

**FINANCIAL STATEMENTS
AND DIRECTORS' REPORT
SAGAT GROUP
2022**

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FINANCIAL STATEMENTS AND DIRECTORS' REPORT AT DECEMBER 31, 2022



1. MEETING OF SHAREHOLDERS

FIRST CALL 28/04/2023
SECOND CALL 09/05/2023

2. AGENDA

FINANCIAL STATEMENTS AS AT 31/12/2022

SAGAT S.p.A.

Società Azionaria Gestione Aeroporto Torino
Strada San Maurizio, 12
10072 Caselle Torinese (TO)
www.torinoairport.com

Share capital € 12,911,481 fully paid in
Company subject to the management and coordination of the company 2i Aeroporti S.p.A.
Economic Administrative Register (R.E.A.) no. 270127
Register of Companies of Turin, Tax ID and VAT no. 00505180018

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Letter to the Shareholders

Dear Shareholders,

In 2022, Turin Airport carried 4,193,881 passengers, reporting an increase in traffic of 2,127,755 passengers, or up 103% on 2021 and up 6.1% on 2019 (before the pandemic). It has been a record breaking year. The previous traffic record goes back to 2017, with 4,176,556 passengers.

This result was made possible thanks to the commercial agreement with Ryanair, which from November 2021 based two aircraft at our airport, 2022 was therefore the first year of full operability of the new base, which has fully lived up to expectations in terms of new destinations and passenger numbers, despite the impact of the Omicron variant on travel propensity in the first quarter of the year.

This commitment to traffic development was also recognised by ACI Europe, which awarded Turin Airport as the Best European Airport in its category (up to 5 million passengers), in view of its strong resilience in the face of the pandemic, expanding its flight network like never before and thus contributing to the region's connectivity. Particular emphasis was also placed on the intensive work devoted to innovation and sustainability, maintaining its commitment to the environment and the community to reduce carbon dioxide emissions from operations under its control to zero by 2050.

In fact, Level 3-Optimisation of the ACA-Airport Carbon Accreditation environmental sustainability programme promoted by ACI-Airports Council International was achieved in 2022, Level 3 - Optimisation features a stakeholder involvement plan in the emission reduction process, which is extended to the various actors operating at the airport. The Torino Green Airport action plan also continued which is committed to managing airport infrastructure and operations in an ever more energy efficient manner, by consuming less energy and preventing wastage of resources. In fact, the design of a new photovoltaic system has been completed which, when fully operational, will see us self-produce 12% of our electricity requirements at the airport. Development also began on a pilot plant to test hydrogen as a storage system for energy produced by a photovoltaic system, enabling its use as a green fuel to power a fuel cell. This development formed part of the work of the European H2020 TULIPS consortium, in which Turin Airport is a partner.

By introducing a fleet of electric-powered vehicles and using airport procedures defined in the interests of sustainability, turnarounds at the airport will be 100% green from 2022, with a reduction in the environmental impact of aircraft ground handling operations.

Even against rising traffic numbers, with a consequent impact on the use of the infrastructure and of airport staff, the utmost care has been focused on the passenger, as confirmed by the overall satisfaction ratings within the framework of the ASQ-Airport Service Quality international benchmark, which saw an improvement on the previous year to 4,07 on a scale of 1 to 5.

Traffic development had positive knock-on effects also on commercial activities, leading to the full occupancy of spaces with the opening of new units, in addition to the development of the e-commerce channel for the sale of airport services.

Investments in 2022 totalling Euro 7,002 thousand increased on the preceding two-year period of the pandemic and centred on resuming those focused on prioritising infrastructure maintenance and upgrading and the launch of energy sustainability measures, in addition to those to improve the passenger experience, such as the installation of a CBC3 hand baggage screening unit equipped with tomographic technology, which can screen hand baggage without separating liquids and electronic equipment, at the Fast Track gate.

Consolidated revenues totalled Euro 86,062 thousand, increasing Euro 48,859 thousand on 2021 (+131%), mainly due to the 103% growth in passenger traffic. Costs of Euro 67,377 thousand increased Euro 26,511 thousand on 2021 (+64.9%).

The 2022 result - significantly improving on 2021 - reported a consolidated net profit of Euro 11,906 thousand.

In 2022, the compensation was received under the Aviation sector damage compensation fund as per Law No. 178/2020, amounting to Euro 10,036 thousand for SAGAT S.p.A. and Euro 978 thousand for SAGAT Handling, SAGAT S.p.A. also received Euro 2,287 thousand under the measures to support Piedmont airport operators for the period from January 1, 2021 to June 30, 2021 (Regional Decree No. 53-3664 of July 30, 2021).

The Net Financial Position in 2022 overall improved by Euro 14,292 thousand and at December 31 amounted to a net debt of Euro 2,450 thousand, compared to a debt of Euro 16,742 thousand at December 31, 2021.

This Directors' Report, which accompanies the Financial Statements at December 31, 2022, was drawn up in accordance with Article 2428 of the Civil Code and presents the Directors' observations on the operating performance and main events in 2022 and those subsequent to year-end.

The operating and financial results for 2022 are compared with the year ending December 31, 2021.

1 Group directors' report

at 31/12/2022



2022 SAGAT GROUP HIGHLIGHTS

TRAFFIC

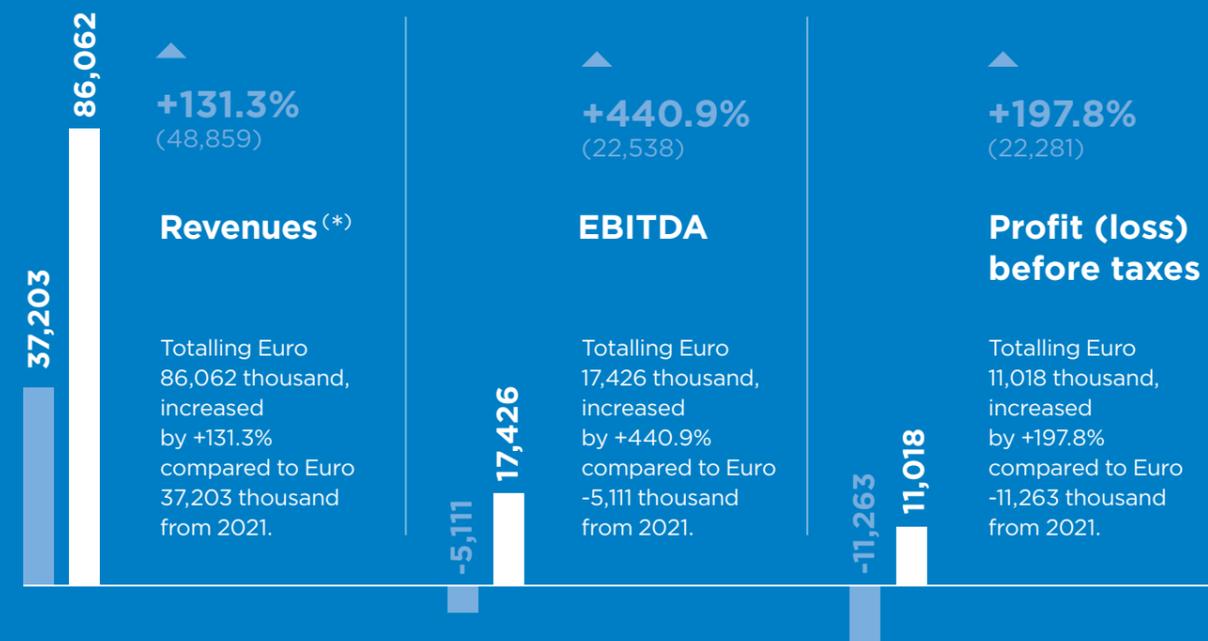
In 2022, Turin Airport carried 4,193,881 passengers, reporting an increase in traffic of 2,127,755 passengers, or up 103% on 2021 and up 6.1% on 2019 (before the pandemic). It has been a record breaking year. The previous traffic record goes back to 2017, with 4,176,556 passengers.



KEY FINANCIAL HIGHLIGHTS

The Group key financial highlights for 2022 compared with the previous year are reported below.

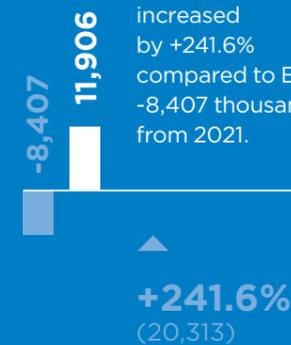
■ 2021 ■ 2022 Euro thousands



(*) Net of revenues for personnel seconded to third parties, recognised as a reduction to personnel costs.

Net profit (loss)

Totalling Euro 11,906 thousand, increased by +241.6% compared to Euro -8,407 thousand from 2021.



Investments

Euro 7,002 thousand have been invested during the year.



Net Financial Position

Totalling Euro 2,450 thousand, increased by +85.4% (Euro 14,292 thousand) from 2021.



OUTLOOK

In the first two months of 2023, the SAGAT Group reported significant growth on the same period of 2022, with a total of 697,826 passengers (+48.5%) and 6,912 movements (+22.01%).

361,168 passengers were also recorded in January 2023, representing the best January ever for passenger traffic, beating the previous record of January 2019 (339,432).

The strong growth in the initial two months returned a 3.05% improvement even over the same period in the pre-COVID 2019.

Although ACI Europe¹ estimates a 10% to 8% reduction in annual pre-COVID-19 traffic volumes in 2023 compared to 2019, a consolidation of the traffic volumes reached in 2022 can be expected at Turin Airport during 2023. This forecast is supported by the launch of new routes and the end of the health emergency, which negatively impacted Q1 2022. Ryanair plans to launch four new summer routes to Alicante, Stockholm, Porto, and Vilnius and increase frequencies on five existing destinations: Brussels, Cagliari, Valencia and Pescara. In addition, Volotea's operational schedule includes a new connection to Paris-Orly twice a week from May 26.

However, these growth prospects may be hampered by the ongoing conflict in Ukraine, whose development is currently highly uncertain both in terms of its duration and its social and economic consequences.

An escalation of the war remains a major source of vulnerability, particularly for Europe. Geo-political tensions continue to impact the price of energy sources, while potential delays in supply chains could further intensify. There is also a possibility of disruptions to passenger mobility, including security concerns and reduced demand for destinations in areas near conflict zones. The reduction in demand could have indirect consequences deriving from market volatility due to the application of sanctions against Russia and the resulting disruption of trade relations between states).

Despite the uncertain environment, the Group will continue to invest in increasing the region's connectivity and the quality of services provided while improving economic and social sustainability.

¹ Source ACI Europe: Economic Forecast of December 20, 2022 <https://www.aci-Europe.org/economic-forecasts.html>

1.1

SAGAT S.p.A. Shareholders and Corporate Boards

The shareholder structure at December 31, 2022 has changed compared to the previous year: on March 30, 2022, the company 2i Aeroporti S.p.A. purchased from Techno Holding S.p.A. 169,028 shares of SAGAT S.p.A., equal to 6.76% of the share capital.

As of 30/3/2022, therefore, the shareholder structure is as detailed in the table below:

Shareholder	Ordinary shares	Nominal value	%
2i Aeroporti S.p.A.	2,428,047	€ 12,528,722.52	97.04%
SAGAT S.p.A.	74,178	€ 382,758.48	2.96%
TOTAL SHARE CAPITAL	2,502,225	€ 12,911,481	100%

The company holds 74,178 treasury shares (2.96% of the share capital), with a total nominal value of Euro 383 thousand.

The company did not purchase or dispose of shares of the parent company in the year, even through trust companies or nominees.

At December 31, 2022, the company did not hold shares of the parent company, even through trust companies or nominees.

Corporate boards at December 31, 2022

The Board of Directors and the Board of Statutory Auditors were appointed by the Shareholders' Meeting of May 20, 2022. Their mandate concludes with the approval of the 2024 Annual Accounts,

BOARD OF DIRECTORS

Elisabetta OLIVERI	Chairperson
Andrea ANDORNO	Chief Executive Officer
Greta CHILELLI	Director
Jean Jacques DAYRIES	Director
Lorenzo DI GIOACCHINO	Director
Antonio LUBRANO LAVADERA	Director
Laura PASCOTTO	Director

BOARD OF STATUTORY AUDITORS

Roberto GARGIULO	Chairperson
Piera BRAJA	Statutory Auditor
Francesco CAPPELLO	Statutory Auditor
Giuseppe DE TURRIS	Statutory Auditor
Francesca SPITALE	Statutory Auditor
Edoardo ASCHIERI	Alternate Auditor
Maddalena COSTA	Alternate Auditor

1.2 Regulatory framework

ENAC convention

On October 8, 2015, SAGAT S.p.A. and ENAC (National Civil Aviation Authority) signed the Convention governing relations for the management and development of airport operations at Turin Airport, covering the design, execution, award, maintenance and use of key plant and infrastructure.

The duration of the Convention, initially stipulated until August 3, 2035 (concluding date of the extension of private airport management as per Law No. 187 of February 12, 1992) was subsequently extended by two years, until 2037, in accordance with Article 202 of Law No. 77/2020 concerning *Urgent measures regarding health, employment and economic support, in addition to social policies related to the COVID-19 emergency*. The above extension is effective *ope legis*, as clarified by ENAC through its communication of January 19, 2021.

The Convention in addition, at introduction No. 22, establishes that *“where SAGAT - close to the conclusion of the current extension permitted under special Law No. 187/1992 until August 3, 2035 - requires an extension of the duration of the full management of Turin Airport for an additional 20 years, ENAC, on presentation of a programme of measures by the concession holder, and having given its approval, following the completion of the required preliminary formalities, will permit an extension to the full management for a period of an additional twenty years”*.

Regulatory agreement

In order to initiate the process for the signing of the Regulatory Agreement for the 2020-2023 period, on June 24, 2019 the Company presented to ENAC the Four-Year Action Plan, traffic forecasts, the Financial Plan, the Quality Plan and the Environmental Protection Plan, receiving a favourable technical opinion with note No. 0091615-P dated August 1, 2019.

In order to receive information and assessments from interested parties, as per the due process and transparency of administrative action rules and in application of Directive 12/2009/EC and the updated tariff models approved by the Transport Regulation Authority with Motion No. 92/2017 of July 6, 2017, the Company, following the issue of the above favourable technical opinion by ENAC's competent structures, submitted the following consultation documents:

- Traffic forecasts for the contractual period;
- Four-Year Action Plan and the relative timeline, indicating the works, where existing, of particular significance for the airport's development and to which the increased rate of return (WACC) will be applied;
- Quality Plan;
- Environmental Protection Plan

We note that, with reference to the Regulatory Agreement for the new regulatory period (2020-2023), in compliance with the Presidential Decree of April 28, 2021, which settled the litigation

brought by SAGAT together with other airport management companies (which had already been acknowledged in previous years) which contested Article 19, paragraph 1 of the outline of the Regulatory Agreement (waiver of litigation clause), referred to in ENAC Resolution No. 20/2018 of October 2, 2018, the latter Authority amended, with Resolution No. 12/2022 of March 18, 2022, the outline of the Regulatory Agreement by reformulating the aforementioned Article 19.

In light of the above, both parties intend to sign the Agreement in a timely manner.

Tariff-setting process

The process to review the tariff applied to Turin airport for the 2020-2023 period was concluded in 2019. In particular, the Transport Regulation Authority (hereafter TRA), with Motion No. 145 of November 20, 2019, considered the proposed review of Airport fees presented by SAGAT S.p.A. as compliant with the Airport Fees Regulation Model approved by the TRA with Motion No. 92/2017 (hereafter the Tariff Model), subject to the application of certain corrections to be applied to the tariffs that came into force on January 10, 2020 and on a temporary basis until March 28, 2020. The fees for the entire tariff period, which incorporated the indicated corrections, were approved by the TRA with motion No. 12/2020 of January 31, 2020 and entered into force on March 29, 2020.

1.3

General economy and air transport sector overview

General economy

According to data made available by the International Monetary Fund, the global economy in 2022 turned out to be weaker than originally projected.

Indeed, the Russia-Ukraine war, the resurgence of COVID-19 in China, and countering inflation in China have weighed on **global economic** activity, and the first two factors will continue to do so in 2023. The Monetary Fund expects world GDP growth to drop from +3.4% in 2022 to +2.9% in 2023.

Despite the negative factors outlined above, GDP was surprisingly strong in the third quarter of 2022 in many economies, including the United States, the Eurozone, and major emerging and developing markets. The causes were in many cases internal: a stronger-than-expected recovery in consumption and investment. Households spent more to meet demand that had gone unexpressed in previous years, particularly on services, in part by drawing on their stock of savings. Business investment rose to meet the demand for goods and services. Energy markets have adapted more quickly than expected to the shock caused by the Russian invasion of Ukraine.

However, in the fourth quarter of 2022, the recovery slowed again in most major economies. Only U.S. growth remained more robust than expected, but elsewhere all indicators showed a slowdown.

In the **Eurozone**, activity is slowing, while inflation remains high. According to the most recent economic indicators, eurozone GDP was expected to remain almost stationary in the final

quarter of 2022. Consumer inflation remained high (9.2% in December on an annual basis); the core component continued to rise partly due to a gradual transmission of past energy price increases. Wage levels have slightly increased since October. The marked recovery in the participation rate and stagnation in labour productivity - trends that differ from those observed in the United States - along with government measures to support households, have helped contain wage increase demands. In the Eurosystem's forecasting exercise of December 2022, GDP growth estimates were revised downward for 2023, while inflation was revised upwards for the 2023 - 2024 two-year period, reflecting the stronger and more persistent transfer of source pressures to consumer prices and higher salary increase estimates.

In **Italy**, according to Bank of Italy estimates, economic activity weakened in the last quarter of 2022. Both the softening of the recovery of the value added of services, which returned to pre-pandemic values already in the summer months, and the decline in industrial production would have contributed to this. Household spending seems to have slowed despite measures to support disposable income amid high inflation.

In the October-November two-month period, exports of goods appear to have remained stable, while imports have decreased. The widening of the current account deficit continued, mainly due to the further deterioration of the energy deficit. However, the net foreign lending position remains solid. The number of employed increased slightly in the October-November two-month period, still

supported by the permanent component due to the conversions of temporary positions initiated in 2021. Wage trends remain moderate, partly due to protracted negotiation processes in services, where there is still a high proportion of employees awaiting the renewal of their collective agreement.

In the autumn months, harmonised consumer inflation reached new highs, supported again by the energy component, which continues to be passed on to the prices of other goods and services. Bank lending to the non-financial private sector slowed down between August and November, affected by the weakening of both business demand for investment purposes and household demand for home purchases; supply conditions moderately tightened. The rise in official rates was passed on to the cost of bank credit, to an extent broadly in line with the average increase in the eurozone. Financial market conditions in Italy have also improved overall since mid-October.

Preliminary information for 2022 signals a significant reduction in the deficit and public debt as a share of output. In official assessments, compared with the framework under current legislation, the budget law passed by Parliament in December increases the deficit by 1.1 percentage points of GDP in 2023; public debt as a ratio of output would continue to decline, albeit at a slower pace. Last November, Italy received the second tranche of funds from the Recovery and Resilience Facility, amounting to Euro 21 billion.

The Bank of Italy projections for the Italian economy continue to be purely indicative, given the current significant uncertainty related mainly to the development of the conflict in Ukraine.

In the baseline scenario, it is assumed that tensions associated with the war will still remain high in the early months of 2023 and gradually decline along the forecast horizon. After an increase of nearly 4% in 2022, GDP growth is expected to slow this year to 0.6%. Growth is expected to strengthen over the subsequent two-year period, thanks to improving exports and domestic demand. Inflation, rising nearly 9% last year, should decline to 6.5% in 2023 and even further subsequently (reaching 2% in 2025). Considering a scenario assuming permanent suspension of energy commodity supplies from Russia to Europe, output would contract in 2023 and 2024 and grow moderately in the following year; inflation would rise further this year, then fall sharply over the next two years. The scenario does not take into account new measures introduced to mitigate the effects of these possibly more unfavorable developments; it also does not consider the possibility that the sharp weakening of economic activity will be reflected, more than suggested by historical evidence, on inflation, leading to a lower value at the end of the forecast horizon.

As for the **Piedmont** region, 2022, despite the war-induced difficulties and "high energy prices", still showed strong economic growth, although less than in 2021. Driving development was mainly domestic demand net of inventories, while foreign demand and changes in inventories made negative contributions. In this environment, the regional manufacturing sector confirmed its solidity by reporting strong industrial production in all major sectors and in all provincial categories and enterprise size.

The quarterly performances indicate that, following a 5.2% rise in the January-March 2022 period, quarterly average growth was 3.8% in Q2, even more encouraging when compared with the period April-June 2021, quarter which reported growth of 25.1%. The third quarter of 2022 reported a slowdown in the expansionary pace (+1.7%), while in the last three months of 2022 the regional manufacturing fabric accelerated again (+2.7% production change). The average growth in manufacturing output for the whole of 2022 was 3.4%, confirming that, despite the difficulties caused by the war and induced by the "high energy prices", the manufacturing industrial fabric of Piedmont maintained an expansionary trend, albeit at a lower intensity than that in 2021 (+10.3%).

For Piedmont's exports, a value of Euro 59 billion is reported for 2022, up 18.5% on 2021. Imports rose 29.4% on the previous year. The value of goods imported into Piedmont increased to Euro 45.8 billion. The trade balance remains positive at Euro 13.2 billion, but decreased by approx. Euro 1.3 billion on the previous year (Euro 14.5 billion). Piedmont's strong result in 2022 were slightly below the national average. Italian exports have, in fact, increased by 20% over the previous year.

On the basis of the Chamber of Commerce's figures, 22,879 businesses were created in Piedmont in 2022, 8.3% less than the 24,958 new registrations in 2021, although 9.2% more than 2020. Net of the 21,802 non-official closures (7.5% more than in 2021 and only 0.5% less than 2020), the balance still looks weakly positive (+1,077), marking the end of the post-pandemic rebound.

Also based on the Chamber of Commerce's figures, overseas companies registered in Piedmont numbered 50,258 at December 31, 2022 (approx. 1,582 more than in 2021). The percentage of overseas companies of the 425,873 businesses located in the region was 11.8%, increasing on 11.4% in 2021. The overseas component of businesses have significantly contributed to the resilience of Piedmont's business sector. Again in 2022, overseas companies demonstrated greater strength than regional companies in a general sense, thanks to a significantly higher number of registrations than closures.

Finally, presenting an overview of the **tourism sector**, according to the World Tourism Organisation (UNWTO)¹, in 2022 international tourism recovered 63% of pre-pandemic levels by returning unexpected results, due to the strong

"pent up" demand over recent years and the easing of restrictions in most countries: more than 900 million tourists undertook international trips, doubling on 2021, although still under the 2019 levels. Europe, considered the largest region-destination in the world, reported 585 million arrivals, reaching 80% of 2019's levels.

International tourism is set to consolidate its recovery in 2023, although the industry will face several economic, geopolitical and health challenges. However, despite the good outlook, most experts consider that 2019's levels shall only be fully recovered from 2024: in 2023 in fact, a recovery of between 80% and 95% is expected. Tourism numbers in Italy in the first nine months of 2022 were strong, although not yet at pre-pandemic levels. According to ISTAT's figures, a gap of approximately 39 million visits compared to the same period of 2019 emerges, down 10.3% (in particular -13.8% for the overseas component and -6.7% for the Italian component).

In 2022, 5,551,070 arrivals were reported in **Piedmont**, up 56.69% on 2021 and 3.33% on 2019. Overnight stays totalled 14,945,904, growth of 51.39% on 2021 and of 0.09% on 2019. Piedmont has thus returned to pre-COVID levels.

The significant increase emerging from April led to the full recovery of arrival numbers in August and of overnight stays in October compared to 2021. There was a significant increase in movements from overseas, with 80% of overnight stays in this segment generated by tourists from Europe's 7 top markets - Germany, Benelux, France, Switzerland, UK, Scandinavia and Spain - and from the US. The share of overseas overnight stays increased to 47%, driven by increased overseas movements (+11% on 2019) and the slowdown of domestic tourism (arrivals -21% and overnight stays -37% from Piedmont vs 2019).

The city of Turin returned the best percentage increases in the region on 2019: +5.60% arrivals and +6.01% overnight stays.

Source

International Monetary Fund:

<https://www.imf.org/en/Publications/WEO/Issues/2023/01/31/world-economic-outlook-update-january-2023>

Bank of Italy:

<https://www.bancaditalia.it/pubblicazioni/bollettino-economico/2023-1/index.html>

Unioncamere Piedmont: https://pie.camcom.it/sites/default/files/contenuto_redazione/notizie/file/CONGIUNTURA%20IN%20PIEMONTE%20IV%20TRIMESTRE%202022%20V.2.pdf

https://pie.camcom.it/sites/default/files/contenuto_redazione/notizie/file/Natimortalit%C3%A0%20Imprese%20straniere_%20Anno%202022.pdf

https://pie.camcom.it/sites/default/files/contenuto_redazione/notizie/file/Natimortalit%C3%A0%20Anno%202022_0.pdf

https://pie.camcom.it/sites/default/files/contenuto_redazione/notizie/file/Export%20in%20Piemonte%20Anno%202022.pdf

UNWTO:

https://webunwto.s3.eu-west-1.amazonaws.com/s3fs-public/2023-01/UNWTO_Barom23_01_January_EXCERPT.pdf?VersionId=_2bbK5Giwk5KrBGJZt5iNPAGnrWoH8NB

ISTAT:

<https://www.istat.it/it/files//2022/12/TODAY-TURISMO-9-MESI-DEL-2022.pdf>

Piedmont Region:

https://www.regione.piemonte.it/web/sites/default/files/media/documenti/2023-02/bilancio_turismo_2022.pdf

Air transport market

The **global air transport sector**¹ in 2022 demonstrated a robust and significant recovery. The removal of travel restrictions and quarantine requirements for vaccinated travellers drove demand on many markets. Global passenger traffic in the year indicated **6.6 billion passengers** (72% of 2019's levels). Domestic traffic is driving this recovery - 4.3 billion passengers in 2022 (79% of 2019's levels). The international segment, although still lagging the domestic recovery, has more than doubled on 2021 (1.05 billion passengers carried, 27% of 2019's levels) to 60% of **2019** levels (2.3 billion passengers). The outlook indicates a recovery to 92% of 2019 levels in 2023. Although leisure travel demand is likely to remain strong in the first half of 2023, growth levels may be more subdued in the second half of 2023 due to the effects of higher interest rates that will affect all economies. From the ongoing conflict in Ukraine to the looming economic slowdown in many major economies, risks have emerged that threaten to disrupt the pace of post-pandemic

recovery. Waves of COVID-19 and its variants continue to pose a challenge for international travel. This factor was particularly evident with the recent reinstatement of testing for travellers from China. Despite a number of headwinds, the opening of China's aviation segment is a factor supporting the path to recovery. Baseline projections for global passenger traffic indicate that the industry will return to 2019 levels by 2024. Even with the strong rebound of international travel, the industry's recovery compared to pre-COVID-19 levels continues to be driven primarily by domestic travel, which is expected to return to 2019 levels sooner than the international segment, which is estimated to fully recover pre-COVID-19 traffic by 2025. However, due to macroeconomic risks, a more cautious outlook indicates that the recovery may be delayed until 2026.

For 2022 in **Europe, passenger traffic** handled by the airport network reported total volumes of 1.94 billion, doubling on 2021, but still half a million travellers lower than 2019 (-21%). Comparing the continents, Europe currently ranks at the top in

terms of traffic share ahead of North America, while the positions are reversed in terms of load factor, which for both is however still over 80%.

In **Italy**, the airport system reported in 2022 **164.6 million** passengers - 85% of the level in 2019². This represents a doubling on **2021**, in which - the between pandemic's effects and travel restrictions - **80.7 million** travellers were recorded. In fact, during 2022, the gap compared to the 193 million pre-COVID passengers has gradually reduced, from -39% in Q1 to -12% in Q2, until hitting summer records, at -7%, followed by -9% in the final three months of the year.

Analysing the figures by size category based on the pre-pandemic traffic numbers, it can be seen that medium and small airports, many of which have exceeded 2019's levels, drove the air traffic recovery in 2022. Among these, for the **1-5 million passengers** category, we highlight the airports of **Turin**, Brindisi, Alghero and Olbia.

Air movement numbers performed similarly to passenger traffic in 2022: 1,469,397 movements, +55% on 2021 and reaching 90% of 2019's levels. The cargo segment also grew, with 1,107,501 tonnes of cargo transported (+1.7% on 2021 and +0.3% on 2019).

1 Source ACI World:
<https://aci.aero/2023/02/22/the-impact-of-covid-19-on-airportsand-the-path-to-recovery-industry-outlook-for-2023/>
 2 Source Assaeroporti:
<https://assaeroporti.com/aeroporti-italiani-nel-2021-passeggeri-in-calo-del-582-rispetto-ai-livelli-pre-pandemia/>



1.4 Aviation Business: passenger and cargo traffic

In 2022, with 4,193,881 passengers carried, Turin Airport set its own traffic record. The increase over 2,066,106 passengers in 2021 was 103% and 6.12% over the 3,952,158 passengers in 2019, the pre-pandemic year.

PASSENGERS	2022	2021	2019	CHANGES 2022/2021	%	CHANGES 2022/2019	%
Domestic (scheduled)	2,210,333	1,483,713	1,900,013	726,620	49%	310,320	16.3%
International (scheduled)	1,873,974	558,454	1,907,891	1,315,520	235.6%	-33,917	-1.8%
TOTAL SCHEDULED	4,084,307	2,042,167	3,807,904	2,042,140	100%	276,403	7.3%
Charter	98,948	15,642	126,185	83,306	532.6%	-27,237	-21.6%
General Aviation	7,568	5,831	8,719	1,737	29.8%	-1,151	-13.2%
Transits	3,058	2,466	9,350	592	24%	-6,292	-67.3%
TOTAL	4,193,881	2,066,106	3,952,158	2,127,775	103%	241,723	6.1%

2022 benefitted from the November 2021 opening of the Ryanair base, which carried 2 million passengers in the first 12 months after its launch and accounted for 50% of Turin Airport's total traffic in 2022, with +138.7% growth on 2021.

Despite the impacts from the continuing pandemic in the initial months of 2022, Turin Airport celebrated its best summer ever, surpassing in the June-August 2022 quarter the 1.25 million passenger mark and beating all previous records. The June-August quarter in fact reported a traffic increase of 26% on the same period of 2019. In August, 427,138 passengers were carried, growth of 33.3% on the

same month of the pre-COVID 2019 and ranking as Turin Airport's best ever month. With the exception of the two-year pandemic, the airport has not in fact handled more traffic in August than in July since 2012. This growth consolidated over the autumn, confirmed with the start of the winter season, which again returned a major record: with 343,282 passengers carried, December was the best December ever (up 2.8% on the previous record of 2018). The recovery of the sector was thus confirmed: during 2022 Turin Airport fully regained the traffic volumes recorded in the last pre-pandemic year, delivering a record passenger number in 2022, beating that of 2017 (4,176,556).

Both **line segments** - domestic and international - were significant in achieving this result.

The domestic market, which primarily relies on routes to southern Italy and the Italian islands, reported particularly positive results, consolidating the recovery that began in 2021. The volume of 2.2 million passengers represented growth of 49% on the previous year and 16.3% on 2019, thus surpassing the pre-pandemic period.

The international scheduled segment reported 1.8 million passengers in 2022, up 235.6% on 2021, a year when pandemic restrictions continued to reduce passenger traffic compared to the pre-COVID-19 period. While greatly reduced, the gap on 2019 has not yet been fully closed, standing at -1.8% overall compared to the pre-pandemic era. In fact, international traffic dropped off in the initial months of 2022 following the abrupt interruption of international connections caused by the spread of the Omicron variant. Despite these factors, international traffic recorded an over 200% increase on 2021, recovering almost to 2019 levels, thanks to the widest network ever, which stimulated not only business travel but also leisure travel, both outgoing and incoming. Of the 75 destinations connected with direct flights, 59 in fact were international destinations, compared to the 40 (+48%) served in 2019.

As for the **charter segment**, 2022 saw a sharp recovery in traffic over 2021 (+532.6%). The failure to reach pre-COVID levels (-21.6% on 2019) was again significantly due to the Omicron effect in the initial months of 2022. Such a significant drop in

flights and load factors in Q1 2022, in the middle of the ski season, which brings to Turin airport its greatest volumes of charter traffic, did not allow for a full recovery of this segment compared to 2019.

The combination of these factors, which enabled Turin Airport to report over 6% growth on 2019, is even more significant when compared to the average figure for Italy, which is -14.7% in 2022 (source: Assaeroporti).

Destinations

Three of the ten busiest routes in 2022 were once again international destinations: London, Paris and Barcelona. While domestic destinations continue to move the largest number of passengers, international routes once again accounted for a substantial share of traffic: 47% overall, compared to 28% in 2021.

This relates to the changed conditions following the pandemic emergency and the expanded network of destinations in 2022.

The following table presents a comparison between 2022 and 2021 and 2019 of passengers on the main scheduled traffic destinations.

DESTINATIONS - SCHEDULED	PASSENGERS							
	2022	2021	2019	% OF TOTAL 2022	CHANGES 2022/2021		CHANGES 2022/2019	
Catania	405,830	315,613	298,710	9.9%	90,217	28.6%	107,120	35.9%
Napoli	309,325	175,192	267,622	7.6%	134,133	76.6%	41,703	15.6%
Bari	288,098	174,900	168,904	7.1%	113,198	64.7%	119,194	70.6%
Palermo	275,658	231,956	275,475	6.7%	43,702	18.8%	183	0.1%
London (Grouping)	249,952	45,853	333,915	6.1%	204,099	445.1%	-83,963	-25.1%
Lamezia Terme	202,304	139,669	107,945	5%	62,635	44.8%	94,359	87.4%
Roma Fiumicino	196,506	121,838	485,391	4.8%	74,668	61.3%	-288,885	-59.5%
Paris (Grouping)	177,341	40,857	171,344	4.3%	136,484	334.1%	5,997	3.5%
Cagliari	161,847	102,739	91,307	4%	59,108	57.5%	70,540	77.3%
Barcelona	150,551	43,734	204,380	3.7%	106,817	244.2%	-53,829	-26.3%
TOTAL TOP 10 DESTINATIONS	2,417,412	1,392,351	2,404,993	59.2%	1,025,061	73.6%	12,419	0.5%
Other locations	1,666,895	649,816	1,402,911	40.8%	1,017,079	156.5%	263,984	18.8%
TOTAL	4,084,307	2,042,167	3,807,904	100%	2,042,140	100%	276,403	7.3%

The domestic market again performed strongly, fully recovering the pre-COVID numbers (+16.3% on 2019) and accounting for 53% of passenger traffic at Turin Airport. A total of 16 routes were served, 11 of which were operated year-round (Brindisi, Pescara, Rome Fiumicino and Trapani, Bari, Cagliari, Catania, Lamezia Terme, Naples, Olbia and Palermo), joined in the summer season by Alghero, Lampedusa, Pantelleria and Reggio Calabria. December saw the launch of a new connection to Foggia, operated by the new carrier Lumiwings.

The performance on domestic routes was supported not only by the breadth of the network, but also the increased frequencies, thanks to the entry of carriers on existing routes (such as Wizz Air on the Turin-Lamezia Terme route) and the strengthening from the Winter season of Ita Airways offer, which increased daily flights to Rome Fiumicino from 2 to 5, reinstating the pre-COVID offer.

These important factors helped absorb Blue Air's exit from the domestic market (which ceased

operations in October 2022) and Volotea's discontinuation of certain routes from January 2022.

In the international segment, there were many new features, both in terms of seasonal and annual routes.

The summer saw Ryanair's launch of destinations designed for vacations such as Agadir and Zadar, which joined the already served Crete, Corfu, Fez and Ibiza. These were joined by new annual routes such as Billund, Prague and Wrocław, concluding with the winter launch of the Manchester ski-route and the annual Stockholm and Vilnius routes.

Volotea added to its summer routes, with Athens and Santorini joining Menorca, Mykonos, and Skiathos, and ending the year with a Christmas connection to Paris Charles de Gaulle.

Wizz Air consolidated its presence in the Eastern European market by launching Cluj-Napoca, Craiova, and Skopje alongside Bacau, Bucharest, Iasi, and Tirana, in addition to the Turin-Warsaw ski-route.

Also important was easyJet's commitment to the British market: for the first time, the carrier also operated a connection to London Gatwick in the summer, which went from a ski-route to an annual route, joining the other connections to the British capital already operated from Turin to London Stansted (Ryanair) and London Gatwick (British Airways).

Spain was confirmed as the leading overseas market in 2022, accounting for a 12% share of the scheduled segment. 10 routes were served with the country (Barcelona, Gran Canaria, Ibiza, Lanzarote,

Madrid, Mahon, Malaga, Palma de Mallorca, Seville and Valencia), with flights operated by a total of six carriers (Ryanair, Iberia Air Nostrum, Vueling, Binter, Volotea and Neos). Traffic volumes to/from Spain numbered over 485 thousand, up 255% on 2021 and 21% on 2019 (in which they were respectively 136 thousand and 402 thousand).

The United Kingdom, with 8 connected destinations (Birmingham, Bristol, Edinburgh, London Gatwick, London Heathrow, London Luton, London Stansted, and Manchester) is confirmed as one of the main international markets, with a 7% share of scheduled traffic (over 292 thousand passengers in 2022).

The performances of new overseas markets such as Poland (+1,140% over 2021 and +128% over 2019), Denmark (+960% over 2021 and +11,295% over 2019), as well as France (+332% over 2021 and +3% over 2019) and Albania (+107% over 2021 and +82% over 2019) were also excellent.

The inevitable consequences of the geopolitical situation emerged in the international segment. In fact, three connections have been disrupted due to the conflict in Ukraine: Lviv (L'viv) and Kyiv Boryspil in Ukraine served by Ryanair and Chisinau in Moldova served by Wizz Air.

An important figure in terms of assessing the traffic recovery was also the increased aircraft load factor, which in 2022 was 77%, perfectly in line with 2019, although in fact up 7 percentage points on 2021 (70%).

The following table presents a comparison between 2022 and 2021 and 2019 of movements on the main scheduled traffic destinations.

DESTINATIONS - SCHEDULED	MOVEMENTS							
	2022	2021	2019	% OF TOTAL 2022	CHANGES 2022/2021		CHANGES 2022/2019	
Catania	2,562	2,271	1,861	8.1%	291	12.8%	701	37.7%
Paris (Grouping)	2,311	638	2,446	7.3%	1,673	262.2%	-135	-5.5%
Roma Fiumicino	2,038	1,210	4,547	6.4%	828	68.4%	-2,509	-55.2%
London (Grouping)	1,962	482	2,266	6.2%	1,480	307.1%	-304	-13.4%
Napoli	1,869	1,153	2,213	5.9%	716	62.1%	-344	-15.5%
Bari	1,845	1,149	1,006	5.8%	696	60.6%	839	83.4%
Palermo	1,784	1,641	1,763	5.6%	143	8.7%	21	1.2%
Madrid	1,551	535	1,276	4.9%	1,016	189.9%	275	21.6%
Frankfurt	1,445	739	2,776	4.6%	706	95.5%	-1,331	-47.9%
Munich	1,412	334	2,981	4.5%	1,078	322.8%	-1,569	-52.6%
TOTAL TOP 10 DESTINATIONS	18,779	10,152	17,432	59.3%	8,627	85%	1,347	7.7%
Other locations	12,912	7,053	16,052	40.7%	5,859	83.1%	-3,140	-19.6%
TOTAL	31,691	17,205	33,484	100%	14,486	84.2%	-1,793	-5.4%

Airlines

The main **scheduled carriers** operating in 2022 at our Airport and the respective numbers of passengers carried are presented below:

CARRIER - SCHEDULED	PASSENGERS							
	2022	2021	2019	% OF TOTAL 2022	CHANGES 2022/2021		CHANGES 2022/2019	
Ryanair	2,089,724	875,346	1,004,525	51.2%	1,214,378	138.7%	1,085,199	108%
Wizz Air	629,616	236,700	75,862	15.4%	392,916	166%	553,754	729.9%
Volotea	251,988	267,716	256,803	6.2%	-15,728	-5.9%	-4,815	-1.9%
Alitalia Group/ITA Airways	196,381	121,857	476,663	4.8%	74,524	61.2%	-280,282	-58.8%
Lufthansa Group	193,561	54,020	384,568	4.7%	139,541	258.3%	-191,007	-49.7%
Air France	124,734	32,300	169,207	3.1%	92,434	286.2%	-44,473	-26.3%
Blue Air	111,602	282,817	569,185	2.7%	-171,215	-60.5%	-457,583	-80.4%
Air Nostrum	105,691	33,541	113,063	2.6%	72,150	215.1%	-7,372	-6.5%
easyJet	104,702	54,050	169,883	2.6%	50,652	93.7%	-65,181	-38.4%
Vueling	83,789	15,516	97,358	2.1%	68,273	440%	-13,569	-13.9%
TOTAL TOP 10 AIRLINES	3,891,788	1,973,863	3,317,117	95.3%	1,917,925	97.2%	574,671	17.3%
Other airlines	192,519	68,304	490,787	4.7%	124,215	181.9%	-298,268	-60.8%
TOTAL	4,084,307	2,042,167	3,807,904	100%	2,042,140	100%	276,403	7.3%

Ryanair is confirmed as the leading carrier at Turin Airport, with a 51.2% scheduled market share, up from 42.9% in 2021.

The performance of Wizz Air was also significant, with passenger numbers in 2022 up 166% on 2021, as it further climbed the

ranking of carriers to second place (with a share of 15.4%). These results were achieved by the carrier thanks to the commercial strategy launched in 2021 to extend the domestic network, together with a fresh relaunch of the international destination network (comprising respectively 65% and 35%).

Volotea is confirmed in third place, with a market share of 6.2%.

The positioning of three full service carriers from fourth to sixth in the ranking is interesting, with Ita Airways, Lufthansa Group and Air France, whose traffic increases on 2021 were respectively 61.6%, 258.3% and 286.2%, reflecting the renewed vibrancy of this market.

Finally, scheduled carrier **movements by airline** are presented below:

CARRIER - SCHEDULED	MOVEMENTS							
	2022	2021	2019	% OF TOTAL 2022	CHANGES ON 2022/2021		CHANGES ON 2022/2019	
Ryanair	13,550	6,177	5,884	42.8%	7,373	119.4%	7,666	130.3%
Wizz Air	3,676	1,598	380	11.6%	2,078	130%	3,296	867.4%
Lufthansa Group	2,857	1,073	5,760	9%	1,784	166.3%	-2,903	-50.4%
Alitalia Group/ITA Airways	2,048	1,218	4,321	6.5%	830	68.1%	-2,273	-52.6%
Air France	1,864	552	2,400	5.9%	1,312	237.7%	-536	-22.3%
Volotea	1,652	1,919	2,093	5.2%	-267	-13.9%	-441	-21.1%
Air Nostrum	1,283	499	1,275	4%	784	157.1%	8	0.6%
Blue Air	1,014	2,465	4,581	3.2%	-1,451	-58.9%	-3,567	-77.9%
Klm	1,010	705	1,442	3.2%	305	43.3%	-432	-30%
easyJet	926	468	1,261	2.9%	458	97.9%	-335	-26.6%
TOTAL TOP 10 AIRLINES	29,880	16,674	29,397	94.3%	13,206	79.2%	483	1.6%
Other airlines	1,811	531	4,087	5.7%	1,280	241.1%	-2,276	-55.7%
TOTAL	31,691	17,205	33,484	100%	14,486	84.2%	-1,793	-5.4%

In terms of passenger volumes, **low-cost** traffic continues to account for the largest share from Turin Airport: this segment recorded a 80.4% share in 2022, down on 83.9% in 2021. This is due to the first recovery in business traffic and the increased use of hubs as transit airports in medium- and long-haul travel.

The following is a summary of historical trends and seasonality in total **passengers** specific to our airport.

TOTAL PASSENGER TRAFFIC													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOT
2012	300,967	271,516	309,360	299,873	311,909	309,811	298,850	307,339	311,482	291,052	248,093	261,595	3,521,847
2013	256,862	251,752	283,835	255,685	260,621	271,987	285,113	269,502	273,759	261,745	238,387	251,039	3,160,287
2014	266,969	267,388	294,766	270,509	297,841	296,379	332,116	304,432	309,331	277,005	248,069	267,181	3,431,986
2015	273,531	282,862	309,705	308,141	305,091	335,412	350,572	324,484	327,808	300,326	268,149	280,343	3,666,424
2016	298,806	321,833	346,471	312,453	331,793	344,008	364,466	345,742	350,210	328,576	293,054	313,496	3,950,908
2017	327,356	335,644	376,805	350,588	349,838	363,002	388,502	367,396	371,427	347,842	288,536	309,620	4,176,556
2018	318,941	327,546	366,789	346,722	335,869	337,565	363,923	341,458	358,011	347,013	307,296	333,790	4,084,923
2019	339,432	337,770	374,578	319,456	313,028	332,445	344,751	320,271	341,058	319,984	289,788	319,597	3,952,158
2020	333,274	313,742	66,446	1,487	2,619	23,994	128,377	171,484	161,872	120,850	30,453	52,774	1,407,372
2021	42,837	21,989	33,427	59,414	91,318	188,599	269,201	312,091	267,049	240,084	263,990	276,107	2,066,106
2022	223,584	246,342	308,031	350,993	378,361	403,401	426,572	427,138	416,968	380,398	288,811	343,282	4,193,881

TOTAL TRAFFIC MOVEMENTS													
Year	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	TOT
2012	4,297	4,204	4,695	4,220	4,784	4,726	4,266	3,654	4,565	4,526	3,972	3,864	51,773
2013	3,714	3,570	3,953	3,620	3,999	3,753	3,879	3,068	3,585	3,720	3,404	3,391	43,656
2014	3,770	3,367	3,642	3,294	3,685	3,713	3,931	3,269	3,808	3,533	3,259	3,191	42,462
2015	3,579	3,446	3,925	3,730	3,851	3,997	4,092	3,340	3,720	3,576	3,488	3,517	44,261
2016	3,650	3,737	3,990	3,656	3,966	4,092	4,279	3,536	4,121	4,049	3,832	3,589	46,497
2017	3,761	3,452	3,970	3,878	4,158	4,315	4,625	4,015	4,319	4,207	3,627	3,528	47,855
2018	3,695	3,562	3,958	3,816	3,768	4,010	4,090	3,533	3,914	3,929	3,521	3,715	45,511
2019	3,943	3,798	4,148	3,371	3,605	3,657	3,783	3,237	3,819	3,516	3,327	3,450	43,654
2020	3,701	3,477	1,257	107	459	1,042	2,010	2,223	2,498	2,024	1,255	1,355	21,408
2021	1,172	787	1,297	1,405	1,616	2,506	2,944	3,005	3,259	2,839	3,073	3,229	27,132
2022	2,906	2,759	3,467	3,410	3,882	3,798	4,149	3,720	4,122	3,708	3,189	3,441	42,551

Cargo

Turin Airport in 2022 reported 949,150 kg of cargo, declining 46.9% on 2021, the year which marked the rebound of traffic on the losses caused by the COVID-19 pandemic, amid a slight domestic level recovery, with average growth in 2022 of 1.7% (total Italian airport cargo volumes, source: Assaeroporti).

Turin Airport's performance continues to be impacted by the concentration of cargo traffic at a limited number of airports, particular to the global air freight industry, which can be seen in a general tendency for industrial districts to concentrate their flow of goods through Milan's Malpensa Airport, where the greatest volumes of Piedmont's imports and exports are centralised.

Within this environment, in 2022 significant reductions were recorded in the trucked cargo component (-44.1% on 2021) and in the air component (-73.8% on 2021).

In terms of total cargo traffic markets (air and trucked cargo), in 2022 the U.K., Brazil, U.S., Switzerland and China represented the top five nations by volume of cargo transited. Other major markets followed: Russian Federation, Serbia and Montenegro, Qatar, Nepal, Belgium, and India.

Rate-regulated areas

The Aviation business also includes the exclusive use of dedicated airport infrastructure by the individual carriers or operators (e.g. check-in counters, offices, operating premises, fuel depots), on which there are no significant changes.



1.5 Handling business

2022 traffic was significantly up on the previous year across all components, with the exception of the cargo area. Against this positive backdrop, we highlight that traffic volumes in the initial months of the year were still affected by the COVID-19 pandemic and were under standard operating levels. The key business handling performance figures follow:

- passengers served: +100.9%;
- total weight: +77.2%;
- aircraft movements served: +82.3%;
- goods transported: -46.9%.

The share of traffic handled by SAGAT Handling S.p.A. in 2021, compared to the total traffic transited at Turin Airport, stood at 84.4% of commercial aviation tonnage (down on 85.8% in 2021), 87.9% of passengers (down on 88.9% in 2021) and 82% of aircraft movements (down on 83.3% in 2021).

COMMERCIAL AVIATION	2022	2021	2019	2022/2021
Aircraft movements (No.)	26,893	14,749	24,884	82.3%
Domestic passengers (No.)	2,014,983	1,364,136	1,425,343	47.7%
International passengers (No.)	1,665,154	467,512	1,571,896	256.2%
Total passengers (No.)	3,680,137	1,831,648	2,997,239	100.9%
Aircraft tonnage (t.)	1,793,036	1,011,745	1,541,551	77.2%
Air/surface cargo (kg)	949,177	1,786,385	3,332,933	-46.9%

These figures confirm that SAGAT Handling continues to be able to provide quality service to the passengers and carriers that use Turin Airport and are a testament to the high level of satisfaction with this service, which is provided at market rates.

The increase in assisted traffic generated an improvement in all financial indicators, partly due to the fact that all possible measures were undertaken to mitigate the impacts of the pandemic with the introduction of all available levers to reduce operating costs.

The table below shows highlights for SAGAT Handling's business as compared to the previous year (and for completeness also with 2019 pre-pandemic):

Commercial and financial performance

The increase in the number of passengers and assisted movements and the introduction of all available levers to reduce operating costs have significantly improved all the operating results on the previous year.

The table below shows the main financial indicators for the business conducted by SAGAT Handling in 2022.

	2022	2021	Change € 2022/2021	Change % 2022/2021
Value of production	12,335	7,022	5,313	75.7%
Personnel costs	6,068	4,789	1,279	26.7%
Operating costs	4,179	2,881	1,298	45%
Gross Profit/(loss)	2,088	(649)	2,737	421.9%
Provisions & write-downs	324	111	212	191%
EBITDA	1,764	(760)	2,524	332.2%
Amortisation and depreciation	86	68	18	26.1%
EBIT	1,678	(828)	2,506	302.6%
Net Financial income/(charges)	25	0	25	100%
Profit/(loss) before taxes	1,703	(828)	2,532	305.6%
Income taxes	221	(220)	441	200.7%
Net profit/(loss)	1,482	(609)	2,091	343.5%

The value of production improved, from Euro 7,022 thousand in 2021 to Euro 12,335 thousand, EBITDA totalled Euro 2,088 thousand, improving on the loss of Euro 649 thousand in 2021, and the net profit for the year was Euro 1,482 thousand, improving on the loss of Euro 609 thousand in 2021.

The 2022 operating results benefited from the extraordinary income component due to the grant under the Aviation Sector Damage Compensation Fund, as per Law No. 178/2020, amounting for SAGAT Handling to Euro 978 thousand.

1.6 Non-aviation business: commercial activities

Although Q1 2022 was still affected by the pandemic due to the Omicron variant which hit all commercial activities at the Airport - as closely related to the traffic performance - the significant increase in passengers in the following months allowed for the full recovery of Non-Aviation activities also, boosted by the opening of new stores and food outlets and the improvement of directly-operated services (parking, VIP Lounges and Fast Track).

SAGAT's total non-aviation revenues (which include the sub-licensing of retail spaces, parking, advertising, and other non-aviation passenger services) were up 99.3% in the year on 2021.

The key developments of the individual areas of business are presented below:

• Sub-licensing of retail and food-service space

In 2022, the departure area commercial offer, after the security checks, was improved with the arrival of "Camicissima", a brand that is also widely distributed abroad, and with the entry of a new brand, "La Casa del las Carcasas", which entered the Italian airport retail market for the first time. The store, which is located in a new retail space emerging from the redevelopment of areas previously dedicated to services, in 30 square meters offers a wide selection of covers and accessories for cell phones and tablets.

There were new developments also at the Duty Free, whose revenues have quadrupled since 2021, with the introduction of a corner dedicated to regional food specialties and the broadening of the range of local wines and spirits with a careful selection of suppliers and products.

April 2022 saw the opening of a food court serving passengers boarding from gates 1-5 with non-Schengen destinations, an essential format, opening based on gates and passport control usage, offering sandwiches, salads, brioches, coffee and take-away beverages, as well as travel products for last-minute purchases.

During the year, the departure area before the security checkpoints was revamped with the December opening of Ahi Pokè, a "Chef Express" brand, and the opening of the Lounge by Value Group, a service company that provides passenger and crew assistance, from hotel accommodation to ground transportation where required.

• Non-retail and other sub-licensing

The rent-a-car sector has been broadened with the entry of a new entity, Italy Car Rent, which began operations in November ahead of the development of the sector and the reorganisation introduced from January 2023. Revenues here have also doubled.

• Parking

2022 also featured the many e-commerce site developments to make the offer more competitive and the customer purchasing experience easier and more immediate. From May 2022, thanks to the introduction of dynamic tariffs, it has been possible to purchase parking online by taking advantage of advantageous prices set according to the availability of space at the time of purchase and the amount of time booked in advance. The range of uncovered parking areas has also been extended: the Long-term parking in fact can now be booked online for stays of greater than 4 days and the capacity has increased by 40 spaces.

Since December 2022, express parking, 10 minutes free of charge, has been guaranteed in the entire covered multi-storey parking lot, as well as at Bye&Fly on the departures level.

Customer support is always timely and guaranteed at the information office, via e-mail and through the Live Chat channel. More than 11,000 emails and about 2,500 chats were handled in 2022.

Parking sales to the public in 2022 more than doubled on the previous year, with a steadily growing share of online purchases.

Car sharing parking has been broadened from January 2022 with the entry of the new operator Drivalia, which offers electric cars and dedicated charging stations at customised stalls.



• Advertising

Approx. 68% of revenues, as always, were through the main concession holder IGPDecaux, impacted in Q1 by the inability to enter into long-term contracts or by the application of discounted rates due to the continued pandemic. Direct management revenues grew, giving visibility to airport partners.

This business unit also includes revenues from the use of the airport as a set for film and TV shoots: two film productions and one advertising commercial were filmed in 2022.

• Non-aviation Assistance

The VIP Lounge and Fast Track have experienced steady growth in monthly admissions and related revenues, also resulting from an extensive review of the commercial agreements.

Both services have been overhauled: the Fast Track has been equipped with an x-ray machine which allows for the 3D scanning of carry-on baggage. For passengers using the fast gate, liquids or electronic devices no longer need to be separated, while at the Piedmont Lounge, a catering service that has been revamped in terms of its offerings and carefully thought-out with a focus on seasonality and local products, has been warmly welcomed by passengers.

1.7 Operating performance

The 2022 income statement indicates a significant improvement over 2021, due to the recovery of traffic in the wake of the COVID-19 health emergency. The Parent Company posted a net profit of Euro 10,408 thousand for the year, increasing Euro 18,222 thousand on 2021. At consolidated level, the net profit came to Euro 11,906

thousand for the year, improving Euro 20,313 thousand on 2021.

The tables below summarise the main items of the income statement compared with the figures for the previous year.

Euro thousands				
SAGAT S.P.A.	2022	2021	Change €	Change %
Revenues (*)	76,227	32,704	43,522	133.1%
Personnel costs	14,783	11,676	3,107	26.6%
Operating costs	44,846	24,041	20,805	86.5%
Gross Profit/(loss)	16,598	(3,013)	19,611	650.9%
Gross Profit/(loss) %	21.8%	-9.1%	30.9%	
Provisions and write downs	936	1,339	-403	-30.1%
EBITDA	15,662	(4,352)	20,013	459.9%
EBITDA %	20.5%	-13.3%	33.9%	
Amortisation	6,311	6,154	158	2.6%
Grants	671	671	0	0%
EBIT	10,021	(9,834)	19,856	201.9%
EBIT %	13.1%	-30.1%	43.2%	
Net Financial income/(charges)	(723)	(616)	-107	17.3%
Profit/(loss) before taxes	9,298	(10,451)	19,749	189%
Income taxes	(1,109)	(2,636)	1,527	-57.9%
Net profit/(loss)	10,408	(7,815)	18,222	233.2%

Euro thousands

CONSOLIDATED	2022	2021	Change €	Change %
Revenues (*)	86,062	37,203	48,859	131.3%
Personnel costs	20,851	16,465	4,386	26.6%
Operating costs	46,526	24,400	22,126	90.7%
Gross Profit/(loss)	18,686	(3,662)	22,348	610.3%
Gross Profit/(loss) %	21.7%	-9.8%	31.6%	
Provisions & write-downs	1,260	1,450	-190	-13.1%
EBITDA	17,426	(5,111)	22,538	440.9%
EBITDA %	20.2%	-13.7%	34%	
Amortisation	6,381	6,206	175	2.8%
Grants	671	671	0	0%
EBIT	11,715	(10,647)	22,362	210%
EBIT %	13.6%	-28.6%	42.2%	
Net Financial income/(charges)	(698)	(616)	-81	13.2%
Gross Consolidated Result	11,018	(11,263)	22,281	197.8%
Income taxes	(888)	(2,856)	1,968	-68.9%
Consolidated profit/(loss)	11,906	(8,407)	20,313	241.6%

(*) Net of revenues for personnel seconded to third parties, recognised as a reduction to personnel costs.

Revenues

The tables below highlight the main components of revenue for 2022 and 2021 respectively for the Parent Company and for the Group:

Euro thousands				
SAGAT S.P.A.	2022	2021	Change €	Change %
Value of Production	76,227	32,704	43,522	133.1%
<i>consisting of:</i>				
Aviation	42,955	22,920	20,035	87.4%
<i>of which:</i>				
Fees	28,183	15,261	12,922	84.7%
Centralised infrastructure	1,070	698	371	53.2%
Safety	8,550	4,119	4,431	107.6%
Aviation Assistance	3,681	1,814	1,867	102.9%
Regulated sub-concessions	1,471	1,029	443	43.1%
Handling	56	50	6	11.2%
Non-Aviation	14,935	7,533	7,402	98.3%
<i>of which:</i>				
Ticketing	363	330	34	10.2%
Food & Beverage	2,286	1,005	1,281	127.5%
Beauty & Fashion	422	214	208	97.2%
VIP Lounge & Fast Track	895	117	777	663.1%
Duty Free	1,244	398	846	212.6%
Travel & Facilities	592	442	150	33.9%
Financial services	99	83	16	19.6%
Rent a car	1,717	884	832	94.1%
Subc, spaces	815	713	101	14.2%
Parking	5,720	2,868	2,852	99.4%
Advertising	769	468	300	64.1%
Other	14	10	3	32.6%
Other revenues	18,281	2,201	16,080	730.6%

Euro thousands				
CONSOLIDATED	2022	2021	Change €	Change %
Value of Production	86,062	37,203	48,859	131.3%
<i>consisting of:</i>				
Aviation	42,604	22,602	20,002	88.5%
<i>of which:</i>				
Fees	28,183	15,261	12,922	84.7%
Centralised infrastructure	1,070	698	371	53.2%
Safety	8,550	4,119	4,431	107.6%
Aviation Assistance	3,679	1,812	1,867	103%
Regulated sub-concessions	1,123	713	410	57.5%
Handling	9,782	5,294	4,488	84.8%
<i>of which:</i>				
Assistance	9,662	5,122	4,540	88.6%
Cargo activities	120	172	-52	-30.2%
Non-Aviation	14,773	7,393	7,380	99.8%
<i>of which:</i>				
Ticketing	363	330	34	10.2%
Food & Beverage	2,286	1,005	1,281	127.5%
Beauty & Fashion	422	214	208	97.2%
VIP Lounge & Fast Track	895	117	777	663.1%
Duty Free	1,244	398	846	212.6%
Travel & Facilities	592	442	150	33.9%
Financial services	99	83	16	19.6%
Rent a car	1,717	884	832	94.1%
Subc, spaces	696	606	90	14.8%
Parking	5,677	2,835	2,842	100.3%
Advertising	769	468	300	64.1%
Other	14	10	3	32.6%
Other Revenues	18,903	1,914	16,989	887.4%

The main changes at the consolidated level are described below.

Revenues

Aviation revenues in 2022 amounted to Euro 42,604 thousand, an increase of Euro 20,002 thousand (+88.5%). The significant increase stems from the recovery of traffic volumes lost in 2021 due to the COVID-19 health emergency.

Non-aviation revenues increased by Euro 7,380 thousand in 2022 (+99.8%), from Euro 7,393 thousand in 2021 to Euro 14,773 thousand in 2022. The increase in passenger traffic supported all businesses and in particular retail, catering, parking, Rent a Car, Duty Free, VIP Lounge & FastTrack activities.

Other revenues of Euro 18,903 thousand significantly improved on 2021, mainly due to the recognition of grants for Euro 10,036 thousand for SAGAT S.p.A. and for Euro 978 thousand for SAGAT Handling S.p.A. from the Damage compensation fund due to the COVID-19 health emergency in the period between March 1, 2020 and June 30, 2020, established for airport operators and for ground handling service providers (provision as per Law No. 178 of December 30, 2020, Article 1, paragraphs 714-719).

SAGAT S.p.A. also received Euro 2,287 thousand under the measures to support Piedmont airport operators for the period from January 1, 2021 to June 30, 2021 (Regional Decree No. 53-3664 of July 30, 2021).

Personnel costs

Personnel costs for the SAGAT Group, including the cost of temporary workers, amounted to Euro 20,851 thousand in 2022, increasing Euro 4,386 thousand on the previous year.

This change is mainly attributable to the increase in traffic and the launch of the Ryanair base. For further information, reference should be made to the related sections of the Directors' Report and the Explanatory Notes.

Operating costs

SAGAT Group operating costs totalled Euro 46,526 thousand, thus increasing Euro 22,126 thousand over the previous year, resulting mainly from:

- higher utility costs due to the sharp increase in prices of major energy sources;
- higher costs for fees;
- higher service costs.

Gross profit

As a result of the changes in the revenue and cost components described above, the gross profit for 2022 amounted to Euro 18,686 thousand, an improvement of Euro 22,348 thousand on 2021.

Provisions and write-downs

Provisions and write-downs includes the write-down of trade receivables so as to cover possible losses due to the uncollectibility of some credit positions, and the best estimate of the adjustment of the value of contingent liabilities related to compensation to third parties and various disputes, carried out on the basis of internal assessments supported by the opinions of the lawyers and consultants assisting the Company.

In 2022, provisions and write-downs by the Group amounted to Euro 1,260 thousand, a reduction of Euro 190 thousand on the previous year.

EBITDA

As a result of the factors outlined above, EBITDA for 2022 amounted to Euro 17,426 thousand, an improvement of Euro 22,538 thousand on 2021.

Amortization and Depreciation

Amortisation and depreciation, totalling Euro 6,381 thousand, increased by Euro 175 thousand and is therefore essentially in line with the previous year.

Grants

Totalling Euro 671 thousand, grants are in line with the previous year and represent the portion attributable to 2022 of grants received in the early 2000's. For further information, reference should be made to the related sections of the Explanatory Notes.

EBIT

Group EBIT for 2022 amounted to Euro 11,715 thousand, improving Euro 22,362 thousand on 2021.

Net financial income/(charges)

Net financial charges of Euro 698 thousand entirely concern interest expenses for loans and increased Euro 81 thousand on 2021, due to the increase in interest rates linked to the Euribor.

Result before taxes

The pre-tax profit came to Euro 11,018 thousand for the year, an improvement of Euro 22,281 thousand on 2021.

Income taxes

Taxes overall increased Euro 1,968 thousand compared to the previous year due to the improved gross result for the year.

Contributions received from national and regional funds for support of damages resulting from the COVID-19 pandemic do not contribute to the IRES and IRAP tax base.

The difference between the actual 2022 tax rate, of -8.1% at the consolidated level, and the theoretical rate is described in detail in the specific section of the Explanatory Notes.

Net result

The Group posted a net profit of Euro 11,906 thousand for 2022, an improvements of Euro 20,313 thousand on the previous year.



1.8

Financial position analysis

The tables below present the separate and consolidated balance sheets, which have been reclassified as per financial criteria, including comparisons of the 2022 figures with those of the previous year.

	Euro thousands		
SAGAT S.p.A.	2022	2021	Δ vs 2021
Intangible and tangible fixed assets	52,156	51,579	577
intangible	10,043	9,008	1,035
tangible	42,113	42,570	-457
Financial assets	14,403	14,189	215
Assets	66,559	65,767	792
Trade receivables	14,775	9,510	5,265
Trade payables	(30,232)	(19,452)	-10,780
Operating working capital	(15,457)	(9,942)	-5,515
Other assets	27,709	25,512	2,197
Other liabilities	(30,924)	(28,516)	-2,408
Other Assets/ Other Liabilities	(3,215)	(3,003)	-212
NWC	(18,672)	(12,945)	-5,727
Provisions	(10,225)	(12,029)	1,803
NET CAPITAL EMPLOYED	37,662	40,793	-3,132
Share capital	12,911	12,911	0
Reserves	10,033	17,847	-7,815
Net profit/(loss) for the year	10,408	(7,815)	18,222
Shareholders' Equity	33,352	22,944	10,408
(Cash and cash equivalents)	(21,643)	(10,418)	-11,226
Loans	25,953	28,267	-2,313
Net Financial Position	4,310	17,849	-13,539
SOURCES	37,662	40,793	-3,132

Euro thousands			
CONSOLIDATED	2022	2021	Δ vs 2021
Intangible and tangible fixed assets	52,536	51,782	754
intangible	10,092	9,049	1,043
tangible	42,444	42,733	-290
Financial assets	10,060	9,845	215
Fixed Assets	62,595	61,627	968
Trade receivables	16,683	11,212	5,471
Trade payables	(30,828)	(20,279)	-10,549
Operating working capital	(14,145)	(9,066)	-5,079
Other assets	29,089	25,808	3,280
Other liabilities	(31,731)	(28,131)	-3,599
Other Assets/ Other Liabilities	(2,642)	(2,323)	-319
NWC	(16,787)	(11,389)	-5,398
Provisions	(11,540)	(13,583)	2,043
NET CAPITAL EMPLOYED	34,268	36,654	-2,386
Share capital	12,911	12,911	0
Reserves	7,001	15,408	-8,407
Net profit/(loss) for the year	11,906	(8,407)	20,313
Shareholders' Equity	31,818	19,913	11,906
(Cash and cash equivalents)	(23,503)	(11,525)	-11,978
Loans	25,953	28,267	-2,313
Net Financial Position	2,450	16,742	-14,292
SOURCES	34,268	36,654	-2,386

The main changes at the consolidated level are described below:

As can be seen in the statement above, capital employed, net of current liabilities, decreased by Euro 2,386 thousand as a result of the following changes:

- increase of Euro 968 thousand in fixed assets, due essentially to:
 - increase of Euro 1,043 thousand in intangible assets due to new investments made during the year for Euro 1,943 thousand, ordinary amortisation for Euro 977 thousand, and an increase due to reclassifications from other asset accounts for Euro 77 thousand;
 - reduction of Euro 290 thousand in property plant and equipment, the combined effect of ordinary depreciation for Euro 5,404 thousand, new capital expenditures during the year for Euro 5,059 thousand, and the net positive effect of other changes for Euro 55 thousand;
 - increase in financial fixed assets of Euro 215 thousand.
 - reduction in net working capital of Euro 5,398 thousand due mainly to:
 - increase in trade receivables for Euro 5,471 thousand, mainly due to the impact of higher revenues in the year;
 - an increase in other assets for Euro 3,280 thousand, mainly due to the increase in tax consolidation receivables and, secondarily, of the trade receivables for surtaxes and the tax receivables related to energy cost increases;
 - an increase in trade payables of Euro 10,549 thousand, mainly due to higher costs and investments compared to the previous year;
 - an increase in other liabilities for Euro 3,599 thousand, mainly relating to the increased payable for surtaxes and for the ENAC fee, as a result of the increase in passenger traffic.
 - decrease in provisions for Euro 2,043 thousand as follows:
 - reduction of Euro 1,815 thousand for the provision for risks and charges related to the allocation made at the end of the year to adjust the balance of the provision based on actual potential risks, as well as to releases and uses during the year. At December 31, 2022, the provision was Euro 8,595 thousand, as detailed in the related section of the Explanatory Notes;
 - decrease of Euro 228 thousand of the payable for post-employment benefits of the companies.
- Group shareholders' equity increased by Euro 11,906 thousand as a result of the net profit for the year.

The debt of Euro 25,953 thousand reduced Euro 2,313 thousand on the previous year, due to the repayment of the principal on the loans.

As a result of the changes above, cash and cash equivalents at the end of 2022 increased by Euro 11,978 thousand on the previous year, amounting to Euro 23,503 thousand.

The Group Net Financial Position reduced Euro 14,292 thousand, from Euro 16,742 thousand at December 31, 2021 to Euro 2,450 thousand at December 31, 2022.



1.9 Cash flow analysis

During the year, Group operations generated cash of Euro 14,292 thousand.

Consolidated cash flow from operating activities, a net generation of Euro 22,339 thousand, is a result of the gross operating profit of Euro 18,686 thousand, the increase of Euro 5,398 thousand in net working capital, the positive effect of net deferred tax assets for the year for Euro 888 thousand, and the negative effect of other non-monetary items (provisions and grants) for Euro 2,632 thousand.

Cash flow on investing activities in intangible assets and in property, plant and equipment absorbed cash

for Euro 7,002 thousand, while financing activities absorbed cash for Euro 698 thousand due to the payment of interest on financing.

As a result, overall consolidated cash flows generated cash for Euro 14,292 thousand. The net financial position at December 31, 2021 was a net debt position of Euro 2,450 thousand, as compared to a debt position of Euro 16,742 thousand on December 31, 2021.

The changes described above are summarised in the following table.

	Euro thousands	
CASH FLOW STATEMENT - CONSOLIDATED	2022	2021
Cash and cash equivalents	11,525	17,845
Financial payables	(28,267)	(25,164)
Initial NFP	(16,742)	(7,319)
EBITDA	18,686	(3,662)
Δ NWC	5,398	(2,486)
Income taxes	888	2,856
Δ Provisions (net of allocations for the period)	(2,632)	(397)
OPERATING CASH FLOW	22,339	(3,689)
Investments	(7,002)	(5,084)
Other items	(347)	(34)
CASH FLOW - Investments	(7,350)	(5,118)
FREE CASH FLOW	14,989	(8,806)
Dividends	0	0
Net financial income/expense	(698)	(616)
CASH FLOW - Dividends & Fin, inc/exp	(698)	(616)
NET CASH FLOW	14,292	(9,422)
Final NFP	(2,450)	(16,742)
Financial payables	(25,953)	(28,267)
Cash and cash equivalents	23,503	11,525

1.10 Key financial indicators

The table below shows a breakdown of and changes in liquidity and net financial position for SAGAT, the parent company:

	Euro thousands	
SAGAT S.P.A.	2022	2021
Opening cash and cash equivalents	10,418	16,726
Opening financial liabilities	(28,267)	(25,164)
Initial NFP	(17,849)	(8,439)
EBITDA	16,598	(3,013)
Δ NWC	5,727	(1,628)
Income taxes	1,109	2,636
Δ Provisions (net of allocations for the period)	(2,069)	(261)
OPERATING CASH FLOW	21,365	(2,265)
Investments	(6,756)	(4,995)
Other items	(347)	(1,534)
CASH FLOW - Investments	(7,103)	(6,529)
FREE CASH FLOW	14,262	(8,794)
Dividends	0	0
Net financial income/expense	(723)	(616)
CASH FLOW - Dividends & Fin, inc/exp	(723)	(616)
NET CASH FLOW	13,539	(9,411)
Final NFP	(4,310)	(17,849)
Financial payables	(25,953)	(28,267)
Cash and cash equivalents	21,643	10,418

The table and the figures below present the consolidated operating and financial highlights, along with comparisons to the previous year.

	Euro thousands				
CONSOLIDATED	2018	2019	2020	2021	2022
Value of production	66,292	73,244	26,583	37,203	86,062
Operating costs	9,935	13,092	(24,365)	(10,647)	11,715
Net Profit/(loss)	7,689	9,350	(18,565)	(8,407)	11,906
Trend in Investments	6,833	10,879	4,153	5,084	7,002
Net capital employed	33,982	37,396	35,639	36,654	34,268
Net Financial Position	(14,524)	(9,489)	7,319	16,742	2,450
Shareholders' Equity	48,505	46,885	28,320	19,913	31,818
ROI%	29.23%	35.01%	0%	-29.05%	34.19%
ROE%	15.85%	19.94%	0%	-42.22%	37.42%
Trade receivables	15,215	15,271	4,928	11,212	16,683
Average duration of trade receivables	86	89	71	116	90
Trade payables	17,868	19,436	16,147	20,279	30,828
Average duration of trade payables	216	243	318	303	242

1.11 Financial instruments

The economic losses in 2020 and 2021 were reflected in an absorption of liquidity that the Company managed at first by resorting to short-term sources of financing which, at a later stage, were converted into medium-term structured debt capable of guaranteeing a stable and adequate liquidity structure to support operational activities and planned investments.

In 2022, SAGAT S.p.A. did not enter into any additional loan agreements beyond those taken

out in 2020 and 2021 with Intesa Sanpaolo, Medio Credito Centrale and Banca del Piemonte. The total net debt at December 31, 2022 was Euro 25,953 thousand, decreasing Euro 2,313 thousand on 2021 following the repayment of the principal amounts falling due during the year.

For further details, reference should be made to the section of the Explanatory Notes of the Parent Company related to debt.



1.12 Human resources and the Group Organisation

The personnel of the SAGAT Group, with their wealth of knowledge and talent, have always been of strategic importance in our development.

After two years marked by temporary lay-offs for all Group staff, 2022 witnessed a significant milestone with a return to full work performance. As traffic experienced a notable upswing, with record growth observed in several months, particularly during the summer season, it was necessary to hire more staff, particularly for passenger-facing services. The Human Resources Department hired new PRM operators (to assist passengers with reduced mobility), security officers (GPGs with security clearance), and airport employees. The latter were first placed on job-qualifying training courses through SAGAT S.p.A.'s Training Office, before being integrated into the workforce to cope with seasonal peaks. The months of November and December 2022 also saw the consolidation on a permanent basis of 17 employment relationships with employees previously employed in the peaks associated with winter and summer seasonality.

From April 1, 2022 onwards, remote work, initially adopted as an emergency measure in response to health and family management challenges brought about by the two-year COVID-19 pandemic, transitioned into a regular organisational tool for work performance. As a result, SAGAT Group companies proactively established company regulations and entered into individual agreements with employees, in accordance with applicable regulations.

Industrial Relations

In 2022, discussions between the companies of the SAGAT Group and the trade unions were extensive and productive and centred around measures that could bring about major operational efficiencies in the years to come. Specifically:

- in March, a Memorandum of Understanding was signed between SAGAT Group companies and the General Workers' Representative Body (RSU) on agile work, following the Group companies' willingness to implement the transition of this tool from emergency to ordinary;
- in September an agreement was signed which defines the criteria for the disbursement and the basis of calculation of the Results Bonus in the three-year period 2022-2024, which allows the employee to convert the value into welfare benefits, taking advantage of a company platform in compliance with the relevant provisions of current regulations;
- in October an agreement was signed for the conversion to permanent contracts of numerous workers who had accrued worked with the company for some time, who had previously operated with fixed-term contracts relating to seasonality in the operating sectors. This consolidation process, which began in November, will see the completion of recruitment by April 2023;
- October also saw for the year 2023 the renewal of the use, by the deadline of December 31, of the entire amount of vacation leave remaining and accrued by each employee during the year. This

agreement will ensure that the extraordinary cost containment measures introduced in 2013 will remain in place, thus ensuring the effective management and efficient organisation of SAGAT Group personnel.

The table below compares 2022 with 2019 (pre-pandemic year) in relation to the use of vacation

	2022	2019	Difference 2022/2019	%
Outstanding holiday time (in days)	631	861	-230	-26.71%
Average annual FTE	369	355	14	3.94%
Outstanding holiday time per employee	1.7	2.4	-0.7	-29.17%

Company welfare and work-life balance

The SAGAT Group always pays close attention to the quality of life of its employees, seeking to improve their work-life balance through a series of corporate welfare tools adopted over the years.

As mentioned in the previous paragraphs, remote work arrangements for the Group's administrative staff were kept in place throughout the year. Initially adopted on an emergency basis from January to March, it transitioned to a regular practice in April. A specific Regulation was developed as a

leave. The meticulous planning of holiday leave for all Group personnel resulted in a consistent reduction in remaining annual leave, reflecting the organisation's commitment to maximising efficiency when managing employee workloads.

result, providing support and accommodations for individuals facing challenging family situations or experiencing vulnerability. Agile work is strongly appreciated by the employees involved, especially for the positive implications in terms of managing their family time and their own well-being.

During June, a career guidance day was arranged for the children of Group employees in their final year of high school or university. The objective of this initiative was to provide them with an innovative training programme facilitated by experts in training and career advice. The course sought to equip them with the necessary tools for

a successful and fulfilling transition into the world of world.

In July and November, Group companies paid out two fuel vouchers worth Euro 100 each to all permanent employees to compensate them for the economic situation. In line with current legislation, the voucher's value – the cost of which was borne entirely by the Company – did not contribute to taxable income for employees.

To disburse the 2022 performance bonus, which was renewed through an agreement signed with trade unions in October, the Group companies will

launch an IT platform in early 2023. This platform will enable employees to access the welfare services resulting from the conversion of the bonus, as stipulated by the applicable regulations.

Below is the complete list of all welfare initiatives in place in the year 2022:

INITIATIVE	DESCRIPTION	NO. RECIPIENTS
Summer trips for the children of employees up to 17 years of age	The Company covers 77% of the cost of leisure, sports and English language trips during the summer months	65 children of Group employees
Reimbursement of nursery and kindergarten expenses	Companies reimburse 50% of the costs incurred	27 Group employees
Supplementary health coverage	A health insurance policy covering services and reimbursing expenses incurred outside the network of affiliated health care facilities for employees and cohabiting family members	200 SAGAT S.p.A. employees, and 30 Group Heads and Managers
Remote work	Option to work from home made available to all administrative staff	132 Group employees
Fuel vouchers	Fuel vouchers with a total value of Euro 200	All Group full-time employees
Career guidance for employees' children	Free vocational training and orientation day	22 children of Group employees

Personnel Development

All Executives, Heads of Service and Office Managers were involved over the last three years in the process of assessing employees to monitor their performance, motivation, potential, and aspirations and expectations within the organisation. The process is based on a conversation between managers and their employees and seeks to analyse distinctive performance factors and identify any areas for improvement. This process is accompanied by the finalisation of the company MBO and an assessment of the objectives assigned to individual employees. In 2021, 20 new Office Managers were trained on staff appraisal techniques, which concludes the manager training process that began in late 2019; this has allowed the appraisal process to be extended to all remaining administrative staff members not included in the MBO scheme in 2022. In 2022, the performance appraisal process involved 124 Group employees (+67% on 2021).

Following analysis of the evaluation sheets, training courses were introduced on various topics designed to strengthen soft and technical skills. Training covered a range of topics, including: employee management, teamwork, innovation, cyber security, and sustainability, to name a few. Several other actions, not yet implemented, have been scheduled in the FY2023 Training Plan.

Training

Training and professional development initiatives carried out in 2022 by the SAGAT Group aimed at bringing human capital into line with market challenges, with a focus on bolstering both the technical and soft skills of employees.

The pandemic containment measures enacted at national and regional level have severely reduced the possibility of implementing the in-person training courses included in the Corporate Training Plan, particularly in the initial part of the year. Therefore the company's drive for the use of the DOCEBO e-learning platform continued, which made it possible to train all employees on a wide range of topics and to continue to offer basic and refresher training courses both to employees of SAGAT Group companies and to those of outside companies who avail of the training provided by SAGAT.

With the offer of new courses, which were added to those previously provided, the total number of hours of online training delivered during the year for Group employees was 8,106 (+2,232 hours vs 2021).

Considering the 16,854 hours of training carried out by permanent and temporary contract employees, Group employees each completed an average of 42 hours of training during the year.

In more detail, the training involved Group employees and employees of contracting and subcontracting companies as follows:

Direct and indirect staff who undertook training in 2022

	Staff Trained
SAGAT Group	406
Temporary	42
Sub-contractors	103
TOTAL	551

Annual training hours by job category

Employee category	2022	2021
Executives	32	70
Managers	918	643
White-collar	11,455	12,238
Blue-collar	4,449	3,242
TOTAL	16,854	16,193

Occupational health and safety

SAGAT Group companies are equipped with occupational safety management systems aimed at the maximum protection of their workers. The Parent Company SAGAT S.p.A. uses a management system that is certified according to the international UNI EN ISO 45001:2018

standard, while SAGAT Handling S.p.A. uses an integrated system in compliance with Article 30 of Legislative Decree No. 81/2008.

During 2022, a year marked by a gradual return to normality after the end of the health emergency related to the Sars Cov-2 virus, Health and Safety training activities for Group employees

continued, held both in-person and online. In 2022, SAGAT S.p.A. recorded a total of 8 work-related accidents, of which 1 while commuting, while SAGAT Handling S.p.A. recorded 2, of which 1 while commuting.

In 2022, through the Human Resources Department and Prevention and Protection Service, the Group companies proactively adopted protocols and recommendations from various authorities, such as the Government, the Higher Health Institute, and the Piedmont Region, to ensure the safety of workers in jobs at biological risk from the SARS-CoV-2 virus due to direct contact with passengers and the public.

During the previous year, the Group continued to publish internal communications and operating instructions for the benefit of personnel - partly due to the spread of new SARS-CoV-2 variants - to reinforce and specify the prevention, protection, and hygiene measures in the workplace.

Group companies continued to distribute FFP2 masks to staff in risk-prone jobs on a monthly basis, as identified in the risk assessment document (RAD), and to all employees who voluntarily requested them. The sanitisation scheme, employing ethyl alcohol or chlorine-based products, was extended to all work environments, including non-fixed ones (such as company vehicles). As part of this initiative, alcohol-based hand gel dispensers were installed at offices and passenger terminals to facilitate

the regular sanitisation of hands and frequently touched surfaces.

Projects with schools and universities

The Human Resources Department is committed to building relationships with local education institutes through partnerships and internships with high school and university students.

The second edition of the TO Guys on-the-job training placement took place between December 2021 and April 2022, engaging approximately 30 high school students in their penultimate and final year of study in the Cross-Cutting Skills and Orientation Pathways (PCTO) programme. The initiative resumed for its third edition in December 2022 and is set to conclude in 2023, at the end of the snow charter season. Two additional projects were organised in July and August 2022, which allowed students to learn how the airport organises its passenger services from an operational perspective. All practical training sessions were preceded by hours of theoretical training provided by the SAGAT S.p.A. Training Department on airport safety and security.

In October 2022, two new PCTO initiatives titled "Adopt a Class" were launched, involving high school students aged 16 to 18 for the entire academic year of 2022-23. As part of this collaboration, trainers from SAGAT S.p.A. deliver instructional sessions at participating institutes, covering topics related to logistical

airport organisation and key operational aspects in sterile environments (apron management, ramp operations, and aircraft balancing).

The link with the Polytechnic of Turin was also strengthened thanks to the collaboration with the Faculty of Architecture: from March to September, the Company welcomed six students to develop a project to recover waste produced by airport businesses. This project counted as the examination for the "Open System Design Lab" module of the Bachelor's Degree in Systemic Design.

Organisation and management

SAGAT Group's average annual number of employees expressed in terms of full-time equivalents (FTE), was equal to 369.5, up 25.1 FTE or 7.3%, as indicated in the following table.

CATEGORY	2022 Average	2021 Average	Absolute Change 22/21	Percentage Change 22/21
Executives	6.9	6.6	0.3	4.5%
White-collar & Managers	263.6	244.2	19.4	7.9%
Blue-collar	99	93.6	5.4	5.8%
TOTAL	369.5	344.4	25.1	7.3%

As mentioned in the introduction, the increase in average annual value is linked to the positive recovery of air traffic after two years of the pandemic, in addition to the increase in traffic to and from Turin airport, thanks to the opening of

a Ryanair hub in November 2021. A large share of the Group's workforce were employed in passenger services, mainly to cope with seasonal peaks in workload.

Group employees at December 31, 2022 increased by a headcount of 15, compared with the same date of the previous year, in relation to the resumption of charter traffic, which led to numerous seasonal hires during the final months of the year. As discussed in previous paragraphs, in November, 17 fixed-term contracts were made permanent (most of them at the Parent Company SAGAT S.p.A.). The total Group headcount is therefore 406, of which 56 under temporary contracts.

COMPANY	2022 Personnel costs	2021 Personnel costs	Absolute change 22/21
SAGAT S.p.A.	14,803	11,676	3,127
SAGAT Handling S.p.A.	6,068	4,789	1,279
SAGAT GROUP	20,871	16,465	4,406

The Group's total personnel costs amounted to Euro 20,871 thousand (increasing Euro 4,406 thousand on 2021). July 2022 saw the application of the remaining increase in minimum wages relating to the renewal of the Airport Operator National Collective Bargaining Agreement.

SAGAT S.P.A.

The average annual number of employees of SAGAT S.p.A., expressed in full-time equivalents (FTE), was 244.6, an increase of 18.4 FTE compared to 2021, as indicated in the following table and for the reasons indicated above.

CATEGORY	2022 Average	2021 Average	Absolute Change 22/21	Percentage Change 22/21
Executives	6	6	0	0%
White-collar & Managers	167.5	155.6	11.9	7.7%
Blue-collar	73.1	64.6	6.5	10%
TOTAL	244.6	226.2	18.4	8.1%

At December 31, 2022, SAGAT S.p.A.'s headcount was 241.5 FTE, an increase of +1.2% (2.9 FTE) compared to the previous year.

On the same date, the headcount was up from the previous year: from 248 HC in 2021 to 254 HC in 2022, an increase of six people, or 2.4%.

Workforce

The following table presents the average number of employees broken down by category, as per Article 2427, paragraph 1, No. 15 of the Civil Code:

	Executives	Managers	White-collar	Blue-collar	Other employees	Total employees
Average number	6	24	146	76	0	252



SAGAT HANDLING S.P.A.

During 2022, the structure of SAGAT Handling S.p.A. was impacted by the appointment in December by the Board of Directors of a new General Manager to whom the company's operational prerogatives and the title of Employer were delegated, following the resignation of the previous incumbent.

SAGAT Handling S.p.A.'s average annual number of employees expressed in terms of full-time equivalents (FTE) was equal to 124.9, increasing 6.7 on 2021.

At December 31, 2022, the headcount was 152, up 9, or +6.3%, compared to the previous year.

CATEGORY	2022 Average	2021 Average	Absolute Change 22/21	Percentage Change 22/21
Executives	0.9	0.6	0.3	33%
White-collar & Managers	96.1	88.6	7.6	8.5%
Blue-collar	27.9	29	-1.2	-4%
TOTAL	124.9	118.2	6.7	5.7%

At December 31, 2022, SAGAT Handling S.p.A.'s headcount expressed in FTE was 127.2, an increase of 0.9 FTE compared to the same date in 2021.

This increase, as previously expressed, is mainly attributable to the increase in traffic due to the launch of the Ryanair base, as well as the resumption of charter traffic in December resulting in the need to increase staffing levels by hiring temporary seasonal staff in the last two

months of the year. The Company also stabilised on a permanent basis two resources who had gained some seniority as temporary seasonal workers.

Personnel costs, including the cost of temporary staff, amounted to Euro 6,068 thousand (increasing Euro 1,279 thousand on the previous year).

1.13 Investments

In 2022, as we progressively emerged from the pandemic that had affected the previous two years, investments were primarily focused on prioritising infrastructure maintenance and upgrades, in addition to launching energy sustainability projects.

The amount of the SAGAT Group's actual investments in 2022, which has risen sharply compared to previous years, is Euro 7,002 thousand.

The main interventions implemented are highlighted below.

With regard to **Passenger Terminal modernisation investments**, in 2022, work to modernise and improve efficiency in various areas of the building and for localised revamping of individual operational or commercial areas are primarily to be reported. Also of note are the significant investments made in systems designed to streamline border control operations.

In the first instance, we note the continuation of several major lines of investment, including the ongoing modernisation of various systems, such as fire detection and smoke extraction systems, lighting systems, in addition to localised upgrades to electrical and air treatment systems.

2022 also saw works commence on waterproofing and insulating the roof of the South Departures area to bring heat floor transmittance values into line with current regulations.

Other investments focused on modernising bathroom facilities in the south departures area, renovating storage areas at building level +10.93, and refurbishing and expanding commercial spaces.

The investments that most affected the terminal layout concerned the remodelling of border control areas in arrivals and departures. These works enabled the expansion and streamlining of operational and passenger spaces.

In the second instance, investments were allocated to purchase electronic equipment aimed at enhancing and speeding up passenger movement within the airport. Specifically, we highlight the installation of five ABC e-gates to supplement the existing automated passport control systems. These gates include turnstiles, fingerprint readers, biometric cameras, and the necessary hardware and software systems for supervision by the State Police. In detail, four e-gates were installed in the arrivals area, thus reaching a total of eight electronic automatic passport verification devices; the other machine was installed alongside the three gates in the north departures area. 22 entry/exit kiosks with accompanying IT systems were also purchased to process passengers in compliance with new EU entry/exit regulations. The systems will be installed in 2023.

With regard to the **overhaul of the other buildings on the airport grounds**, the main activity consisted of the complete renovation of the General Aviation terminal's thermal power plant. Additional investments in this category included the replacement of windows and doors to enhance energy efficiency at the Fire Brigade and Border Police barracks, the construction of storage rooms, complementary works on the new kennel at the State Police barracks (constructed under the purview of Polaria), and various other minor adjustments.

Notable investments were made in several areas to **upgrade airport infrastructure networks**. This includes relamping initiatives on emergency stairways of various airport buildings to save energy. Additionally, upgrades were made to HVAC piping on the State Authorities building, new heat generators were installed at hangars 1 and 2, electrical distribution was modernised in the multi-storey car park, and various minor works were performed on electrical, thermal-hydraulic, water, and drainage networks.

Regarding **environmentally sustainable initiatives (Torino Green Airport)**, in addition to the energy-saving investments mentioned earlier, a comprehensive range of actions under the Torino Green Airport programme were adopted in 2022. These actions sought to progressively achieve the efficient and sustainable self-production of the energy required for the airport infrastructure. During 2022, the executive design and initial construction of photovoltaic systems on several airport buildings was completed and the European TULIPS project was launched.

The executive project for installing photovoltaic systems on the roofs of airport buildings was successfully completed in the first half of 2022. Approval from ENAV and ENAC was obtained in Q3 of the same year. The project entails the installation of a four-section photovoltaic system on the roofs of the Technical Area, Passenger Terminal Forecourt, Passenger Terminal (South Terrace), and BHS buildings. The system comprises 3,603 photovoltaic panels mounted on metal structures and covers an area of approximately 6,370 square

metres. With this expansion, the total peak power is estimated to reach 1.44 MWp, resulting in an annual energy production of around 1,560 MWh. The generated energy will be fully consumed by the airport infrastructure, providing approximately 12% of the airport's energy requirements. After winning the contract, works started in late 2022 and the plant is expected to be commissioned in 2023.

Regarding the European TULIPS project, we note that the environmental sustainability model and technological solutions being developed at Turin Airport resulted in the receipt of an invitation by SAGAT S.p.A. to join the TULIPS (Demonstrating lower polluting soLutions for sustainable airPorts across Europe) consortium and participate as a fellow airport in the Horizon 2020 Call LC-GD-2020-1, focused on "Green Ports & Airports". The consortium seeks to accelerate the introduction of sustainable technologies in aviation, contributing to climate-neutral aviation by 2050. Led by the Royal Schiphol Group, the consortium comprises 29 entities - including airports, airlines, universities, research institutes, and industrial partners - and has been awarded a maximum of Euro 25 million in funding from the European Union.

The project responds perfectly to the goals set by the EU Green Deal and seeks to develop innovative ways of facilitating the transition to low-emission mobility, improving the overall sustainability of airports and introducing sustainable fuels and organic carbon sequestration to the aviation industry. This project started in January 2022 and will run until December 2025.

As part of the TULIPS project, SAGAT S.p.A. primarily designed and built a smart grid pilot plant at the airport Fire Station, with the aim of testing hydrogen as a storage system for electricity produced by a photovoltaic system, enabling its use as a green fuel to power a fuel cell. The related works started in 2022 and saw the construction of a photovoltaic system on the roof of the barracks in the first phase. Completion works on the pilot plant will continue in 2023, and will be tested by the end of the established project period. The initiative is partly EU-funded and partly self-funded.

With regard to **works in the aircraft movement area**, a new apron dedicated to de-icing operations was constructed in 2022. The works consisted of building a new “de-ice/anti-ice” apron for ICAO Code “C” aircraft, located in the southern part of the main aircraft parking apron. The works also included the simultaneous construction of a new network of AVL installations on taxiway “L” to serve the new IHP (Intermediate Holding Position) “L8” and the perimeter lights in the de-icing/anti-icing area, which will be activated locally according to usage. The works focused on reconfiguring the southern part of the “Main Apron”, specifically to accommodate the new de-icing station. This was achieved without the need to construct new paved areas by restoring the CLB paving after installing AVL systems, electrical conduits, and a new rainwater collection and disposal system. The system also addresses the management manages water used during de-icing and anti-

icing operations. The investment also included the construction of a water collection and disposal system. The plant complements the previous one, which already channelled fluids to existing first rainwater storage tanks, located to the southwest, and connected to the public sewage system. Other investments in the aircraft movement area focused on repaving works to enhance the macro-texture and adherence properties of the taxiway “L” pavement at stands 203-204. In addition, minor works were carried out for extraordinary maintenance purposes and to modify operational signs to further improve the infrastructure.

As part of **investments in infrastructure, technology, and other areas not included in previous categories**, notable additions include the purchase and installation of a CBC3 apparatus with CAT technology for screening hand luggage. This apparatus, along with the ATRS system, enables the screening of hand luggage without the need to separate liquids and electronic equipment. This machinery offers a high standard of service and was installed at the Fast Track control gate.

Also of note is the installation of two new automatic baggage tag reading (ATR) stations for the airport BHS facility, which will increase the accuracy of outbound checked baggage sorting activities. In terms of security, the equipment fleet was also renewed with the purchase of new WTMDs, new generation hand-held metal detectors, and shoe analysers.

Regarding the environmentally-friendly upgrade of the airport vehicle fleet, notable acquisitions include a new electric ambulift, a new electric airport ambulance, and a new electric service car. Finally, the process of progressively upgrading/ installing multiple pieces of equipment to support airport operations continued in 2022.

In terms of **IT investments** in 2022, upgrading of the Access Control System hardware continued to expand the use of new airport badges equipped with contactless proximity chips, which contain encrypted information to open/close airport gates.

Furthermore, a variety of computerised solutions were installed to ensure stricter control over the validity and compliance of safety and security training for airport operators. These measures were adopted to comply with regulatory adjustments mandated by the relevant authorities in the field of IT security and preventive controls. Their adoption will continue in 2023, with the goal of activating validation controls at customs gates. These controls will play a proactive role with regard to operators, taking into account the new regulations issued by EASA.

The process of integrating the parking management system into SAGAT’s network infrastructure continued, and full control of the dedicated server was acquired, which is placed on a high reliability virtualisation platform in “Business

continuity” configuration. The latter has undergone a major upgrade, both on the hardware and software fronts, in order to ensure its full reliability over the next three years, with direct support from manufacturers, and significantly increase its computing capabilities.

Also in the area of cyber security, SAGAT has installed the latest EDR-Endpoint Detection & Response type of end-point protection system, which has been extended to all devices, including smartphones and enterprise tablets.

New central data network management equipment has been acquired and is being configured and will go into operation in 2023 offering local connectivity increased by a factor of 10.

1.14

Innovation and digitisation

Turin Airport continued to pursue **digital innovation** in 2022 and to **promote a culture of innovation** through the active involvement of 28 innovation agents and use of a bottom-up methodological approach.

The innovation projects have focused on both passengers and SAGAT Group workers, and seek to improve not only the **customer experience** but also the **employee experience**.

The customer experience

In terms of the **passenger journey**, the innovative X-ray equipment installed at the Fast Track priority passageway makes the security screening experience smoother, enabling 3D screening and scanning of the contents of carry-on luggage. Liquids, gels, and electronic devices, rather than being separated in special tubs, can in fact be left in carry-on luggage for a more convenient and faster travel experience.

After security checks, a new **Charging & Working Area** has been created in the Boarding area. This is accessible free of charge for anyone needing to use their laptops, offering workstations equipped with USB sockets and electrical outlets for charging smartphones and tablets. This range of charging points in the Passenger Terminal was also expanded with the installation of new stations in the Boarding area, making people's travel experience at the airport even more convenient.

At the same time, the new **Wi-Fi portal** for passengers was launched. The revamp encompassed

more than just a visual redesign of the platform. It involved the introduction of new marketing and sales promotion tools. The Wi-Fi service underwent a transformation, evolving beyond being a basic offering of free connectivity for passengers into a valuable tool that leverages data collection from a digital marketing perspective to create value. The re-design of the registration and passenger engagement experience, using fresh and distinct graphics for both the air terminal and Piemonte Lounge, led to a notable increase in sign-ups.

A substantial overhaul of the parking offerings on the airport's **ecommerce platform** was also implemented in 2022: the entire range of official Torino Airport parking spaces can now be purchased online with very affordable rates, thanks to a dynamic pricing algorithm implemented on the ecommerce portal.

With an eye to the future, Torino Airport has begun **testing self-driving personal mobility devices** to assist passengers with reduced mobility (PRM). The project was carried out in collaboration with the Turin-based startup Alba Robot, with which the Airport signed a partnership with a view to open innovation as part of Torino City Lab, the City of Turin's innovation laboratory; its aim is to test the use of SEDIA (SEat Designed for Intelligent Autonomy), an innovative device with autonomous driving and voice commands. The trial - the first in Italy to be applied in an airport setting - seeks to use an AI-powered personal mobility device in a real-world operational environment.

The ground transportation experience

In 2022, the Company decided to carry out specific analysis of ground transportation by monitoring the number of passengers travelling to and from the airport using different modes of transportation (bus, car sharing, cab, vehicle for hire, own or accompanied car, shuttles from the external parking lots etc.). This analysis sought to help improve, in qualitative and quantitative terms, the connection service to and from the airport for the benefit of passengers.

The process began with an initial visual assessment and manual counting of passenger numbers and bus fill-ups (considering that buses are currently the primary mode of public transportation to and from the airport due to the absence of a rail connection to the city centre). Subsequently, a six-month proof of concept was launched in collaboration with a computer vision start-up, aiming to apply Artificial Intelligence to video analysis. This technology feeds into a platform that automatically collects and monitors real-time data on passengers boarding buses at the airport's arrivals level and the number of passengers waiting at the bus stop. The platform also tracks passenger disembarkation at the departures level and records the arrival and departure times of the buses at all monitored stands. Analysis of these data made it possible to identify peak times during the day and demonstrate that the number of bus connections was insufficient compared to the airport's passenger traffic volumes.

Simultaneously, throughout the year, a ground transportation dashboard was adopted that cross-references and compares data extrapolated from the Company's existing digital touchpoints, providing a high level of analytical detail (daily trends and 15-minute time slots). The newly developed dashboard combines data on the number of bus users from the aforementioned platform with data on the entrances/exits of car sharing, vehicles for hire, and free parking spaces extracted from the Parking system, in addition to data on the shuttle frequency from external car parks obtained through a detection system using radar antennas and vehicle tags installed on the shuttles. By analysing these data alongside the total number of arriving and departing passengers at the airport, it is possible to establish the distribution of transportation modes used by passengers. This allows us to estimate the market share of transportation component and observe passenger behaviours.

These insights are also useful for estimating the environmental impact of ground transportation and proposing useful solutions to reduce it.

The digital employee experience

Innovation also accompanied initiatives to help accelerate the **digital employee experience**.

In 2022, the **Company's intranet platform** was completely upgraded, providing employees with

a modern and mobile-friendly support system accessible from any device. The Company intranet underwent significant expansion, both in terms of operational content available to employees (real-time flight information, easily accessible operational documentation and manuals, an advanced search engine, simplified navigation, a list of telephone contacts, press reviews, e-learning resources, online request submission for leave, permits, and remote work, in addition to online access to pay slips, and more), and in terms of editorial and informational offerings: the portal now features a rich editorial section that includes interviews, articles, events, photos, and regular updates on projects, company news, commercial promotions, employee agreements, and curated content from the Company's social media channels, all conveniently displayed on the homepage.

At the same time, a single log-in method for accessing the Company's main applications was introduced so that employees have unified and smooth access through **Single Sign On**. Adopting multifactor authentication and centralising it on the Microsoft identity provider raised **cyber security** standards.

As part of the ongoing process of digitising business processes, a new **digital signature platform** was launched. The initial adoption of the platform dematerialised the entire signature authorisation process for tests and the payment of invoices. The process is now entirely paperless, making the signature collection process smoother and easier to trace. About 80 employees use the platform

and can consult the "ECO points" they have accumulated personally and as a company through use of digital signatures. ECO points measure the environmental contributions made through use of the platform instead of the traditional paper process. Each ECO point corresponds to 1g of CO2 saved, based on a study that predicts that a traditional sheet of A4 paper weighs around 4.92 grams and that the CO2 use coefficient required to produce it is about 0.95. The value in grams of non-emitted CO2 is thus calculated using a simple multiplication based on the number of pages in the file submitted for signature.

Subsequently, the **supplier evaluation process** was also digitised and the evaluation form was made paperless.

On the ecommerce front, a **new B2B area was created on the ecommerce site** to issue permanent and daily badges for people, parking stickers, and insurance coverage for vehicles. The online sale of membership products also allows invoices to be automatically generated in the accounting system.

Finally, following a digital questionnaire aimed at surveying the home-to-work travel patterns of SAGT Group workers, an agreement was signed with a Company specialising in **corporate car pooling**. Through a digital platform, employees can enter their home-work commute, share the journey with colleagues, either as driver or passenger, and help reduce harmful emissions into the environment and save on fuel costs.

1.15 The environment

The SAGAT Group takes environmental topics very seriously and considers environmental and sustainable development to be essential to the management of its business activities. With this in mind, the Group is committed to promoting a culture of empowerment and active commitment to protecting the environment at all company levels, through the adoption of correct and responsible behaviour.

Stakeholder engagement in environmental sustainability initiatives represents a strategic development for Turin Airport, confirming the SAGAT Group's commitment to protecting the environment and taking climate action.

Level 3-Optimisation of the ACA-Airport Carbon Accreditation environmental sustainability programme promoted by ACI-Airports Council International was achieved in 2022. The certification is for airport management companies that intend to pursue carbon neutrality goals, reducing CO2 emissions under their direct control with energy efficiency programs and the use of energy from renewable sources. Level 3-Optimisation features a stakeholder involvement plan in the emission reduction process, which is extended to the various actors operating at the airport (airlines, handlers, sub-concessionaires, passengers, employees, partners and local entities).

As such, a three-year "Stakeholder Engagement Plan" (Level 3-Optimisation of the Airport Carbon Accreditation programme) was prepared to:

- raise awareness among the internal and external public of the actions taken, targets reached, and future environmental plans made;
- increase employees' sense of ownership and responsibility for environmental topics;
- stimulate eco-friendly behaviours from the entire airport community, partners, and passengers;
- initiate listening and communication activities from/to all potential external stakeholders with a view to learning, transparency, and sharing best practices.

In line with the goal of the Torino Green Airport plan - to manage the airport infrastructure and operations in an energy-efficient manner, consuming less and less energy and avoiding the waste of resources - in 2022 SAGAT S.p.A:

- completed the design of a new photovoltaic plant with a peak electrical capacity of 1.6 MW, which when fully operational will see us self-produce 12% of our electricity needs;
- began to develop a pilot plant to test hydrogen as a storage system for electricity produced by a photovoltaic system, enabling its use as a green fuel to power a fuel cell. This project formed part of the work of the European H2020 TULIPS consortium, in which Turin Airport became a partner in 2021. The consortium - run by the Royal Schiphol Group, the management company of Amsterdam and Rotterdam airports, and comprising 29 entities, including airports, airlines, universities,

research and training institutes, and industrial partners – seeks to develop innovations that facilitate the transition to low-emission mobility, improving the overall sustainability of airports and introducing sustainable fuels and organic carbon sequestration in the aviation sector.

In addition, the TULIPS project consults SAGAT S.p.A. on various topics, such as:

- development of an airport smart energy hub including the use of various energy sources and storage systems;
- research into scenarios for future aircraft power supply. As part of the project, SAGAT S.p.A. will work with the Polytechnic University to establish a clearing house in Turin for the development and certification of SAFs;
- development and testing of hydrogen-powered ground support equipment;
- contribution to the widespread use of biochar: a test field will be established on the airport grounds to grow plants with high CO₂ sequestration. These plants will then be sent to a pyrolysis plant that will turn them into charcoal. The charcoal will be placed in dry soil and, being porous, during the day it releases the moisture absorbed overnight, making the soil more fertile;
- development of a structured decarbonisation roadmap which makes use of the cooperation of all participants in the group and serves as a model for

the sustainable development of airports in different environmental contexts and of varying sizes.

- The Group also joined the AZEA-Alliance for Zero-Emission Aviation initiative. The alliance includes the various entities of the air transport industry ecosystem and seeks to encourage the introduction of renewable fuels in airport and airline operations. Its work will focus on Working Group 3 “Aerodromes” with the objective of analysing the path to preparing airport infrastructure for aircraft with electric or hydrogen systems. Participation in the international initiative represents a significant step towards achieving NetZero 2050, which is an important commitment made by the SAGAT Group towards the environment and the local community. By adhering to the NetZero 2050 target, the Group commits to reducing carbon dioxide emissions from operations under its control to zero by 2050.
- In 2022, the Group purchased 100% of its electricity from certified renewable sources with guarantee of origin (GO certificates).

Environmental Management System

SAGAT S.p.A. makes use of a strategic, cross-cutting HSE (Health, Safety & Environment) Management System for all activities carried

out on airport grounds, including development, aviation operations, direct and indirect service management, design, construction, and plant and infrastructure maintenance.

Through the adoption of certain protocols and procedures, which demand strict compliance, workers' health and safety, fire prevention, building and workplace hygiene and cleanliness, and environmental matrices (water, air and soil) are managed in a comprehensive manner.

The HSE Management System is certified by the certifying body TÜV Italia according to international standards on occupational health and safety (ISO 45001:2018) and the environment (ISO 14001:2015). In December 2022, the HSE Management System was successfully recertified until 2025.

In consideration of the current state of the environmental matrices present on the airport grounds, indicators have been identified and linked to the completion of specific investments foreseen in the Airport Development Plan.

Environmental Protection Plan

The activities completed in 2022 as part of the Environmental Protection Plan within the framework of the Regulatory Agreement for Turin Airport (pursuant to Legislative Decree No. 133/2014 and subsequent Law No. 164/2014),

approved by ENAC in 2019, made it possible to meet improvement targets for the indicators to which SAGAT S.p.A. is committed.

In line with the Environmental Protection Plan, works included:

- the replacement of existing lighting systems with energy-saving ones (LED technology with dimming systems), mainly within the airport buildings;
- informative and training courses for staff whose work activities may affect the environment, the protocols and procedures of the Environmental Management System, and the Green Airport project and on environmental sustainability;
- replacement of the existing vehicle fleet with hybrid or electric-powered vehicles.

Planning of environmental activities

The planning of activities to comply with general and special environmental regulations as well as to protect the environmental matrices on the airport grounds has resulted in the definition and completion of the following activities:

- the continuous monitoring of environmental performance indicators (KPIs) relating to rainwater and surface water, through the Prevention and Management Plans for rainwater on the runway and aircraft aprons

shared with the Metropolitan City of Turin and with SMAT-Società Metropolitana Acque Torino S.p.A.;

- renewal of the Authorisation to operate mineral oil depots for private use on airport grounds, managed directly by SAGAT S.p.A.;
- verification of containing basins for non-hydrocarbon liquids and implementation measures to prevent the dispersion of these liquids into the soil;
- the management and streamlining of the airport sewage system, through upgrading works, agreed with the Metropolitan City of Turin;
- the monitoring, managing and streamlining of water sources by modernising the drinking water supply network and replacing old and/or deteriorated sections of the network with new ones to avoid waste;
- submitted a new General Authorisation (AVG) for Medium Combustion Plants (MIC) and various activities (aimed at service companies), in compliance with Article 273-bis, paragraph 7(a) of Legislative Decree No. 152/2006, Executive Resolution No. 753 of December 12, 2022, and Legislative No. 152 of April 3, 2006 "General Authorisation for Atmospheric Emissions from Facilities with Combustion Plants and Related Auxiliary and Service Activities" (Published in BUR No. 50 on December 15, 2022);
- the monitoring of atmospheric emissions from heat generators.

Airport noise

The monitoring and containment of airport noise through specific procedures are governed both nationally (by ENAC and the Ministry for the Environment) and internationally (by the ICAO and the European Union). For the SAGAT Group noise containment is a strategic commitment, guaranteeing constant communication and contact with the competent authorities and developing monitoring and operating procedures to reduce the impact of noise, while ensuring that growth in air traffic at the airport is compatible with the acceptable levels of noise in the surrounding area. The area surrounding the airport is regulated in three zones (A, B and C) with specific airport-noise measurement indexes (known as "LVA" in Italian) and corresponding types of buildings allowed:

- Zone A: 60dB(A) < LVA < 65dB(A)
- Zone B: 65dB(A) < LVA < 75dB(A)
- Zone C: LVA > 75dB(A).

Specific noise-reduction procedures remained in place at Turin Airport:

- preferential use for using runway 36. Because of this procedure, the Torinese Caselle urban area is impacted only by the noise of aircraft as they are landing, which is less than the noise produced during takeoff (as the engines are not under full thrust during landing);
- limitation of night flights. This procedure significantly reduces the impact of noise at

night of all localities surrounding the airport;

- restrictions on the use of reverse thrust. Restrictions on the use of reverse thrust mainly benefit the residential areas to the east and west of the runway, as well as the airport itself;
- restrictions on the use of the APU-auxiliary power unit used by aircraft when taxiing. This type of restriction results in noise reduction benefits for all areas surrounding the airport;
- restrictions on engine tests. This restriction leads to noise reduction benefits for all areas surrounding the airport;
- takeoff and initial climb procedure. Reduction in noise for the residential areas below.

Energy management system

The Turin Airport Energy Management System is certified by DNV-GL according to the ISO 50001:2018 standard; in 2022, the certification was maintained following a successful audit.

From January 1, 2022, there was a change in the management regime of the airport electricity system imposed by the regulation of the electricity sector. In fact, the resolution issued by the Regulatory Authority for Energy, Networks, and Environment (AREA) 526/2020/R/eel established January 1, 2022 as the date for application of the connection, metering, transmission, distribution, dispatching, and sales service delivery methods provided by the Testo Integrato Sistemi di Distribuzione Chiusi (TISDC) [Closed Distribution Systems Amended Text].

Closed distribution systems (CLSs) are comparable to distribution networks operated by licensed entities.

SAGAT S.p.A.'s distribution system is included in the register of closed distribution systems (ASDC), and as a result of the new regime, the Company has simultaneously assumed the role of electricity distributor and end customer.

The airport's distribution system is connected to approximately 50 utilities (in addition to SAGAT S.p.A. itself), all of which were given the option to sign a contract to supply electricity to the free market.

The circular economy and biodiversity

Turin Airport has, for a number of years, been committed to various initiatives in support of the circular economy and biodiversity.

A 'poor grass regime' has already been adopted with a view to managing green areas and protecting biodiversity, Turin Airport has adopted a poor grass regime to render its grassland unattractive to bird-life and other fauna, thus minimising the risk of wildlife strikes and reducing the total working hours of agricultural tractors in the hope of minimising environmental pollution.

Furthermore, 15 hectares of grassland have been dedicated to growing chamomile since autumn 2021, as it promotes biodiversity (since it is bee-friendly) and does not attract bird-life. Due to the severe drought in 2022 subsequent to planting, the crop performed unevenly and below expectations. The decision was therefore made to shred the product on the ground to promote reproduction, with the goal of postponing harvesting until 2023.

The organic conversion of airport grassland areas is underway and will be fully completed by November 2023.

Among the other soil and biodiversity protection projects carried out in 2022, we note the

planting of ryegrass in a four-hectare land area, which was incorporated with biochar, a carbonaceous material obtained through the thermal degradation of biomass, as part of an experimental package of the European TULIPS project to demonstrate the benefits of carbon sequestration in airport areas. The applied technique is highly replicable; the model tested on our site will be reused at Amsterdam Schiphol and Larnaca airports.

Over many years, through careful, long-term planning of construction works, Turin Airport has minimized groundworks waste by recovering and reusing demolition material.



1.16 Quality

SAGAT Group is committed to analysing customer needs, expectations and satisfaction, including outside of the sphere of its relations with passengers, in the roles of: SAGAT S.p.A. as Airport Operator, and SAGAT Handling S.p.A. as a service provider for airlines. Quality objectives are shared at all levels of the organisation and pursued by providing adequate resources to achieve them.

A customer-centred approach

SAGAT S.p.A.'s Quality Policy is based on the supervisory role played by the Airport Operator with regard to the airport system, placing customers at the heart of activities by means of an ongoing customer experience improvement process.

The Quality Management System (certified ISO 9001:2015) is strategic and cross-cutting in all processes, and makes use of various, complementary tools:

- the ongoing monitoring of **process indicators** to allow for continuous performance improvements, based on:
 - a tried and tested system for **monitoring** the level of quality provided and perceived in accordance with the reference legislation (ENAC Memoranda GEN-06 and GEN-02B);
 - a customer satisfaction **survey** system according to the ASQ-Airport Service Quality model of ACI-Airports Council International, a trade association that brings together the world's airports and compares Turin airport

to an international benchmark, encouraging comparison with airports with similar traffic levels;

- a **voluntary certification** system according to ISO standards (9001:2015, etc.)
- the carrying out of **assessments** aimed at obtaining certifications, issued by ACI-A to certify Turin Airport at an international level;
- an **understanding of customer needs and expectations**, achieved through the management and analysis of passenger reports and complaints.

Measurement activities

In 2022, activities to measure quality delivered and perceived were carried out, as provided for by:

- the **Service Charter**: the minimum service standards that SAGAT S.p.A. undertakes to provide, and which are subject to approval and verification by ENAC;
- the **Quality Plan** annexed to the **Regulatory Agreement** (four-year period 2020-2023): ten indicators, with pre-established improvement objectives with reference to the base year (2018), These, too, are subject to ENAC approval and verification;
- the **ACI Airport Service Quality** (ASQ) benchmark, which monitors customer satisfaction at participating airports.



Service Charter and Quality Plan annexed to the Regulatory Agreement

While traffic in early 2022 was still feeling the effects of the Omicron variant of COVID-19, the delivered and perceived quality measurement system required by ENAC regulations was fully maintained. More than 45,000 data points were collected, including passenger interviews and performance measurements.

Quality perception

For airports with traffic between 2 and 5 million passengers, ENAC Memorandum GEN-06 requires a minimum sample of 1,100 interviews, with a statistical error tolerance of around 3%.

Surveys are carried out using questionnaires delivered to passengers on the basis of the indicators set out by national law. The system is based on a scale from 1 (terrible) to 6 (excellent). To obtain the satisfaction rate, the number of positive responses (4, 5 or 6) is calculated as a percentage of the total number of responses.

The surveys are carried out by specially trained internal staff.

In 2022, a total of 1,300 questionnaires were returned, of which 1,600 addressed to passengers with reduced mobility (PRM).

Quality provided

ENAC's memoranda also set out methods for measuring and calculating values for each indicator. In 2022, monitoring was conducted continuously, generating more than 42,400 data points.

2022 Service Charter

In response to ENAC's offer, SAGAT S.p.A. published its 2022 Service Charter for passengers, excluding the section that includes the evaluated indicators (results/objectives). However, SAGAT S.p.A. is committed to conducting surveys on all indicators and monitoring the progress of results in relation to the set objectives based on the following criteria:

- the 2020 targets were re-confirmed for 2022 (the most recent pre-COVID targets, formulated against volumes similar to those estimated for post-pandemic recovery);
- for the Service Charter indicators also present in the Regulatory Agreement Quality Plan (six in total, of which two relate to PRM), the 2022 target already set in the Regulatory Agreement remained in place.

Considering the opening of the Ryanair hub at the end of 2021 and the anticipated significant increase in traffic, SAGAT S.p.A. made a "neutral" decision. The Company intends to maintain service levels in pursuit of excellence, irrespective of passenger numbers.

SERVICE CHARTER - INDICATORS SUBJECT TO PUBLICATION (GEN-06 - ALL. 3)					
Quality factors	N°	Indicators	Measurement unit	Objective 2022	Result 2022
Journey safety	1	Overall perception of the passenger and hand luggage security service	% of satisfied passengers	97%	99.1%
Personal and belongings safety	2	Overall perception of the personal and belongings safety level at the airport	% of satisfied passengers	96%	99.9%
Regularity and punctuality of the service	3	Overall punctuality of flights	% of on-time flights out of total departing flights	78%	69.1%
	4	Total misdirected baggage on departure pertaining to the airport	No. of baggage not checked-in with departing pax / 1,000 departing passengers	0.9	0.5
	5	First bag delivery time from aircraft block-on	Time in minutes calculated from block-on of aircraft to return of first baggage in 90% of cases	21:20	20:05
	6	Last bag delivery time from aircraft block-on	Time in minutes calculated from block-on of aircraft to return of last baggage in 90% of cases	29:58	25:53
	7	Boarding wait time for the 1 st passenger	Block-on waiting time in 90% of cases	04:00	03:04
Cleaning and hygienic conditions	8	Service regularity and speed	% satisfied passengers	98%	99.7%
	9	Perception of the cleaning level and functionality of toilets	% of satisfied passengers	90.4%	88.7%
Comfort at the airport	10	Perception of the cleanliness level at the airport	% of satisfied passengers	96.5%	98.3%
	11	Perception of the availability of luggage trolleys	% of satisfied passengers	96%	98.6%
Additional services	12	Preception of the efficiency of passenger transfer systems (escalators, elevators)	% of satisfied passengers	96%	98.6%
	13	Perception on the efficiency of air conditioning systems	% of satisfied passengers	96%	97.3%
	14	Perception of the overall comfort level of the terminal	% of satisfied passengers	96.5%	99.6%
Customer information	15	Perception on the connectivity of wi-fi within the terminal	% of satisfied passengers	91%	94.3%
	16	Perception on the availability of mobile phone and laptop rechargin stations in common areas	% of satisfied passengers	96%	90.5%
	17	Compatibility of bar opening hours with airport opening hours	% of incoming/departing passenger flights compatible with bar opening hours in the respective areas	100%	100%
	18*	Perception of the adequacy of smoking rooms, where present	% of satisfied passengers	90%	91.3%
	19	Perception of the availability of free drinking water dispensers, where present	% of satisfied passengers	not present	not present
	20	Perception of shop and newstand availability, quality and prices	% of satisfied passengers	96%	92.2%
	21	Perception of bar and restaurant availability, quality and prices	% of satisfied passengers	96%	94.5%
	22	Perception of beverage/snack distributor availability	% of satisfied passengers	96%	94.2%
Customer information	23	Easy to use and updated website	% of satisfied passengers	95%	99%
	24	Perception on the effectiveness of operational information points	% of satisfied passengers	95%	99.5%
	25	Perception of the clarity, comprehensibility and effectiveness of internal signage	% of satisfied passengers	95%	98.4%
	26	Perception on professionalism of staff (infopoint, security)	% of satisfied passengers	96.5%	99.6%
	27	Overall perception of the efficacy and accessibility of public information services (monitors, announcements, internal signage, etc)	% of satisfied passengers	96.5%	98.8%

* YTD result to September 2022 (temporary closure of smoking room for area redevelopment)

Counter services	28	Perception of the ticket service	% of satisfied passengers	96.5%	97.5%
	29	Check-in waiting time	waiting time in minutes in 90% of cases	05:01	03:13
	30	Perception of check-in waiting time	% of satisfied passengers	96%	97.7%
	31	Passport control waiting time	waiting time in minutes in 90% of cases	05:02	03:43
Modal integration	32	Perception of passport control waiting time	% of satisfied passengers	94.5%	97.5%
	33	Perception of the clarity, comprehensibility and effectiveness of external signage	% of satisfied passengers	95%	99.2%
	34	Perception of the adequacy of airport-city connections	% of satisfied passengers	86%	88.1%

SERVICE CHARTER - INDICATORS SUBJECT TO PUBLICATION (GEN-06 - ALL. 3)					
Quality factors	N°	Indicators	Measurement unit	Objective 2022	Result 2022
Efficiency of the assistance services	1	For PRM departing with prenotification: waiting time to receive assistance, from one of the points designated by the airport, in case of prenotification	Waiting time in minutes in 90% of cases	05:55	03:48
	2	For PRM departing without prenotification: waiting time to receive assistance, from one of the points designated by the airport, once notified of their presence	Waiting time in minutes in 90% of cases	08:00	03:06
	3	For PRM arriving with prenotification: waiting time on board for PRMs to disembark, after disembarkation of the last passenger	Waiting time in minutes in 90% of cases	04:06	03:12
	4	For PRM arriving without prenotification: waiting time on board for PRMs to disembark, after disembarkation of the last passenger	Waiting time in minutes in 90% of cases	07:25	03:44
Safety for the person	5	Perception on the condition and function of means and equipment on hand	% satisfied PRM passengers	96.5%	99.2%
	6	Perception of the adequacy of staff training	% satisfied PRM passengers	96.5%	99.5%
Airport information	7	Accessibility: numer of essential information accessible to visual, hearing, and motor disabilities relative to the total numer of essential information	% essential information notices accessible over total essential information notices	100%	100%
	8	Completeness: number of information and instructions, related to the services offered, available in accessible format related to the total number	% information/instructions, related to services in accessible format out of total numer of the information/instructions	100%	100%
	9	Perception of the effectiveness and accessibility of information, communication, and signage internal airport	% satisfied PRM passengers	96.5%	98.7%
Communication with passengers	10	No. of answers provided in the established time with respect to total requests for information received	% answers provided within the established time over total requests	100%	100%
	11	Complaints received over total PRM traffic	% complaints received over total PRM traffic	0.1%	0.0003%
Comfort at the airport	12	Perception of the effectiveness of PRM assistance	% satisfied PRM passengers	99.2%	99.8%
	13	Perception of the level of accessibility and usability of airport infrastructure: parking, call intercoms, dedicated rooms, toilets, etc.	% satisfied PRM passengers	94%	89.3%
	14	Perception of spaces dedicated to PRM parking (e.g. Sala Amica)	% satisfied PRM passengers	96.5%	99.8%
Relational and conduct aspects	15	Perception on the the courtesy of staff (infopoint, staff dedicated to assistance special)	% satisfied PRM passengers	96%	98.5%
	16	Perception on the professionalism of staff dedicated to providing special assistance to the PRM	% satisfied PRM passengers	96.5%	99.8%

By the end of 2022, forty-three indicators had reached the target value, and seven missed it, despite a progressive recovery in the second half of the year. The missed targets include:

- 3 - Overall punctuality of flights: 69.1% vs. 78% (also affected by delays in Europe during the summer period, which impacted the Italian airport system);
- 9 - Perception of toilet cleanliness/functionality levels: 88.7% vs. 90.4% (toilets appear to be the infrastructural element most affected by the increase in passenger numbers; access measurement activities and monitoring by time slot and area were refined accordingly);
- 16 - Perception of availability of mobile/laptop charging stations: 90.5% vs. 96% (the new Charging & Working Area opened in August significantly improved consensus, but not enough to reach the target);
- 20, 21, 22 - this set refers to the commercial offer and has a 96% target. The following

results were achieved: 92.2%, 94.5%, and 94.2% (the results are very good, especially taking into account the increased number of passengers and changes in user mix);

- PRM13 - Perception of the accessibility and usability of airport infrastructures: parking, intercoms, dedicated spaces, toilets, etc. 89.3% vs. 94% (satisfaction with toilets affects the overall result; however, we note that - as the PRM category is quite large - passengers in this cluster do not necessarily use toilets reserved for PRMs, making use of the communal ones in most cases).

Despite these discrepancies, the overall assessment of the 2022 Service Charter reveals solid performance across all service areas. This achievement is particularly satisfying considering the increase in passenger numbers, attributed to both general post-pandemic recovery and the opening of the Ryanair hub in late 2021.



Results of the Quality Plan annexed to the Regulatory Agreement 2022

Of the indicators referred to by the Quality Plan, annexed to the 2022 Regulatory Agreement, 8 out of the 10 were considered excellent, with several results considerably above expectations. Two targets failed to meet expectations in terms of perceived quality, and were previously identified as belonging to the set of indicators outlined in the Service Charter.

		Weighting	Real data - base year 2018	Results - bridge year 2019	2021		2022	
					Objectives	Results	Objectives	Results
1) Quality provided	Perception of passport control waiting time	15	5:05	4:30	05:03	04:58	05:02	03:43
2) Quality provided	Last baggage return time	5	30:01	25:39	29:59	24:16	29:58	25:53
3) Quality perceived	Perception of toilet facilities	10	89.8%	94%	90.2%	95.4%	90.4%	88.7%
4) PRM - provided	Disembarkation time, advance notice	10	4:09	5:28	04:07	03:21	04:06	03:12
5) PRM - perceived	Perception of access to infrastructure	10	93.4%	97.1%	93.8%	94.9%	94%	89.3%
6) Quality provided	Check-in waiting time	7	5:04	4:55	05:02	03:30	05:01	03:13
7) ASQ	Overall satisfaction	15	3.86	3.96	3.88	4.06	3.89	4.07
8) ASQ	Ground transportation	8	3.56	3.62	3.58	3.26	3.59	3.68
9) Technical	Usage of Automated Border Control (E-gates)	10	0%	0%	2%	7.95%	3%	29.89%
10) Technical	Charging stations (TPHP/no.)	10	631.7	384.6	500	166	416.7	192

Focus on Passengers with Reduced Mobility (PRM)

As mentioned, only one indicator (relating to passengers with reduced mobility) was found to be non-compliant. Excluding this data point, customer satisfaction among PRMs at Turin Airport was once again excellent (lowest satisfaction level: 98.5%).

Collaboration with associations representing the disabled

In the area of service for passengers with disabilities or reduced mobility, the collaboration with CPD-Consulta per le Persone in Difficoltà (Council for People in Difficulty) continued. SAGAT continued to provide financial support to CPD as part of the "Caselle for All" project, which sets out to improve airport usability for

passengers with specific needs or physical-motor or sensory disabilities. The project provides specially-equipped airport-city transport support services, which can be booked via a toll-free phone line managed by CPD. In 2022, 261 such rides were given, compared to 139 in 2021.

Autism - A journey through the airport project

In 2022, SAGAT S.p.A. continued its commitment to the "Autismo - in viaggio attraverso l'aeroporto (Autism - A journey through the airport)" project, created by ENAC in partnership with Assaeroporti, sector associations and airport management companies to facilitate airport access and air travel for people affected by autism.

In 2022, two airport familiarisation visits were conducted and 39 PRMs with autism spectrum disorder were assisted.

The FlyingAngels salvALI project

Turin Airport joined the #salvALI project, sponsored by ENAC and operated by FlyingAngels, a non-profit organisation that specialises in airlifting seriously ill children and their carers to life-saving treatment that is unavailable in their home countries. To date, no requests for assistance for this specific and very delicate type of passenger have been received.

Airport Service Quality (ASQ)

The ASQ system is based on the collection of self-completed questionnaires from a statistically significant panel of passengers. The customer satisfaction survey system consists of over 1,400 questionnaires per year. Although it uses a different scale (ranging from 1 to 5 in average values), it provides additional insights to SAGAT S.p.A. alongside the data gathered from field surveys conducted in compliance with ENAC regulations.

In 2022, Overall Satisfaction showed an improvement from last year, reaching 4.07.

Overall Satisfaction						
2016	2017	2018	2019	2020*	2021	2022
3.66	3.73	3.86	3.96	4.09	4.06	4.07

(*) Year 2020: surveys were suspended in Q2 due to the pandemic, and a reduced respondent sample was collected in Q3 and Q4, due to limited airport operations.

Acknowledgements and certifications

“The Voice of the Customer” award

Commitment to ASQ fieldwork saw Turin Airport recognised as “The Voice of the Customer” in February 2022, for the second consecutive year, an award given by ACI to airports that in 2021 continued to prioritise passengers, endeavouring to gather feedback through ASQ despite the ongoing pandemic.

Airport Customer Experience Accreditation (renewed in June 2022)

The Airport Customer Experience Accreditation is a voluntary certification that measures an airport's ability to manage passenger experience, as part of the ASQ programme, an international benchmark that monitors service quality at more than 300 airports.

The accreditation scheme is a unique, globally recognised model used to assess the capacity of airports to oversee the customer experience using objective parameters. Airports must demonstrate their maturity as regards customer analysis, performance measurement, processes to manage customer service activities and strategies to improve the quality of services provided. The certificate is awarded based on the assessment, carried out by an international commission, of the achievement of objective requirements. These are identical for every airport, regardless of passenger numbers. To date, 64 airports worldwide (including only four in Italy) have achieved CX Accreditation. Turin Airport, certified at Level 1, is the first Italian airport in its category (2-5 million passengers per year) to receive the award in 2020 despite the pandemic.

This certifications supplements the certified systems that comprise the Integrated Policy of the SAGAT Group:

Voluntary certifications according to UNI EN ISO regulations:

- ISO 9001 Quality Management System;
- ISO 14001 Environmental Management System;
- ISO 50001 Energy Management System;
- ISO 45001 Occupational Health and Safety Management System

Sector-specific obligatory certifications:

- ENAC - Airport Certification.

Sector-specific voluntary certifications:

- ACA - Airport Carbon Accreditation;
- ASQ - Airport Customer Experience Accreditation.

ISO 9001:2015 Quality Certification

In November 2022, the certification body DNV carried out the oversight audit required to maintain ISO 9001:2015 certification. The audit concluded positively, and no non-conformities were found.

Passenger listening

In addition to the use of questionnaires, passenger listening is also carried out through the management of complaints and reports, which are classified in compliance with ENAC Memorandum GEN-06 (dissatisfaction, non-compliance, and safeguarding requests). In 2022, SAGAT handled 101 complaints and reports with an average response time of about six days.



1.17

Communication and Sustainability

Communication

During 2022, a year marked by a strong rebound in post-pandemic air traffic and an expansion of routes offered at Turin Airport, along with an increased commitment to sustainability by airlines, the SAGAT Group's communication activities were structured around three main areas:

- traffic growth and communication support for the multitude of new routes within the network, with a multichannel advertising campaign called "Lowcost Tuttigust", which sought to strengthen Turin Airport's position as a leading airport in the North-West region, thanks to its expanded range of affordable international destinations;
- environmental sustainability, with the promotion of the additional steps taken as part of the "Torino Green Airport" project, which seeks to raise the awareness of different target audiences about airport initiatives;
- innovation, with the promotion of new achievements and trials.

The "Lowcost Tuttigust" advertising campaign was executed ahead of the summer and winter aviation seasons, featuring distinct themes and approaches tailored to the time of year. The creative concept revolved around the wide array of destinations accessible from Turin, which were represented by gummy sweet icons. Each sweet represented a unique journey through the flavours and colours of the connected Italian, European, and non-European destinations, emphasising

the extensive range of options available to flyers and the opportunity to secure tickets at highly competitive prices. The campaign encompassed various media channels: traditional outlets such as local daily digital newspapers and radio stations; dynamic media platforms that reached audiences in Turin, in addition to the Piedmont provinces of Asti, Cuneo, and Alessandria; the SAGAT Group's digital channels, such as official social media profiles (Facebook, Instagram, and LinkedIn), with sponsored activities and engagement; direct email marketing (DEM) and newsletters; and the official website.

In 2022, several campaign-related actions were taken, again with the intention of growing traffic and promoting the expanded route network.

In April, a specialised workshop for local travel agencies was organised, providing an opportunity for approximately 70 agents to meet with representatives from airlines operating at the airport, in addition to tourism authorities from the regions directly connected to Turin. The event deepened agents' understanding of the available flights and destinations.

In addition, several communication activities (press releases and events) were organised throughout the year in cooperation with carriers operating in Turin, coinciding with the launch of new routes or the start of seasons. In collaboration with local entities in newly connected destinations and in partnership with the representatives of the local tourist boards, a series of press trips and fam trips were organised for tour operators, travel agents, and leading

businesses at the airport. To mark the launch of the new flight to Prague, a press trip to the Czech capital was arranged. Similarly, to highlight the new connection to Wroclaw, incoming fam trips were organised for Polish businesspeople and media in Piedmont. Outbound trips were also facilitated for Italian travel agents, tour operators, and influencers to visit the Polish city.

Thanks to the renewed cooperation with the regional tourist board, Turin Airport also took part in a workshop in November in Copenhagen and Stockholm to promote its new direct flights and airport services to an audience of Scandinavian tour operators. Finally, new channels of communication, promotion, and cooperation with foreign tourism boards were opened and will be further strengthened in 2023.

The second communication strand in 2022 focused on the next steps of the "Torino Green Airport" project launched in July 2021. The initiative brings combines all the activities already carried out or soon to be conducted in the field of environmental sustainability under one new brand. To accompany progress, a video titled "100% green turnaround" was produced on the zeroing of CO2 emissions during the cycle of below-board activities carried out by SAGAT Handling S.p.A., thanks to the use of electric airport vehicles. To highlight the importance of this topic and enhance the commitment of SAGAT Group companies in this area, media communication initiatives were also organised, in addition to the publication of a dedicated section on company websites and posts on official Facebook and LinkedIn pages.

Other 2022 communication activities for the "Torino Green Airport" project include a video about Air Carbon, the innovative CO2 emissions monitoring platform designed by Turin Airport in collaboration with Ardian.

In 2022, the communication efforts surrounding "Torino Green Airport" were particularly lively thanks to Turin's participation as a fellow airport in the European TULIPS project, which was officially launched at the end of October 2022 in Amsterdam, at Schiphol Airport, the leading airport driving the initiative. Turin Airport is actively engaged in multiple projects under the TULIPS initiative, and these projects are regularly promoted through various channels: via social media platforms, the airport's official website, its Intranet channel, and during Turin Airport's participation as a panellist at industry events.

Finally, starting in December 2022, a communication campaign highlighting "Torino Green Airport" will be displayed on digital monitors throughout the airport. This campaign serves as an opportunity to raise awareness among airport users about the ongoing efforts undertaken by the SAGAT Group to become more sustainable.

In 2022, innovation was also the focus of Turin Airport's communication activities. One notable example is the AirportGRF-Turin Airport platform, developed entirely by SAGAT S.p.A., which is dedicated to ensuring the safety of airport operations during bad weather conditions. This platform was made available to 22 other airports, including international ones. Another noteworthy

project is the Group's collaboration with the Turin-based start-up Alba Robot, which led to the development of individual mobility devices equipped with autonomous driving and voice command capabilities. This project forms part of the innovative laboratory called Torino City Lab, launched by the City of Turin. Additionally, Turin Airport adopted state-of-the-art X-ray technology at security checkpoints, enabling three-dimensional scanning of hand luggage contents, allowing passengers to leave liquids (including those larger than 100ml) and electronic devices inside their bags.

Turin Airport conducts constant public relations activities to best position itself in the European airport arena and draw attention to the airport's local role as an actor and promoter of economic and tourism development. Against this backdrop, in 2022, Turin Airport's strengthened its participation in international aviation industry representative bodies. During the spring, Turin Airport was nominated for the ACI Europe Best Airport Awards. In June, it proudly received the prestigious award in its category, showcasing its remarkable resilience amid the challenges posed by the pandemic by expanding its flight network, significantly enhancing its regional connectivity, and making continuous efforts in innovation and sustainability. In addition, following the appointment of Turin Airport's Chief Executive Officer as Vice Chair of the ACI Europe Regional Airports' Forum in 2022, Turin was asked to host the annual RAF-Regional Airports Forum event, organised through collaboration with the Turin Chamber of Commerce, Visit Piemonte, and Turismo Torino e Provincia. The event was

held in early October and attended by over 40 representatives from European airports and aviation companies. European airports involved include Budapest (Hungary), Sofia (Bulgaria), Sarajevo (Bosnia-Herzegovina), Linz, Salzburg (Austria), Munster Osnabruck (Germany), Cuneo, Genoa, Naples, Osijek (Croatia), Asturias (Spain), and representatives from Icelandic airports.

Turin Airport also continued to collaborate with local entities by sponsoring major events, including the Eurovision Song Contest in May and the ATP Tennis Finals in November. Partnership initiatives aimed at showcasing prestigious institutions in the region continued. In collaboration with the Mauto-Museo Nazionale dell'Automobile, a special exhibition titled "La storia vista da un parabrezza" (History Seen Through a Windscreen) was organised. As a result of this partnership, the check-in area at Turin Airport proudly displayed a 1925 Diatto 30 and a Lancia Delta Integrale, both owned by the museum.

In line with previous years, the airport continued to promote important events in Piedmont's calendar via an events schedule present at the Arrivals Level, and to organise entertainment at the airport, including a Philharmonic "La Novella" concert with Caselle Torinese, organised at the check-in area as part of the Festa della Musica on June 21.

Turin Airport also lent its support to charitable initiatives coordinated by Assaeroporti, as in the case of "La Mela", which assists the AISM-Italian Association against Multiple Sclerosis, and the Flying Angels Foundation's #SalvALI campaign. Finally, in the charity sphere, we note the assistance

provided to two humanitarian flights organised by the Piedmont Region and Regina Margherita Hospital to transport child refugees and their families fleeing the conflict in Ukraine.

Sustainability

The SAGAT Group defines sustainability as a commitment to social progress, environmental balance, and economic growth, which must permeate its business model and guide its actions. In 2022, the Group conducted several activities in this area to reaffirm its commitment to corporate responsibility and focus on the creation of long-term value for all its stakeholders.

Given that sustainability topics play an important role for the Company, its Sustainability Committee, established in December 2021, began operating in 2022.

The role of the Sustainability Committee is to support Top Management through propositional and consultative activities in the area of sustainability. This entails analysing reference scenarios to identify opportunities and create long-term value for stakeholders. The Committee is responsible for outlining the annual sustainability report, determining its contents, and ensuring the completeness and transparency of communication with stakeholders. It also proposes objectives, targets, and time lines for the Sustainability Plan and monitors the achievement of the sustainability mission. Additionally, the Committee recommends actions to generate value for stakeholders and

actively participates in stakeholder engagement activities. Furthermore, it contributes to the definition and adoption of a measurement model for these efforts.

In 2022, the Committee defined the Sustainability Policy and 2023-2026 Sustainability Plan, which received approval from the Board of Directors in December 2022. During 2023, the Group intends to monitor the progress of the initiatives identified in the Plan and report on developments in detail starting in 2024.

Pending the reporting of further commitments made by the Company, all environmental sustainability activities already underway and referred to in the sections on investment and the environment continued.



1.18

Disputes

SAGAT S.p.A.

Fire Services

Article 1, paragraph 1328, of Law No. 296 of December 27, 2006 (2007 Finance Act) established a special Fund, to be supported by airport operators in proportion to traffic generated, amounting to Euro 30 million per year, in order to finance fire prevention services provided at airports by the National Fire-Fighting Service. Subsequently, Article 4, paragraph 3-bis of Legislative Decree No. 185 of November 29, 2008, which confirmed the extent and methods of financing the Fund, stipulated that it should not only finance airport fire prevention services, but also contribute, alongside other resources, to financing all the activities of the National Fire Prevention Service.

In 2009 SAGAT S.p.A., together with other airport operators, challenged the constitutionality of the regulations establishing the Fire-Fighting Fund and the legitimacy of the provisions establishing and implementing the Fund, and took action to have these provisions annulled.

The appeals were then repeated annually by SAGAT S.p.A. in the face of the various ENAC requests for Fund contribution payments.

The legal dispute, which has now lasted for ten years and has been extensively and thoroughly described in previous years' reports, has been extremely complex. The opposing views have mainly centred around whether the contribution is a tax or a consideration and, therefore, the competence of the tax judges to rule on its merits. The case has been referred to both the Supreme

Court and the Constitutional Court, Both have found fully in favour of the Operators' arguments, confirming that the contributions to the fund established by Article 1, paragraph 1328, of Law No. 296 of December 27, 2006 are in fact a tax.

Two separate decisions of the Rome Provincial Tax Commission (judgement No. 10137/51/14, judgement No. 2517/19) have now become final, expressly acknowledging that the tax is not due from 2009, due to the non-applicability of its original legislative purpose as per Article 4, paragraph 3-bis of Legislative Decree No. 185 of 2008.

As of December 31, 2022, the following rulings were still pending:

- SAGAT S.p.A. filed an appeal notice with Rome's Provincial Tax Commission, challenging a case dating back to 2012. This appeal was filed in response to the Court of Rome's ruling on February 7, 2022, which determined that the ordinary court lacked jurisdiction and favoured the tax court's jurisdiction.
- the judicial review relating to the years 2007 and 2008 is still pending. For these years, however, the Rome Provincial Tax Commission (judgement No. 4874/8/19 of April 2, 2019) has already ordered cancellation, confirming, once again, that the Fire-Fighting Fund constitutes a tax (specifically a purpose tax) and declaring that the legal premise underlying the obligation to contribute to said Fund no longer exists. The first instance ruling was confirmed on appeal by the Lazio Tax Commission (ruling No. 7164/2019). On February 19, 2020, the Attorney General's Office gave notice of an appeal to the Court of Cassation against this

judgement. SAGAT S.p.A. duly appeared. The decision is currently pending.

Revocatory action - Alitalia Linee Aeree Italiane S.p.A. in administration

On August 29, 2008, Alitalia was placed under Extraordinary Administration by means of a decree issued by the President of the Council of Ministers, pursuant to Legislative Decree No. 347/2003 ("Marzano Law") as amended by Legislative Decree No. 134/2008. On January 12, 2009 Alitalia Linee Aeree Italiane, which is under Extraordinary Administration, ceased operations and on January 13, 2009 Alitalia Compagnia Aerea Italiana became operational. The latter acquired Alitalia's company facilities from the receivership administrator.

On August 9, 2011 Alitalia Linee Aeree Italiane S.p.A. in extraordinary administration notified SAGAT S.p.A. of a writ of summons before the Court of Rome with which it requested revocation of the payments made by Alitalia in the six months prior to the declaration of insolvency and admission to the extraordinary administration procedure. Revocation payments for SAGAT S.p.A. amount to Euro 2,208,622.

SAGAT S.p.A., having obtained formal assurances from its lawyers regarding the validity of its legal arguments, therefore took legal action, contesting, among other things, that a large part of the payments made by Alitalia were made after the entry into force of the so-called Alitalia Decree (Legislative Decree No. 80/2008), which

declared payments made by Alitalia after its entry into force to be irrevocable. With regard to the remaining payments, SAGAT S.p.A. maintained that the subjective and objective requirements of Article 67 of the Bankruptcy Law did not exist, and that the payments made to SAGAT S.p.A. were therefore not revocable.

The above-mentioned case came to a conclusion at first instance in 2014, whereby Alitalia's claims were rejected in their entirety.

In 2015, Alitalia challenged this ruling before Rome's Court of Appeal, which partially overturned the first-instance decision with a judgment on June 8, 2018. Specifically, the Court confirmed that payments made after April 24, 2008 (totalling Euro 1,308,103,88) were not revocable, since they were made after the so-called Alitalia Decree came into force. On the other hand, the same Court deemed the other payments, made outside the protection of the Alitalia Decree, for a total of Euro 689,323,49, to be revocable.

In December 2018, SAGAT S.p.A. filed an appeal with the Court of Cassation, which is still pending.

Revocatory action - Alitalia Società Aerea Italiana S.p.A. in administration

On May 2, 2017 Alitalia - Società Aerea Italiana S.p.A. - entered the extraordinary administration procedure pursuant to Decree-Law No. 347/2003, converted with amendments into law by Law No. 39/2004 and subsequent amendments.

On May 4, 2020, a writ of summons was served

against SAGAT S.p.A. by Alitalia Società Aerea Italiana S.p.A. in administration, seeking a declaration of ineffectiveness of the payments made by the air carrier in the six-month period prior to the date of the order opening insolvency proceedings (May 2, 2017) against Alitalia Società Aerea Italiana S.p.A. amounting to Euro 4,181,511,90.

The litigation was resolved when Alitalia filed a deed of release and waiver, leading to the case's extinguishment. This action followed the settlement agreement reached in July 2022, in which SAGAT agreed to recognise Alitalia 50% of the disputed amounts, after deducting the municipal surcharges already paid by the airline.

Inflation

In 2006, SAGAT S.p.A. took legal action against the Ministry for Infrastructure and Transport to obtain compensation for damages deriving from the failure to adjust airport fees in line with inflation, as provided for annually by law pursuant to Article 2, paragraph 190, of Law No. 662 of December 23, 1996. With the judgement of September 15, 2011, the judge ruled against the Ministry and accepted SAGAT S.p.A.'s request regarding the period 1999-2005, ordering the Government to pay SAGAT S.p.A. the amount of Euro 2,650 thousand plus monetary revaluation and interest as provided for by law. The judge did not, however, accept the further request for compensation for damages relating to subsequent years (2006-2008), declaring that there was no jurisdiction over this request.

In confirming the first instance judgement No. 3996/2019 of June 14, 2019, the Rome Court of Appeal also ordered the Ministry for Transport to pay SAGAT S.p.A. damages resulting from the failure to adjust airport fees to inflation in the period 2006-2008, for a further Euro 2,723 thousand plus interest and revaluation.

On December 6, 2019, the Attorney General's Office appealed this ruling before the Court of Cassation, which rejected the appeal by order of January 24, filed on February 6, 2023.

Annual fee as per Article 7 City of Turin agreement - SAGAT S.p.A.

Following the signature of the Convention for the governance of relations regarding the management and development of the airport activity of Turin Airport by SAGAT and ENAC-Ente Nazionale per l'Aviazione Civile on October 8, 2015, the SAGAT S.p.A. Board of Directors requested a legal investigation into the company's continuing obligation to pay the City of Turin the annual fee set out in Article 7 of the Convention signed between the City and SAGAT S.p.A. on September 30, 2002. Legal investigations carried out with the assistance of an external legal firm revealed that the company was no longer obliged to pay the fee set out in the 2002 Agreement.

SAGAT S.p.A. notified the City of Turin of the above by letter in October 2016, SAGAT S.p.A. rejected subsequent requests from the City of Turin for payment of the fee for 2016 and 2017, citing the legal justifications.

On December 15, 2017, SAGAT S.p.A. received notification from the City of Turin of an injunction for payment in the amount of Euro 832,239, relating to unpaid fees for the years 2016 and 2017 plus legal interest.

In January 2018, SAGAT S.p.A. appealed against the injunction in question before the Court of Turin, also requesting that the injunction be suspended,

The City of Turin appeared before the Court and at simultaneously brought an action before the Court of Cassation.

The Court of Turin took note of the jurisdiction proposed by the City and, by order of May 2018, suspended the judgement pending the decision of the Court of Cassation. In the meantime, judging itself to be without jurisdiction and deeming the jurisdiction to be administrative, the Court rejected SAGAT S.p.A.'s appeal to suspend the injunction sought by SAGAT S.p.A., which duly filed a complaint against said order, also rejected.

By order issued on May 13, 2019, the Court of Cassation ruled on the aforementioned jurisdiction regulation, rejecting it and referring the case - resumed by SAGAT S.p.A. on June 14, 2019 - to the Court of Turin.

With a ruling dated February 17, 2021 the Court of Turin rejected SAGAT S.p.A.'s challenge to the injunction against the City of Turin, and on May 12, 2021 SAGAT S.p.A. appealed that judgement. The appeal ruling is currently pending.

Revocation action Blue Panorama in administration

By means of a summons served on March 20, 2017, Blue Panorama in administration requested the revocation, pursuant to the combined provisions of Article 67, paragraph 2 and Article 67, paragraph 3 sub A) of the Bankruptcy Law, of the payments made to SAGAT S.p.A. in the six months prior to the publication in the Companies' Register of the application for pre-arrangement pursuant to Article 161, paragraph 6 of the Bankruptcy Law. The payments subject to revocation amount to Euro 1,063 thousand.

SAGAT appeared before the court and raised objections on the basis of:

- an incorrect calculation of the so-called "suspect period", due to the fact that the counterparty deemed the principle of the so-called "continuation of procedures" to be applicable;
- the absence of *scientia decoctionis*;
- the fact that the payments were made within the "terms of use", and are consequently exempt from revocation;
- the failure to allege and prove the *eventus damni*,

On January 23, 2021, the Court of Rome upheld the defences of Blue Panorama Airlines, declaring the ineffectiveness of the payments made in favour of SAGAT S.p.A. and sentencing the latter company to repayment of the sum of Euro 1,063,150,04 plus interest and court costs.

On October 25, 2021, SAGAT S.p.A. appealed the aforementioned judgment, and while the appeal is still pending, the Company voluntarily complied with the terms of the judgment by paying the amount of Euro 1,201,328.14. However, SAGAT reserved the right to seek full reimbursement, including interest and adjustments, in the future.

Litigation over ICEP Resolution of November 28, 2018 on ENAC Regulatory Agreement

With Resolution of November 28, 2018, published in the Official Gazette No. 87 of 12/4/2019, the Interministerial Committee for Economic Planning (hereinafter ICEP) expressed a favourable opinion on the outline Regulatory Agreement entered into between ENAC-Ente Nazionale per l'Aviazione Civile and SAGAT S.p.A., pursuant to Article 1, paragraph 11, of Legislative Decree No. 133/2014, as converted by Law 164/2014, for the period 2016-2019.

In expressing a favourable opinion, the ICEP endorsed the recommendations of the Consultative Nucleus for the Implementation of Guidelines for the Regulation of Public Utilities Services No. 4 of November 26, 2018 and, in particular, those:

"to insert a specific litigation waiver clause, the proposed wording of which is as follows: 'With this Regulatory Agreement, the company waives all rights and/or claims, including those relating to tariffs, connected with the sector legislative and regulatory framework, the concession, and/or the

contract and those previously stipulated, as well as pending litigation actions relating to any of the areas mentioned'".

With Resolution No. 20 of October 2, 2018, ENAC approved the new outline of the Model Contract, which saw the addition to Article 19 of a clause that waived the right to disputes, and which was very similar to that drafted by NARS and ICEP in their Resolution.

On August 8, 2019, SAGAT S.p.A. lodged an extraordinary appeal with the Italian President as per Article 8 of Presidential Decree No. 1199/1971, requesting cancellation:

- of ICEP Resolution No. 64/2018 of November 28, 2018;
- of ENAC Board of Directors Resolution No. 20/2018 of October 2, 2018, which approved the new model outline of the Regulatory Agreement which proposed the insertion into said model outline of Article 19 regarding the "litigation waiver";
- of the new model outline approved by ENAC Resolution No. 20/2018, with specific reference to the provision in Article 19 relating to the "litigation waiver";

The appeal focuses particularly on the clause waiving the right to litigation, the illegality of which is contested on various bases. Chief among these is the violation of the right to defence which is enshrined in Articles 24 and 113 of the Constitution. On November 20, 2020 the Council of State expressed a favourable opinion, deeming the

appeal brought by SAGAT S.p.A. justified and therefore admissible. The contested act, limited to the clause in question, was consequently annulled. The Council of State tasked the Administration with revising the clause in question after directly involving SAGAT S.p.A. and in accordance with the justifications set out in the aforementioned opinion.

By Presidential Decree dated April 28, 2021, the appeal was upheld, with the consequent annulment of the impugned deed limited to the contested clause.

After the appeal was upheld, ENAC created a revised version of the Regulatory Agreement, incorporating the revised waiver of litigation clause in accordance with the guidelines outlined by the Supreme Court in its opinion issued on November 18, 2020, which upheld the appeal.

Appeal against airport fee regulation models - A.R.T. (Transport Regulation Authority) Resolution No. 136 of July 16, 2020

With an appeal filed on October 14, 2020, SAGAT S.p.A. brought an action before the Piedmont Regional Administrative Court for annulment:

- of Transport Regulation Authority Resolution No. 136/2020 approving the update of the "Airport fee regulation models" and in particular the "Offices investigation report, Conclusion of the procedure begun with Resolution No. 84/2018, Approval of airport fee regulation models" and Annex A, which contains the aforementioned models;

- any other act that is prerequisite, connected and/or consequential to them.

This appeal challenged these acts in relation to the Transport Regulation Authority's introduction of an asymmetrical mechanism for compensating for traffic risk and a parameter (which was unpublished and not submitted for consultation) in the formula for determining the amount of remuneration for invested capital, which has led to a reformatio in pejus of the same. The decision is currently pending.

With Resolution No. 38 dated March 9, 2023, the ART approved the new airport fee regulation models, thereby revoking the previous models mentioned in the disputed resolution and effectively resolving the matter in question.

The new fare models are currently being examined by the relevant SAGAT offices to look for any grounds for appeal.

Appeal against Interdirectional Decree No. 3010/2020 for the transfer to State property of assets no longer functional for ENAV's statutory purposes

In January 2021 SAGAT S.p.A. filed an appeal before the Piedmont Regional Administrative Court requesting the annulment of Interdirectional Decree No. 3010 of April 3, 2020 of the Ministry for the Economy and Finance in agreement with the Ministry for Infrastructure and Transport concerning the "Transfer to State property of the

assets no longer functional to ENAV's statutory purposes and subsequent reallocation thereof to ENAC, pursuant to the combined provisions of Articles 692 and 693 of the Navigation Code for subsequent concession to the airport operator".

In its defence, SAGAT S.p.A. challenged, in particular, the breach, to the detriment of airport operators, of the guarantees of participation set forth in Law No. 241/1990, as well as the abuse of power due to the absence of preliminary enquiries, with the consequent illogicality and contradictory nature of the provision.

The opposing parties ENAC, ENAV, the Ministry for the Economy and Finance and the Ministry for Infrastructure and Transport duly entered an appearance, which is currently pending.

SAGAT - Arrangement Procedure - C.I.C. (Compagnia Italiana Costruzioni S.p.A.) in liquidation

In May 2010, Compagnia Italiana Costruzioni S.p.A. (hereinafter referred to as "CIC") was awarded the tender for the construction of the redevelopment works of the runway in the summer of 2010, as part of a Temporary Association of Companies (ATI) with Viabit S.p.A..

Once the works were completed, CIC opposed five reservations for a total value of Euro 1,068,494.86 to SAGAT S.p.A. and requested payment from SAGAT S.p.A..

After evaluating the confidential reports from the Site Manager, the Testing Commission, and the Process Manager, all of which unanimously declared the reservations of CIC to be unfounded

and illegitimate, SAGAT S.p.A. rejected them. On July 7, 2011, CIC, acting as an agent for the ATI, initiated legal proceedings by serving a writ of summons. The claim requested that SAGAT S.p.A. be ordered to pay the aforementioned amounts as reservations.

The Court of Turin rejected CIC's reservations in their entirety as unfounded. CIC was therefore ordered to pay the costs in favour of SAGAT S.p.A. for a total of Euro 15,000, plus VAT and LPF.

Turin's Court of Appeal, partially upholding CIC's request, ordered SAGAT S.p.A. to pay Euro 514,000, with Ruling No. 218 of February 16, 2016. SAGAT S.p.A. initially complied with the ruling voluntarily. However, in September 2016, it filed an appeal with the Court of Cassation against CIC in an Arrangement Procedure. On October 19, 2021, the Court of Cassation issued an order (filed on January 25, 2022) setting aside the contested ruling and referred the case to Turin's Court of Appeal, with a different composition, including the costs of the proceedings.

On April 14, 2022, the CIC Arrangement resumed the case before Turin's Court of Appeal. However, the lawsuit was subsequently extinguished due to the plaintiff's inactivity. This was a result of a settlement agreement between the Parties, wherein the Arrangement agreed to return the amount of Euro 274,619.18 to SAGAT S.p.A. (equal to 50% of the sums paid by SAGAT S.p.A. to the ATI in compliance with the second-degree judgment for reservations 1 and 2, in addition to interest. Additionally, 100% of the legal fees received by the Arrangement for the first two levels of judgment, and 50% of the registration tax were returned).

SAGAT HANDLING S.P.A.

SAGAT Handling / ENAC - Appeal against ENAC Regulation on the certification of the providers of airport ground assistance services

On December 19, 2022, SAGAT Handling initiated a legal challenge before Lazio Regional Administrative Court against the ENAC Regulation, specifically Amendment 1 to Regulation 7. The challenge pertained to the prohibition imposed on subcontracting the handling services outlined in category 5.4 of Annex A of Legislative Decree No. 18/99 (loading and unloading of aircraft, supply and installation of necessary equipment, transportation of crew and passengers between the aircraft and the air terminal, and transportation of baggage between the aircraft and the air terminal).

In an order dated January 11, 2023, pronounced in chambers, the Regional Administrative Court granted the request made by SAGAT to suspend the contested measure, postponing the case to April 2023 for hearing on the merits.

Revocatory action - Alitalia Linee Aeree Italiane S.p.A. in administration

With a writ of summons served on August 11, 2011, Alitalia in administration brought a revocatory action against SAGAT Handling S.p.A. pursuant to Article 67, paragraph 2 of the Italian Bankruptcy Law in order to obtain a declaration of

ineffectiveness of the payments made by Alitalia in the six-month period preceding the date of its entry into administration and the consequent reimbursement of the sums received for that purpose. Similar actions have been taken against all major airport operators and handlers.

The payments subject to revocation amount to Euro 956,458.

In relation to the legitimacy of Alitalia's requests, SAGAT Handling S.p.A. appeared before the court contesting both the existence of the objective and subjective requisites for the action, arguing the applicability to the case in question of the exemption provided for under Article 67, paragraph 3, letter a) of the Italian Bankruptcy Law (irrevocability of payments for goods and services made in the performance of business activities within the terms of use) and challenging the irrevocability of the payments made after April 24, 2008 by virtue of the express provision to that effect contained in Legislative Decree No. 80/2008 (bridge loan to Alitalia).

In a ruling filed on July 1, 2014, the Court of Rome upheld SAGAT Handling S.p.A.'s arguments and rejected the claims of Alitalia in administration.

With a ruling of December 10, 2020, filed on December 23, 2020, the Rome Court of Appeal also entirely rejected the appeal lodged by Alitalia. This ruling was appealed to the Court of Cassation by Alitalia on March 18, 2021. The case is still pending.

Revocatory action - Alitalia Società Aerea Italiana S.p.A. in administration

On May 4, 2020, Alitalia Società Aerea Italiana S.p.A. in administration filed a new revocatory action against SAGAT Handling S.p.A. requesting a declaration of ineffectiveness of the payments made by the air carrier in favour of said company for a total of Euro 623,384,28.

On February 11, 2021, SAGAT Handling S.p.A. duly entered an appearance, objecting that both the subjective and objective requisites provided for under Article 67 of the Italian Bankruptcy Law to proceed with revocation of the payments do not exist.

The case is still pending.

Revocation action Blue Panorama in administration

By means of a summons served on March 22, 2017, Blue Panorama in administration requested the revocation, pursuant to the combined provisions of Article 67, paragraph 2 and Article 67, paragraph 3 sub A) of the Bankruptcy Law, of the payments made to SAGAT Handling S.p.A. in the six months prior to the publication in the Companies' Register of the application for pre-arrangement pursuant to Article 161, paragraph 6 of the Bankruptcy Law.

The payments subject to revocation amount to Euro 517,020.

SAGAT Handling S.p.A. appeared before the court and raised objections on the following grounds:

- incorrect calculation of the so-called "suspect period", due to the fact that the counterparty deemed the principle of the so-called "continuation of procedures" to be applicable;
- the absence of *scientia decoctionis* (knowledge of insolvency);
- the fact that the payments were made within the "terms of use", and are consequently exempt from revocation;
- the failure to allege and prove the *eventus damni*

At present, the pre-trial proceedings have been completed and the ruling is pending.

Blue Air (SAGAT S.p.A. and SAGAT Handling S.p.A.)

On August 6, 2020 SAGAT S.p.A. and SAGAT Handling S.p.A. were informed by the company KPMG Restructuring - appointed extraordinary commissioner by the Court of Bucharest - that, as of July 6, 2020, Blue Air Aviation S.A., had entered the "preventive moratorium" procedure, a bankruptcy procedure governed by Romanian law No. 85/2014 that is similar in practice to the procedure of arrangement with creditors with business continuity governed by Italian law.

The same communication stated that, for creditors with registered offices in Italy, the Company would also file a special application for

arrangement with creditors in that country, as a secondary procedure to the process underway in Romania, pursuant to the combined provisions of Article 3, paragraph 2 of EU Regulation 2015/848 and Article 161, paragraph 6 of the Bankruptcy Law. On October 3, 2020, Blue Air therefore lodged secondary proceedings before the Court of Rome, applying for admission to the arrangement with creditors on a going-concern basis, which is therefore mainly financed with the proceeds of the ongoing business activity. According to the provisions of the proposed arrangement, preferential creditors are downgraded to the unsecured creditor status and, if the procedure is successful, will receive a payment equal to 31% of their respective claims, while claims already originally in the unsecured creditor status will be satisfied to the extent of 30%, again subject to the successful outcome of the procedure.

SAGAT S.p.A.'s claim admitted to the procedure amounts to Euro 11,610,317,78, of which Euro 11,599,481,29 on a privileged creditor basis (downgraded to unsecured creditor status), which will be paid at the rate of 31%, and Euro 10,836,49 on an unsecured creditor basis, which will be paid at the rate of 30%. Conversely, the claim of SAGAT Handling S.p.A. admitted to the procedure amounts to Euro 812,577,53 on an unsecured basis and, according to the provisions of the composition with creditors, will be paid at a rate of 30%.

At the meeting of creditors held on November 22, 2021, the companies of the SAGAT Group expressed their favourable opinion on the composition with creditors and on February 9,

2022, the Court of Rome issued the relative order of approval.

On February 6, 2023, the Composition Procedure filed a report pursuant to Article 185, Paragraph 1 of the Bankruptcy Law, in which it acknowledged that the Board of Directors of Blue Air Aviation S.A. notified that it was unable to properly fulfil the arrangement procedure assumed with the approval of the arrangement with creditors in Italy, in a statement sent on February 3 by the Company's lawyers. After examining this statement, the commissioning body states in its report that, "*the only way forward at present, therefore, seems to be through liquidation bankruptcy proceedings*".

1.19 Privacy

The companies of the SAGAT Group, in accordance with the "Accountability Principle" as per Regulation EC 2016/679, have adopted a company Personal Data Protection Manual identifying the specific technical and organisational measures put in place by each company for the processing of personal data. This document is constantly updated to incorporate the continuous changes that

company organisational structures implement to ensure corporate compliance.

In accordance with the provisions of Article 37 of the aforementioned Regulation, each of the two companies has also appointed a Data Protection Officer (DPO), who carries out internal audits to verify due compliance with the relevant regulations.



1.20 Risk factors

The Global Risks Report 2023 issued by the World Economic Forum highlighted several critical global risks in the short and long term. In the short term, the report identified increasing living costs caused by inflation, natural disasters, extreme weather events, and the global geopolitical landscape as significant concerns. In the long term, the report emphasised the risk of climate mitigation efforts falling short and the subsequent need for climate adaptation as the most significant challenges.

Based on the survey conducted in 15 European countries, the Risk in Focus 2023 Hot Topics drafted by the Italian Association of Internal Audit (AIIA) identified the evolving macro-contextual and external risks and priorities relevant to the SAGAT Group as follows:

"Remaining stable in first position is cyber security, followed by human capital management risk in second place and geopolitical risk.... [Following are] the disruption of supply chains, rising energy costs and steadily rising inflation".

Although some of these risks had already been highlighted in previous years as major global threats (e.g. cyber security), the report emphasises their increased magnitude. Among these, climate risk is considered to be the single most potentially serious threat over the next ten years.

With regard to global geopolitical tensions, the World Economic Forum report points out that the Russo-Ukrainian War continues to pose serious threats globally a year down the line: *"Geopolitical*

fragmentation will drive geoeconomic warfare and heighten the risk of multi-domain conflicts".

Specifically, *"The economic aftereffects of COVID-19 and the war in Ukraine have ushered in skyrocketing inflation, a rapid normalization of monetary policies and started a low-growth, low-investment era".* This makes the recovery post pandemic uneven, and consequently exacerbates the economic disparities already present in the pre-pandemic period, leading to social tensions and increased migration flows.

The description of the risk factors identified outlines the possible impact from the current geopolitical crisis and other emergencies, together with the mitigation measures adopted (where possible).

In light of the above, the SAGAT Group updated its Risk Catalogue in 2022.

Management method and internal oversight

The management of risk requires appropriate corporate governance mechanisms, an organisational structure with well-defined lines of responsibility and effective internal control systems. The creation of sustainable value for stakeholders cannot exclude taking risks, which is a fundamental component of doing business.

SAGAT S.p.A., as an airport manager and SAGAT Handling S.p.A., as the main airport handler at Turin airport, are subject to potential risks which may impede the achievement of the strategic

objectives. In order to mitigate exposure to these events, the Group has established an organisational structure and processes and procedures which protect airport safety, the quality of services, operations and ensure the creation of value over the long-term.

The SAGAT Group's risk governance centres on:

- first level controls carried out by the operating structures, formalised in procedures, or digitally-based;
- specialist second level company control functions - Quality, EASA Compliance Monitoring, Security Manager, Safety Manager, Protection and Prevention Manager (RSPP), DPO, who ensure the adequacy of the processes within the relative scopes;
- third level controls - Internal Audit - to guarantee the effective running of operations and risk development and to assess the completeness, adequacy, functionality and reliability of the organisational structure and of the other internal control system components.

The model put in place establishes that risk management involves the entire organisation and management is ultimately responsible for the individual risks which it handles on a daily basis and the related mitigation actions, in line with the strategic indications set by the Board of Directors.

Management discusses and works on a continual basis with the second and third level controls to agree the risk containment actions.

SAGAT Group main risk factors

The SAGAT Group's risk assessment model covers five typical sector risk drivers:

- strategic and external environment risks;
- operating risks;
- financial risks;
- legal and compliance risks;
- reputational risks.

These drivers, which categorise the main risks to which the SAGAT Group is potentially exposed to and which may impact the objectives set out in the strategic plan, are described below:

• Strategic and external environment risks

The SAGAT Group operates in a regulated environment as an airport operator, whereby results may be affected by socio-political, macro-economic, competitive and global health events, which represent "external" risks.

2022 saw heightened global geopolitical tensions that surfaced and are still ongoing on the European continent due to the crisis in relations between Russia and Ukraine. In early 2023, the armed conflict continued with consequences that are currently difficult to assess. This in particular may represent both a direct risk factor (due to the continued cancellation of flights to destinations within the area affected by the conflict, as well as the possible reduction in demand to destinations

in areas bordering the war zone) and an indirect risk factor (as a consequence of market volatility due to the application of sanctions against Russia and the resulting disruption of pre-war trade relations between states).

• Health risks

The global health situation has demonstrated how it can dramatically shape the airline industry in terms of traffic volumes and type/nationality of travelling passengers.

As highlighted by the measures adopted to tackle the COVID-19 pandemic, a large-scale disease outbreak may lead to the adoption by the authorities of individual governments of severe limitations or indeed prohibitions on the movement of individuals, not just beyond - but also within - national borders, with sharp and unmitigable effects on air traffic.

This risk, materialising in 2020 with the COVID-19 pandemic and continuing throughout 2021 on an unprecedented scale in terms of the impact on air traffic, has not yet seen effective mitigation measures that can be adopted independently by the airport management companies and therefore also by SAGAT.

Infection prevention measures at the airport were adopted promptly and proactively, according to the health protocols as issued by the competent domestic authorities. These costs impact upon the operating result.

• Climate change risk

The Climate Change risk for SAGAT relates to the aviation industry's significant environmental

impact. The increased and more widespread awareness of Climate Change impacts may result in a drop in air traffic, particularly over short distances where convenient alternative solutions are available.

Social awareness of this issue is increasing, as evidenced by the temporary and experimental French initiative to "*ban air travel for distances less than 250 kilometres that can be easily travelled by train in less than two and a half hours*".

SAGAT is committed, together with its supply chain, to the fight against Climate Change, adopting emission containment measures.

During 2022, the SAGAT Group continued the "Turin Green Airport" programme containing precise action plans and objectives aimed at limiting the impact of its activities on the environment.

These include a commitment in 2023 to continue the sustainability certification pathway after the achievement in 2022 of Level 3-"Optimisation" certification of the ACA environmental sustainability programme, the joint protocol promoted by ACI Europe for the active management through measurable results of emissions at airports. This certification attests to the commitment to involve third parties and to measure the emissions of the Airport's partner companies.

For the 2021-2023 three-year period, SAGAT has set the target of halving CO2 emissions on the 2017 base year, with investments focused on boosting the efficiency of the most energy-intensive systems and the purchase of electricity only from certified renewable sources.

• Market risks

The review of strategies by the leading airlines for the SAGAT Group may result in changes to flights resulting in reduced traffic, with a consequent impact on the Group's operations and results.

This risk materialised in 2021 following the crisis of the carrier Alitalia and in 2022 following the cessation of Blue Air carrier operations.

The performance of the two largest aircraft manufacturers, Airbus and Boeing, can have repercussions on the development of air traffic, as was the case, for example, with Boeing's delayed delivery of the new 737-MAX model, which is being overhauled after the now well-known catastrophic accidents.

The development strategies of airlines can also be influenced by the impact of trade sanctions applied in certain crisis areas and the effects on aircraft availability arising from the consequences of such sanctions on the activities of companies operating in the aircraft leasing market.

The development of fast and alternative rail transport has reduced travel times from Turin to Italy's major population centres - Rome in particular - and has made it easier to reach even more distant destinations by rail. The increase in frequency of high-speed trains along these routes may lead to a reduction in air traffic through Turin airport, as the proximity of other

internationally-focused airports may hinder the development of Turin air traffic volumes.

• Regulatory development risks

The Group operates in a sector regulated at a national, EU and international level, SAGAT Group activities, as is the case for all Italian Airport Managers, are subject to a high level of regulation which impacts in particular the establishment of fees concerning services offered (airport fees, security control, etc.), the allocation of slots and the control of air traffic. Developments in the regulatory framework could therefore affect the Group's results.

SAGAT S.p.A. constantly monitors the activities of Authorities in the national and European aviation field and actively participates in technical round tables set up by industry associations in order to remain firmly in line with any legislative and regulatory changes.

• Operating risks

The operating risk factors are related to the carrying out of airport activities and may impact Group performance.

• Safety & security

Passenger and employee safety is a central concern for the Group, which places maximum priority and focus on daily operating and management activities. The Group has adopted specific health and safety policies requiring, a)

compliance with all applicable regulations, b) ongoing staff training, c) the achievement and maintenance of specific certifications.

In addition, in view of the specific company activities, the Group has for some time put in place a Safety Management System (SMS) to ensure that airport operations are carried out in conditions of established safety, periodically assessing its efficacy to correct any deviations and pursue improvements.

The SAGAT Group regularly undertakes compliance verification, change management and the identification of dangers processes and monitors, assesses and mitigates on an ongoing basis operational risk in order to contain the risk as much as possible (ALARP - as low as reasonably practicable).

Through reviewing performances, reports, auditing and monitoring programmes, accidents recorded internationally, in addition to the relative literature, the applicable safety standards are constantly assessed, with dangers identified and risk mitigation systems drawn up, identifying also possible areas for improvement.

The compliance of the organisation, the infrastructure, the systems and the procedures and the proper functioning of the management system are reflected in the Airport certificate.

• Activity and Service Interruptions

SAGAT Group activities may be interrupted through: a) strikes by airline personnel, by air traffic control services and public emergency service operators, and by SAGAT Group personnel; b) the incorrect and non-punctual provision of services by third parties; c) adverse weather conditions and d) the impossibility of using the runway due to events caused by aircraft taking off and landing.

Natural events may result in the temporary interruption to airport operations, with repercussions on the airport's ordinary operations.

The infrastructural systems are designed and constantly maintained to minimise disruptions from such circumstances and the company procedures cover also the management of these events.

2022 saw strong development in the consumer market for drones, misuse of which can lead to the risk of interference with aviation operations.

• Risks related to the loss of key suppliers

Any bankruptcy or even temporary difficulties of strategic suppliers may have an impact on the SAGAT Group in operational and economic-financial terms. The COVID-19 pandemic resulted in financial difficulties for many sectors, which

are particularly critical for businesses working exclusively and principally in the hardest hit sectors, such as air transport.

In order to reduce the exposure to this type of risk to a minimum, the Group has introduced a supplier selection and monitoring system. Specifically, for tenders and contractor selection procedures, prior certification of an absence of situations not complying with Article 80 of Legislative Decree No. 50/2016 (Procurement Code) is required and - in view of the importance of procurement - the holding of ISO certifications (quality, environment, safety, etc.) is scored positively. Where considered necessary, potential suppliers participating in the selection process are required to provide appropriate bank references.

2022 also witnessed an abnormally sharp increase in energy and fuel prices. As a result, the risk of possible unavailability, uncertainty and/or unsustainability in the procurement of energy sources necessary for business operations was underscored.

• Industrial relations risk

Human resources and relations with employees are key factors contributing to the achievement of the SAGAT Group's objectives.

A structured employee selection process, together with talent development plans and continuous cooperation and dialogue with the trade union representatives, support a conducive corporate environment which minimises the risks related to human resource conflict management and rewards good workplace conduct.

• Ethical standards violation risks

The unethical or inappropriate conduct of employees or of Group companies may have legal and financial consequences for business activities, and may also cause significant reputational damage. The SAGAT Group therefore has a system of rules and controls suited to the environment in which it operates:

- a comprehensive set of procedures, which all employees are required to comply with in the undertaking of their duties;
- a 231 Model as per Legislative Decree No. 231/01, in relation to which specific training is provided to employees;
- an Ethics Code, which is extensively circulated both internally and externally;
- Supervisory Boards for the Group companies;
- a system, overseen by the Supervisory Boards, for reports (including anonymous ones) on the company's website;
- third level control activities by Internal Audit.

• Information Technology Risk

The increasing aggressiveness and pervasiveness of cyber attacks on a global level and new Digital Transformation/Innovation technology initiatives involving the airport sector may increase the risk of vulnerability of information and technology systems.

The SAGAT Group pays great attention to the protection of its IT systems from unauthorised access and cyber attacks that may cause the temporary suspension or hindering of operational services.

The initiatives put in place comprise vulnerability assessment, geared towards preventing possible gaps in the Group's IT systems, and the implementation of risk reduction activities, also targeted at ensuring continuous compliance with international best practices in this area.

• Financial Risks

• Commercial credit risk

Credit risk represents the exposure of the SAGAT Group to potential losses deriving from the non-compliance of obligations by counterparties. The Company continuously monitors the main credit positions and protection against this risk, issuing reminders and involving the relevant internal structures. Where required, solicitation is pursued through outside legal firms, up to and including the deployment of forced recovery actions.

Any residual non-collection risk on the conclusion of the periodic recovery actions requires the accrual in the financial statements of a doubtful debt provision considered adequate in view of the estimates of relative non-recoverability.

• Liquidity risk

The liquidity risk of the SAGAT Group may arise from the difficulty to obtain loans to support operating activities in a timely manner. This risk is directly influenced by the respective overall economic situation within the sector and the contingent point at which the financial need arises.

The cash flows, funding needs and liquidity of the Company are monitored and managed centrally on a continuous basis under the control of the Treasury Department, with the objective of guaranteeing the efficient management of financial resources for the entire Group.

• Currency and interest rate risk

The Group is not subject to market risk deriving from fluctuations in exchange rates as it does not operate in an international marketplace in which transactions are undertaken in currencies other than the Euro and with differing interest rates. At December 31, 2022 the SAGAT Group had no liquidity commitments on the markets. However, it has received loans for which the interest charges are linked to the 6-month Euribor rate. Any increase in this index could therefore generate additional expenses for the company.

• Legal and compliance risks

The Companies of the SAGAT Group undertake their own contractual relationships, maximising the protection of their interests and clarifying reciprocal rights and duties as transparently as possible. The process of drafting and signing contracts involves background checks by the relevant units and the assistance of the internal Legal Department and, where necessary, external legal firms and consultant. The risk of any legal disputes with contractual partners is therefore systematically contained through preventative

actions. In the event of disputes, the exposure to the risk of loss is constantly monitored, also through outside consultants and lawyers. Where this risk is considered to exist, the company as a precaution accrues the estimated amounts for coverage to specific provisions.

The compliance of processes and procedures with domestic and international standards, the certifications obtained and mapped over time, as well as the numerous audits to which internal processes are subject, ensure that the risk of non-compliance with directives and voluntary regulations is low.

• Reputational risks

The SAGAT Group has always placed a particular focus on its reputation, considering it a key factor for success. All activities require in fact

the confidence of investors, the control bodies, of employees and of the customers using the services - to view them as excellent and recommend them to third parties.

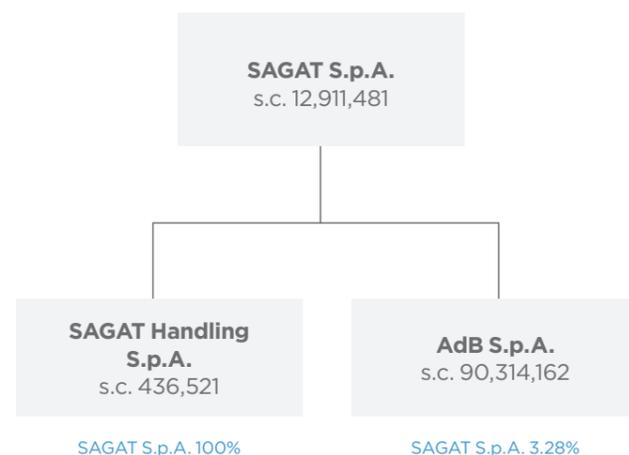
Errors, certain events and regulatory violations may generate a “media storm”, causing reputational damage - in certain cases of such severity as to threaten the Group’s going concern. The Group has therefore decided to consider reputational risk as a first level risk, although it is connected to other risk categories and in particular strategic risk. This underlines the Group’s sensitivity to reputational protection, which is an ongoing commitment in managing operations.



1.21 Equity investments

The following table presents the equity investments held by SAGAT (with the relative Share Capital):

(in Euro)



The investment in SAGAT Handling S.p.A. was recognised at December 31, 2022 at a value of Euro 4,344 thousand (unchanged on the previous year), in excess of its Shareholders' Equity, which at the same date was Euro 2,810 thousand, which includes the profit for the year of Euro 1,482 thousand.

The company managing G, Marconi Airport of Bologna (hereafter AdB) was admitted to

trading on the STAR segment of the Italian Stock Exchange in July 2015.

At December 31, 2022, SAGAT S.p.A. held 1,183,643 ordinary AdB shares, at a carrying amount of Euro 8.26 per share. The market value of the share at December 31, 2022 was Euro 7.80, while the listing amount at March 21, 2023, was Euro 8.

1.22 Additional information

- Financial and operating transactions between the parent company SAGAT S.p.A. and its subsidiaries, associates, parent companies and companies subject to control of the parent companies, are reported in the following table:

Euro thousands

Company	Revenues	Costs	Receivables at 31/12/2022	Payables at 31/12/2022
SAGAT Handling S.p.A.	1,153	1,371	343	163
Total subsidiaries	1,153	1,371	343	163
2i Aeroporti S.p.A.	0	0	7,482	157
Total parent companies	0	0	7,482	157
TOTAL	1,153	1,371	7,825	321

- SAGAT S.p.A. is subject to the management and co-ordination of 2i Aeroporti S.p.A., as per Articles 2497 – 2497-*sexies* of the Civil Code.
- In accordance with Article 2428 of the Civil Code, the Company does not have secondary offices.
- During the year, the Company did not incur any research and development expenses.

1.23 2023 Outlook

In the first two months of 2023, the SAGAT Group reported significant growth on the same period of 2022, with a total of 697,826 passengers (+48.5%) and 6,912 movements (+22.01%).

361,168 passengers were recorded in January 2023, making it the best January ever recorded for passengers carried, surpassing the previous record of 339,432 passengers in January 2019.

Strong growth in the first two months resulted in an increase of 3.05%, compared to the same pre-COVID period in 2019.

Although ACI Europe¹ estimates a 10% to 8% reduction in annual pre-COVID-19 traffic volumes in 2023 compared to 2019, a consolidation of the traffic volumes reached in 2022 can be expected at Turin Airport during 2023. This forecast is supported by the launch of new routes and the end of the health emergency, which negatively impacted Q1 2022. Ryanair plans to launch four new summer routes to Alicante, Stockholm, Porto, and Vilnius and increase frequencies on five existing destinations: Brussels, Cagliari, Valencia, Pescara and Seville. In addition, Volotea's operational schedule includes a new connection to Paris-Orly twice a week from 26 May.

However, these growth prospects may be hampered by the ongoing conflict in Ukraine, whose development is currently highly uncertain both in terms of its duration and its social and economic consequences.

An escalation of the war remains a major source of vulnerability, particularly for Europe. Geopolitical tensions continue to impact the price of energy sources, while potential delays in supply chains could further intensify. There is also a possibility of disruptions to passenger mobility, including security concerns and reduced demand for destinations in areas near conflict zones. The reduction in demand could have indirect consequences deriving from market volatility due to the application of sanctions against Russia and the resulting disruption of trade relations between states).

Despite the uncertain environment, the Group will continue to invest in increasing the region's connectivity and the quality of services provided while improving economic and social sustainability.

¹ Source ACI Europe: Economic Forecast of December 20, 2022 <https://www.aci-europe.org/economic-forecasts.html>

1.24 Proposal for the allocation of the result for the year

Dear Shareholders,

the Separate Financial Statements at December 31, 2022 of the parent company SAGAT S.p.A. outlined above, which were subject to the legally-required audit of the independent audit firm EY S.p.A., report a net profit of Euro 10,407,570.85, which we propose to entirely cover accumulated losses.

Caselle Torinese, March 29, 2023

Original copy, signed by:
The Chairperson
Elisabetta Oliveri



2 Financial statements of SAGAT Group

at December 31, 2022



Consolidated balance sheet: Assets

amounts in Euro

Consolidated balance sheet: Assets	Financial statements at 31/12/2022	Financial statements at 31/12/2021
A) RECEIVABLES FOR UNPAID SHARE CAPITAL		
B) FIXED ASSETS		
I. Intangible assets		
4) Concessions, licenses, trademarks & similar rights	236,718	154,777
6) Assets in progress and advances	376,309	244,657
7) Other assets	9,478,910	8,649,291
Total intangible assets	10,091,937	9,048,726
II. Property, plant and equipment		
1) Land and buildings	3,515,794	3,515,794
3) Industrial and commercial equipment	5,823,422	5,805,026
4) Other assets	1,480,639	1,046,643
5) Assets in progress and advances	2,996,740	1,261,681
II.bis Transferable assets		
1) Land and buildings	20,812,414	23,007,277
1-bis) Runways and related land	261,317	281,419
2) Plant and machinery	7,553,283	7,815,275
Total property, plant & equipment	42,443,609	42,733,114
III. Financial assets		
1) Investments in:		
d-bis) Other companies	9,781,870	9,781,870
2) Receivables:		
d-bis) Other:		
within 1 year	0	0
beyond 1 year	277,757	63,228
Total receivables		
within 1 year	0	0
beyond 1 year	277,757	63,228
Total receivables	277,757	63,228
Total financial assets	10,059,627	9,845,098
TOTAL FIXED ASSETS (B)	62,595,173	61,626,938

amounts in Euro

Consolidated balance sheet: Assets	Financial statements at 31/12/2022	Financial statements at 31/12/2021
C) CURRENT ASSETS		
I. Inventories		
1) Raw materials, ancillaries and consumables	336,803	353,451
Total inventories	336,803	353,451
II. Receivables		
1) Trade receivables:		
within 1 year	16,683,046	11,212,360
beyond 1 year	0	0
4) Parent companies:		
within 1 year	778,828	793,602
beyond 1 year	6,703,519	4,169,353
5-bis) Tax receivables:		
within 1 year	1,466,286	815,116
beyond 1 year	95,352	216,869
5-ter) Deferred tax assets:		
within 1 year	551,367	540,042
beyond 1 year	7,101,953	8,525,458
5-quater) Others:		
within 1 year	11,323,003	10,074,306
beyond 1 year	39,752	39,752
Total receivables		
within 1 year	30,802,530	23,435,426
beyond 1 year	13,940,576	12,951,431
Total receivables	44,743,106	36,386,857
IV. Cash and cash equivalents		
1) Bank deposits	23,474,394	11,481,754
2) Cheques on hand	0	0
3) Cash & cash equivalents on hand	28,814	42,997
Total	23,503,208	11,524,750
TOTAL CURRENT ASSETS (C)	68,583,117	48,265,058
D) ACCRUED INCOME & PREPAYMENTS		
Accrued income	0	0
Prepayments	691,888	280,345
TOTAL ACCRUED INCOME & PREPAYMENTS (D)	691,888	280,345
TOTAL ASSETS	131,870,178	110,172,341

Consolidated balance sheet: Liabilities

amounts in Euro

Consolidated balance sheet: Liabilities	Financial statements at 31/12/2022	Financial statements at 31/12/2021
A) Shareholders' equity		
I. Share capital	12,911,481	12,911,481
II. Share premium reserve	6,104,521	6,104,521
III. Revaluation reserve		
Revaluation reserve as per Law 342/2000	7,362,627	7,362,627
IV. Legal reserve	2,582,296	2,582,296
V. Statutory reserves	0	0
VI. Other reserves, as follows		
Extraordinary reserve	4,140,862	4,140,862
Reserve for extraordinary investments	4,906,340	4,906,340
Consolidation reserves	1,063,127	1,671,760
VII. Cash flow hedge reserves	0	0
VIII. Retained Earnings/(Accum. Losses)	(14,335,091)	(6,536,500)
IX. Profit/(loss) for the year	11,905,701	(8,407,224)
X. Negative reserve for treasury shares in portfolio	(4,823,612)	(4,823,612)
Group shareholders' equity	31,818,252	19,912,552
Non-controlling interest share, equity	0	0
TOTAL SHAREHOLDERS' EQUITY (A)	31,818,252	19,912,552
B) Provisions for risks and charges		
4) Other provisions:		
Provision for future charges	8,594,695	10,409,806
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	8,594,695	10,409,806
C) Post-employment benefits	2,945,286	3,173,496
TOTAL (C)	2,945,286	3,173,496

amounts in Euro

Consolidated balance sheet: Liabilities	Financial statements at 31/12/2022	Financial statements at 31/12/2021
D) Payables		
4) Bank payables:		
within 1 year	5,181,802	2,656,699
beyond 1 year	20,771,649	25,609,978
7) Trade payables:		
within 1 year	30,496,860	19,947,630
beyond 1 year	331,112	331,112
11) Parent companies:		
within 1 year	157,240	0
beyond 1 year	0	0
12) Tax payables:		
within 1 year	1,229,457	1,109,177
beyond 1 year	585,552	1,069,880
13) Payables to social security institutions:		
within 1 year	1,068,135	1,186,961
beyond 1 year	0	0
14) Other payables:		
within 1 year	21,898,596	17,756,611
beyond 1 year	893,123	784,571
Total		
within 1 year	60,032,090	42,657,078
beyond 1 year	22,581,436	27,795,541
TOTAL PAYABLES (D)	82,613,526	70,452,619
E) Accrued expenses and deferred income		
Accrued expenses	0	8,648
Deferred income	5,898,419	6,215,221
TOTAL (E)	5,898,419	6,223,869
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	131,870,178	110,172,341

Consolidated income statement

amounts in Euro

Consolidated income statement	Financial statements at 31/12/2022	Financial statements at 31/12/2021
A) Value of production		
1) Revenues from sales and services	67,360,396	35,331,394
5) Other revenue and income showing separately operating grants:		
Other revenues and income	5,884,343	2,528,163
Operating grants	13,507,982	14,311
Total other revenues and income	19,392,325	2,542,474
TOTAL VALUE OF PRODUCTION (A)	86,752,721	37,873,868
B) Costs of production		
6) Raw materials, ancillary, consumables and goods	1,579,406	886,195
7) Services	38,034,444	19,733,039
8) Rent, leasing and similar costs	3,521,015	1,913,159
9) Personnel costs:		
a) salaries and wages	15,047,104	11,539,235
b) social security charges	4,315,417	3,484,251
c) post-employment benefits	1,150,209	1,120,070
d) pension and similar rights	0	0
e) other costs	357,801	321,598
Total personnel costs	20,870,531	16,465,155
10) Amortisation, depreciation and write-downs:		
a) amortisation of intangible assets	977,280	1,059,060
b) depreciation of property, plant and equipment	5,404,149	5,146,945
c) write-down of fixed assets	0	0
d) write-downs of current receivables and cash and cash equivalentse	861,753	1,063,539
Total amortisation, depreciation and write-downs	7,243,182	7,269,544
11) Change in inventories of raw materials, ancillaries, consumables and goods	16,648	157,086
12) Provisions for risks	397,939	386,337
13) Other provisions	0	0
14) Other operating costs	3,374,083	1,710,159
TOTAL COST OF PRODUCTION (B)	75,037,248	48,520,673
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	11,715,473	(10,646,805)

amounts in Euro

Consolidated income statement	Financial statements at 31/12/2022	Financial statements at 31/12/2021
C) Financial income and charges		
15) Investment income:		
e) dividends and other income	0	0
16) Other financial income:		
d) other income		
other	160	258
Total	160	258
17) Interest and other financial charges:		
other	(697,767)	(616,539)
17-bis) Exchange gains and losses	(47)	4
TOTAL FINANCIAL INCOME AND CHARGES (C)	(697,654)	(616,277)
D) Adjustments to financial assets	0	0
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS (D)	0	0
RESULT BEFORE TAXES (A-B+/-C+/-D)	11,017,819	(11,263,082)
20) Income taxes for the year:		
a) Current taxes	2,300,062	2,622,692
b) Deferred tax (charges) & income	(1,412,180)	233,166
21) GROUP AND MIN, INTEREST PROFIT/(LOSS)	11,905,701	(8,407,224)
GROUP PROFIT/(LOSS)	11,905,701	(8,407,224)
MINORITY INTEREST PROFIT/(LOSS)	0	0

SAGAT Group cash flow statement

amounts in Euro

SAGAT Group cash flow statement	2022	2021
A) Cash flow from operating activities		
Group profit/(loss) for the year	11,905,701	(8,407,224)
Income taxes	(887,882)	(2,855,858)
Interest charges/(income)	697,654	616,278
(Dividends)	0	0
(Gains)/losses on sale of assets	7,300	(28,204)
1) Profit/(loss) for the year before taxes, interest, dividends and gains/losses from disposals	11,722,773	(10,675,008)
Non-cash adjustments not impacting working capital:		
Provisions	397,939	386,337
Amortisation & depreciation	6,381,429	6,206,005
Impairments	2,190	23,853
Other non-cash increases/(decreases)	0	0
2) Total non-cash adjustments not impacting working capital	6,781,558	6,616,195
Cash flow before working capital changes	18,504,331	(4,058,813)
Changes in net working capital:		
Decrease/(Increase) in inventories	16,648	157,086
Decrease/(Increase) in trade receivables	(5,470,686)	(6,284,057)
Increase/(Decrease) in trade payables	10,549,229	3,818,951
Decrease/(Increase) in prepayments and accrued income	(411,543)	(105,101)
Increase/(Decrease) in accrued expenses and deferred income	(325,450)	(539,869)
Other Decreases/(Other Increases) in working capital	9,057,341	4,360,845
Total changes in working capital	13,415,539	1,407,855
Cash flow after changes in net working capital	31,919,870	(2,650,958)
Other adjustments:		
Interest received/(paid)	(671,462)	(616,753)
(Income taxes paid)	(709,375)	(481,082)
Dividends received	0	0
(Utilisation of provisions)	(9,252,514)	(487,537)
Other receipts/(payments)	0	0
Total other adjustments	(10,633,350)	(1,585,372)
CASH FLOW FROM OPERATING ACTIVITIES (A)	21,286,520	(4,236,330)

amounts in Euro

SAGAT Group cash flow statement	2022	2021
B) Cash flow from investing activities		
Property, plant & equipment:		
(Cash flows from investments)	(5,059,305)	(4,092,760)
Cash flows from divestments	7,500	0
Intangible assets:		
(Cash flows from investments)	(1,943,031)	(990,935)
Cash flows from divestments	0	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	(6,994,836)	(5,083,695)
C) Cash flow from financing activities		
Third-party funds:		
Increase/(Decrease) in short-term bank payables	0	0
New loans	0	3,000,000
(Repayment of loans)	(2,313,226)	0
Own funds:		
Reimbursement of paid-in capital	0	0
Dividends and advances on dividends paid	0	0
CASH FLOW FROM FINANCING ACTIVITIES (C)	(2,313,226)	3,000,000
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	11,978,458	(6,320,025)
OPENING CASH AND CASH EQUIVALENTS	11,524,750	17,844,775
CLOSING CASH AND CASH EQUIVALENTS	23,503,208	11,524,750

The undersigned herewith declares that the financial statements shown above reflect the underlying accounting entries.

On behalf of the Board of Directors
The Chairperson

Notes to the consolidated financial statements

General principles and basis of presentation of the consolidated financial statements

SECTION I

Form and content of the consolidated financial statements

- The Consolidated Financial Statements comprise the Balance Sheet, the Income Statement, the Cash Flow Statement, and the Explanatory Notes, together with the Directors' Report. They have been prepared in accordance with the provisions of Legislative Decree No. 127/1991 (implementing Directives IV and VII of the European Community) and Italy's generally accepted accounting principles.
- These financial statements have been prepared so as to provide sufficient information to give a true and fair view of the financial performance and standing of the Group as a whole.
- The layout and content of the balance sheet and income statement comply with the principles defined by the Italian civil code as applicable to the Parent Company so as to provide a true and fair view of the Group.
- The consolidated financial statements have been prepared with reference to the close of the financial year of the Parent Company, which is the same closing date as for the other consolidated companies.
- Even though the information required by Italian law as concerns the layout and content of the consolidated financial statements is deemed sufficient in providing a true and fair view of the Group, the following supplemental information is also provided:
 - a reconciliation of shareholders' equity and net profit for the Parent Company and for the Group as shown in the consolidated financial statements;
 - an analysis of financial position - included in the Group Directors' Report;
 - cash flow statement;
 - other material information based on the size and characteristics of the Group.
- The consolidated financial statements were audited, in accordance with Article 2409-bis of the Italian civil code, by the independent audit firm EY S.p.A..
- The Balance Sheet, Income Statement and Cash Flow Statement were prepared in units of Euro, while the Explanatory Notes are expressed in thousands of Euro, except where otherwise stated.

SECTION II

Consolidation scope

- Subsidiaries, i.e, those companies in which the Parent Company directly or indirectly holds a controlling interest as defined by Article 26 of Legislative Decree No. 127/91, have been consolidated on a line-by-line basis. The companies included in the consolidation scope are as follows:

euro thousands

Company	Registered office	Share capital	Shareholders' equity	Holding %
SAGAT S.p.A.	Strada san Maurizio, 12 Caselle Torinese	12,911	33,352	Parent
SAGAT Handling S.p.A.	Strada san Maurizio, 12 Caselle Torinese	436	2,810	100%

No companies have been consolidated at equity.

The following equity investments are measured at cost:

euro thousands

Company	Registered office	Share capital ⁽¹⁾	Shareholders' equity ⁽¹⁾	Holding at al 31/12/21
Aeroporto G. Marconi di Bologna S.p.A.	Via Trionvirato, 84 Bologna	90,314	152,355	3.28%

(1) Figures relating to last financial statements available at 31/12/2021.

It should be noted that the consolidation scope has not changed from the previous year,

SECTION III

Consolidation procedures

1. The balance sheets and income statements of the subsidiaries have been consolidated on a line-by-line basis. When preparing the consolidated financial statements, the carrying amount of equity investments has been eliminated along with the share of equity held directly or indirectly by the Parent Company. Any differences resulting from the elimination of equity investments against the carrying amount of equity as at the acquisition date are recognised as assets and liabilities of the consolidated companies within the limit of their fair values. Any residual values are, if positive, recognised as goodwill and amortised on a straight-line basis based on their expected recoverability and, if negative, recognised among shareholders' equity as applicable on a case-by-case basis.
2. Minority interests in equity and earnings of the consolidated subsidiaries are shown separately.
3. Receivables and payables, in addition to inter-company transactions between subsidiaries are fully eliminated. No profits or losses not yet realised by the Group in their entirety are recognised to the consolidated financial statements as deriving from inter-company transactions.
4. For the subsidiaries, we have used, for the consolidation, the financial statements for the financial year ended December 31, 2022 as prepared by their respective Boards of Directors for approval by the companies' shareholders.
5. The consolidated financial statements have been prepared using uniform accounting policies for similar transactions.

SECTION IV

Accounting policies

1. The accounts have been measured on a prudent and going concern basis, while also taking account of the substance of the transaction or the contract (Article 2423 bis, para, I, No. 1, of the Civil Code).
2. The profits realised at the closing date of the fiscal year were exclusively included.
3. Income and charges were considered on an accruals basis, independently of the date of receipt or payment. Costs have been matched with related revenues recognised during the year.
4. Account is taken of risks and losses in the year even if known after the year-end.
5. Dissimilar components of individual items are valued separately.
6. No assets and liability accounts are recorded under more than one line item of the balance sheet (Article 2424, para, II, of the Civil Code).
7. Group core operating items have been added for the sake of greater clarity.
8. In accordance with Article 2423-ter of the Italian civil code, it should be noted that all figures are comparable.
9. The accounting policies utilised in the preparation of these financial statements were adjusted to the amendments, supplements and new provisions introduced to the Civil Code by Legislative Decree No. 139/2015, which transposed into Italian Law the 34/2013/EC accounting directive. In particular, Italian GAAP issued by the OIC were adopted for the preparation of these financial statements.
10. In relation to the contents of the notes to the financial statements as per Article 2427 of the Civil Code:
 - the Company did not enter into any financing transactions with the temporary transfer of assets during the year;
 - the Company does not have any off-balance sheet arrangements beyond that reported both in these Notes and in the Directors' Report, whose knowledge would be useful in assessing the Company's equity and financial position;
 - no atypical or unusual transactions were carried out, i.e., outside the normal course of business or capable of materially affecting the Company's financial position and performance;
 - the Company does not have any separate indicated assets or any financing indicated for a specific business as per Art. 2447-bis of the Civil Code and subsequent;
 - the Company has not subscribed to derivative financial instruments under Article 2427-bis of the Civil Code.

Criteria applied in the measurement of the accounts in the consolidated financial statements, value adjustments and translation of amounts in foreign currencies

Assets

Assets to be used over the long-term are classified under fixed assets.

Intangible assets

Intangible assets are recorded at purchase or production cost, including direct accessory charges, and are amortised on a straight-line basis based on their remaining useful lives. The amortisation schedule, in accordance with this principle, is shown below.

Intangible assets	
Type of asset	Rate
Industrial patents and intellectual property rights	33%
Concessions, licenses, trademarks and similar rights	33%
Other intangible assets	Between 5.56% and 33%

The amortisation criteria and ratios applied have not been amended on the previous year. In light of company programmes, at the balance sheet date, no intangible assets were found to have a permanent value of less than their (adjusted) purchase cost, including direct accessory charges and net of amortisation, and therefore the need for any write-downs did not emerge.

Tangible fixed assets

Property, plant and equipment are measured at purchase or construction cost, including direct accessory charges, with the exception of assets subject to revaluation in accordance with Law No. 72/83, as specified in Part III of these Explanatory Notes.

The cost of an asset includes the financial charges incurred for their production up to the moment in which the asset is ready for use and for the portion reasonably attributed to said asset. The amount of the financial charges capitalised during the year is shown in Part III of these Explanatory Notes.

The cost of property, plant and equipment, whose utilisation is limited in time, are depreciated on

a straight-line basis each year based on their residual future utility.

The depreciation schedule, in accordance with the principles described above, is shown below:

Property, plant & equipment	
Type of asset	Rate
Buildings and related property	4%
Runways and aircraft apron	6.25%
Flight-assistance systems	31.5%
Other plant	10%
Runway and ramp equipment	10%
Equipment for other uses	20%
Specific equipment	12.5%
Motor vehicles	25%
Transport vehicles	10%
Furniture & fittings	12%
EDP	20%
Other property, plant and equipment	20%
Sundry property, plant and equipment	100%

It should be noted that, following the amendment to Article 104 of the Consolidated Income Tax Act introduced by Legislative Decree No. 669 of December 31, 1996, which allows financial depreciation solely as an alternative to technical depreciation (and no longer in addition to it), the Parent Company has, since 1997, adopted technical depreciation and has recognised previously accumulated financial depreciation from the historical cost of the related assets. The only exceptions are the categories "Runways and aircraft aprons" and "Other intangible assets", for which the Parent Company has adopted financial depreciation and amortisation, which is on a straight-line basis and is calculated so that the useful lives of the assets ends in 2037, i.e, the end of the airport concession agreement, which was extended by way of Article 202, paragraph 1-bis, of Legislative Decree No. 34 of May 19, 2020, as amended by Law No. 77 of July 17, 2020.

Assets which went into use during the year are amortised or depreciated for a half year in order to take account of their reduced use for the year. In light of company programmes, at the balance sheet date, no property, plant and equipment were found to have a permanent value of less than their (adjusted) purchase cost, including direct accessory charges and net of depreciation, and therefore the need for any write-downs did not emerge (Article 2426, first paragraph, No. 3 of the Civil Code).

Financial assets

This aggregate reflects the amount of non-current uses of funds of a financial nature.

Equity investments in companies other than subsidiaries or associates are recognised at cost and adjusted in the event of any permanent losses in value. These impairment losses are reversed when the reasons underlying them cease to exist.

Receivables are recorded at their estimated realisable value.

Treasury shares are recorded at their purchase cost in the negative equity reserve for any treasury shares held.

For non-current financial receivables, we have assessed adopting the amortised cost approach as defined under Article 2426, paragraph 2, of the Civil Code, while also taking account of time value and presumed realisable value in accordance with the point 8 of Article 2426, paragraph 1, of the civil code.

The immateriality of the application of the amortised cost method was verified for all non-current receivables, or where the settlement costs, commissions paid between the parties and any other difference between the initial value and the value on maturity is immaterial or where the receivables are short-term (i.e, with maturity of less than 12 months).

Inventories

Inventories of raw materials, ancillaries, consumables and goods, which mainly concern materials and replacement parts, have been recognised at purchase cost plus accessory charges. As in previous years, this cost has been calculated as a weighted average.

Assets that do not have a real possibility of being used in production are recognised at their realisable value when less than their purchase cost.

In any event, the carrying amount of inventories is not greater than their presumed market value taking account of the utility of the goods within the scope of the production process.

The value of inventories is not significantly different from their fair value at year-end.

Receivables

For current financial receivables, we have assessed adopting the amortised cost approach as defined under Article 2426, paragraph 2, of the Civil Code, while also taking account of time value and presumed realisable value in accordance with the point 8 of Article 2426, paragraph 1, of the civil code, net of adjustments and a provision for credit risk of a suitable amount to take account of the risk of default on

all trade receivables as a whole. The immateriality of the application of the amortised cost method was verified for all receivables, or where the settlement costs, commissions paid between the parties and any other difference between the initial value and the value on maturity is immaterial or where the receivables are short-term (i.e, with maturity of less than 12 months). Receivables for interest on arrears have been fully written down in the years in which they accrued. There are no receivables for which payment terms have been deferred by contract, for which it would be appropriate to recognise their present value at current rates in accordance with applicable accounting standards.

Cash and cash equivalents

Cash and cash equivalents are recorded at their nominal value.

Prepayments and accrued income and accrued liabilities and deferred income

Prepayments and accruals include the income/charges of the year applicable in future periods and charges /income sustained in the period relating to future periods. Only amounts relating to two or more periods are recorded in these

accounts, the amount of which varies depending on the time period involved.

Shareholders' Equity

This item includes all transactions of an equity nature carried out between the Company and parties exercising their rights and duties as shareholders. The increase in share capital is recognised in the accounts only subsequent to the transaction's registration at the companies office, as governed by Article 2444, paragraph 2 of the Civil Code. In this case, the corresponding amount is recognised in a special equity item (other than "Share Capital"), which includes the amounts of share capital subscribed by shareholders, which will subsequently be reclassified on meeting the conditions above.

Provisions for risks and charges

Provisions for risks and charges only include provisions to cover known or likely losses or liabilities of a specific nature, the timing and extent of which cannot be determined at year-end.

These provisions have been measured in accordance with the prudence and accruals concepts and no provision has been made for

matters without any economic justification. Any risks for which the occurrence of a liability is only possible or for which no objective forecast of the resulting charge is possible are disclosed in the Notes to the Financial Statements without making provisions for risks and charges. No account is taken of risks whose possibility of manifestation appears remote.

Post-employment benefits

Law No. 296 of December 27, 2006 (2007 Finance Act) introduced amendments for the Post-employment benefits maturing from January 1, 2007. These rules apply to Group companies with more than 50 employees.

As a result of the reform in supplemental pension benefits, for the Parent Company and for SAGAT Handling:

- the post-employment benefits matured until December 31, 2006 remain within the company;
- the post-employment benefits matured from January 1, 2007 accumulate by the method expressly or tacitly selected by the employee as follows:
 - a) allocated to a supplementary pension fund;
 - b) held in the company, which must transfer the relative quota to the Treasury Fund managed by INPS.

Since January 1, 2007, amounts matured during the year continue to be recognised as post-employment benefits (item B.9 c) in the income statement).

Under the balance sheet, post-employment benefits (account C) represent the residual provision at the reporting date, while the accounts D.13 "Payables to social security institutions" and D.14 "Other payables" refer to the payable matured at December 31 relating to post-employment benefits still to be paid to the INPS treasury fund and to the pension funds.

Payables

For payables, we have assessed adopting the amortised cost approach as defined under Article 2426, paragraph 2, of the Civil Code, while also taking account of time value and their nominal value in accordance with the point 8 of Article 2426, paragraph 1, of the civil code, which applies to when transaction costs, fees paid by the parties, and any differences between the starting value and the value when due are not insignificant and the payable is due beyond 12 months.

Therefore, payables are recognised at their nominal value, with the exception of the Euro 25 million bank loan as described in the related section herein.

Risks, commitments and guarantees

Risks that are likely to give rise to a liability are described in the Explanatory Notes and the related provisions recorded under Risk Provisions.

Risks that will only possibly give rise to a liability are described in the Explanatory Notes without making a provision.

Commitments are recognised at their contractual value, whereas guarantees are recognised based on the risk assessed at year-end. Both of these are discussed in the Explanatory Notes.

Revenues and costs

Revenues, costs and other income and charges are recognised on a prudent basis and in line with the matching of revenue and expenses and are shown net of discounts, rebates, and other incentives and subsidies. Service revenues are recognized in the period in which the services are performed.

Grants

Grants are recognised as other revenue and income in the period in which there is a reasonable certainty concerning eligibility for their receipt and recognised as deferred income when related to future periods. This deferred income is then reduced at the end of each financial year and recognised as income at the same rate as for the depreciation of the asset to which the grant refers.

Income taxes

Beginning with the 2017 financial year, the Company, as a subsidiary of the Group, adhered to the National Tax Consolidation scheme in accordance with Articles 117 et seq, of Italy's Income Tax Law. The other subsidiaries also adhering to the scheme are SAGAT S.p.A., GESAC S.p.A., 2i S.A.C. and Aeroporto Friuli Venezia Giulia S.p.A., while 2i Aeroporti S.p.A. is the parent company.

The current National Tax Consolidation scheme concerns the three-year period 2020-2022. This option was exercised in order to take advantage of the benefits allowed under the law, including the ability for the parent company to offset the earnings of the individual companies involved. Notification of the renewal of this option, as envisaged under Article 5, paragraph 1, of the Decree of the Ministry for the Economy and Finance of June 9, 2004, was filed electronically with Italy's Tax Agency on October 31, 2020, by 2i Aeroporti S.p.A..

The relevant aspects of the group rules on tax consolidation are described below:

- a) if, and to the extent that, in one of the fiscal years within the tax consolidation scheme, one of the parties contributes a surplus of interest expense and similar charges (in accordance with Article 96, paragraph 2, of the Income Tax Law), this party shall have the right to receive compensation for such charges;
- b) in the event the taxable income of a subsidiary, net of fiscal losses as per Article 84 of the Income

Tax Law, prior to the start of tax consolidation, this subsidiary shall pay the parent company an amount equal to the related taxes due, calculated as if the tax consolidation were not in effect;

c) in the event of a loss recognised by a subsidiary in one or more fiscal years within the scope of the tax consolidation scheme, the parent company shall pay the subsidiary an amount equal to either 1) the tax expense actually saved as a result of this recognised fiscal loss or 2) the receivable due to the subsidiary for surpluses transferred to the parent company in accordance with point b) above;

d) if one of the parties transfers a surplus of interest to the consolidation scheme, the parent company shall, within the limits allowed by law, use this surplus to reduce global total earnings;

e) in the cases described under point d) above, the party that transferred the surplus interest to the consolidation scheme is to be paid an amount equal to 100% of the theoretical income tax calculated by applying to the surplus transferred the prevailing tax rate for the period in which the surplus was used.

Tax consolidation enables the parent company, 2i Aeroporti S.p.A., to aggregate the taxable earnings of the parent company with those of the domestic subsidiaries adhering to the scheme. The taxable income and fiscal losses of the companies involved in the tax consolidation are considered in their full amount, regardless of the interest held by the parent company (line-by-line consolidation). The parent company

is responsible for calculating total income tax expense and for making the related payments to the Tax Agency, Nonetheless, the subsidiaries are still considered to be tax-paying entities.

The accounting principles applicable to this tax consolidation are described below:

• Current income taxes

Income taxes - both company income tax (IRES) and the regional production tax (IRAP) — are calculated based on estimated taxable income and applicable tax laws.

Income tax expense is recognised as current income taxes, and the related payable to (or receivable from) the parent company is recognised on the balance sheet. Consolidation adjustments that lead to a benefit on the consolidated tax return are recognised as tax gains from tax consolidation among current taxes and as a receivable to the parent company.

• Deferred taxes

Receivables for IRES advance payments and deferred taxes attributable to both the parent company and the subsidiaries and related to operations arising during the period of tax consolidation remain on the accounts of the company that generated them. Therefore, in accordance with the tax consolidation scheme, they are not recognised by the parent company. Observance of the conditions for recognising deferred taxes is assessed in relation to forecasts

of future taxable income for the companies involved in the tax consolidation. Conversely, should the deferred tax asset or liability be related to transactions occurring outside of the tax-consolidation period, the assessment is made based on the circumstances of the individual company.

The Company has recognised deferred taxes in relation to temporary fiscal differences arising during the year. More specifically, temporary deductible differences determined by expenses which are partially or totally deferred to future years, generate deferred tax assets recorded in the account C.II.5-ter of the assets; the temporary differences determined by income assessable in a future year compared to that recorded for statutory purposes, or of expenses deducted in a year prior to their recognition on the income statement, generate deferred tax liabilities.

Deferred tax assets and liabilities are measured based on the currently applicable tax rate and taking account of expected tax rates for future years.

The income taxes recorded for the year are the sum of current and deferred income taxes, which appropriately express the fiscal charge for the period.

Deferred tax assets are not recognised when there is not a reasonable certainty of their future recovery, In the same way, deferred tax liabilities are not recognised where there is little probability that such a payable will arise.

Descriptions of the temporary differences that

led to the recognition of deferred tax assets and liabilities, specification of the related tax rate, a description of changes from the previous year, amounts debited and credited to the income statement and to equity, and deferred tax assets related to losses incurred are provided in the statement of deferred tax assets and liabilities found in the section related to income taxes for the year (as per Article 2427, paragraph 1, point 14, of the Civil Code).

• Remuneration of subsidiaries for financial benefits

Remuneration for fiscal losses paid to companies involved in the tax consolidation takes place at the moment of the actual use of the losses themselves for tax consolidation purposes (and is not, therefore, subordinate to the achievement of future taxable income by the given subsidiary) at the IRES tax rate in effect for the fiscal year in which the loss is used to lower the consolidated taxable income. The financial benefits resulting from the consolidated adjustments by the parent company, but related to the subsidiary, are to go to the subsidiary.

Translation of balances in foreign currencies

In accordance with Article 2426, paragraph 1, No. 8-bis of the Civil Code, cash assets and liabilities in currencies other than the functional currency ("reporting currency"), subsequent to initial recognition, are recorded at the exchange rate at the reporting date. The consequent exchange gains or losses are recognised to account C17-bis) "Exchange gains and losses" in the income statement and any net gain, contributing to the net result, is provisioned to a specific non-distributable reserve until realisation.

Non-cash assets and liabilities in currencies other than the reporting currency are recognised at the exchange rate applicable on acquisition. Where the exchange rate applicable at year-end significantly differs from that at the acquisition date, the altered exchange rate is one of the elements taken into consideration in assessing the carrying amount of the individual non-cash assets, In this case therefore, any exchange differences (positive or negative) are considered in calculating the recoverable value.



Analysis of the main consolidated financial statement accounts

The additional information required by Article 38 of Legislative Decree 127/1991 is provided below in the order dictated by the mandatory statement layouts.

BALANCE SHEET - ASSETS

Intangible assets

Intangible assets represent long-term costs of production not related to physical assets, net of amortisation. They concern long-term property rights and rights-of-use (and similar assets), licences, leasehold improvements, or deferred costs for which the actual utility is related to future periods.

Intangible assets, totalling Euro 10,092 thousand, increased by Euro 1,043 thousand during the year. The tables below summarise and detail the changes in the various components of intangible assets for the year.

euro thousands									
	01/01/2022			Changes in year					31/12/2022
	Historical cost	Acc. Amort.	Carrying value	Purch./ capital.	Reclass. + (-)	Disposals/ Eliminations	Impair./ Writebacks	Amort.	Carrying value
B.I.4 Concessions, licences and trademarks	4,945	4,790	155	197	74			(189)	237
B.I.6 Assets in progress and advances	245	0	245	1,257	(1,126)				376
B.I.7 Other intangible assets	40,226	31,577	8,649	488	1,130			(788)	9,479
Total intangible assets	45,416	36,367	9,049	1,942	78	0	0	(977)	10,092

The change in B.I.4 Concessions, licences and trademarks, net of amortisation for the year of Euro 189 thousand, is essentially attributable to the installation, by the Parent Company, of new software or the implementation of existing software for Euro 197 thousand, as detailed in the section of the Directors' Report concerning investments. Assets in progress and advances (B.I.6) increased by Euro 131 thousand on the previous year, due mainly to the new acquisitions and to a lesser extent the assets purchased in previous years being put into production. Other intangible assets (B.I.7) are almost entirely related to costs incurred by the Parent Company for leasehold improvements to the passenger terminal and various buildings and work to develop airport grounds. On the whole, this aggregate increased by Euro 830 thousand and posted amortisation of Euro 788 thousand.

Property, plant & equipment

Property, plant and equipment include the long-term, physical assets used in production by the companies of the Group, including those that are to be freely transferred at the end of the concession agreement, net of technical and financial depreciation.

Property, plant and equipment, totalling Euro 42,444 thousand, decreased on the whole by Euro 289 thousand during the year.

The tables below summarise and detail the changes in the various components of property, plant and equipment for the year (amounts in thousands of Euro).

	01/01/2022				Changes in year						31/12/2022			
	Historical cost	Writebacks (Laws 72/1983 & 342/2000)	(Accumulated deprec.)	Carrying value	Acquisitions	Reclassifications	(Divest. Historical cost)	Divest. Uses Provision	(Change for revaluations)	(Deprec.)	Historical cost	Writebacks (Laws 72/1983 & 342/2000)	(Accumulated deprec.)	Carrying value
B.II.1 Land	3,516			3,516							3,516			3,516
B.II.bis 1 & B.II.bis 'bis Buildings and related property' ⁽¹⁾	83,620	282	(60,614)	23,288	3					(2,217)	83,623	282	(62,831)	21,074
B.II.bis 2 Plant and machinery ⁽¹⁾	70,459	6,567	(69,211)	7,815	1,216	43				(1,521)	71,718	6,567	(70,732)	7,553
B.II.3 Indust. & commercial equip.	19,803	182	(14,180)	5,805	1,148	5	(204)	204		(1,135)	20,752	182	(15,111)	5,823
B.II.4 Other assets	33,752	1,958	(34,663)	1,047	952	5	(54)	54	8	(531)	34,663	1,958	(35,140)	1,481
B.II.5 Assets in progress and advances	1,262			1,262	1,724	11					2,997			2,997
Total property, plant & equipment	212,412	8,989	(178,668)	42,733	5,043	64	(258)	258	8	(5,404)	217,269	8,989	183,814	42,444

(1) Transferable assets.

Buildings and related property (B.II.bis 1 and 1 bis) decreased by a total of Euro 2,214 thousand. This reduction was due to the combined effect of Euro 3 thousand in purchases and Euro 2,217 thousand in amortisation for the year. Of particular note is the capitalisation by the Parent Company of construction work related to other airport buildings. No obsolete assets of this category were decommissioned during the year.

Plant and machinery (B.II.bis 2) decreased Euro 262 thousand. The movement, entirely concerning the parent company, concerns acquisitions of Euro 1,216 thousand and depreciation of Euro 1,521 thousand.

The increases in value mainly relate to upgrades to the fire detection and smoke extraction systems at the Passenger Terminal, along with relamping investments aimed at saving energy at various buildings.

We also highlight the start of work on the construction of photovoltaic systems on the roofs of airport buildings as part of the European TULIPS project.

No obsolete assets of this category were decommissioned during the year.

Industrial and commercial equipment (B.II.3) increased by a total of Euro 18 thousand as a result of new purchases for Euro 1,148 thousand and depreciation of Euro 1,135 thousand for the year.

The most significant investments include the installation of 5 ABC e-gate positions in order to supplement the existing automated passport control systems, along with the purchase of a carry-on baggage screening system, complete with ATRS system, installed at the Fast Track checkpoint.

Obsolete assets of this category were decommissioned during the year and fully depreciated for Euro 204 thousand.

Other assets (B.II.4) increased overall by a total of Euro 434 thousand as a result of depreciation of Euro 531 thousand and new purchases totalling Euro 952 thousand.

Regarding the environmentally-friendly upgrade of the company vehicle fleet, notable acquisitions include a new electric ambulift, a new electric ambulance, and an electric service car, for a total of Euro 456 thousand.

Hardware purchases of Euro 260 thousand were also made.

Obsolete assets of this category were decommissioned during the year that had a total historical cost of Euro 54 thousand.

Assets in progress and advances (B.II.5) increased by Euro 1,735 thousand due to acquisitions of Euro 1,724 thousand and the reclassification of capitalised assets in the year for Euro 11 thousand.

Revaluations recognised in accordance with Law No. 72 of March 19, 1983, and Law No. 342 of November 21, 2000, remained unchanged from the previous year. The details of these revaluations are shown in the table below:

euro thousands				
Item	Net value Revaluations	Revaluations Law 72/83	Revaluations Law 342/2000	Total
B.II.1 Land	3,516	0	0	3,516
B.II.1 Buildings and related property	83,623	282	0	83,905
B.II.2 Plant & machinery	71,718	50	6,517	78,285
B.II.3 Indust. & commercial equip.	20,752	182	0	20,934
B.II.4 Other assets	34,722	52	1,906	36,680
B.II.5 Assets in progress and advances	2,997	0	0	2,997
Total property, Plant & equipment	217,328	566	8,423	226,317

Capitalised financial charges from past years are shown in the table below and are unchanged from the previous year (Article 2427, para, 1, No. 8, of the Civil Code):

euro thousands	
Item	Gross value
B.II.1 Buildings and related property	2,323
B.II.2 Plant & machinery	792
Total property, plant & equipment	3,115

Financial assets

Non-current financial assets totalled Euro 9,782 thousand.

Equity investments are related entirely to investments in Other companies, specifically in Aeroporto Guglielmo Marconi di Bologna S.p.A. for Euro 9,782 thousand, equal to a 3,28% interest in the company's capital.

The company managing G, Marconi Airport of Bologna (hereafter AdB) was admitted to trading on the STAR segment of the Italian Stock Exchange in July 2015.

At December 31, 2022 SAGAT S.p.A., held 1,183,643 ordinary AdB shares, at a carrying amount of Euro 8,26 per share.

The market value of the share at December 31, 2022 was Euro 7.80 and at March 21 was Euro 8.00.

The greater value of the investment compared to corresponding share of equity held is due to the positive assessment of the company's ability to generate greater earnings in the future.

On March 14, 2023, the AdB Board of Directors approved the company's financial report for 2022, with the year closing with a net profit at the consolidated level of Euro 31.1 million compared to a loss of Euro 6.7 million in 2021.

The figures in the following table concern the financial statements at 31/12/2021 and are in compliance with Article 2427, paragraph 1, No. 5 of the Civil Code:

euro thousands				
Company	Registered office	Share capitale	Shareholders' equity at 31/12/2020	Holding at 31/12/2021
Aeroporto G. Marconi di Bologna S.p.A.	Bologna	90,314	152,355	3.28%

Non-current financial receivables, totalling Euro 278 thousand, are entirely related to security deposits paid in cash.

Finally, it should be noted that the Parent Company SAGAT holds 74,178 treasury shares, From 2016, with the entry into force of Legislative Decree No. 139/15, in implementation of Directive 2013/34 concerning separate and consolidated financial statements and related reports, SAGAT eliminated the carrying value from non-current assets.

These shares were purchased by the Company following a shareholder resolution on December 10, 2002, authorising the purchase of up to 58,400 treasury shares, fully paid, in March 2003. The number of treasury shares increased in 2009 to the same number due to the free share capital increase approved that year.

The value of the shares held was Euro 4,824 thousand in 2008 following the closure of the stock-option incentives plan for the Company's management.

Inventories

Inventories, totalling Euro 337 thousand, concerns raw materials, ancillaries, consumables and goods for maintenance mainly attributable to the Parent Company. The balance of the account decreased Euro 16 thousand on 2021. At year-end, inventories did not include components with a carrying value that could be deemed to be less than their presumed realisable value.

Receivables

Current assets were recognised for Euro 44,743 thousand (Euro 36,387 thousand in 2021). The total mainly concerns customers within Italy or the European Union and is net of the receivable for surtaxes, which is shown among other receivables.

Trade receivables increased from Euro 11,212 thousand at December 31, 2021 to Euro 16,683 thousand at December 31, 2022, with a significant increase of Euro 5,471 thousand, mainly due to the partial recovery of revenues, net of the write-downs made in 2022.

The item includes receivables with a nominal value of Euro 26,532 thousand (Euro 26,422 thousand for the previous year), gross of doubtful debt provisions of Euro 9,849 thousand. During the year, the doubtful debt provision decreased by a total of Euro 5,360 thousand against uses needed in order to cancel receivables that could no longer be collected for Euro 5,651 thousand, releases to the income statement for Euro 1,621 thousand for allocations from previous years that were no longer necessary, and additions of Euro 862 thousand calculated based on real needs due almost entirely to

the desire to limit the collection risk in relation to one of the Company's main customers.

As a result, the balance of the provision has been adjusted to take account of the default risk on receivables at year-end.

There are no receivables from subsidiaries, and this is unchanged from the previous year.

Amounts receivable from parent companies mainly include the receivable from the parent company 2i Aeroporti as part of the tax consolidation scheme.

Tax receivables

Tax receivables totalled Euro 1,562 thousand, compared to Euro 1,032 thousand at December 31, 2021, with those due beyond 12 months totalling Euro 95 thousand. Tax receivables are detailed in the table below:

euro thousands		
Detail	2022	2021
IRES receivable	30	30
IRAP receivable	0	13
IRES reimbursement receivable	23	23
VAT receivables	741	751
Other	768	215
TOTAL	1,562	1,032

VAT receivables decreased Euro 10 thousand to Euro 741 thousand at December 31, 2022 on the basis of the normal development of the relative debit and credit components.

Other tax receivables increased Euro 553 thousand, following the recognition of the tax credit for non-energy intensive businesses, arising during the year.

The receivable for the reimbursement of IRES, in the amount of Euro 23 thousand and unchanged from the previous year, representing

the residual to be settled from the request for reimbursement of the excess taxes paid over the period 2007-2011 as a result of not deducting the portion of IRAP related to personnel costs and similar costs. The refund application, presented on February 18, 2013 by SAGAT S.p.A. for all of the Group companies under the then applicable tax consolidation, concerned for Euro 724 thousand SAGAT S.p.A. and for Euro 302 thousand SAGAT Handling S.p.A..

Deferred tax assets amounted to Euro 7,653 thousand, as detailed in the following table:

	IRES	IRAP	TOTAL
A) Temporary differences			
Total deductible temporary differences	29,424,466	15,600,920	
Total assessable temporary differences	262,054	0	
Temporary net differences	(29,162,412)	(15,600,920)	
B) Tax effects			
Deferred tax liability (asset) at beginning of the year	(8,388,449)	(677,052)	(9,065,501)
Deferred tax liability (asset) in the year	1,389,471	22,711	1,412,182
Deferred tax liability (asset) at end of the year	(6,998,978)	(654,341)	(7,653,319)

The table below details the deductible temporary differences in accordance with Article 2427, para, 1, letter a, of the Civil Code:

DEDUCTIBLE TEMPORARY DIFFERENCES							
Description	Amount at end of previous year	Changes in the year	Amount at end of year	IRES rate	Tax effect IRES	IRAP rate	Tax effect IRAP
Doubtful debt provision	9,046,195	(451,497)	8,594,698	24%	2,062,728	4.2%	360,977
Provisions for risks & charges	15,931,979	(6,535,793)	9,396,186	24%	2,255,085	0	0
Other receivables doubtful debt provision	727,239	0	727,239	24%	174,537	4.2%	30,544
Fiscal amnesty depreciation	6,711,989	(590,741)	6,121,248	24%	1,469,100	4.2%	257,092
Fire Prevention Service fee	2,596,448	649,112	3,245,560	24%	778,934	0	0
Other minor IRAP	157,917	523,353	681,270	24%	163,505	4.2%	28,613
Other minor IRES	51,798	3,390	55,188	24%	13,245	0	0

The table below details the temporary assessable differences in accordance with Article 2427, para, 1, letter a, of the Civil Code:

TEMPORARY ASSESSABLE DIFFERENCES							
Description	Amount at end of previous year	Changes in the year	Amount at end of year	IRES rate	Tax effect IRES	IRAP rate	Tax effect IRAP
Gains	30,563	(9,641)	20,922	24%	5,021	0	0
Increased tax depreciation	241,132	0	241,132	24%	57,872	0	0

Other receivables, totalling Euro 11,363 thousand, increased Euro 1,248 thousand on the previous year.

euro thousands					
Detail	31/12/2022	Of which beyond 12 months	31/12/2021	Of which beyond 12 months	Change
Receivable from the City of Turin	893	682	893	682	0
Other receivables from the Public Sector	33	0	40	0	7
Advances to suppliers	231	11	331	0	(100)
Receivable from airlines for municipal surtax	10,469	0	8,989	0	1,480
Other receivables	464	74	588	74	(124)
Other receivables doubtful debt provision	(727)	(727)	(727)	(727)	0
TOTAL	11,363	40	10,115	29	1,248

This change is essentially due to:

- the increase in receivables from airlines for municipal surtax for Euro 1,480 thousand. For full disclosure, it should be noted that this receivable coincides with the payable of the Parent Company SAGAT to the Tax Agency for the same reason;
- decrease in advances to suppliers and of other receivables for Euro 100 thousand, relating to normal operations.

The receivable from the City of Turin, which is unchanged from the previous year and is shown

among receivable due beyond one year, is related to the pending dispute as described in the Directors' Report.

The receivable from the City of Turin also includes Euro 211 thousand, also unchanged from previous years, for the remaining balance of an advance payment made by SAGAT in 1992 upon completion of the control tower in order to make up for the insufficient funds allocated by the City of Turin following the winding up of the construction firm ICEM and of the compulsory administrative liquidation of the insurance company FIRS, both of which failed to honour their significant commitments

concerning repayment of the contractually required advance payments. In relation to the ICEM closure and compulsory liquidation of FIRS, the Company claimed the right to repayment, No progress towards resolving this issue was made during the year.

The doubtful debt provision, which is unchanged from the previous year, is justified by the need to account for the risk of non-payment of receivables that are more than 12 months old, the collectability of which is doubtful given the pending disputes and insolvency proceedings under way.

Cash and cash equivalents

This account includes:

- on demand or readily liquid deposits in bank and postal accounts as shown on deposit or current account statements with banks and the post office;
- cash on hand held by the companies of the Group as at December 31, 2022;
- cheques received from third parties as security.

The items, compared with the previous year, are broken down as follows:

euro thousands			
Detail	2022	2021	Change
Bank and postal deposits	23,474	11,482	11,992
Cash in hand and similar	29	43	(14)
Cheques	0	0	0
TOTAL	23,503	11,525	11,978

The increase in the year is due to the improvement of all operating indicators and the grant provided by ENAC and the Piedmont Region for damage incurred due to the COVID-19 pandemic, which amounted to Euro 13,301 thousand for the Group,.

Prepayments and accrued income

These total Euro 692 thousand (Euro 280 thousand at December 31, 2021), as outlined below:

	euro thousands	
	2022	2021
Accrued income	0	0
Total accrued income	0	0
Prepayments		
Insurance	237	179
Other	455	101
Employees	0	0
Total prepayments	692	280
TOTAL	692	280



BALANCE SHEET - LIABILITIES

Shareholders' Equity

The movements in the individual Group Shareholders' Equity accounts are presented below, which at 31/12/2022 amounted to Euro 31,818,252.

The parent company's share capital of Euro 12,911,481 is unchanged on the previous year, comprising 2,502,225 ordinary shares of a nominal value of Euro 5,16 at year-end and breaks down among the shareholders as follows:

Zi Aeroporti S.p.A.	97.04%
Azioni Proprie	2.96%
TOTAL	100%

The share premium reserve, exempt from taxes upon distribution and unchanged on the previous year, is recognised for Euro 6,104 thousand.

The revaluation reserve of Euro 7,363 thousand was recognised against the revaluation of assets by the company in accordance with Law No. 342/2000. There were no movements in the reserve in 2022.

The legal reserve, totalling Euro 2,582 thousand, was also unchanged on the previous year, having reached one-fifth of the share capital as per paragraph 1 of Article 2430 of the Civil Code.

The other reserves are comprised as follows:

- 1) extraordinary reserve of Euro 4,141 thousand, entirely comprising the net profits and unchanged on the previous year;
- 2) extraordinary investments reserve of Euro 4,906 thousand, entirely comprising provisions subject to ordinary taxation and unchanged on the previous year;
- 3) Consolidation reserve of Euro 1,063 thousand, decreasing on the previous year by Euro 609 thousand, i.e, the amount of the 2021 loss of the consolidated company SAGAT Handling, which was incorporated into the 2022 consolidated shareholders' equity scope.

Retained earnings/(accumulated losses) presented accumulated losses of Euro 14,335 thousand, increasing on the previous year due to the incorporation of the prior year losses, net of consolidation adjustments.

The negative reserve for treasury shares in portfolio amounting Euro -4,824 thousand is unchanged on the previous year and was recognised by the parent company in 2016 in accordance with the above-stated provisions of Legislative Decree No. 139/15 following the elimination, for the same amount, of the asset recognised to the Financial Statements of the treasury shares held by the company.

Minority interest shareholders' equity amounts to zero.

No deferred taxes have been recorded on reserves in suspension of taxes as currently no transactions are planned which could give rise to tax liabilities.

The reconciliation between the Shareholders' equity and the Net result of the parent company and the Shareholders' equity and Consolidated net result is presented below, in Euro thousands:

	Shareholders' equity	Net result
SAGAT parent company SE and result	33,352	10,408
Difference between the carrying amount of the consolidated companies and the related SE	(1,534)	
Consolidated companies net result		1,482
Consolidation adjustments	0	16
GROUP SE and result	31,818	11,906

Provision for risks and charges

The breakdown of the account (in Euro thousands) is as follows:

	Provision for taxation, including deferred tax liabilities	Other provisions	Total provisions for risks and charges
Opening balance	0	10,410	10,410
Changes in the year:			
Provisions in the year	0	398	398
Utilisation in the year	0	(2,056)	(2,056)
Other changes	0	(157)	(157)
Total changes	0	(1,815)	(1,815)
Closing balance	0	8,595	8,595

The Provision for risks and future charges of Euro 8,595 thousand is recognised according to the prudence principle against possible charges related to pending or only potential civil and administrative disputes. It decreased by Euro 1,815 thousand in the year as a result of the following movements:

- increase of Euro 398 thousand through provisions. In particular, the adjustments to contingent liabilities at December 31, 2021 amounts to Euro 281 thousand, while the accruals against risks arising in 2022 totalled

Euro 116 thousand, almost entirely due to the coverage of the risk of losing various disputes involving SAGAT against third parties, as outlined in the relative sections of the Directors' Report.

- Utilisations, for Euro 2,056 thousand, due to the incurring of expenses during the year, whose related costs had been provisioned in previous years and releases for Euro 157 thousand, due to the absence in 2022 of risks arising in previous years.

Post-employment benefit provision

Post-employment benefits were calculated at individual level and on the basis of the applicable regulations for each of the Group companies, as outlined in greater detail in the consolidation principles section of the Consolidated Financial Statements. The provisions account includes the portion of the provisions revaluation, calculated in accordance with the statutory provisions and the portion of post-employment benefits

matured between January 1 and December 31, 2022, transferred to Pension funds and allocated to the INPS's treasury fund.

The utilisation account mainly includes the portion of post-employment benefits matured allocated to Pension funds and the Treasury fund, as described above, in addition to post-employment benefit settlements for advances and the conclusion of employment in the year. The following table presents the changes in the year:

euro thousands

	Post-employment benefit provisions
Opening balance	3,173
Changes in the year:	
Provisions in the year	1,150
Utilisation in the year	(1,546)
Other changes	167
Total changes	(228)
Closing balance	2,945

Payables

Payables are recognised for Euro 82,614 thousand, compared to Euro 70,453 thousand at the end of the previous year, increasing therefore by Euro 12,161 thousand.

In both this and the previous year, payables for bonds, convertible bonds and amounts due to shareholders were zero.

Their breakdown and an analysis of the main changes during the year are presented below.

Bank payables amount to Euro 25,953 thousand, decreasing Euro 2,313 thousand on the previous year, due to the settlement of the initial principal amounts in 2022.

In order to support operations during the pandemic, the company in fact contracted in 2021 a loan with Banca del Piemonte for Euro 3,000 thousand and in 2020 a loan with Intesa San Paolo for Euro 25,000 thousand and a loan with Medio Credito Centrale for Euro 5,500 thousand, supported by the Guarantee fund for small and medium-sized enterprises, set up as per Article 2, paragraph 100, letter a) of Law No. 662/96.

In accordance with OIC 15, the Euro 25,000 thousand loan is recognised according the amortised cost method, which stipulates the presentation of the payable net of the total charges related to its signing, which are recognised under financial charges in the income statement over its duration. The amortised cost criterion was however not applied to the lesser Euro 5,500 thousand and Euro 3,000 thousand loans, as its effects were immaterial in view of the low transaction costs, and in any case recognised taking account of the time factor, i.e. on the basis of the contract's duration.

The Euro 25,000 thousand loan has repayments through increasing instalments with the final payment on June 30, 2025 and variable Euribor interest rate. The Euro 5,500 thousand loan also

has repayments through increasing instalments with the final payment on December 31, 2028 and variable Euribor interest rate. The Euro 3,000 thousand loan has a grace period until July 1, 2023, upon which the first Euro 362 thousand instalment shall mature, with settlement through equal instalments and the final payment on January 1, 2027 and fixed interest rate.

Bank payables due within 12 months amount to Euro 5,182 thousand, while the portion due beyond one year amounts to Euro 20,772 thousand.

Trade payables include commercial payables to parties other than the Group companies. They amount to Euro 30,828 thousand, compared to Euro 20,279 thousand in the previous year, increasing Euro 10,549 thousand, mainly as a result of the increase in core business related purchases. These payables concern principally suppliers located in Italy or the European Union.

As was the case last year, there are no Payables to subsidiaries, nor to associates, while to the parent company 2i Aeroporti a payable due as a result of the involvement in the tax consolidation of the subsidiary SAGAT Handling, whose positive assessable amount generated an IRES tax liability of Euro 157 thousand.

Tax payables totalling Euro 1,815 thousand broke down as follows:

	euro thousands	
	31/12/2022	31/12/2021
IRES payables	0	0
IRAP payables	65	0
Employee withholding tax payables	401	370
Fee surcharge tax payables	761	735
Prior year tax payables	586	1,070
Other	2	5
TOTAL	1,815	2,180

Tax payables include all amounts due to the Tax agency as a result of participation in the "Tax Amnesty", whose accounting effects are comprehensively outlined in the tax receivables section of the SAGAT S.p.A. explanatory notes, to which reference should be made. At December 31, 2022, the residual amount of the tax payable for the Tax Amnesty was Euro 586 thousand, decreasing on the previous year due to the settlement of the quarterly instalments arising in 2022, for a total of Euro 484 thousand.

Payables to social security institutions, all with maturity within one year and totalling Euro 1,068 thousand, break down as follows:

	euro thousands	
	31/12/2022	31/12/2021
INPS/INAIL payables	1,029	1,150
Other	39	37
TOTAL	1,068	1,187

Other payables totalling Euro 22,792 thousand concern:

	euro thousands	
	31/12/2022	31/12/2021
ENAC/Fee	2,031	757
Employee payables	1,334	852
Tax payables for boarding fee surtaxes	10,702	9,280
Other payables	8,725	7,653
TOTAL	22,792	18,542

As per the applicable regulation, the entire amount of the parent company payable to ENAC regarding the airport fee, which rose significantly due to the post-pandemic recovery of air traffic, shall be settled in the subsequent year.

The parent company's tax payable concerning the municipal surtaxes of Euro 10,702 thousand increased during the year by Euro 1,422

thousand and concerns the balancing entry for the receivable due from carriers of SAGAT for the same reason. It is underlined that SAGAT's obligation is limited to settling payments only for those received from Carriers of the amounts due.

Other payables, which increased Euro 1,116 thousand on 2021, includes the payable to the Fire Brigade for a total amount of Euro 6,039 thousand.

Accrued expenses and deferred income

At December 31, 2022, these totalled Euro 5,898 thousand, compared to Euro 6,224 thousand at December 31, 2021 and are broken down as follows (in Euro):

	Accrued expenses	Deferred income	Total accrued expenses and deferred income
Opening balance	8,648	6,215,221	6,223,869
Changes in the year	(8,648)	(316,802)	(325,450)
Closing balance	0	5,898,419	5,898,419

It should be noted that Deferred income mainly refers to the portion of capital grants deferred by the Parent Company as not accruing to the year. The above-mentioned grants have been recorded in the Financial Statements on the basis of the specific accounting criteria outlined above. The decrease in the year mainly concerns the portion released to the Income statement of the same grants accruing to fiscal year 2022.

Payables, accrued expenses and deferred income by maturity and nature

Payables and accrued expenses and deferred income are shown below, broken down by maturity and type:

	Opening balance	Changes in the year	Closing balance	Balance due within 12 months	Balance due beyond 12 months
Bank payables	28,266,677	(2,313,226)	25,953,451	5,181,802	20,771,649
Trade payables	20,278,741	10,549,230	30,827,971	30,496,860	331,111
Payables to parent companies	0	157,240	157,240	157,240	0
Tax payables	2,179,057	(364,047)	1,815,010	1,229,457	585,553
Payables to social security institutions	1,186,961	(118,826)	1,068,135	1,068,135	0
Other payables	18,541,182	4,250,537	22,791,719	21,898,596	893,123
Total payables	70,452,618	11,213,143	82,613,526	58,129,348	22,581,436

Risks, commitments and guarantees

Their composition and nature are presented below, in thousands of Euro:

Nature	31/12/2022	31/12/2021
Third party assets received under concession	59,654	59,654
Unsecured guarantees received from third parties	13,910	13,727
TOTAL	73,564	73,381
Unsecured guarantees given to third parties	0	0
TOTAL	0	0

Third party assets received under concession consist of fixed assets received under concession by SAGAT, limited to investments made by the grantor from the 1980's until the present day, as the values of assets previously made, including aircraft movement areas, are not known.

They in addition include the value of the expansion works at the Airport undertaken for the Olympics by the City of Turin and funded by the latter.

The unsecured guarantees received from third parties concern sureties received from the airlines and from third parties in general.

There are no unsecured guarantees released to third parties.

INCOME STATEMENT

The key 2022 consolidated income statement accounts are presented below.

Revenues from sales and services

The Group's revenues from sales and services, entirely generated in Italy and mainly from Italian or European Union clients, are broken down as follows (Article 2427, paragraph I, No. 10 of the Civil Code):

	2022	2021
Air traffic revenues	28,183	15,261
Security	8,550	4,119
Assistance and air traffic accessory revenues	14,745	7,560
Car parking services	5,546	2,742
Subconcession of services	4,382	1,958
Subconcession of airport activities and spaces	3,561	2,262
Centralised infrastructure	1,070	698
Exclusive use assets	1,123	679
Other revenues	200	52
TOTAL	67,360	35,331

euro thousands

Other revenues and income

Other income comprises:

	euro thousands	
	2022	2021
Recovery of common utilities and miscellaneous expenses	67	182
Other prior year income	3,463	404
COVID grants	13,301	0
Other income	1,667	1,285
Capital grants	671	671
TULIPS grants	223	0
TOTAL	19,392	2,542

Other revenues and income, totalling Euro 19,392 thousand, significantly increased on 2021, mainly due to the increased extraordinary income component in 2022, concerning the grants received from ENAC and the region under the COVID-19 Damage compensation fund (Compensations Decree 474 2021) for a total of Euro 13,301 thousand.

Capital grants include, among other items, the portion of grants in the year from the Piedmont Region for the execution of the extension works at the Passengers and General Aviation terminals and the baggage logistics building, received under the Regulatory Agreement for the development

of airport infrastructure ahead of the XX Turin 2006 Winter Olympic Games (Convention No. 9313 of July 12, 2004), recognised to the financial statements on an accruals basis for an amount of Euro 665 thousand.

The increase in other prior year income is due to the extraordinary components, relating on the hand to the closure of disputes in favour of the parent company which resulted in the release of the provisions previously accrued and the receipt of amounts regarding the repayment of previously incurred charges and, on the other hand, the recognition of a tax credit for partial relief of the effects from the increased energy costs.

COSTS OF PRODUCTION

Costs of production overall totalled Euro 75,037 thousand and are broken down in the following paragraphs.

Raw materials, ancillaries, consumables and goods

These costs, totalling Euro 1,579 thousand in 2022, are comprised as follows:

	euro thousands	
	2022	2021
Maintenance materials	253	241
Various materials	725	380
Materials held-for-resale	0	0
Fuel and lubricants	327	210
De-icing	249	22
Stationary and printing	25	33
TOTAL	1,579	886

Services

Service costs, amounting to Euro 38,034 thousand, comprise:

	euro thousands	
	2022	2021
Other services	2,683	2,186
Support services, warehousing and PRM	586	456
Electricity and other utilities	5,214	3,215
Technical, management and commercial consultancy	854	589
Security	2,702	1,666
Cleaning and waste disposal collection	1,101	869
Miscellaneous maintenance/repair and contractual expenses	1,829	1,418
Maintenance/repair expenses on third party assets	276	144
Industrial insurance, general	463	417
Miscellaneous personnel costs (canteen, training, travel, etc.)	608	472
Other	21,718	8,300
TOTAL	38,034	19,733

The main component of Other service costs, which in 2022 totalled Euro 21,718 thousand, regards the costs linked to the air traffic support measures. Their significant increase in 2021 is related to the achievement in 2022 of passenger records (4,193,881 passengers).

Rent, leasing and similar costs

Rent, leasing and similar costs of Euro 3,521 thousand comprise:

	euro thousands	
	2022	2021
Airport fee	2,634	1,141
City of Turin fee	392	352
Municipality of San Maurizio fees	26	25
Other concession fees (radio)	87	91
Hire and leases	382	304
TOTAL	3,521	1,913

The increase in the account of Euro 1,608 thousand substantially concerns the increase in the airport fee.

Personnel costs

Personnel costs, including the cost of temporary staff, amounted to Euro 20,871 thousand (increasing Euro 4,405 thousand on the previous

year). The main movements are outlined in the personnel section of the Group's Directors' Report.

The average annual number of Group employees was 369.5 FTE, increasing on the previous year (344.4). The average Group workforce for financial years 2021 and 2022, broken down by category, is presented below.

Category	2022 Average	2021 Average	Absolute change	Percentage change
Executives	6.9	6.6	0.3	4.5%
White-collar	263.6	244.2	19.4	7.9%
Blue-collar	99	93.6	5.4	5.8%
TOTAL	369.5	344.4	25.1	7.3%

Depreciation and amortization

Amortisation, depreciation and write-downs of Euro 7,243 thousand break down as follows:

	euro thousands	
	2022	2021
Depreciation	5,404	5,147
Amortisation	977	1,059
Write-down of assets	0	0
Write-down of receivables	862	1,064
TOTAL	7,243	7,270

Amortisation and depreciation, totalling Euro 6,381 thousand, increased on the previous year by Euro 175 thousand.

There were no write-downs of assets during the year.

The doubtful debt provision increased in the year through the accrual of Euro 862 thousand to correctly represent the exposure to non-collection risk of the Group company trade receivables, and in particular from two major clients.

Changes in inventories of raw materials and goods

During the year, raw materials, ancillaries, consumables and goods inventories decreased by Euro 17 thousand, with a corresponding reduction in the relative purchase costs. In the prior year financial statements, Group inventories decreased Euro 157 thousand.

Provisions for risks

An accrual was made in the year to the Group Other risks provision for Euro 398 thousand in order to ensure its sufficiency in respect to certain or probable risks and charges, whose amount or due date however could not be established at year-end. For a breakdown of the nature of the provisions reference should be made to the section on the movements in the risks and charges provision.

Other operating charges

Other operating charges, totalling Euro 3,374 thousand, concern:

	euro thousands	
	2022	2021
Representation/hospitality expenses	30	15
Prior year charges / non-existent assets	1,783	379
Associations	125	88
Damage compensation to third parties	3	1
Fire Prevention Service fee	649	649
IMU Property tax	225	225
Other	559	354
TOTAL	3,374	1,710

The account reports an increase of Euro 1,664 thousand on the previous year, mainly due to the recognition in 2022 of extraordinary non-recurring cost components.

Financial income and charges

The account reports a net charge of Euro 698 thousand (while in the previous year presenting a net charge of Euro 617 thousand) and is broken down as follows:

	euro thousands	
	2022	2021
Interest expense and other financial charges	(698)	(617)
Investment income	0	0
Other income	0	0
TOTAL	(698)	(617)

Investment income amounted to zero as the investee AdB also in 2022 did not issue dividends.

Interest expense mainly concerns the interests on the loans drawn down by the parent company, which in 2022 reduced Euro 2,313 thousand due to the settlement of scheduled principal amounts, amounting therefore in 2022 to Euro 25,953 thousand.

Adjustments on financial assets

No adjustments were made to the value of financial assets during the year.

Income taxes

The account, positive for Euro 888 thousand, comprises income taxes and deferred tax income and charges, as follows:

	euro thousands	
	2022	2021
IRES	77	0
IRAP	157	0
Income from tax consolidation	(2,534)	(2,623)
Prior year taxes	0	0
Deferred tax assets and liabilities	1,412	(233)
TOTAL	(888)	(2,856)

A reconciliation at December 31, 2022 between the theoretical tax charge and the effective tax charge stated in the Financial Statements of the consolidated companies is presented below.

	SAGAT	SAGAT Handling
Pre-tax result	9,298,418	1,703,401
Theoretical IRES tax %	24%	24%
Theoretical income taxes	2,231,620	408,816
Tax effect from IRES changes	(4,765,764)	(251,576)
Deferred tax effect	1,424,991	(12,811)
IRAP	0	76,842
Total income taxes for the year (current and deferred)	(1,109,153)	221,271

The theoretical taxes were calculated applying to the pre-tax statutory result the IRES tax rate, which in 2022 for SAGAT and SAGAT Handling was 24%.

It is noted that the consolidated pre-tax result is based on the results of the Group companies, although net of consolidation adjustments.

In addition, the IRAP rate, amounting to 4.2% for SAGAT and 3.9% for SAGAT Handling, is not calculated according to the same assessable base as used for the calculation of IRES.

Net result for the year

The Consolidated result for the year, which coincides with the Group Net Result as there is no longer any Minority interest, was a profit of Euro 11,905,701.

Other information

Subsequent events

No events subsequent to year-end occurred requiring amendments to the operating, equity and financial position presented in the financial statements at December 31, 2022.

In the first two months of 2023, the Group reported significant growth on the same period of 2022, with a total of 697,826 passengers (+48.5%) and 6,912 movements (+22.01%).

361,168 passengers were also recorded in January 2023, representing the best January ever for passenger traffic, beating the previous record of January 2019 (339,432).

The strong growth in the initial two months returned a 3.05% improvement even over the same period in the pre-COVID 2019.

Although ACI Europe¹ estimates a 10% to 8% reduction in annual pre-COVID-19 traffic volumes in 2023 compared to 2019, a consolidation of the traffic volumes reached in 2022 can be expected at Turin Airport during 2023. This forecast is supported by the launch of new routes and the end of the health emergency, which negatively impacted Q1 2022.

However, these growth prospects may be hampered by the ongoing conflict in Ukraine, whose development is currently highly uncertain both in terms of its duration and its social and economic consequences.

Despite the uncertain environment, the SAGAT Group will continue to invest in increasing the region's connectivity and the quality of services provided while improving economic and social sustainability.

Transactions with subsidiaries and other related parties

For detailed analysis, references should be made to the specific section of the parent company Directors' Report, while it should be noted that these transactions were concluded at normal market conditions.

Directors and statutory auditors remuneration

The total amount of remuneration of directors and statutory auditors of the companies included in the consolidation scope was as follows:

	euro thousands
	2022
Directors	209
Statutory Auditors	93
TOTAL	302

The above remuneration was recognised to Service costs and takes account of all parties who in the course of the financial year were engaged in directorship and statutory auditor roles, including for a portion of the year.

Independent audit firm fees

The total amount of fees due to the independent audit firm for the legally-required audit of the annual accounts, in addition to other services provided in the year, were as follows:

Activities	euro thousands		
	2022		
	SAGAT	SAGAT Handling	SAGAT GROUP Total
Legally-required audit of the annual accounts	15	9	24
Other audit services	6	5	11
Other services	10	0	10
TOTAL	30	14	45

Original copy, signed by:
The Chairperson
Elisabetta Oliveri

¹ Source ACI Europe: Economic Forecast of December 20, 2022 <https://www.aci-europe.org/economic-forecasts.html>

Auditors' report on the consolidated financial statements



Building a better
working world

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Auditors' Report as per Article 14 of Legislative Decree No. 39 of January 27, 2010

To the shareholders of
SAGAT S.p.A.

Auditors' Report on the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the SAGAT Group (the Group), comprising the balance sheet at December 31, 2022, the income statement and cash flow statement for the year and the Explanatory Notes.

In our opinion, the consolidated financial statements provide a true and fair view of the balance sheet and financial position of the Group at December 31, 2022, and of the results and cash flows for the year in compliance with Italian rules governing the basis of preparation.

Basis for the opinion

We have carried out the audit in compliance with international audit standards (ISA Italy). Our responsibilities in accordance with these standards are described in greater detail in the Responsibility of the independent audit firm for the audit of the consolidated financial statements section of this report. We are independent from the SAGAT S.p.A. in compliance with the ethical and independence rules and principles applicable under Italian law for the auditing of financial statements. We acquired sufficient and appropriate evidence for the expression of our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the consolidated financial statements

The directors are responsible for the preparation of the consolidated financial statements which provide a true and fair view in accordance with Italian regulations and law and for the internal control considered necessary by it for the preparation of a set of financial statements which do not contain significant errors due to fraud or unintentional conduct or events.

The directors are responsible for assessing the capacity of the Group to pursue operating activities and, in preparing the consolidated financial statements, the appropriateness of applying the going concern principle, in addition to the provision of adequate disclosure. The Directors apply the going concern principle in preparing the consolidated financial statements unless they have assessed that the conditions for the winding up of the parent company SAGAT S.p.A. or for the interruption of operations exist or that they have no realistic alternatives to these options.

The Board of Statutory Auditors has the responsibility to supervise, in accordance with law, the Group's financial disclosure preparation process.

EY S.p.A.
Registered office: Via Meravigli, 12 - 20123 Milan
Branch Office: Via Lombardia, 31 - 00187 Rome
Share Capital Euro 2,525,000.00 fully paid-in.
Registered in the S.O. of the Register of Companies at the Chamber of Commerce of Milan Monza Brianza Lodi
Tax and registration No. 00434000584 - Milan Economic & Administrative Index No. 606158 VAT No. 00891231003 Enrolled in the Auditors' Register No. 70846 Published in the Official Gazzette Suppl. 13 - IV Special Series of 17/2/1998 Enrolled at the Special Register of independent audit firms of Consob at No. 2 motion no. 10831 of 16/7/1997

A member firm of Ernst & Young Global Limited



Responsibility of the Independent Audit Firm for the audit of the consolidated financial statements

Our objectives are to acquire reasonable certainty that the consolidated financial statements overall do not contain significant errors, due to fraud or unintentional conduct or events, and to issue an Auditors' Report which includes our opinion. Reasonable certainty indicates a high level of certainty which, however, does not guarantee that an audit carried out in accordance with international audit standards (ISA Italy) always identifies a significant error, where existing. Errors may derive from fraud or unintentional conduct or events and are considered significant where it may reasonably be expected that they are, individually or collectively, capable of influencing the economic decisions of users taken on the basis of the consolidated financial statements.

As part of the audit carried out in compliance with international audit standards (ISA Italy), we exercised our professional opinion and maintained a professional degree of scepticism for the duration of the audit. Furthermore:

- we identified and assessed the risk of significant errors in the consolidated financial statements, due to fraud or to unintentional conducts or events; we drew up and implemented audit procedures reflective of these risks; we acquired sufficient and appropriate evidence on which to base our opinion. The risk of not identifying a significant error due to fraud is higher than the risk of not identifying a significant error due to unintentional conduct or events, as fraud may imply the existence of collusion, falsifications, intentional omissions, misleading representations or distortions concerning internal control;
- we acquired an understanding of the internal controls in order to define appropriate audit procedures to the circumstances and not to express an opinion on the efficacy of the internal control of the Company;
- we assessed the appropriateness of the accounting policies utilised, in addition to the reasonableness of the accounting estimates made by the Directors and the relative disclosure;
- we reached a conclusion on the appropriateness of the use by the directors of the going concern principle and, on the basis of the evidence acquired, on any significant uncertainty concerning events or circumstances which may give rise to significant doubts on the capacity of the Group to continue to operate on an ongoing basis. In the presence of a significant uncertainty, we are required to highlight in the Auditors' Report the relative disclosure in the financial statements or, where this disclosure is inadequate, reflect this circumstance in drawing up our opinion. Our conclusions are based on evidence acquired until the date of this report. However, subsequent events or circumstances may require the Group to cease operating as a continuing entity;
- we assessed the presentation, the structure and the content of the consolidated financial statements as a whole, including the disclosure, and whether the consolidated financial statements reflect the underlying operations and events so as to provide a fair representation;
- we acquired sufficient and appropriate evidence on the financial disclosure of the companies and the different economic activities carried out by the Group to express an opinion on the consolidated financial statements. We are responsible for the supervision and execution of the Group audit. We are the only party responsible for the audit opinion on the consolidated financial statements.

We communicated to the governance activity managers, identified at an appropriate level as required by the international accounting (ISA Italy) standards, among other aspects, the extent and timing scheduled for the audit and the significant results emerging, including any significant deficiencies in the internal control identified during the audit.



Report on other statutory and regulatory provisions

Opinion as per Article 14, paragraph 2, letter e) of Legislative Decree No. 39 of January 27, 2010

The Directors of SAGAT S.p.A. are responsible for the preparation of the Directors' Report of the SAGAT Group at December 31, 2022, including its consistency with the consolidated financial statements and its compliance with law.

We have executed the procedures indicated in audit standard (SA Italy) 720B to express an opinion on the consistency of the Directors' Report with the consolidated financial statements of the SAGAT Group at December 31, 2022 and its compliance with law, in addition to issuing the statement on any significant errors.

In our opinion, the Directors' Report is consistent with the SAGAT Group consolidated financial statements at December 31, 2022 and complies with statutory requirements.

With regards to the statement as per Article 14, paragraph 2, letter e) of Legislative Decree No. 39 of January 27, 2010, issued on the basis of its knowledge and understanding of the company and the relative overview acquired during the audit activities, we do not have any matters to report.

Rome, April 13, 2023

EY S.p.A.


Matteo De Luca
(Auditor)

Board of Statutory Auditors' Report

SAGAT S.p.A.
Board of Statutory Auditors

Report to the Shareholders' Meeting
Financial statements for the year ended 31.12.2022
(Article 2429, paragraph 2, of the Civil Code)

Dear Shareholders,

this Board of Statutory Auditors preliminarily indicates that it was appointed by the Shareholders' Meeting of May 20, 2022, taking office at the meeting of June 9, 2022 and with its mandate concluding with the approval of the 2024 Annual Accounts.

From the date of taking office, the Board of Statutory Auditors has carried out the Supervisory Activities set out in Article 2403 of the Civil Code, as reported herein.

The execution of the accounting and statutory audits was assigned to the Audit Firm EY SpA, whose assignment to conduct the statutory audit was granted, for the financial years 2022-2024, based on a justified proposal from the pro tempore Board of Statutory Auditors, by the Ordinary Shareholders' Meeting of May 20, 2022.

During the year ended December 31, 2022, our activities were based on the applicable legal provisions and the Conduct rules for Boards of Statutory Auditors of non-listed companies issued by the Italian Accounting Profession (Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili), published in December 2020 and in force from January 1, 2021.

We report herein the activity carried out and the results achieved.

The Board of Statutory Auditors, not being entrusted with the statutory audit, carried out on the financial statements the supervisory activities set out in Rule 3.8 of the "Rules of Conduct of the Board of Statutory Auditors of non-listed Companies", consisting of an overall summary audit to verify that the financial statements have been correctly prepared. Verification of compliance with the accounting data is, in fact, the responsibility of the independent audit firm.

The independent audit firm EY S.p.A. has provided us with its report dated April 13, 2023 containing an unqualified opinion.

The auditors' report indicates that the financial statements as of 31/12/2022 provides a true and fair view of the equity and financial position, the result for the year and cash flows of your Company and was drawn up as per the relative governing regulation.

This report complies with the provisions of the law and Rule No. 7.1 of the "Rules of Conduct of the Board of Statutory Auditors - Principles of Conduct of the Board of Statutory Auditors of non-listed Companies", issued by the CNDCEC and in force since January 1, 2021.

With this in mind, the Board of Statutory Auditors sets out below the findings of its activities.

Supervisory Activities

With regards to the means with which it executed its duties, the Board of Statutory Auditors notes that it:

- duly held the meetings required by Article 2404 of the Civil Code;*
- participated at all Shareholders' Meetings and the meetings of the Board of Directors, obtaining from this latter, also in accordance with Article 2381, paragraph 5 of the Civil Code, prompt and suitable disclosure on the general operating performance and on the outlook, in addition to the most significant transactions, in terms of their size and characteristics, carried out by the company and by its subsidiary;*
- exchanged, in accordance with Article 2409-septies of the Civil Code, with the independent audit firm the information required to carry out the respective duties; no issues which require reporting herein emerged during these meetings;*
- carried out its audit activity on the adequacy of the organisational structure, through meetings with the competent boards and offices of the company; the Board of Statutory Auditors does not report any critical aspects emerging during these meetings regarding the suitability of the organisational structure, also to satisfy the company's operational needs;*
- ascertained the adequacy of the administrative and accounting structure to correctly record and represent the operating events. On the basis of the work carried out, no particular issues were encountered regarding the adequacy of the administrative and accounting structure;*
- noted, with regard to internal control, the periodic reports of the Internal Auditor, as well as the information acquired during direct meetings, from which no critical issues emerged;*
- acknowledged the information acquired by the Supervisory Board, during meetings and in the review of periodic reports, from which no critical issues emerged with respect to the proper implementation and compliance with the organisation, management and control models pursuant to Legislative Decree No. 231/2001. Based on this information, the Board also noted that the Company, with the support of the Supervisory Board, oversees the activity of updating the Organisation, management and control model in order to incorporate recurrent legislative changes, taking into account the specific nature and size of the company's business. The*

participation, as a member of the body, of a Statutory Auditor on the Supervisory Board supported the exchange of dialogue between the two bodies.

The Board of Statutory Auditors acquired adequate information on the main operating, financial and equity transactions carried out by the company and by its subsidiaries, which permitted the declaration of compliance with statutory law and the company By-Laws.

The Board of Statutory Auditors does not indicate atypical or unusual operating transactions.

With regards to related party transactions, adequate disclosure is provided in the Explanatory Notes and in the Directors' Report in accordance with Article 2427 and 2428 of the Civil Code.

On the basis of the findings with the direct participation of the members of the Board of Statutory Auditors, the motions adopted by the Board of Directors were in compliance with law and the By-Laws, in addition to the principles of correct administration.

No petitions or complaints were presented to the Board of Statutory Auditors during the year, as per Article 2408 of the Civil Code.

Similarly, no delays or omissions are reported in accordance with Article 2406 of the Civil Code.

During 2022, the Board of Statutory Auditors expressed its relative opinion on the remuneration to be paid for the year 2022 to the

Chief Executive Officer, resulting from the Explanatory Notes to the Financial Statements.

Statutory Financial Statements

The financial statements reported a net profit of Euro 10,407,571, compared to a loss of Euro 7,814,591 in 2021.

The shareholders' equity, considering the profit for the year, indicates an amount of Euro 33,351,833, compared to Euro 22,944,262 in the 2021 financial statements.

With regards to the activities within the scope of the Board of Statutory Auditors regarding the drawing up of the separate financial statements, it is again recalled that the independent audit firm is assigned the legal audit of accounts, with the following reported:

- to the extent of the remit of the control body, compliance with the statutory rules regarding the formation and layout of the financial statements was verified; in particular, in their preparation the principles set out by Article 2423 bis of the Civil Code were followed; it is also declared that the balance sheet and income statement set out in the Civil Code have been complied with and that the directors have not utilised the exceptions provided for in Articles 2423, para. IV and 2423 bis, para. II of the Civil Code;

- the Explanatory Notes present the accounting policies followed for the preparation of the financial statements and the information required by the applicable rules.

The Board of Statutory Auditors notes that, as declared by the Independent Audit Firm, the Directors' Report complies with the applicable laws, while was also consistent with the motions adopted by the Board of Directors, with the events outlined in the separate financial statements and with the information available to the Board of Statutory Auditors. It is therefore considered that the information provided complies with the applicable rules and permits for a clear and exhaustive outline of the company's situation, the operating performance and the outlook.

finally, it is noted that the auditor on April 13 issued its report pursuant to Article 14 of Legislative Decree No. 39/2010 without qualification and requests for information.

Also for the consolidated financial statements, on April 13 the auditor issued its report pursuant to Article 14 of Legislative Decree No. 39/2010 without qualification and requests for information and also certified that the Directors' Report contains the information required by law and is in line with the financial statements.

the Board of Statutory Auditors, on the basis of the content of this report and to the extent of its remit, unanimously finds that there are no reasons to prevent the Shareholders' Meeting from approving the statutory financial statements for the year ending December 31, 2022, as proposed by the Board of Directors, as well as approving the proposal for the allocation of the net result, as drawn up by the Directors.

This report is agreed on by all standing members of the Board of Statutory Auditors who sign it.

Read, confirmed and signed.

Turin, April 13, 2023.

The Board of Statutory Auditors

-Mr. Roberto GARGIULO, Chairperson;

-Ms. Piera BRAJA, Statutory Auditor;

-Mr. Francesco CAPPELLO, Statutory Auditor;

-Mr. Giuseppe DE TURRIS, Statutory Auditor;

-Ms. Francesca SPITALE, Statutory Auditor.

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Financial statements of SAGAT S.p.A.

at December 31, 2022



Balance sheet: Assets

amounts in Euro

Balance sheet: Assets	Financial statements at 31/12/2022	Financial statements at 31/12/2021
A) RECEIVABLES FOR UNPAID SHARE CAPITAL		
B) FIXED ASSETS		
I. Intangible assets		
4) 4) Concessions, licenses, trademarks & sim, rights	235,118	154,777
6) Assets in progress and advances	360,222	228,571
7) Other assets	9,447,840	8,625,084
Total	10,043,180	9,008,432
II. Property, plant and equipment		
1) Land and buildings	3,515,794	3,515,794
2) Plant and machinery	0	0
3) Industrial and commercial equipment	5,676,434	5,786,605
4) Other assets	1,296,739	902,069
5) Assets in progress and advances	2,996,740	1,261,681
II.bis Transferable assets		
1) Land and buildings	20,812,415	23,007,277
1-bis)) Runways and related land	261,317	281,419
2) Plant and machinery	7,553,283	7,815,274
Total	42,112,722	42,570,119
III. Financial assets		
1) Investments in:		
a) subsidiaries	4,343,598	4,343,598
d-bis) Other comp	9,781,870	9,781,870
2) Receivables:		
d-bis) Other:		
within 1 year	0	0
beyond 1 year	277,756	63,228
Total receivables		
within 1 year	0	0
beyond 1 year	277,756	63,228
Total	14,403,224	14,188,696
TOTAL FIXED ASSETS (B)	66,559,126	65,767,247

amounts in Euro

Balance sheet: Assets	Financial statements at 31/12/2022	Financial statements at 31/12/2021
C) CURRENT ASSETS		
I. Inventories		
1) Raw materials, ancillaries and consumables	260,185	290,817
Total	260,185	290,817
II. Receivables		
1) Trade receivables:		
within 1 year	14,774,915	9,509,835
beyond 1 year	0	0
2) Subsidiaries:		
within 1 year	342,723	1,506,481
beyond 1 year	0	0
4) Parent companies:		
within 1 year	3,462	3,462
beyond 1 year	6,703,519	4,169,353
5) Companies subject to control of parent companies:		
within 1 year	0	0
beyond 1 year	0	0
5-bis) Tax receivables:		
within 1 year	1,179,036	601,880
beyond 1 year	95,352	58,340
5-ter) Deferred tax assets:		
within 1 year	0	0
beyond 1 year	7,104,488	8,529,479
5-quater) Others:		
within 1 year	11,318,635	10,051,465
beyond 1 year	39,751	39,752
Total Receivables		
within 1 year	27,618,771	21,673,122
beyond 1 year	13,943,110	12,796,925
Total	41,561,881	34,470,047
IV. Cash and cash equivalents		
1) Bank deposits	21,616,963	10,376,525
2) Cheques on hand	0	0
3) Cash & cash equivalents on hand	26,473	41,020
Total	21,643,436	10,417,545
TOTAL CURRENT ASSETS (C)	63,465,502	45,178,409
D) ACCRUED INCOME & PREPAYMENTS		
Accrued income	0	0
Prepayments	661,862	261,526
TOTAL ACCRUED INCOME & PREPAYMENTS (D)	661,862	261,526
TOTAL ASSETS	130,686,490	111,207,182

Balance sheet: Liabilities

amounts in Euro

Balance sheet: Liabilities	Financial statements at 31/12/2022	Financial statements at 31/12/2021
A) Shareholders' equity		
I. Share capital	12,911,481	12,911,481
II. Share premium reserve	6,104,521	6,104,521
III. Revaluation reserve	7,362,627	7,362,627
IV. Legal reserve	2,582,296	2,582,296
VI. Other reserves, as follows:		
Extraordinary investment fund	4,906,340	4,906,340
Extraordinary reserve	4,140,862	4,140,862
AH spin-off surplus reserve	4,078,837	4,078,837
VIII. Retained earnings/(accumulated losses)	(14,319,090)	(6,504,499)
IX. Net Profit (or Loss)	10,407,571	(7,814,591)
X. Negative reserve for treasury shares in portfolio	(4,823,612)	(4,823,612)
TOTAL SHAREHOLDERS' EQUITY (A)	33,351,833	22,944,262
B) Provisions for risks and charges		
4) Other provisions:		
Provision for future charges	7,886,679	9,678,206
Maintenance expenses on third party assets under concession provision	0	0
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	7,886,679	9,678,206
C) Post-employment benefits	2,338,651	2,350,553
TOTAL (C)	2,338,651	2,350,553

amounts in Euro

Balance sheet: Liabilities	Financial statements at 31/12/2022	Financial statements at 31/12/2021
D) Payables		
4) Bank payables:		
within 1 year	5,181,802	2,656,699
beyond 1 year	20,771,649	25,609,978
7) Trade payables:		
within 1 year	29,900,945	19,120,565
beyond 1 year	331,112	331,112
9) Subsidiaries:		
within 1 year	163,461	1,016,806
beyond 1 year	0	0
11) Parent companies:		
within 1 year	0	0
beyond 1 year	0	0
12) Tax payables:		
within 1 year	1,085,676	1,060,329
beyond 1 year	585,552	1,069,880
13) Payables to social security institutions:		
within 1 year	763,124	786,840
beyond 1 year	0	0
14) Other payables:		
within 1 year	21,534,464	17,560,984
beyond 1 year	893,123	784,572
Total		
within 1 year	58,629,472	42,202,224
beyond 1 year	22,581,436	27,795,541
TOTAL PAYABLES (D)	81,210,908	69,997,765
E) Accrued expenses and deferred income		
Accrued expenses	0	8,648
Deferred income	5,898,419	6,227,748
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME (E)	5,898,419	6,236,396
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	130,686,490	111,207,182

Income statement

amounts in Euro

Income statement	Financial statements at 31/12/2022	Financial statements at 31/12/2021
A) Value of production		
1) Revenues from sales and services	58,017,610	30,549,861
5) Other revenue and income showing separately operating grants:		
Other revenues and income	6,368,922	2,810,694
Operating grants	12,530,355	14,311
Total other revenues and income	18,899,277	2,825,005
TOTAL VALUE OF PRODUCTION (A)	76,916,887	33,374,866
B) Costs of production		
6) Raw materials, ancillary, consumables and goods	1,316,086	698,332
7) Services	37,063,338	19,777,938
8) Rent, leasing and similar costs	3,319,629	1,768,436
9) Personnel costs:		
a) salaries and wages	10,656,977	8,185,230
b) social security charges	3,041,166	2,456,681
c) post-employment benefits	853,697	804,423
d) pension and similar rights	0	0
e) other costs	250,772	229,618
Total personnel costs	14,802,612	11,675,952
10) Amortisation, depreciation and write-downs:		
a) amortisation	947,374	1,041,280
b) depreciation	5,363,707	5,112,255
c) write-down of fixed assets	0	0
d) write-downs of current receivables and cash and cash equivalents	673,126	970,385
Total amortisation, depreciation and write-downs	6,984,207	7,123,920
11) Change in inventories of raw materials, ancillaries, consumables and goods	30,632	155,706
12) Provisions for risks	262,994	368,285
13) Other provisions	0	0
14) Other operating costs	3,115,974	1,640,729
TOTAL COST OF PRODUCTION (B)	66,895,472	43,209,298
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	10,021,415	(9,834,432)

amounts in Euro

Income statement	Financial statements at 31/12/2022	Financial statements at 31/12/2021
C) Financial income and charges		
15) Investment income:		
dividends and other income	0	0
16) Other financial income:		
d) other income:		
other	160	257
Total	160	257
17) Interest and other financial charges:		
subsidiary companies	(25,343)	0
other	(697,767)	(616,539)
17-bis) Exchange gains and losses	(47)	(41)
TOTAL FINANCIAL INCOME AND CHARGES (C)	(722,997)	(616,323)
D) adjustments to financial assets		
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS (D)	0	0
RESULT BEFORE TAXES (A-B+/-C+/-D)	9,298,418	(10,450,755)
20) Income taxes for the year:		
a) Current taxes	2,534,144	2,411,346
b) Deferred tax income/charges	(1,424,991)	224,818
21) NET PROFIT/(LOSS)	10,407,571	(7,814,591)

Cash flow statement

amounts in Euro

Cash flow statement	Financial statements at 31/12/2022	Financial statements at 31/12/2021
A) Cash flow from operating activities		
Net profit/(loss)	10,407,571	(7,814,591)
Income taxes	(1,109,153)	(2,636,164)
Interest charges/(income)	722,997	616,323
(Dividends)	0	0
(Gains)/losses on sale of assets	7,300	(17,250)
1) Profit/(loss) for the year before taxes, interest, dividends and gains/losses from disposals	10,028,715	(9,851,682)
Non-cash adjustments not impacting working capital:		
Provisions	262,994	368,285
Amortisation & depreciation	6,311,081	6,153,535
Impairments	2,007	13,853
Other non-cash increases/(decreases)	0	0
2) Total non-cash adjustments not impacting working capital	6,576,082	6,535,673
Cash flow before working capital changes	16,604,797	(3,316,009)
Changes in net working capital:		
Decrease/(Increase) in inventories	30,632	155,706
Decrease/(Increase) in trade receivables	(5,265,080)	(5,147,951)
Increase/(Decrease) in trade payables	10,780,379	3,706,949
Decrease/(Increase) in prepayments and accrued income	(400,335)	(103,100)
Increase/(Decrease) in accrued expenses and deferred income	(337,977)	(527,622)
Other Decreases/(Other Increases) in working capital	8,187,384	3,976,824
Total changes in working capital	12,995,003	2,060,806
Cash flow after working capital changes	29,599,800	(1,255,203)
Other adjustments:		
Interest received/(paid)	(696,804)	(616,754)
(Income taxes paid)	(709,375)	(481,082)
Dividends received	0	0
(Utilisation of provisions)	(7,906,372)	(459,973)
Other receipts/(payments)	0	0
Total other adjustments	(9,312,551)	(1,557,809)
CASH FLOW FROM OPERATING ACTIVITIES (A)	20,287,249	(2,813,012)

amounts in Euro

Cash flow statement	Financial statements at 31/12/2022	Financial statements at 31/12/2021
B) Cash flow from investing activities		
Property, plant & equipment:		
(Cash flows from investments)	(4,850,971)	(4,041,601)
Cash flows from divestments	7,500	0
Intangible assets:		
(Cash flows from investments)	(1,904,661)	(953,562)
Cash flows from divestments	0	0
Financial assets:		
(Cash flows from investments)	0	(1,500,000)
Cash flows from divestments	0	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	(6,748,132)	(6,495,163)
C) Cash flow from financing activities		
Third-party funds:		
Increase/(Decrease) in short-term bank payables	0	0
New loans	0	3,000,000
(Repayment of loans)	(2,313,226)	0
Own funds:		
Dividends and advances on dividends paid	0	0
CASH FLOW FROM FINANCING ACTIVITIES (C)	(2,313,226)	3,000,000
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	11,225,891	(6,308,175)
OPENING CASH AND CASH EQUIVALENTS	10,417,545	16,725,720
CLOSING CASH AND CASH EQUIVALENTS	21,643,436	10,417,545

The undersigned herewith declares that the financial statements shown above reflect the underlying accounting entries.

On behalf of the Board of Directors
The Chairperson

Explanatory notes to the financial statements of SAGAT S.p.A.

Introduction

Financial statements - introduction

The Financial Statements comprise the Balance Sheet, the Income Statement, the Cash Flow Statement and these Explanatory Notes (Article 2423, paragraph I, Civil Code). The tables annexed to the Explanatory Notes are an integral part thereof and, therefore, of the Financial Statements. The Company prepares the Consolidated financial statements as per Legislative Decree No.127 of 09/04/91.

The separate and consolidated financial statements were audited, in accordance with Article 2409-bis of the Civil Code, by the independent audit firm EY S.p.A..

General principles

1. The Financial Statements comprise the Balance Sheet, the Income Statement, the Cash Flow Statement and these Explanatory Notes (Article 2423, paragraph I, Civil Code). The tables annexed to the Explanatory Notes are an integral part thereof and, therefore, of the Financial Statements. The Company prepares the Consolidated financial statements as per Legislative Decree No.127 of 09/04/91. The separate and consolidated financial statements were audited, in accordance with Article 2409-bis of the Civil Code, by the independent audit firm EY S.p.A..

2. The information required by the specific legal provisions governing the preparation of the Financial Statements has been deemed sufficient to provide a true and fair view. The complementary information considered beneficial for complete and detailed disclosure has however been provided. This includes, in particular, in the Directors' Report:
 - the cash flow statement with the changes in net working capital (NWC) and the Net Financial Position;
 - balance sheet analysis according to the financial criteria;
 - additional significant information in consideration of the characteristics and size of the Enterprise (Article 2423, paragraph III, Civil Code).
3. A true and fair view of the company's Balance Sheet and Net Result was ensured without the need to apply the exceptions to the above standards, as no exceptional cases of incompatibility were encountered which would require application of the provisions of Article 2423, paragraph IV, Civil Code.
4. The Financial Statements were prepared in Euro; in these Explanatory Notes, the figures are reported in Euro, except where otherwise indicated (Article 2423, paragraph V, Civil Code).

Basis of preparation

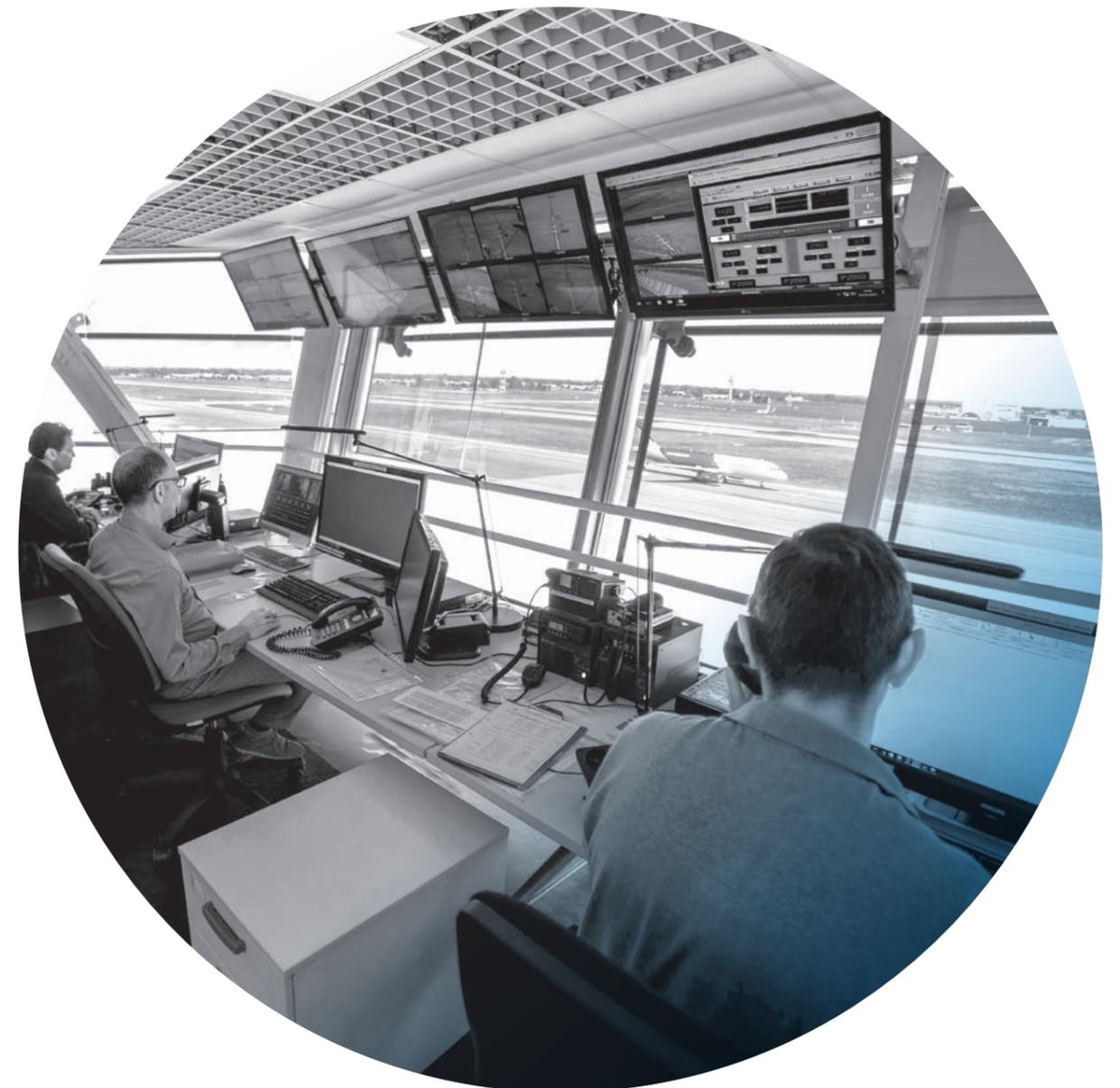
The following policies were applied in preparing the Financial Statements,

1. The accounts have been measured on a prudent and going concern basis, while also taking account of the substance of the transaction or the contract (Article 2423 bis, para, I, paragraph I, No. 1, Civil Code).
2. The profits realised in the fiscal year were exclusively included (Article 2423 bis, paragraph I, No. 2, Civil Code).
3. All income and charges accruing to the year, regardless of when they were received or settled, are reported in the financial statements (Article 2423 bis, paragraph I, No. 3, Civil Code). Costs have been matched with related revenues recognised during the year.
4. Account is taken of risks and losses in the year even if known subsequent to year-end (Article 2423 bis, paragraph I, No. 4, Civil Code). Dissimilar components of individual items are valued separately (Article 2423 bis, paragraph I, No. 5, Civil Code).
5. In accordance with Article 2423-ter of the Italian civil code, it should be noted that all figures are comparable.
6. The following criteria were applied in structuring the Balance Sheet and Income Statement:
 - 6.a in the Balance Sheet and Income Statement the items covered by Articles 2424 and 2425 of the Civil Code have been recognised separately, and in the order indicated, even where they amount to zero (Article 2423 ter, paragraph I, Civil Code);
 - 6.b the items preceded by Arabic numerals have been subdivided further, where required by the accounting standards or considered necessary for the clarity of the Financial Statements;
 - 6.c in relation to the nature of the activities carried out by the Enterprise, item B.II.bis has been added to the assets section of the balance sheet concerning those assets that may be transferred at the end of the concession, in addition to item B.II bis 1 bis) regarding runways and related land, as previously indicated at item B.II.2);
 - 6.d the items preceded by Arabic numerals have not been adjusted, as not required in view of the nature of the activity carried out (Article 2423 ter, paragraph IV, Civil Code);
 - 6.e for each item of the Balance Sheet and Income Statement, the amount of the corresponding item for the previous year was indicated;
 - 6.f no offsetting of items was undertaken (Article 2423 ter, paragraph VI, Civil Code).

7. No assets and liability accounts are recorded under more than one line item of the balance sheet (Article 2424, paragraph II, Civil Code).
8. In assessing the company's going concern, no significant uncertainties emerged as the health emergency has not compromised its capacity to operate as a continuing entity.
9. The Financial Statements for the year ended December 31, 2022 have been prepared in accordance with the Civil Code, as amended by Legislative Decree No. 139/2015, interpreted and supplemented by the Italian accounting standards issued by the Italian Accounting Organisation ("OIC") in the version in force for financial statements ending December 31, 2022.

10. In relation to the contents of the notes to the financial statements as per Article 2427 of the Civil Code:

- the Company did not enter into any financing transactions with the temporary transfer of assets during the year;
- the Company does not have any off-balance sheet arrangements beyond that reported both in these Notes and in the Directors' Report, whose knowledge would be useful in assessing the Company's equity and financial position;
- no atypical or unusual transactions were carried out, i.e., outside the normal course of business or capable of materially affecting the Company's financial position and performance;
- the Company does not have any separate indicated assets or any financing indicated for a specific business as per Art. 2447-bis of the Civil Code and subsequent;
- the Company has not subscribed to derivative financial instruments under Article 2427-bis of the Civil Code.



Criteria applied in the measurement of the accounts in the financial statements, value adjustments and translation of amounts in foreign currencies

The accounting policies adopted for the preparation of the financial statements at December 31, 2022, in accordance with Article 2426 of the Civil Code and the above-stated accounting standards, are described below.

Fixed assets

Assets to be used over the long-term are classified under fixed assets.

Intangible assets

Intangible assets are recorded at purchase or production cost, including direct accessory charges, and are amortised on a straight-line basis based on their remaining useful lives. The amortisation schedule, in accordance with this principle, is presented below:

Intangible assets	
Type of asset	Rate
Industrial patents and intellectual property rights	33%
Concessions, licenses, trademarks and similar rights	33%
Other intangible assets	Between 5.56% and 33%

The amortisation criteria and ratios applied have not been amended on the previous year

(Article 2426, paragraph I, No. 2, Civil Code). Extraordinary maintenance expenses on third party assets included in Other Fixed Assets were amortised over a period from the tax period in which the investments were made to 2037.

At the balance sheet date, no intangible assets were found to have a permanent value of less than their purchase cost, including direct accessory charges and net of amortisation; therefore, no write-downs have been recognised (Article 2426, paragraph I, No. 3, Civil Code).

Property, plant & equipment

Property, plant and equipment are measured at purchase or construction cost, including direct accessory charges, with the exception of assets subject to revaluation in accordance with Law No. 72/83 and Law No. 342/2000. The cost of an asset includes the financial charges incurred for their production up to the moment in which the asset is ready for use and for the portion reasonably attributed to said asset. The amount of the financial charges capitalised during the year is shown in Part IV of these Explanatory Notes (Article 2427, paragraph I, No. 8, Civil Code). The cost of property, plant and equipment, whose utilisation is limited in time, are depreciated on a straight-line basis each year based on their residual future utility.

The depreciation schedule, in accordance with the principles described above, is shown below:

Property, plant & equipment	
Type of asset	Rate
Buildings and related property	4%
Runways and aircraft apron	6.25%
Flight-assistance systems	31.5%
Other plant	10%
Runway and ramp equipment	10%
Equipment for other uses	20%
Specific equipment	12.5%
Motor vehicles	25%
Transport vehicles	20%
Furniture & fittings	12%
EDP	20%
Other property, plant and equipment	20%
Sundry property, plant and equipment	100%

In previous years, for certain categories of assets, where required on the basis of the particular functional obsolescence of such assets, the above rates were doubled in the first three years subsequent to their entry into service.

Assets which went into use during the year are amortised or depreciated for a half year in order to take account of their reduced use for the year.

It should be noted that, following the amendment to Article 104 of the Consolidated Income Tax Act introduced by Legislative Decree No. 669 of 31/12/1996, which allows financial depreciation solely as an alternative to technical depreciation (and no longer in addition to it), the Company has in previous years opted for this latter, deducting the previously accumulated financial depreciation from the historical cost of the related assets, with the exception of the runways and aircraft stands category.

Ordinary maintenance and repair costs are expensed as incurred, while those which increase the value of the assets are capitalised.

In light of company programmes, at the balance sheet date, no property, plant or equipment was found to have a permanent value of less than their (adjusted) purchase cost, including direct accessory charges and net of depreciation (Article 2426, paragraph I, No. 3, Civil Code) and therefore the need to apply write-downs did not emerge.

Financial assets

Equity investments and other financial assets represent long-term investments and are recognised in the financial statements on the basis of the costs incurred or the subscription values.

Where the investee companies suffers losses considered to be permanent, the carrying amount of the investments are written down accordingly.

These write-downs are reversed when the reasons underlying then cease to exist.

Treasury shares are recorded at their purchase cost in the negative reserve for treasury shares in portfolio.

For non-current financial receivables, we have assessed adopting the amortised cost approach as defined under Article 2426 of the Civil Code, while also taking account of time value and presumed realisable value in accordance with the point 8 of Article 2426, paragraph 1, of the Civil Code.

The immateriality of the application of the amortised cost method was verified for all non-current receivables, or where the settlement costs, commissions paid between the parties and any other difference between the initial value and the value on maturity is immaterial or where the receivables are short-term (i.e, with maturity of less than 12 months).

Inventories

Inventories of raw materials, ancillaries, consumables and goods have been recognised at purchase cost, plus accessory charges. As in previous years, this cost has been calculated as a weighted average.

Assets that do not have a real possibility of being used in production are recognised at their realisable value when less than their purchase cost.

In any event, the carrying amount of inventories is not greater than their presumed market value taking account of the utility of the goods within the scope of the production process.

The value of inventories is not significantly different from their fair value at year-end.

Receivables

For current financial receivables, we have assessed adopting the amortised cost approach as defined under Article 2426 of the Civil Code, while also taking account of time value and presumed realisable value in accordance with the point 8 of Article 2426, paragraph 1, of the civil code, net of adjustments and a provision for credit risk of a suitable amount to take account of the risk of default on all trade receivables as a whole. The immateriality of the application of the amortised cost method was verified for all receivables, or where the settlement costs, commissions paid between the parties and

any other difference between the initial value and the value on maturity is immaterial or where the receivables are short-term (i.e, with maturity of less than 12 months).

Receivables for interest on arrears have been fully written down in the previous years in which they accrued.

There are no receivables for which payment terms have been deferred by contract, for which it would be appropriate to recognise their present value at current rates in accordance with applicable accounting standards.

Cash and cash equivalents

Cash and cash equivalents are recorded at their nominal value.

Prepayments and accruals

Prepayments and accruals include the income/charges of the year applicable in future periods and charges/income sustained in the period relating to future periods. Only amounts relating to two or more periods are recorded in these accounts, the amount of which varies depending on the time period involved.

Shareholders' Equity

This item includes all transactions of an equity nature carried out between the Company and parties exercising their rights and duties as shareholders. The increase in share capital is recognised in the accounts only subsequent to the transaction's registration at the companies office, as governed by Article 2444, paragraph 2 of the Civil Code. In this case, the corresponding amount is recognised in a special equity item (other than "Share Capital"), which includes the amounts of share capital subscribed by shareholders, which will subsequently be reclassified on meeting the conditions above.

Provisions for risks and charges

Provisions for risks and charges only include provisions to cover known or likely losses or liabilities of a specific nature, the timing and extent of which cannot be determined at year-end. These provisions have been measured in accordance with the prudence and accruals concepts and no provision has been made for matters without any economic justification.

Any risks for which the occurrence of a liability is only possible or for which no objective forecast of the resulting charge is possible are disclosed in the Notes to the Financial Statements without making provisions for risks and charges.

No account is taken of risks whose possibility of manifestation appears remote.

Post-employment benefit provisions

Law No. 296 of December 27, 2006 (2007 Finance Act) introduced new rules for the Post-employment benefits maturing from January 1, 2007.

As a result of the supplementary pension reform:

- the post-employment benefits matured until December 31, 2006 remain within the company;
- the post-employment benefits matured from January 1, 2007, accumulate by the method expressly or tacitly selected by the employee as follows:
 - a) allocated to a supplementary pension fund;
 - b) held in the company, which must transfer the relative quota to the Treasury Fund managed by INPS.

Since January 1, 2007, amounts matured during the year continue to be recognised as post-employment benefits (item B9 c) in the income statement).

Under the balance sheet, post-employment benefits (account C) represent the residual provision at December 31 of the present year, while the accounts D13 Payables to social security institutions and D14 Other payables refer to the payable matured at December 31 relating to post-employment benefits still to be paid to the INPS treasury fund and to the pension funds.

Payables

For all payables, any need to apply the amortised cost approach was verified, as defined under Article 2426 of the Civil Code, while also taking account of time value and their nominal value in accordance with the point 8 of Article 2426, paragraph 1, of the civil code, which applies to when transaction costs, fees paid by the parties, and any differences between the starting value and the value when due are not insignificant and the payable is due beyond 12 months.

Payables are recognised at their nominal value, with the exception of the Euro 25 million bank loan as described in the related section herein.

Risks, commitments and guarantees

Risks that are likely to give rise to a liability are described in the Explanatory Notes and the related provisions recorded under Risk Provisions.

Risks that will only possibly give rise to a liability are described in the Explanatory Notes without making a provision.

Commitments are recognised at their contractual value, whereas guarantees are recognised based on the risk assessed at year end. Both of these are discussed in the Explanatory Notes.

Revenues and costs

Revenue, costs and other gains and charges are recognised on a prudent basis and in line with the matching of revenue and expenses and are shown net of discounts, rebates, and other incentives and subsidies. Service revenues are recognized in the period in which the services are performed.

Grants

Grants are recognised as other revenue and income in the period in which there is a reasonable certainty concerning eligibility for their receipt and recognised as deferred income when related to future periods. This deferred income is then reduced at the end of each financial year and recognised as income at the same rate as for the depreciation of the asset to which the grant refers.

Dividends

The dividends distributed by the subsidiaries are recognised in the year in which the related profits accrue, where the date of the dividend distribution proposal by the subsidiary's Board of Directors is prior to the date of approval of the financial statements by the parent company's Board of Directors. They

are recorded as financial income independently of the nature of the distributable reserves.

Income taxes

Income taxes - both company income tax (IRES) and the regional production tax (IRAP) recognised to item E.20 - are calculated based on estimated taxable income and applicable tax laws.

Beginning with the 2017 financial year, the Company, as a subsidiary of the Group, adhered to the National Tax Consolidation scheme in accordance with Articles 117 et seq, of Italy's Income Tax Law. The other subsidiaries also adhering to the scheme are SAGAT S.p.A., GESAC S.p.A., Software Design S.p.A., 2i S.A.C., and Aeroporto Friuli Venezia Giulia S.p.A., while 2i Aeroporti S.p.A. is the parent company.

The current National Tax Consolidation scheme concerns the three-year period 2020-2022, This option was exercised in order to take advantage of the benefits allowed under the law, including the ability for the parent company to offset the earnings of the individual companies involved. Notification of the renewal of this option, as envisaged under Article 5, paragraph 1, of the Decree of the Ministry for the Economy and Finance of June 9, 2004, was filed electronically with Italy's Tax Agency on October 31, 2020, by 2i Aeroporti S.p.A..

The key points of the above-mentioned group regulation are as follows: a) where, and to the extent that, in one of the tax periods in which the group taxation option is valid, a party contributes to the tax consolidation, as per Article 96, paragraph 7 of the Consolidated Income Tax Law, an excess of interest expense and similar charges, this party shall be granted the right to corresponding remuneration; b) in the event that the taxable income of the subsidiary, net of the tax losses referred to in Article 84 of the Consolidated Income Tax Law, prior to the commencement of tax consolidation, is positive, the consolidated company shall pay to the consolidating company an amount equal to the corresponding net tax payable, calculated as if the option for tax consolidation were not operating; c) in the event that the taxable income produced by the subsidiary in one or more taxable periods covered by the option for tax consolidation is negative, the parent company shall pay to the subsidiaries a sum equal to either 1) the taxes actually saved as a result of the use of the tax losses thus realized or 2) the credits due to the subsidiaries for the surpluses transferred to the consolidating company pursuant to item b) above; (d) if one of the parties transfers to the consolidating company an interest surplus, the consolidating company shall, to the extent permitted, carry this surplus as a reduction of the total comprehensive income; (e) in the case referred to in (d) above, the party that transferred the interest surplus to the consolidating company shall be paid compensation in an amount equal to

100% of the notional IRES calculated by applying to the transferred surpluses the IRES rate in force during the period of utilisation of these surpluses. Tax consolidation enables the parent company, 2i Aeroporti S.p.A., to aggregate the taxable earnings of the parent company with those of the domestic subsidiaries adhering to the scheme. The taxable income and fiscal losses of the companies involved in the tax consolidation are considered in their full amount, regardless of the interest held by the parent company (line-by-line consolidation). The parent company is responsible for calculating total income tax expense and for making the related payments to the Tax Agency, Nonetheless, the subsidiaries are still considered to be tax-paying entities.

The accounting principles applicable to this tax consolidation are described below:

Current income tax

Income tax expense is recognised as current income taxes, and the related payable to (or receivable from) the parent company is recognised on the balance sheet. Consolidation adjustments that lead to a benefit on the consolidated tax return are recognised as tax gains from tax consolidation among current taxes and as a receivable to the parent company.

Deferred taxes

Receivables for IRES advance payments and deferred taxes attributable to both the parent company and the subsidiaries and related to

operations arising during the period of tax consolidation remain on the accounts of the company that generated them. Therefore, in accordance with the tax consolidation scheme, they are not recognised by the parent company. Observance of the conditions for recognising deferred taxes is assessed in relation to forecasts of future taxable income for the companies involved in the tax consolidation. Conversely, should the deferred tax asset or liability be related to transactions occurring outside of the tax-consolidation period, the assessment is made based on the circumstances of the individual company.

The Company has recognised deferred taxes in relation to temporary fiscal differences arising during the year. More specifically, temporary deductible differences determined by expenses which are partially or totally deferred to future years, generate deferred tax assets recorded in the account C.II.5-ter of the assets; the temporary differences determined by income assessable in a future year compared to that recorded for statutory purposes, or of expenses deducted in a year prior to their recognition on the income statement, generate deferred tax liabilities.

Deferred tax assets and liabilities are measured based on the currently applicable tax rate and taking account of expected tax rates for future years.

The income taxes recorded for the year are the sum of current and deferred income taxes, which appropriately express the fiscal charge for the period.

Deferred tax assets are not recognised when there is not a reasonable certainty of their future recovery. In the same way, deferred tax liabilities are not recognised where there is little probability that such a payable will arise.

Descriptions of the temporary differences that led to the recognition of deferred tax assets and liabilities, specification of the related tax rate, a description of changes from the previous year, amounts debited and credited to the income statement and to equity, and deferred tax assets related to losses incurred are provided in the statement of deferred tax assets and liabilities found in the section related to income taxes for the year (as per Article 2427, paragraph 1, point 14, of the Italian civil code).

Remuneration of subsidiaries for financial benefits

Remuneration for fiscal losses paid to companies involved in the tax consolidation takes place at the moment of the actual use of the losses themselves for tax consolidation purposes (and is not, therefore, subordinate to the achievement of future taxable income by the given subsidiary) at the IRES tax rate in effect for the fiscal year in which the loss is used to lower the consolidated taxable income. The financial benefits resulting from the consolidated adjustments by the parent company, but related to the subsidiary, are to go to the subsidiary.

Translation of balances in foreign currencies

In accordance with Article 2426, paragraph 1, No. 8-bis of the Civil Code, cash assets and liabilities in currencies other than the functional currency ("reporting currency"), subsequent to initial recognition, are recorded at the exchange rate at the reporting date. The consequent exchange gains or losses are recognised to account C17-bis) Exchange gains and losses in the income statement and any net gain, contributing to the net result, is provisioned to a specific non-distributable reserve until realisation.

Non-cash assets and liabilities in currencies other than the reporting currency are recognised at the exchange rate applicable on acquisition. Where the exchange rate applicable at year-end significantly differs from that at the acquisition date, the altered exchange rate is one of the elements taken into consideration in assessing the carrying amount of the individual non-cash assets. In this case therefore, any exchange differences (positive or negative) are considered in calculating the recoverable value.



Notes on the balance sheet

The additional information required by Articles 2426 and 2427 of the Civil Code, in addition to any information required by Article 2423, paragraph III of the Civil Code is provided below in the order dictated by the mandatory statement layouts.

BALANCE SHEET - ASSETS

Intangible assets

Intangible assets represent long-term costs of production not related to physical assets, net of amortisation. They concern long-term property rights and rights-of-use (and similar assets), licences, leasehold improvements, or deferred costs for which the actual utility is related to future periods.

Intangible assets, totalling Euro 10,043 thousand, increased on the whole by Euro 1,035 thousand during the year,

The tables below summarise and detail the changes in the various components of intangible assets for the year.

	Concessions, licenses, trademarks and similar rights	Assets in progress & advances	Other intangible assets	Total intangible assets
Opening balance				
Cost	1,307,744	228,571	10,446,505	11,982,820
Amortisation (Accumulated amortisation)	1,152,967	0	1,821,421	2,974,388
Book value	154,777	228,571	8,625,084	9,008,432
Changes in the year				
Increases for acquisitions	195,114	1,257,980	451,567	1,904,661
Reclassifications (at book value)	73,807	(1,126,329)	1,129,983	77,461
Decreases for sales and disposals (at carrying amount)				
Amortisation for the year	188,580		758,794	947,374
Other changes				
Total changes	80,341	131,651	822,756	1,034,748
Closing balance				
Cost	1,576,665	360,222	12,028,055	13,964,942
Amortisation (Accumulated amortisation)	1,341,547		2,580,215	3,921,762
Book value	235,118	360,222	9,447,840	10,043,180

The increase in the item B.I.43 Concessions, licenses and trademarks is due to the lower value of amortisation in the period of Euro 189 thousand, compared to the acquisition costs of licenses and new software in the year of Euro 195 thousand, the capitalisation of assets recognised to assets in progress in the previous year, which began amortisation in 2022 and reclassifications for a value of Euro 74 thousand.

Assets in progress and advances (B.I.6) increased by Euro 132 thousand, net of reclassifications, due to the capitalisation of assets beginning amortisation in 2022 and the closure of work-in-progress from previous years.

Other assets (B.I.7) increased following acquisitions and reclassifications for Euro 1,582 thousand, mainly regarding investments for the modernisation of the restrooms in the southern boarding area, the renovation of storage areas at level +10.93 and the setting up of commercial areas. Work is also reported in the aircraft movement area, with the construction of the new apron dedicated to de-icing operations. Other investments included the repaving of the taxiway.

Work on other buildings included the replacement of windows and doors to enhance energy efficiency at the Fire Brigade and Border Police barracks and complementary works on the new kennel at the State Police barracks.

Overall, Other intangible assets which includes, among others, improvements and investments in assets not owned by the company, reported amortisation of Euro 759 thousand.

The amortisation criteria and ratios applied have not been amended from the previous year (Article 2426, paragraph I, No. 2, Civil Code). Other intangible assets are amortised through applying the financial criterion, i.e. over a period of time between the tax period in which the investments are made and 2037, the final year of the concession in force.

Property, plant and equipment

Property, plant and equipment include the long-term, physical assets used in production by the company, including those that are to be transferred at the end of the concession agreement, net of technical and financial depreciation.

Property, plant and equipment, totalling Euro 42,113 thousand, decreased overall by Euro 457 thousand during the year.

The tables below summarise and detail the changes in the various components of property, plant and equipment for the year.

	Land and buildings	Plant and machinery	Commercial and industrial equipment	Other tangible fixed assets	Other assets in progress and advances	Total property, plant and equipment
Opening balance						
Cost	87,507,021	77,092,721	17,545,524	29,176,447	1,261,681	212,583,394
Depreciation (Accumulated depreciation)	60,702,531	69,277,447	11,758,919	28,274,378	0	170,013,275
Book value	26,804,490	7,815,274	5,786,605	902,069	1,261,681	42,570,119
Changes in the year						
Increases for acquisitions	2,705	1,215,536	1,008,520	899,827	1,724,383	4,850,971
Reclassifications (at book value)		43,108	5,055	4,000	10,675	62,838
Decreases for disposals (at book value)				7,500		7,500
Depreciation for the year	2,217,668	1,520,636	1,123,746	501,657		5,363,707
Other changes	(1)	1			1	1
Total changes	(2,214,964)	(216,991)	(110,171)	394,670	1,735,059	(457,397)
Closing balance						
Cost	87,509,726	78,351,366	18,377,917	30,026,758	2,996,740	217,262,507
Depreciation (Accumulated depreciation)	62,920,200	70,798,083	12,701,483	28,730,019		175,149,785
Book value	24,589,526	7,553,283	5,676,434	1,296,739	2,996,740	42,112,722

It should be noted that categories B.II.1, B.II. bis 1 and 1 bis) - Land and buildings - include transferable assets for an amount net of the related accumulated depreciation of Euro 24,590 thousand, of which Euro 261 thousand refers to the runway and the related land.

Plant and Machinery entirely comprises transferable assets and at December 31, 2022, net of the relative Accumulated depreciation, amounts to Euro 7,553 thousand.

Land and Buildings (B.II.bis 1 and 1 bis) reduced overall by Euro 2,215 thousand, following acquisitions for Euro 3 thousand and depreciation of Euro 2,218 thousand. No obsolete assets of this category were decommissioned during the year.

Plant and machinery (B.II.bis 2) decreased by a total of Euro 262 thousand; depreciation of Euro 1,521 thousand was recorded in the year.

The main actions concerned the modernisation of various systems, such as fire detection, smoke

extraction systems and lighting systems, in addition to upgrades to electrical systems. We also highlight the relamping initiatives on emergency stairways of airport buildings to save energy. Additionally, upgrades were made to piping on the State Authorities building, new heat generators were installed at hangars 1 and 2 and the electrical distribution was modernised.

Lastly, during the year, the construction of photovoltaic systems on the roofs of airport buildings was started as part of the European TULIPS project.

No obsolete assets of this category were decommissioned during the year.

Industrial and commercial equipment (B.II.3) decreased by a total of Euro 110 thousand as a result of purchases for Euro 1,009 thousand and depreciation of Euro 1,124 thousand for the year. The most significant investment concerned the installation of 5 ABC e-gate positions in order to supplement the existing automated passport control systems. We report also the installation of equipment, along with the ATRS system, which enables the screening of hand luggage without the need to separate liquids and electronic equipment, along with the implementation of

two new automatic baggage tag reading (ATR) stations. In terms of security, the equipment fleet was also renewed with the purchase of new WTMDs, metal detectors, and shoe analysers.

Obsolete assets of this category were decommissioned during the year and fully depreciated for Euro 180 thousand.

Other assets (B.II.4) increased overall by a total of Euro 394 thousand, as a result of depreciation of Euro 502 thousand and increases for Euro 900 thousand. We indicate the purchase of a new electric ambulift, a new electric airport ambulance and of a new electric service car.

We highlight in addition hardware purchases for Euro 175 thousand.

Obsolete depreciated assets of this category were decommissioned during the year that had a total historical cost of Euro 54 thousand.

Assets in progress and advances (B.II.5) increased by Euro 1,735 thousand. We highlight in particular the acquisitions of assets which have not yet been depreciated, for a total amount of Euro 1,724 thousand and decreases relating to works-in-progress in previous years starting depreciation in the year for an amount of Euro 11 thousand.

Revaluations recognised in accordance with Law No. 72 of March 19, 1983 for Euro 566 thousand and Law No. 342 of November 21, 2000 for Euro 8,423 thousand remained unchanged from the previous year. The details of these revaluations are shown in the table below.

	Legal revaluations	Economic revaluations	Total revaluations
Land and buildings	282,000	0	282,000
Plant and machinery	6,567,000	0	6,567,000
Industrial and commercial equipment	182,000	0	182,000
Other assets	1,958,000	0	1,958,000
TOTAL	8,989,000	0	8,989,000

Financial assets

This aggregate reflects the amount of non-current uses of funds of a financial nature.

The investment in SAGAT Handling is carried at a value of Euro 4,344 thousand at December 31, 2022 and is unchanged on the previous year. The carrying amount of SAGAT Handling under Investments in subsidiaries, determined on the basis of the cost incurred for its acquisition and the value of the above-stated recapitalisation in 2021, was higher at December 31 than the value of its Shareholders' Equity, which, as of the same date, was Euro 2,810 thousand, increasing Euro 1,328 thousand on 2021. The impairment test carried out indicated that the value of the equity investment is representative of the value in use of the subsidiary, calculated as the present value of future cash flows prudently forecast from operations over a time period to 2037. No write-down was consequently applied to the equity investment.

The Investments in Associates item did not report any changes.

The company managing G, Marconi Airport of Bologna (hereafter AdB) was admitted to trading on the STAR segment of the Italian Stock Exchange in July 2015.

At December 31, 2022 SAGAT S.p.A. held 1,183,643 ordinary AdB shares, at a carrying amount of Euro 8.26 per share. The market value of the share at December 31, 2022 was Euro 7.80 and at March 21 was Euro 8.00.

The greater value of the investment compared to corresponding share of equity held is due to the positive assessment of the company's ability to generate greater earnings in the future.

On March 14, 2023, the AdB Board of Directors approved the company's financial report for 2022, with the year closing with a net profit at the consolidated level of Euro 31.1 million compared to a loss of Euro 6.7 million in 2021.

The figures relating to equity investments, other securities and derivative financial instruments are summarised in the following table drawn up as per Article 2427, paragraph 1, No. 2.

	Investments in subsidiaries	Investments in other companies	Total equity investments
Opening balance	4,343,598	9,781,870	14,125,468
Book value	4,343,598	9,781,870	14,125,468
Changes in the year			
Increases for acquisitions			
Decrease for disposals			
Other changes			
Total changes			
Closing balance	4,343,598	9,781,870	14,125,468
Book value	4,343,598	9,781,870	14,125,468

It should also be noted that the Company holds 74,178 treasury shares: in accordance with Legislative Decree No. 139/15 implementing Directive 2013/34 on separate financial statements, consolidated financial statements and the related reports, from January 1, 2016 the Company has eliminated their carrying value from fixed assets.

These shares were purchased by the Company following a shareholder resolution on December

10, 2002, authorising the purchase of up to 58,400 treasury shares, fully paid, in March 2003. The number of treasury shares increased in 2009 to the same number due to the free share capital increase approved that year.

The value of the shares held was Euro 4,824 thousand in 2008 following the closure of the stock-option incentives plan for the Company's management.

List of equity investments in subsidiaries

The details of equity investments in subsidiaries are reported below, as per Article 2427, paragraph 1, No. 5 of the Civil Code, referring to the last approved financial statements.

Company	SAGAT Handling S.p.A.	Total
Country	Italy	
Tax, No. (for Italian businesses)	05025470013	
Share capital in Euro	436,521	
Last year profit/(loss) in Euro	1,482,130	
Shareholders' equity in Euro	2,810,018	
Holding in Euro	2,810,018	
Holding in percentage	100%	
Carrying amount or corresponding receivable	2,843,598	2,843,598

List of equity investments in other companies

The details of equity investments in other companies are reported below, as per Article 2427, paragraph 1, No. 5 of the Civil Code, based on the last approved financial statements.

Company	Bologna Airport	Total
Country	Italy	
Tax, No. (for Italian businesses)	03145140376	
Share capital in Euro	90,314,162	
Last year profit/(loss) in Euro	(7,542,354)	
Shareholders' equity in Euro	152,355,364	
Holding in Euro	2,962,305	
Holding in percentage	3.28%	
Carrying amount or corresponding receivable	9,781,870	9,781,870

List of equity investments in associates

In accordance with Article 2427, paragraph 1, No. 5 of the Civil Code, the Company does not hold equity investments in associates.

Non-current receivables

Non-current financial receivables totalled Euro 278 thousand, with a movement on the previous year of Euro 215 thousand. The breakdown by type and maturity of non-current financial receivables is summarised in the following table, as per Article 2427, paragraph 1, No. 2 and No. 6 of the Civil Code:

	Non-current receivables from others	Total non-current receivables
Opening balance	63,228	63,228
Changes in the year	214,528	214,528
Closing balance	277,756	277,756
Balance due within 12 months	0	0
Balance due beyond 12 months	277,756	277,756
Of which residual amount beyond 5 years	0	0

euro thousands



Non-current receivables - Breakdown by region

Non-current receivables by region are reported below, in accordance with Article 2427, paragraph 1, No. 6 of the Civil Code:

euro thousands		
	1	Total
Non-current receivables by region		
Region	Italy	
Non-current receivables from subsidiaries	0	0
Non-current receivables from associates	0	0
Non-current receivables from parent companies	0	0
Non-current receivables from subsidiaries of parent companies	0	0
Non-current receivables from others	277,756	277,256
TOTAL NON-CURRENT RECEIVABLES	277,256	277,256

Analysis on the value of financial assets

Financial fixed assets are presented below as per Article 2427 bis, paragraph 1, No. 2, letter a of the Civil Code:

euro thousands	
	Other receivables
Book value	277,256
Fair value	277,256

Other non-current receivables are presented below as per Article 2427 bis, paragraph 1, No. 2, letter a of the Civil Code:

euro thousands				
Breakdown of other receivables				
Description	1 Cash deposits	2 Supplier guarantee deposits	3 Supplier restricted deposits Intesa S.Paolo	Total
Book value	40,657	216,470	20,629	277,756
Fair value	40,657	216,470	20,629	277,756

CURRENT ASSETS

Inventories

Inventories of Euro 260 thousand concern raw materials, consumables, ancillaries and goods for maintenance. They decreased by Euro 31 thousand on the previous year.

At year-end, inventories did not include components with a carrying value that could be deemed to be less than their presumed realisable value.

The breakdown and movements of the individual accounts is presented below:

	Raw, ancillary and consumables	Total inventories
Opening balance	290,817	290,817
Changes in the year	(30,632)	(30,632)
Closing balance	260,185	260,185

Receivables

These amounted to Euro 41,562 thousand, compared to Euro 34,470 thousand in the previous year. The total mainly concerns clients within Italy or the European Union and does not include the value of trade receivable for surtaxes, which is shown among Other receivables.

Trade receivables increased from Euro 9,510 thousand at December 31, 2021 to Euro 14,775 thousand at December 31, 2022, increasing Euro 5,265 thousand as a result of the increase in sales volumes and a reduction in the write-downs acquired, also as a consequence of the air transport sector crisis.

The total includes receivables with a nominal value of Euro 23,187 thousand, before write-downs of Euro 8,412 thousand based on the doubtful debt provision.

During the year, the doubtful debt provision decreased by Euro 5,132 thousand against uses needed in order to cancel receivables that could no longer be collected for Euro 5.240 thousand, releases to the income statement for Euro 1.628 thousand for allocations from previous years that were no longer necessary, and additions of Euro 673 thousand, due almost entirely to the desire to limit the increased collection

risk in relation to one of the Company's main customers.

As a result, the total amount of the Doubtful debt provision was adjusted to take account of the default risk on receivables at year-end. In any case, SAGAT S.p.A. promptly undertook all initiatives required for the recognition of its credit positions and to protect its rights. For further details, reference should be made to the Disputes section of the Directors' Report.

Receivables from subsidiaries, entirely comprising receivables due within 12 months and amounting to Euro 343 thousand, decreased by Euro 1,164 thousand compared to

the previous year, relating to the management of receivables and payables with the subsidiary SAGAT Handling S.p.A..

These receivables are broken down in the following table (in Euro thousands):

	euro thousands	
Receivables from subsidiaries	31/12/2022	31/12/2021
SAGAT Handling S.p.A.	343	1,506
TOTAL	343	1,506



Tax receivables

Tax receivables were recognised for Euro 1,274 thousand, increasing Euro 614 thousand on Euro 660 thousand at December 31, 2021.

These receivables are due within 12 months for Euro 1,179 thousand and beyond 12 months for Euro 95 thousand. They are broken down in the following table (in Euro thousands):

	euro thousands	
	31/12/2022	31/12/2021
IRES reimbursement receivable	53	53
IRAP receivable	0	0
VAT receivables	454	605
Other receivables	767	2
TOTAL	1,274	660

The IRES reimbursement receivable was unchanged on the previous year. The IRAP receivable at December 31, 2022 was zero.

VAT receivables decreased compared to December 31, 2021 by Euro 151 thousand due to changes in the respective tax payable and receivable.

Other receivables, amounting to Euro 767 thousand, increased by Euro 765 thousand compared to the previous year as a result of the recognition of the tax credit for non-energy and non-gas-intensive companies pursuant to Article 15 DL No. 4/2022, as amended.

Deferred tax assets

Deferred tax assets decreased from a value of Euro 8,529 thousand in 2021 to Euro 7,104 thousand at December 31, 2022. Were the Company to have considered an unlimited time horizon for their repayment, the balance would have been Euro 76 thousand higher.

The decrease in the account of Euro 1,425 thousand is due for Euro 1,258 thousand mainly to the effects of the utilisation of the Risks provisions and, for Euro 167 thousand, concerning the use of deferred tax assets for the 2020-2037 period that arose in fiscal year 2019 as a result of participation in the Tax Amnesty. The company therefore in 2022 benefited from the tax deduction from the IRES and IRAP assessable base of the depreciation that would have been obtained by using, for certain assets, a time period to 2037 rather than, as undertaken by SAGAT for the statutory accounts, over 5 years.

Tax payables however included the amounts still due to the tax authorities, net of the payments made in 2018 for the provisional collection of the assessment notices for 2012 and 2013 totalling Euro 635 thousand and net of the instalments settled by the company in 2019 and 2020, the former having been paid on 31/05/2019, as required by law. At 31/12/2022, the residual amount of the tax payable for the Tax Amnesty was Euro 586 thousand, decreasing Euro 484 thousand compared to Euro 1,070 thousand in the previous year.

Details of deferred tax assets are provided in the specific table in the relative section of the Income Statement.

Other receivables

Other receivables, totalling Euro 11,358 thousand, increased by Euro 1,267 thousand on the previous

year, substantially due to the combined effect of the increase in Receivables from carriers for municipal surtaxes for Euro 1,480 thousand and the increase in other receivables.

The following table breaks down Other receivables (in Euro thousands):

	euro thousands				
Details	31/12/2022	Of which beyond 12 months	31/12/2021	Of which beyond 12 months	Change
Receivable from the City of Turin	393	682	393		
Other receivables from Public Sector	33		33		-
Advances from suppliers and credit notes to be received	230	11	329	11	(99)
Receivable from airlines for municipal surtax	10,469	0	8,989		1,480
Other receivables	460	74	574	74	(114)
Other receivables doubtful debt provision	(727)	(727)	(727)	-	-
TOTAL	11,358	40	10,091	85	1,267

The receivable from the City of Turin of Euro 893 thousand, which is unchanged from the previous year and shown among receivables due beyond one year, is related to the pending dispute as described in the Directors' Report.

The receivable from the City of Turin also includes Euro 211 thousand, also unchanged from previous years, for the remaining balance of an advance payment made by SAGAT in 1992 upon completion of the control tower in order to make up for the insufficient funds allocated by the City of Turin following the winding up of the construction firm ICEM and of the compulsory

administrative liquidation of the insurance company FIRS, both of which failed to honour their significant commitments concerning repayment of the contractually required advance payments. In relation to the ICEM closure and compulsory liquidation of FIRS, the Company claimed the right to repayment. No progress towards resolving this issue was made during the year.

The receivable from carriers for municipal surtaxes increased in the year by Euro 1,480 thousand and coincides with the payable of the Company SAGAT to the Tax Agency for the same reason.

Receivables - Breakdown by maturity

Receivables by maturity are reported below, in accordance with Article 2427, paragraph 1, No. 4 and No. 6 of the Civil Code:

	Opening balance	Changes in the year	Closing balance	Balance due within 12 months	Balance due beyond 12 months
Current receivables from customers	9,509,835	5,265,080	14,774,915	14,774,915	0
Current receivables from subsidiaries	1,506,481	(1,163,758)	342,723	342,723	0
Current receivables from parent companies	4,172,815	2,534,166	6,706,981	3,462	6,703,519
Current tax receivables	660,220	614,168	1,274,388	1,179,036	95,352
Current deferred tax assets	8,529,479	(1,424,991)	7,104,488	0	7,104,448
Current other receivables	10,091,217	1,267,169	11,358,386	11,318,635	39,751
TOTAL CURRENT RECEIVABLES	34,470,047	7,091,834	41,561,881	27,618,771	13,943,110



Current receivables - Breakdown by region

Current receivables by region are reported below, in accordance with Article 2427, paragraph 1, No. 6 of the Civil Code:

	1	2	Total
Breakdown of current receivables by region			
Region	Italy	Overseas	
Current trade receivables	5,959,846	8,815,069	14,774,915
Current receivables from subsidiaries	342,723	0	342,723
Current receivables from associates	0	0	0
Current receivables from parent companies	6,706,981	0	6,706,981
Current receivables from companies subject to control of parent companies	0	0	0
Current tax receivables	1,274,388	0	1,274,388
Current deferred tax assets	7,104,488	0	7,104,488
Current other receivables	4,194,147	7,164,240	11,358,387
Total current receivables	25,582,572	15,979,310	41,561,882

Cash and cash equivalents

This account includes:

- on demand or readily liquid deposits in bank and postal accounts as shown on deposit or current account statements with banks and the post office;
- cash on hand held by the company as at December 31, 2022;

- cheques received by the end of the year and deposited with credit institutions for collection in the initial days of the following year,

An analysis of changes in cash and cash equivalents is provided below, as per Article 2427, paragraph 1, No.4 of the Civil Code:

	Bank and post office deposits	Cheques	Cash on hand and similar	Total cash and equivalents
Opening balance	10,376,525	0	41,020	10,417,545
Changes in the year	11,240,438	0	(14,546)	11,225,892
Closing balance	21,616,963	0	26,473	21,643,436

As mentioned in the balance sheet overview in the Directors' Report, the movements in liquidity in the year concern the operating profit and the grant issued by ENAC and the Piedmont Region for damage suffered due to the COVID-19 pandemic, amounting for the parent company to a total of Euro 12,323 thousand.

Accrued income and prepayments

At 31/12/2022, these amounted to Euro 662 thousand (Euro 262 thousand at 31/12/2021). The following table analyses the changes in prepayments and accrued income, as per Article 2427, paragraph 1, No. 4 of the Civil Code:

	Accrued income	Other prepayments	Total prepayments and accrued income
Opening balance	0	261,526	261,526
Changes in the year	0	400,336	400,336
Closing balance	0	661,862	661,862

Breakdown of prepayments

Other prepayments are broken down in the following table:

	Amount
Insurance	208,169
Other	453,693
TOTAL	661,862

Insurance concerns the insurance premiums paid in 2022 accruing to the subsequent year.

Financial charges capitalised

The financial charges recognised in previous years to the asset accounts in the Balance Sheet are presented below as per Article 2427, point 8 of the Civil Code, which are unchanged compared to the previous year:

	Financial charges recognised to assets
Intangible assets	0
Property, plant & equipment: Land & buildings	2,322,607
Property, plant & equipment: Plant and machinery	792,245
Inventories	0
TOTAL	3,114,852

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY**Shareholders' equity**

The company's Shareholders' equity at 31/12/2022 amounted to Euro 33,531,833.

In accordance with Article 2427, paragraph 7 bis of the Civil Code, the movements in the individual Shareholders' Equity accounts are analysed below.

The share capital of Euro 12,911,481 is unchanged on the previous year, comprising 2,502,225 ordinary shares of a nominal value of Euro 5.16 at year-end and breaks down among the shareholders as follows:

2i Aeroporti S.p.A.	97.04%
Treasury shares	2.96%
TOTAL	100%

The share premium reserve is recognised for Euro 6,105 thousand. This reserve is exempt from taxes upon distribution and is unchanged on the previous year.

The revaluation reserve of Euro 7,363 thousand was recognised against the revaluation of assets by the company in accordance with Law No. 342/2000. There were no movements in the reserve in 2021.

The legal reserve, totalling Euro 2,582 thousand, was unchanged on the previous year, having reached one-fifth of the share capital as per paragraph 1 of Article 2430 of the Civil Code.

The other reserves are comprised as follows:

- extraordinary reserve of Euro 4,141 thousand, entirely comprising the net profits and unchanged on the previous year.
- Extraordinary investments reserve of Euro 4,906 thousand, entirely comprising provisions subject to ordinary taxation and unchanged on the previous year.
- Reserve for Aeroporti Holding spin-off surplus amounting to Euro 4,079 thousand, also unchanged on the previous year.

The negative reserve for treasury shares in portfolio amounted to Euro -4,824 thousand. These shares were purchased by the Company following a shareholder resolution on December 10, 2002, authorising the purchase of up to 58,400 treasury shares, fully paid, in March 2003. The number of treasury shares increased in 2009 to the same number due to the free share capital increase approved that year. The value of the shares held was Euro 4,824 thousand in 2008 following the closure of the stock-option incentives plan for the Company's management.



The tables below presents the movements in the year of the individual shareholders' equity accounts and the breakdown of Other reserves.

	Share capital	Share premium reserve	Revaluation reserve	Riserva legale	Other reserves			Retained earnings/ (accum. losses)	Net profit/ (loss) for the year	Negative reserve for treasury shares in portfolio	Total Shareholders' Equity
					Extraordinary reserve	Misc. other reserves	AH spin-off reserve				
Opening balance	12,911,481	6,104,521	7,362,627	2,582,296	4,140,862	4,906,340	4,078,837	(6,504,499)	(7,814,591)	(4,823,612)	22,944,262
Dividends allocated											
Allocation of previous year result								(7,814,591)	7,814,591		
Net profit/ (loss)									10,407,571		
Closing balance	12,911,481	6,104,521	7,362,627	2,582,296	4,140,862	4,906,340	4,078,837	(14,319,090)	10,407,571	(4,823,612)	33,351,833

Misc. other reserves	
Description	Total
Extraordinary investment fund	4,906,340
TOTAL	4,906,340

Statement of availability and usage of the Shareholders' Equity accounts

The following table provides the disclosures required by Article 2427, point 7-bis of the Civil Code relating to their possibility of utilisation and distribution, and any utilisation in the previous three years:

	Amount	Origin/ Nature	Possibility of use	Quota available	Summary of utilisations made in the three previous years	
					To cover losses	For other reasons
Share capital	12,911,481	Share Capital				
Share premium reserve	6,104,521	Share Capital	A,B,C	6,104,521		
Revaluation reserve	7,362,627	Share Capital	A,B,C	7,362,627		
Legal reserve	2,582,296	Profits	B			
Other reserves						
Extraordinary reserve	4,140,862	Profits	A,B,C	4,140,862		3,039,784
Misc. other reserves	8,985,177	Profits	A,B,C	8,985,177		
Total other reserves	13,126,039			13,126,039		
Retained earnings/ (accumulated losses)	(14,319,091)	Profits		(14,319,091)	23,870,678	
Negative reserve for treasury shares in portfolio	(4,823,612)			(4,823,612)		
TOTAL	22,944,261			7,450,484	23,870,678	3,039,784
Non-distributable quota				0		
Residual quota distributable				7,450,484		

Key: A: for share capital increase, B: for coverage of losses and C: for distribution to shareholders.

The utilisations reported in the Other reasons column refer to the distribution of the extraordinary dividend on the approval of the 2019 Annual Accounts, amounting to Euro 3,039,784.

In completion of the information provided on Shareholders' Equity below, the following is reported.

Revaluation reserve

The revaluation reserves are broken down as follows:

	Opening balance	Utilisation to cover losses	Other movements	Closing balance
Law No. 342/2000	7,362,627	0	0	7,362,627
TOTAL	7,362,627	0	0	7,362,627

Provisions for risks and charges

The account is broken down as follows:

	Provision for taxation, including deferred tax liabilities	Other provisions	Total provisions for risks and charges
Opening balance	0	9,678,206	9,678,206
Changes in the year			
Provisions in the year	0	262,994	262,994
Utilisation in the year	0	(834,666)	(834,666)
Other changes	0	(1,219,855)	(1,219,855)
Total changes	0	(1,791,526)	(1,791,526)
Closing balance	0	7,886,679	7,886,679

The Provision for risks and future charges of Euro 7,886 thousand is recognised according to the prudence principle against possible charges related to pending or only potential civil and administrative disputes which the Company may face.

It decreased by Euro 1,792 thousand in the year as a result of the following movements:

- provisions and utilisations to the Income Statement, respectively for Euro 263 and 835 thousand. The annual accrual to the Provision is attributable to adjustments to contingent liabilities already in place as of December 31, 2021 in the amount of Euro 199 thousand and provisions for new risks that became apparent during 2022 in the amount of Euro 64 thousand.
- Releases of Euro 157 thousand due to the absence during the present year of the risks for which these sums had been allocated in previous years and the reduction of Euro 1,063 thousand due to the transfer to the Doubtful debt provision as a result of the change in 2022 to the nature of the risk which this amount covered.

Post-employment benefit provision

The following table presents the changes in the item in the year (in Euro thousands):

	Post-employment benefit provisions
Opening balance	2,350,553
Changes in the year	
Provisions in the year	853,698
Utilisation in the year	(768,643)
Other changes	(96,957)
Total changes	(11,902)
Closing balance	2,338,651

In particular, the Provision increased as a result of new accruals of Euro 854 thousand and decreased for Euro 866 thousand, principally due to the payments made to Pension funds and to the INPS Treasury Fund, in addition to the utilisations deriving from post-employment benefits and the issue of advances requested by workers.

The Provisions account includes the portion of the provisions revaluation, calculated in accordance with the statutory provisions and the portion of post-employment benefits matured in the year, transferred to Pension funds and allocated to the INPS's treasury fund. Other changes include the portions of Post-employment benefits concerning personnel transferred from or to other SAGAT Group companies.

PAYABLES

Payables are recognised for Euro 81,211 thousand, compared to Euro 69,998 thousand at the end of the previous year and concern mainly Italian or European Union counterparties. Their breakdown and an analysis of the main changes during the year are presented below.

Bank payables amount to Euro 25,953 thousand, decreasing Euro 2,313 thousand on the previous year, due to the settlement of the initial principal amounts in 2022. In order to support operations during the pandemic, the company in fact contracted in 2021 a loan with Banca del Piemonte for Euro 3,000 thousand and in 2020 a loan with Intesa San Paolo for Euro 25,000 thousand and a loan with Medio Credito Centrale for Euro 5,500 thousand, supported by the Guarantee fund for small and medium-sized enterprises, set up as per Article 2, paragraph 100, letter a) of Law No. 662/96.

In accordance with OIC 15, the Euro 25,000 thousand loan is recognised according the amortised cost method, which stipulates the presentation of the payable net of the total charges related to its signing, which are recognised under financial charges in the income statement over its duration. The amortised cost criterion was however not applied to the lesser Euro 5,500 thousand and Euro 3,000 thousand loans, as its effects were immaterial in view of the low transaction costs, and

in any case recognised taking account of the time factor, i.e, on the basis of the contract's duration. The Euro 25,000 thousand loan has repayments through increasing instalments with the final payment on June 30, 2025 and variable Euribor interest rate. The Euro 5,500 thousand loan also has repayments through increasing instalments with the final payment on December 31, 2028 and variable Euribor interest rate. The Euro 3,000 thousand loan has a grace period until July 1, 2023, upon which the first Euro 362 thousand instalment shall mature, with settlement through equal instalments and the final payment on January 1, 2027 and fixed interest rate.

Bank payables due within 12 months amount to Euro 5,182 thousand, while the portion due beyond one year amounts to Euro 20,772 thousand. Trade payables include commercial payables to parties other than the subsidiaries, associates and subsidiaries of parent companies. They amount to Euro 30,232 thousand, compared to Euro 19,452 thousand in the previous year, increasing Euro 10,780 thousand, mainly due to the increase in costs, as commented upon in the Directors' Report. The item includes guarantee deposits maturing beyond 12 months totalling Euro 331 thousand arising from normal business relations between the parties.

Payables to subsidiaries are due within 12 months and are recognised for Euro 163 thousand, decreasing in the year by Euro 853 thousand, due to the normal offsetting of reciprocal inter-company items.

Payables to subsidiaries are broken down in the following table:

	euro thousand	
	31/12/2022	31/12/2021
SAGAT Handling S.p.A.	163	1,017
TOTAL	163	1,017

There are no payables to associates or parent companies.

Tax payables, increasing Euro 583 thousand on the previous year, totalled Euro 3,428 thousand and break down as follows:

	euro thousand	
	31/12/2022	31/12/2021
IRAP payables	0	0
Employee withholding tax payables	324	323
Fee surcharge tax payables	762	735
Other	0	3
Prior year tax payables	586	1,070
TOTAL	1,672	2,131

Tax payables include all amounts due to the Tax agency as a result of participation in the "Tax Amnesty", whose accounting effects are comprehensively outlined in the tax receivables

section of these explanatory notes, to which reference should be made. At December 31, 2022, the residual amount of the tax payable for the Tax Amnesty was Euro 586 thousand, decreasing on the previous year due to the settlement of the quarterly instalments arising in 2022, for a total of Euro 484 thousand.

Payables to social security institutions, totalling Euro 787 thousand, are broken down as follows (in Euro thousands):

	euro thousand	
	31/12/2022	31/12/2021
Grants	724	750
Other	39	37
TOTAL	763	787

Other payables, totalling Euro 22,428 thousand, concern the following categories and are presented in thousands of Euro:

	euro thousand	
	31/12/2022	31/12/2021
ENAC for airport fee	2,031	757
Employee payables	1,013	607
Tax payables for boarding fee surtaxes	10,702	9,280
Other payables	8,682	7,702
TOTAL	22,428	18,346

As per the applicable regulation, the entire amount payable to ENAC regarding the airport fee is settled in the subsequent year, reducing the payable in question to zero.

The tax payable concerning the municipal surtaxes of Euro 10,702 thousand increased during the year by Euro 980 thousand and concerns the balancing entry for the receivable due from carriers of SAGAT for the same reason. It is underlined that SAGAT's obligation is limited to settling payments as and when it receives payment of the amounts due from carriers.

Other payables includes the recognition of the liability for Fire Prevention Service fees, which at December 31, 2022 totalled Euro 6,039 thousand.

Payables - Analysis of movements and maturities

The breakdown of payables by maturity is reported below in accordance with Article 2427, paragraph 1, No. 6 of the Civil Code:

	Opening balance	Changes in the year	Closing balance	Balance due within 12 months	Balance due beyond 12 months
Bank liabilities	28,266,677	(2,313,226)	25,953,451	5,181,802	20,771,649
Trade payables	19,451,677	10,780,380	30,232,057	29,900,945	331,112
Payables to subsidiaries	1,016,806	(853,345)	163,461	163,461	0
Payables to parent companies	0	0	0	0	0
Tax payables	2,130,209	(458,981)	1,671,228	585,552	1,085,676
Payables to social security institutions	786,840	(23,716)	763,124	763,124	0
Other payables	18,345,556	4,082,031	22,427,587	21,534,464	893,123
TOTAL PAYABLES	69,997,765	11,213,143	81,210,908	58,629,472	22,581,436



Payables - Breakdown by region

The breakdown of payables by region is reported below in accordance with Article 2427, paragraph 1, No. 6 of the Civil Code:

	1	2	Total
Payables by Region			
Region	Italy	Overseas	
Bank payables	25,953,451		25,953,451
Trade payables	16,934,793	13,297,264	30,232,057
Payable to subsidiaries	163,461		163,461
Payables to parent companies	0		0
Tax payables	1,671,228		1,671,228
Payables to social security institutions	763,124		763,124
Other payables	22,427,587		22,427,587
TOTAL PAYABLES	67,913,644	13,297,264	81,210,908

Payables with secured guarantees on company assets

The following table outlines the secured guarantees on company assets, as per Article 2427, paragraph 1, No. 6 of the Civil Code:

	Payables without secured guarantees	Payables with secured guarantees	Total payables
Bank payables	25,953,451	0	25,953,451
Trade payables	30,232,057	0	30,232,057
Payable to subsidiaries	163,461	0	163,461
Tax payables	1,671,228	0	1,671,228
Payables due to social security institutions	763,124	0	763,124
Other payables	22,427,587	0	22,427,587
TOTAL	81,210,908	0	81,210,908

Accrued expenses and deferred income

These overall amount to Euro 5,898 thousand, decreasing Euro 329 thousand on December 31, 2021, as follows:

	Accrued expenses	Deferred income	Total accrued expenses and deferred income
Opening balance	8,648	6,227,748	6,236,396
Changes in the year	(8,648)	(329,329)	(337,977)
Closing balance	0	5,898,419	5,898,419

Deferred income of Euro 5,898 thousand concerns for Euro 5,139 thousand the portion of capital grants accruing to future years. The above grants were recognised to the Financial Statements according to the specific accounting criteria previously highlighted, and their decrease in the year derives from the portion released to the Income Statement accruing to 2022.

Their composition and nature are presented below (in thousands of Euro):

Nature	2022	2021
Third party assets received under concession	59,654	59,654
Unsecured guarantees received from third parties	12,145	11,832

The company has not released secured guarantees for its own obligations or those of others.

Third party assets received under concession consist of fixed assets received under concession, limited to investments made by the grantor from the 1980's until the present day, as the values of assets previously made, including aircraft movement areas, are not known.

These assets include the expansion works at the Airport undertaken for the Olympics by the City of Turin and funded by the latter.

The unsecured guarantees received from third parties concern sureties received from the airlines and from third parties in general. There are no unsecured guarantees released to third parties.

Notes to the income statement

The key 2022 operating highlights are presented below.

VALUE OF PRODUCTION

Revenues from sales and services

The Company's revenues from sales and services, entirely generated in Italy and mainly from Italian or European Union clients, totalled Euro 58,018 thousand and are broken down as follows (Article 2427, paragraph I, No. 10 of the Civil Code):

	2022	2021
1 Air traffic	28,183,055	15,260,679
2 Security	8,549,781	4,118,568
3 Assistance and air traffic accessory revenues	5,019,758	2,327,364
4 Car parking services	5,546,073	2,742,268
5 Subconcession of services	4,382,307	1,958,390
6 Subconcession of airport activities and spaces	3,723,485	2,368,709
7 Centralised infrastructure	1,069,647	698,249
8 Exclusive use assets	1,471,458	1,028,616
9 Other revenues	72,046	47,017
TOTAL	58,017,610	30,549,861

It is indicated that as a result of a consistency analysis performed during the year, a number of new account groupings were made within the revenue items shown above in order to provide a more realistic representation of the contribution of individual items to total revenue. In order to make the data shown comparable, the same reclassifications were also made to the 2021 revenue breakdown.

Revenues from sales and services by region

In relation to Article 2427, paragraph I, No. 10 of the Civil Code, the following breakdown of revenues by region is presented:

	1	2	Total
Region	Italy	Overseas	
Present year	21,524,533	36,493,077	58,017,610

Other revenues and income

Other income breaks down as follows (in thousands of Euro):

	2022	2021
Recovery of common utilities and miscellaneous expenses	74	208
Other income	18,155	1,974
Capital grants	671	671
TOTAL	18,899	2,825

This item, totalling Euro 18,899 thousand, presents an increase of Euro 16,074 thousand compared to the previous year, attributable for Euro 12,323 thousand to the contributions that the Company received from ENAC and the Piedmont Region as COVID-19 damage compensation (Restoration Decree 474 2021).

The item also includes income of Euro 1,079 thousand from the recognition of tax credits, with the majority concerning compensation for increased costs for energy raw materials.

Capital grants include, among other items, the portion of grants in the year from the Piedmont Region for the execution of the extension works at the Passengers and General Aviation terminals and the baggage logistics building, under the Regulatory Agreement for the development of airport infrastructure ahead of the XX Turin 2006 Winter Olympic Games (Convention No. 9313 of July 12, 2004), on an accruals basis for an amount of Euro 665 thousand.

COSTS OF PRODUCTION

The costs of production totalled Euro 66,895 thousand, increasing Euro 23,686 thousand on the previous year and are broken down in the following tables by category.

Raw materials, ancillaries, consumables and goods

The relative costs are broken down (in thousands of Euro):

	2022	2021
Maintenance materials	194	160
Various materials	75	65
Materials held-for-resale	238	0
Fuel and lubricants	793	427
De-icing	0	22
Stationary and printing	17	24
TOTAL	1,316	698

For services

The relative costs are broken down (in thousands of Euro):

	2022	2021
Other services	1,067	1,247
Support services, warehousing and PRM	618	219
Electricity and other utilities	5,472	3,215
Technical, management and commercial consultancy	1,462	529
Security	2,702	1,666
Cleaning and waste disposal collection	766	868
Miscellaneous maintenance/repair and contractual expenses	2,049	1,401
Maintenance/repair expenses on third party assets	249	121
Industrial insurance, general	169	355
Miscellaneous personnel costs (canteen, training, travel, etc.)	462	390
Services from subsidiaries	283	1,552
Other	21,765	8,214
TOTAL	37,063	19,778

The main component of Other service costs, which in 2022 totalled Euro 21,765 thousand, regards the costs linked to the air traffic support measures. Their significant increase in 2021 is related to the achievement in 2022 of passenger records (4,193,881 passengers).

Rent, leasing and similar costs

The relative costs are broken down (in thousands of Euro):

	2022	2021
Airport fee	2,633	1,141
City of Turin fee	392	352
San Maurizio fee	26	25
Other concession fees	88	91
Hire and leases	181	159
TOTAL	3,320	1,768

Personnel costs

Personnel costs in 2022, including the cost of temporary workers, amounted to Euro 14,803 thousand, increasing Euro 3,127 thousand on the previous year. The item is broken down in the following table:

euro thousands

	2022	2021
Wages and salaries	10,657	8,185
Social security charges	3,041	2,457
Severance provisions	854	804
Other costs	251	230
TOTAL	14,803	11,676

Amortisation, depreciation and write-downs

They are broken down as follows (in thousands of Euro):

	2022	2021
Depreciation	5,364	5,112
Amortisation	948	1,041
Write-down of receivables	673	970
TOTAL	6,984	7,123

Amortisation and depreciation, totalling Euro 6,312 thousand, increased on the previous year by Euro 158 thousand, due to the normal life cycle and replacement of fixed assets.

There were no write-downs of assets during the year.

The write-down of current receivables was Euro 673 thousand, due - as outlined in the trade receivables section of the Notes - to the decision to update the exposure of the value of receivables to the effects of the risks of their non-collection, completely writing down the positions with customers who have entered bankruptcy or liquidation proceedings

Change in inventory of raw materials, ancillaries, consumables and goods

During the year, raw materials, ancillaries, consumables and goods inventories decreased by Euro 31 thousand, with a corresponding increase in the relative purchase costs.

Risks provisions

An accrual was made in the year to the Other risks provision for Euro 263 thousand in order to ensure its sufficiency in respect to certain or probable risks and charges, whose amount or due date however could not be established at year-end.

For a breakdown of the nature of the provisions reference should be made to the section on the movements in the risks and charges provision.

Other operating charges

The relative costs are broken down in thousands of Euro, as follows:

	2022	2021
Representation/hospitality expenses	28	12
Prior year charges / non-existent assets	1,713	369
Associations	101	72
Damage compensation to third parties	3	0
Fire Prevention Service fee	649	649
IMU Property tax	225	225
Other	397	314
TOTAL	3,116	1,641

The account reports an increase of Euro 1,475 thousand on the previous year, mainly due to the recognition in 2022 of extraordinary non-recurring cost components.

Financial income and charges

The item overall reports a net charge of Euro -723 thousand, as follows:

Investment income

In compliance with the provisions of Article 2427, Paragraph 1, Number 11 of the Civil Code, it should be noted that the Company did not realise any investment income as the investee company SAB during 2022 did not in fact make any dividend distribution.

Financial income

The company's financial income amounted to Euro 160 and almost entirely comprised interest income on liquidity at Credit Institutions.

Breakdown of interest and other financial charges by type of payables

Interest and other financial charges of Euro 723 thousand mainly comprised interest expense on loans at Credit Institutions.

The table presents the breakdown of interest expense and other financial charges by type of debt, as per Article 2427, paragraph 1, No. 12 of the Civil Code:

	Bond loans	Bank payable	Centralised treasury	Other	Total
Interest and other financial charges	0	(698)	(25)	0	(723)

Adjustments to financial assets

No adjustments were made to the value of financial assets during the year.

Income taxes

The item, totalling Euro -1,109 thousand (net income rather than a charge), comprises the income taxes in the year, the income from participation, as a consolidated company, in the National Tax Consolidation of 2i Aeroporti Group and the deferred tax effect.

The following table presents income taxes (in thousands of Euro).

	2022	2021
IRES	0	0
IRAP	0	0
Income from tax consolidation	(2,534)	(2,411)
Deferred tax income and charges	1,424	(225)
TOTAL	(1,109)	(2,636)

Current taxes reflect the negative assessable base due to the non-consideration of grants issued by ENAC and the Piedmont Region for damage suffered due to the COVID-19 pandemic, amounting for the parent company to a total of Euro 12,323 thousand.

The reconciliation between the theoretical tax charge and the tax charge stated in the financial statements at December 31, 2022 is reported below, compared with the corresponding period of 2021.

	2022	2021
Pre-tax result	9,298,418	(10,450,755)
Theoretical IRES tax %	24%	27.5%
Theoretical income taxes	2,231,620	(2,873,958)
Tax effect from IRES changes	(4,765,764)	462,612
Deferred tax effect	1,424,991	(224,818)
IRAP	0	0
Total income taxes for the year (current and deferred)	(1,109,153)	(2,636,164)

The theoretical tax charges were calculated applying to the statutory pre-tax result the IRES tax rate which for fiscal year 2022 returned to 24% from 27.5% in the previous year, as per Article 1, Civil Code 716 - 718, Law No. 160/2019 (2020 Budget Law) which introduced an additional 3.5% of IRES tax on income from activities regarding transport sector concessions, including for the management of airports, for the 2019, 2020 and 2021 tax periods.

For each category of negative/positive income component generating deductible/assessable

temporary differences, the IRES rates for provisions and adjustments to pre-existing amounts for deferred tax assets and liabilities have been adopted on the basis of an estimate of the expected timing for the realisation of the conditions for their deduction/assessment.

The impact deriving from the IRAP rate is determined separately, as this tax is not calculated on the same assessable base used to calculate IRES. Specifically, in view of the negative taxable base, there is no liability for IRAP in the present year.

The table below details the temporary assessable differences in deferred tax assets and liabilities in accordance with Article 2427, paragraph 1, No. 14, letter a of the Civil Code:

	IRES	IRAP	TOTAL
A) Temporary differences			
Total deductible temporary differences	27,175,658	15,302,130	
Total assessable temporary differences	251,482	0	
Temporary net differences	(26,924,176)	(15,302,130)	
B) Tax effects			
Deferred tax liability (asset) at beginning of the year	(7,855,690)	(673,790)	(8,529,480)
Deferred tax liability (asset) in the year	1,393,889	31,102	
Deferred tax liability (asset) at end of the year	(6,461,801)	(642,688)	(7,104,488)

The table below details the deductible temporary differences in accordance with Article 2427, para. 1, No. 14, letter a, of the Civil Code:

Description	Deductible temporary differences						
	Amount at end of previous year	Changes in the year	Amount at end of year	IRES rate	Tax effect IRES	IRAP rate	Tax effect IRAP
Provisions for risks & charges	8,473,123	(586,442)	7,886,681	24%	1,892,803	4.2%	331,241
Doubtful debt & other risks provision	14,308,875	(6,331,608)	7,977,267	24%	1,914,544	0	0
Other receivables doubtful debt provision	727,239	0	727,239	24%	174,537	4.2%	30,544
Provisions for risks & charges	6,711,989	(590,741)	6,121,248	24%	1,469,100	4.2%	257,092
Fiscal amnesty depreciation	0	603,077	603,077	24%	144,738	0	0
Fire Prevention Service fee	2,596,448	649,112	3,245,560	24%	778,934	0	0
Other minor	130,301	436,661	566,962	24%	136,071	4.2%	23,812
Other minor	39,002	8,622	47,624	24%	11,430	0	0

The table below details the temporary assessable differences in accordance with Article 2427, para. 1, No. 14, letter a, of the Civil Code:

Description	Temporary assessable differences						
	Amount at end of previous year	Changes in the year	Amount at end of year	IRES rate	Tax effect IRES	IRAP rate	Tax effect IRAP
Gains	13,800	(3,450)	10,350	24%	2,484	0	0
Increased tax depreciation	241,132	0	241,132	24%	57,872	0	0

Other information

Subsequent events

No events subsequent to year-end occurred requiring amendments to the operating, equity and financial position presented in the financial statements at December 31, 2022.

In the first two months of 2023, the Group reported significant growth on the same period of 2022, with a total of 697,826 passengers (+48.5%) and 6,912 movements (+22.01%).

361,168 passengers were recorded in January 2023, making it the best January ever recorded for passengers carried, surpassing the previous record of 339,432 passengers in January 2019.

Strong growth in the first two months resulted in an increase of 3.05%, compared to the same pre-COVID period in 2019.

Although ACI Europe¹ estimates a 10% to 8% reduction in annual pre-COVID-19 traffic volumes in 2023 compared to 2019, a consolidation of the traffic volumes reached in 2022 can be expected at Turin Airport during 2023. This forecast is supported by the launch of new routes and the end of the health emergency, which negatively impacted Q1 2022.

However, these growth prospects may be hampered by the ongoing conflict in Ukraine, whose development is currently highly uncertain both in terms of its duration and its social and economic consequences.

Despite the uncertain environment, SAGAT will continue to invest in increasing the region's connectivity and the quality of services provided while improving economic and social sustainability.

Related party transactions

Related party transactions are concluded at normal market conditions.

Directors and statutory auditors remuneration

The total amount of remuneration of the directors and statutory auditors is reported in the following table, while noting that this remuneration was recognised to Service costs and includes the emoluments for the duties of all parties who in the course of the financial year were engaged in directorship and statutory auditor roles, including for a portion of the year:

	Amount
Director fees	209,016
Statutory auditor fees	80,370
Total Director and Statutory Auditor fees	287,386

Independent audit firm fees

The total amount of fees due to the independent audit firm for the legally-required audit of the annual accounts, in addition to other services provided in the year, were as follows:

	Amount
Annual accounts audit	15,120
Other audit services	5,600
Other services	9,520
Total fees of the auditor or the independent audit firm	30,240

¹ Source ACI Europe: Economic Forecast of December 20, 2022 <https://www.aci-europe.org/economic-forecasts.html>

Government grants

Pursuant to Article 1, paragraph 125, of Law No. 124 of August 4, 2017, it should be noted that in fiscal year 2022 SAGAT received a grant of Euro 375 thousand under Grant Agreement No. 101036996 with the European Commission's European Climate, Infrastructure and Environment Executive Agency (CINEA).

Classes of shares issued by the company

The information required by Article 2427, point 17 of the Civil Code concerning details of the shares comprising the company's share capital and the amount and the nominal value of the shares subscribed in the year is presented in the following tables:

	1	Total
Shares issued by the Company by class		
Description	Ordinary	
Initial amount, number	2,502,225	2,502,225
Initial amount, nominal value	12,911,481	12,911,481
Closing amount, number	2,502,225	2,502,225
Closing amount, nominal value	12,911,481	12,911,481



Information on the companies or entities exercising co-ordination activities - Article 2497 bis of the Civil Code

The company is subject to the management and co-ordination of the company 2i Aeroporti S.p.A., in accordance with Articles 2497 - 2497-sexies of the Civil Code. In particular, in application of Article 2497-bis of the Civil Code, the key financial highlights from the latest financial statements of the company 2i Aeroporti S.p.A. are annexed. This company prepares the Consolidated Financial Statements.

	Present period	Previous period
Latest approved financial statements figures	31/12/2021	31/12/2020
B) Fixed assets	805,976,074	807,348,078
C) Current assets	62,625,409	67,312,347
D) Prepayments and accrued income	23,701	27,642
TOTAL ASSETS	868,625,184	874,688,067
A) Shareholders' Equity		
Share capital	2,620,000	2,620,000
Reserves	666,742,934	675,851,789
Net profit/(loss)	(6,548,771)	(9,680,467)
Total shareholders' equity	662,814,163	668,791,322
B) Provisions for risks and charges	824,430	1,576,549
C) Post-employment benefit provision	201,858,706	201,325,438
D) Payables	3,127,885	2,994,758
TOTAL NET LIABILITIES	868,625,184	874,688,067

	Present period	Previous period
Latest approved financial statements figures	31/12/2021	31/12/2020
A) Value of production	0	0
B) Costs of production	306,807	432,609
C) Financial income and charges	(6,626,261)	(6,360,203)
D) Adjustment to financial assets	(1,372,005)	(4,517,778)
Income taxes	(1,756,301)	(1,630,123)
Income/(loss) for the year	(6,548,771)	(9,680,467)

Earnings per share

The result per each share with a nominal value of Euro 5.16 was calculated by dividing the operating result, the gross result and the net result by the total number of shares, including treasury shares in portfolio. The share capital, totalling Euro 12,911,481, comprises 2,502,225 shares.

	2022	2021
Operating earnings / (loss) per share	4.01	-3.93
Gross earnings / (loss) per share	3.72	-4.18
Net earnings / (loss) per share	4.16	-3.12

Proposal for the allocation of the result for the year

Dear Shareholders,

the Separate Financial Statements at December 31, 2022 of the parent company SAGAT S.p.A. outlined above, which were subject to the legally-required audit of the independent audit firm EY S.p.A., report a net profit of Euro 10,407,570.85, which we propose to entirely cover accumulated losses.

Original copy, signed by:

The Chairwoman
Elisabetta Oliveri

Auditor's report on the financial statements of SAGAT S.p.A.



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Auditors' Report as per Article 14 of Legislative Decree No. 39 of January 27, 2010

To the shareholders of
SAGAT S.p.A.

Auditors' Report on the statutory financial statements

Opinion

We have audited the statutory financial statements of SAGAT S.p.A. (the company), comprising the balance sheet at December 31, 2022, the income statement and cash flow statement for the year and the Explanatory Notes.

In our opinion, the statutory financial statements provide a true and fair view of the balance sheet and financial position of the company at December 31, 2022, and of the results and cash flows for the year in compliance with Italian rules governing the basis of preparation.

Basis for the opinion

We have carried out the audit in compliance with international audit standards (ISA Italy). Our responsibilities in accordance with these standards are described in greater detail in the "Responsibility of the independent audit firm for the audit of the statutory financial statements" section of this report. We are independent from the company in compliance with the ethical and independence rules and principles applicable under Italian law for the auditing of financial statements. We acquired sufficient and appropriate evidence for the expression of our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the financial statements

The directors are responsible for the preparation of the financial statements which provide a true and fair view in accordance with Italian regulations and law and for the internal control considered necessary by it for the preparation of a set of financial statements which do not contain significant errors due to fraud or unintentional conduct or events.

The directors are responsible for assessing the capacity of the company to pursue operating activities and, in preparing the financial statements, the appropriateness of applying the going concern principle, in addition to the provision of adequate disclosure. The Directors apply the going concern principle in preparing the financial statements unless they have assessed that the conditions for the winding up of the company or for the interruption of operations exist or that they have no realistic alternatives to these options.

The Board of Statutory Auditors has the responsibility to supervise, in accordance with law, the company's financial disclosure preparation process.

EY S.p.A.
Registered office: Via Meravigli, 12 - 20123 Milan
Branch Office: Via Lombardia, 31 - 00187 Rome
Share Capital Euro 2,525,000.00 fully paid-in.
Registered in the S.O. of the Register of Companies at the Chamber of Commerce of Milan Monza Brianza Lodi
Tax and registration No. 00434000584 - Milan Economic & Administrative Index No. 606158 VAT No.
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of Consob at No. 2 motion no. 10831 of 16/7/1997

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Responsibility of the Independent Audit Firm for the audit of the statutory financial statements

Our objectives are to acquire reasonable certainty that the statutory financial statements overall do not contain significant errors, due to fraud or unintentional conduct or events, and to issue an Auditors' Report which includes our opinion. Reasonable certainty indicates a high level of certainty which, however, does not guarantee that an audit carried out in accordance with international audit standards (ISA Italy) always identifies a significant error, where existing. Errors may derive from fraud or unintentional conduct or events and are considered significant where it may reasonably be expected that they are, individually or collectively, capable of influencing the economic decisions of users taken on the basis of the statutory financial statements.

As part of the audit carried out in compliance with international audit standards (ISA Italy), we exercised our professional opinion and maintained a professional degree of scepticism for the duration of the audit. Furthermore:

- we identified and assessed the risk of significant errors in the statutory financial statements, due to fraud or to unintentional conducts or events; we drew up and implemented audit procedures reflective of these risks; we acquired sufficient and appropriate evidence on which to base our opinion. The risk of not identifying a significant error due to fraud is higher than the risk of not identifying a significant error due to unintentional conduct or events, as fraud may imply the existence of collusion, falsifications, intentional omissions, misleading representations or distortions concerning internal control;
- we acquired an understanding of the internal controls in order to define appropriate audit procedures to the circumstances and not to express an opinion on the efficacy of the internal control of the Company;
- we assessed the appropriateness of the accounting policies utilised, in addition to the reasonableness of the accounting estimates made by the Directors and the relative disclosure;
- we reached a conclusion on the appropriateness of the use by the directors of the going concern principle and, on the basis of the evidence acquired, on any significant uncertainty concerning events or circumstances which may give rise to significant doubts on the capacity of the company to continue to operate on an ongoing basis. In the presence of a significant uncertainty, we are required to highlight in the Auditors' Report the relative disclosure in the financial statements or, where this disclosure is inadequate, reflect this circumstance in drawing up our opinion. Our conclusions are based on evidence acquired until the date of this report. However, subsequent events or circumstances may require the Company to cease operating as a continuing entity;
- we assessed the presentation, the structure and the content of the financial statements as a whole, including the disclosure, and whether the financial statements reflect the underlying operations and events so as to provide a fair representation.

We communicated to the governance activity managers, identified at an appropriate level as required by the international accounting (ISA Italy) standards, among other aspects, the extent and timing scheduled for the audit and the significant results emerging, including any significant deficiencies in the internal control identified during the audit.



Report on other statutory and regulatory provisions

Opinion as per Article 14, paragraph 2, letter e) of Legislative Decree No. 39 of January 27, 2010

The Directors of SAGAT S.p.A. are responsible for the preparation of the Directors' Report of SAGAT S.p.A. at December 31, 2022, including its consistency with the statutory financial statements and its compliance with law.

We have executed the procedures indicated in audit standard (SA Italy) 720B to express an opinion on the consistency of the Directors' Report with the statutory financial statements of SAGAT S.p.A. at December 31, 2022 and its compliance with law, in addition to issuing the statement on any significant errors.

In our opinion, the Directors' Report is consistent with the SAGAT S.p.A. financial statements at December 31, 2022 and complies with statutory requirements.

With regards to the statement as per Article 14, paragraph 2, letter e) of Legislative Decree No. 39 of January 27, 2010, issued on the basis of its knowledge and understanding of the company and the relative overview acquired during the audit activities, we do not have any matters to report.

Rome, April 13, 2023

EY S.p.A.


Matteo De Luca
(Auditor)

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SAGAT Handling S.p.A.

at December 31, 2022



Balance Sheet and Income Statement

amounts in Euro

Balance sheet: Assets	Financial statements at 31/12/2022	Financial statements at 31/12/2021
B) FIXED ASSETS		
I. Intangible assets		
4) Concessions, licences, trade marks and similar rights	1,600	0
6) Assets in progress and advances	16,087	16,087
7) Other assets	31,070	24,207
Total	48,757	40,294
II. Property, plant and equipment		
3) Industrial and commercial equipment	146,988	18,421
4) Other assets	183,900	160,574
5) Assets in progress and advances	0	0
Total	330,887	178,995
TOTAL FIXED ASSETS (B)	379,644	219,289

amounts in Euro

Balance sheet: Assets	Financial statements at 31/12/2022	Financial statements at 31/12/2021
C) CURRENT ASSETS		
I. Inventories		
1) Raw materials, ancillaries and consumables	76,618	62,634
Total	76,618	62,634
II. Receivables		
1) Trade receivables:		
within 1 year	1,908,131	1,702,525
4) Parent companies:		
within 1 year	163,539	1,055,375
beyond 1 year	775,367	790,141
5-bis) Tax receivables:		
within 1 year	287,250	213,236
beyond 1 year	0	158,528
5-ter) Deferred tax assets:		
within 1 year	551,367	540,042
beyond 1 year	0	0
5-quater) Others:		
within 1 year	4,368	22,841
beyond 1 year	0	0
Total receivables		
within 1 year	2,914,656	3,480,019
beyond 1 year	775,367	1,002,669
Total	3,690,022	4,482,688
IV. Cash and cash equivalents		
1) Bank deposits	1,857,430	1,105,228
3) Cash & cash equivalents on hand	2,342	1,977
Total	1,859,772	1,107,205
TOTAL CURRENT ASSETS (C)	5,626,413	5,652,527
D) ACCRUED INCOME & PREPAYMENTS		
Accrued income	0	0
Prepayments	30,027	31,346
TOTAL ACCRUED INCOME & PREPAYMENTS (D)	30,027	31,346
TOTAL ASSETS	6,036,084	5,903,162

amounts in Euro

Balance sheet: liabilities	Financial statements at 31/12/2022	Financial statements at 31/12/2021
A) Shareholders' equity		
I. Share capital	436,521	436,521
IV. Legal reserve	0	0
VI. Other reserves, as follows:		
Extraordinary reserve	0	0
Coverage of losses reserve	1,500,000	1,500,000
VIII. Losses carried forward	(608,633)	0
IX. Net Profit (or Loss)	1,482,130	(608,633)
TOTAL SHAREHOLDERS' EQUITY (A)	2,810,018	1,327,888
B) Provisions for risks and charges		
2) Deferred tax liabilities	2,536	4,022
4) Other provisions:		
Provision for future charges	708,017	731,600
TOTAL PROVISION FOR RISKS AND CHARGES (B)	710,553	735,622

amounts in Euro

Balance sheet: liabilities	Financial statements at 31/12/2022	Financial statements at 31/12/2021
C) Post-employment benefits	606,635	822,943
D) Payables		
7) Trade payables:		
within 1 year	595,915	827,064
11) Parent companies:		
within 1 year	456,451	1,428,933
12) Tax payables:		
within 1 year	143,780	48,848
13) Payables to social security institutions:		
within 1 year	305,011	400,120
14) Other payables:		
within 1 year	407,722	311,744
Total		
within 1 year	1,908,879	3,016,709
beyond 1 year	0	0
TOTAL PAYABLES (D)	1,908,879	3,016,709
E) Accrued expenses and deferred income		
Accrued expenses	0	0
Deferred income	0	0
TOTAL LIABILITIES	6,036,084	5,903,162

amounts in Euro

Income statement	Financial statements at 31/12/2022	Financial statements at 31/12/2021
A) Value of production		
1) Revenues from sales and services	9,878,406	5,261,362
5) Other revenue and income showing separately operating grants:		
Other revenues and income	1,478,713	1,760,385
Operating grants	977,627	0
TOTAL VALUE OF PRODUCTION (A)	12,334,746	7,021,747
B) Costs of production		
6) Raw materials, ancillary, consumables and goods	599,911	353,374
7) Services	2,598,598	1,831,494
8) Rent, leasing and similar costs	733,093	620,190
9) Personnel costs:		
a) salaries and wages	4,390,127	3,354,006
b) social security charges	1,274,251	1,027,570
c) post-employment benefits	296,512	315,647
d) pension and similar rights	0	0
e) other costs	107,029	91,981
Total personnel costs	6,067,919	4,789,203
10) Amortisation, depreciation and write-downs:		
a) amortisation	29,907	17,780
b) depreciation	56,442	50,690
d) write-downs of current receivables and cash and cash equivalents	188,628	93,153
Total amortisation, depreciation and write-downs	274,977	161,623
11) Change in inventories of raw materials, ancillaries, consumables and goods	(13,984)	1,380
12) Provisions for risks	134,945	18,052
14) Other operating costs	261,229	74,805
TOTAL COSTS OF PRODUCTION (B)	10,656,688	7,850,120
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	1,678,058	(828,373)

amounts in Euro

Income statement	Financial statements at 31/12/2022	Financial statements at 31/12/2021
C) Financial income and charges		
16) Other financial income:		
d) other income:		
from parent companies	0	0
other	25,343	1
Total	25,343	1
17) Interest and other financial charges	0	0
17-bis) Exchange gains and losses	0	45
TOTAL FINANCIAL INCOME AND CHARGES (C)	25,343	46
D) Adjustments to financial assets	0	0
PRE-TAX PROFIT/(LOSS) (A-B+/-C+/-D+/-E)	1,703,401	(828,327)
20) Income taxes for the year:		
a) Current taxes	(234,082)	211,346
b) Deferred tax (charges) & income	12,811	8,348
21) NET PROFIT/(LOSS)	1,482,130	(608,633)

