	(22,203)	-17.4%
Raw materials and goods	722	0.7%	588	0.5%	134	22.8%
Services	26,546	25.3%	23,731	18.6%	2,815	11.9%
Lease and rental costs	5,708	5.4%	3,752	2.9%	1,956	52.1%
Personnel costs	21,534	20.5%	18,172	14.3%	3,362	18.5%
Other operating charges	994	0.9%	951	0.7%	43	4.5%
Total operating costs	55,504	52.8%	47,194	37.1%	8,310	17.6%
EBITDA	49,606	47.2%	80,119	62.9%	(30,513)	-38.1%
Amortisation & write-down of intangible assets	30,117	28.7%	29,854	23.4%	263	0.9%
Depreciation & write-down of tangible assets	4,950	4.7%	5,377	4.2%	(427)	-7.9%
Replacement provision	2,971	2.8%	2,600	2.0%	371	14.3%
Losses and doubtful debt provision	8	0.0%	117	0.1%	(109)	-93.2%
Provision for risks and charges	519	0.5%	300	0.2%	219	n.a.
Total amortisation, depreciation, provisions & write-downs	38,565	36.7%	38,248	30.0%	317	0.8%
EBIT	11,041	10.5%	41,871	32.9%	(30,830)	-73.6%
Financial income and (charges)	(17,048)	-16.2%	(16,395)	-12.9%	(653)	-4.0%
Profit/losses from Associates & JV's carried at equity	4,698	4.5%	1,501	1.2%	3,197	213.0%
Profit/(loss) before tax	(1,309)	-1.2%	26,977	21.2%	(28,286)	-104.9%
Income taxes	(2,584)	-2.5%	(5,530)	-4.3%	2,946	53.3%
Profit from Continuing Operations	1,275	1.2%	32,507	25.5%	(31,232)	-96.1%
Profit/(loss) from Discontinued Operations/Held-for-sale		0.0%	(6)	0.0%	6	100.0%
Net Profit	1,275	1.2%	32,501	25.5%	(31,226)	-96.1%
Minorities	245	0.2%	(406)	-0.3%	651	160.3%
Group Net Profit	1,520	1.4%	32,095	25.2%	(30,575)	-95.3%

Revenues in the period totalled Euro 105.1 million, compared to Euro 127.3 million in H1 2022. They principally derive from Group operations at Venice and Treviso airports and are broken down as follows:

Euro / 1000	H1 2023				H1 2022				Change				Change %
	Total	Venice	Treviso	Other	Total	Venice	Treviso	Other	Total	Venice	Treviso	Other	Total
Aviation fees and tariffs	66,520	59,662	6,858	0	50,086	44,810	5,276	0	16,434	14,852	1,582	0	32.8%
Handling	1,541	562	979	0	1,507	719	788	0	34	(157)	191	0	2.3%
Aviation Revenue	68,061	60,224	7,837	0	51,593	45,529	6,064	0	16,468	14,695	1,773	0	31.9%
Ticketing	44	13	31	0	58	12	46	0	(14)	1	(15)	0	-24.1%
Parking	10,053	8,769	1,284	0	7,295	6,528	767	0	2,758	2,241	517	0	37.8%
Advertising	718	682	36	0	695	660	35	0	23	22	1	0	3.3%
Commercial	19,928	17,906	2,022	0	13,845	12,281	1,564	0	6,083	5,625	458	0	43.9%
Non-Aviation Revenue	30,743	27,370	3,373	0	21,893	19,481	2,412	0	8,850	7,889	961	0	40.4%
Other revenues	6,306	4,762	269	1,275	53,827	47,411	4,379	2,037	(47,521)	(42,649)	(4,110)	(762)	-88.3%
Total Revenue	105,110	92,356	11,479	1,275	127,313	112,421	12,855	2,037	(22,203)	(20,065)	(1,376)	(762)	-17.4%

As can be seen, the various revenue items benefitted from the significant improvement in Venice-Treviso system traffic in the period (+35.6%). Specifically, these technologies include:

- *aviation revenues* totalled approx. Euro 68.1 million (Euro 51.6 million in H1 2022), growth of 31.9% - slightly under the increase in traffic as a result of a lower average tariff on the basis of the increased aircraft load factor.

- *non-aviation revenues* amounted to approx. Euro 30.7 million, compared to Euro 21.9 million in H1 2022. We particularly highlight the parking and commercial activity results, which outperformed the traffic recovery in the period.
- the significant increase in *other revenues* is due to the recognition in the first half of 2022 of the contribution from the *Aviation sector damage compensation fund*, approved by the Ministry for Infrastructure and Sustainable Mobility, for Euro 48 million, in partial compensation of the damages incurred by the Group's airports in the March-June 2020 period.

EBITDA was Euro 49.6 million, up 54.5% on Euro 32 million (net of the above COVID contribution) in H1 2022. The significant increase is due to the greater level of operations in the period and the continual focus on managing operating costs.

EBIT reported a profit of Euro 11 million, compared to a loss of Euro 6.1 million (also net of the above COVID contribution), after expensing amortisation and depreciation of Euro 35 million.

Financial management reports charges of Euro 12.3 million, compared to charges of Euro 14.9 million in H1 2022. The improvement is due to the result of the investees which, also benefitting from improved operating levels, reported net income of Euro 4.7 million, compared to Euro 1.5 million in H1 2022. The net balance of "Financial charges and income" declined Euro 0.7 million. Net of the charge for the renegotiation of the loans and the income from the closure of derivative contracts in February 2022 for a total cost of Euro 2.5 million, net financial charges increased Euro 3.2 million, as a result of rising interest rates over the last 12 months and based on the contractual conditions of the existing loans.

The **result before taxes** was a loss of Euro 1.3 million, compared to a profit of Euro 27 million in H1 2022, which benefited from the COVID contribution for Euro 48 million.

The Group **Net Result** was a profit of Euro 1.3 million, benefiting for approx. Euro 2.6 million from net positive current and deferred taxes.

Group Reclassified Balance Sheet

EURO/000	06/30/2023	12/31/2022	CHANGE	06/30/2022
Property, plant and equipment	49,442	53,456	(4,014)	56,020
Airport concession rights	605,786	601,827	3,959	598,612
Intangible assets	975,393	992,233	(16,840)	1,007,617
Financial assets	108,075	107,532	543	102,220
Deferred tax assets	50,272	51,206	(934)	59,101
TOTAL FIXED ASSETS	1,788,968	1,806,254	(17,286)	1,823,570
Post-employment benefits	(2,747)	(3,009)	262	(3,389)
Provision for liabilities and deferred taxes	(237,255)	(239,267)	2,012	(235,980)
sale	0	0	0	0
FIXED CAPITAL	1,548,966	1,563,978	(15,012)	1,584,201
Inventories	2,323	2,320	503	2,378
Trade receivables	58,427	43,541	14,886	56,022
Tax receivables	356	814	(458)	319
Other receivables and other current assets	3,853	4,781	(928)	5,875
Trade payables and advances	(64,447)	(65,970)	1,523	(52,133)
Tax payables	(6,267)	(4,762)	(1,505)	(2,396)
Payables to social security institutions	(3,147)	(2,835)	(312)	(2,844)
Other payables	(51,300)	(42,874)	(8,426)	(49,539)
Net working capital from assets held-for-sale	0	0	0	0
TOTAL NET WORKING CAPITAL	(59,702)	(64,985)	5,283	(42,318)
TOT. CAPITAL EMPLOYED	1,489,264	1,498,993	(9,729)	1,541,883
Group Net Equity	582,317	582,085	232	550,339
Minority Interest Net Equity	2,919	3,162	(243)	2,877
SHAREHOLDERS' EQUITY	585,236	585,247	(11)	553,216
Cash	(82,875)	(74,219)	(8,656)	(26,964)
Other financial assets	(44,134)	(45,708)	1,574	(22,146)
Current bank payables	7,670	7,667	3	9,668
Non-current bank payables	1,018,800	1,021,275	(2,475)	1,023,224
Other lenders	4,718	4,881	(163)	5,035
Financial receivables from group & related companies	(150)	(150)	0	(150)
Financial payables related to assets held-for-sale	0	0	0	0
TOTAL NET FINANCIAL POSITION	904,028	913,746	(9,718)	988,667
TOT. FINANCING SOURCES	1,489,264	1,498,993	(9,729)	1,541,883

Fixed Assets reported a reduction of approx. Euro 17.3 million, due to amortisation and depreciation in the period of approx. Euro 35 million, which absorbed the approx. Euro 18.4 million of investments in the period.

Working capital, in line with seasonal movements, saw its negative balance decrease from Euro 65 million in December 2022 to Euro 59.7 million.

Shareholders' equity was substantially unchanged on the end of December 2022 at Euro 585.2 million. The result in the period was offset by an opposing movement in the Mark to Market valuations of existing hedges.

Net Financial Position

The Group **net debt** improved by approx. Euro 10 million, from a debt of Euro 913,7 million at December 31, 2022 to a debt of Euro 904 million at June 30, 2023. Compared to June 30, 2022, the net financial position of the company improved by approx. Euro 84.6 million.

(EURO THOUSANDS)	06/30/2023	12/31/2022	06/30/2022
Cash and cash equivalents	82,875	74,219	26,964
Other financial assets	44,284	45,858	22,296
Financial assets	127,159	120,077	49,260
Bank payables	7,670	7,667	9,668
Other financial liabilities – current portion	939	402	350
Financial liabilities of Discontinued Operations	0	0	0
Current liabilities	8,609	8,069	10,018
Bank payables – less current portion	1,018,800	1,021,275	1,023,224
Other lenders – less current portion	3,779	4,479	4,685
Non-current liabilities	1,022,578	1,025,754	1,027,909
Net financial position from Continuing Operations	(904,028)	(913,746)	(988,667)
Net financial position from Discontinued Operations	0	0	0
Net Financial Position	(904,028)	(913,746)	(988,667)
Total gross payables to banks	1,026,469	1,028,942	1,032,892

Cash and cash equivalents amounted to approx. Euro 82.9 million, improving Euro 8.7 million on December 31, 2022. At June 30, 2023, hedging transactions reported a positive market valuation of Euro 44.3 million, recognised to Other financial assets.

Cash and cash equivalents increased from approx. Euro 74.2 million at the end of 2022 to approx. Euro 82.9 million at June 30, 2023.

Operating activities generated cash of Euro 32.2 million, while investing activities absorbed approx. Euro 19.4 million.

Capital portions totalling approx. Euro 3.8 million were repaid in the period of the various loan tranches.

Group bank loans at June 30, 2023, measured under the amortised cost method, totalled Euro 1,026.5 million, compared to Euro 1,028.9 million at December 31, 2022. 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 1.023 million, Euro 456 million of which matures beyond five years.

Guarantees granted

Guarantees granted (Euro thousands)	amount
Sureties:	2,589
- as a guarantee for lease contracts	411
- as a guarantee for public grants	638
- as a guarantee for loans	-
- other	1,540
Mortgages and privileges in guarantee of loans	40,893
Total guarantees granted	43,482

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 6.5 million as at June 30, 2023 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.

	06/30/2023		12/31/2022		06/30/2022		CGE. 06/30 - 12/31		CGE. 06/23 - 06/22	
	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME	FULL TIME	PART TIME
Executives	16	0	16	0	17	0	0	0	(1)	0
Managers	52	0	49	0	51	0	3	0	1	0
White-collar	348	122	328	109	325	130	20	13	23	(8)
Blue-collar	184	51	179	23	163	55	5	28	21	(4)
TOTAL	600	173	572	132	556	185	28	41	44	(12)
TOTAL WORKFORCE	773		704		741		69		32	

Employees at June 30, 2023, including both full-time and part-time, in addition to fixed contract employees, totalled 773, increasing 69 compared to December 31, 2022 and by 32 compared to June 30, 2022. The full-time equivalent of the total workforce at June 30, 2022 was 723.46 employees, compared to 664.47 at December 31, 2022.

The average full-time equivalent in the first six months was 676.99, an increase of 33.51 employees compared to the first six months of 2022.

Airport Management Review

Traffic performance

Air traffic continues to recover amid solid demand and despite a number of general economic uncertainties and the ongoing war between Russia and Ukraine. The global traffic recovery has been supported by the reopening of the Chinese market and an uptick in Asia-Pacific market movements.

Passenger volumes at European airports in the first 5 months of 2023 recovered 92% of the volumes for the same period of 2019 (+33% on 2022 - ACI Europe figures). Cargo movements contracted 13% on 2019 (-8% on 2022).

Domestic airport figures for the first 5 months of 2023 confirm passenger numbers in line with the same period of 2019 (-0.8%) at over 70 million (aeroporti2030 and Assaeroporti figures). Cargo traffic decreased 2.7% on 2019.

Tourist figures for the Veneto Region also reflect signs of recovery in the initial months of 2023.

The provisional figures for the January-April period beat 2019's numbers (+1.6% for arrivals), in particular for Italians (+8.4%), while a return to previous levels among the overseas component has been slower (-3.4% YTD, +4.4% in April), considering the restrictions within a number of markets in the initial months of the year (including China, one of the main regional tourist markets until 2019). A number of markets report double-digit growth also on pre-pandemic levels: Germany (leading tourist arrivals country, +11.6% on 2019), the United States (+15.6%), Austria (+17.4%), Spain (+14.3%), Poland (+47.2%), Switzerland (+12.9%).

North-Eastern Airport Hub

Overall traffic totalled over 8.2 million passengers, recovering 97% of the traffic volumes for the same period of 2019 (pre-pandemic benchmark period).

Venice airport carried 5,268,204 passengers YTD, in line with H1 2019 (40,651 movements).

Treviso airport managed 1,472,598 passengers between January and June (for 11,087 total movements), recovering 89% of 2019's volumes.

Verona airport has carried nearly 1.5 million passengers since the beginning of the year, recovering 94% of 2019's traffic volumes.

Brescia airport for the first half of 2023 moved approx. 17 thousand tonnes of cargo, an overall decline of 9.7% on the same period of 2022. The numbers however are very strong in comparison with the pre-pandemic period (+44% on H1 2019).

Venice Treviso Airport System

A total of over 6.7 million passengers was reported in H1 2023 for the Airport System (Venice and Treviso), with a 97% recovery on traffic volumes for the same period of 2019 (pre-pandemic benchmark year).

Venice airport carried 5,268,204 passengers YTD, in line with H1 2019 (40,651 movements).

Treviso airport managed 1,472,598 passengers between January and June (for 11,087 total movements), recovering 89% of 2019's volumes.

The following table reports the key traffic data for H1 2023 (compared with the same period of 2022 and 2019):

VENICE AIRPORT SYSTEM

Year-to-date June

	Jan/June 2023	Cge. % '23/'19	Cge. % '23/'22
SAVE			
Movements	40,651	-9%	16%
Passengers	5,268,204	0%	38%
Tonnage	2,983,484	-9%	23%
Cargo (Tonnage)	23,859	-24%	2%
AERTRE			
Movements	11,087	-10%	5%
Passengers	1,472,598	-11%	26%
Tonnage	631,271	-9%	12%
Cargo (Tonnage)	0		-100%
SYSTEM			
Movements	51,738	-9%	13%
Passengers	6,740,802	-3%	36%
Tonnage	3,614,755	-9%	21%
Cargo (Tonnage)	23,859	-24%	2%

VENICE

Venice Airport reports over 5.2 million passengers since the beginning of the year. Traffic in the period was in line with the same period of 2019.

The airport's main carrier by volume of passenger traffic in H1 2023 was Ryanair, with nearly 1.5 million passengers handled (a 28% share of total traffic). easyJet and Wizz Air follow.

The 4 carriers with bases (easyJet, Ryanair, Volotea e Wizz Air) moved over 2.8 million passengers (54% of total traffic).

The network carriers report 1.7 million passengers between January and June, confirming their strategic role in recovering international and inter-continental traffic flows through their European hubs.

Long-haul passengers numbered 240 thousand between January and June, with average load factors of over 90% on the Venice and United States/Canada routes.

The domestic market was the top market in the first 6 months of the year, with nearly 1.1 million passengers (21% of total traffic). The main international markets were Great Britain, France, Spain and Germany.

Paris CDG and Barcelona were the preferred destinations in the first half of the year, followed by Madrid, Naples and Catania.

2019's levels were regained despite the lack of Russian and Ukrainian traffic, which was suspended in the initial months of 2022. 90 thousand passengers were carried in H1 2019 between Venice and the Russian market, in addition to over 35 thousand passengers from and to Ukraine (2.4% of 2019 traffic).

19% of passengers continued their journeys beyond their initial destination in the first two quarters of 2023. The main layovers were: Frankfurt, Istanbul and Paris CDG.

The main final continuing destinations during the year were Los Angeles, New York JFK, Chicago, Sao Paulo and Miami.

The figures also indicate the recovery of traffic between Venice and the Far East. Specifically, in the first six months of the year 19 thousand passengers were carried between Venice and China, with the numbers progressively rising over the period.

Looking to O&D (direct and indirect) traffic flows, North America saw 7% passenger growth on the first half of 2019 (with over 400 thousand passengers carried between Venice and the United States / Canada).

In terms of the new routes introduced, Wizz Air in January opened a direct flight between Venice and Yerevan (Armenia). The carrier in March opened a new route with Jeddah, to which Riyadh was added from April, therefore connecting Marco Polo directly with Saudi Arabia.

These new mid-range connections are a key opportunity both for the business segment and for the leisure development of our region.

In the second quarter, new connections with Oviedo by Volotea, with Thessaloniki by Aegean Airlines and with Larnaca by EasyJet were opened.

The carriers SunExpress with Izmir and Play with Reykjavik began to operate from Venice in June.

Considering long-haul traffic, Delta Air Lines operations resumed between Venice and New York in March, further to the existing Emirates connection to Dubai. The direct connections with Atlanta, Newark and Philadelphia, and with Canada (Toronto and Montreal), also resumed in the second quarter.

Venice airport reported nearly 22 thousand tonnes of air cargo in the first half of 2023, in addition to over 2,000 tonnes carried by truck, recovering 76% of the volumes for the same period of 2019. It is considered that in 2019 a greater number of connections with wide-body aircraft were operative, which is fundamental for the development of cargo transport.

Over 17 thousand tonnes of cargo were transported in the first 6 months of the year by the couriers, which operated at full capacity at the airport.

TREVISO

Treviso airport carried nearly 1.5 million passengers between January and June 2023, recovering 89% of 2019's numbers and with the international destination traffic component comprising 90%.

In the first six months of 2019, 27 thousand passengers were carried between Treviso and the Russian market.

Ryanair carried over 1.2 million passengers in the first half of 2023 (87% of the traffic for the same period of 2019). Wizz Air carried over 250 thousand passengers (+32% on 2019).

The Romanian market was the leading market in the first half of the year, followed by Spain and the domestic market.

The main destinations were Bucharest, Brussels, Tirana, Paris and Malta.

Ryanair's base and Wizz Air's connections to Eastern Europe guarantee Canova a wide range of destinations, which complements the routes operated from the bases at Marco Polo Airport and integrated during the period with new routes for airport users. The network is targeted at both outgoing (vacation or city-break destinations and north-south connections) and incoming traffic, in addition to numerous ethnic traffic destinations.

Garda Airport System

VERONA

Verona airport has carried nearly 1.5 million passengers since the beginning of the year, recovering 94% of 2019's traffic volumes.

In the first six months of 2019, the Russian market (now entirely absent) reported 132 thousand passengers (8.3% of total period traffic).

The leading carrier between January and June 2023 was Ryanair, which transported over 510 thousand (35% of the total), followed by Volotea (over 200 thousand passengers), Neos, Wizz Air and Air Dolomiti.

The domestic market was confirmed as the leading Verona airport market, with nearly 630 thousand passengers in the first half of the year (42% of total traffic). The English market was the second largest, followed by Germany, Albania and Egypt.

The main passenger destinations between January and June were Catania, Palermo, London Gatwick, Tirana and Cagliari.

Following on from the successful opening of international destinations in 2022, new connections were launched in May of this year with Berlin by Volotea, Newcastle by Jet2.com, Düsseldorf by Eurowings and Foggia by Lumiwings.

The comprehensive network of connections with Europe's leading destinations confirms Catullo's international focus and the capacity of Verona to attract significant tourist numbers.

Neos, which is confirmed as the leisure segment leader, connected Verona to over 30 destinations in H1 2023, of which 6 long-haul, carrying a total of nearly 200 thousand passengers and strengthening Catullo's leadership on the outgoing tourist market. For the entire Summer, from the end of April the weekly flight to NosyBe (Madagascar) resumed, which had been suspended since 2019.

BRESCIA

On the basis of the latest available ACI Europe figures (January-May), European cargo traffic decreased 13% on 2019 (-8% on 2022).

The figures available for Italian airports for the first 5 months of 2023 also indicate a decrease of 2.7% on the same period of 2019 (-6% on 2022).

Cargo traffic in the first half of 2023 at Brescia, with approx. 17 thousand tonnes carried overall, saw a contraction of 9.7% on the same period of 2022.

The figures compared to the pre-pandemic period however are strong (+44% on H1 2019).

The postal segment, which accounts for 57% of the total, decreased 15% on the same period of the previous year. The air segment, with over 7 thousand tonnes, saw a decline of 3.1% on 2022.

The elimination by Poste Air Cargo of the Brescia-Rome Fiumicino flight (replaced by a truck connection) and the afternoon flight from Brescia to Lamezia Terme contributed to the overall contraction of air postal volumes.

DHL also reported a reduction in tonnes carried compared to 2022 (-3%).

Charleroi Airport

Passengers carried at Charleroi airport in H1 2023 numbered nearly 4.5 million. The main airline at the airport remains Ryanair, with a market share of 83.8% and carrying nearly 3.7 million passengers. Ryanair's operations to June 2023 comprised 109 regular destinations.

The carrier Wizz Air, operating out of the airport in June 2023 with 13 routes, in H1 2023 carried nearly 477,000 passengers.

Investments at Venice and Treviso airports

Investments totalled Euro 18.4 million in the half year, of which approx. Euro 0.2 million allocated to the assets under concession replacement provision.

The main investments in the first half of 2023 include for approx. Euro 10 million the expansion of the BHS facility and the adaptation to standard 3 of the x-ray controls at Venice airport, Euro 4.44 million for other investments and works carried out to maintain infrastructure operability at Venice airport, Euro 1.19 million for IT investments, Euro 1.14 million for lot 2 terminal expansion design and works at Venice, Euro 0.76 million for other investments and works to maintain infrastructure and operability at Treviso airport and Euro 0.57 million for the completion of the new water purifier at Venice airport.

Regulatory framework developments

Regulatory Agreement and airport fees

SAVE applies the airport fees set in the Regulatory Agreement signed with the Italian Civil Aviation Authority (ENAC) on October 26, 2012 and approved by Decree of the President of the Council of Ministers of December 28, 2012, pursuant to Article 17, paragraph 34-bis of Legs. Decree No. 78/2009, converted with Law No. 102/2009. 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 the stated Article 17, paragraph 34-bis, Legislative Decree No. 78 of July 1, 2009.

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. By Resolution 255/2022 of December 29, 2022, the entry into force of the airport fees in Resolution No. 136/2020 was postponed to February 1, 2023. Finally, with resolution No. 38/2023 of March 9, 2023, the TRA approved the new tariff Regulation models annexed to the resolution, in force since April 1, 2023, and repeals the previous Models as per resolution No. 136/2020 of July 16, 2020.

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, Article 1, paragraph 478 of Law No. 208 of December 28, 2015 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.

ENAC Regulation on “*provisions on the construction, purchase and operation of aviation fuel depots at airports open to commercial traffic entrusted under concession*”

On May 26, 2023, this regulation was published on the ENAC website.

Specifically, Article 1 provides that construction of fuel depots at airports open to civil traffic be carried out directly by airport management companies or through companies controlled by them, pursuant to Article 2359 of the Civil Code. Where the depot is built through a subsidiary company, the operator identifies its collaborators as industrial partners using selection procedures that ensure compliance with the principles of open communication, transparency and non-discrimination. Fuel depot construction costs may be covered by tariffs, in line with the rules and criteria defined by the tariff models approved by the Transport Regulation Authority, up to a maximum limit of the cost of construction as per the economic framework of the work approved by ENAC, net of any public grants and rebates obtained in the bidding process.

Article 2, meanwhile, regulates the purchase of depots, providing that, in the event that the depots are not available to the management company, this company shall begin activities to purchase the fuel depot from its owner. The management company may extend the expiry date of the sub-concession for the area where the fuel depot is located for the time strictly necessary to finalise the transactions to purchase and actually transfer the asset based on the plan approved by ENAC pursuant to Article 5, paragraph 2. Furthermore, if it proves impossible to purchase the fuel depot (including as a result of technical or economic assessments), the operator is required - by the expiration date of the sub-concession - to submit a proposal to update the Airport Development Plan with a provision to construct a new depot. Where there are multiple depots, the operator may purchase only those depots deemed necessary to guarantee airport operations. Depots considered non-vital will be decommissioned. The cost of purchasing the existing fuel depot on the site is covered by tariffs.

Article 3 regulates the management of fuel depots. This is carried out by the management company itself or by companies controlled by it, whose partners are identified using selection procedures that ensure compliance with the principles of open communication, transparency and non-discrimination. Paragraph 2 of Article 3 provides that *“The airport management company that has built or acquired the fuel depot directly and not through a controlled company may entrust technical management services to third parties, selected from among persons of proven technical suitability and professional experience, through selection procedures that guarantee compliance with the principles of open communication, transparency and non-discrimination. Technical management includes maintenance and all verification and control activities required by industry regulations that are necessary to ensure that the facility operates efficiently and safely.”*

Finally, Article 5 provides that *“The airport management company must, no later than 12 months after the regulation enters into force, submit a Plan for ENAC approval. This must set out the procedures and related timelines, including the duration of any extension of the sub-concession of the area where the fuel depot is located, to comply with the provisions of Article 2.”*

ENAC Regulation *"Certification of airport ground-handling service providers"* edition 8 of May 5, 2023

On June 1, 2023 the new Regulation on the certification of ground-handling service providers (edition 8) was published on the ENAC website.

The Regulation is divided into two sections. The first section sets out the requirements and methods for certification of ground-handling service providers. As regards the conditions for contracting out services to third parties - again subject to amendments - subcontracting is allowed at airports above the threshold between providers certified for the same airport and only for categories of services for which they are certified.

The provisions of section one of the regulations come into force from the 90th day following publication on ENAC's website, with the additional safeguard provisions set out in Article 23.

Section two of the Regulation governs airport sub-concessions.

Specifically, Article 2, paragraph 1 provides for a two-year extension of all existing aviation sub-concessions and those relating to logistics and cargo, including de facto sub-concessions in place at the airports referred to in Article 1 above that are not in arrears. Paragraph 2 of Article 2 provides that *“If, at the expiration of the sub-concession, there is a non-depreciated residual carrying amount for the non-portable works granted by ENAC, carried out using the company's own resources, the sub-concession may be extended for the time necessary to recover the aforementioned value, with revaluation of the sub-concession fee.”* Alternatively, Article 3 allows the sub-concessionaire to claim compensation corresponding to the residual non-depreciated carrying amount for non-portable work carried out using its own resources.

The provisions of section two of the regulation enter into force from the moment they are published on ENAC's institutional website.

DECREE-LAW No. 68 of June 16, 2022, converted with amendments by Law No. 108 of August 5, 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 Law 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 the public contracts code, as per Legislative Decree No. 50 of April 18, 2016, will be held in accordance with the terms provided for in Article 4-6, 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 set out in Article 2 of the Regulation as per Presidential Decree No. 383 of April 18, 1994 for airport development plans and work included in such plans, are halved (2).

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.

3-bis. In order to rapidly achieve the goals of the National Recovery and Resilience Plan set out in Mission 2 of that Plan, "Green Revolution and Ecological Transition", the following shall be inserted after subparagraph c-bis) of Article 20, Paragraph 8 of Legislative Decree No. 199 of November 8, 2021:

"c-bis.1) the sites and facilities used by airport management companies within the perimeter of the airports of the smaller islands, referred to in Annex 1 to the Decree of the Minister of Economic Development of February 14, 2017, published in the Official Gazette No. 114 of May 18, 2017, subject to the necessary technical verifications by the National Civil Aviation Authority (ENAC)."

3-ter. In Article 11-quinquiesdecies, paragraph 1 of Decree-Law No. 52 of April 22, 2021, converted with amendments by Law No. 87 of June 17, 2021, the words: "December 31, 2022", are replaced with the words: "March 31, 2023".

COMMISSION DELEGATED REGULATION (EU) 2022/1645 of July 14, 2022 laying down detailed rules for the implementation of Regulation (EU) 2018/1139 of the European Parliament and of the Council on requirements for the management of information security risk with a potential impact on aviation security for companies covered by Commission Regulations (EU) No. 748/2012 and (EU) No. 139/2014 and amending Commission Regulations (EU) No. 748/2012 and (EU) No. 139/2014

The regulation establishes requirements to be met by companies - including airport operators - to identify and manage information security risks with a potential impact on aviation security which could affect information and communication technology systems and data used for civil aviation purposes.

The regulation, which amends some provisions of Regulation (EU) No. 748/2012 and 139/2015, will apply from October 16, 2025.

DIRECTIVE (EU) 2022/2555 OF THE EUROPEAN PARLIAMENT AND OF THE COUNCIL of December 14, 2022 on measures for a high common level of cyber-security across the Union, amending Regulation (EU) No 910/2014 and Directive (EU) 2018/1972, and repealing Directive (EU) 2016/1148 (NIS 2 Directive)

The Directive (a.k.a. NIS 2) became effective on January 17, 2023 and introduces, *inter alia*, more stringent and specific measures on cyber risk management, security incident reporting and information sharing by expanding the number of sectors and recipients compared to the previous NIS Directive.

Annex I among the sectors of other criticality also lists Air Transport, and among the relevant entities identifies - in addition to air carriers and operators active in air traffic management control - “Airport operators as defined in Article 2(2) of Directive 2009/12/EC of the European Parliament and of the Council, airports as defined in Article 2(1) of that Directive, including central airports as defined in Section 2 of Annex II of Regulation (EU) No. 1315/2013 of the European Parliament and of the Council, and entities operating ancillary facilities located at airports.”

Article 41, paragraph 1 states that “By 17 October 2024, Member States shall adopt and publish the measures necessary to comply with this Directive. They shall immediately inform the Commission thereof.”

ENAC Guidelines 2023/001-APT “Criteria for identifying strategic investments in order to apply incremental remuneration”

In the aforementioned text, ENAC identifies a series of measures eligible for the recognition of incremental remuneration. These are divided into categories according to their type.

In order to recognise the aforementioned remuneration, the management company must submit, alongside the proposed Investment Plan (or PQI), a special application accompanied by a technical report demonstrating the compliance of one or more measures or a part of them, among those in the Plan, with the criteria identified in paragraphs (A to F). It must also describe the expected benefits to the airport and any further evidence that will be provided to support the Authority’s technical evaluations. The Authority’s technical clearance, including the assessments made and all the annexes which form an integral part of it, will be sent before the user consultation phase begins, as per practice, to the management company and the ART.

The results of the user consultation procedure shall be sent by the management company to ENAC no more than 30 days after the ART issues the resolution certifying the tariff proposal’s compliance with the Reference Model, to enable the subsequent actions required for signature of the Regulatory Agreement.

The criteria set out in the Guidelines will apply indefinitely and will cover those investments assessed as eligible for the incentive measure in question, as of the effective date of the Guidelines.

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), 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 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, and 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

The traffic forecast for the various airports managed by the Group for the second half of the year are again strong and point towards an ongoing recovery on the pre-pandemic numbers.

Continued major geopolitical uncertainty and the persistence of high inflation may erode the purchasing power of end-customers, while on the other hand delaying the complete recovery of traffic volumes, with all the Group managed airports however now at full operability.

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.

Venezia Tessera, August 1, 2023

Chairperson of the Board of Directors
Mr. Enrico Marchi

CONDENSED CONSOLIDATED HALF-YEAR
FINANCIAL STATEMENTS
AT JUNE 30, 2023

FINANCIAL STATEMENTS

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

Consolidated Balance Sheet

Assets	(Euro thousands)	NOTE	06/30/2023	31/12/2022
Cash and cash equivalents		1	82,875	74,219
Other financial assets		2	44,284	45,858
<i>of which related parties</i>		2	150	150
Tax receivables		3	356	814
Other receivables		4	3,853	4,782
Trade receivables		5	58,427	43,541
<i>of which related parties</i>		5	10,856	4,158
Inventories		6	2,823	2,320
Total current assets			192,618	171,534
Assets held-for-sale			0	0
Property, plant and equipment		7	49,442	53,456
Airport Concession rights		8	605,786	601,827
Concessions		8	659,048	675,454
Other intangible fixed assets with finite useful life		8	5,812	6,245
Goodwill - other intangible fixed assets with indef. useful life		8	310,533	310,533
Equity investments in associates and Joint Ventures		9	106,850	106,315
Other equity investments		9	1,155	1,155
Other assets		10	69	62
Deferred tax assets		11	50,272	51,206
Total non-current assets			1,788,967	1,806,253
TOTAL ASSETS			1,981,585	1,977,787

Liabilities	(Euro thousands)	NOTE	06/30/2023	31/12/2022
Trade payables		12	64,447	65,970
<i>of which related parties</i>		12	1,402	418
Other payables		13	51,299	42,874
<i>of which related parties</i>		13	245	310
Tax payables		14	6,267	4,762
Social security institutions		15	3,147	2,835
Bank payables		16	7,670	7,667
Other financial liabilities – current portion		17	939	402
Total current liabilities			133,769	124,510
Liabilities related to assets held-for-sale			0	0
Bank payables – less current portion		18	1,018,800	1,021,275
Other lenders – less current portion		19	3,778	4,479
Deferred tax liabilities		20	204,527	209,766
Post-employment benefits and other employee provisions		21	2,747	3,009
Provisions for other risks and charges		22	32,728	29,501
Total non-current liabilities			1,262,580	1,268,030
TOTAL LIABILITIES			1,396,349	1,392,540

Shareholders' Equity	NOTE	06/30/2023	31/12/2022
Share capital		189	189
Share premium reserve		27,651	27,651
Legal reserve		76	76
Other reserves and retained earnings		552,881	508,369
Net Profit/(loss)		1,520	45,800
Total Group shareholders' equity	23	582,317	582,085
Shareholders' equity - minority interest		2,919	3,162
TOTAL SHAREHOLDERS' EQUITY	23	585,236	585,247
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY		1,981,585	1,977,787

Consolidated Income Statement

(Euro thousands)	note	H1 2023	H1 2022
Operating revenue	24	99,857	74,709
Other income	24	5,253	52,604
Total operating revenue and other income		105,110	127,313
Costs of Production			
Raw and ancillary materials, consumables and goods	25	793	577
Services	26	26,546	23,731
Rents, lease and similar costs	27	5,708	3,752
Personnel costs:			
wages & salaries & soc. sec. charges	28	20,445	17,007
post-employment benefits	28	867	941
other costs	28	222	224
Amortisation, depreciation & write-downs			
amortisation	29	30,117	29,854
depreciation	29	4,950	5,377
Write-downs of current assets	30	8	117
Change in inv. of raw & ancillary materials, consum. & goods	31	(71)	11
Provisions for risks	32	519	300
Replacement provision	33	2,971	2,600
Other charges	34	994	951
Total costs of production		94,069	85,442
EBIT		11,041	41,871
Financial income and revaluation of financial assets	35	571	5,069
Interest, other financial charges and write-down of financial assets	35	(17,619)	(21,464)
Profit/losses from Associates & JV's carried at equity	35	4,698	1,501
		(12,350)	(14,894)
Profit/(loss) before taxes		(1,309)	26,977
Income taxes	36	(2,584)	(5,530)
<i>current</i>		1,306	962
<i>deferred</i>		(3,890)	(6,491)
Profit on Continuing Operations		1,275	32,507
Profit/(loss) from Discontinued Operations/Held-for-sale	38	0	(6)
Net Profit	39	1,275	32,501
Minority interest		(245)	406
Group Net Profit		1,520	32,095

Consolidated Comprehensive Income Statement

(Euro thousands)	Note	H1 2023	H1 2022
Net Profit for the period		1,275	32,501
effect oci of equity investment valuation as per equity method	9	(28)	109
Hedging instruments	19	(1,301)	15,229
Total Gains/(Losses) on other comprehensive income statement items net of taxes which may be reclassified to the income statement		(1,329)	15,338
Actuarial gains/(losses) of employee defined plans, net of taxes	22	43	19
Total Gains/(Losses) on other comprehensive income statement items net of taxes which may not be reclassified to the income statement		43	19
Total comprehensive income/(expense)		(11)	47,857
Minority comprehensive income/(expense)		(244)	405
Total comprehensive income/(expense) pertaining to the Group		233	47,452

Consolidated Cash Flow Statement

(Euro thousands)	H1 2023	H1 2022	Note
Operating activities			
Profit from continuing operations	1,275	32,507	
Profit/(loss) on discontinued operations/held-for-sale	0	(6)	36
Profit for the period	1,275	32,501	37
Adjustments for:			
- Amortisation, depreciation and write-downs	35,067	35,231	29
- Provisions	3,499	2,931	32 - 33
- Financial income and charges	12,350	13,833	35
- Income taxes	(2,584)	(5,530)	36
- Other changes in provisions	(407)	(140)	22
- Dividends received	4,250	0	
- Interest paid	(16,072)	(11,372)	35
- Other monetary financial income and charges	515	3,308	
- (Gains)/Losses on disposal of assets	(21)	(1)	
- Taxes paid in the period		(144)	14 - 36
- Other changes in deferred taxes	(32)	403	20 - 36
Sub-total (A)	37,841	71,020	
Decrease (increase) in trade receivables	(14,895)	(20,363)	5
Decrease (increase) in other current assets	418	498	4 - 6
Decrease (increase) in other tax assets/liabilities	658	2,128	14 - 20
Increase (decrease) in trade payables	(504)	2,320	12
Increase (decrease) in social security payables	311	301	15
Increase (decrease) in other liabilities	8,337	8,447	13
Sub-total (B)	(5,673)	(6,669)	
CASH FLOW FROM OPERATING ACTIVITIES (A + B) = (C)	32,167	64,350	
Investing activities			
(Acquisition) of property, plant & equipment	(1,029)	(3,884)	7
Divestments of property, plant & equipment	88	63	7
(Acquisition) of intangible assets	(17,404)	(6,757)	8
Divestments of intangible assets	2	103	8
Change in Trade payables for investments	(1,020)	1,370	7 - 8 - 12
(Increase) in financial fixed assets	0	(15,864)	9
CASH FLOW FROM INVESTING ACTIVITIES (D)	(19,363)	(24,969)	
Financing activities			
Change in payables to other lenders	(301)	(242)	20
Issue of loans and related charges	(0)	580,080	16 19
(Repayment) and other changes in loans	(3,847)	(616,841)	16 19
CASH FLOW FROM FINANCING ACTIVITIES (E)	(4,149)	(37,002)	
CASH FLOW FROM DISCONTINUED OPERATIONS (F)	0	0	
NET CASH FLOW FOR THE PERIOD (C+D+E+F)	8,656	2,378	
CASH AND CASH EQUIVALENTS AT BEGINNING OF THE PERIOD	74,219	24,587	
CASH AND CASH EQUIVALENTS AT END OF THE PERIOD	82,875	26,964	

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 SHAREHOLDERS' 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
(Euro thousands)								
Balance at January 1, 2023	189	76	27,651	508,369	45,800	582,085	3,162	585,247
Profit/(loss) previous year				45,800	(45,800)			
Result of separate income statement					1,520	1,520	(245)	1,275
Other comprehensive profits / losses				(1,286)		(1,286)	1	(1,285)
Result of comprehensive income statement				(1,286)	1,520	233	(244)	(10)
Balance at June 30, 2023	189	76	27,651	552,884	1,520	582,318	2,919	585,237

Explanatory Notes to the Condensed Consolidated
Half-Year Financial Statements
at June 30, 2023

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, 2023**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, 2023**Basis of preparation**

These condensed consolidated financial statements of the Group concern the period ended June 30, 2023.

The condensed consolidated half-year financial statements were prepared under the historical al 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, 2023. 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, 2022 and the H1 2022 income statement.

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	
			06/30/2023	12/31/22
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
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
Archimede 3 S.r.l.	Euro	50,000	100	100

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	
			06/30/2023	12/31/22
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
Venezia Logistica Europa 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 Verona Villafranca S.p.A.	Euro	86,323,688	43.5	43.46
Urban V S.p.A.	Euro	50,000	20	20

Basis of consolidation

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, 2022 and the condensed consolidated financial statements at June 30, 2022.

IFRS Accounting Standards, Amendments and Interpretations applied from January 1, 2023

The following IFRS accounting standards, amendments and interpretations were applied for the first time by the Group from January 1, 2023:

- On May 18, 2017, the IASB published **IFRS 17 - Insurance Contracts** which replaces **IFRS 4 - Insurance Contracts**. This standard is effective as of January 1, 2023. 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).

Furthermore, 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 was effective as of January 1, 2023, along with the application of IFRS 17, 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 adoption of this principle and the related amendment did not have any effects 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 were applied from January 1, 2023.

The adoption of this amendment does not have effects on the consolidated financial statements of the Group.

- 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 were applied from January 1, 2023. The adoptions of these amendments do not have any effects 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”** and on October 31, 2022 published an amendment entitled **“Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants.”** The purpose of the documents is to clarify how to classify payables and other short or long-term liabilities. These amendments shall enter into force on January 1, 2024 and early application is permitted. The directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.

- On September 22, 2022, the IASB published an amendment entitled "**Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback**". The document requires the seller-lessee to measure the lease liability arising from a sale & leaseback transaction so as not to recognise income or losses relating to the retained right of use. The amendments will be applicable from January 1, 2024, although advance application is permitted. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.
- On May 23, 2023, the IASB published an amendment called "**Amendments to IAS 12 Income Taxes: International Tax Reform – Pillar Two Model Rules**". This introduces a temporary exception to the recognition and disclosure requirements for deferred tax assets and liabilities related to the Pillar Two Model Rules and sets out specific disclosure requirements for entities affected by the related International Tax Reform.
It provides for the immediate application of the temporary exception, while the disclosure requirements will apply only to financial statements for years beginning on or after January 1, 2023, but not to interim financial statements with a closing date before December 31, 2023. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements.
- On May 25, 2023, the IASB published an amendment entitled "**Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements**". This requires an entity to provide additional information on reverse factoring arrangements to enable users of financial statement to assess how financial arrangements with suppliers may affect the entity's liabilities and cash flows and to understand the effect of such arrangements on the entity's exposure to liquidity risk. The amendments will be applicable from January 1, 2024, although advance application is permitted. The Directors do not expect this amendment to have a significant impact on the Group consolidated financial statements, as the Group does not have any such contractual arrangements in place.
- On January 30, 2014, the IASB published **IFRS 14 Regulatory Deferral Accounts** which permits only those adopting IFRS for the first time to continue to recognise amounts concerning Rate Regulation Activities according to the previous accounting standards adopted. As the Company/Group is a first-time adopter, this standard is not applicable.

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 receivables in dispute and also an analysis of overdue receivables. 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 gains and losses concerning defined benefit plans are recognised to the comprehensive income statement and are not recognised to the income statement. Interest costs are 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 on the basis of 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 current economic and geopolitical scenario means that Milione Group management must continuously monitor the amounts recognised to the 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 2023, 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, 2022.

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, 2022, approved by the Board of Directors on February 9, 2023, are still to be considered valid in light of the actual data for H1 2023 and the consequent forecast

updates for 2023, 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 rise in market interest rates, management therefore deemed it unnecessary to update the impairment tests 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, 2023.

Accounting policies

The 2023 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 definite useful life are recorded at acquisition or production cost or, where deriving from business combinations, are capitalised at the fair value at the acquisition date; these assets include accessory charges, amortised on a straight-line basis for the period of their residual useful life in accordance with IAS 36 and undergo an impairment test whenever there are indications of loss in value.

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

The amortisation of 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
Patent 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 depreciation or 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 less 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 profits and losses of discontinued operations must be classified separately from profits and losses from continuing operations, shown after taxes, even when the Group maintains a minority interest in the subsidiary after the sale. The resulting profit or loss, after 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.

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 consolidated half-year reporting date (only for companies with less than 50 employees), but also the future salary increases 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/(expenses)”.

When the liability relates to intangible assets (infrastructure), it includes the amounts necessary for the initial maintenance or replacement of each asset constituting the owned infrastructure, so as to ensure all interventions on the scheduled date, necessary for adequate maintenance of the assets until the end 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. This 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

These condensed 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 consolidated half-year reporting date. All exchange differences are recognised 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. 11.4% of the total revenue of the subsidiary SAVE S.p.A. derived from the airline Ryanair, while approx. 59.4% of that of the subsidiary Aer Tre S.p.A., which manages Treviso airport, derived in H1 2023 from the airline Ryanair.

Net Financial Position

The Group **net debt** decreased from Euro 93.7 million at December 31, 2022 to Euro 904 million at June 30, 2023.

(EURO THOUSANDS)	06/30/2023	12/31/2022	06/30/2022
Cash and cash equivalents	82,875	74,219	26,964
Other financial assets	44,284	45,858	22,296
Financial assets	127,159	120,077	49,260
Bank payables	7,670	7,667	9,668
Other financial liabilities – current portion	939	402	350
Financial liabilities of Discontinued Operations	0	0	0
Current liabilities	8,609	8,069	10,018
Bank payables – less current portion	1,018,800	1,021,275	1,023,224
Other lenders – less current portion	3,779	4,479	4,685
Non-current liabilities	1,022,578	1,025,754	1,027,909
Net financial position from Continuing Operations	(904,028)	(913,746)	(988,667)
Net financial position from Discontinued Operations	0	0	0
Net Financial Position	(904,028)	(913,746)	(988,667)
Total gross payables to banks	1,026,469	1,028,942	1,032,892

ANALYSIS OF THE MAIN BALANCE SHEET ACCOUNTS

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

ASSETS

Current Assets

at

06.30.2023	€	192,618
12.31.2022	€	171,534
Cge.		21,084

The items of the above stated account are as follows:

1. Cash and cash equivalents

at

06.30.2023	€	82,875
12.31.2022	€	74,291
Cge.		8,656

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 76 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

at

06.30.2023	€	44,284
12.31.2022	€	45,858
Cge.		(1,574)

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.

At June 30, 2023 Milione S.p.A. had six IRS contracts in place 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, 2023 was positive and amounted to Euro 44.1 million.

The item also includes financial receivables from the associated company Venezia Logistica Europa (previously Save Cargo S.p.A.) and the fair value of the derivative instruments undertaken by Save S.p.A. to hedge natural gas price fluctuation risk.

3. Tax receivables

at		
06.30.2023	€	356
12.31.2022	€	814
Cge.		(458)

The account includes for approx. Euro 0.1 million the tax credit recognised to non-energy and non-gas enterprises by Legislative Decree No. 115/2022, No. 144/2022 and No. 176/2022 in order to offset the increased cost incurred following the increase in the cost of the raw material in H1 2023 and for approx. Euro 0.2 million tax credits for new investments in tangible and intangible capital goods as per Law No. 160 of December 26, 2019 (2020 Budget Law) and Law No. 178 of December 30, 2022 (2021 Budget Law).

4. Other receivables

at		
06.30.2023	€	3,853
12.31.2022	€	4,782
Cge.		(929)

The composition of the account is as follows:

(Euro thousands)	06.30.23	12.31.22	CHANGE
Social security institution receivables	144	13	131
Suppliers for advances	1,202	1,589	(387)
Other receivables	2,058	2,676	(619)
Other assets for suspended financial charges	450	504	(54)
Total other receivables	3,853	4,782	(929)

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

at		
06.30.2023	€	58,427
12.31.2022	€	43,541
Cge.		14,886

The breakdown of trade receivables is outlined below:

(Euro thousands)	06.30.23	12.31.22	CHANGE
Trade receivables – third parties	47,571	39,383	8,188
Trade receivables - related parties	10,856	4,158	6,698
Total trade receivables	58,427	43,541	14,886

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

Trade receivables increased on December 2022 by Euro 14.9 million due to the increase in operations in the period.

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

(Euro thousands)	06.30.23	12.31.22	CHANGE
Trade receivables	49,686	41,495	8,191
Doubtful debt provision	(2,115)	(2,112)	(3)
Total trade receivables	47,571	39,383	8,188

The Group doubtful provision amounts to Euro 2.1 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 movement in the Doubtful Debt Provision in the period were as follows:

BALANCE AT 12/31/2022	(2,112)
Utilisations and other movements	5
Provisions in the half-year	(8)
BALANCE AT 06/30/2023	(2,115)

An analysis of the ageing of trade receivables of the Group at June 30, 2023 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
06/30/2023							
Net receivables	47,571	41,678	1,452	846	1,041	437	2,117

Trade receiv. 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
12/31/2022							
Net receivables	39,383	19,527	9,288	3,972	2,754	1,388	2,455

The monitoring and reminder activities continued in order to limit credit risk.

With regards to the trade receivables balance, it is considered in fact 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)	06.30.23	12.31.22	CHANGE
Airest Group	8,188	2,468	5,720
2A - Airport Advertising S.r.l.	690	547	143
Aeroporto Valerio Catullo S.p.A.	1,359	703	656
Venezia Logistica Europa S.p.A.	591	359	232
Brussels South Charleroi Airport (BSCA) SA	28	81	(53)
Total	10,856	4,158	6,698

The increase in receivables from the companies of the Airest Group concerned the level of invoicing in the first half of 2023.

6. Inventories

at

06.30.2023	€	2,823
12.31.2022	€	2,320
Cge.		503

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

Non-current assets

at

06.30.2023	€	1,788,967
12.31.2022	€	1,806,253
Cge.		(17,286)

The account is comprised as follows:

7. Property, plant & equipment

at

06.30.2023	€	49,442
12.31.2022	€	53,456
Cge.		(4,014)

The balance decreased on December 31, 2022, with amortisation, depreciation and write-downs of approx. Euro 4 million.

The account includes Euro 3.6 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

at

06.30.2023	€	1,581,179
12.31.2022	€	1,594,059
Cge.		(12,880)

The intangible asset items are indicated separately:

(Euro thousands)	06.30.23	12.31.22	CHANGE
Airport Concession rights	605,786	601,827	3,959
Concessions	659,048	675,454	(16,406)
Other intangible fixed assets with finite useful life	5,812	6,245	(433)
Goodwill – other intangible assets with indefinite life	310,533	310,533	-
Total intangible assets	1,581,179	1,594,059	(12,880)

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. A net decrease of approx. Euro 12.9 million is reported in the period, mainly as a result of depreciation and amortisation for approx. Euro 30.1 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.

Goodwill, with reference to the cash generating units deriving from the acquisition transactions generating the value, is broken down below:

(Euro thousands)	06.30.23	12.31.22	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%.

Intangible assets in progress concern the investments made in the period and not yet completed, in addition to the investment projects begun in previous years which, although their execution has been slowed in view of the environment in which the Group has operated over recent years, are within the scope of the 2023-2037 Master Plan of the subsidiary Save S.p.A. and therefore are expected to be completed over the medium-term.

9. Equity investments

at		
06.30.2023	€	108,005
12.31.2022	€	107,470
Cge.		535

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

(Euro thousands)	06.30.23	12.31.22	CHANGE
Investments in associates and joint ventures	106,850	106,315	535
Other investments	1,155	1,155	-
Total investments	108,005	107,470	535

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

(Euro thousands)	% HELD	06.30.23	12.31.22	CHANGE
Venezia Terminal Passeggeri S.p.A.	22.18	9,247	8,128	1,119
GAP S.p.A.	49.87	373	292	81
Brussels South Charleroi Airport SA	27.65	32,703	29,295	3,408
2A – Airport Advertising S.r.l.	50	-	12	(12)
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	43.457	33,918	35,394	(1,476)
Airest Retail S.p.A.	50	29,847	32,187	(2,340)
Venezia Logistica Europa S.p.A.	50	762	792	(30)
Urban V S.p.A.	20%	-	215	(215)
Total Investments valued under the equity method		106,850	106,315	535

The valuation at equity mainly relates to the pro-quota measurement following the net profit reported by investees in the period. In particular, during the period the associate Airest Retail S.r.l. issued a dividend of Euro 4.2 million to Save S.p.A., recognised as a reduction of the investment in Airest Retail. In addition, the valuation of the investment in Venezia Terminal Passeggeri at June 30, 2023 was adjusted to the pro-quota shareholders' equity at June 30, 2023 held in the investee. The adjustment in the period includes, in addition to the H1 2023 results, also the effect from the difference between the value considered for the measurement at equity in the consolidated financial statements at December 31, 2022 and the recognised value of the shareholders' equity of the investee.

10. Other assets

at		
06.30.2023	€	69
12.31.2022	€	62
Cge.		7

This item mainly includes receivables for security deposits.

11. Deferred tax assets

at		
06.30.2023	€	50,272
12.31.2022	€	51,206
Cge.		(934)

Deferred tax assets totalled Euro 50.3 million and concern the benefit from the tax losses carried forward from the two previous years and that from the excess of the ACE for the 2021 tax period generated following the positive response to the appeal presented by Milione S.p.A. for the disapplication of the ACE - anti-avoidance provision under the combined provisions of Article 1, paragraph 8 of Decree Law No. 201 of December 6, 2011 and Article 10, paragraphs 2 and 3, letter c) of Ministerial Decree of August 3, 2017, in addition to the benefit arising from the temporary differences between the other carrying amounts in the financial statements and the tax recognised values 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 Legislative Decree 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 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

at

06.30.2023	€	133,769
12.31.2022	€	124,510
Cge.		9,259

The account is comprised as follows:

12. Trade payables

at

06.30.2023	€	64,447
12.31.2022	€	65,970
Cge.		(1,523)

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)	06.30.23	12.31.22	CHANGE
Trade payables – third parties	63,045	65,552	(2,507)
Trade payables - related parties	1,402	418	984
Total trade payables	64,447	65,970	(1,523)

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

(Euro thousands)	06.30.23	12.31.22	CHANGE
Airest Retail S.p.A. Group	1,271	368	903
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	5	8	(3)
2A - Airport Advertising S.r.l.	1	3	(2)
Urban V S.p.A.	124	39	85
Venezia Logistica Europa S.p.A.	2	-	2
Total	1,402	418	984

13. Other payables

at

06.30.2023	€	51,299
12.31.2022	€	42,874
Cge.		8,425

Further details on “Other Payables” is provided in the following table:

(Euro thousands)	06.30.23	12.31.22	CHANGE
Payables to related parties	245	310	(65)
Customer advances	395	136	259
Personnel for deferred compensation	4,647	3,950	697
Airport concession fee	10,284	6,674	3,610
Fire prevention services	15,894	15,894	-
Municipal surtax payables	15,511	10,772	4,739
Other payables	4,323	5,138	(815)
Total	51,299	42,874	8,425

Payables for the fire protection service, amounting to Euro 15.9 million, relate to the contribution to the Fire service fund, currently subject to a dispute. During 2022, this amount was recalculated in order to reflect the amount of the debt in view of the findings of the in-depth investigations requested by our legal and tax advisors.

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

at

06.30.2023	€	6,267
12.31.2022	€	4,762
Cge.		1,505

This account is broken in the following table:

(Euro thousands)	06.30.23	12.31.22	CHANGE
Employee withholding taxes	967	1,147	(180)
Other tax payables	144	159	(15)
Direct income taxes	4,616	3,456	1,160
VAT payables	540	-	540
Total	6,267	4,762	1,505

15. Payables to social security institutions

at

06.30.2023	€	3,147
12.31.2022	€	2,835
Cge.		312

16. Bank payables

at

06.30.2023	€	7,670
12.31.2022	€	7,667
Cge.		3

The account is comprised as follows:

(Euro thousands)	06.30.23	12.31.22	CHANGE
Ordinary current accounts	I	I	-
Current portion of bank loans	7,669	7,666	3
Total	7,670	7,667	3

The nominal portion of loans due within 12 months totals Euro 7.7 million.

The following table provides a breakdown of bank credit lines utilised and available at June 30, 2023.

TYPE	Granted	Used	Residual
Cash credit facilities	35,077	0	35,077
Endorsement credit	1,575	(184)	1,391
Mortgages / loans	1,155,645	(1,030,645)	125,000
Total	1,192,297	(1,030,829)	161,468

17. Other financial liabilities – current portion

at

06.30.2023	€	939
12.31.2022	€	402
Cge.		537

The account chiefly includes the current portion of payables to other lenders for lease contracts in compliance with IFRS 16 for Euro 0.8 million and for Euro 0.1 million the fair value of a number of derivative instruments taken on by Save S.p.A. to hedge natural gas price fluctuation risk.

Non-current liabilities

at

06.30.2023	€	1,262,580
12.31.2022	€	1,268,030
Cge.		(5,450)

The account is comprised as follows:

18. Bank payables – less current portion

at

06.30.2023	€	1,018,800
12.31.2022	€	1,021,275
Cge.		(2,475)

(Euro thousands)	06.30.23	12.31.22	CHANGE
Medium/long-term loans	622,790	625,562	(2,772)
Bond loans	396,010	395,713	297
Total	1,018,800	1,021,275	(2,475)

Non-current bank payables mainly comprise the medium/long-term portion of loans undertaken by the Group and outstanding at June 30, 2023.

The nominal value of loan instalments due within one year totals Euro 7.7 million and beyond one year amounts to Euro 1,023.0 million.

The following loans were outstanding as at June 30, 2023:

- 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, 2023 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 2. Other financial assets

- 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. At June 30, 2023, 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 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
06/30/2024	7,694	(2,716)	48,141	53,119
06/30/2025	7,694	(1,983)	46,696	52,407
06/30/2026	6,924	(574)	47,669	54,019
06/30/2027	6,155	915	48,736	55,806
06/30/2028	546,155	437	30,718	577,310
06/30/2029	306,156	(409)	7,894	313,641
06/30/2030	6,155	(114)	4,109	10,150
06/30/2031	6,155	(115)	3,822	9,862
06/30/2032	106,155	(41)	2,220	108,334
06/30/2033	6,156	(9)	1,482	7,629
06/30/2034	6,155	(7)	1,176	7,324
06/30/2035	6,155	(6)	867	7,016
06/30/2036	6,155	(3)	569	6,721
06/30/2037	6,156	(1)	264	6,419
06/30/2038	625	0	16	641
06/30/2039	0	0	0	0
total	1,030,645	(4,626)	244,379	1,270,398

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 2022, 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.

COMPANY NAME	NOMINAL		FIN. STATS.			
	VALUE	VALUE	CURR.	RATE	COUPON	MATURITY
SENIOR SECURED BONDS	300,000	296,823	EURO	2.47%	HALF-YEARLY	12/20/2028
SENIOR SECURED NOTES	100,000	99,187	EURO	1.72%	HALF-YEARLY	09/27/2031

(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. The above covenants were complied with, where required, at June 30, 2023.

19. Other lenders – less current portion

at

06.30.2023	€	3,778
12.31.2022	€	4,479
Cge.		(701)

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, 2023 are summarised below.

Net carrying value of Land and Buildings	3,582
Depreciation - Land and buildings	275
Financial charges on liability related to leasing	67
Liabilities for Leasing - Due within 12 months	802
Liabilities for Leasing - Due over 12 months	3,778

20. Deferred tax liabilities

at

06.30.2023	€	204,527
12.31.2022	€	209,766
Cge.		(5,239)

Deferred tax liabilities amount to Euro 204.5 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.

21. Post-employment benefits and other employee provisions

at

06.30.2023	€	2,747
12.31.2022	€	3,009
Cge.		(262)

The post-employment benefits at June 30, 2023 are reported in the following table. The change is based on the movements reported below:

Balance at 12/31/2022	3,009
Utilisations and other changes	147
Payments to suppl. provision and INPS Treasury	926
Provisions and revaluations	(866)

Change due to actuarial calculation	(56)
Balance at 06/30/2023	866

22. Other provisions for risks and charges

at		
06.30.2023	€	32,728
12.31.2022	€	29,501
Cge.		3,227

The account comprises:

(Euro thousands)	06.30.23	12.31.22	CHANGE
Provisions for risks and charges	1,923	1,510	413
Assets under concession replacement provision	30,691	27,991	2,700
Provision to cover losses on investments	115	-	115
Total other provisions for risks and charges	32,728	29,501	3,227

“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.

The provision for the coverage of investee losses was recognised as part of the measurement according to the equity criterion of the investments in the associates 2A – Airport Advertising S.r.l. and Urban V S.p.A., which at June 30, 2023 reported negative shareholders’ equity values.

Assets under concession replacement provision

at		
06.30.2023	€	30,691
12.31.2022	€	27,991
Cge.		2,700

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 3 million in the period for the allocation concerning the period and utilised for Euro 0.3 million.

Shareholders' Equity

23. Shareholders' Equity

at

06.30.2023	€	585,236
12.31.2022	€	585,247
Cge.		(11)

The Shareholders' Equity comprises the Group Shareholders' Equity of Euro 584.2 million and Minority interest shareholders' equity for Euro 2.9 million.

The Group Shareholders' equity is broken down as follows:

Share capital

at

06.30.2023	€	189
12.31.2022	€	189
Cge.		-

Share premium reserve

at

06.30.2023	€	27,651
12.31.2022	€	27,651
Cge.		-

Legal reserve

at

06.30.2023	€	76
12.31.2022	€	76
Cge.		-

Other reserves and retained earnings

at

06.30.2023	€	552,881
12.31.2022	€	508,369
Cge.		44,512

Minority interest shareholders' equity

at

06.30.2023	€	2,919
12.31.2022	€	3,162
Cge.		(243)

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

24. Operating revenue and other income

HI 2023	€	105,110
HI 2022	€	127,313
Cge.		(22,203)

Other operating revenues

HI 2023	€	99,857
HI 2022	€	74,709
Cge.		25,148

Other income

HI 2023	€	5,253
HI 2022	€	52,604
Cge.		(47,351)

For a detailed analysis of revenues and income, reference should be made to the Directors' Report. The 2022 balance includes the COVID contributions received for approx. 48 million.

COSTS OF PRODUCTION

HI 2023	€	94,069
HI 2022	€	85,442
Cge.		8,627

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

25. Raw materials and goods

HI 2023	€	793
HI 2022	€	577
Cge.		216

26. Services

HI 2023	€	26,546
HI 2022	€	23,731
Cge.		2,815

Specifically:

(Euro thousands)	HI 2023	HI 2022	CGE.
Utilities	3,951	2,585	1,366
Maintenance	4,860	4,509	351
Professional services	1,768	2,434	(666)
Cleaning and waste removal	2,603	2,388	215
Development charges and traffic promo	199	250	(52)
Other general services	2,277	1,640	637
Corporate board fees	856	680	176
Other personnel charges	702	479	224
Recovery of expenses	271	770	(499)
Insurance	697	742	(44)
Operating services	470	197	273
Airport security	6,537	6,239	299
IT Systems	610	479	132
Other sales expenses	743	339	404
Total	26,546	23,731	(2,815)

In terms of service costs, the increase in the utilities item is mainly related to the increased natural gas procurement cost. This cost is presented net of the effects of the derivative instruments entered into in the period to hedge the against the fluctuation of the price of this commodity.

The increase in the other components of service costs is related to the greater volume of operations at the airports managed by the Group.

Professional services, on the other hand, significantly reduced, as in 2022 this item included the costs of legal consultants regarding the renegotiation of the loan contracts completed in February 2022.

27. Lease and rental costs

HI 2023	€	5,708
HI 2022	€	3,752
Cge.		1,956

They consist of:

(Euro thousands)	HI 2023	HI 2022	CHANGE
Airport concession fees	5,491	3,571	1,920
Rentals and other	217	180	37
Total Lease and rental costs	5,708	3,752	1,956

The increase in this cost regarding airport concession fees is related, as indicated previously, to the increase in the number of passengers at the airports managed by the Group.

28. Personnel costs

HI 2023	€	21,534
HI 2022	€	18,172
Cge.		3,362

29. Amortisation, depreciation and write-downs

HI 2023	€	35,067
HI 2022	€	35,231
Cge.		(164)

This account is divided as follows:

(Euro thousands)	HI 2023	HI 2022	CHANGE
Amortisation & write-down of intangible assets	30,117	29,854	263
Depreciation & write-down of tangible assets	4,950	5,377	(427)
Total amortisation & depreciation	35,067	35,231	(164)

30. Write down of current assets

HI 2023	€	8
HI 2022	€	117
Cge.		(109)

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.

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

HI 2023	€	(71)
HI 2022	€	11
Cge.		(82)

Change in inventories principally concerns consumable material stores.

32. Provisions for risks

HI 2023	€	519
HI 2022	€	300
Cge.		219

The provision made in the half-year relate to the Directors' best estimate regarding the risks associated with the outstanding disputes.

33. Assets under concession replacement provision

HI 2023	€	2,971
HI 2022	€	2,600
Cge.		371

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

34. Other charges

HI 2023	€	994
HI 2022	€	951
Cge.		43

In greater detail, other charges comprise:

(Euro thousands)	HI 2023	HI 2022	CHANGE
Sector association contributions	205	173	32
Taxes	644	619	25
Charitable donations and gifts	7	2	5
Other costs	138	157	(21)
Total other charges	994	951	43

FINANCIAL INCOME AND CHARGES

35. Financial income and charges

H1 2023	€	(12,350)
H1 2022	€	(14,894)
Cge.		2,544

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

(Euro thousands)	H1 2023	H1 2022	CHANGE
Financial income and revaluation of financial assets	571	5,069	(4,498)
Interest, other financial charges	(17,619)	(21,464)	3,845
Profit/losses from associates carried at equity	4,698	1,501	3,197
Total financial income and charges	(12,350)	(14,894)	2,544

Financial income reduced Euro 4.5 million, with income of approx. Euro 5 million in the first half of the previous year from the closure of existing hedges on the completion of the refinancing transaction in the month of February.

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

(Euro thousands)	H1 2023	H1 2022	CHANGE
Interest expense C/C	0	(15)	15
Interest charges on loans	(15,722)	(11,008)	(4,714)
Agency, arrangement and upfront fees	(1,824)	(10,338)	8,514
Other financial expenses	(6)	(31)	25
Interests relating to leasing (IFRS16)	(67)	(72)	5
Total	(17,619)	(21,464)	3,845

Financial charges reduced Euro 3.8 million compared to the same period of the previous year. We recall that Euro 7.56 million was recognised in the first half of 2022 for charges for the renegotiation of the loans in February 2022. Net of these renegotiation charges, total financial charges would have increased Euro 3.7 million due to the increase in interest rates and on the basis of the contractual conditions, compared to the first half of 2022.

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 2023	H1 2022	CHANGE
Valuation at equity of GAP S.p.A.	81	4	77
Valuation at equity of BSCA SA	3,409	981	2,428
Valuation at equity of Aeroporto Catullo di Verona Villafranca S.p.A.	(1,448)	1,651	(3,099)
Valuation of equity of 2A S.r.l.	(102)	(107)	5
Valuation at equity of Airst S.p.A.	1,910	(129)	2,039
Valuation at equity of VLE S.p.A.	(30)	(4)	(26)
Valuation at equity of VTP S.p.A.	1,118	(895)	2,013
Valuation at equity of Urban V S.p.A..	(240)		(240)
Total	4,698	1,501	3,197

Reference should be made to the paragraph on financial assets in terms of the measurement of the investment in Venezia Terminal Passeggeri S.p.A. at June 30, 2023 and the relative adjustment in the first half of 2023 according to the equity criterion.

INCOME TAXES

36. Income taxes

H1 2023	€	(2,584)
H1 2022	€	(5,530)
Cge.		2,946

Income taxes in the period comprised:

(Euro thousands)	H1 2023	H1 2022	CHANGE
Current taxes	1,306	962	345
Deferred tax income & charges	(3,890)	(6,491)	2,601
Total income taxes	(2,584)	(5,530)	2,946

Income taxes, 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, in addition to the deferred tax income from the ACE excess for 2021 generated as a result of the positive response to the appeal presented by Milione S.p.A. for the disapplication of the anti-avoidance measures regarding ACE, were positive for Euro 2.6 million.

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.

Tax rate reconciliation <i>(Euro thousands)</i>	H1 2023	%	H1 2022	%
Profit/(loss) before taxes	(1,309)		26,977	
Profit/(loss) on assets held-for-sale	-		(6)	
Reclassified profit/(loss) before taxes	(1,309)		26,971	
Notional taxes	(314)	24.00%	6,473	24.00%
Effective taxes	(2,584)	197.40%	(5,530)	-20.50%
Net profit	1,275		32,501	
Difference from theoretical tax rate of 24%	(2,270)	-8.42%	(12,003)	-44.50%
<i>Permanent differences:</i>				
i) exempt dividends	(969)	-3.59%	-	0.00%
ii) IRAP	1,252	4.64%	(88)	-0.33%
iii) ACE transferable to Tax Consolidation (CNM)	(669)	-2.48%	(228)	-0.85%
iv) losses from Tax Transparency	-	0.00%	(10)	-0.04%
v) exempt capital gains/losses not deducted	-	0.00%	10	0.04%
vi) other non-deductible costs / exempt income	(233)	-0.86%	(346)	-1.28%
vii) income taxes of prior years	(982)	-3.64%	-	0.00%
viii) valuation of investments at equity	(796)	-2.95%	(355)	-1.32%
ix) COVID-19 contributions	-	0.00%	(11,523)	-42.72%
x) GOP transferable to Tax Consol. (CNM) / deduct. interest expense	127	0.47%	537	1.99%
	(2,270)	-8.42%	(12,003)	-44.50%

37. Discontinued Operations

H1 2023	€	-
H1 2022	€	(6)
Cge.		6

The H1 2022 balance concerns the result of Triveneto Sicurezza S.r.l., which was sold in the first half of 2022.

RESULT FOR THE PERIOD

H1 2023	€	1,275
H1 2022	€	32,501
Cge.		(31,226)

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

(Euro thousands)	HI 2023	HI 2022	CHANGE
Net Profit for the period	1,275	32,501	(31,226)
Minority interest loss (profit)	245	(406)	651
Group Net Profit/(loss)	1,520	32,095	(30,575)

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, 2023 overall accounted for 77.1% of the total value of the variable rate loans. Fixed rate loans accounted for 38.8% of total outstanding 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, 2023 were subject to waivers and therefore were considered to have been met, where required.

The following table provides a breakdown of the derivative instruments in place at Group level at June 30, 2023:

Statement on the recording of hedging transactions

(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 12/31/2022	Amount outstanding at 06/30/2023	Fair Value (Mark to Market) at 12/31/2022	Fair Value (Mark to Market) at 06/30/2023
IRS	Milione SpA	Change in interest rates	Intesa SanPaolo SpA	02/16/2022	02/14/2022	12/31/26	112,649	112,649	112,649	10,665	10,135
IRS	Milione SpA	Change in interest rates	Unicredit SpA	02/16/2022	02/14/2022	12/31/26	112,649	112,649	112,649	10,576	10,257
IRS	Milione SpA	Change in interest rates	BNP Paribas S.A.	02/16/2022	02/14/2022	12/31/26	112,649	112,649	112,649	10,631	10,233
IRS	Milione SpA	Change in interest rates	Societe Generale SA	02/16/2022	02/14/2022	12/31/26	56,325	56,325	56,325	5,280	5,139
IRS	Milione SpA	Change in interest rates	Crédit Agricole C.I.B.	02/16/2022	02/14/2022	12/31/26	56,325	56,325	56,325	5,249	5,115
IRS	Milione SpA	Change in interest rates	Mediobanca S.p.A.	02/16/2022	02/14/2022	12/31/26	35,403	35,403	35,403	3,307	3,232
Total							486,000	486,000	486,000	45,708	44,111

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	
	06/30/2023	12/31/22	06/30/2023	12/31/22	06/30/2023	12/31/22	06/30/2023	12/31/22
Derivative instruments	40,589	40,589	10,161	10,161	30,428	30,428	0	0
Medium/long-term loans	(1,275,024)	(1,275,024)	(55,835)	(55,835)	(740,747)	(740,747)	(478,442)	(478,442)
Total	(1,234,435)	(1,234,435)	(45,674)	(45,674)	(710,319)	(710,319)	(478,442)	(478,442)

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 and real estate activity services.

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, 2023 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 +/- 3.5 million for a 0.25% interest rate increase/decrease, and Euro +/- 6.9 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.

Unutilised credit lines of the banking system at Group level amount to Euro 35.1 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). These covenants were complied with, where required.

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, 2023, 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, 2023 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 half-year financial statements, 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.

- **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.

- **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: 43.457%

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.

- **Venezia Logistica Europa S.p.A.** (previously 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 is therefore still in the start up phase, performing 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						
	Value at 01/01/23	Acquisitions	Decreases	Contributions	IFRS 5 Reclassifications/Other movements	Value at 06/30/23	Value at 01/01/23	Increases in the period	Utilisations	IFRS 5 Reclassifications/Other movements	Value at 06/30/23	Net intangible assets
Airport Concession rights	768,704	1,118	0	0	384	770,206	214,090	12,200	0	0	226,291	543,915
Assets in progress and advances	47,213	15,041	(1)	0	(383)	61,870						61,870
Sub-total airport concession rights	815,917	16,159	(1)	0	1	832,076	214,090	12,200	0	0	226,291	605,786
Concessions (*)	865,401	0	0	0	0	865,401	189,947	16,406	0	0	206,353	659,048
Other intangible fixed assets with finite useful life	33,150	822	(547)		367	33,793	27,388	1,511	(546)	0	28,352	5,441
Assets in progress and advances	483	230	0		(341)	371	0	0	0	0	0	371
Subtotal other intangible fixed assets with finite useful life	33,633	1,052	(547)	0	26	34,164	27,388	1,511	(546)	0	28,352	5,812
Goodwill and other intangible assets with indefinite useful life (*)	310,533	0	0	0	0	310,533	0	0	0	0	0	310,533
Total intangible assets	2,025,484	17,211	(548)	0	27	2,042,175	431,425	30,117	(546)	0	460,996	1,581,179

Additional Statements

Annex B

Statement of changes in tangible assets and relative depreciation

(In Euro/000)

	Historical cost					Accumulated depreciation						
	Value at 01/01/23	Acquisitions	Decreases	Contributions	IFRS 5 Reclassifications/Other movements	Value at 06/30/23	Value at 01/01/23	Increases in the period	Utilisations	IFRS 5 Reclassifications/Other movements	Value at 06/30/23	Net tangible assets
Land & buildings	51,833	92	0		3,277	55,201	6,343	556	0	0	6,899	48,302
Property, plant and equipment	82,272	116	(2,632)		109	79,866	67,847	2,230	(2,631)	0	67,445	12,420
Industrial & commercial equipment	9,853	128	(159)		0	9,822	8,017	316	(93)	0	8,240	1,581
Other assets	29,901	650	(355)		0	30,196	24,977	1,037	(355)	0	25,659	4,536
Impairment							18,636	811	0	0	19,447	(19,447)
Assets in progress and payments on account	5,419	42	0		(3,412)	2,049						2,049
Total tangible assets	179,277	1,028	(3,146)	0	(26)	177,133	125,821	4,949	(3,080)	0	127,691	49,442

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 RECEIVABLE S	TRADE PAYABLES	OTHER PAYABLES	
Venezia Logistica Europa S.p.A.	-	150	591	2	167
Airest Retail S.r.l.			7,143	1,272	-
Airest Collezioni Venezia S.r.l.			1,044		
2A - Airport Advertising S.r.l.			690	1	78
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.			1,353	5	
Gabriele D'Annunzio Handling S.p.A.			5		
Brussels South Charleroi Airport (BSCA) SA			28		
Urban V				124	
TOTAL	-	150	10,853	1,403	245

Attachment C2

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

AMOUNTS STATED IN EURO THOUSANDS	OPERATING REVENUE	OTHER INCOME	SERVICES	OTHER CHARGES
Venezia Logistica Europa S.p.A.	261	44	2	
Airest Retail S.r.l.	6,662	334	1,497	2
2A - Airport Advertising S.r.l.	718	40		-
Airest Collezioni Venezia S.r.l.	807	8		
Aeroporto Valerio Catullo di Verona Villafranca S.p.A.	61	384	-	-
Gabriele D'Annunzio Handling S.p.A.	2	1		
Brussels South Charleroi Airport (BSCA) SA	16	36		
Urban V S.p.A.		1		
TOTAL	8,527	847	1,499	2

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, 2023, 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 30.328.220,00 I.v.
Codice Fiscale/Registro delle Imprese di Milano Monza Brianza Lodi n. 09049560166 - R.E.A. n. MI-1720299 | Partita IVA: IT09049560166

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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, 2023 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
Filippo Verardo
Partner

Treviso, Italy
August 3, 2023

This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

MILIONE S.P.A.

Milione S.p.A.

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