FINANCIAL STATEMENTS AND DIRECTORS' REPORT SAGAT GROUP
2023

TORINO AIRPORT
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TORINO AIRPORT

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FINANCIAL STATEMENTS AND DIRECTORS' REPORT SAGAT GROUP AT DECEMBER 31, 2023

1. MEETING OF SHAREHOLDERS

FIRST CALL 26/04/2024
SECOND CALL 22/05/2024

2. AGENDA

FINANCIAL STATEMENTS AS AT 31/12/2023

SAGAT S.p.A.

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

Subscribed and paid-in share capital: € 12.911.481
Company with sole shareholder subject to the management and coordination of 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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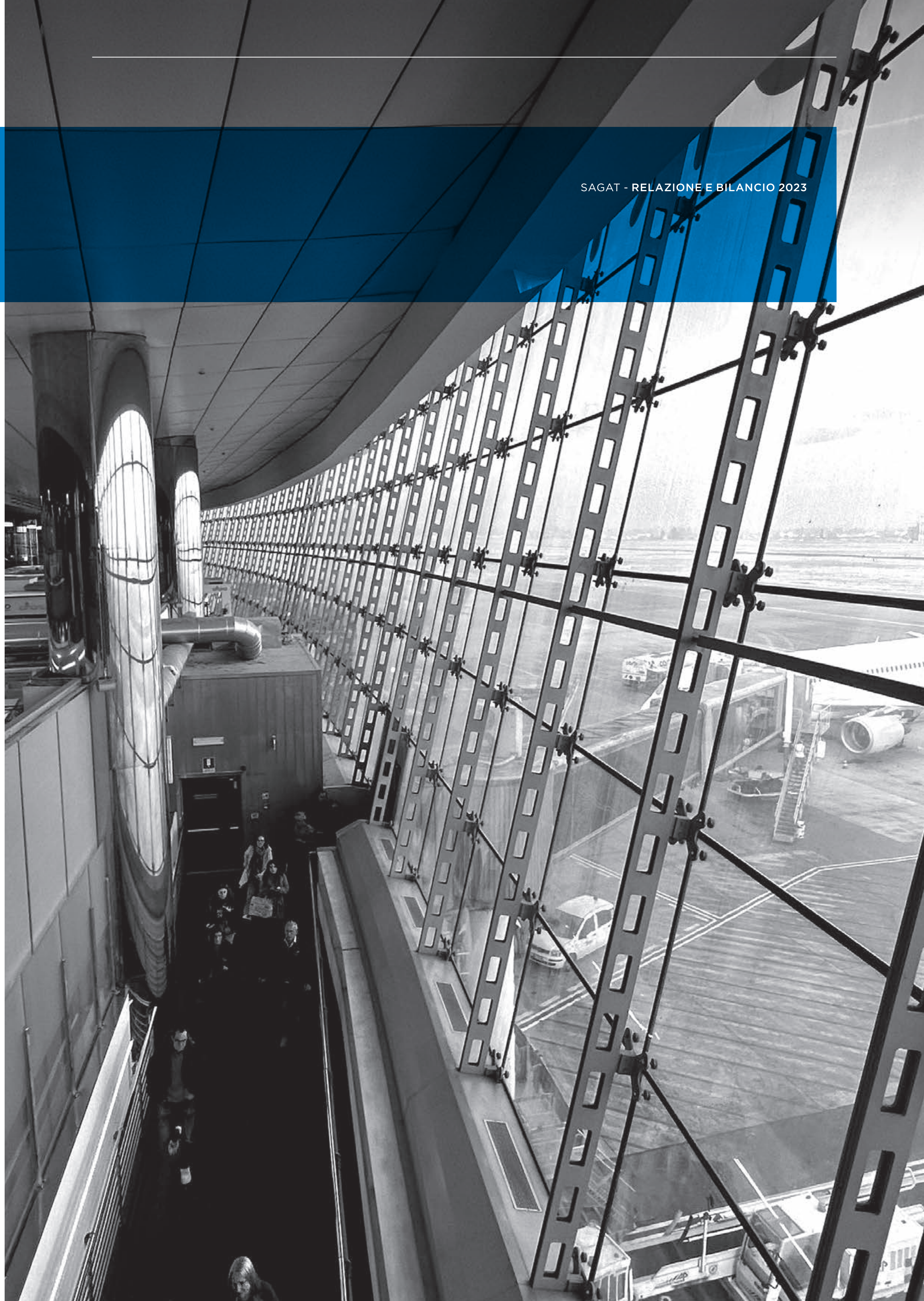
SAGAT - RELAZIONE E BILANCIO 2023

Letter to the Shareholders

Dear Shareholders,

In 2023, Torino Airport set a new traffic record by transporting 4,531,185 passengers, marking an 8% increase (337,304) on 2022. Compared to 2019, the pre-pandemic benchmark year for the aviation industry, this constituted growth of 14.6%.

This increase was driven by the significant recovery of the international segment, which reported more than 2.33 million passengers in 2023 (+18.7% on 2022 and +15.1% on 2019).

The uptick in the number of passengers handled also had a positive impact on commercial operations, with the entry of new operators and the creation of new spaces.

In a context of increasing traffic, with a consequent impact on the use of the infrastructure and of airport staff, SAGAT continued to pay the utmost attention to its passengers, as confirmed by the overall satisfaction ratings within the framework of the ASQ-Airport Service Quality international benchmark, which confirmed a rating of 4.07 on a scale of 1 to 5. Our commitment to continuously improving customer experience also earned us the "Airport with the Most Dedicated Staff in Europe" award, based on data collected through ASQ surveys, thanks to passenger ratings concerning the courtesy of airport staff in 2023.

In addition to our commitment to the airport's commercial development and our pursuit of higher quality standards, we also dedicated significant efforts to environmental sustainability. This includes the continuation of the Torino Green Airport plan, 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. Meanwhile, in July 2023, the largest rooftop photovoltaic plant at an Italian airport came into operation. The plant covers an area of 6,500 square metres, and is capable of generating 1,585 MWh of electricity per year. The system satisfies more than 12% of the annual requirements of Torino Airport and allows us to prevent emissions of 406 tonnes of CO2 per year, the equivalent of 13,552 trees. Once again in 2023, the Group purchased 100% of the remaining electricity from certified renewable sources with guarantee of origin (GO certificates).

Development also continued 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 Torino Airport is a partner.

In 2023, investments totalled Euro 6,348 thousand, down on the previous year. These funds were directed towards modernising infrastructure – by replacing telescopic passenger boarding and disembarking bridges – and improving environmental sustainability and energy efficiency. Projects included the installation of the photovoltaic plant mentioned above, the replacement of heat generators for the district heating system, and other initiatives to improve airport system performance. Additionally, investments were made to bolster the reliability, effectiveness, and cybersecurity of IT systems.

Regrettably, 2023 was also marked by an immense tragedy. On September 16, a military aircraft belonging to the Frecce Tricolori aerobatic team took off from Torino Airport, lost altitude, and crashed into an area north of the airport. The aircraft broke into multiple pieces, with one segment breaching the airport perimeter fence and colliding with a car travelling on the adjacent provincial road. A child who was in the car lost her life in the accident. Investigations are still ongoing, and the Company has fully cooperated, providing all the requested documentation. Following the accident, the airport was closed upon the authorities' orders until 12am on September 17.

This terrible tragedy deeply affected all airport personnel, who nonetheless provided a professional, diligent, and prompt response.

Consolidated revenues amounted to Euro 85,964 thousand and were in line with 2022 (-0.1%), mainly due to the combined effect of non-recurring items in both years and the increase in passengers (+8%). Net of the main non-recurring items, 2023 revenues increased by Euro 6,081 thousand (8.4%). Costs amounted to Euro 68,076 thousand, a slight increase (1%) compared to Euro 67,377 thousand in 2022. The 2023 financial year closed with a positive consolidated net result of Euro 7,556 thousand.

The Net Financial Position in 2023 improved by Euro 10,069 thousand. At December 31, it amounted to net cash of Euro 7,619 thousand, compared to a debt of Euro 2,450 thousand at December 31, 2022.

This Directors' Report, which accompanies the Financial Statements at December 31, 2023, 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 2023 and those subsequent to year-end.

The operating and financial results for 2023 are compared with the year ending December 31, 2022.

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

Group directors' report

at 31/12/2023

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2023 SAGAT GROUP HIGHLIGHTS

TRAFFIC

In 2023, Torino Airport beat its own traffic record, transporting 4,531,185 passengers, an increase of 337,304 (8%) on 2022. Growth of 14.6% was observed compared to the pre-pandemic year of 2019.

4,531,185
PASSEGGERI NEL **2023**

+14.6%
RISPETTO AL **2019**

KEY FINANCIAL HIGHLIGHTS

The Group's key financial highlights for 2023 compared with the previous year are reported below.

2022 | 2023 | Figures expressed in thousands of euros

86,062 | **85,964**

-0.1%
(-98)

Revenues(*)

Totalling Euro 85,964 thousand, decreased by 0.1% compared to Euro 86,062 thousand from 2022.

17,426 | **17,230**

-1.1%
(-196)

EBITDA

Totalling Euro 17,230 thousand, decreased by 1.1% compared to Euro 17,426 thousand from 2022.

11,018 | **10,450**

-5.2%
(-568)

Profit before taxes

Totalling Euro 10,450 thousand, decreased by 5.2% compared to Euro 11,018 thousand from 2022.

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

Net profit

11,906 | **7,556**

Totalling Euro 7,556 thousand, decreased by 36.5% compared to Euro 11,906 thousand from 2022.

-36.5%
(-4,350)

Investments

7,135 | **6,348**

Euro 6,348 thousand were invested during the year.

-11%
(-787)

Net financial position

2,450 | **-7,619**

Totalling -7,619 thousand euros, decreased by 410.9% compared to 2022.

-410.9%
(-10,069)

2024 OUTLOOK

In the first two months of 2024, traffic handled at Torino Airport saw significant growth compared to the same period of 2023, with a total of 714,773 passengers (+2.4%) and 7,262 movements (+5.1%).
In addition, January and February 2024 reported 363,124 and 351,649 passengers respectively, representing the best January and February ever for passenger traffic, beating the previous records set in January 2023 and February 2019. The strong growth in the initial two months returned a 5.5% improvement even over the same period in the pre-COVID 2019.
Looking ahead to 2024 as a whole, we expect traffic volumes at Torino Airport to consolidate compared to 2023, supported by the opening of new routes and the strenghtening of those established in the previous two years. Specifically, for the summer season, Ryanair intends to launch two new routes to Reggio Calabria and Crotone, Volotea will start operating a new route to Comiso, ITA will increase its daily flights to Rome from Turin to five, and Royal Air Maroc will add a third weekly flight on its Turin-Casablanca route.
The opening of the new railway line linking Torino Airport to stations such as Torino Porta Susa/Lingotto and Alba in the Langhe region on January 19, 2024, serves as a potential catalyst for development. This move will expand the local user base, as residents are now able to access the airport via public transport, while also enhancing appeal among tourists, who may choose Torino Airport due to its convenient and affordable connections with the surrounding area.
However, these growth prospects could be negatively influenced by the heightened global geopolitical tensions that surfaced and are still ongoing on the European continent due to the crisis in relations between Russia and Ukraine and in the Middle East. In early 2024, these armed conflicts continued with consequences that are currently difficult to assess. An escalation on the wars could lead to the cancellation of flights to destinations in conflict zones, and to a reduction in connections to neighbouring areas.

Geopolitical tensions also continue to influence energy prices, and any delays in the supply chains could escalate again, which may affect airport transport demand in turn. These impacts could have indirect consequences deriving from market volatility due to the application of sanctions against warring countries and the resulting disruption of trade relations between states.

Lastly, recent events affecting the aircraft manufacturer Boeing, necessitating additional safety checks, along with those involving Airbus due to Pratt & Whitney engine issues, could have negative effects on carriers and their development plans. This is due to delays in the delivery of new aircraft and the recall of existing ones.

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

1.1 SAGAT S.p.A. Shareholders and Corporate Boards

The shareholder structure at December 31, 2023 changed compared to the previous year. On May 9, 2023, 2i Aeroporti S.p.A., the majority shareholder of SAGAT, became the sole shareholder as per the resolution passed at the extraordinary Shareholders' Meeting. This resolution approved the elimination of 74,178 SAGAT shares with a value equal to 2.96% of the share capital.
As of May 9, 2023, therefore, the shareholder structure is as detailed in the table below:

Shareholder	Ordinary Shares	Nominal value	%
2i Aeroporti S.p.A.	2,428,047	€ 12,911,481.00	100%
TOTALE CAPITALE SOCIALE	**2,428,047**	**€ 12,911,481.00**	**100%**

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, 2023, the company did not hold shares of the parent company, even through trust companies or nominees.

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Corporate boards at December 31, 2023

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	Board of Directors
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 Torino 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 Torino 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 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.
On July 21, 2023, the final text of the Contract was sent and signed by the parties.

In order to initiate the process for the signing of the Regulatory Agreement for the 2024-2027 period, on July 7, 2023 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. 0117448-P dated September 12, 2023.
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. 38/2023 of March 9, 2023, the Company, following the issue of the above favourable technical opinion by ENAC's competent structures, will submit 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.

Tariff-setting process

The process to review the tariff applied to Torino 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.

According to the Tariff Model, in 2023 the Company drew up the "Annual Disclosure Document" to provide the User with appropriate updates on the elements considered to update the airport fee levels for 2024. This Document was made available to the User through publication on September 29, 2023 on the Torino Airport website and was outlined and shared during the annual meeting of Users on October 25, 2023.

In addition, we note that an Airport Users' Meeting is scheduled for March 25, 2024, to discuss the proposal for updating airport fees for the 2024-2027 tariff period. The 2024 PRM tariff will also be presented and submitted for approval at the meeting.

1.3
General economy and air transport sector overview

General economy

According to figures released by the Bank of Italy[1], **global economic activity** weakened further at the end of 2023. Manufacturing output continued to stagnate and the momentum of the services sector weakened. In the United States, a number of signs of slowdown emerged. In China, the continued real estate sector crisis slowed growth, which remains well under pre-pandemic levels. International trade dynamics remained subdued, largely due to weak demand for goods and global monetary tightening. Following heightened volatility at the beginning of October, crude oil and natural gas prices declined and remained contained despite attacks on vessels in the Red Sea. The latest available OECD estimates for 2024 point to a slowing in global GDP growth at 2.7%, as a result of tight monetary policy and a deterioration in both consumer and business confidence. High downside risks remain, owing to international political tensions, particularly in the Middle East.

Stagnation in the **eurozone** continued in 2023. The weakness observed in manufacturing and construction is also spreading to the services sector. The disinflation process extends to all major market basket components. In its October and December meetings, the European Central Bank's Board of Directors left official interest rates unchanged, considering that leaving the current levels for a sufficient time will contribute substantially to returning inflation to the 2% target in the medium term. The Board also intends to gradually reduce cash reinvestments from maturing bonds under the pandemic emergency public and private asset purchase programme during the second half of 2024, and to stop them altogether by the end of the year. In the eurozone, past increases in official rates continue to impact the cost of household and business loans, resulting in lower demand for credit. Monetary restrictions have contributed to a considerable slowdown in monetary aggregates, specifically driven by current account deposit dynamics.

Growth in **Italy** was close to zero at the end of 2023, slowed by the worsening credit conditions, and the continuing high energy prices; consumption stagnated, and investments contracted. The manufacturing sector fell once again, services stabilised, and construction grew, continuing to benefit from tax incentives. According to the projections made by the Bank of Italy, GDP will grow by 0.6% in 2024 (compared to an estimated 0.7% for 2023) and by 1.1% in each of the two subsequent years.
Exports increased in autumn 2023. The current account balance remained positive in Q3, thanks to a further reduction in the energy deficit and an increase in the surplus of non-energy goods. The net foreign lending position continued to strengthen.

In October and November, the labour market showed signs of resilience: employment continued to grow, albeit at slower rates compared to the first part of the year.
Inflation dropped at a sharper rate and extended to non-energy industrial goods and to services. In December, growth in the consumer price index was 0.5%. According to forecasts made so far, the rise in the consumer price index will fall to 1.9% in 2024 (from 5.9% in 2023), to then gradually decrease to 1.7% in 2026; underlying inflation will fall to 2.2% in the current year (from 4.5% in 2023) and fall below 2% in the subsequent two-year period.
The lending dynamics continue to mirror the weakened demand for financing and the strict lending criteria, in line with the tightening stance of monetary policy.
The budget measure for the 2024-26 period was approved in December. Official evaluations indicate a 0.7 percentage point increase in net debt as a share of GDP in 2024, with only a marginal decrease in the debt-to-GDP ratio expected over the three-year period. In December, the European Union approved the revision of the National Recovery and Resilience Plan and released the fourth payment instalment.

In terms of the economic landscape in **Piedmont**[2], the average growth of manufacturing production in 2023 stood at 1.5%, confirming the positive trend of the last two years (with average annual growth rates of 10.3% in 2021 and 3.4% in 2022), albeit at a slower pace. This outcome reflects consistent growth throughout the year. Although 2023 was marked by the overall resilience of economic indicators, albeit unevenly across sectors and regions, uncertainty remains regarding the short-term future, with business confidence deteriorating towards the end of the year. According to figures released by Piedmont's Chamber of Commerce[3], the growth rate of business in the region was very modest in 2023 (0.14%).
Although the year was marked by the overall resilience of economic indicators, albeit unevenly across sectors and regions, uncertainty remains regarding the short-term future, with business confidence deteriorating towards the end of the year.

Looking to the **tourism sector**, according to UN Tourism (UNWTO)[4], international tourism recovered to 88% of pre-pandemic levels in 2023, driven by strong demand that had previously been repressed. Following a strong rebound in 2023, international tourism is expected to fully recover to pre-pandemic levels in 2024. There were an estimated 1,286 million tourists worldwide in 2023, representing a 34% rise on 2022, equivalent to 325 million tourists.
In terms of macro-regions, the Middle East spearheaded recovery in relative terms, being the only region to surpass pre-pandemic levels with arrivals 22% higher than in 2019. Europe reached 94% of pre-pandemic levels in 2023,

1 https://www.bancaditalia.it/pubblicazioni/bollettino-economico/2024-1/boleco-1-2024.pdf

2 https://pie.camcom.it/sites/default/files/contenuto_redazione/notizie/file/CONGIUNTURA%20IN%20PIEMONTE%20IV%20TRIMESTRE%202023%20v.2_0.pdf
3 https://pie.camcom.it/sites/default/files/contenuto_redazione/notizie/file/Natimortalit%C3%A0%20artigiane%20Piemonte%202023.pdf
4 https://www.unwto.org/news/international-tourism-to-reach-pre-pandemic-levels-in-2024#:~:text=Following%20a%20strong%202023%2C%20international,estimated%201.3%20billion%20international%20arrivals.

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while Africa recovered 96% and the Americas 90%. Asia and the Pacific reached 65% of pre-pandemic levels, with a progressive recovery since the beginning of 2023.
Four sub-regions surpassed pre-pandemic levels in 2023: North Africa, Central America (both +5%), Southern and Mediterranean Europe, and the Caribbean (both +1%).
Total tourism export revenues were estimated to equal USD Euro 1,600 billion in 2023, nearly 95% of the USD Euro 1,700 billion recorded in 2019.
Preliminary estimates of the direct gross domestic product from tourism indicate USD Euro 3.3 trillion in 2023, accounting for 3% of the global GDP, the same level as in 2019, driven by both domestic and international travel.
Following a strong rebound in 2023, international tourism is expected to fully recover to pre-pandemic levels in 2024, with initial estimates indicating a 2% growth in international tourist arrivals compared to 2019 levels.

As for **Piedmont**[5] , in 2023, tourism reached a new record, surpassing 6 million arrivals and 16 million overnight stays, with tourism flows increasing compared to 2022: +9.3% in arrivals and +8.6% in overnight stays. The growth in volumes was driven by international arrivals: +15.3% in arrivals and nearly +15% in corresponding overnight stays.

The share of the foreign market accounting for overnight stays increased from 49% in 2022 to 52%, surpassing the domestic share, which stood at 48%. Nearly 80% of foreign overnight stays were generated by tourists from the top seven European markets and the USA. In detail, Germany remains the top foreign market for arrivals and overnight stays. German tourists choosing Piedmont increased by 10.2% in arrivals and 7.8% in overnight stays compared to 2022. Following Germany, France recorded growth of 17%, while Benelux and Switzerland surpassed all values from the previous year. The UK ranked fifth, with a decrease in arrivals but an 8.8% increase in overnight stays. The United States ranked sixth, with a nearly 35% increase in overnight stays compared to 2022. Lastly, Scandinavia and Spain saw an increase in overnight stays compared to 2022: +13.9% and +24.2% respectively.
Domestic tourism saw growth compared to 2022, both in arrivals and overnight stays: +4.8% and +2.7% respectively. Piedmont and Lombardy remain the main sources of traffic, but with a decrease in domestic tourism. However, tourist flows from other major regional sources are increasing. We note the performance of Lazio, Veneto, and Emilia Romagna, which surpassed 2022 values: +16%, +12% e +16.7% in overnight stays, respectively.

5 https://www.visitpiemonte-dmo.org/wp-content/uploads/2024/03/NotaBilancioAnno2023_20marzo2024_DEF.pdf
6 Source IATA: https://www.iata.org/en/pressroom/2024-releases/2024-01-31-02/
7 Source ACI Europe: https://www.aci-europe.org/media-room/477-passenger-traffic-reaches-nearly-95-of-pre-pandemic-levels-in-2023.html

The strong push towards the internationalisation of tourism in Piedmont is also evident from the monitoring of local spending using foreign credit cards. Total spending volumes recorded an increase of over 22% compared to the previous year, amounting to approximately Euro 810 million for the monitored segment alone.
There was a positive trend for all regional product areas: Turin and the surrounding area are the most visited destinations in Piedmont, followed by the lake and hilly areas. The mountain area surpassed the previous year both in the summer and winter months.

Air transport market

According to the International Air Transport Association (IATA)[6], the global aviation sector continued to recover, with total traffic for the entire year inching even closer to pre-pandemic levels, increasing by 36.9% compared to 2022. Globally, total year-round traffic in 2023 reached 94.1% of pre-pandemic levels (2019). International traffic increased by 41.6% in 2023 compared to 2022, reaching 88.6% of 2019 levels, while domestic traffic increased by 30.4% compared to the previous year and exceeded total year-round levels in 2019 by 3.9%. The strong post-pandemic recovery continued in 2023. The excellent performance in Q4 2023 gives airlines hope for a return to normal growth patterns in 2024.

At the **continental level**, [7]European airports welcomed 2.3 billion passengers in 2023. Passenger traffic increased by 19% on 2022, with a decrease of 5.3% compared to pre-pandemic volumes (2019). The market was marked by significant variations in performance. Although several airports achieved record-breaking levels of passenger traffic, a considerable majority still fell short of pre-pandemic volumes. The top five European airports in 2023 were London-Heathrow, Istanbul, Paris-CDG, Amsterdam-Schiphol and Madrid.
This increase was primarily driven by international passenger traffic (+21%), which grew at almost double the pace of domestic traffic (+11.7%).

As for the **domestic context**[8], 2023 marked a historic new record for Italian airports, which reached the milestone of 197.2 million passengers for the first time in 2023, surpassing the previous record achieved in 2019 by 2.1%.
While the domestic market played a key role in the post-COVID phase, 2023 marked the full recovery of the international segment, the most pivotal portion of air traffic, reaching 128 million passengers, 0.1% more than in 2019.
Meanwhile, there is a slight disparity when

8 Source Assaeroporti: https://assaeroporti.com/aeroporti-italiani-nuovo-record-storico-nel-2023-sfiorati-i-200-milioni-di-passeggeri/

comparing aircraft movements to pre-COVID levels, which were 2.6% lower, at 1,601,059 units in 2023, compared to 2019. As a result, more passengers but fewer aircrafts travelled, leading to a higher load factor, which also brought environmental benefits. Having surpassed 2019 volumes, the aviation sector bid farewell to the challenging pandemic years in 2023, during which the airport system lost at least 280 million passengers.

Within the context of widespread growth, analysis of geographical areas reveals that 2023 was marked by significant recovery at airports in Northern and Central Italy (+20% and +33% respectively compared to the previous year). Meanwhile, airports in Southern and Island regions confirmed the trend witnessed in 2022 (+10% and +9%), far exceeding pre-COVID levels.

1.4
Aviation Business: passenger and cargo traffic

In 2023, with 4,531,185 passengers carried, Torino Airport set its own traffic record for the second consecutive year, surpassing the 4.5 million passenger threshold for the first time.

This increase amounted to 8.04% compared to the 4,193,881 passengers handled in 2022 (the previous record year), and 14.65% compared to 3,952,158 passengers in 2019, the most recent pre-pandemic year.

PASSENGERS	2023	2022	2019	CHANGE ON 2022	%	CHANGE ON 2019	%
Domestic (scheduled)	2,177,380	2,210,333	1,900,013	-32,953	-1.49%	277,367	14.6%
International (scheduled)	2,229,651	1,873,974	1,907,891	355,677	18.98%	321,760	16.86%
TOTAL SCHEDULED	**4,407,031**	**4,084,307**	**3,807,904**	**322,724**	**7.9%**	**599,127**	**15.73%**
Charter	111,670	98,948	126,185	12,722	12.86%	-14,515	-11.5%
General Aviation	7,404	7,568	8,719	-164	-2.17%	-1,315	-15.08%
Transits	5,080	3,058	9,350	2,022	66.12%	-4,270	-45.67%
TOTAL	**4,531,185**	**4,193,881**	**3,952,158**	**337,304**	**8.04%**	**579,027**	**14.65%**

Growth was driven by the significant recovery of the international segment, which reported volumes exceeding 2.33 million passengers in 2023 (+18.69% on 2022 and +15.09% on 2019), when considering both scheduled and charter traffic.

PASSENGERS	2023	2022	2019	CHANGE ON 2022	%	CHANGE ON 2019	%
International (scheduled)	2,229,651	1,873,974	1,907,891	355,677	18.98%	321,760	16.86%
International (charter)	107,795	95,351	123,082	12,444	13.05%	-15,287	-12.42%
TOTAL INTERNATIONAL	**2,337,446**	**1,969,325**	**2,030,973**	**368,121**	**18.69%**	**306,473**	**15.09%**

The positive trend in the foreign market was boosted by the opening of several new direct international routes: during 2023, Ryanair – based in Turin since November 2021 – launched new routes to Alicante and Porto. In addition, Volotea introduced new flights to Paris Orly, Air Baltic to Vilnius, British Airways to London Heathrow, and Dan Air to Bacau. The foreign markets with the highest volumes were Spain, with over 552 thousand passengers (+13.83% on 2022 and +37.7% on 2019), and the UK, with over 404 thousand passengers (+38.57% on 2022 and +8.6% on 2019).
France also saw growth (+3.67% on 2023 and +7.1% on 2019), along with Albania (+76.16% on 2022 and +221.2% on 2019), Belgium (+62.19% on 2022 and +5.2% on 2019), and Poland (+15.43% on 2022 and +162.8% on 2019).
We also note the consolidation of flights to Lithuania: Ryanair's Vilnius route, launched in December 2022, recorded an average occupancy rate of 90.5% throughout 2023. Additionally, in December 2023, Air Baltic introduced a second seasonal service to the same destination with excellent results, demonstrating the vitality of a previously untapped market.

Destinations

In 2023, Catania continued to be the busiest route, while an international destination took second place, namely London. In third place was Rome, which despite not reaching pre-COVID levels, reported constant growth, increasing the volume of passengers carried by 67.1% compared to 2022.
The following table presents a comparison between 2023 and 2022 and 2019 of passengers on the main scheduled traffic destinations.

	PASSENGERS								
DESTINATIONS-SCHEDULED	2023	2022	2019	% OF TOTAL	CHANGE on 2022		CHANGE on 2019		
CATANIA	383,937	405,830	298,710	8.5%	-21,893	-5.4%	85,227	28.5%
LONDON Grouping	343,738	249,952	333,915	7.6%	93,786	37.5%	9,823	2.9%
ROMA Fiumicino	328,425	196,506	485,391	7.2%	131,919	67.1%	-156,966	-32.3%
NAPOLI	318,164	309,325	267,622	7.%	8,839	2.9%	50,542	18.9%
PALERMO	250,812	275,658	275,475	5.5%	-24,846	-9%	-24,663	-9%
BARI	205,812	288,098	168,904	4.5%	-82,286	-28.6%	36,908	21.9%
LAMEZIA TERME	185,731	202,304	107,945	4.1%	-16,573	-8.2%	77,786	72.1%
PARIS Grouping	183,801	177,341	171,344	4.1%	6,460	3.6%	12,457	7.3%
BARCELONA	181,113	150,551	204,380	4.%	30,562	20.3%	-23,267	-11.4%
MADRID	170,161	148,750	113,206	3.8%	21,411	14.4%	56,955	50.3%
TOTAL TOP 10 DESTINATIONS	**2,551,694**	**2,404,315**	**2,426,892**	**56.3%**	**147,379**	**6.1%**	**124,802**	**5.1%**
Other allocations	1,979,491	1,789,566	1,525,266	43.7%	189,925	10.6%	454,225	29.8%
TOTAL	**4,531,185**	**4,193,881**	**3,952,158**	**100%**	**337,304**	**8%**	**579,027**	**14.7%**

After London, the top ten busiest routes in the international segment were Paris, Barcelona, Madrid (which also makes a return to the overall top ten) and Munich, followed by Tirana, Frankfurt, Amsterdam, Brussels Charleroi, and Valencia. In terms of the highest growth compared to the previous year, Tirana stands out at +76%, Brussels Charleroi at +67%, and Munich at +47%. A total of 46 international destinations were served by direct flights, including the new routes listed above, and an extensive Spanish network serving nine destinations (the new addition of Alicante, along with Barcelona, Ibiza, Lanzarote, Madrid, Malaga, Seville, Valencia, and Gran Canaria). Meanwhile, the UK network served eight destinations (Edinburgh, Manchester, Birmingham, Bristol, and four London airports: Gatwick, Stansted, Luton, and the return of Heathrow).
On the domestic front, a total of 14 destinations were served. After Catania, the ranking of destinations by

number of passengers carried is as follows: Rome, Naples, Palermo, Bari, Lamezia Terme, Brindisi, Cagliari, Olbia, Trapani, Pescara, Alghero, Foggia, and Lampedusa.

In addition to the new routes launched in 2023, winter sport traffic from Northern European markets also resumed, with a significant resumption of charter flights for skiers, both in Q1 and the start of the season in December.

An important figure in terms of assessing the traffic recovery was also the increased aircraft load factor, which stood at 82.5% in 2023, up 6 percentage points on 2022 (76.8%) and 5 percentage points on 2019 (77.1%).

The following table presents a comparison between 2023 and 2022 and 2019 of movements on the main scheduled traffic destinations.

	MOVEMENTS							
CARRIER - SCHEDULED	2023	2022	2019	% OF TOTAL	CHANGE on 2022		CHANGE on 2019	
ROMA Fiumicino	2,928	2,038	4,547	9.2%	890	43.7%	-1,619	-35.6%
LONDON Grouping	2,476	1,962	2,266	7.8%	514	26.2%	210	9.3%
PARIS Grouping	2,203	2,311	2,446	6.9%	-108	-4.7%	-243	-9.9%
CATANIA	2,117	2,562	1,861	6.6%	-445	-17.4%	256	13.8%
NAPOLI	1,794	1,869	2,213	5.6%	-75	-4%	-419	-18.9%
MUNICH	1,741	1,412	2,981	5.5%	329	23.3%	-1,240	-41.6%
MADRID	1,681	1,551	1,276	5.3%	130	8.4%	405	31.7%
FRANKFURT	1,627	1,445	2,776	5.1%	182	12.6%	-1,149	-41.4%
PALERMO	1,490	1,784	1,763	4.7%	-294	-16.5%	-273	-15.5%
BARI	1,197	1,845	1,006	3.7%	-648	-35.1%	191	19%
TOTAL TOP 10 DESTINATIONS	**19,254**	**18,779**	**23,135**	**60.3%**	**475**	**2.5%**	**-3,881**	**-16.8%**
Other allocations	12,686	12,912	10,349	39.7%	-226	-1.8%	2,337	22.6%
TOTAL	**31,940**	**31,691**	**33,484**	**100%**	**249**	**0.8%**	**-1,544**	**-4.6%**

Airlines

The main **scheduled carriers** operating in 2023 at Torino Airport and the respective numbers of passengers carried are presented below:

	PASSENGERS							
CARRIER - SCHEDULED	2023	2022	2019	% OF TOTAL	CHANGE on 2022		CHANGE on 2019	
RYANAIR	2,321,889	2,087,155	1,004,525	52.7%	234,734	11.2%	1,317,364	131.1%
WIZZ AIR LTD	553,919	629,616	75,862	12.6%	-75,697	-12%	478,057	630.2%
ITA AIRWAYS	327,824	196,381	476,663	7.4%	131,443	66.9%	-148,839	-31.2%
LUFTHANSA GROUP	270,317	193,561	384,568	6.1%	76,756	39.7%	-114,251	-29.7%
VOLOTEA	223,407	251,988	256,803	5.1%	-28,581	-11.3%	-33,396	-13%
AIR FRANCE	141,099	124,734	169,207	3.2%	16,365	13.1%	-28,108	-16.6%
IBERIA	123,915	105,691	113,063	2.8%	18,224	17.2%	10,852	9.6%
BRITISH AIRWAYS	105,628	75,246	153,738	2.4%	30,382	40.4%	-48,110	-31.3%
easyJet	105,596	104,702	169,883	2.4%	894	0.9%	-64,287	-37.8%
VUELING AIRLINES	88,569	83,789	97,358	2%	4,780	5.7%	-8,789	-9%
TOTAL TOP 10 AIRLINES	**4,262,163**	**3,852,863**	**2,901,670**	**96.7%**	**409,300**	**10.6%**	**1,360,493**	**46.9%**
Other airlines	144,868	231,444	906,234	3.3%	-86,576	-37.4%	-761,366	-84%
TOTAL	**4,407,031**	**4,084,307**	**3,807,904**	**100%**	**322,724**	**7.9%**	**599,127**	**15.7%**

Ryanair is confirmed as the leading carrier at Torino Airport, with a 52.7% scheduled market share, up from 51.2% in 2022.

As ever, the performance of Wizz Air was also significant, which, despite a decrease of over 75 thousand passengers, maintains the second position among all carriers in the ranking, with a scheduled market share of 12.6%. Wizz Air's performance stems, on the one hand, from the strengthening of its busiest routes (Catania +16%, Tirana +76%, and Bucharest +17% in terms of passengers compared to 2022), and, on the other hand, from cancellations due to the closure of certain European hubs, in addition to the discontinuation of several other routes (Skopje, Chisinau, Cluj-Napoca, Lamezia). Despite the drop compared to 2022 (-12%), Wizz Air traffic significantly recovered compared to the pre-pandemic period (+630.2%).

ITA Airways rises to third place in the ranking, with a market share of 7.4% thanks to the improvement of its product on the Turin - Rome route.

Overall, 2023 saw a significant recovery of full-service carriers (which still remain below pre-pandemic levels overall). In addition to ITA, Lufthansa Group, Air France, Iberia, and British Airways all recorded traffic increases compared to the previous years (39.7%, +13.1%, +17.2%, and +40.4%). This reflects the substantial rejuvenation of the sector, with Iberia also surpassing pre-COVID traffic levels, recording an increase of 9.6% on 2019.

The recovery of the full-service carrier market is also reflected in the annual market share of passenger volumes. Low-cost companies continued to have the most substantial market share for Torino Airport, accounting for 75.1% of traffic, compared to 24.9% for full-service companies in 2023. However, in 2022, low-cost airlines had a higher share of 80.4%, down from 83.9% in 2021. The recovery of full-service traffic and transit through hubs such as airports, catering to medium and long-haul journeys, confirms the revival of business traffic. Hub transit increased by 27.4% between 2022 and 2023, mainly thanks to the Lufthansa Group (connections via Munich and Frankfurt), followed by KLM (connections via Amsterdam), and Air France (connections via Paris Charles De Gaulle).

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Scheduled carrier **movements by airline** are presented below:

MOVEMENTS								
CARRIER - SCHEDULED	2023	2022	2019	% OF TOTAL	CHANGE on 2022		CHANGE on 2019	
RYANAIR	13,899	13,534	5,884	43.5%	365	2.7%	8,015	136.2%
LUFTHANSA GROUP	3,369	2,857	5,760	10.5%	512	17.9%	-2,391	-41.5%
ITA AIRWAYS	2,927	2,048	4,321	9.2%	879	42.9%	-1,394	-32.3%
WIZZ AIR LTD	2,907	3,676	380	9.1%	-769	-20.9%	2,527	665%
AIR FRANCE	1,919	1,864	2,400	6%	55	3%	-481	-20%
VOLOTEA	1,460	1,652	2,093	4.6%	-192	-11.6%	-633	-30.2%
IBERIA	1,414	1,283	1,275	4.4%	131	10.2%	139	10.9%
KLM	1,178	1,010	1,442	3.7%	168	16.6%	-264	-18.3%
BRITISH AIRWAYS	864	696	1,114	2.7%	168	24.1%	-250	-22.4%
easyJet	827	926	1,261	2.6%	-99	-10.7%	-434	-34.4%
TOTAL TOP 10 AIRLINES	**30,764**	**29,546**	**25,930**	**96.3%**	**1,218**	**4.1%**	**4,834**	**18.6%**
Other airlines	1,176	2,145	7,554	3.7%	-969	-45.2%	-6,378	-84.4%
TOTAL	**31,940**	**31,691**	**33,484**	**100%**	**249**	**0.8%**	**-1,544**	**-4.6%**

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Finally, 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**
2023	361,168	336,658	376,369	392,297	393,118	408,880	414,949	401,226	381,643	395,234	313,372	356,271	**4,531,185**

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**
2023	3,541	3,371	3,848	3,615	3,636	3,862	3,832	3,485	3,524	3,769	3,255	3,568	**43,306**

Cargo

Torino Airport in 2023 reported 638,558 kg of cargo, declining 32.7% on 2022, amid a slight contraction at domestic level, with an average drop in 2023 of 1.6% (total Italian airport cargo volumes, source: Assaeroporti).

Cargo at Torino Airport continues to be impacted structurally since the COVID-19 pandemic by the concentration of traffic at Milan Malpensa's cargo hub, where the greatest volumes of Piedmont's cargo imports and exports are centralised.
This phenomenon, typical of the global air cargo sector, is reflected in the general tendency for industrial districts to centralise their flow of goods through cargo hubs.
In addition, traffic from legacy carriers, which traditionally also includes cargo services on scheduled flights, has not fully returned to pre-COVID levels. These carriers at Torino Airport also tend to use regional aircraft that are not optimised for cargo transport.

Against this backdrop, in 2023 a reduction was recorded in the trucked cargo component (-37.7% on 2022), representing 88% of transited cargo volumes, and an increase in the air component (+69.1% on 2022), representing 12% of cargo.

In terms of total cargo traffic markets (air and trucked cargo), in 2023, the UK, Switzerland, Italy, Germany, and China represented the top five nations by volume of cargo transited. Other major markets followed: United States, India, Qatar, Somalia, Morocco, Mexico, Czech Republic, Egypt, South Africa, Nepal, Belgium, Pakistan, Singapore, Serbia, Montenegro, and the United Arab Emirates.

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

2023 traffic figures showed an increase in passengers served compared to the previous year, but with a drop in movements supported and total tonnage. The key business handling performance figures follow:

- passengers served: +4.1%;
- aircraft movements: -3.7%;
- total weight: -4.5%;
- goods transported: -32.7%.

The share of traffic handled by SAGAT Handling S.p.A. in 2023, compared to the total traffic transited at Torino Airport, stood at 80.8% of commercial aviation tonnage (down on 84.4% in 2022), 84.7% of passengers (down on 87.9% in 2022) and 78.4% of aircraft movements (down on 82% in 2022).

The absolute level of these figures, while reporting a slight decrease, confirms that SAGAT Handling continues to be able to provide quality service to the passengers and carriers that use Torino Airport and is a testament to the high level of satisfaction with this service, which is provided at market rates.

The table below shows highlights for SAGAT Handling's business as compared to the previous year.

Commercial aviation	2023	2022	2023/2022
Aircraft movements (No.)	25,900	26,893	-3.7%
Total passengers (No.)	3,829,673	3,680,137	4.1%
Aircraft tonnage (t.)	1,715,632	1,793,036	-4.3%
Air/surface cargo (kg)	638,558	949,177	-32.7%

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Commercial and financial performance

The decrease in the value of production and margins compared to the previous year can mainly be attributed to the presence of an extraordinary positive component of the Aviation Sector Damage Compensation Fund grant in 2022, as per Law No. 178/2020, amounting for SAGAT Handling to Euro 978 thousand, and only to a small extent to the reduction in 2023 revenues owing to lower traffic volumes.

Euro thousands

	2023	2022	Cge. € 2023/2022	% Change 2023/2022
Value of production	11,344	12,335	-991	-8%
Personnel costs	6,110	6,068	42	0.7%
Operating costs	4,233	4,179	54	1.3%
Gross Profit	**1,000**	**2,088**	**-1,087**	**-52.1%**
Provisions and write-downs	37	324	-286	-88.5%
EBITDA	**963**	**1,764**	**-801**	**-45.4%**
Amortisation & depreciation	98	86	12	14%
EBIT	**865**	**1,678**	**-813**	**-48.5%**
Net Financial income/ (charges)	55	25	30	118.1%
Profit/(loss) before taxes	**920**	**1,703**	**-783**	**-46%**
Income taxes	267	221	45	20.5%
Net profit/(loss)	**654**	**1,482**	**-829**	**-55.9%**

As a result, the value of production amounted to Euro 11,344 thousand compared to Euro 12,335 thousand in 2022, EBITDA totalled Euro 1,000 thousand, and the net profit for the year was Euro 654 thousand.

1.6
Non-aviation business: commercial activities

Driven by the growth in passenger traffic, Non-Aviation activities performed well, bolstered by the opening of new shops and businesses, in addition to improvements in directly managed services (parking, VIP lounge, 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) increased by 23.3% compared to 2022.

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

• Sub-licensing of retail and food-service space

Throughout 2023, the Departure Lounge's commercial offerings were expanded post-security, introducing new stores in areas previously unused for retail purposes.
July saw the opening of a temporary Gallo store, selling seasonal items like swimwear alongside their signature socks.
In November, a pop-up shop for ATP Finals merchandise enjoyed great success during the event.
Lastly, in December, two vending machines featuring men's and women's underwear by the Richmond brand were installed, using a new sales method in travel retail that guarantees brand visibility without the management costs associated with a traditional store.
The pharmacy at the arrivals level reopened under the management of ASM Venaria, which has a widespread presence in several neighbouring municipalities, fostering efficient customer service across sales points.
In 2023, several catering outlets were also updated.
In August, the leading street coffee brand 12OZ set up a temporary café on the balcony, enhancing the area's appeal for smokers.
Giappo refurbished its sales point, expanding seating and featuring a prominent pokè section with a dedicated entrance and counter visibility and graphics that set it apart from Giappo's restaurant line. To accommodate increased passenger numbers, the seating area in Piazza Castello was redesigned to boost capacity.

Duty-free revenues increased, thanks in part to the refined selection of Italian and regional wine and food products and the introduction of new perfume and cosmetic brands.

• Non-retail and other sub-licensing

The rent-a-car sector welcomed a new brand, Noleggiare, which commenced operations in January. Regarding ground transportation, Torino Airport has been linked to the city centre via the Flibco bus operator since June, which set up a ticket counter and customer service point in the arrivals hall. The bus stop, which has become more popular, was equipped with an ATM and a food and drink vending machine in October to accommodate the increasing number of passengers.

• Parking

Several updates were made to parking services in 2023. In June, the new P-C Lowcost car park was opened to the public, housing 245 parking spaces that can only be purchased online. This initiative allowed open-air parking spaces at street level to be reconfigured, enhancing the range of options available. The new parking area was built in an area previously dedicated to rent-a-car buffers, which were relocated to a car park near the fuel depots. The e-commerce offering was also updated. In May, two new tariffs - Standard and Flex - were introduced, providing the option to change and refund tickets. Payment methods were expanded to include PayPal, and an additional sales channel was launched via the Parkingmycar aggregator, to increase the visibility of official car parks compared to those outside the airport grounds. In February 2023, the Unipolmove electronic toll service was launched. Finally, in December, SAGAT awarded the tender for the installation of electric charging stations on the airport grounds for use by customers and operators.

• Advertising

The increase in revenue is attributed to both the recovery of the domestic sector and the uptick in incoming passengers, which generated interest from local companies and event organisers, who were keen to showcase commercial activities for tourists.

• Non-aviation Assistance

The VIP Lounge and Fast Track experienced steady growth in monthly admissions and related revenues. The customer base was expanded thanks to new agreements with credit card networks and the partial recovery of business traffic.
The Piemonte Lounge welcomed a new photography installation dedicated entirely to cultural and tourism excellence in the local area, in collaboration with the Piedmont Region.

1.7 Operating performance

The 2023 Income Statement reflects the first year of full traffic recovery since the outbreak of the COVID-19 health emergency.
The Parent Company posted a net profit of Euro 6,903 thousand for the year, decreasing Euro 3,505 thousand on 2022. At consolidated level, the net profit came to Euro 7,556 thousand for the year, reducing Euro 4,349 thousand on 2022.
The parent company and consolidated net results contracted on the previous year due to the extraordinary positive components in both years and amounting in 2022 to Euro 13,301 thousand (National and regional COVID restoration provisions), and in 2023 to Euro 7,121 thousand (favourable outcome of the case to recognise inflation to fees), as outlined below.

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.	2023	2022	Cge. €	% Change
Revenues (*)	76,969	76,227	742	1%
Personnel costs	16,101	14,783	1,318	8.9%
Operating costs	43,981	44,846	-865	-1.9%
Gross Profit	**16,887**	**16,598**	**289**	**1.7%**
Gross Profit %	**21.9%**	**21.9%**	**0.1%**	
Provisions and write-downs	620	936	-316	-33.8%
EBITDA	**16,267**	**15,662**	**605**	**3.9%**
EBITDA %	**21.1%**	**20.5%**	**0.6%**	
Amortisation & depreciation	6,547	6,311	236	3.7%
Grants	671	671	0	0%
EBIT	**10,391**	**10,021**	**369**	**3.7%**
EBIT %	**13.5%**	**13.1%**	**0.4%**	
Net Financial income/(charges)	(861)	(723)	-138	19.1%
Profit/(loss) before taxes	**9,530**	**9,298**	**232**	**2.5%**
Income taxes	2,627	(1,109)	3,736	-336.9%
Net profit/(loss)	**6,903**	**10,408**	**-3,505**	**-33.7%**

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Euro thousands

CONSOLIDATED	2023	2022	Cge. €	% Change
Revenues (*)	85,964	86,062	-99	-0.1%
Personnel costs	22,211	20,851	1,360	6.5%
Operating costs	45,865	46,526	-660	-1.4%
Gross Profit	**17,887**	**18,686**	**-799**	**-4.3%**
Gross Profit %	**20.8%**	**21.7%**	**-0.9%**	
Provisions and write-downs	657	1,260	-603	-47.8%
EBITDA	**17,230**	**17,426**	**-196**	**-1.1%**
EBITDA %	**20.0%**	**20.2%**	**-0.2%**	
Amortisation & depreciation	6,645	6,381	264	4.1%
Grants	671	671	0	0%
EBIT	**11,256**	**11,715**	**-460**	**-3.9%**
EBIT %	**13.1%**	**13.6%**	**-0.5%**	
Net Financial income/(charges)	(805)	(698)	-108	15.5%
Profit/(loss) before taxes	**10,450**	**11,018**	**-568**	**-5.2%**
Income taxes	2,894	(888)	3,781	-425.9%
Consolidated profit/(loss)	**7,556**	**11,906**	**-4,349**	**-36.5%**

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

In order to make the industrial operating results for 2023 and 2022 clearer, the key consolidated operating highlights are presented below, net of the extraordinary items outlined at the beginning of this paragraph.

Euro thousands

CONSOLIDATED	2023 ADJ	2022 ADJ	Cge. €	% Change
Revenues	**78,843**	**72,762**	**6,081**	**8.4%**
Gross Profit	**10,767**	**5,385**	**5,381**	**99.9%**
EBITDA	**10,110**	**4,126**	**5,984**	**145%**
EBIT	**4,135**	**(1,585)**	**5,720**	**360.9%**
Profit/(loss) before taxes	**3,330**	**(2,283)**	**5,612**	**245.9%**

The tables below highlight the main components of revenue for 2023 and 2022.

Revenues

The tables below highlight the main components of revenue for 2023 and 2022 respectively for the Parent Company and for the Group:

Euro thousands

SAGAT S.p.A.	2023	2022	Cge. €	% Change
Value of production	**76,969**	**76,227**	**742**	**1%**
consisting of:				
Aviation	**46,099**	**42,955**	**3,144**	**7.3%**
of which:				
Air traffic revenues	30,840	28,183	2,657	9.4%
Centralised infrastructure	1,158	1,070	89	8.3%
Passenger and baggage security checks	8,195	8,550	-354	-4.1%
Passenger assistance	4,452	3,681	771	20.9%
Regulated sub-concessions	1,453	1,471	-18	-1.2%
Handling	**73**	**56**	**17**	**31.1%**
Non-Aviation	**18,419**	**14,935**	**3,483**	**23.3%**
of which:				
Ticketing	283	363	-80	-22%
Food & Beverage	2,525	2,286	239	10.4%
Beauty & Fashion	630	422	208	49.3%
VIP Lounge & Fast Track	1,353	895	459	51.3%
Duty Free	1,555	1,244	311	25%
Travel & Facilities	744	592	151	25.5%
Financial services	112	99	13	13.3%
Rent a car	2,246	1,717	529	30.8%
Subc. spaces	944	815	129	15.9%
Parking	6,964	5,720	1,243	21.7%
Advertising	1,051	769	283	36.8%
Other	12	14	-2	-10.4%
Other revenues	**12,378**	**18,281**	**-5,903**	**-32.3%**

Euro thousands

CONSOLIDATED	2023	2022	Cge. €	% Change
Value of production	**85,964**	**86,062**	**-99**	**-0.1%**
consisting of:				
Aviation	**45,802**	**42,604**	**3,198**	**7.5%**
of which:				
Air traffic revenues	30,840	28,183	2,657	9.4%
Centralised infrastructure	1,158	1,070	89	8.3%
Passenger and baggage security checks	8,195	8,550	-354	-4.1%
Passenger assistance	4,450	3,679	770	20.9%
Regulated sub-concessions	1,158	1,123	36	3.2%
Handling	**9,762**	**9,782**	**-20**	**-0.2%**
of which:				
Aircraft and passenger assistance	9,647	9,662	-16	-0.2%
Cargo activities	115	120	-5	-3.8%
Non-Aviation	**18,250**	**14,773**	**3,477**	**23.5%**
of which:				
Ticketing	283	363	-80	-22%
Food & Beverage	2,525	2,286	239	10.4%
Retail	630	422	208	49.3%
VIP Lounge & Fast Track	1,353	895	459	51.3%
Duty Free	1,555	1,244	311	25%
Travel & Facilities	744	592	151	25.5%
Financial services	112	99	13	13.3%
Rent a car	2,246	1,717	529	30.8%
Subc. spaces	821	696	125	17.9%
Parking	6,919	5,677	1,242	21.9%
Advertising	1,051	769	283	36.8%
Other	11	14	-2	-15.9%
Other revenues	**12,150**	**18,903**	**-6,753**	**-35.7%**

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The main changes at the consolidated level are described below.

Revenues

Consolidated revenues amounted to Euro 85,964 thousand and were in line with 2022 (-0.1%), mainly due to the combined effect of non-recurring items in both years and the increase in passengers (+8%). Net of the non-recurring items, revenues increased Euro 6,747 thousand.

Aviation revenues in 2023 amounted to Euro 45,802 thousand, an increase of Euro 3,198 thousand (+7.5%). The increase is linked and proportional to the improved traffic on an annual basis. This was higher in Q1 2023 as the comparative period in 2022 was still impacted by the Omicron variant of COVID-19 and the state of emergency introduced by the national authorities.

Non-aviation revenues increased by Euro 3,477 thousand in 2023 (+23.5%), from Euro 14,773 thousand in 2022 to Euro 18,250 thousand in 2023. The increase in passenger traffic benefited all business areas, and in particular the parking, rent a car, VIP lounge & fast track, advertising, duty free and food & beverage areas.

Other revenues of Euro 12,150 thousand decreased on 2022 (-Euro 6,753 thousand) as a combined effect of the non-recurring items in both years. In particular, in 2022 grants of Euro 11,014 thousand for the recovery of the significant losses as a result of the COVID-19 health emergency in the March 1, 2020 to June 30, 2020 period were present, put in place for airport operators and for ground handling service providers. SAGAT S.p.A. in 2022 also benefitted from the Euro 2,287 thousand under the measures to support Piedmont airport operators for the period from January 1, 2021 to June 30, 2021. In 2023, this account included however the release of the provision covering the risk of potential reimbursement of airport fee adjustments at the inflation rate for the years 1999-2005. These adjustments, previously collected following favourable judgments amounting to Euro 7,121 thousand, were released following the R.G.N. 36934/2019 order published on February 6, 2023, confirming their adequacy in favour of SAGAT on a definitive basis.

Personnel costs

Personnel costs for the SAGAT Group, including the cost of temporary workers, amounted to Euro 22,211 thousand in 2023, increasing Euro 1,360 thousand on the previous year, which was still impacted in the first quarter by the reduction in air traffic as a result of COVID. For further details on traffic and the main personnel cost components, reference should be made to the related sections of the Directors' Report and the Explanatory Notes.

Operating costs

SAGAT Group operating costs totalled Euro 45,865 thousand, with a reduction therefore of Euro 660 thousand on the previous year, mainly due to the net effect of lower utilities, which in 2022 significantly increased, alongside higher services and lease costs.

Gross profit

As a result of the changes in the revenue and cost components described above, the 2023 Gross Profit amounted to Euro 17,887 thousand, a reduction of Euro 799 thousand on 2022. Net of the extraordinary items outlined above under Other income, the 2023 Gross Profit increased on 2022 by Euro 5,381 thousand.

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 2023, provisions and write-downs by the Group amounted to Euro 657 thousand, a reduction of Euro 603 thousand on the previous year.

EBITDA

As a result of the factors outlined above, 2023 EBITDA amounted to Euro 17,230 thousand, decreasing Euro 196 thousand on 2022. Net of the extraordinary items outlined above under Other income, 2023 EBITDA increased on 2022 by Euro 5,984 thousand.

Amortization and depreciation

Amortisation and depreciation, totalling Euro 6,645 thousand, increased by Euro 264 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, related to amortisation in 2023, 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 2023 amounted to Euro 11,256 thousand, decreasing Euro 460 thousand on 2022. Net of the extraordinary items outlined above under Other income, 2023 EBIT increased on 2022 by Euro 5,720 thousand.

Net financial income/(charges)

Net financial charges of Euro 805 thousand are based on the difference between the interest expense on loans and interest income on Time Deposits and the remuneration of liquidity in company current accounts. An increase of Euro 108 thousand is reported on 2022, due to the increase in interest rates linked to the Euribor and the drawdown of new loans.

Result before taxes

The Group pre-tax profit came to Euro 10,450 thousand for the year, reducing Euro 568 thousand on 2022.Net of the extraordinary items outlined above under Other income, the 2023 pre-tax profit increased on 2022 by Euro 5,612 thousand.

Income taxes

The total tax charge increased Euro 3,781 thousand on the previous year, as the grants received in 2022 from the national and regional funds to remedy damages from the pandemic did not contribute to the IRES and IRAP assessable base.

The difference between the actual 2023 tax rate, of 27.7% at the consolidated level, and the theoretical rate is described in detail in the specific section of the Explanatory Notes.

Net result

As a result of that outlined above, the Group posted a net profit of Euro 7,556 thousand for 2023, a decrease of Euro 4,349 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 2023 figures with those of the previous year.

Euro thousands

SAGAT S.p.A.	2023	2022	Δ vs 2022
Intangible and tangible fixed assets	51,881	52,156	-274
Intangible	10,713	10,043	669
Tangible	41,169	42,113	-944
Financial assets excluding Time Deposits (*)	14,425	14,403	22
Assets	**66,307**	**66,559**	**-253**
Trade receivables	11,021	14,775	-3,754
Trade payables	(32,635)	(30,232)	-2,403
Operating working capital	**(21,614)**	**(15,457)**	**-6,156**
Other assets	24,561	27,709	-3,148
Other liabilities	(29,634)	(30,924)	1,290
Other Assets/ Other Liabilities	**(5,074)**	**(3,215)**	**-1,859**
NWC	**(26,687)**	**(18,672)**	**-8,015**
Provisions	**(4,151)**	**(10,225)**	**6,074**
NET CAPITAL EMPLOYED	**35,468**	**37,662**	**-2,194**
Share capital	12,911	12,911	0
Reserves	20,440	10,033	10,408
Net profit/(loss) for the year	6,903	10,408	-3,505
Shareholders' Equity	**40,255**	**33,352**	**6,903**
Cash and cash equivalents	(16,340)	(21,643)	5,303
Financial assets Time Deposits (*)	(20,000)	0	-20,000
Cash Equivalent	**(36,340)**	**(21,643)**	**-14,697**
Loans	**31,554**	**25,953**	**5,601**
Net Financial Position	**(4,786)**	**4,310**	**-9,096**
SOURCES	**35,468**	**37,662**	**-2,194**

Euro thousands

CONSOLIDATED (*)	2023	2022	Δ vs 2022
Intangible and tangible fixed assets	52,244	52,536	-291
intangible	10,757	10,092	665
tangible	41,487	42,444	-956
Financial assets excluding Time Deposits (*)	10,081	10,060	22
Assets	**62,326**	**62,595**	**-269**
Trade receivables	12,848	16,683	-3,835
Trade payables	(33,205)	(30,828)	-2,377
Operating working capital	**(20,357)**	**(14,145)**	**-6,212**
Other assets	25,492	29,089	-3,597
Other liabilities	(30,453)	(31,731)	1,278
Other Assets/ Other Liabilities	**(4,961)**	**(2,642)**	**-2,319**
NWC	**(25,318)**	**(16,787)**	**-8,531**
Provisions	**(5,251)**	**(11,540)**	**6,288**
NET CAPITAL EMPLOYED	**31,756**	**34,268**	**-2,512**
Capitale sociale	12,911	12,911	0
Riserve	18,907	7,001	11,906
Utile/(Perdita) del periodo	7,556	11,906	-4,349
Patrimonio netto	**39,375**	**31,818**	**7,556**
Disponibilità liquide	(17,173)	(23,503)	6,331
Imm. finanziarie Time Deposit (*)	(22,000)	0	-22,000
Cash Equivalent	**(39,173)**	**(23,503)**	**-15,669**
Finanziamenti	**31,554**	**25,953**	**5,601**
Posizione finanziaria netta	**(7,619)**	**2,450**	**-10,069**
FONTI	**31,756**	**34,268**	**-2,512**

(*) Financial assets of bank Time Deposits are included in the calculation of NFP as, given their contractual characteristics, (1 day for release and capital guarantee) they are in effect "cash equivalents".

The main changes at the consolidated level are described below:

as highlighted in the statement above, capital employed, net of current liabilities, decreased by Euro 2,512 thousand as a result of the following changes:

- a reduction of Euro 269 thousand in fixed assets, due essentially to:
  - an increase of Euro 665 thousand in intangible assets due to new investments made during the year for Euro 1,748 thousand, ordinary amortisation for Euro 1,081 thousand, and a decrease due to reclassifications from other asset accounts for Euro 2 thousand;
  - reduction of Euro 957 thousand in property plant and equipment, the combined effect of new capital expenditures during the year for Euro 4,600 thousand, ordinary depreciation for Euro 5,566 thousand, and the net positive effect of other changes for Euro 9 thousand;
  - increase of Other financial assets for Euro 22 thousand.
- Reduction in net working capital of Euro 8,531 thousand, due mainly to:
  - reduction of trade receivables for Euro 3,835 thousand, mainly deriving from the improvement of average collection days due to the significant reduction in 2023 of criticalities on the main clients' receivables;
  - reduction of other assets for Euro 3,597 thousand, mainly due to the reduction in tax receivables, lower trade receivables for surtaxes and of deferred tax assets;
  - increase in trade payables of Euro2,377 thousand, mainly due to the lack of offsetting of incoming invoices from a leading supplier;
  - reduction of other liabilities for Euro1,278 thousand, mainly due to the decrease in tax payables and of tax payables for surtaxes.
- Decrease in provisions for Euro 6,288 thousand as follows:
  - reduction of Euro 6,227 thousand of the Provision for risks and charges, mainly deriving from the release of the accrual made in previous years relating to the failure to adjust airport fees to inflation. At December 31, 2023, the provision was Euro 2,368 thousand, as detailed in the related section of the Explanatory Notes.

The Group shareholders' equity increased by Euro 7,556 thousand as a result of the net profit for the year.

The debt of Euro 31,554 thousand increased Euro 5,601 thousand over the previous year due to the settlement of the capital portions of the loans drawn-down in previous years and due to the subscription of additional loans.

As a result of the changes above, cash and cash equivalents at the end of 2023 decreased by Euro 6,331 thousand on the previous year, amounting to Euro 17,173 thousand. Cash balances related to Time Deposits amounted to Euro 22,000 thousand and were zero in the previous year. Overall, Group available liquidity at December 31, 2023 amounts to Euro 39,173 thousand, increasing Euro 15,670 thousand on 2022.

The Group net financial position for the year improved by Euro 10,069 thousand, from a net debt of Euro 2,450 thousand at December 31, 2022 to net cash of Euro 7,619 thousand at December 31, 2023.

1.9
Cash flow analysis

During the year, Group operations generated cash of Euro 10,069 thousand.

Consolidated cash flow from operating activities, a net generation of Euro 17,250 thousand in 2023, is a result of the gross operating profit of Euro 17,887 thousand, the increase of Euro 8,531 thousand in net working capital, the negative effect of income taxes for the year of Euro 2,894 thousand, and other negative non-monetary items (provisions and grants) for Euro 6,275 thousand. Operating cash flow in 2022 of Euro 22,339 thousand benefited from the extraordinary component of the restorations provisions which totalled, at consolidated level, Euro 13,301 thousand. Investments of cash in fixed assets absorbed Euro 6,348 thousand, while financing activities absorbed net cash for Euro 805 thousand due to the payment of interest on financing.

As a result, overall consolidated cash flows generated cash for Euro 10,069 thousand. The net financial position at December 31, 2023 was a net cash position of Euro 7,619 thousand, as compared to a debt position of Euro 2,450 thousand at December 31, 2022.

The changes described above are summarised in the following table.

Euro thousands

CASH FLOW STATEMENT	2023	2022
Cash and cash equivalents	23,503	11,525
Financial payables	(25,953)	(28,267)
Opening NFP	**(2,450)**	**(16,742)**
EBITDA	17,887	18,686
Cge. NWC (net provision for risks)	8,531	5,398
Income taxes	(2,894)	888
Δ Provisions (net of allocations for the period)	(6,275)	(2,632)
OPERATING CASH FLOW	**17,250**	**22,339**
CAPEX	(6,348)	(7,002)
Other items	(27)	(347)
CASH FLOW Capex & other changes	**(6,376)**	**(7,350)**
FREE CASH FLOW	**10,874**	**14,989**
Dividends	0	0
Net financial income/expense	(805)	(698)
CASH FLOW - Dividends & Fin. inc/exp	**(805)**	**(698)**
NET CASH FLOW	**10,069**	**14,292**
Closing NFP (including financial receivables)	**7,619**	**(2,450)**
Based on:		
Financial payables	(31,554)	(25,953)
Non-current financial receivables (T.Deposit)	22,000	0
Cash and cash equivalents	17,173	23,503

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

Euro thousands

SAGAT S.p.A.	2023	2022
Cash and cash equivalents	21,643	10,418
Financial payables	(25,953)	(28,267)
Initial NFP	**(4,310)**	**(17,849)**
EBITDA	16,887	16,598
Cge. NWC (net provision for risks)	8,015	5,727
Income taxes	(2,627)	1,109
Δ Provisions (net of allocations for the period)	(6,023)	(2,069)
OPERATING CASH FLOW	**16,251**	**21,365**
CAPEX	(6,267)	(6,756)
Other items	(27)	(347)
CASH FLOW Capex & other changes	**(6,294)**	**(7,103)**
FREE CASH FLOW	**9,957**	**14,262**
Dividends	0	0
Net financial income/expense	(861)	(723)
CASH FLOW - Dividends & Fin. inc/exp	**(861)**	**(723)**
NET CASH FLOW	**9,096**	**13,539**
Final NFP (including financial receivables)	**4,786**	**(4,310)**
Based on:		
Financial payables	(31,554)	(25,953)
Non-current financial receivables (T.Deposit)	20,000	
Cash and cash equivalents	16,340	21,643

1.10 Key financial indicators

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

Euro thousands

CONSOLIDATED	2019	2020	2021	2022	2023
Value of production*	73,244	26,583	37,203	86,062	85,964
Operating costs	29,304	18,556	24,400	46,526	45,865
Personnel	19,947	16,206	16,465	20,851	22,211
Gross Profit	23,993	-8,179	-3,662	18,686	17,887
Net Result	9,350	-18,565	-8,407	11,906	7,556
Shareholders' Equity	46,885	28,320	19,913	31,818	39,375
EBIT	13,092	-24,365	-10,647	11,715	11,256
Net capital employed	37,396	35,639	36,654	34,268	31,756
ROI%	35%	0%	-29.1%	34.2%	35.4%
ROE%	19.9%	0%	-42.2%	37.4%	19.2%
Trend in Investments	10,879	4,153	5,084	7,002	6,348
NFP (if debt positive value)	-9,489	7,319	16,742	2,450	-7,619
Trade receivables	15,271	4,928	11,212	16,683	12,848
Average duration of trade receivables	89	71	116	90	63
Trade payables	19,436	16,147	20,279	30,828	33,205
Average duration of trade payables	243	318	303	242	251

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

1.11
Financial instruments

The economic losses in 2020 and 2021 as a result of the pandemic 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.

SAGAT S.p.A. in 2023 completed a number of transactions to restructure its financial resources, adjusting such to the forecast scenarios and establishing better conditions. In addition to the loan contracts entered into in 2020 and 2021 with Intesa Sanpaolo, Medio Credito Centrale and Banca del Piemonte, in 2023 SAGAT drew down a loan from Credito Emiliano S.p.A. and a loan from Credit Agricole Italia S.p.A., while also renegotiating the loan structure with Intesa Sanpaolo.

In completion of the initiative undertaken in 2023, in January 2024 SAGAT entered into a four-year hedging contract on 50% of the value of the Intesa Sanpaolo loan, so as to eliminate the risk of a fluctuation of the Euribor interest rate to which it is linked, and to benefit immediately from its expected reduction over the short and medium term.

The subsidiary SAGAT Handling has no debt.

Both SAGAT and SAGAT Handling optimised in 2023 the use of liquidity and mitigated the impacts of the rise in Euribor rates by allocating the amounts in excess of short and very short term needs to deposit accounts, distributed among various lending institutions according to the best conditions negotiated on a case-by-case basis, all of which always have capital guarantee requirements and immediate release. At December 31, 2023, cash thus employed totalled Euro 22 million and the financial benefit is approx. Euro 423 thousand of interest income, in addition to Euro 167 thousand of interest income on cash held in normal current accounts, for a total positive effect of Euro 590 thousand.

The debt at December 31, 2023 totalled Euro 31,554 thousand, increasing Euro 5,601 thousand on 2022, as a result of the new loans undertaken, the repayment of the capital portions during the year and including the effect of the capitalisation of the amortised cost of the associated charges.

For further details, reference should be made to the section of the SAGAT's Explanatory Notes concerning 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 the organisation's development.

As traffic recovers, evidenced by the latter half of 2022 and the record-breaking passenger numbers observed in 2023, it was necessary to increase staff numbers, especially in operational roles providing passenger services. The Human Resources Department hired new PRM operators, security officers, and airport employees. The latter were placed on job-qualifying training courses through SAGAT S.p.A.'s Training Office, before being added to the workforce to cope with summer and winter peaks.

In 2023, the Company also hired additional employees specialised in airport operations, safety, and airside management, leading to a significant boost in technical expertise.

In addition, remote work, which became standard in March 2022 with the adoption of the first company Regulation, continued to be fully adopted in 2023. Specific management aspects of the Regulation were extended and updated, and the pool of users benefiting from the arrangement was further expanded.

Industrial relations

In 2023, discussions between the companies of the SAGAT Group and the trade unions were extensive and productive. Opportunities for discussion with Trade Unions focused on measures that could bring about major managerial efficiencies and enhance the skills acquired by staff. In greater detail:

- in July and September, two agreements were signed to enhance the versatility achieved by a group of employees assigned to assist PRMs and Security, across their various operational roles;
- in October, a memorandum of understanding was signed to protect and regulate the airport's CCTV system, along with how recorded images are accessed and managed;
- November also saw for the year 2024 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 2023 with 2019 (pre-pandemic year) in relation to the use of vacation leave. Specifically, despite the need to hire more staff to accommodate the uptick in airport traffic, the remaining annual leave balance was managed efficiently to ensure employees could take time off without causing organisational disruptions.

	2023	2019	Difference 2023/2019	%
Outstanding holiday time (in days)	922	861	61	7,1%
Total average annual FTE	380	355	25	7%
Outstanding holiday time per employee	2.4	2.4	0	0%

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 preceding paragraphs, the companies have embraced remote work as a standard aspect of their work structure since March 2022. They've established a Regulation, renewed annually, that includes provisions to assist those in precarious situations and/or family difficulties. Special attention was also paid to the needs of new mothers and parents caring for children up to 14 years of age, with a view to sustainable development. 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.

To disburse the 2023 performance bonus (2022 financial year), the Companies provided an online platform for employees, complete with personal accounts. The platform enabled employees to convert their bonuses into welfare benefits, as stipulated by applicable regulations, with a wide range of services and benefits from leading market players available.

Below is a summary of the initiatives adopted during 2023:

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	62 children of Group employees attended summer camps
Reimbursement of nursery and kindergarten expenses	Companies reimburse 50% of the costs incurred, up to a specific limit	33 Group employees benefited
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	206 employees of SAGAT S.p.A. are insured and 35 Group Heads and Managers
Remote work	Option to work from home made available to all administrative staff, in addition to operational staff completing e-learning courses	148 Group employees have benefited from the scheme

Personnel development

All Executives, Heads of Service, Office Managers, and administrative staff were involved over the course of two years in the evaluation process to monitor the performance, motivation, potential, and aspirations and expectations of employees 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. According to the relevant Policy, the process is accompanied by an assessment of personal targets on an annual basis for those assigned company MBOs.
In 2023, newly appointed Managers who completed the dedicated training programme and conducted their first employee appraisal process, concluded their development training with a debriefing/follow-up session.

In 2023, the performance appraisal process involved 129 Group employees (+6% on 2022).

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 teamwork, sustainable development, cybersecurity, English language proficiency, and the Office suite. The Group companies also prioritised sustainability throughout the year. All Group employees received training on environmental sustainability topics and any major projects undertaken by the SAGAT Group in this regard.

In addition, following the Human Resources Department's adoption of an internal Policy on Diversity, Equality, and Inclusion, the entire top management team and all Group Service Managers completed comprehensive training on these principles. The goal is to create a work environment that values individual identities, taking into account the coexistence of different identities as a positive and fundamental value that should be embraced.

This training will be extended to all staff members in 2024 as SAGAT believes these initiatives are essential for strengthening its structure and creating a genuine culture of sustainability within the Group.

Training

Training and professional development initiatives carried out in 2023 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 new organisational models, including those concerning remote work and training, resulted in a greater reliance on the Docebo e-learning platform, which made it possible to train all employees on a wide range of new and existing operational 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 teaching provided by SAGAT Training.

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 10,256 (+2,150 hours compared to 2022).

Considering the 23,737 hours of training carried out by permanent and temporary contract employees (+6,883 on 2022), Group employees each completed an average of 52 hours of training during the year.

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

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Company Report

Direct and indirect staff who undertook training in 2023

	Staff trained
SAGAT GROUP TOTAL (PC + TC)	**454**
Temporary	64
Sub-contractors	211
TOTAL	**729**

Annual training hours by job category (SAGAT Group only)

Employee category	2023 TOTAL	2022 TOTAL
Executives	86	32
Managers	1,532	918
White-collar	17,194	11,455
Blue-collar	4,925	4,449
TOTAL	**23,737**	**16,854**

Occupational health and safety

SAGAT Group companies are equipped with occupational safety management systems aimed at the maximum protection of their workers in terms of workplace health and safety. 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.

In 2023, SAGAT continued to update risk assessments linked to company duties, conduct risk assessments, and coordinate interferences related to construction sites on the airport grounds. In addition, health and safety training sessions were provided for Group employees, both in person and online.

In 2023, SAGAT S.p.A. reported a total of four injuries (two at work and two while commuting), while the two injuries involving SAGAT Handling S.p.A. employees both occurred at work.

Work experience projects with schools

The Human Resources Department remains committed to developing relationships with local Education Institutes through partnerships and internships with high school and university students.

The TO GUYS on-the-job work experience project, which was launched in December 2022, concluded in 2023. Around 30 fourth and fifth-year high school students participated in the scheme as part of their Cross-Curricular Skills and Orientation Pathways (PCTO, formerly Work-Study Programme). Two additional projects were organised in July and August, which allowed students to learn how the airport organises its passenger services from an operational perspective. The fourth edition of the practical TO GUYS work experience initiative started in December, during weekends affected by winter sports charter traffic. All practical work experience placements were preceded by several hours of theoretical training provided by SAGAT S.p.A. trainers on airport Safety and Security.

In October, two new PCTO projects titled “Adopt a Class” were launched with third and fourth-year high school students, spanning the entire 2023-24 academic year. SAGAT S.p.A. trainers deliver instructional sessions at participating institutes on topics related to airport logistics organisation and the key operational roles in the sterile area (apron, ramp, and aircraft balancing).

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Organisation and management - Group

The Group's average annual number of employees expressed in terms of full-time equivalents (FTE), was equal to 380, up 10.5 FTE or 2.8%, as indicated in the following table.

CATEGORY	2023 AVERAGE	2022 AVERAGE	ABSOLUTE CHANGE	PERCENTAGE CHANGE
Executives	6.75	6.9	-0.15	-2.2%
White-collar & Managers	268.3	263.6	4.7	1.8%
Blue-collar	104.9	99	5.9	6%
TOTAL	**380**	**369.5**	**10.5**	**2.8%**

The increase in the average annual employee value is primarily linked, as mentioned in the introduction, to the uptick in traffic, which saw a record number of passengers handled during the year. A large share of the Group's workforce was employed in services related to passenger assistance by both the Airport Operator and Handler, mainly to cope with summer and winter peaks in workload.

Group employees at December 31, 2023 increased by a headcount of 15, compared with the same date of the previous year, which led to numerous seasonal hires during the second half of the year.

The total Group headcount is therefore 421, of which 68 under temporary contracts.

The Group's total personnel costs amounted to Euro 22,211 thousand in 2023. We note that the renewal of the National Collective Bargaining Agreement for Air Transport, specifically for Handlers, was announced in October 2023.
Personnel costs rose by Euro 1,360 thousand compared to 2022, a year during which the effects of COVID-19 impacted the first quarter.

Euro thousands

COMPANY (*)	2023 PERSONNEL COSTS	2022 PERSONNEL COSTS	CHANGE ABSOLUTE
SAGAT S.p.A.	16,101	14,803	1,318
SAGAT Handling S.p.A.	6,110	6,068	42
SAGAT GROUP	**22,211**	**20,871**	**1,360**

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

SAGAT S.p.A.

The average annual number of employees of SAGAT S.p.A., expressed in full-time equivalents (FTE), was 254.8, an increase of 10.2 FTE compared to 2022, as indicated in the following table.

CATEGORY	2023 AVERAGE	2022 AVERAGE	ABSOLUTE CHANGE	PERCENTAGE CHANGE
Executives	5.7	6	-0.3	-4.2%
White-collar & Managers	173.5	167.5	6	3.6%
Blue-collar	75.6	73.1	4.5	6.4%
TOTAL	**254.8**	**244.6**	**10.2**	**4.2%**

At December 31, 2023, SAGAT S.p.A.'s headcount was 254.8 FTE, an increase of 13.3 FTE compared to the previous year. The headcount also increased by 10 to 264 compared to 254 on the same date last year.

The average annual number of Group employees was 380 FTE, increasing on the previous year (369.5).

The average Group workforce for financial years 2023 and 2022, broken down by category, is presented below.

CATEGORY	2023 AVERAGE	2022 AVERAGE	ABSOLUTE CHANGE	PERCENTAGE CHANGE
Executives	6.8	6.9	-0.1	-2.2%
White-collar	268.3	263.6	4.7	1.8%
Blue-collar	104.9	99	5.9	6%
TOTAL	**380**	**369.5**	**10.5**	**2.85%**

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	25	152	80	0	263

SAGAT Handling S.p.A.

SAGAT Handling S.p.A.'s average annual number of employees expressed in terms of full-time equivalents (FTE) was equal to 125.2, increasing by 0.3 on 2022.
At December 31, 2022, the headcount was 157, up 5 compared to the previous year, when it numbered 152.

CATEGORY	2023 AVERAGE	2022 AVERAGE	ABSOLUTE CHANGE	PERCENTAGE CHANGE
Executives	1	0.9	0.1	11%
White-collar & Managers	94.9	96.1	-1.2	-1.3%
Blue-collar	29.3	27.9	1.4	5.2%
TOTAL	**125.2**	**124.9**	**0.3**	**0.25%**

At December 31, 2023, SAGAT Handling S.p.A.'s headcount expressed in FTE was 121.8, a decrease of 5.4 FTE compared to the same date in 2022. At December 31, 2023, the HC equalled 157, reflecting an increase of five employees compared to the previous year. The rise in HC, despite the reduction in FTEs, is attributed to the large number of part-time employees.

In 2023, the Company also stabilised on a permanent basis four workers who had gained some seniority as temporary seasonal workers. Additionally, one employee with disabilities was hired on a permanent basis during the year.

1.13
Investments

Investments in 2023 primarily focused on environmental sustainability and energy efficiency, in addition to upgrading assets.
The SAGAT Group's investments in 2023 totalled Euro 6,348 thousand.
The main interventions implemented are highlighted below.

Regarding **environmentally sustainable initiatives**, a comprehensive range of actions under the Torino Green Airport programme began in 2023. These actions sought to progressively achieve the efficient and sustainable self-production of the energy required to power the airport infrastructure.

Specifically, 2023 witnessed the completion and commissioning of the largest photovoltaic plant ever built on the rooftop of an Italian airport. The photovoltaic plant is divided into four sections on the roofs of the Technical Area, Passenger Terminal Forecourt, the south terrace of the Passenger Terminal, and the BHS building. It comprises 3,603 photovoltaic panels mounted on metal structures covering an area of approximately 6,370 square metres, with a total peak power of 1.44 MWp, corresponding to an annual energy production of around 1,560 MWh. This energy, entirely self-consumed by the airport infrastructure, provides the equivalent of 12% of the airport's energy requirements. The new plant was commissioned in July 2023. Its installation was preceded by waterproofing and thermal insulation works on the roofs of the passenger terminal and technical area building.

Within the framework of the Torino Green Airport initiative, efforts continued in 2023 with regard to the European project TULIPS (DemonsTrating lower pollUting soLutions for sustaInable airPorts acrosS Europe), in which SAGAT S.p.A. participates. This European consortium seeks to accelerate the introduction of sustainable technologies in aviation, contributing to climate-neutral aviation by 2050.
As part of the TULIPS project, SAGAT S.p.A. is currently developing a smart grid pilot plant at the airport Fire Service outpost. One of its main goals is 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. Following the installation of the photovoltaic plant on the roof of the outpost mentioned above, works continued in 2023 to complete the pilot system. This included acquiring fuel cells that operate on a mixture of hydrogen and methane, followed by installation works to finalise and test the system. A portion of the ongoing investments is financed by the European projects, while another portion is self-financed.

Regarding investments to modernise the Passenger Terminal, works started to replace six telescopic passenger boarding and disembarking bridges in 2023. The project was launched in 2019 with the signing of a contract with an international supplier, but was not completed due to the COVID-19 pandemic. The bridges were delivered to the airport in September 2023, and once the first previous-generation bridge had been dismantled and assessments carried out, the first of the six new bridges was installed and commissioned in

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December. The remaining five bridges are due to be installed and commissioned – bearing in mind the need for operational continuity in the winter charter period – in the first half of the year, with all works expected to be concluded by July 2024.
In addition to this major investment, works were undertaken to modernise and update various areas of the building and revamp individual operational and commercial areas. Finally, significant investments were made to waterproof the building's roofs and install a rainwater collection and disposal system, in addition to other extraordinary maintenance works.

With regard to the **overhaul of the other buildings and infrastructure on the airport grounds**, the main activity involved building the new P-C car park for passengers, located south of the airport terminal area.
Routine maintenance and remediation works were also carried out on the passenger terminal's departures overpass and entrance and exit ramps, in addition to extraordinary maintenance on pedestrian walkways and driveways connecting the departures overpass to the multi-story car park.
Significant investments were also made to upgrade technology and systems, namely: replacing older airport generators, installing two 3,000 kW condensing boilers for the main thermal plant to replace previous models dating back to the 1990s, and building a completely renovated thermal substation serving the airport gate 3 buildings. These works will ensure that systems are more reliable while significantly reducing atmospheric emissions.

We also note the supply and installation of seven new folding doors to replace previous structures in the airport's technical buildings.

With regard to **airport system and technology updates**, investments were made to modernise access control systems and enhance the perimeter security system. In addition, a new passenger screening WTMD arch monitoring system was supplied and installed, and the monitoring system for medium-voltage substations (SCADA) was renovated. In addition, the baggage sorting system technology was upgraded with the installation of a dedicated system to address issues related to multiple label readings. Finally, the executive design of network systems and technological preparations are underway to transition the airport's electrical power supply system from 27kV to 15kV, as required by the airport's electrical network operator.

Regarding **works in the aircraft movement area**, investments were directed towards modernising and maintaining the efficiency of the vehicle fleet while improving its environmental sustainability. Two four-wheel-drive hybrid vehicles were purchased for the follow-me and BCU services, along with an electric van for maintenance operations. In addition, a new street sweeper was purchased to ensure the optimal maintenance of airside paved areas.

In terms of **IT investments**, the main work sought to:

- continue upgrading the Access Control System to expand the use of airport badges equipped with contactless proximity chips, which contain encrypted information to open/close airport gates;
- introduce new checks at customs checkpoints to verify and ensure compliance with the training of airport operators, who also play an active role with regard to other operators (and the companies they work for), taking into account current regulations;
- regularly capture all information streams originating from X-ray control devices operating at the airport on a dedicated virtual server in the Company's systems, with the subsequent activation of a monitoring dashboard;
- build an adequate company data network, enabling connections between the various photovoltaic panels to monitor performance and electricity energy production quantities;
- acquire and activate a new online file storage and sharing platform in a highly reliable configuration;
- upgrade the virtualisation infrastructure technology to accommodate servers and facilitate real-time data exchange processes between different operational subsystems, thereby increasing computing capacity and ensuring continuous updating (patching) in compliance with cybersecurity requirements;
- replace existing firewalls with new, more powerful and cutting-edge devices in the cybersecurity domain, in addition to equipping SAGAT with a geo-distributed cloud backup system (based on "object storage" architecture) to provide further protection against potential ransomware attacks.

1.14
Innovation and Digitalisation

Torino Airport continued to pursue **digital innovation** in 2023 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 the **customer and employee experience**.

The customer experience

Regarding the passenger journey, **charging points** for electronic devices (smartphones and laptops) were provided at new stations equipped with circular seating, located in the Boarding area. This makes the travel experience and time spent at the airport even more convenient.

A new **outdoor smoking area** was also opened to the public in the Boarding area, to meet the needs of passengers. Access to the outside smoking area is monitored using a sensor system installed on doors. Reports are automatically produced, allowing the operations team to analyse its use by day of the week and time slot.

To improve the quality of **Wi-Fi** connectivity in the Passenger Terminal and Piemonte Lounge, the bandwidth offered to passengers was increased.

With an eye to the future, the Airport continued **to test 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 as part of Torino City Lab, the City of Turin's innovation laboratory, with whom the Airport collaborates. 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, SAGAT S.p.A. began conducting detailed analysis of ground transportation to help improve, in qualitative and quantitative terms, the connection service to and from the airport, for the benefit of passengers. Torino Airport's focus on city-airport connections also aligns with the Company's strategies. On the one hand, it seeks to enhance Turin's appeal as a "destination" in line with airlines' commercial considerations (being an airport that is well connected to its city and region is a key factor). On the other, it contributes to achieving the sustainability targets outlined in the "Torino Green Airport" plan.

In 2023, the **ground transportation "dashboard"** was finalised. It cross-references and compares data extrapolated from the Company's digital touchpoints, providing a high level of analytical detail (daily trends and 15-minute time slots). This innovative and powerful tool monitors and analyses the usage rate of various means of transportation by passengers, enabling the breakdown of market share for each mode of transportation.

Specifically, the dashboard consolidates data on the number of bus and train users (collected from the **computer vision** platform, which analyses video feeds from cameras installed at bus stops and in the railway underpass), alongside data on car-sharing, NCC, and airport car park entries and exits (extracted from the Parking system). In addition, it integrates data on shuttle services from external car parks and vehicle transit data broken down by type (car, truck, and motorbike) and by departure/arrival level (recorded by cameras along the airport roadways).

All of these insights are also useful for estimating the environmental impact of ground transportation. The application of specific models made it possible to accurately estimate the **CO_2 emissions** generated by vehicles, a significant factor for the green targets outlined in the Stakeholder Engagement Plan.

The digital employee experience

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

The Intranet platform, completely overhauled in 2022, was enhanced with a new section dedicated to publishing and viewing **"Airport Documentation"**. This upgrade grants access to both SAGAT Group and external users (State Bodies, airlines, handlers, etc.), who are appropriately profiled for cybersecurity. This marks the beginning of a process of transformation from a traditional intranet model to a corporate intranet/extranet open to the airport ecosystem. In addition, a new **"Air Data"** portal to securely exchange certified documentation with third parties was launched.

Use of the company's **digital signature platform** was further expanded, facilitating the complete dematerialisation and digitalisation of the process for collecting electronic signatures and qualified electronic signatures (FEQ) to contracts prepared by the Procurement Service. This made the process entirely paperless and accelerated the signature collection procedure, while also enhancing traceability.

A **new B2B section** was created on the **e-commerce website**, facilitating the online sale of training courses provided by the Company's Training Center. This new area complements the existing B2B section for the sale of Membership products, completing the range of products available to business customers, who can independently purchase courses and cards using a variety of payment methods (credit card, Satispay, Paypal, and bank transfer). B2B customers will find all relevant information on the e-commerce website (FAQs), guiding their purchase and thereby reducing the number of queries sent to the Training Service team. Online sales also reduce the need to verify bank transfer receipts (previously sent by customers to the Treasury Office) and allow for automated invoicing (previously manually entered into the accounting system by Billing Office staff).

Finally, a **digital company climate survey** was sent out to all Group employees by the Human Resources Department.

1.15 The environment

The SAGAT Group believes that the environment and sustainable development are essential elements in the management of its activities and is committed to promoting a culture of responsibility and active commitment to protecting the environment at all company levels.

2023 saw SAGAT renew its Level 3 certification of the ACA (Airport Carbon Accreditation) protocol organised by ACI (Airports Council International). The aim of the certification is to reduce the levels of carbon dioxide (CO_2) emissions in the airport sector.

Level 3 - Optimisation of the ACA protocol requires a specific plan - "Stakeholder Engagement Plan" - for the involvement of stakeholders (airlines, handlers, sub-concessionaires, passengers, employees, partners and local entities) in initiatives geared towards environmental sustainability, for the following purposes:

- increase internal and public awareness of actions taken, results achieved and future projects;
- increase employees' sense of ownership and responsibility for environmental topics;
- stimulate eco-friendly behaviours by the entire airport community, including passengers;
- initiate listening and communication activities on the best practices, in Italy and abroad.

In line with the goal of the Torino Green Airport plan - manage the airport infrastructure and operations in an energy-efficient manner, consuming less and less energy and increasing self-production from renewable sources - SAGAT has installed a new photovoltaic plant. It offers peak electrical power of 1.6 MW.

Installed on the roofs of the Passenger Terminal and a building in the Technical Area, the plant covers an area of approximately 6,500 square metres, and is capable of generating 1,585 MWh of electricity per year. Given its size, the system satisfies around 12% of the annual requirements of Torino Airport and prevents emissions of 406 tonnes of CO_2 per year, the equivalent of 13,552 trees.

Once again in 2023, the Group purchased 100% of its electricity from certified renewable sources with guarantee of origin (GO certificates).

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.

The work of the European H2020 TULIPS consortium, in which Torino Airport became a partner in 2021, continues in this direction. 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. This project started in January 2022 and will run until December 2025.

In 2023, the activities managed by SAGAT within the Consortium were:

- sourcing the components for the pilot plant under construction to test hydrogen as a system to accumulate the excess electricity produced by a photovoltaic plant located above the Fire Station. The testing related to the production and storage of green hydrogen to supply an innovative fuel cell system in a blend with natural gas;
- setting up a test field on airport land used for growing plant species selected to verify the contribution of biochar to CO_2 sequestration;
- development of an energy model that enables technological and strategic evaluations of the method to decarbonise airport consumption that will be incorporated in the Airport's roadmap to 2030 and 2050.

SAGAT is also participating in 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. The focus in 2023 was on Working Group 3 "Aerodromes" with the objective of analysing the path to preparing airport infrastructure for aircraft with electric or hydrogen systems.

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 an 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 2023, a routine audit was conducted to maintain HSE Management System - SGSSA certification in compliance with the ISO 14001:2015 Standard, which concluded with a successful recertification until December 29, 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 works carried out in the last four years of the Regulatory Agreement (per Decree Law 133/2014 and subsequent Law No. 164/2014) with ENAC have improved the airport system's environmental performance while also paving the way for the management of electric mobility for airport vehicles and passengers.
The proposed choices for the Environmental Protection Plan indicators in the new Regulatory Agreement for Torino Airport (2024-2027) are based on how the Environment System and Energy Management System interact, in addition to the requirements arising from increased participation in the Airport Carbon Accreditation protocol.

SAGAT is committed to the following improvement objectives over the next four years:

- new lighting systems (indoors and outdoors) to replace the existing ones with low-consumption systems (LEDs);
- electricity generation through the installation of photovoltaic plants;
- replacement of the existing vehicle fleet with hybrid or electric-powered vehicles;
- staff training courses on Environmental Management System protocols and procedures and the environmental sustainability plan;
- transition to ACA Protocol accreditation Level 3+ (Neutrality).

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 adoption of voluntary 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.;
- the management and streamlining of the airport sewage system, through upgrading works, agreed with the Metropolitan City of Turin;

- receipt of the Single Authorisation pursuant to Article 208 of Legislative Decree No. 152/2006, as amended, to build and operate a special non-hazardous waste treatment plant [D9] relating to effluents from aircraft waste bins (DD No. 7912 of November 30, 2023, issued by 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
- the monitoring of atmospheric emissions from heat generators;
- reduction in the overall storage capacity of SAGAT's private mineral oil depot by removing an 15m³ underground metal tank (heating oil) serving the Fire Service Outpost's Thermal Plant, which will be fuelled by methane gas following these works;
- upgrades to the generator fleet by replacing four existing plants with four new ones boasting better noise and pollutant emissions performance.

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:

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

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

- preferential use for using runway 36. Because of this procedure, the Caselle Torinese urban area is impacted only by the noise of aircraft as they are landing, which is less than the noise produced during take-off (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;
- take-off and initial climb procedure. This procedure reduces noise affecting the residential area under the flight path.

Energy management system

The Torino Airport Energy Management System is certified by DNV-GL according to the ISO 50001:2018 standard. In 2023, the certification was maintained following a successful audit.

Since January 1, 2022, Torino Airport's electricity system has been managed as required by the 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 the Company has simultaneously assumed the role of electricity distributor and end customer. The airport's distribution system is connected to more than 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 updated Energy Diagnosis was completed by the deadline provided for under Legislative Decree 104/2014 and the report was uploaded to the ENEA portal.

SAGAT's final consumption was 2,850 TOE (Tonnes of oil equivalent), which was in line with the decreasing figures recorded over recent years, and the best result overall since the extension completed for the 2006 Olympics.

The circular economy and biodiversity

Torino Airport has, for a number of years, been committed to various initiatives in support of the circular economy and biodiversity, such as:

- adoption of a poor grass regime to render grassland on the airport grounds 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;
- completion of the organic conversion process of the airport grassland areas, which have become entirely organic.

Among the other soil and biodiversity protection projects that continued in 2023, we note the incorporation of biochar, a carbonaceous material obtained through the thermal degradation of biomass, on some grassland areas surrounding the airport area, as part of an experimental package of the European TULIPS project. The purpose of the experiment was to demonstrate the role of this product in carbon sequestration in airport areas. The technique applied is highly replicable; the model adopted in Turin is also in the experimentation phase at Amsterdam Schiphol and Larnaca airports.

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

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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 ACI ASQ model, which compares Torino 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-Airports Council International, a trade association that brings together the world's airports, to certify Torino 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 2023

In 2023, 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 Airport Council International's **Airport Service Quality** (ASQ) benchmark, which monitors customer satisfaction at participating airports.

Service Charter and Quality Plan annexed to the Regulatory Agreement

The system for measuring delivered and perceived quality required by ENAC regulations involved acquiring more than 39,000 records, including passenger interviews and performance monitoring.

Quality perception
To measure passenger satisfaction at airports with traffic between 2 and 5 million passengers, ENAC Memorandum GEN-06 requires a minimum sample of 1,100 interviews.
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.
At Torino Airport, the surveys are carried out by specially trained internal staff.
In 2023, almost 1,300 questionnaires were returned, in addition to over 1,300 sent out to passengers with reduced mobility (PRM), amounting to a total of approximately 2,600 face-to-face passenger interviews.

Quality provided
ENAC's memoranda also outlined the methods for measuring and calculating reference values for each service performance indicator. In 2023, monitoring resulted in more than 36,000 reports.

2023 Service Charter

The results of the 2023 Service Charter (34 indicators + 16 specific indicators for passengers with reduced mobility) are particularly satisfying, especially considering that in 2023, Torino Airport achieved an all-time traffic record, surpassing every previous milestone, with over 4.5 million passengers. The fact that we were able to maintain excellent service levels despite higher volumes is a source of pride and an incentive to always do better.

GEN-06 Indicators
Of the 34 Services Charter indicators required by ENAC Memorandum GEN-06, only two fell short of pre-set targets:

- Indicator 3 - Overall punctuality of flights: reaching 70.7%, against a target of 78%, exceeding the "psychological threshold" of 70% and improving on last year's result (69.1% in 2022);
- Indicator 20 - Perception of shop/newsstand availability/quality/price: reaching the excellent result of 95.1% (higher than 92.2% in 2022), compared to the target of 96% satisfied passengers.

On the other hand, several missed targets in 2022 were successfully reached, namely:

- Indicator 9 - Perception of toilet cleanliness/functionality levels (also included in the 2020-2023 Regulatory Agreement);
- Indicator 16 - Perception of charging points;
- Indicator 21 - Perception of bar/restaurant availability/quality/price;
- Indicator 22 - Perception of beverage/snack distributor availability.

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SERVICE CHARTER - INDICATORS SUBJECT TO PUBLICATION (GEN-06 - ALL. 3)

Quality factors	N°	Indicators	Measurement unit	Objective 2023	Result 2023
Journey safety	1	Overall perception of the passenger and hand luggage security service	% of satisfied passengers	97,5%	99,8%
Personal and belongings safety	2	Overall perception of the personal and belongings safety level at the airport	% of satisfied passengers	96,5%	100%
Regularity and punctuality of the service	3	Overall punctuality of flights	% of on-time flights out of total departing flights	78%	70,7%
	4	Total misdirected baggage on departure pertaining to the airport	No. of baggage not checked-in with departing pax / 1,000 departing passengers	0,85	0,42
	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	20:07
	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	29:57	27:15
	7	Boarding wait time for the 1st passenger	Block-on waiting time in 90% of cases	04:00	03:24
	8	Service regularity and speed	% satisfied passengers	98,5%	99,9%
Cleaning and hygienic conditions	9	Perception of the cleaning level and functionality of toilets	% of satisfied passengers	90,6%	90,8%
	10	Perception of the cleanliness level at the airport	% of satisfied passengers	96,5%	99,7%
Comfort at the airport	11	Perception of the availability of luggage trolleys	% of satisfied passengers	96,5%	99,3%
	12	Preception of the efficiency of passenger transfer systems (escalators, elevators)	% of satisfied passengers	96,5%	98,4%
	13	Perception on the efficiency of air conditioning systems	% of satisfied passengers	96,5%	99,2%
	14	Perception of the overall comfort level of the terminal	% of satisfied passengers	97%	99,7%
Additional services	15	Perception on the connectivity of wi-fi within the terminal	% of satisfied passengers	91,5%	99,1%
	16	Perception on the availability of mobile phone and laptop rechargin stations in common areas	% of satisfied passengers	96%	99,2%
	17	Compatibility of bar opening hours with airport opening hours	% of incoming/departing passenger flights compatible with bar opening hours in the respectivee areas	100%	100%
	18*	Perception of the adequacy of smoking rooms, where present	% of satisfied passengers	91,3%	93,9%
	19**	Perception of the availability of free drinking water dispensers, where present	% of satisfied passengers	80%	92,1%
	20	Perception of shop and newstand availability, quality and prices	% of satisfied passengers	96%	95,1%
	21	Perception of bar and restaurant availability, quality and prices	% of satisfied passengers	96%	96,5%
	22	Perception of beverage/snack distributor availability	% of satisfied passengers	96%	99,3%
Customer information	23	Easy to use and updated website	% of satisfied passengers	95,5%	99,8%
	24	Perception on the effectiveness of operational information points	% of satisfied passengers	95,5%	99,9%
	25	Perception of the clarity, comprehensibility and effectiveness of internal signage	% of satisfied passengers	95,5%	99,3%
	26	Perception on professionalism of staff (infopoint, security)	% of satisfied passengers	97%	99,8%
	27	Overall perception of the efficacy and accessibility of public information services (monitors, announcements, internal signage, etc)	% of satisfied passengers	97%	99,4%
Counter services	28	Perception of the ticket service	% of satisfied passengers	96,6%	100%
	29	Check-in waiting time	waiting time in minutes in 90% of cases	05:00	02:03
	30	Perception of check-in waiting time	% of satisfied passengers	96,5%	99,4%
	31	Passport control waiting time	waiting time in minutes in 90% of cases	05:01	04:49
	32	Perception of passport control waiting time	% of satisfied passengers	95%	98,9%
Modal integration	33	Perception of the clarity, comprehensibility and effectiveness of external signage	% of satisfied passengers	95,5%	99%
	34	Perception of the adequacy of airport-city connections	% of satisfied passengers	86%	93,3%

* YTD result to September 2022 - reopening on March 11, 2023
** Water fountains available since Febbruary 1, 2023

GEN-02B Indicators

The 16 indicators concerning the service provided to passengers with reduced mobility (PRM), as outlined in ENAC Memorandum GEN-02B, all met their targets in 2023, including Indicator 13 PRM - Perception of accessibility/usability of facilities: car parks, call intercoms, the Amica lounge, and toilets (also included in the 2020-2023 Regulatory Agreement), which achieved a customer satisfaction rating of 89.3% in 2022.

SERVICE CHARTER - INDICATORS SUBJECT TO PUBLICATION (GEN-06 - ALL. 3)

Quality factors	N°	Indicators	Measurement unit	Objective 2023	Result 2023
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	05:30	03:20
	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	07:00	03:22
	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	04:05	03:47
	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	07:00	03:48
Safety for the person	5	Perception on the condition and function of means and equipment on hand	% satisfied PRM passengers	97%	99,7%
	6	Perception of the adequacy of staff training	% satisfied PRM passengers	97%	99,9%
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	97%	98,9%
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	0,05%	0,02%
Comfort at the airport	12	Perception of the effectiveness of PRM assistance	% satisfied PRM passengers	99,5%	99,7%
	13	Perception of the level of accessibiity and usability of airport infrastructure: parking. call intercoms, dedicated rooms, toilets, etc.	% satisfied PRM passengers	94,2%	96,9%
	14	Perception of spaces dedicated to PRM parking (e.g. Sala Amica)	% satisfied PRM passengers	97%	100%
Relational and conduct aspects	15	Perception on the the courtesy of staff (infopoint, staff dedicated to assistance special)	% satisfied PRM passengers	96,5%	99%
	16	Perception on the professionalism of staff dedicated to providing special assistance to the PRM	% satisfied PRM passengers	97%	99,9%

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Results of the Quality Plan annexed to the Regulatory Agreement 2023

In the final year of the four-year period (2020-2023), all 10 indicators outlined in the Regulatory Agreement's Quality Plan met their respective targets.

		Weighting	Real data - base year 2018	Real data - base year 2019	2021 Objectives	2021 Results	2022 Objectives	2022 Results	2023 Objectives	2023 Results
1) Quality - provided	Perception of passport control waiting time	15	5:05	4:30	05:03	04:58	5:02	3:43	05:01	04:49
2) Quality - provided	Last baggage return time	5	30:01	25:39	29:59	24:16	29:58	25:53	29:57	27:15
3) Quality - perceived	Perception of toilet facilities	10	89,8%	94%	90,2%	95,4%	90,4%	88,7%	90,6%	90,8%
4) PRM - provided	Disembarkation time, advance notice	10	4:09	5:28	04:07	03:21	4:06	3:12	04:05	03:47
5) PRM - perceived	Perception of access to infrastructure	10	93,4%	97,1%	93,8%	94,9%	94%	89,3%	94,2%	96,9%
6) Quality - provided	Check-in waiting time	7	5:04	4:55	05:02	03:30	5:01	3:13	05:00	02:03
7) ASQ	Overall satisfaction	15	3,86	3,96	3,88	4,06	3,89	4,07	3,90	4,07
8) ASQ	Ground transportation	8	3,56	3,62	3,58	3,26	3,59	3,68	3,60	3,66
9) Tecnical	Use of Automated Broder Control (E-gates)	10	0%	0%	2%	7,95%	3%	29,89%	4%	44,7%
10) Tecnical	Charging stations (TPHP/no.)	10	631,7	384,6	500	166	416,7	192	357,1	169

Focus on Passengers with Reduced Mobility (PRM)

SAGAT has always made sure to provide the best assistance to passengers with reduced mobility, and its dedicated team is trained and regularly updated on how to assist them effectively during their time at the airport.

Passengers appreciate this commitment and dedication, with a customer satisfaction rating of 95%, exceeding ENAC's "excellence threshold". In 2023, the lowest satisfaction rating recorded within the monitoring framework outlined by the Services Charter was 96.9%.

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Collaboration with associations representing the disabled

In the area of service for passengers with disabilities or reduced mobility, the longstanding collaboration with *Consulta per le Persone in Difficoltà* (CPD - Council for People in Difficulty) continued.

The CPD has strong ties with the local area and maintains relationships with all relevant associations, public entities, and institutions. The "CPD world" includes several associations representing various disabilities.

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 2023, 270 such rides were given, of which 261 using specially equipped vehicles. See: *https://www.aeroportoditorino.it/it/tofly/informazioni-utili-per-il-volo/passeggeri-a-ridotta-mobilita/trasporti-e-parcheggi*

"Autism - A journey through the airport" project

In 2023, SAGAT also 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 2023, six airport familiarisation visits were conducted and 43 PRMs with autism spectrum disorder were assisted.

The FlyingAngels salvALI project

Torino 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 and provides additional insights to SAGAT alongside the data gathered from field surveys conducted in compliance with ENAC regulations.

The ASQ response system uses a different rating scale compared to surveys that must comply with ENAC regulations. It uses an odd rather than even scale (ratings from 1 to 5) and results are expressed as average ratings rather than percentages.

In 2023, the Overall Satisfaction, a key synthetic indicator, stood at 4.07. This value is the same as 2022, but can be considered an improvement as Torino Airport handled 8% more passengers in 2023.

Overall Satisfaction						
2017	2018	2019	2020*	2021	2022	**2023**
3.73	3.86	3.96	4.09	4.06	4.07	**4.07**

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

Airport Customer Experience Accreditation (renewed in June 2023)

Voluntary certification that measures an airport's ability to manage passenger experience, as part of the ASQ (Airport Service Quality) 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.

In 2023, 95 airports around the world obtained Airport Customer Experience Accreditation, of which 17 in Europe and only four in Italy: Turin, Linate, Malpensa, and Venice.

Torino Airport, certified at Level 1, was the first Italian airport in its category (2-5 million passengers per year) to receive the award in 2020 despite the pandemic, and the only Italian airport in its traffic category.

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.

ASQ Award 2023 - "Airport with the Most Dedicated Staff in Europe"

ACI World has started issuing ASQ Awards as part of its international Airport Service Quality customer satisfaction survey. These awards acknowledge airport excellence in customer experience worldwide, based on data collected through the ASQ programme surveys.

Torino Airport received the ASQ Award for "Airport with the Most Dedicated Staff" in 2023, based on passenger ratings of the courtesy of airport staff. This award recognises the dedication and efforts of airport personnel at various passenger touchpoints (information desks, check-in counters, security checks, shops, bars and restaurants, passport control) to make the airport experience both enjoyable and comfortable.

ISO 9001:2015 Quality Certification

In November 2023, the certification body DNV carried out the "Oversight 2" audit required to maintain ISO 9001:2015 certification. This audit resulted in a positive outcome without any non-conformities and only one observation. There were four positive findings, one of which is cited as an example: "The organisation promotes continuous improvement targets to foster employee development and training, and to improve the performance of the services provided".

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 2023, SAGAT received and handled 152 complaints, reports, and requests, with an average response time of just over six days.

1.17 Communication and sustainability

Communication:

In 2023, which was a record-breaking traffic year for Torino Airport, surpassing 4.5 million passengers for the first time, the SAGAT Group's communication efforts unfolded across four main areas:

- promotion of the various new routes within the network (Alicante, Stockholm, Porto, Vilnius, Belfast, Paris Orly, and Foggia), with a multichannel advertising campaign called "Fly from Turin. It's cheap and convenient." (*Vola da Torino, è comodo e conviene*), which sought to strengthen Torino Airport's position as a leading airport in the North-West region, thanks to its expanded range of affordable international destinations;
- emphasis of Torino Airport's role as a driver for economic and tourism expansion in the region by sharing traffic results, with a specific focus on its rapidly expanding international arrivals;
- communication of new products and services offered by the airport, such as car parks and the opening of new sales points;
- 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 targets audiences about airport initiatives.

The "Fly from Turin. It's cheap and convenient." 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 both traditional mediums (including standard city billboards and large-format displays) and dynamic mediums in Turin, ski resorts in the Susa Valley, and the provinces of Asti and Alessandria, alongside 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 2023, several campaign-related actions were taken, again with the intention of growing traffic and promoting the expanded route network. In March, 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.

Torino Airport also took part in Connect in February, one of the main business conventions dedicated to aviation development, thanks to a renewed partnership with the regional tourism authority. The Tangier edition was an opportunity to present our airport ahead of the 2024 Turin edition. Also in November, Torino Airport took part in the London WTM, participating in a workshop on the winter sports segment to promote its new direct flights and airport services to an audience of tour operators. Finally, with SAGAT's participation among the associated entities of the Industrial Union of Turin, Torino Airport took part in the B2B networking event Connext Turin Business Matching: this event provided the opportunity to get in touch with local businesses and present the Company's range of flights and services.

The substantial increase in both quantity and quality of traffic was highlighted at a press conference in November to present the findings collected using big data (analysis of population presence and flows based on location data from cell phone towers). These insights enabled an understanding of passenger profiles by analysing their origin and comparing them to the pre-COVID period. 58.4% of passengers were outgoing (residents in our catchment area) and 41.6% were incoming (residents from foreign countries and other Italian regions) before the pandemic. In the last 12 months, incoming passengers constituted the majority of our traffic (50.2%). Specifically, over the last two winter and summer seasons, incoming passengers from abroad increased by 72% overall, while Italian tourism grew by 15%. It is clear that the airport played a key role in attracting new tourist flows. Torino Airport's activities helped to attract and maintain significant streams of incoming visitors, who were able to explore Turin and Piedmont.

The third communication strand focused on promoting new services available to passengers, thanks to investments made by the SAGAT Group and its partners. Through web channels, social media, and press office activities, news was spread about the newly renovated Piemonte Lounge, in collaboration with the Piedmont Region and Visit Piemonte. The lounge has become a genuine promotional tool for the region, thanks to the installation of large-scale images, the opening of a new low-cost car park, the launch of a new bus service to and from Turin, updated payment methods on the e-commerce platform, the reopening of the pharmacy at the Arrivals level, and the opening of temporary shops in the departure lounge. In addition, information was shared about the fun&game area, offering entertainment for travellers of all ages.

The fourth communication strand in 2023 focused on the next steps of the "Torino Green Airport" project launched in 2021. The initiative combines all environmental sustainability activities under one new brand. In this regard, an opening ceremony for the new photovoltaic plant – the largest of its kind to be installed on the rooftop of an Italian airport – was organised in July. To highlight the importance of this topic and enhance the commitment of SAGAT Group companies in this area, communication initiatives were also organised for the media and passengers, with the real-time display of energy generated by the plant on airport screens. In addition, a dedicated section was created on company websites and posts were published on official Facebook and LinkedIn pages. Other 2023 communication activities for the "Torino Green Airport" project include a press release to showcase SAGAT's 100%-electric ambulance, the first of its kind in operation at an Italian airport.

In 2023, communication activities concerning Torino Airport's participation as a fellow airport in the European TULIPS project continued. Various projects and updates shared with consortium partners were promoted through social media, company web pages, and the Intranet channel, in addition to Torino Airport's participation as a panellist at industry events. Finally, "Torino Green Airport" featured in a communication campaign visible throughout 2023 on airport monitors and systems. This campaign served as an opportunity to raise awareness among airport users about the ongoing efforts undertaken by the SAGAT Group to become more sustainable.

Torino 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 2023, Torino Airport strengthened its participation in international aviation industry representative bodies. In addition, ongoing relationships with local authorities were maintained, facilitated by Torino Airport's sponsorship of events, namely: the Space Festival, Kappa Future Festival, Lunathica, Nitto ATP Finals, Club to Club, Artissima, the Air Force Centenary celebrations and, finally, New Year's Eve in Turin. During the year, we continued to partner with and showcase prestigious institutions in the local area, including the Mauto-National Automobile Museum, which exhibited two cars from its collection at the airport. In addition, Thales Alenia Space displayed a space re-entry module or Leonardo at Torino Airport, with an exhibition dedicated to 100 years of aviation in Turin.

Promotion activities continued in 2023, taking the form of a schedule of events in the Arrivals area, whereby major events in Piedmont were showcased and entertainment, including cultural activities, was organised. This was made possible through partnerships with Teatro Regio and two concerts held in the boarding area, one on June 21 to celebrate the Festa della Musica, and one at Christmas with the Voci Bianche choir. In addition, a collaboration with Baladin brought the Prisma marching band to the airport, where it performed a concert in the terminal. In 2023, we also hosted the Open Doors event, a two-day opportunity for children and families to venture behind the scenes of the airport at no cost. This edition saw the support of ENAC and the involvement of State Bodies at the airport, including the State Police, Finance Police, and the Fire Brigade.

For the first time, Torino Airport joined the "Sempre 25 Novembre" initiative promoted by Sorgenia. As part of the initiative, SAGAT took a stand against gender violence by displaying messages throughout the airport and across its digital channels to raise awareness of the 1522 helpline, a toll-free emergency domestic violence and stalking number operated by the Department for Equal Opportunities – a lifeline for women facing violence. The goal was to raise awareness about this social emergency throughout the year, not just on November

25, which is why the campaign is displayed in specific airport areas on a permanent basis. In addition, Torino Airport supported CUS Torino's charitable initiative "Just the Woman I Am", dedicated to researching female cancers, and 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, the airport provided areas for collecting donations for the Tredicesima dell'Amicizia, a longstanding initiative by the Fondazione Specchio dei Tempi, and also raised funds for the people of Ukraine. In both cases, the SAGAT Group doubled the donations provided by passengers.

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 2023, 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. Its commitment earned the SAGAT Group acknowledgement as a "Sustainability Leader", the only airport among 40 Italian companies with a turnover of up to Euro 100 million. This award is based on an independent research study conducted by the newspaper Il Sole 24Ore and Statista. In addition, Torino Airport was included in the ranking of the "Most Climate-Conscious Companies" compiled by the independent study conducted by Corriere della Sera - Pianeta 2030 and Statista, in which it ranks first among Italian airports and sixth among companies in Italy.

Given that sustainability topics play an important role for the Company, its Sustainability Committee, established in December 2021, continued to operate in 2023.

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 2023, the Committee monitored the Sustainability Policy and 2023-2026 Sustainability Plan, which had received approval from the Board of Directors in December 2022. The progress of initiatives identified in the Plan is outlined in the Sustainability Report, alongside the sections on investments and the environment for all environmental sustainability activities.

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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, 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 were 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 for the years 2009 and 2014, due to the non-applicability of its original legislative purpose as per Article 4, paragraph 3-bis of Legislative Decree No. 185 of 2008.

Recently, a shift in direction led to two unfavourable decisions for SAGAT, namely:

The judgement on April 17, 2023, by Rome Provincial Tax Court, concerning the year 2012, dismissed SAGAT's appeal. It found, on the one hand, that the Fire Prevention Fund cannot be construed as a specific-purpose tax, and on the other hand, it was not proven that the resources of said Fund are used for purposes unrelated to the airport sector. This judgement was challenged by SAGAT before Lazio's Tax Court of Appeal.

Judgement No. 990/2024 of the Court of Cassation dated May 10, 2023 (published on January 11, 2024) upheld the appeal brought by the Attorney General's Office, referring the case back to Lazio's Tax Court in a different composition. The appeal was lodged against Judgement No. 7164/2019 of the Lazio Region Tax Commission, which upheld the first-instance decision No. 4874/8/19 of Rome Provincial Tax Court, dated April 2, 2019. This decision had annulled the years 2007, 2008, and 2010, affirming once again the Fire Prevention Fund's nature as a specific-purpose tax.

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.

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In December 2018, SAGAT S.p.A. filed an appeal with the Court of Cassation, which concluded with an order dated March 15, 2023. In this order, the Court accepted SAGAT's appeal, annulled the contested judgement, and referred the case to Rome's Court of Appeal with a different composition. The case was dismissed due to failure to resume within the allotted time frame.

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, 2023, 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 Torino 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 judgement dated February 17, 2021, the Court of Turin rejected SAGAT S.p.A.'s opposition to the injunction against the City of Turin. This ruling was also upheld in the second instance by Turin's Court of Appeal, which, with its judgement dated September 22, 2023 (No. 958/2023), dismissed the appeal filed by SAGAT.

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.

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:

1) 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;
2) 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.

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. On March 29, 2023, Piedmont's Regional Administrative Court issued a judgement declaring the cessation of the matter in dispute.

Appeal against Interdirectorial 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 Interdirectorial 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 HANDLING S.p.A.

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.

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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.

On January 4, 2024, Civitavecchia Court issued a judgement rejecting Alitalia's claim and ordered it to pay the legal costs.

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.

SAGAT S.p.A. and SAGAT HANDLING S.p.A.

Blue Air

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 would be downgraded to the unsecured creditor status and, if the procedure had been successful, would have received a payment equal to 31% of their respective claims, while claims already originally in the unsecured creditor status would have been satisfied to the extent of 30%, again subject to the successful outcome of the procedure.

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. had 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 therefore stated in its report that, "*the only way forward at present, therefore, seems to be through liquidation bankruptcy proceedings*".

On March 21, 2023, Bucharest Court declared the opening of insolvency proceedings under Law No. 85/2014 against Blue Air Aviation S.a. On May 24, 2023, SAGAT S.p.A. filed a petition for admission to the bankruptcy claim, seeking admission for the following amounts: Euro 946,659 as preferred, of which Euro 937,455 are liens; Euro 11,599,481 as liens; and Euro 10,836 as unsecured.

A similar claim was filed by SAGAT Handling, seeking admission for the following amounts: Euro 231,167 as preferred and Euro 812,578 as unsecured.

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 World Economic Forum (WEF) recently published the 19th edition of the Global Risks Report 2024, which identifies risks perceived as most urgent internationally, both in the short and long term, through a survey of 1,490 experts and decision-makers from various sectors of the global economy.

The WEF survey highlights a "predominantly negative outlook for the world over the next two years that is expected to worsen over the next decade", with 46% of respondents foreseeing disruptions and a high risk of global crises. Below are the issues identified in the report as most influential in the present and near future.

In 2024, the most significant macro factors include, on one hand, a worsening of the two major crises marking this historical period: climate change and wars, particularly in Ukraine and the Middle East; on the other hand, an amplification of tensions accompanying technological change and uncertainties related to economic disparities. With this "emotional climate", the most significant risk for the next two years, as considered in 2024, is disinformation. This risk, in our increasingly interconnected world, can either amplify real risks or result in an inability to manage them properly.

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.

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 Torino 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.

2023 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 and in the Middle East. In early 2024, these armed conflicts continue, 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 areas affected by the conflicts, 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).

• 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 2023, the SAGAT Group continued the "Torino 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 2024 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 CO_2 emissions on the 2017 base year. This target was reached through ongoing efforts to reduce the airport's primary energy consumption by investing in initiatives to enhance the efficiency of the most energy-intensive systems. Further efforts were directed towards increasing the amount of energy from renewable sources by installing photovoltaic plants to enhance self-generation at local level and purchasing electricity 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 once again being overhauled after the now well-known catastrophic accidents and further incidents in 2023.
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 Torino Airport, as the proximity of other internationally-focused airports may hinder the development of Turin air traffic volumes.

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• 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.

• 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.

• 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 risks 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, by SAGAT Group personnel, and by its strategic suppliers (e.g. security); b) the incorrect and non-punctual provision of services by third parties; c) adverse weather conditions; 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.

2023 saw continued development in the consumer market for drones, misuse of which can lead to the risk of interference with aviation operations.

• Risks related to 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 the new Public Contracts Code (Legislative Decree No. 36/2023) 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, which was partially absorbed during 2023. As a result, the risk of possible unavailability, uncertainty and/or unsustainability in the procurement of energy sources necessary for business operations was underscored. In response, we note the installation of a new Photovoltaic Plant, which covers approximately 12% of the airport's energy needs.

• 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.

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• 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 inflation rates.

At December 31, 2023, the SAGAT Group had no liquidity commitments on the markets. However, it has received loans for which the interest charges are linked to the 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 consultants. The risk of any legal disputes with contractual partners is therefore systematically contained through preventive 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

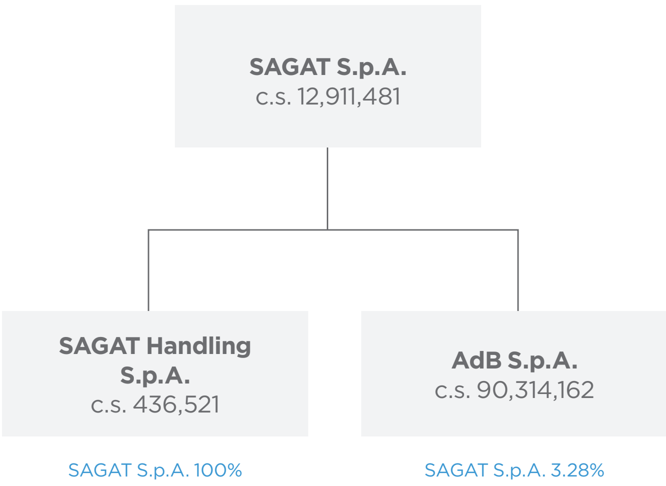
The SAGAT Group has always placed a particular focus on its reputation, considering it a key factor for success. All activities require in fact the confidence of investors, the control bodies, of employees and of the customers using the services - to view them as excellent and recommend them to third 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, 2023 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 3,464 thousand, which includes the profit for 2023 of Euro 654 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, 2023, 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 29, 2023 was the same as the book value Euro 8.26, while on March 15, 2024, it was Euro 7.94.

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 31/12/2023	Payables at 31/12/2023
SAGAT Handling S.p.A.	1,160	1,889	793	433
Total subsidiaries	**1,160**	**1,889**	**793**	**433**
2i Aeroporti S.p.A.	0	0	7,621	567
Total parent companies	**0**	**0**	**7,621**	**567**
TOTAL	**1,160**	**1,889**	**8,414**	**1,000**

- 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
2024 Outlook

In the first two months of 2024, traffic at Torino Airport saw significant growth on the same period of 2023, with a total of 714,773 passengers (+2.4%) and 7,262 movements (+5.1%).

In addition, January and February 2024 reported 363,124 and 351,649 passengers respectively, representing the best January and February ever for passenger traffic, beating the previous records set in January 2023 and February 2019.

The strong growth in the initial two months also constitutes a 5.5% improvement over the same period in the pre-COVID 2019.

For the remainder of 2024, traffic volumes at Torino Airport are expected to remain consistent with 2023, supported by the opening of new routes and the strengthening of those established in the previous two years. Specifically, for the summer season, Ryanair intends to launch two new routes to Reggio Calabria and Crotone, Volotea will start operating a new route to Comiso, ITA will increase its daily flights to Rome from Turin to five, and Royal Air Maroc will add a third weekly flight on its Turin-Casablanca route. The opening of the new railway line linking Torino Airport to Torino Porta Susa/Lingotto and Alba stations in the Langhe region serves as a potential catalyst for development. This move will expand the local user base, as residents are now able to access the airport via public transport, while also enhancing appeal among tourists, who may choose Torino Airport due to its convenient and affordable connections with the surrounding area.

However, these growth prospects could be negatively influenced by the heightened global geopolitical tensions that surfaced and are still ongoing on the European continent due to the crisis in relations between Russia and Ukraine and in the Middle East In early 2024, these armed conflicts continue, with consequences that are currently difficult to assess.
An escalation of the wars could lead to the cancellation of flights to destinations in conflict zones, and to a reduction in connections to neighbouring areas.

Geopolitical tensions also continue to influence energy prices, and any delays in the supply chains could escalate again, which may affect airport transport demand in turn. These impacts could have indirect consequences deriving from market volatility due to the application of sanctions against warring countries and the resulting disruption of trade relations between states.

Lastly, recent events affecting the aircraft manufacturer Boeing, necessitating additional safety checks, along with those involving Airbus due to Pratt & Whitney engine issues, could have negative effects on carriers and their development plans. This is due to delays in the delivery of new aircraft and the recall of existing ones.

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

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

1.24
Proposal for the allocation of the result for the Year

Dear Shareholders,

the Separate Financial Statements at December 31, 2023 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 6,902,720.93, which we propose to allocate entirely to the distribution of a dividend.

Caselle Torinese, March 26, 2024

Original copy, signed by:
The Chairperson
Elisabetta Oliveri

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

Financial statements of SAGAT Group

at 31/12/2023

2

Consolidated balance sheet: Assets

amounts in Euro

Consolidated balance sheet: Assets	Financial statements at 31/12/2023	Financial statements at 31/12/2022
A) RECEIVABLES FOR UNPAID SHARE CAPITAL		
B) FIXED ASSETS		
I. Intangible assets		
4) Concessions, licences, trade marks and similar rights	261,476	236,718
6) Assets in progress and advances	219,651	376,309
7) Other assets	10,275,662	9,478,910
Total intangible assets	**10,756,790**	**10,091,937**
II. Property, plant and equipment		
1) Land and buildings	3,515,794	3,515,794
3) Industrial and commercial equipment	4,966,040	5,823,422
4) Other assets	1,403,600	1,480,639
5) Assets in progress and advances	2,105,421	2,996,740
II.bis Transferable assets		
1) Land and buildings	18,616,207	20,812,414
1-bis) Runways and related land	241,216	261,317
2) Plant and machinery	10,639,160	7,553,283
Total property, plant & equipment	**41,487,439**	**42,443,609**
III. Financial assets		
1) Investments in:		
d-bis) Other companies	9,781,870	9,781,870
2) Receivables:		
d-bis) Other:		
within 1 year	22,000,000	0
beyond 1 year	299,617	277,757
Total receivables:		
within 1 year	22,000,000	0
beyond 1 year	299,617	277,757
Total Receivables	**22,299,617**	**277,757**
Total Financial Assets	**32,081,487**	**10,059,627**
TOTAL FIXED ASSETS (B)	**84,325,715**	**62,595,173**

amounts in Euro

Consolidated balance sheet: Assets	Financial statements at 31/12/2023	Financial statements at 31/12/2022
C) CURRENT ASSETS		
I. Inventories		
1) Raw materials, ancillaries and consumables	440,896	353,451
Total inventories	**440,896**	**353,451**
II. Receivables		
1) Trade receivables:		
within 1 year	12,848,038	16,683,046
beyond 1 year	0	0
4) Parent companies:		
within 1 year	3,462	778,828
beyond 1 year	7,617,839	6,703,519
5-bis) Tax receivables:		
within 1 year	560,286	1,466,286
beyond 1 year	30,416	95,352
5-ter) Deferred tax assets:		
within 1 year	449,423	551,367
beyond 1 year	4,963,560	7,101,953
5-quater) Others:		
within 1 year	10,002,701	11,323,003
beyond 1 year	39,752	39,752
Total Receivables		
within 1 year	23,863,910	30,802,530
beyond 1 year	12,651,566	13,940,576
Total Receivables	**36,515,475**	**44,743,106**
IV. Cash and cash equivalents		
1) Bank deposits	17,113,215	23,474,394
2) Cheques on hand	0	0
3) Cash & cash equivalents on hand	59,405	28,814
Total	**17,172,620**	**23,503,208**
TOTAL CURRENT ASSETS (C)	**54,128,991**	**68,583,117**
D) ACCRUED INCOME & PREPAYMENTS		
Accrued income	239,254	0
Prepayments	1,144,211	691,888
TOTAL ACCRUED INCOME & PREPAYMENTS (D)	**1,383,465**	**691,888**
TOTAL ASSETS	**139,838,172**	**131,870,178**

Consolidated balance sheet: Liabilities

amounts in Euro

Consolidated balance sheet: Liabilities	Financial statements at 31/12/2023	Financial statements at 31/12/2022
A) Shareholders' equity		
I. Share capital	12,911,481	12,911,481
II. Share premium reserve	1,280,909	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	2,545,257	1,063,127
VII. Cash flow hedge reserves	0	0
VIII. Retained Earnings/(Accum. Losses)	(3,911,520)	(14,335,091)
IX. Profit/(loss) for the year	7,556,344	11,905,701
X. Negative reserve for treasury shares in portfolio	0	(4,823,612)
Group shareholders' equity	39,374,596	31,818,252
Non-controlling interest shareholders' equity	0	0
TOTAL SHAREHOLDERS' EQUITY (A)	**39,374,596**	**31,818,252**
B) Provisions for risks and charges		
4) Other provisions:		
Provision for future charges	2,367,964	8,594,695
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	**2,367,964**	**8,594,695**
C) Post-employment benefits	2,883,533	2,945,286
TOTAL (C)	**2,883,533**	**2,945,286**

amounts in Euro

Consolidated balance sheet: Liabilities	Financial statements at 31/12/2023	Financial statements at 31/12/2022
D) Payables		
4) Bank payables:		
within 1 year	1,566,288	5,181,802
beyond 1 year	29,987,789	20,771,649
7) Trade payables:		
within 1 year	32,874,083	30,496,860
beyond 1 year	331,112	331,112
11) Parent companies:		
within 1 year	567,341	157,240
beyond 1 year	0	0
12) Tax payables:		
within 1 year	686,570	1,229,457
beyond 1 year	119,644	585,552
13) Payables to social security institutions:		
within 1 year	1,189,494	1,068,135
beyond 1 year	0	0
14) Other payables:		
within 1 year	22,773,970	21,898,596
beyond 1 year	276,169	893,123
TOTAL		
within 1 year	**59,657,745**	**60,032,090**
beyond 1 year	**30,714,713**	**22,581,436**
TOTAL PAYABLES (D)	**90,372,458**	**82,613,526**
E) Accrued expenses and deferred income		
Accrued expenses	73,213	0
Deferred income	4,766,406	5,898,419
TOTAL (E)	**4,839,620**	**5,898,419**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**139,838,172**	**131,870,178**

Consolidated income statement

amounts in Euro

Consolidated income statement	Financial statements at 31/12/2023	Financial statements at 31/12/2022
A) Value of production		
1) Revenues from sales and services	74,189,399	67,360,396
5) Other revenue and income showing separately operating grants:		
Other revenue and income	12,416,784	5,884,343
Operating grants	54,486	13,507,982
Total other revenues and income	**12,471,270**	**19,392,325**
TOTAL VALUE OF PRODUCTION (A)	**86,660,669**	**86,752,721**
B) Costs of production		
6) Raw materials, ancillary, consumables and goods	1,601,445	1,579,406
7) Services	38,224,890	38,034,444
8) Rent, leasing and similar costs	4,010,726	3,521,015
9) Personnel costs:		
a) salaries and wages	16,080,700	15,047,104
b) social security charges	4,736,697	4,315,417
c) post-employment benefits	975,416	1,150,209
d) pension and similar rights	0	0
e) Other costs	444,660	357,801
Total personnel costs	**22,237,474**	**20,870,531**
10) Amortisation, depreciation and write-downs:		
a) amortization of intangible assets	1,079,985	977,280
b) depreciation of property, plant and equipment	5,565,255	5,404,149
c) write-down of fixed assets	0	0
d) write-downs of current receivables and cash and cash equivalents	97,338	861,753
Total amortisation, depreciation and write-downs	**6,742,578**	**7,243,182**
11) Change in inventories of raw materials, ancillaries, consumables and goods	(104,093)	16,648
12) Provisions for risks	559,791	397,939
13) Other provisions	0	0
14) Other operating costs	2,132,176	3,374,083
TOTAL COST OF PRODUCTION (B)	**75,404,986**	**75,037,248**
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	**11,255,683**	**11,715,473**

amounts in Euro

Consolidated income statement	Financial statements at 31/12/2023	Financial statements at 31/12/2022
C) Financial income and charges		
15) Investment income:		
e) dividends and other income	0	0
16) Other financial income:		
d) other income		
other	589,674	160
Total	**589,674**	**160**
17) Interest and other financial charges:		
other	(1,395,133)	(697,767)
17-bis) Exchange gains and losses	(27)	(47)
TOTAL FINANCIAL INCOME AND CHARGES (C)	**(805,485)**	**(697,654)**
D) Adjustments to financial assets	**0**	**0**
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS (D)	**0**	**0**
RESULT BEFORE TAXES (A-B+/-C+/-D)	**10,450,197**	**11,017,819**
20) Income taxes for the year:		
a) Current taxes	(653,516)	2,300,062
b) Deferred tax (charges) & income	(2,240,337)	(1,412,180)
21) GROUP AND MINORITY INTEREST RESULT FOR THE YEAR	**7,556,344**	**11,905,701**
GROUP PROFIT / (LOSS)	**7,556,344**	**11,905,701**
MINORITY INTEREST PROFIT / (LOSS)	**0**	**0**

SAGAT Group cash flow statement

amounts in Euro

SAGAT Group cash flow statement	2023	2022
A) Cash flow from operating activities		
Group profit/(loss) for the year	7,556,344	11,905,701
Income taxes	2,893,853	(887,882)
Interest charges/(income)	805,485	697,654
(Dividends)	0	0
(Gains)/losses on sale of assets	(5,338)	7,300
1) Profit/(loss) for the year before taxes, interest, dividends and gains/losses from disposals	**11,250,344**	**11,722,773**
Non-cash adjustments not impacting working capital:		
Provisions	559,791	397,939
Amortisation & depreciation	6,645,240	6,381,429
Impairments	17,192	2,190
Other non-cash increases/(decreases)	0	0
2) Total non-cash adjustments not impacting working capital	**7,222,223**	**6,781,558**
Cash flow before working capital changes	**18,472,567**	**18,504,331**
Changes in net working capital:		
Decrease/(Increase) in inventories	(104,092)	16,648
Decrease/(Increase) in trade receivables	3,835,008	(5,470,686)
Increase/(Decrease) in trade payables	2,377,223	10,549,229
Decrease/(Increase) in prepayments and accrued income	(691,577)	(411,543)
Increase/(Decrease) in accrued expenses and deferred income	(1,058,799)	(325,450)
Other decreases/(Other increases) in net working capital	(2,728,281)	9,057,341
Total changes in working capital	**1,629,482**	**13,415,539**
Cash flow after changes in net working capital	**20,102,049**	**31,919,870**
Other adjustments:		
Interest received/(paid)	(1,113,790)	(671,462)
(Income taxes paid)	(836,106)	(709,375)
Dividends received	0	0
(Utilization of provisions)	(1,641,867)	(9,252,514)
Other receipts/(payments)	0	0
Total other adjustments	**(3,591,763)**	**(10,633,350)**
CASH FLOW FROM OPERATING ACTIVITIES (A)	**16,510,286**	**21,286,520**

amounts in Euro

SAGAT Group cash flow statement	2023	2022
B) Cash flow from investing activities		
Property, plant & equipment:		
(Cash flows from investments)	(4,600,267)	(5,059,305)
Cash flows from divestments	228	7,500
Intangible assets:		
(Cash flows from investments)	(1,764,273)	(1,943,031)
Cash flows from divestments	0	0
Financial assets:		
(Cash flows from investments)	(22,000,000)	0
Cash flows from divestments	0	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(28,364,312)**	**(6,994,836)**
C) Cash flow from financing activities		
Third-party funds:		
Increase/(Decrease) in short-term bank payables		
New financing	9,000,000	0
(Repayment of loans)	(3,476,562)	(2,313,226)
Own funds:		
Reimbursement of paid-in capital	0	0
Dividends and advances on dividends paid	0	0
CASH FLOW FROM FINANCING ACTIVITIES (C)	**5,523,438**	**(2,313,226)**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	**(6,330,588)**	**11,978,458**
OPENING CASH AND CASH EQUIVALENTS	**23,503,208**	**11,524,750**
CLOSING CASH AND CASH EQUIVALENTS	**17,172,620**	**23,503,208**

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

1. 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.

2. 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.

3. 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.

4. 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.

5. 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.

6. 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..

7. 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

1. 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 Company
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 31/12/2022
Aeroporto G. Marconi di Bologna S.p.A.	Via Triumvirato, 84 Bologna	90,314	182,178	3.28%

(1) Figures at 31/12/2022 concerning the latest approved Financial Statements.

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.

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

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.

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

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 6.67% 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 (Article 2426, first paragraph, No. 3 of the Civil Code).

Property, plant and 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, 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	6.67%
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 then cease to exist.

Receivables are recorded at their estimated realisable value.

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 expenses 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 with a remote likelihood of occurring are not considered.

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 16 million bank loan, the value of which includes the portions pertaining to the year of the amortised cost of ancillary charges.

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 2023-2025. 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.

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 7, 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.

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

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 10,757 thousand, increased on the whole by Euro 665 thousand during the year. The tables below summarise and detail the changes in the various components of intangible assets for the year.

euro thousands

	01/01/2023			Changes in year					31/12/2023
	Historical cost	Acc. Amort.	**Carrying value**	Purch./ capital.	Reclass. + (-)	Disposals/ Eliminations	Impair./ Writebacks	Amort.	**Carrying value**
B.I.4 Concessions, licences and trademarks	5,216	4,979	**237**	123	126			(225)	**261**
B.I.6 Assets in progress and advances	376	0	**376**	628	(784)				**220**
B.I.7 Other intangible assets	41,844	32,365	**9,479**	997	656			(856)	**10,276**
Total intangible assets	**47,436**	**37,344**	**10,092**	**1,748**	**(2)**	**0**	**0**	**(1,081)**	**10,757**

The change in B.I.4 Concessions, licences and trademarks, net of amortisation for the year of Euro 225 thousand, is essentially attributable to the installation, by the Parent Company, of new software or the implementation of existing software for a total of Euro 249 thousand, as detailed in the section of the Directors' Report concerning investments.
Assets in progress and advances (B.I.6) decreased by Euro 156 thousand from the previous year, due mainly to assets purchased in previous years being put into production compared to the incremental impact of new purchases during the year.

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 997 thousand and posted amortisation of Euro 856 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 41,487 thousand, decreased on the whole by Euro 957 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).

	01/01/2023				Changes in year						31/12/2023			
	Historical cost	Writebacks (Laws 72/1983 & 342/2000)	(Accumulated deprec.)	**Carrying value**	Acquisi-tions	Reclassi-fications	(Divest. Historical cost)	Divest. Uses Provision	Other Changes	(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 1bis Buildings and related property	83,623	282	(62,831)	**23,288**						(2,217)	83,623	282	(62,831)	**21,074**
B.II.bis 2 Plant and machinery	71,718	6,567	(70,732)	**7,553**	2,931	1,778				(1,623)	76,427	6,567	(72,355)	**10,639**
B.II.3 Indust. & commercial equip.	20,752	182	(15,111)	**5,823**	366	(28)				(1,195)	21,090	182	(16,306)	**4,966**
B.II.4 Other assets	34,663	1,958	(35,140)	**1,481**	454		(73)	73		(531)	35,044	1,958	(35,598)	**1,404**
B.II.5 Assets in progress and advances	2,997			**2,997**	849	(1,741)					2,105			**2,105**
Total property, plant & equipment	**217,269**	**8,989**	**(183,814)**	**42,444**	**4,600**	**9**	**(73)**	**73**	**0**	**(5,566)**	**221,805**	**8,989**	**(189,307)**	**41,487**

Buildings and related property (B.II.bis 1 and 1 bis) decreased by a total of Euro 2,217 thousand, due to depreciation in the year. No obsolete assets of this category were decommissioned during the year.

Plant and machinery (B.II.bis 2) increased Euro 3,086 thousand. The movement, entirely concerning the parent company, concerns acquisitions of Euro 2,931 thousand and depreciation of Euro 1,623 thousand.
Increases in value refer mainly to the completion and commissioning of the photovoltaic system built on the roofs of the Technical Area, the Passenger Terminal front structure, the south terrace and the BHS building.
We also highlight the installation and commissioning of the first of 6 passenger boarding piers.
Capex also focused on the modernisation of the access control system through implementation on the perimeter system.
No obsolete assets of this category were decommissioned during the year.

Industrial and commercial equipment (B.II.3) decreased by a total of Euro 857 thousand as a result of new purchases for Euro 366 thousand and depreciation of Euro 1,195 thousand for the year.
This item included investments on various buildings, including the replacement of generator sets with the installation of two new generators for the main heating plant.

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

Other assets (B.II.4) decreased overall by a total of Euro 77 thousand as a result of depreciation of Euro 531 thousand and new purchases totalling Euro 454 thousand.
During the year, work was carried out to modernise the vehicle fleet through the purchase of two hybrid vehicles for the follow-me service, a street sweeper and an operating car.
We highlight in addition hardware purchases for Euro 92 thousand.
Obsolete depreciated assets of this category were decommissioned during the year that had a total historical cost of Euro 73 thousand.

Assets in progress and advances (B.II.5) decreased by Euro 892 thousand due to acquisitions of Euro 849 thousand and the reclassification of capitalised assets in the year for Euro 1,741 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 by 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**

Financial assets

Non-current financial assets totalled Euro 32,081 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, 2023 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 29, 2023 was Euro 8.26 and at March 15, 2024 was Euro 7.94. 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, 2024, the AdB Board of Directors approved the company's financial report for 2023, with the year closing with a net profit at the consolidated level of Euro 16.7 million compared to a loss of Euro 31.1 million in 2022.

The figures in the following table concern the financial statements at 31/12/2022 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 31/12/2023	Holding at 31/12/2023
Aeroporto G. Marconi di Bologna S.p.A.	Bologna	90,314	152,355	3.28%

Financial assets also include under Other Receivables the nominal value of the cash balances that the Group companies have moved to deposit accounts in order to better remunerate the excess liquidity over short and very short term needs, totalling Euro 22,000 thousand.
Such deposit contracts were chosen on the basis of high remuneration levels, complete capital guarantees, ease and immediacy of release, and the option of early redemption.

Inventories

Inventories, totalling Euro 393 thousand, concerns raw materials, ancillaries, consumables and goods for maintenance mainly attributable to the Parent Company. The total increased by Euro 56 thousand in 2022.
At year-end, inventories did not include components with a carrying value that could be deemed to be less than their presumed realisable value.

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

Receivables

Current Assets were recognised for Euro 36,515 thousand (Euro 44,743 thousand in 2022). The total mainly concerns customers within Italy or the European Union and is gross of the receivable for surtaxes, which is shown among other receivables.

Trade receivables decreased from 16,683 thousand at December 31, 2022 to Euro 12,848 thousand at December 31, 2023, with a significant reduction of Euro 3,835 thousand, mainly due to the considerable decrease in difficult-to-collect credit positions from major customers.

The item includes receivables with a nominal value of Euro 21,768 thousand (Euro 26,532 thousand for the previous year), gross of doubtful debt provisions of Euro 8,920 thousand. During the year, the doubtful debt provision increased by a total of Euro 929 thousand against uses needed in order to cancel receivables that could no longer be collected for Euro 309 thousand, releases to the income statement for Euro 717 thousand for allocations from previous years that were no longer necessary, and additions of Euro 11 thousand calculated based on real needs.

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

Tax receivables

Tax receivables totalled Euro 591 thousand, compared to Euro 1,562 thousand at December 31, 2022, with those due beyond 12 months totalling Euro 30 thousand. Tax receivables are detailed in the table below:

euro thousands

Detail	2023	2022
IRES receivable	30	30
IRAP receivable	12	0
IRES reimbursement receivable	0	23
VAT receivables	549	741
Other	0	768
TOTAL	**591**	**1,562**

VAT receivables decreased Euro 192 thousand to Euro 549 thousand at December 31, 2023 on the basis of the normal development of the relative debit and credit components.

Other tax receivables amounted to zero, as a result of the complete utilisation in the year of the tax credit for non-energy and non-gas intensive businesses arising in 2022.

The IRES reimbursement receivable of Euro 23 thousand in 2022 decreased to zero at year-end following the audits carried out in 2023 at the Tax Agency, which ruled it as definitively uncollectible.

Deferred tax assets amounted to Euro 5,413 thousand, as detailed in the following table:

	IRES	IRAP	TOTAL
A) Temporary differences			
Total deductible temporary differences	21,348,253	8,343,103	
Total assessable temporary differences	252,413	0	
Temporary net differences	(21,095,840)	(8,343,103)	
B) Tax effects			
Deferred tax liability (asset) at beginning of the year	(6,998,978)	(654,341)	(7,653,319)
Deferred tax liability (asset) in the year	1,935,976	304,359	2,240,335
Deferred tax liability (asset) at end of the year	**(5,063,002)**	**(349,982)**	**(5,412,984)**

The table below however details the deductible temporary differences in accordance with Article 2427, para. 1, No. 14, letter a, of the Civil Code:

DEDUCTIBLE TEMPORARY DIFFERENCES							
Description	Amount at end of previous year	Change during the year	Amount at year-end	IRES rate	IRES tax effect	IRAP rate	Tax effect IRAP
Doubtful debt provision	7,977,267	(621,793)	7,355,474	24%	1,765,314	0	0
Provisions for risks & charges	7,886,681	(6,724,272)	1,162,409	24%	278,978	4.2%	48,821
Other receivable risks provision	727,239	0	727,239	24%	174,537	4.2%	30,544
Fiscal amnesty depreciation	6,121,248	(590,741)	5,530,507	24%	1,327,322	4.2%	232,281
Fire Prevention Service fee	3,245,560	649,112	3,894,672	24%	934,721	0	0
Remuneration BOD	39,002	0	39,002	24%	9,360	0	0
Interest charges	603,077	(603,077)	0	24%	0	0	0
Associations	8,622	524	9,146	24%	2,195	0	0
MBO and result bonuses	566,962	213,416	780,378	24%	187,291	4.2%	32,776

The table below finally details the temporary assessable differences in accordance with Article 2427, para. 1, No. 14, letter a, of the Civil Code:

TEMPORARY ASSESSABLE DIFFERENCES							
Description	Amount at end of previous year	Change during the year	Amount at year-end	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect
Gains	10,350	(3,450)	6,900	24%	1,656	0	0
Increased tax depreciation	241,132	0	241,132	24%	57,872	0	0

Other receivables, totalling Euro 10,032 thousand, decreased by Euro 1,332 thousand on the previous year.

euro thousands

Detail	31/12/2023	Of which beyond 12 months	31/12/2022	Of which beyond 12 months	Change
Receivable from the City of Turin	893	682	893	682	(0)
Other receivables from the Public Sector	0	0	33	0	(33)
Advances to suppliers	257	11	231	11	26
Receivable from airlines for municipal surtax	9,281	0	10,469	0	(1,188)
Other receivables	328	75	464	74	(136)
Other receivables doubtful debt provision	(727)	(727)	(727)	(727)	(0)
TOTAL	**10,032**	**41**	**11,363**	**40**	**(1,332)**

This change is essentially due to:

- the decrease in receivables from airlines for the municipal surtax for Euro 1,188 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 Other receivables for Euro 136 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, 2023;
- cheques received from third parties as security.

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

euro thousands

Detail	2023	2022	Change
Bank and postal deposits	17,113	23,474	(6,361)
Cash in hand and similar	59	29	30
Cheques	0	0	0
TOTAL	**17,173**	**23,503**	**(6,330)**

The movement in liquidity in the year relates to the combined effect of the positive operating result and the use of Euro 20,000 thousand of time deposits, considered as "cash equivalent" given the short period until release, distributed among several banks.

Prepayments and accrued income

These total Euro 1,383 thousand (Euro 692 thousand at December 31, 2022), as outlined below:

euro thousands

	2023	2022
Accrued income	**239**	**0**
Total accrued income	**0**	**0**
Prepayments		
Insurance	198	237
Other	947	455
Employees	0	0
Total prepayments	**1,106**	**692**
TOTAL	**1,383**	**692**

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

BALANCE SHEET – LIABILITIES

Shareholders' Equity

The movements in the individual Group Shareholders' Equity accounts are presented below, which at 31/12/2023 amounted to Euro 39,374,597.

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 each, and at year-end is entirely held by the sole shareholder 2i Aeroporti S.p.A..

The share premium reserve, exempt from taxes upon distribution, is recognised for Euro 1,281 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 2,545 thousand, increasing on the previous year by Euro 1,482 thousand due to the acquisition of the net result of the subsidiary Sagat Handling.

Retained earnings/(accumulated losses) presented accumulated losses of Euro 3,912 thousand, decreasing on the previous year (Euro 14,335 thousand) due to the incorporation of the prior years' net profit.

The negative reserve for treasury shares in portfolio amounting Euro -4,824 thousand at December 31, 2022 was recognised by the parent company in 2016 in accordance with the

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. At December 31, 2023, the reserve amounted to zero, as a result of the cancellation of treasury shares on May 9, 2023 on the basis of a Shareholders' Meeting resolution. As a result of this change, 2i Aeroporti S.p.A., the majority shareholder of SAGAT, became the sole shareholder as having acquired 74,178 treasury shares of SAGAT, corresponding to 2.96% of the Share Capital.

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	**40,255**	**6,903**
Difference between the carrying amount of the consolidated companies and the related SE	(880)	
Consolidated companies net result		654
Consolidation adjustments	0	0
GROUP SE and result	**39,375**	**7,556**

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**	**8,595**	**8,595**
Changes in the year:			
Provisions in the year	0	560	**560**
Utilisation in the year	0	376	**376**
Other changes	0	(7,163)	**(7,163)**
Total changes	**0**	**(6,227)**	**(6,227)**
Closing balance	**0**	**2,368**	**2,368**

The Provision for risks and future charges of Euro 2,368 thousand is recognised according to the prudency principle against possible charges related to pending or only potential civil and administrative disputes. It decreased by Euro 6,227 thousand in the year as a result of the following movements:

- increase of Euro 560 thousand through provisions, for Euro 649 thousand for transfers from other balance sheet items as a result of the change in their nature, and Euro 123 thousand through increases whose counter-entry is a specific cost in the income statement, given its clearly identifiable nature, and not a provision. In particular, the 2023 adjustments to contingent liabilities at December 31, 2022 amounts to Euro 1,206 thousand, while the accruals against risks arising in 2023 totalled Euro 133 thousand.
- utilisations, for Euro 376 thousand, due to the incurring of expenses during the year, whose related costs had been provisioned in previous years and releases for Euro 7,286 thousand, due to the absence in 2023 of risks arising in previous years. These include, as previously outlined in the Directors' Report, the release of the provision covering the risk of potential reimbursement of airport fee adjustments at the inflation rate for the years 1999-2005. These adjustments, previously collected following favourable judgments amounting to Euro 7,121 thousand, were released following the R.G.N. 36934/2019 order published on February 6, 2023, confirming their adequacy in favour of SAGAT on a definitive basis.

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	**2,945**
Changes in the year:	
Provisions in the year	975
Utilisation in the year	(1,060)
Other changes	23
Total changes	**(62)**
Closing balance	**2,884**

Payables

Payables are recognised for Euro 90,372 thousand, compared to Euro 82,614 thousand at the end of the previous year, increasing therefore by Euro 7,758 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 amounted to Euro 31,554 thousand, increasing Euro 5,601 thousand on the previous year, as a combined effect of the repayment of capital portions and the drawing down of new loans. In order to support operations during the pandemic, the company contracted in 2020 a loan with Intesa San Paolo for Euro 20,000 thousand and with maturity in October 2025, a loan with Medio Credito Centrale for Euro 5,500 thousand and with maturity in December 2028, 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, and in 2021 a loan with Banca del Piemonte of Euro 3,000 thousand with maturity in January 2027.
SAGAT S.p.A. in 2023 completed a number of transactions to restructure its financial resources, adjusting such to the forecast scenarios and establishing better conditions. In addition to the loan agreements signed in 2020 and 2021, an initial loan of Euro 6 million was taken out with Credito Emiliano S.p.A., maturing in November 2029, and a second of Euro 3 million with Credit Agricole Italia S.p.A., maturing in December 2028. In addition, in order to accurately support the planned financial outlays in the coming years, the loan agreement with Intesa Sanpaolo in its residual value of Euro 16 million was renegotiated, postponing its repayment date from 2025 to 2028 and changing its repayment type from amortising to bullet. In accordance with OIC 15, the original Euro 20,000 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 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 outstanding balance at 31/12/2023 of the debt with Intesa Sanpaolo is Euro 16 million with bullet repayment of principal on 30/11/2028 and periodic interest payment with variable rate linked to the Euribor. The Euro 5,500 thousand loan has repayments through increasing instalments with the final payment on December 31, 2028 and variable Euribor interest rate. The Euro 3,000 thousand loan with Banca del Piemonte stipulates settlement through equal instalments and the final payment on January 1, 2027 and a fixed interest rate. The Euro 6,000 thousand loan with Credem provides for repayment in quarterly instalments with an interest rate linked to the Euribor and a 12-month grace period with principal repayment beginning on February 9, 2025. The Euro 3,000 thousand loan with Credit Agricole Italia S.p.A. provides for repayment in quarterly instalments with an interest rate linked to the Euribor and a 18-month grace period with principal repayment beginning on September 22, 2025.
Bank payables due within 12 months amount to Euro 1,566 thousand, while the portion due beyond one year amounts to Euro 29,988 thousand.

Trade payables include commercial payables to parties other than the Group companies. Overall, they are presented for Euro 33,205 thousand, compared with Euro 30,828 thousand in the previous year, with the increase of Euro 2,377 thousand attributable in particular to the increased incentive costs, the nature of which often entails their payment, by agreement between the parties, through offsetting with differing and more deferred timeframes than the nominal due dates. 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 is due as a result of the involvement in the tax consolidation.

Tax payables totalling Euro 1,815 thousand broke down as follows:

euro thousands

	31/12/2023	31/12/2022
IRAP payables	175	65
Employee withholding tax payables	377	401
Fee surcharge tax payables	129	761
Prior year tax payables	120	586
Other	6	2
TOTAL	**807**	**1,815**

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, 2023, the residual amount of the tax payable for the Tax Amnesty was Euro 120 thousand, decreasing on the previous year due to the settlement of the quarterly instalments arising in 2023, for a total of Euro 466 thousand.

Payables to social security institutions, all with maturity within one year and totalling Euro 1,189 thousand, break down as follows:

euro thousands

	31/12/2023	31/12/2022
INPS/INAIL payables	1,157	1,029
Other	32	39
TOTAL	**1,189**	**1,068**

Other payables totalling Euro 23,050 thousand concern:

euro thousands

	31/12/2023	31/12/2022
ENAC/Fee	1,616	2,031
Employee payables	1,755	1,334
Tax payables for boarding fee surtaxes	10,562	10,702
Other payables	9,117	8,725
TOTAL	**23,050**	**22,792**

As per the applicable regulation, the parent company payable to ENAC regarding the airport fee for 2023 shall be settled in the subsequent year.

The parent company's tax payable concerning the municipal surtaxes of Euro 10,562 thousand concerns the balancing entry for the receivable due from the 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 392 thousand on 2022, includes the payable to the Fire Brigade for a total amount of Euro 6,687 thousand.

Accrued expenses and deferred income

At December 31, 2023, these totalled Euro 4,840 thousand, compared to Euro 5,898 thousand at December 31, 2022 and are broken down as follows (in Euro):

	Accrued expenses	Deferred income	Total accrued expenses and deferred income
Opening balance	**0**	**5,898,419**	**5,898,419**
Changes in the year	73,213	(1,132,013)	(1,058,800)
Closing balance	**73,213**	**4,766,406**	**4,839,619**

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 2023.

Payables by maturity and nature

Movement in payables, in addition to their breakdown by maturity and nature, are presented below:

	Opening balance	Changes during the year	Closing balance	Balance due within 12 months	Balance due beyond 12 months
Bank payables	**25,953,451**	5,600,626	**31,554,077**	1,566,288	**29,987,789**
Trade payables	**30,827,971**	2,377,224	**33,205,195**	32,874,083	**331,112**
Payables to parent companies	**157,240**	410,101	**567,341**	567,341	**0**
Tax payables	**1,815,010**	(1,008,797)	**806,213**	686,570	**119,643**
Payables to social security institutions	**1,068,135**	121,358	**1,189,493**	1,189,493	**0**
Other payables	**22,791,719**	258,420	**23,050,139**	22,773,970	**276,169**
Total payables	**82,613,526**	**7,758,932**	**90,372,458**	**59,657,745**	**30,714,713**

Risks, commitments and guarantees

Their composition and nature are presented below, in thousands of Euro:

Nature	31/12/2023	31/12/2022
Third party assets received under concession	59,654	59,654
Unsecured guarantees received from third parties	12,785	12,336
TOTAL	**72,439**	**71,990**
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

REVENUES

The key 2023 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):

euro thousands

	2023	2022
Air traffic revenues	30,840	28,183
Security	8,195	8,550
Assistance and air traffic accessory revenues	15,973	14,745
Car parking services	6,787	5,546
Subconcession of services	5,246	4,382
Subconcession of airport activities and spaces	4,455	3,561
Centralised infrastructure	1,158	1,070
Regulated sub-concessions	1,158	1,123
Other revenues	376	201
TOTAL	**74,189**	**67,360**

Other revenue and income

Other income comprises:

euro thousands

	2023	2022
Recovery of common utilities and miscellaneous expenses	73	67
Other prior year income	9,990	16,987
Other income	1,738	1,667
Olympic capital grants	671	671
TOTAL	**12,472**	**19,392**

Other revenues of Euro 12,472 thousand decreased on 2022 (-Euro 6,920 thousand) as a combined effect of the non-recurring items in both years. In particular, in 2022 grants of Euro 11,014 thousand for the recovery of the significant losses as a result of the COVID-19 health emergency in the March 1, 2020 to June 30, 2020 period were present, put in place for airport operators and for ground handling service providers. SAGAT S.p.A. in 2022 also benefitted from the Euro 2,287 thousand under the measures to support Piedmont airport operators for the period from January 1, 2021 to June 30, 2021. In 2023, this account included however the release of the provision covering the risk of potential reimbursement of airport fee adjustments at the inflation rate for the years 1999-2005. These adjustments, previously collected following favourable judgments amounting to Euro 7,121 thousand, were released following the R.G.N. 36934/2019 order published on February 6, 2023, confirming their adequacy in favour of SAGAT on a definitive basis.

Capital grants include, among other items, the portion of Olympic 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.

COSTS

Costs of production overall totalled Euro 75,405 thousand and are broken down in the following paragraphs.

Raw materials, ancillaries, consumables and goods

These costs, totalling Euro 1,601 thousand in 2023, are comprised as follows:

euro thousands

	2023	2022
Maintenance materials	348	253
Various materials	166	725
Materials held-for-resale	189	0
Fuel and lubricants	760	327
De-icing	88	249
Stationary and printing	51	25
TOTAL	**1,601**	**1,579**

Services

Service costs, amounting to Euro 38,225 thousand, comprise:

euro thousands

	2023	2022
Other services	3,293	2,683
Support services, warehousing and P.R.M.	599	586
Electricity and other utilities	3,126	5,214
Technical, management and commercial consultancy	783	854
Security	2,725	2,702
Cleaning and waste disposal collection	1,167	1,101
Miscellaneous maintenance/repair and contractual expenses	2,097	1,829
Maintenance/repair expenses on third party assets	290	276
Industrial insurance, general	520	463
Miscellaneous personnel costs (canteen, training, travel, etc.)	736	608
Other	22,889	21,718
TOTAL	**38,225**	**38,034**

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 cost items shown above in order to provide a more realistic representation of the contribution of individual items to total costs. In order to make the data shown comparable, the same reclassifications were also made to the 2022 cost breakdown.
The main component of Other service costs, which in 2023 totalled Euro 22,889 thousand, regards the costs linked to the air traffic support measures.

Rent, leasing and similar costs

Rent, leasing and similar costs of Euro 4,011 thousand comprise:

euro thousands

	2023	2022
Airport fee	3,080	2,633
City of Turin fee	403	392
Municipality of San Maurizio fees	28	26
Other concession fees (radio)	68	87
Hire and leases	432	382
TOTAL	**4,011**	**3,521**

The increase in the account of Euro 490 thousand substantially concerns the increase in the airport fee, which the manager SAGAT pays to ENAC and whose value is calculated on the basis of traffic volumes.

Personnel costs

Personnel costs, including the cost of temporary staff, amounted to Euro 22,237 thousand (increasing Euro 1,367 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 is 380, up 2.8% (10.5 FTEs) on the previous year. The average Group workforce for financial years 2023 and 2022, broken down by category, is presented below.

Category	2023 Average	2022 Average	Absolute change	Percentage change
Executives	6.75	6.9	-0.15	-2.2%
White-collar & Managers	268.3	263.6	4.7	1.8%
Blue-collar	104,9	99	5.9	6%
TOTAL	**380**	**369.5**	**10.5**	**2.8%**

Amortization, depreciation & write-downs

Amortisation, depreciation and write-downs of Euro 6,743 thousand break down as follows:

euro thousands

	2023	2022
Depreciation	5,565	5,404
Amortisation	1,080	977
Write-down of assets	0	0
Impairment of receivables	97	862
TOTAL	**6,743**	**7,243**

Amortisation and depreciation, totalling Euro 6,645 thousand, increased on the previous year by Euro 264 thousand.
There were no write-downs of assets during the year.

The doubtful debt provision increased in the year through the accrual of Euro 97 thousand to correctly represent the exposure to non-collection risk of the Group company trade receivables.

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

During the year, raw materials, ancillaries, consumables and goods inventories increased by Euro 104 thousand as a result of increased purchases.

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

Provisions for risks

An accrual was made in the year to the Group Other risks provision for Euro 560 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 2,132 thousand, concern:

euro thousands

	2023	2022
Representation/hospitality expenses	28	30
Prior year charges/asset losses	386	1,783
Associations	153	125
Damage compensation to third parties	26	3
Fire Prevention Service fee	649	649
ICI - IMU (property taxes)	225	225
Other	665	560
TOTAL	**2,132**	**3,374**

The account decreased by Euro 1,242 thousand on the previous year, mainly as a result of the extraordinary non-recurring cost items recognised in 2022.

Financial income and charges

The account reports a net charge of Euro 805 thousand (while in the previous year presenting a net charge of Euro 698 thousand) and is broken down as follows:

euro thousands

	2023	2022
Interest expense and other financial charges	(1,395)	(698)
Investment income	0	0
Other income	590	0
TOTAL	**(805)**	**(698)**

Interest expense mainly concerns the interest on the loans drawn-down by the parent company, which in 2023 increased Euro 697 thousand, both in view of the increase in the total value of the debt, which at December 31 amounted to Euro 31,554 thousand, and due to the increase in the Euribor, to which the majority of the agreed interest rates are linked.

Financial income of Euro 590 thousand comprises interest income on liquidity at credit institutions and interest income on the amounts deposited in current accounts agreed in 2023.

Investment income amounted to zero as the investee AdB also in 2023 did not issue dividends.

Adjustments on financial assets

No adjustments were made to the value of financial assets during the year.

Income taxes

The account, negative for Euro 2,894 thousand, comprises income taxes and deferred tax income and charges, as follows:

euro thousands

	2023	2022
IRES	413	77
IRAP	240	157
Income from tax consolidation	0	(2,534)
Prior year taxes	0	0
Deferred tax assets and liabilities	2,240	1,412
TOTAL	**2,894**	**(888)**

A reconciliation at December 31, 2023 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
Profit/(loss) before taxes	9,529,933	920,265
Theoretical IRES tax %	24.0%	24.0%
Theoretical income taxes	2,287,184	220,864
Tax effect from IRES changes	(1,974,710)	(119,900)
Deferred tax effect	2,139,879	100,458
IRAP	174,859	65,219
Total income taxes for the year (current and deferred)	**2,627,212**	**266,641**

The theoretical taxes were calculated applying to the pre-tax statutory result the IRES tax rate, which in 2023 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 7,556,344.

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, 2023.

In the first two months of 2024, traffic at Torino Airport saw significant growth on the same period of 2023, with a total of 714,773 passengers (+2.4%) and 7,262 movements (+5.1%). The strong growth in the initial two months returned a 5.5% improvement even over the same period in the pre-COVID 2019.

In addition, January and February 2024 reported 363,124 and 351,649 passengers respectively, representing the best January and February ever for passenger traffic, beating the previous records set in January 2023 and February 2019 (in which passengers numbered 361,168 and 337,770).

Looking ahead to 2024 as a whole, we expect traffic volumes at Torino Airport to remain consistent with 2023, supported by the opening of new routes, the strengthening of those established in the previous two years and the opening of the new railway line that sees Torino Airport connected to, among others, the Turin Porta Susa/Lingotto and Alba stations in the Langhe region.

However, these growth prospects could be negatively influenced by the heightened global geopolitical tensions that have surfaced and are still ongoing on the European continent due to the crisis in relations between Russia and Ukraine and in the Middle East, whose development and consequences are currently difficult to assess.

Geopolitical tensions continue to impact the price of energy, while potential delays in supply chains could further intensify.

Despite the uncertain environment, as always the 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

	2023
Directors	211
Statutory Auditors	92
TOTAL	**304**

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:

euro thousands

Attività svolta	2023		
	SAGAT	SAGAT HANDLING	GRUPPO SAGAT Total
Legally-required audit of the annual accounts	22	13	35
Other audit services	5	5	10
Other services	8		8
TOTAL	**35**	**18**	**53**

Original copy, signed by:
The Chairperson
Elisabetta Oliveri

Auditors' report on the consolidated financial statements

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Building a better working world

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, 2023, 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, 2023, 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 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.
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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 Group;

- 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, 2023, 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, 2023 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, 2023 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 11, 2024

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 31.12.2023

(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, 2023, 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 11, 2024 containing an unqualified opinion. The auditors' report indicates that the financial statements as of 31.12.2023 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 November 14, 2023.

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 the year, the Board of Statutory Auditors did not issue any legally-required opinions and observations.

We have not issued any reports to the Board of Directors pursuant to Article 25-octies of Legislative Decree No. 14 of January 12, 2019, nor received reports from public creditors pursuant to Article 25-novies of Legislative Decree No. 14 of January 12, 2019.

Separate Financial Statements

The financial statements reported a net profit of Euro 6,902,721, compared to Euro 10,407,571 in 2022. The shareholders' equity, considering the profit for the year, indicates an amount of Euro 40,254,554, compared to Euro 33,351,833 in the 2022 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 formats set out by the Civil Code were followed, and that the directors did not apply the exceptions under Articles 2423, paragraph IV and 2423 bis, paragraph 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 11 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 11 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, 2023, 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 11, 2024

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.

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

Financial statements of SAGAT S.p.A.

at 31/12/2023

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Balance sheet: Assets

amounts in Euro

Balance sheet: Assets	Financial statements at 31/12/2023	Financial statements at 31/12/2022
A) RECEIVABLES FOR UNPAID SHARE CAPITAL		
B) FIXED ASSETS		
I. Intangible assets		
4) Concessions, licences, trade marks and similar rights	260,677	235,118
6) Assets in progress and advances	219,650	360,222
7) Other assets	10,232,319	9,447,840
Total	**10,712,646**	**10,043,180**
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	4,813,405	5,676,434
4) Other assets	1,237,630	1,296,739
5) Assets in progress and advances	2,105,421	2,996,740
II.bis Transferable assets		
1) Land and buildings	18,616,207	20,812,415
1bis) Runways and related land	241,216	261,317
2) Plant and machinery	10,639,160	7,553,283
Total	**41,168,833**	**42,112,722**
III. Financial assets		
1) Investments in:		
a) Subsidiaries	4,343,598	4,343,598
d-bis) Other companies	9,781,870	9,781,870
2) Receivables:		
d-bis) Other:		
within 1 year	20,000,000	0
beyond 1 year	299,617	277,756
Total receivables:		
within 1 year	20,000,000	0
beyond 1 year	299,617	277,756
Total	**34,425,085**	**14,403,224**
TOTAL FIXED ASSETS (B)	**86,306,564**	**66,559,126**

amounts in Euro

Balance sheet: Assets	Financial statements at 31/12/2023	Financial statements at 31/12/2022
C) CURRENT ASSETS		
I. Inventories		
1) Raw materials, ancillaries and consumables	392,594	260,185
Total	**392,594**	**260,185**
II. Receivables		
1) Trade receivables:		
within 1 year	11,021,275	14,774,915
beyond 1 year	0	0
2) Subsidiaries:		
within 1 year	793,085	342,723
beyond 1 year	0	0
4) Parent companies:		
within 1 year	3,462	3,462
beyond 1 year	6,842,472	6,703,519
5-bis) Tax receivables:		
within 1 year	210,120	1,179,036
beyond 1 year	30,416	95,352
5-ter) Deferred tax assets:		
within 1 year	0	0
beyond 1 year	4,964,609	7,104,488
5-quater) Others:		
within 1 year	9,981,133	11,318,635
beyond 1 year	39,752	39,751
Total Receivables:		
within 1 year	**22,009,075**	**27,618,771**
beyond 1 year	**11,877,249**	**13,943,110**
Total	**33,886,324**	**41,561,881**
IV. Cash and cash equivalents		
1) Bank deposits	16,283,149	21,616,963
2) Cheques on hand	0	0
3) Cash & cash equivalents on hand	57,290	26,473
Total	**16,340,439**	**21,643,436**
TOTAL CURRENT ASSETS (C)	**50,619,357**	**63,465,502**
D) ACCRUED INCOME & PREPAYMENTS		
Accrued income	196,851	0
Prepayments	1,106,196	661,862
TOTAL ACCRUED INCOME & PREPAYMENTS (D)	**1,303,047**	**661,862**
TOTAL ASSETS	**138,228,968**	**130,686,490**

Balance sheet: Liabilities

amounts in Euro

Balance sheet: Liabilities	Financial statements at 31/12/2023	Financial statements at 31/12/2022
A) Shareholders' equity		
I. Share capital	12,911,481	12,911,481
II. Share premium reserve	1,280,909	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
VI. Other reserves, separately indicated		
Extraordinary investment fund	4,906,340	4,906,340
Extraordinary reserve	4,140,862	4,140,862
AH spin-off reserve	4,078,837	4,078,837
VIII. Retained earnings/(accumulated losses)		
Retained earnings	9,551,588	0
Losses carried forward	(13,463,107)	(14,319,090)
IX. Net Profit (or Loss)	6,902,721	10,407,571
X. Negative reserve for treasury shares in portfolio	0	(4,823,612)
TOTAL SHAREHOLDERS' EQUITY (A)	**40,254,554**	**33,351,833**
B) Provisions for risks and charges		
4) Other provisions:		
Provision for future charges	1,818,253	7,886,679
TOTAL PROVISIONS FOR RISKS AND CHARGES (B)	**1,818,253**	**7,886,679**
C) Post-employment benefits	2,332,976	2,338,651
TOTAL (C)	**2,332,976**	**2,338,651**

amounts in Euro

Balance sheet: Liabilities	Financial statements at 31/12/2023	Financial statements at 31/12/2022
D) Payables		
4) Bank payables:		
within 1 year	1,566,288	5,181,802
beyond 1 year	29,987,789	20,771,649
7) Trade payables:		
within 1 year	32,303,757	29,900,945
beyond 1 year	331,112	331,112
9) Subsidiaries:		
within 1 year	432,878	163,461
beyond 1 year	0	0
11) Parent companies:		
within 1 year	312,474	0
beyond 1 year	0	0
12) Tax payables:		
within 1 year	598,903	1,085,676
beyond 1 year	119,644	585,552
13) Payables to social security institutions:		
within 1 year	901,773	763,124
beyond 1 year	0	0
14) Other payables:		
within 1 year	22,120,220	21,534,464
beyond 1 year	276,169	893,123
TOTAL:		
within 1 year	**58,236,293**	**58,629,472**
beyond 1 year	**30,714,713**	**22,581,436**
TOTAL PAYABLES (D)	**88,951,006**	**81,210,908**
E) Accrued expenses and deferred income		
Accrued expenses	73,213	0
Deferred income	4,798,966	5,898,419
TOTAL ACCRUED EXPENSES AND DEFERRED INCOME (E)	**4,872,179**	**5,898,419**
TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY	**138,228,968**	**130,686,490**

Income statement

amounts in Euro

Income statement	Financial statements at 31/12/2023	Financial statements at 31/12/2022
A) Value of production		
1) Revenues from sales and services	64,827,186	58,017,610
Other revenues and income	12,783,941	6,368,922
Grants related to income	54,486	12,530,355
Total other revenues and income	**12,838,427**	**18,899,277**
TOTAL VALUE OF PRODUCTION (A)	**77,665,614**	**76,916,887**
B) Costs of production		
6) Raw materials, ancillary, consumables and goods	1,314,376	1,316,086
7) Services	37,130,933	37,063,338
8) Rent, leasing and similar costs	3,803,385	3,319,629
9) Personnel costs:		
a) salaries and wages	11,656,502	10,656,977
b) social security charges	3,410,951	3,041,166
c) post-employment benefits	728,110	853,697
d) pension and similar rights	0	0
e) Other costs	331,668	250,772
Total personnel costs	**16,127,232**	**14,802,612**
10) Amortisation, depreciation and write-downs:		
a) amortisation	1,044,416	947,374
b) depreciation	5,502,415	5,363,707
d) write-downs of current receivables and cash and cash equivalents	86,422	673,126
Total amortisation, depreciation and write-downs	**6,633,253**	**6,984,207**
11) Change in inventories of raw materials, ancillaries, consumables and goods	(132,409)	30,632
12) Provisions for risks	533,614	262,994
14) Other operating costs	1,864,545	3,115,974
TOTAL COSTS OF PRODUCTION (B)	**67,274,928**	**66,895,472**
DIFFERENCE BETWEEN VALUE AND COSTS OF PRODUCTION (A-B)	**10,390,685**	**10,021,415**

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

amounts in Euro

Income statement	Financial statements at 31/12/2023	Financial statements at 31/12/2022
C) Financial income and charges		
16) Other financial income:		
d) other income		
other	534,435	160
Total	**534,435**	**160**
17) Interest and other financial charges		
subsidiary companies	0	(25,343)
other	(1,395,130)	(697,767)
17bis) Exchange gains and losses	(57)	(47)
TOTAL FINANCIAL INCOME AND CHARGES (C)	**(860,752)**	**(722,997)**
D) Adjustments to financial assets		
TOTAL ADJUSTMENTS TO FINANCIAL ASSETS (D)	**0**	**0**
PROFIT BEFORE TAXES (A-B+C+D)	**9,529,933**	**9,298,418**
20) Income taxes for the year		
a) Current taxes	(487,333)	2,534,144
b) Deferred tax income/charges:	(2,139,879)	(1,424,991)
21) NET PROFIT/(LOSS)	**6,902,721**	**10,407,571**

Cash flow statement

amounts in Euro

Cash flow statement	Financial statements at 31/12/2023	Financial statements at 31/12/2022
A) Cash flow from operating activities		
Net profit/(loss)	6,902,721	10,407,571
Income taxes	2,627,212	(1,109,153)
Interest charges/(income)	860,752	722,997
(Dividends)	0	0
(Gains)/losses on sale of assets	(3,207)	7,300
1) Profit/(loss) for the year before taxes, interest, dividends and gains/losses from disposals	**10,387,478**	**10,028,715**
Non-cash adjustments not impacting working capital:		
Provisions	533,614	262,994
Amortisation & depreciation	6,546,831	6,311,081
Impairments	17,192	2,007
Other non-cash increases/(decreases)	0	0
2) Total non-cash adjustments not impacting working capital	**7,097,637**	**6,576,082**
Cash flow before working capital changes	**17,485,115**	**16,604,797**
Changes in net working capital:		
Decrease/(Increase) in inventories	(132,409)	30,632
Decrease/(Increase) in trade receivables	3,753,640	(5,265,080)
Increase/(Decrease) in trade payables	2,402,812	10,780,379
Decrease/(Increase) in prepayments and accrued income	(641,186)	(400,335)
Increase/(Decrease) in accrued expenses and deferred income	(1,026,239)	(337,977)
Other decreases/(Other increases) in net working capital	(3,590,558)	8,187,384
Total changes in working capital	**766,060**	**12,995,003**
Cash flow after working capital changes	**18,251,175**	**29,599,800**
Other adjustments:		
Interest received/(paid)	(1,123,286)	(696,804)
(Income taxes paid)	(759,264)	(709,375)
Dividends received	0	0
(Utilization of provisions)	(928,348)	(7,906,372)
Other receipts/(payments)	0	0
Total other adjustments	**(2,810,898)**	**(9,312,551)**
CASH FLOW FROM OPERATING ACTIVITIES (A)	**15,440,277**	**20,287,249**

amounts in Euro

Cash flow statement	Financial statements at 31/12/2023	Financial statements at 31/12/2022
B) Cash flow from investing activities		
Property, plant & equipment:		
(Cash flows from investments)	(4,549,709)	(4,850,971)
Cash flows from divestments	228	7,500
Intangible assets:		
(Cash flows from investments)	(1,717,231)	(1,904,661)
Cash flows from divestments	0	0
Financial assets:		
(Cash flows from investments)	(20,000,000)	0
Cash flows from divestments	0	0
CASH FLOW FROM INVESTING ACTIVITIES (B)	**(26,266,712)**	**(6,748,132)**
C) Cash flow from financing activities		
Third-party funds:		
Increase/(Decrease) in short-term bank payables	0	0
New loans	9,000,000	0
(Repayment of loans)	(3,476,562)	(2,313,226)
Own funds:		
Dividends and advances on dividends paid	0	0
CASH FLOW FROM FINANCING ACTIVITIES (C)	**5,523,438**	**(2,313,226)**
INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS (A ± B ± C)	**(5,302,997)**	**11,225,891**
OPENING CASH AND CASH EQUIVALENTS	**21,643,436**	**10,417,545**
CLOSING CASH AND CASH EQUIVALENTS	**16,340,439**	**21,643,436**

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

For the Board of Directors
The Chairperson

Explanatory notes to the financial statements of SAGAT S.p.A.

Introduction

Financial statements

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. These Financial Statements have been prepared with clarity in order to provide a true and fair view of the company's Balance Sheet and of the Net result for the year (Article 2423, paragraph II, Civil Code). In their preparation, Articles 2423 and subsequent of the Civil Code were in particular applied and account was also taken of Italian GAAP issued by the Italian Accounting Body (Organismo Italiano di Contabilità) and, where necessary and compatible, were supplemented with international accounting standards.

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, 2021 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, 2021.

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.

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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, 2023, 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 6.67% 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	6.67%
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.
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 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 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 16 million bank loan, the value of which includes the portions pertaining to the year of the amortised cost of ancillary charges.

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 2023-2025. 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.

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.

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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 10,713 thousand, increased on the whole by Euro 1,717 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 and advances	Other intangible assets	Total intangible fixed assets
Opening balance				
Cost	1,576,665	360,222	12,028,055	13,964,942
Amortisation (Accumulated amortisation)	1,341,547	0	2,580,215	3,921,762
Book value	**235,118**	**360,222**	**9,447,840**	**10,043,180**
Changes in the year				
Increases for acquisitions	122,861	644,887	949,483	1,717,231
Reclassifications (at book value)	126,331	(785,458)	655,779	(3,349)
Decreases for sales and disposals				
Amortisation for the year	223,633		820,783	1,044,416
Other changes				
Total changes	25,559	(140,571)	784,479	669,466
Closing balance				
Cost	1,825,857	219,650	13,633,317	15,678,824
Amortisation (Accumulated amortisation)	1,565,180		3,400,998	4,966,178
Book value	**260,677**	**219,650**	**10,232,319**	**10,712,646**

The increase in the item B.I.43 Concessions, licenses and trademarks is due to the value of amortisation in the period of Euro 224 thousand and the acquisition costs of licenses and new software in the year of Euro 122 thousand, the capitalisation of assets recognised to assets in progress in the previous year, which began amortisation in 2023 and reclassifications for a value of Euro 126 thousand.

Assets in progress and advances (B.I.6) decreased by Euro 141 thousand, net of reclassifications, due to the capitalisation of assets beginning amortisation in 2023 and the closure of work-in-progress from previous years.

Other fixed assets (B.I.7) increased as a result of acquisitions and reclassifications amounting to Euro 1,605 thousand, mainly due to investments for the construction of the new passenger parking lot in the area south of the Terminal, and extraordinary maintenance works on the departures viaduct and on the entrance and exit ramps. We also highlight the waterproofing and thermal insulation works on the roofs of the south-side Passenger Terminal on level 10.93 and the technical area building.

Works on other buildings included the construction of a thermal substation serving Gate 3.
Overall, Other intangible assets which includes, among others, improvements and investments in assets not owned by the company, reported amortisation of Euro 821 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 41,169 thousand, decreased overall by Euro 944 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	87,509,726	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	0	175,149,785
Book value	**24,589,526**	**7,553,283**	**5,676,434**	**1,296,739**	**2,996,740**	**42,112,722**
Changes in the year						
Increases for acquisitions		2,931,161	340,518	428,696	849,334	4,549,709
Reclassifications (at book value)		1,771,812	(27,811)		(1,740,653)	3,348
Decreases for disposals (at book value)				73,241		228
Depreciation for the year	2,216,309	1,622,792	1,175,737	487,577		5,502,415
Other changes	0	5,696	1	73,013		78,710
Total changes	(2,216,309)	3,085,877	(863,029)	(59,109)	(891,319)	(943,889)
Closing balance						
Cost	87,509,726	83,060,035	18,690,625	30,382,213	2,105,421	221,748,020
Depreciation (Accumulated depreciation)	65,136,509	72,420,875	13,877,220	29,144,583		180,579,187
Book value	**22,373,217**	**10,639,160**	**4,813,405**	**1,237,630**	**2,105,421**	**41,168,833**

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 22,373 thousand, of which Euro 241 thousand refers to the runway and the related land.

Plant and Machinery entirely comprises transferable assets and at December 31, 2023, net of the relative Accumulated depreciation, amounts to Euro 10,639 thousand.

Land and Buildings (B.II.bis 1 and 1 bis) reduced overall by Euro 2,216 thousand, following depreciation in the year. No obsolete assets of this category were decommissioned during the year.

Plant and machinery (B.II.bis 2) increased by a total of Euro 3,086 thousand; depreciation of Euro 1,623 thousand was recorded in the year.
The main works included the completion and commissioning of the photovoltaic system built on the roofs of the Technical Area, the Passenger Terminal front structure, the south terrace and the BHS building.
We also highlight the installation and commissioning of the first of 6 passenger boarding piers.
Capex also focused on the modernisation of the access control system through implementation on the perimeter system.

Industrial and commercial equipment (B.II.3) decreased by a total of Euro 863 thousand as a result of purchases for Euro 341 thousand and depreciation of Euro 1,176 thousand for the year. The largest investment concerned the works on other buildings, involving the replacement of generator sets with the installation of two new generators for the main heating plant.
No obsolete fully depreciated assets of this category were decommissioned during the year.

Other assets (B.II.4) decreased overall by a total of Euro 59 thousand, as a result of depreciation of Euro 488 thousand and increases for Euro 429 thousand. During the year, work was carried out to modernise the vehicle fleet through the purchase of two hybrid vehicles for the follow-me service and a street sweeper.

We highlight in addition hardware purchases for Euro 82 thousand.
Obsolete depreciated assets of this category were decommissioned during the year that had a total historical cost of Euro 73 thousand.

Assets in progress and advances (B.II.5) decreased by Euro 891 thousand. We highlight in particular the acquisitions of assets which have not yet been depreciated, for a total amount of Euro 849 thousand and decreases relating to works-in-progress in previous years starting depreciation in the year for an amount of Euro 1,741 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 & commercial equipment	182,000	0	182,000
Other assets	1,958,000	0	1,958,000
TOTAL	**8,989,000**	**0**	**8,989,000**

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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, 2023 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 3,464 thousand, increasing Euro 2,810 thousand on 2022. 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, 2023 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 29, 2023 was Euro 8.26 and at March 15 was Euro 7.94.
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, 2024, the AdB Board of Directors approved the company's financial report for 2023, with the year closing with a net profit at the consolidated level of Euro 16.7 million compared to a loss of Euro 31.1 million in 2022.

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**

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	653,624	
Shareholders' equity in Euro	3,463,641	
Holding in Euro	3,463,641	
Holding %	100%	
Book value	**4,343,598**	**4,343,598**

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
Investments in other companies	Country	Italy	
	Tax. No. (for Italian businesses)	03145140376	
	Share Capital in Euro	90,314,162	
	Last year profit/(loss) in Euro	29,443,458	
	Shareholders' equity in Euro	182,178,497	
	Holding in Euro	2,962,305	
	Holding %	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.

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Non-current receivables

Non-current financial receivables totalled Euro 20,300 thousand, with a movement on the previous year of Euro 20,022 thousand.

The Company optimised in 2023 the use of liquidity and mitigated the impacts of the rise in Euribor rates by allocating the amounts in excess of short and very short term needs to bank deposit accounts, distributed among various lending institutions. The balance at December 31, 2023 of liquidity in these deposits was Euro 20 million. The benefit to the income statement is approx. Euro 381 thousand of interest income.

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:

euro thousands

	Non-current receivables from others	Total long-term receivables
Opening balance	**277,757**	**277,757**
Changes in the year	20,021,861	20,021,861
Closing balance	**20,299,617**	**20,299,617**
Balance due within 12 months	20,000,000	20,000,000
Balance due beyond 12 months	299,617	299,617
Of which residual amount beyond 5 years	0	0

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	20,299,617	20,299,617
TOTAL NON-CURRENT RECEIVABLES	**20,299,617**	**20,299,617**

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	20,299,617
Fair value	20,299,617

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**	**4 Time deposits**	**Total**
Book value	40,657	238,471	20,490	20,000,000	20,299,617
Fair Value	40,657	238,471	20,490	20,000,000	20,299,617

Receivables recognised to financial assets of Euro 22,300 thousand concern cash deposits and bank deposits totalling Euro 20,000 thousand.

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CURRENT ASSETS

Inventories

Inventories of Euro 393 thousand concern raw materials, consumables, ancillaries and goods for maintenance. They increased by Euro 132 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	260,185	260,185
Changes in the year	132,409	132,409
Closing balance	392,594	392,594

Receivables

These amounted to Euro 33,886 thousand, compared to Euro 41,562 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 decreased from Euro 14,775 thousand at December 31, 2022 to Euro 11,021 thousand at December 31, 2023, a reduction of Euro 3,754 thousand, related to improved collection times.
The total includes receivables with a nominal value of Euro 18,781 thousand, before write-downs of Euro 7,759 thousand based on the doubtful debt provision.
During the year, the doubtful debt provision decreased by Euro 653 thousand against uses, needed in order to cancel receivables that could no longer be collected for Euro 27 thousand, releases to the income statement for Euro 712 thousand for allocations from previous years that were no longer necessary, and additions of Euro 86 thousand, due to the initiative to better represent the actual value of total solvent receivables.

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 793 thousand, increased by Euro 450 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	31/12/2023	31/12/2022
SAGAT Handling S.p.A.	793	343
TOTAL	**793**	**343**

Integrative note

SAGAT S.p.A.

Tax receivables

Tax receivables were recognised for Euro 241 thousand, decreasing Euro 1,033 thousand on Euro 1,274 thousand at December 31, 2022.
These receivables are due within 12 months for Euro 210 thousand and beyond 12 months for Euro 30 thousand. They are broken down in the following table (in Euro thousands):

euro thousands

Details	31/12/2023	31/12/2022
IRES reimbursement receivable	30	53
IRAP receivable	0	0
VAT receivables	211	454
Other tax receivables	0	767
TOTAL	**241**	**1,274**

The IRES reimbursement receivable reduced on the previous year by Euro 23 thousand. The IRAP receivable at December 31, 2023 was zero.
VAT receivables reduced compared to December 31, 2022 by Euro 243 thousand due to changes in the respective tax payable and receivable.
Other tax receivables amount to zero, reducing Euro 767 thousand compared to the previous year as a result of the utilisation in 2023 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 7,104 thousand in 2022 to Euro 4,965 thousand at December 31, 2023. 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 2,140 thousand is due for Euro 1,973 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 2023 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.

At 31/12/2023, the residual amount of the tax payable stemming from the company's subscription in 2019 to the tax amnesty, was Euro 120 thousand, a decrease of Euro 466 thousand compared to Euro 586 thousand in the previous year, due to the settlement of instalments during the year.

Details of deferred tax assets are provided in the specific table in the relative section of the Income Statement.

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Other receivables

Other receivables, totalling Euro 10,021 thousand, decreased by Euro 1,337 thousand on the previous year, substantially due to the reduction in Receivables from carriers for municipal surtaxes for Euro 1,188 thousand and of other receivables.
The following table breaks down Other receivables (in Euro thousands):

euro thousands

Details	31/12/2023	Of which beyond 12 months	31/12/2022	Of which beyond 12 months	Change
Receivable from the City of Turin	893	682	893	682	(0)
Other receivables from Public Sector	-	-	33	-	(33)
Advances from suppliers and credit notes to be received	257	11	230	11	27
Receivable from airlines for municipal surtax	9,281	-	10,469	-	(1,188)
Other receivables	318	74	460	74	(142)
Other receivables doubtful debt provision	(727)	(727)	(727)	(727)	(0)
TOTAL	**10,021**	**40**	**11,358**	**40**	**(1,337)**

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 decreased in the year by Euro 1,188 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	Due within one year	Due beyond one year
Current receivables from customers	14,774,915	(3,753,640)	11,021,275	11,021,275	0
Current receivables from subsidiaries	342,723	450,362	793,085	793,085	0
Current receivables from parent companies	6,706,981	138,953	6,845,934	3,462	6,842,472
Current tax receivables	1,274,388	(1,033,852)	240,536	210,120	30,416
Deferred tax assets	7,104,488	(2,139,879)	4,964,609	0	4,964,609
Current other receivables	11,358,386	(1,337,501)	10,020,885	9,981,133	39,752
TOTAL	**41,561,881**	**(7,675,557)**	**33,886,324**	**22,009,075**	**11,877,249**

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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	4,823,491	6,197,783	11,021,275
Current receivables from subsidiaries	793,085	0	793,085
Current receivables from associates	0	0	0
Current receivables from parent companies	6,845,934	0	6,845,934
Current receivables from companies subject to control of parent companies	0		0
Current tax receivables	240,536	0	240,536
Current deferred tax assets	4,964,609	0	4,964,609
Current other receivables	4,056,296	5,964,589	10,020,885
Total current receivables	**21,723,951**	**12,162,373**	**33,886,324**

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, 2023;
- 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, number 4 of the Civil Code:

	Bank and postal deposits	Cheques	Cash on hand similar	Total cash and equivalents
Opening balance	21,616,963	0	26,473	21,643,436
Changes in the year	(5,333,814)	0	30,817	(5,302,997)
Closing balance	**16,283,149**	**0**	**57,290**	**16,340,439**

The movement in liquidity for the year, amounting to a decrease of Euro 5,303 thousand, is attributable to the combined effect of positive operating income and the allocation of Euro 20,000 thousand to time deposit type bank deposits.

Accrued income and prepayments

At 31/12/2023, these amounted to Euro 1,372 thousand (increasing Euro 710 thousand on 31/12/2022). The following table analyses the changes in prepayments and accrued income, as per Article 2427, paragraph 1, number 4 of the Civil Code:

	Accrued income	Other prepayments	Total prepayments and accrued income
Opening balance	0	661,861	661,861
Changes in the year	196,851	444,335	641,186
Closing balance	**196,851**	**1,106,196**	**1,303,047**

Breakdown of prepayments

Other prepayments are broken down in the following table:

	Amount
Insurance	161,968
Other	1,141,079
TOTAL	**1,303,047**

Insurance concerns the insurance premiums paid in 2023 accruing to the subsequent year.

BALANCE SHEET - LIABILITIES AND SHAREHOLDERS' EQUITY

Shareholders' equity

The Company's Shareholders' equity at 31/12/2023 amounted to Euro 40,254,554.

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 each, and at year-end is entirely held by the sole shareholder 2i Aeroporti S.p.A..

The share premium reserve is recognised for Euro 1,281 thousand. This reserve is exempt from taxes upon distribution and is unchanged on the previous year, due to the cancellation of the treasury shares reserve.

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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 the year.

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 is zero due to their cancellation on May 9, 2023 through a special Shareholders' Meeting resolution. As a result of this change, 2i Aeroporti S.p.A., the majority shareholder of SAGAT, became the sole shareholder as having acquired 74,178 treasury shares of SAGAT, corresponding to 2.96% of the Share Capital.

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	Legal reserve	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**	**(14,319,090)**	**10,407,571**	**(4,823,612)**	**33,351,833**
Other allocations								10,407,571	(10,407,571)		
Other changes		(4,823,612)								4,823,612	
Net Profit									6,902,721		6,902,721
Closing balance	**12,911,481**	**1,280,909**	**7,362,627**	**2,582,296**	**4,140,862**	**4,906,340**	**4,078,837**	**(3,911,519)**	**6,902,721**	**-**	**40,254,554**

Misc. other reserves	
Description	**Total**
Extraordinary investment fund	4,906,340
TOTAL	**4,906,340**

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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		
Misc. other reserves	8,985,177	Profits	A, B, C	8,985,177		
Total other reserves	13,126,039			13,126,039		3,039,784
Retained earnings/ (accumulated losses)	(3,911,519)	Profits		(14,319,091)	23,870,678	
Negative reserve for treasury shares in portfolio	0			0		
TOTAL	**33,351,833**			**17,858,056**	**23,870,678**	**3,039,784**
Non-distributable quota				**0**		
Residual quota distributable				**17,858,056**		

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**	**7,886,679**	**7,886,679**
Changes in the year			
Provisions in the year	0	533,614	533,614
Utilisation in the year	0	(165,327)	(165,327)
Other changes	0	(6,436,713)	(6,436,713)
Total changes	0	(6,068,426)	(6,068,426)
Closing balance	**0**	**1,818,253**	**1,818,253**

The Provision for risks and future charges of Euro 1,818 thousand is recognised according to the prudency principle against possible charges related to pending or only potential civil and administrative disputes which the Company may face. It decreased by Euro 6,068 thousand in the year as a result of the following movements:

- provisions and utilisations to the Income Statement, respectively for Euro 534 and 165 thousand. The annual accrual to the Provision is attributable to adjustments to contingent liabilities already in place as of December 31, 2023 in the amount of Euro 524 thousand and provisions for new risks that became apparent during 2023 in the amount of Euro 10 thousand.
- Releases of Euro 7,216 thousand due to the absence during the present year of the risks for which these sums had been allocated in previous years, and increases of Euro 779 thousand due to the transfer from other liability items in view of changes on the assessment of the nature of the risk.

Post-employment benefit provision

The following table presents the changes in the item in the year:

	Post-employment benefit provisions
Opening balance	**2,338,651**
Changes in the year	
Provisions in the year	728,110
Utilisation in the year	(735,567)
Other changes	1,782
Total changes	(5,657)
Closing balance	**2,332,976**

In particular, the Provision increased as a result of new accruals of Euro 728 thousand and decreased for Euro 736 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 88,951 thousand, compared to Euro 81,211 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 amounted to Euro 31,554 thousand, increasing Euro 5,601 thousand on the previous year, as a combined effect of the repayment of capital portions and the drawing down of new loans.
In order to support operations during the pandemic, the company contracted in 2020 a loan with Intesa San Paolo for Euro 20,000 thousand and with maturity in October 2025, a loan with Medio Credito Centrale for Euro 5,500 thousand and with maturity in December 2028, 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, and in 2021 a loan with Banca del Piemonte of Euro 3,000 thousand with maturity in January 2027.
SAGAT S.p.A. in 2023 completed a number of transactions to restructure its financial resources, adjusting such to the forecast scenarios and establishing better conditions. In addition to the loan agreements signed in 2020 and 2021, an initial loan of Euro 6 million was taken out with Credito Emiliano S.p.A., maturing in November 2029, and a second of Euro 3 million with Credit Agricole Italia S.p.A., maturing in December 2028. In addition, in order to accurately support the planned financial outlays in the coming years, the loan agreement with Intesa Sanpaolo in its residual value of Euro 16 million was renegotiated, postponing its repayment date from 2025 to 2028 and changing its repayment type from amortising to bullet.

In accordance with OIC 15, the original Euro 20,000 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 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 outstanding balance at 31/12/2023 of the debt with Intesa Sanpaolo is Euro 16 million with bullet repayment of principal on 30/11/2028 and periodic interest payment with variable rate linked to the Euribor.
The Euro 5,500 thousand loan has repayments through increasing instalments with the final payment on December 31, 2028 and variable Euribor interest rate.
The Euro 3,000 thousand loan with Banca del Piemonte stipulates settlement through equal instalments and the final payment on January 1, 2027 and a fixed interest rate.
The Euro 6,000 thousand loan with Credem provides for repayment in quarterly instalments with an interest rate linked to the Euribor and a 12-month grace period, with principal repayment beginning on February 9, 2025.
The Euro 3,000 thousand loan with Credit Agricole Italia S.p.A. provides for repayment in quarterly instalments with an interest rate linked to the Euribor and a 18-month grace period, with principal repayment beginning on September 22, 2025.

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Bank payables due within 12 months amount to Euro 1,566 thousand, while the portion due beyond one year amounts to Euro 29,988 thousand.

Trade payables include commercial payables to parties other than the subsidiaries, associates and subsidiaries of parent companies. Overall, they are presented for Euro 32,635 thousand, compared with Euro 30,232 thousand in the previous year, with the increase of Euro 2,403 thousand attributable in particular to the increased incentive costs, the nature of which often entails their payment, by agreement between the parties, through offsetting with differing and more deferred timeframes than the nominal due dates.
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 433 thousand, increasing in the year by Euro 270 thousand, due to the normal offsetting of reciprocal inter-company items.
Payables to subsidiaries are broken down in the following table:

euro thousands

	31/12/2023	31/12/2022
SAGAT Handling S.p.A.	433	163
TOTAL	**433**	**163**

There are no payables to associates.

Payables to the parent company amount to Euro 312 thousand and concern the IRES payable for the tax consolidation.

Tax payables, decreasing Euro 953 thousand on the previous year, totalled Euro 719 thousand and break down as follows:

euro thousands

	31/12/2023	31/12/2022
IRAP payables	175	0
Employee withholding tax payables	295	324
Fee surcharge tax payables	129	762
Other	0	0
Prior year tax payables	120	586
TOTAL	**719**	**1,672**

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, 2023, the residual amount of the tax payable for the Tax Amnesty was Euro 120 thousand, decreasing on the previous year due to the settlement of the quarterly instalments arising in 2023, for a total of Euro 466 thousand.

Payables to social security institutions, totalling Euro 902 thousand, are broken down as follows (in Euro thousands):

euro thousands

	31/12/2023	31/12/2022
INPS/INAIL	869	724
Other	33	39
Total	**902**	**763**

Other payables, totalling Euro 22,396 thousand, concern the following categories and are presented in thousands of Euro:

euro thousands

	31/12/2023	31/12/2022
ENAC/Fee	1,616	2,031
Employee payables	1,328	1,013
Tax payables for boarding fee surtaxes	10,562	10,702
Other payables	8,891	8,682
TOTAL	**22,396**	**22,428**

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 10,562 thousand increased during the year by Euro 140 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 in terms of the amounts it receives as payment due from carriers.

Other payables includes the recognition of the liability for Fire Prevention Service fees, which at December 31, 2023 totalled Euro 6,687 thousand.

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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	Change during the year	Closing balance	Balance due within 12 months	Balance due beyond 12 months
Bank payables	**25,953,451**	5,600,626	**31,554,077**	1,566,288	29,987,789
Trade payables	**30,232,057**	2,402,812	**32,634,869**	32,303,758	331,112
Payable to subsidiaries	**163,461**	269,417	**432,878**	432,878	0
Payables to parent companies	**312,474**	0	**312,474**	312,474	0
Tax payables	**1,671,228**	(952,683)	**718,546**	598,902	119,644
Payables to social security institutions	**763,124**	138,649	**901,773**	901,773	0
Other payables	**22,427,587**	(31,198)	**22,396,389**	22,120,220	276,169
TOTAL	**81,523,382**	**7,427,623**	**88,951,006**	**58,236,293**	**30,714,713**

Integrative note

SAGAT S.p.A.

Payables - Breakdown by geographic area

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	31,554,077		31,554,077
Trade payables	7,948,012	24,686,857	32,634,869
Payable to subsidiaries	432,878		432,878
Payables to parent companies	312,474		312,474
Tax payables	718,546		718,546
Payables to social security institutions	901,773		901,773
Other payables	22,396,389		22,396,389
TOTAL PAYABLES	**64,264,148**	**24,686,857**	**88,951,006**

Payables secured by 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:

	Unsecured payables	Payables with secured guarantees	Total payables
Bank payables	31,554,077	0	31,554,077
Trade payables	32,634,869	0	32,634,869
Payable to subsidiaries	432,878	0	432,878
Payables to parent companies	312,474	0	312,475
Tax payables	718,546	0	718,546
Payables due to social security institutions	901,773	0	901,773
Other payables	22,396,389	0	22,396,389
TOTAL	**88,951,006**	**0**	**88,951,006**

Accrued expenses and deferred income

These overall amount to Euro 4,872 thousand, decreasing Euro 1,026 thousand on December 31, 2022, as follows:

	Accrued expenses	Deferred income	Total accrued expenses and deferred income
Opening balance	0	5,898,419	5,898,419
Changes in the year	73,213	(1,099,453)	(1,026,240)
Closing balance	**73,213**	**4,798,966**	**4,872,179**

Deferred income of Euro 4,799 thousand concerns for Euro 4,474 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 2023.

Commitments and nature of memorandum accounts

In accordance with OIC 22, the memorandum accounts are no longer presented at the end of the Balance Sheet, but are detailed in the Explanatory Notes as considered useful to assess the balance sheet and financial position of the company (Article 2425, paragraph II, Civil Code).

Their composition and nature are presented below (in thousands of Euro):

Nature	2023	2022
Third party assets received under concession	59,654	59,654
Unsecured guarantees received from third parties	12,594	12,145

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.

The parent company has issued secured guarantees in the form of security deposits in fulfilment of the obligations of the contracts agreed, amounting to Euro 294 thousand, and has issued personal guarantees in the form of sureties totalling Euro 937 thousand, almost all of which concern the guarantee provided to ENAC under the October 2015 Agreement.

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

Notes to the income statement

The key 2023 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 64,827 thousand and are broken down as follows (Article 2427, paragraph 1, No. 10 of the Civil Code):

		2023	2022
1	Air traffic	30,839,870	28,183,055
2	Security	8,195,462	8,549,781
3	Assistance and air traffic accessory revenues	6,285,203	5,019,758
4	Car parking services	6,786,868	5,546,073
5	Subconcession of services	5,245,823	4,382,307
6	Subconcession of airport activities and spaces	4,623,745	3,723,485
7	Centralised infrastructure	1,158,424	1,069,647
8	Regulated sub-concessions	1,453,239	1,471,458
9	Other revenues	238,554	72,046
	TOTAL	**64,827,186**	**58,017,610**

Revenues from sales and services by region
In relation to Article 2427, paragraph 1, No. 10 of the Civil Code, the following breakdown of revenues by region is presented:

	1	2	Total
Region	Italy	Overseas	
Present year	**28,371,796**	**36,455,390**	**64,827,186**

Other revenue and income

Other income breaks down as follows (in thousands of Euro):

	2023	2022
Recovery of common utilities and miscellaneous expenses	83	74
Other income	12,085	18,155
Capital grants	671	671
TOTAL	**12,838**	**18,899**

This item, totalling Euro 12,838 thousand, decreased Euro 6,061 thousand compared to the previous year, attributable for Euro 12,323 thousand to the presence in 2022 of the grants that the company received from ENAC and the Piedmont Region as COVID-19 damage compensation (Restoration Decree 474 2021), and for Euro 7,216 thousand for the release in 2023 of amounts allocated to the risks provision due to the absence of the conditions for which they were recognised in the previous financial statements.

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 67,263 thousand, increasing Euro 368 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):

	2023	2022
Maintenance materials	268	194
Various materials	58	75
Materials held-for-resale	189	238
Fuel and lubricants	670	793
De-icing	88	0
Stationary and printing	40	17
TOTAL	**1,314**	**1,316**

For Services

The relative costs are broken down (in thousands of Euro):

	2023	2022
Other services	1,499	1,338
Support services, warehousing and PRM	599	573
Electricity and other utilities	3,126	5,214
Technical, management and commercial consultancy	724	805
Security	2,725	2,702
Cleaning and waste disposal collection	1,164	1,099
Miscellaneous maintenance/repair and contractual expenses	2,010	1,709
Maintenance/repair expenses on third party assets	290	252
Industrial insurance, general	448	400
Miscellaneous personnel costs (canteen, training, travel, etc.)	589	462
Services from subsidiaries	1,140	1,295
Other	22,817	21,214
TOTAL	**37,131**	**37,063**

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 cost items shown above in order to provide a more realistic representation of the contribution of individual items to total costs. In order to make the data shown comparable, the same reclassifications were also made to the 2022 cost breakdown.

The main component of Other service costs, which in 2023 totalled Euro 22,817 thousand, regards the costs linked to the air traffic support measures.

Rents, leasing and similar costs

The relative costs are broken down (in thousands of Euro):

	2023	2022
ENAC airport fee	3,080	2,633
City of Turin fee	403	392
Municipality of San Maurizio fees	28	26
Other concession fees	68	88
Hire and leases	225	181
TOTAL	**3,803**	**3,320**

Personnel costs

Personnel costs in 2023, including the cost of temporary workers, amounted to Euro 16,127 thousand, increasing Euro 1,324 thousand on the previous year. The item is broken down in the following table:

euro thousands

	2023	2022
Wages and salaries	11,657	10,657
Social security charges	3,411	3,041
Severance provisions	728	854
Other costs	332	251
TOTAL	**16,127**	**14,803**

Amortisation, depreciation & write-downs

They are broken down as follows (in thousands of Euro):

	2023	2022
Depreciation	5,502	5,364
Amortisation	1,044	948
Write-down of receivables	86	673
TOTAL	**6,633**	**6,984**

Amortisation and depreciation, totalling Euro 6,546 thousand, decreased on the previous year by Euro 234 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 86 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, ancillary, consumables and goods

During the year, raw materials, ancillaries, consumables and goods inventories increased by Euro 132 thousand as a result of increased purchases.

Risk provisions

An accrual was made in the year to the Other risks provision for Euro 534 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:

	2023	2022
Representation/ hospitality expenses	26	28
Prior year charges / non-existent assets	361	1,713
Associations	128	101
Damage compensation to third parties	10	3
Fire Prevention Service fee	649	649
IMU Property tax	225	225
Other	465	397
TOTAL	**1,865**	**3,116**

The account reports a reduction of Euro 1,251 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 861 thousand, as outlined below.

Interest and other financial charges
These amount to Euro 1,395 thousand and concern interest matured in the year on loans contracted by the company, increasing Euro 697 thousand on December 31, 2022 (charges of Euro 698 thousand). The increase in the year is due both to the increase in the total of the debt, which at December 31 amounted to Euro 31,554 thousand, and the increase in the Euribor rate which is linked to most of the loans contracted.

Financial income
The Company's financial income of Euro 534 thousand comprises interest income on liquidity at credit institutions and interest income on the amounts deposited in current accounts agreed in 2023.

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 2023 did not make any dividend distribution.

Breakdown of interest and other financial charges by type of payables

Interest and other financial charges of Euro 1,395 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:

	Bank payables	Other interest	Total
Interest and other financial charges	(1,355,588)	(39,599)	(1,395,187)

Adjustments to financial assets

No adjustments were made to the value of financial assets during the year.

Income taxes

The account, totalling Euro 2,627 thousand, comprises income taxes and the effect of deferred tax income and charges.
The following table presents income taxes (in thousands of Euro).

	2023	2022
IRES	312	0
IRAP	175	0
Income from tax consolidation	0	(2,534)
Deferred tax income and charges	2,140	1,424
TOTAL	**2,627**	**(1,109)**

Current taxes in 2022 reflected 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, 2023 is reported below, compared with the corresponding period of 2022.

	2023	2022
Profit/(loss) before taxes	9,529,933	9,298,418
Theoretical IRES tax %	24.0%	24%
Theoretical income taxes	2,287,184	2,231,620
Tax effect from IRES changes	(1,974,710)	(4,765,764)
Deferred tax effect	2,139,879	1,424,991
IRAP	174,859	0
Total income taxes for the year (current and deferred)	**2,627,212**	**(1,109,153)**

The theoretical taxes were calculated applying to the pre-tax statutory result the IRES tax rate, which in 2023 was 24%.

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.

The first 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.

The second table below details the deductible temporary differences in accordance with Article 2427, para. 1, No. 14, of the Civil Code.

The third table below details the temporary assessable differences in accordance with Article 2427, para. 1, No. 14 of the Civil Code.

Recording of deferred tax assets and liabilities and consequent effects

	IRES	IRAP	TOTAL
A) Temporary differences			
Total deductible temporary differences	19,498,827	8,200,533	
Total assessable temporary differences	248,032	0	
Temporary net differences	(19,250,795)	(8,200,533)	
B) Tax effects			
Deferred tax liability (asset) at beginning of the year	(6,461,801)	(642,688)	**(7,104,489)**
Deferred tax liability (asset) in the year	1,841,610	298,266	
Deferred tax liability (asset) at end of the year	(4,620,191)	(344,422)	**(4,964,613)**

Breakdown of deductible temporary differences

Description	Amount at end of previous year	Change during the year	Amount at year-end	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect
Provisions for risks & charges	7,886,681	(6,724,272)	1,162,409	24%	278,978	4.20%	48,821
Doubtful debt & other risks provision	7,977,267	(621,793)	7,355,474	24%	1,765,314	0	0
Other receivables doubtful debt provision	727,239	0	727,239	24%	174,537	4.20%	30,544
Fiscal amnesty depreciation	6,121,248	(590,741)	5,530,507	24%	1,327,322	4.20%	232,281
Interest charges	603,077	(603,077)	0	24%	0	0	0
Fire Prevention Service fee	3,245,560	649,112	3,894,672	24%	934,721	0	0
Other minor	566,962	213,416	780,378	24%	187,291	4.20%	32,776
Other minor	47,624	524	48,148	24%	11,556	0	0

Breakdown of assessable temporary differences

Description	Amount at end of previous year	Change during the year	Amount at year-end	IRES rate	IRES tax effect	IRAP rate	IRAP tax effect
Gains	10,350	(3,450)	6,900	24%	1,656	0	0
Increased tax depreciation	241,132	0	241,132	24%	57,872	0	0

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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, 2023.

In the first two months of 2024, traffic at Torino Airport saw significant growth on the same period of 2023, with a total of 714,773 passengers (+2.4%) and 7,262 movements (+5.1%). The strong growth in the initial two months returned a 5.5% improvement even over the same period in the pre-COVID 2019.

In addition, January and February 2024 reported 363,124 and 351,649 passengers respectively, representing the best January and February ever for passenger traffic, beating the previous records set in January 2023 and February 2019 (in which passengers numbered 361,168 and 337,770).

Looking ahead to 2024 as a whole, we expect traffic volumes at Torino Airport to remain consistent with 2023, supported by the opening of new routes, the strengthening of those established in the previous two years and the opening of the new railway line that sees Torino Airport connected to, among others, the Turin Porta Susa/Lingotto and Alba stations in the Langhe region.

However, these growth prospects could be negatively influenced by the heightened global geopolitical tensions that have surfaced and are still ongoing on the European continent due to the crisis in relations between Russia and Ukraine and in the Middle East, whose development and consequences are currently difficult to assess.

Geopolitical tensions continue to impact the price of energy, while potential delays in supply chains could further intensify.

Despite the uncertain environment, as always the Group 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	211,409
Statutory auditor fees	77,680
Total Director and Statutory Auditor fees	**289,089**

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	21,740
Other audit services	5,000
Other services	8,000
Total fees of the auditor or the independent audit firm	**34,740**

Public grants

Pursuant to Article 1, paragraph 125, of Law No. 124 of August 4, 2017, it should be noted that in fiscal year 2023 SAGAT did not receive any grants.

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	**31/12/2022**	**31/12/2021**
B) Fixed assets	812,779,752	805,976,074
C) Current assets	54,560,671	62,625,409
D) Prepayments and accrued income	23,701	23,701
TOTAL ASSETS	**867,364,123**	**868,625,184**
A) Shareholders' Equity		
Share capital	2,620,000	2,620,000
Reserves	660,539,536	666,742,934
Net profit/(loss)	(9,216,602)	(6,548,771)
Total shareholders' equity	**653,942,934**	**662,814,163**
B) Provisions for risks and charges	369,991	824,430
C) Payables	208,866,591	201,858,706
D) Accrued expenses and deferred income	4,184,607	3,127,885
TOTAL NET LIABILITIES	**867,364,123**	**868,625,184**

	Present period	Previous period
Latest approved financial statements figures	**31/12/2022**	**31/12/2021**
A) Value of production	0	0
B) Costs of production	476,524	306,807
C) Financial income and charges	(7,112,430)	(6,626,261)
D) Adjustment to financial assets	(3,451,870)	(1,372,005)
Income taxes	(1,824,223)	(1,756,301)
Income/(loss) for the year	**(9,216,602)**	**(6,548,771)**

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 treasury shares. The share capital, totalling Euro 12,911,481, comprises 2,502,225 shares.

	2023	2022
Operating earnings/(loss) per share	4.15	4.01
Gross earnings/(loss) per share	3.81	3.72
Net earnings/(loss) per share	2.76	4.16

Proposal for the allocation of the result for the year

Dear Shareholders,

the Separate Financial Statements at December 31, 2023 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 6,902,720.93, which we propose to allocate entirely to the distribution of a dividend.

Original copy, signed by:

The Chairperson
Elisabetta Oliveri

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

Auditor's report on the financial statements of SAGAT S.p.A.

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 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, 2023, 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, 2023, 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. 00891231003 Enrolled in the Auditors' Register No. 70945 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

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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, 2023, 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, 2023 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, 2023 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 11, 2024

EY S.p.A..

Matteo De Luca
(Auditor)

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

SAGAT Handling S.p.A.

at 31/12/2023

4

Balance Sheet and Income Statement

amounts in Euro

Balance sheet: Assets	Financial statements at 31/12/2023	Financial statements at 31/12/2022
A) RECEIVABLES FOR UNPAID SHARE CAPITAL	0	0
B) FIXED ASSETS		
I. Intangible assets		
4) Concessions, licences, trade marks and similar rights	800	1,600
6) Assets in progress and advances	0	16,087
7) Other assets	43,343	31,070
Total	**44,143**	**48,757**
II. Property, plant and equipment		
3) Industrial and commercial equipment	152,636	146,988
4) Other assets	165,970	183,900
5) Assets in progress and advances	0	0
Total	**318,606**	**330,887**
III. Financial assets		
2) Receivables d-bis) Others:	2,000,000	0
TOTAL FIXED ASSETS (B)	**2,362,749**	**379,644**

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

amounts in Euro

Balance sheet: Assets	Financial statements at 31/12/2023	Financial statements at 31/12/2022
C) CURRENT ASSETS		
I. Inventories		
1) Raw materials, ancillaries and consumables	48,302	76,618
Total	**48,302**	**76,618**
II. Receivables		
1) Trade receivables:		
within 1 year	1,826,763	1,908,131
4) Parent companies:		
within 1 year	464,585	163,539
beyond 1 year	775,367	775,367
5-bis) Tax receivables:		
within 1 year	350,167	287,250
beyond 1 year	0	0
5-ter) Deferred tax assets:		
within 1 year	449,423	551,367
beyond 1 year	0	0
5-quater) Others:		
within 1 year	21,567	4,368
beyond 1 year	0	0
Total receivables:		
within 1 year	**3,112,505**	**2,914,656**
beyond 1 year	**775,367**	**775,367**
Total	**3,887,871**	**3,690,022**
IV. Cash and cash equivalents		
1) Bank deposits	830,066	1,857,430
3) Cash & cash equivalents on hand	2,115	2,342
Total	**832,181**	**1,859,772**
TOTAL CURRENT ASSETS (C)	**4,768,354**	**5,626,413**
D) ACCRUED INCOME & PREPAYMENTS		
Accrued income	42,403	0
Prepayments	38,015	30,027
TOTAL ACCRUED INCOME & PREPAYMENTS (D)	**80,418**	**30,027**
TOTAL ASSETS	**7,211,521**	**6,036,084**

SAGAT Handling S.p.A.

amounts in Euro

Balance sheet: Liabilities	Financial statements at 31/12/2023	Financial statements at 31/12/2022
A) Shareholders' equity		
I. Share capital	436,521	436,521
IV. Legal reserve	87,304	0
VI. Other reserves, as follows:		
Extraordinary reserve	0	0
Capital increase or loss coverage reserve	1,500,000	1,500,000
VIII. Losses carried forward	786,193	(608,633)
IX. Net Profit (or Loss)	653,624	1,482,130
TOTAL SHAREHOLDERS' EQUITY (A)	**3,463,641**	**2,810,018**
B) Provisions for risks and charges		
2) Deferred tax liabilities	1,050	2,536
4) Other provisions:		
Provision for future charges	549,712	708,017
TOTAL PROVISION FOR RISKS AND CHARGES (B)	**550,762**	**710,553**

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

amounts in Euro

Balance sheet: Liabilities	Financial statements at 31/12/2023	Financial statements at 31/12/2022
C) Post-employment benefits	550.557	606.635
D) Payables		
7) Trade payables:		
within 1 year	570,326	595,915
11) Parent companies:		
within 1 year	1,047,098	456,451
12) Tax payables:		
within 1 year	87,667	143,780
13) Payables to social security institutions:		
within 1 year	287,721	305,011
14) Other payables:		
within 1 year	653,749	407,722
TOTAL:		
within 1 year	**2,646,560**	**1,908,878**
beyond 1 year	**0**	**0**
TOTAL PAYABLES (D)	**2,646,560**	**1,908,878**
E) Accrued expenses and deferred income		
Accrued expenses	0	0
Deferred income	0	0
TOTAL LIABILITIES	**7,211,521**	**6,036,084**

amounts in Euro

Income statement	Financial statements at 31/12/2023	Financial statements at 31/12/2022
A) Value of production		
1) Revenues from sales and services	9,897,192	9,878,406
5) Other revenue and income showing separately operating grants	1,446,757	2,456,340
Other revenues and income	1,446,757	1,478,713
Grants related to income	0	977,627
TOTAL VALUE OF PRODUCTION (A)	**11,343,949**	**12,334,746**
B) Costs of production		
6) Raw materials, ancillary, consumables and goods	608,474	599,911
7) Services	2,574,999	2,598,598
8) Rent, leasing and similar costs	742,064	733,093
9) Personnel costs:		
a) salaries and wages	4,424,198	4,390,127
b) social security charges	1,325,746	1,274,251
c) post-employment benefits	247,307	296,512
d) pension and similar rights	0	0
e) Other costs	112,992	107,029
Total personnel costs	**6,110,242**	**6,067,919**
10) Amortisation, depreciation and write-downs:		
a) amortisation	35,569	29,907
b) depreciation	62,840	56,442
d) write-downs of current receivables and cash and cash equivalents	10,917	188,628
Total amortisation, depreciation and write-downs	**109,326**	**274,977**
11) Change in inventories of raw materials, ancillaries, consumables and goods	28,316	(13,984)
12) Provisions for risks	26,177	134,945
14) Other operating costs	279,353	261,229
TOTAL COSTS OF PRODUCTION (B)	**10,478,952**	**10,656,688**
DIFFERENCE BETWEEN VALUE AND COST OF PRODUCTION (A-B)	**864,997**	**1,678,058**

SAGAT - FINANCIAL STATEMENTS AND DIRECTORS' REPORT 2023

amounts in Euro

Income statement	Financial statements at 31/12/2023	Financial statements at 31/12/2022
C) Financial income and charges		
16) Other financial income:		
d) other income:		
from parent companies	0	0
other	55,239	25,343
Total	**55,239**	**25,343**
17) Interest and other financial charges	(2)	0
17bis) Exchange gains and losses	30	0
TOTAL FINANCIAL INCOME AND CHARGES (C)	**55,267**	**25,343**
D) Adjustments to financial assets	**0**	**0**
PRE-TAX PROFIT/(LOSS) (A-B+/-C+/-D+/-E)	**920,265**	**(1,703,401)**
20) Income taxes for the year:		
a) Current taxes	(166,183)	(234,082)
b) Deferred tax (charges) & income	(100,458)	12,811
21) NET PROFIT/(LOSS)	**653,624**	**1,482,130**

SAGAT Handling S.p.A.

Auditor's report on the financial statements of SAGAT Handling S.p.A.

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 Sole Shareholder of Sagat Handling S.p.A.

Auditors' Report on the statutory financial statements

Opinion

We have audited the statutory financial statements of SAGAT Handling S.p.A. (the company), comprising the balance sheet at December 31, 2023, 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, 2023, 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.

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 Handling S.p.A. are responsible for the preparation of the Directors' Report of SAGAT Handling S.p.A. at December 31, 2023, 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 Handling S.p.A. at December 31, 2023 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 Handling S.p.A. financial statements at December 31, 2023 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 11, 2024

EY S.p.A..

Matteo De Luca
(Auditor)

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