



Consolidated Interim Financial Report at June 30, 2023 Aeroporti di Roma

(Translation from the Italian original which remains the definitive version)

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REPORT ON OPERATIONS

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Interim profile

In the first half of 2023, almost 20 million passengers passed through Rome's airports. The sustained and continuous growth in volumes took hold from the second quarter of 2022 thanks to the reduction of travel restrictions linked to Covid-19, despite the persistence of the total absence of traffic for Ukraine and Russia.

The growth trends in the European and North American markets are confirmed both compared to last year and to 2019. The first half of the year - and even more so the beginning of the summer season - was characterized by the vigorous restart of connections to China and Taiwan, markets totally closed to air traffic until the beginning of last winter.

In this context, traffic on the Rome airport system grew by 50% in the first six months compared to the same period of 2022, mainly thanks to the international component (+55%) driven by intercontinental travel which saw both flights and the number of passengers recorded double in the first half of last year.

In fact, the 2023 summer season, which started on March 26 and will end on October 28, outlines a very positive scenario for the Roman market, with the activation of over 35 new air connections, of which more than 10 to new destinations never previously served with direct flights.

North America is this summer's great performer: with 34 direct flights per day, Fiumicino has become the third hub in Europe in terms of number of connections to the Big Apple, with 11 flights per day. A record offer, thanks to the new connections launched by ITA Airways and the developments of the American carriers which, at an aggregate level, will offer 50% more connections than in 2019.

Positive numbers also for Asia, with the resumption of direct flights to Greater China (9 destinations in total, served by 6 airlines, for a total of 32 flights per week in July) and with the increase in flights to Korea, Singapore, India and Japan.

After the brilliant performances of last year, an important return is the direct connection between continental Europe and Australia, with Qantas connecting Rome with Perth and Sydney. No less exciting is the myriad of purely seasonal destinations very popular in the summer period such as the Balearic Islands, the tourist destinations of Greece and Croatia, in addition to the connections to Corsica (Ajaccio and Bastia) in the greatest summer peak month.

The revenue from airport management trend reflects the positive performance of traffic, with an improvement of 50.0% compared to the first half of 2022, attributable to the growth of both aviation (+45.0%) and non-aviation (+62.9%) activities.

Thanks to the full use of the airport infrastructure, the reopening of the Terminal 1 boarding area and the constant availability of the Group's operating personnel, excellent quality standards in service levels have been confirmed. This extraordinary recovery also saw net operating costs increase compared to the first half of 2022; EBITDA was positive for 197.0 million euros compared to 106.7 million euros in the comparative period.

Investments amounted to 182.3 million euros (+80.2 million euros compared to the first half of 2022) and were concentrated on the further openings of Boarding Area A in Terminal 1 and on the overall enhancement of the Fiumicino "Leonardo da Vinci" airport.

The net financial position improved by 38.9 million euros compared to 31 December 2022.

The main drivers of the results obtained in the first half of 2023 were ADR's commitment and initiatives in terms of Sustainability, Innovation, Quality and Culture.

The reopening last April of the Terminal 1 boarding area, with a capacity of 6 million passengers departing each year towards national and Schengen destinations, represented one of the most significant events of the half-year. Held in the presence of the main national and local institutions, the event was also the celebration of the definitive post-pandemic restart and represents a driving force for growth, in view of the main events planned by the city of Rome, starting with the 2025 Jubilee.

With the aim of representing in Italy and abroad an airport model where quality, innovation and sustainability in all its forms play a central role, Rome's airports have also contributed to the promotion of the Italian historical and artistic heritage, for the benefit of all passengers and local communities, with the exhibition of the "Salvator Mundi", Bernini's masterpiece, in Pier A, and works from the Archaeological Park of Ostia Antica at Terminal 1 and Terminal 3.

On the sustainability front, after the presentation to Italian institutions, on January 24, 2023 ADR illustrated **the Pact for the Decarbonization of Air Transport** to the European Parliament. Considering the context which sees the European Union engaged in a set of strategic initiatives aimed at launching the EU on the green transition path, with the aim of achieving climate neutrality by 2050, ADR considered it essential to present the Pact Manifesto also in Brussels, together with some members of the Steering Committee, politicians and international stakeholders.

On June 23, ENEL X also announced the awarding of the public tender to build the **largest self-consumption photovoltaic plant in Europe at an airport**. The plant will contribute to a considerable extent to the energy efficiency process launched by ADR for the Fiumicino international hub and to the reduction of CO2 emissions into the atmosphere equivalent to the planting of about 100 thousand trees per year. The project will allow the generation of over 32 GWh of renewable energy per year.

ADR has been promoting awareness-raising messages on environmental issues such as water saving and recovery of plastic, the main cause of sea pollution, also through art: in fact, from the end of January to mid-April, the Boarding Area A hosted "**Grande Anima**" (**Big Soul**), a contemporary work by the artist **Marcantonio**, which reproduces in its original dimensions, over a length of 12 meters, the skeleton of a whale, illuminated from inside by lamps from all over the world. An invitation to reflect on how nature is in our hands and depends on our care.

In the ESG area, an agreement was signed in February 2023 between ADR and the Air Transport trade unions CGIL, CISL, UIL and UGL for the **stabilization of the ADR Group's operating workforce**. The plan involves 257 workers and is broken down into recruitment of permanent staff and transformation of employment contracts from part-time to full-time.

In terms of quality, some important international awards granted to Fiumicino airport are worthy of mention, confirming the group's determination in creating the airport of the future, with the maximum use of innovation and new technologies, additional reliability, safety, comfort, value-added services for passengers, attention to the environment and the territory:

- on January 26, 2023, for the first time, **Skytrax** awarded Leonardo Da Vinci Airport its 5-Star rating, the highest award recognized by the international air transport rating organization;
- on the occasion of the Plug & Play "Travel & Smart Cities EXPO" on June 1, 2023, ADR received the "**Corporate Innovation Award**" for the second consecutive year;
- on June 28, 2023, **for the fifth time in six years, Leonardo da Vinci Airport was awarded the Best Airport in Europe prize by the Airport Council International (ACI)**, in the category of hubs with over 40 million passengers.

The first half of 2023 also stood out in terms of innovation, the adoption of new technologies and new investments.

With this in mind, **ADR Ventures** was established in February 2023. June saw the announcement of its first investment with Ottonomy, a leading US start-up in the deep tech sector, which provides contactless deliveries using fully autonomous robots, selected through ADR's first Call 4 Ideas.

In February, the revolutionary Smiths Detection **C3-standard Explosive Detection System** hand baggage control equipment was installed for the benefit of all passengers departing from Terminal 1. Extraordinarily high safety standards have been combined with greater comfort and services for passengers: liquids also in excess of 100 ml in carry-on baggage, computers, tablets and mobile phones without the need to remove them from suitcases.

Also, in April, **FCO Connect** was launched: a project by ADR, ITA Airways and Trenitalia aimed at promoting increasingly integrated and sustainable mobility that allows passengers to purchase a combined "train + aircraft" ticket: for passengers choosing this intermodal option, it will also be possible to check-in for their flight at a dedicated desk at Fiumicino Leonardo da Vinci International Airport railway station.

Lastly, operational since June, the partnership with the RTL 102.5 Group: **OnAirport**. Direct daily connections from Fiumicino airport: a new way to narrate to a national target the many stories that cross each other at the airport, the innovations and services offered by ADR and the beauty that increasingly characterizes what is becoming a real place for bringing people together.

Chapter 1

1. Overview and general information

1.1 Group financial highlights

CATEGORY	INDICATORS	1st HALF 2023	Δ% vs 1st HALF 2022	Δ% vs 1st HALF 2019
BUSINESS	Total passengers (no.)	19,846,227	+49.9%	-15.3%
	Total aircraft movements (no.)	140,873	+25.0%	-20.0%
ECONOMIC	Revenue from airport management (€/mln)	388.7	+50.0%	-12.6%
	Net operating costs (€/mln)	336.8	+43.5%	+28.9%
	EBITDA (€/mln)	197.0	+84.6%	-26.5%
	Profit (Loss) for the period attributable to the owners of the parent (€/mln)	61.9	n.s.	-42.9%
	Investments (€/mln)	182.3	+78.6%	+59.9%
		06.30.2023	Δ% vs 12.31.2022	Δ% vs 12.31.2019
	Liquidity (€/mln)	728.7	-28.9%	+45.5%

1.2 Corporate bodies

Board of Directors

The Board of Directors¹ was appointed by the Shareholders' Meeting of April 20, 2023, for three financial years (until approval of the financial statements at December 31, 2025).

Table 1 – Composition of the Board of Directors up to April 20, 2023

NAME	APPOINTMENT	OFFICE
Claudio De Vincenti	Mundys S.p.A. (*)	Chairman
Marco Troncone	Mundys S.p.A. (*)	Managing Director
Luciano Carbone	Mundys S.p.A. (*)	Director
Elisabetta De Bernardi Di Valserra	Mundys S.p.A. (*)	Director
Nicola Rossi	Mundys S.p.A. (*)	Director
Micaela Le Divelec Lemmi	Mundys S.p.A. (*)	Director
Andrea Mentasti	Mundys S.p.A. (*)	Director
Antonello Monti	Mundys S.p.A. (*)	Director
Katia Riva	Mundys S.p.A. (*)	Director

(*) At the date of the appointment, the name of the company was Atlantia S.p.A.

Table 2 – Composition of the Board of Directors from April 20, 2023

NAME	APPOINTMENT	OFFICE
Vincenzo Nunziata	Mundys S.p.A.	Chairman
Marco Troncone	Mundys S.p.A.	Managing Director
Scott Schultz	Mundys S.p.A.	Director
Elisabetta De Bernardi Di Valserra	Mundys S.p.A.	Director
Yannick Heyl	Mundys S.p.A.	Director
Andrea Valeri	Mundys S.p.A.	Director
Mattia Brentari	Mundys S.p.A.	Director
Antonello Monti	Mundys S.p.A.	Director
Katia Riva	Mundys S.p.A.	Director

¹ The ADR Shareholders' Meeting of April 20, 2023 determined the number of members of the Board of Directors to be 10, including the non-appointed Director designated by the local authorities.

Board of Statutory Auditors

The Board of Statutory Auditors was appointed at the Shareholders' Meeting of April 28, 2022 for the years 2022-2024 (until approval of the financial statements at December 31, 2024).

Table 3 – Composition of the Board of Statutory Auditors as at June 30, 2023

NAME	APPOINTMENT	OFFICE
Cosimo Giuseppe Tolone	Ministry of Economy and Finance	Chairman
Roberto Carducci	Ministry of Sustainable Infrastructure and Mobility	Statutory Auditor
Ugo Venanzio Gaspari	Ministry of Economic Development	Statutory Auditor
Roberto Capone	Mundys S.p.A. (*)	Statutory Auditor
Benedetta Navarra	Mundys S.p.A. (*)	Statutory Auditor
Fulvia Astolfi	Mundys S.p.A. (*)	Alternate Auditor
Carlo Regoliosi	Mundys S.p.A. (*)	Alternate Auditor

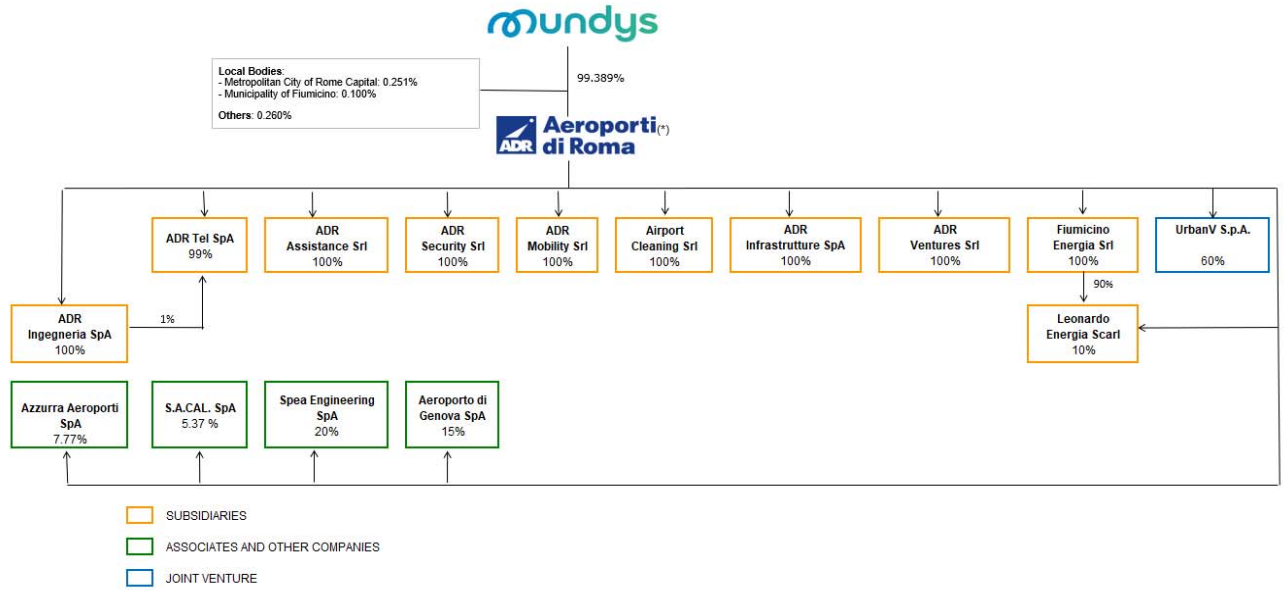
(*) At the date of the appointment, the name of the company was Atlantia S.p.A.

Independent Auditors

KPMG (nine-year period 2021-2029).

1.3 Group structure

(as at June 30, 2023)



(*) ADR S.p.A. also holds a 1.13% share in Consorzio Autostrade Italiane Energia (CAIE) and a one thousand euro share in the capital of Convention Bureau Roma e Lazio Scrl.

Chapter 2

2. Risks and opportunities

2.1 Risk management system

The sound management of risks is a fundamental element for ADR to maximize opportunities and reduce the potential losses associated with unexpected events, preserve the creation of economic value in the long-term and protect the property, plant and equipment and intangible assets of the stakeholders.

The Group has adopted a preventive approach to risk management, by means of a structured Risk Management process, to direct the choices and activities of management, with the belief that a suitable process of identification, measurement, management and monitoring of the main risks contributes to ensuring that the group is run smoothly, soundly and in line with the strategic objectives.

2.2 Mapping of risks and related control measures

Below is a summary of the main risks to which the ADR Group is exposed, also highlighting the significant issues with impacts in terms of ESG.

Table 4 – Description, impacts and risk response of the main risks of the ADR Group

AREA	RISK FACTOR	DESCRIPTION	IMPACTS	RISK RESPONSE
STRATEGIC	ESG CHANGE IN THE DEMAND FOR AIR TRANSPORT	Risks related to the evolution of the air transport market, which may also derive from the economic situation and/or from health emergencies.	Particularly significant effects on long-term performance, thereby resulting in changes to ADR Group's development policies.	I. Monitoring macroeconomic and socio-political dynamics of the markets and scenario analysis; II. attractiveness of airports also through sustainability-oriented measures;
	DEPENDENCE ON KEY CARRIERS	Risks related to over-dependence on key carriers.	Negative short and long-term effects on the financial performance of the ADR Group.	III. diversification and development of the carriers/markets portfolio;
	ESG REPUTATION	Risks deriving from a negative perception of the organization's image by relevant internal or external Stakeholders.	Reputational damage to relations with Stakeholders and attention from national / international media and press.	I. Effective communication process for safeguarding and improving the image and the brand, also through specific monitoring and control activities; II. systems for monitoring and verifying the progress of the quality of services; III. Corporate sustainability plan; IV. consistency between investments and public needs.
	ESG CLIMATE CHANGE	Risks related to climate change and the carbon footprint of the organization and its assets.	Reputational damage, asset devaluation and lower profitability as well as failure to achieve the objectives of reducing emissions and achieving carbon neutrality.	I. Net Zero Carbon goal in 2030 for Scope 1 & 2 emissions II. certified emission measurement system (ACA 4+ certification), maintenance of Carbon Neutral status until 2030 III. actions aimed at reducing Scope 3 emissions IV. investments to maximize the resilience of infrastructures to extreme weather events

EXTERNAL	<p>ESG</p> <p>EVOLUTION OF THE REGULATORY FRAMEWORK</p>	<p>Risks deriving from changes in the reference regulatory framework at national and/or international level.</p>	<p>Property and economic damage potentially due, for example, to the revision of the tariff system and/or to higher costs for adaptation to changes in the reference context.</p>	<p>I. Monitoring of the regulatory and legislative context at national and international level;</p> <p>II. legal/economic benchmarking and quantitative assessment of any changes to the tariff dynamics.</p>
	<p>ESG</p> <p>EXTREME WEATHER EVENTS</p>	<p>Risks arising from extreme weather events and natural disasters.</p>	<p>Plane crashes, damage to persons, property, equipment and infrastructure of ADR and third parties.</p>	<p>I. Procedures, protocols and emergency plans in compliance with the regulatory requirements and/or reference regulators;</p> <p>II. cooperation and coordination activities with Stakeholders (e.g. local authorities and landowners).</p>
	<p>MACRO-ECONOMIC AND SOCIO-POLITICAL CHANGES</p>	<p>Risks deriving from macroeconomic and socio-political characteristics and trends with repercussions on the markets in which the Group operates and connected to the evolution of the economic cycle, to the socio-political and/or macro-economic landscape, to changes in the context that can be detected in the medium/long-term period as a result of the Macro Trend in progress.</p>	<p>Negative effects in the short- and long-term on the economic performance of the Group (impacts deriving from the trend in inflation, from the Russia - Ukraine conflict with higher costs/delays for the realization of investments and/or shortage of critical materials for processing).</p>	<p>I. Monitoring of the macroeconomic and socio-political dynamics of the markets in which the organization operates;</p> <p>II. Monitoring and continuous updating of the scenario analysis, economic/financial evaluation of the various scenarios and identification of the related actions to be implemented (e.g. energy efficiency/independence actions, targeted purchase strategies for critical materials, etc.).</p>
COMPLIANCE	<p>ESG</p> <p>RULES, REGULATIONS AND ETHICAL PRINCIPLES</p>	<p>Risks related to the violation of rules, regulations and ethical principles by employees, suppliers and partners.</p>	<p>Criminal and administrative sanctions, initiation of the procedure for forfeiture of the concession, reputational damage, etc.</p>	<p>I. Organizational control and monitoring model for compliance with the regulations, current legislation and ethical standards of the Company (MOG 231, Code of Ethics, Anti-corruption Policy, Report management policy, ADR Policy on Diversity, Equity and Inclusion);</p> <p>II. Carrying out activities in sectors and with partners compatible with the Group's ethical standards.</p>
	<p>ESG</p> <p>HEALTH, SAFETY AND ENVIRONMENT</p>	<p>Risks related to health, personnel safety and environmental protection (waste, soil water contamination, noise pollution).</p>	<p>Accidents involving people, financial, criminal and administrative penalties as well as impacts on corporate reputation.</p>	<p>I. Continuous monitoring of the reference regulatory context;</p> <p>II. Compliance with obligations and continuous improvement/alignment with best practices in the field of Health, Safety and the Environment;</p> <p>III. Adoption and certification of Occupational Health and Safety Management Systems.</p>
OPERATIONAL	<p>ESG</p> <p>AIR TRANSPORT SECURITY</p>	<p>Risks for the safety of people and equipment in airport operations (ground/airside) (e.g. pandemic emergency management, terrorism).</p>	<p>Plane crashes, damage to persons, property, equipment and infrastructure of ADR and third parties.</p>	<p>I. Organization of safety and security systems and procedures of which by way of example:</p> <ul style="list-style-type: none"> • safety management system; • personnel training; • airport emergency plans; • monitoring of compliance with safety and security standards.

	ESG CYBERCRIME	Risks of loss, theft, modification, disclosure of or unauthorized access to company data.	System unavailability with consequent blockage of airport operations, theft of sensitive or confidential data, fraud.	I. Cybersecurity tools and procedures and business continuity and disaster recovery plans for ICT systems.
	ESG BUSINESS CONTINUITY	Risks related to the unavailability of people, infrastructures and/or systems (e.g. malfunction of a plant or critical IT system).	Effects on the provision of services and on business activities, compromising the achievement of company objectives.	I. Planning and execution of preventive and scheduled maintenance activities on all types of infrastructures and plants; II. Direct supervision of the maintenance of strategic plants; III. Continuous improvement of systems, infrastructures and procedures to guarantee the continuity of airport operations; IV. System of industrial relations and trade union policies; V. Business continuity and disaster recovery plans for ICT systems.
FINANCIAL	LIQUIDITY	Risks deriving from inadequate financial planning/management with excess liquidity or tensions on the availability of liquidity or risks related to the difficulty/inability to contract or refinance the debt to ensure the loans necessary for organic growth and/or to meet financial commitments.	- deterioration in the ability to honor current commitments and invest in the maintenance and development of airport infrastructure; - impossibility of repaying financial debts falling due, with potential declaration of "default" by the lenders (see below).	I. Monitoring and forecasting of short and long-term prospective financial needs; II. Monitoring of capital market conditions; III. Refinancing of borrowings well in advance of their contractual due dates; IV. Diversification of the sources of financing; V. Increase in the liquidity reserve in times of financial tension.
		Risks associated with non-compliance with the performance/non-performance obligations (including financial covenants) and/or the conditions of use provided for in financial contracts.	- lack of usability of the sources of financing; - limitations on operations (according to the provisions of financial contracts); - declaration of "default" by the lending institutions with the activation of coercive actions that may go as far as requesting early repayment in full of the loans concerned.	I. Monitoring of the commitments and deadlines set by the financial contracts; II. Periodic and preventive assessment of the trend in financial covenants and early activation of any corrective actions (e.g. request for a covenant holiday).
	INTEREST RATES	Risks related to the variation/volatility of interest rates.	Increase in the borrowing costs, with an impact on the level of financial charges and on the value of financial assets and liabilities.	I. Using "derivative" instruments (interest rate swaps); II. Borrowing at a fixed rate.
	CREDIT AND COUNTERPARTY	Risks related to the assignment of commercial counterparties, to the monitoring and recovery of the related trade receivables.	- Incurring the costs of monitoring and recovering non-performing exposures; - Impairment of loans and receivables with impacts on the income statement; - Default of counterparties.	I. Use of databases for screening counterparties in the lending phase; II. Obtaining suitable collateral guarantees (deposits/guarantees or sureties) or, alternatively, "spot" or advance payment; III. Periodic and continuous monitoring of credit positions, with the support of the "credit committee".

	<p>Risks associated with the possible default of financial counterparties.</p>	<ul style="list-style-type: none"> - Default of counterparties; - impairment of liquidity investments. 	<ul style="list-style-type: none"> I. Preferential use of financial counterparties with a high credit standing; II. compliance with the absolute concentration limits and by rating class provided for by the policies in force; III. continuous monitoring of the creditworthiness of financial counterparties.
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Chapter 3

3. Our results in the first half of 2023

3.1 Business activities

3.1.1 Aviation

During the first half of 2023, the Roman airport system recorded a total of 19.8 million passengers. The sustained and continuous growth in volumes (passengers +49.9% and movements +25% compared to the same period of 2022) took hold from the second quarter of 2022 thanks to the drastic reduction of travel restrictions and despite the persistence of the total absence of traffic for Ukraine and Russia.

The growth was mainly driven by the increase in EU (+38.3%) and non-EU² (+91.7%) traffic flows.

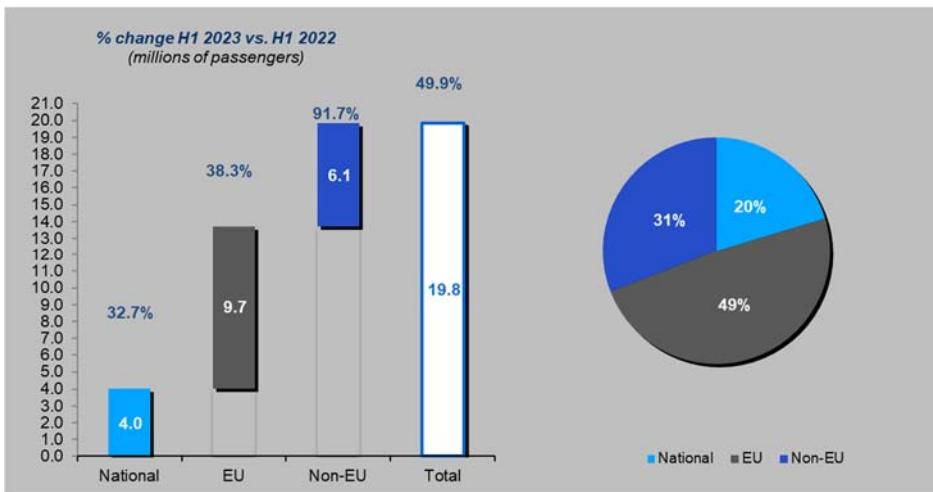
Compared to 2019, the systemic recovery of movements stood at 80% while that of passengers at 75% thanks to a higher Load Factor than in 2019.

Table 5 – Main traffic data of the Roman airport system in the first half of 2023

	H1 2023	H1 2022	H1 2019	Δ% (2023-2022)	Δ% (2023-2019)
Movements (no.)	140,873	112,677	176,013	25.0%	(20.0%)
Fiumicino	120,120	92,289	150,498	30.2%	(20.2%)
Ciampino	20,753	20,388	25,515	1.8%	(18.7%)
Passengers (no.)	19,846,227	13,235,549	23,438,340	49.9%	(15.3%)
Fiumicino	17,912,252	11,655,414	20,547,554	53.7%	(12.8%)
Ciampino	1,933,975	1,580,135	2,890,786	22.4%	(33.1%)
<i>of which: boarded</i>	9,826,560	6,520,542	11,606,392	50.7%	(15.3%)
Fiumicino	8,859,031	5,729,309	10,159,719	54.6%	(12.8%)
Ciampino	967,529	791,233	1,446,673	22.3%	(33.1%)
Cargo (t.)	82,935	66,190	96,859	25.3%	(14.4%)
Fiumicino	76,066	58,689	87,834	29.6%	(13.4%)
Ciampino	6,869	7,501	9,025	(8.4%)	(23.9%)

² It should be noted that since January 2021, the United Kingdom has also been included in the Non-EU scope.

Graph 1 – Air traffic composition in the first half of 2023 for the Roman airport system

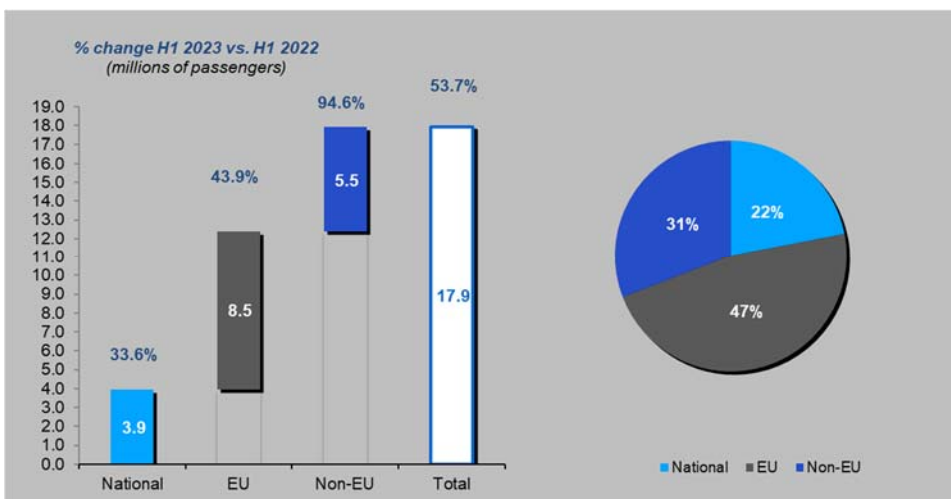


Fiumicino

Fiumicino airport saw almost 18 million passengers transit during the first six months of 2023, with an increase compared to the same period of 2022 equal to +53.7% for passengers and +30.2% for movements. The decrease compared to 2019 is respectively -12.8% and -20.2%.

The EU market was the best performer with 8.5 million passengers, an increase of +43.9% and a market share of almost 50% on the airport. The Non-EU market, with 5.5 million passengers, also achieved good performances with growth of +94.6% driven by the increase in flows on the North American market. Good results were recorded also in the domestic area, where traffic exceeds 3.9 million passengers, with an increase of +33.6% compared to the same period of 2022.

Graph 2 – Air traffic composition for Fiumicino airport in the first half of 2023



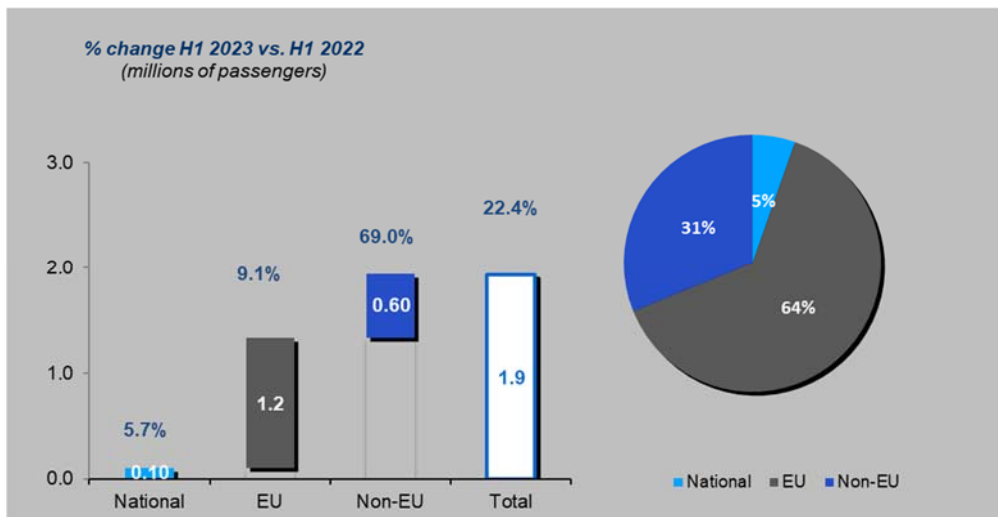
Ciampino

In the first half of the year, Ciampino airport handled approximately 1.9 million passengers, with an increase in volumes transported of 22.4% compared to 2022. The decrease in traffic compared to 2019 is equal to -33.1%

and is linked to the entry into force of the Decree for the reduction of noise in the airport area, which imposed a reduction of commercial movements from 100 to 65 flights a day.

With 1.2 million passengers, Europe-EU is the main market for the airport, accounting for 64% of total volumes and recording growth of +9.1% compared to 2022. Non-EU traffic stood at 0.6 million passengers, up 69% compared to last year, while the domestic market closed the first half of 2023 with a total of 100 thousand passengers.

Graph 3 – Air traffic composition in the first half of 2023 for Ciampino airport



3.1.2 Commercial activities

Retail

In the first six months of the year, commercial activities recorded positive performances both in terms of volumes and spending per passenger, thanks to the recovery of passenger traffic, the new openings in the EAST area of the airport and, more generally, the greater propensity to purchase by passengers, especially for the Luxury segment in the Non-Schengen Area.

With regard to the new commercial spaces, it should be noted that, with the opening of the renewed A31-A59 boarding area in mid-April, the new commercial activities planned in the area were also opened, both in the Retail and Food & Beverage sectors.

Table 61 – Main indicators of commercial activities for Fiumicino airport

	UoM	1st half 2023	1st half 2022	1st half 2019	Δ% ('23 vs '22)
Average Retail Spending	€/departing pax	19.4	14.9	15.7	30.2%
Average Food & Beverage Spending	€/departing pax	6.5	5.3	5.4	22.6%

Average expenditure per passenger at Fiumicino airport recorded a progressive growth compared to the previous year, thanks to the improvement in passenger purchasing behavior, especially in the luxury segment

in the Non-Schengen area, where the performance of commercial activities was positive. Average spending in the Food & Beverage sector also improved thanks to the new openings.

Table 7 – Main indicators of commercial activities for Ciampino airport

	UoM	1st half 2023	1st half 2022	1st half 2019	Δ% ('23 vs '22)
Average Retail Spending	€/departing pax	6.4	7.1	4.9	-9.9%
Average Food & Beverage Spending	€/departing pax	4.7	3.1	3.4	51.6%

Advertising

In the first few months of 2023, the business line generated 4.0 million euros in revenue, with values recovering compared to 2022 (+73.8%), although the reference market segment still recorded negative values compared to 2019. ADR has further strengthened its data-driven commercial proposal on the advertising market, allowing advertiser customers to structure, in Programmatic mode, Digital Out Of Home advertising campaigns, 100% customized in terms of: day and time distribution, manned digital circuits and audience reached in Rome's airports.

Real Estate

In the first half of 2023, revenue of 29.5 million euros were recorded, up by 38.5% thanks to the better management of assets, also with a view to contractual changes, and the discontinuation of the compensation provided for in the period of the Covid pandemic, mainly in relation to airport terminals and Cargo City. Also of note is the implementation of improvement projects aimed at strengthening the management and control system of the sub-contracted spaces based on a sustainable approach. "Green clauses", capable of supporting ADR in aligning sub-concessionaires with sustainable standards, have been drawn up and included in all new contracts and a process has been structured to launch, in the second half of the year, a pilot project for the "door to door" collection of waste outside the Terminal (it has been present in the Terminal for years) useful for reducing unsorted waste.

Mobility

Revenue from car parks (passengers and operators), equal to 12.7 million euros, increased by +35.2%, while revenue from sub-concessions of spaces to car rental companies, amounting to 6.9 million euros, recorded an increase +49.7%.

The +34.7% growth in revenue from passenger car parks is due in part to the improvement in traffic, but above all to the commercial actions implemented that allowed an increase (+2.1%) greater than that for total originating passengers, despite the fact that the increase in the use of public transport over private vehicles after the pandemic.

3.1.3 Infrastructure

During the first half of 2023, numerous areas were made operational, with particular reference to terminal services and boarding areas.

Departure area A31-59 (former Pier B) became operational once again, following a major regulatory, fire prevention and structural upgrading and functional renovation, with a new distribution of spaces that offers greater circulation and waiting areas at the gates, having relocated most of the commercial spaces to the gallery and the square, also opened at the same time in its final configuration. In addition, with regard to the boarding areas, the remote A21-A27 gates in the former C area, were also made operational.

In the area of baggage reclaim, the Terminal 1 hall was expanded with three new baggage reclaim carousels and the start of the first phase of the renovation of the Terminal 3 hall, where the old belts 5 and 6 were replaced with two new double belts, 5-6 and 7-8. Thanks to the increased depth of the hall, these new belts are considerably longer than the previous ones, thus offering greater capacity.

In addition, from the start of the summer season, the security checks dedicated to sensitive flights were made operational, with increased capacity compared to the pre-construction set-up, to accommodate the growth of this traffic sector.

The functional, structural and systems works of Terminal 3, which saw the first functional releases during the period, continued. In addition to the aforementioned new baggage reclaim belts, check-in island L was made fully operational and work on island B was completed (open to traffic from the first week of July).

Central to ADR, sustainability and innovation values have guided every phase of the design and of the above-mentioned works, through concrete applications and initiatives that refer to the LEED (Leadership in Energy and Environmental Design) or BREEAM (Building Research Establishment Environmental Assessment Method) Sustainable Building Certification Protocols.

In the airside area, the restoration works were completed of the Bravo taxiway, serving the 17-25 flight runway (Runway 2).

3.1.4 Updates and changes to the reference framework

Table 8 – Changes to the reference regulatory framework

SCOPE	AIRPORT	REFERENCE REGULATION	IMPACT ON ADR BUSINESS	NOTES
INFRASTRUCTURAL DEVELOPMENT	FCO	Single Deed - Planning Agreement.	Long-term infrastructure development at Fiumicino "L. da Vinci" Airport.	On June 19, 2023, at the outcome of the Municipal elections of Fiumicino, ENAC asked the new Mayor for feedback on the requested start of the re-delimitation process of the perimeter of the Riserva del Litorale Romano (Roman Coast Natural Reserve), a request which had already been made to the previous municipal administration.
INFRASTRUCTURAL DEVELOPMENT	FCO	Italian Prime Ministerial Decree of June 8, 2023	Long-term infrastructure development at Fiumicino "L. da Vinci" Airport.	<p>The Italian Prime Ministerial Decree contains the list of interventions related to the 2025 Jubilee celebrations considered essential and urgent (Annex 1 to the Italian Prime Ministerial Decree). Among the interventions listed in the Decree, there are two for which ADR is qualified as an Implementing Party:</p> <ul style="list-style-type: none"> • Intervention no. 119 – Cycle/pedestrian routes connecting the airport and the municipality of Fiumicino (to be carried out with ADR funds); • Intervention no. 131 – New roundabout in via Lago di Traiano - Corridor C5 to Fiumicino (to be built with ADR funds).
AIRPORT SERVICES	FCO and CIA	ENAC Regulation of May 5, 2023 (published on May 26, 2023)	Management of jet fuel storage services – purchase or construction of airport assets	<p>The Regulation establishes terms and procedures to ensure that the airport management companies own and are responsible for managing (subject to possible construction) of the aeronautical fuel depots located in the airport grounds.</p> <p>ADR has launched an interdisciplinary study and has initiated discussions with ENAC to assume responsibility of the Fiumicino depot currently owned by SERAM and to draw plans for its future management and development.</p>
CONSULTATION WITH USERS	FCO-CIA	Directive 2009/12/EC (Art. 6) periodic consultation of Users on updates of the regulated fees.	Updating of the regulated fees for 2023.	<p>On December 22, 2022, ADR launched the annual consultation with users, calling for a meeting on January 31, 2023 with the Users of the Fiumicino and Ciampino airports to present and provide information on the tariff update for the year 2023.</p> <p>At the conclusion of the meeting on January 31, ADR invited Users to send any comments and evaluations. A second and third in-depth meeting were held on March 9 and 27, respectively, with some minor changes made by ADR to the passenger boarding fee to respond to user requests.</p> <p>The charges for the passenger boarding service envisaged in ADR's proposal at the start of the consultation took into account the update for passengers travelling to the UK following its exit from the European Union with the relative amendment of the differential between charges for passenger boarding by scope (EUnon-EU) from 61% to 52%.</p> <p>Following the indications provided by users in the meetings of January 31 and March 9 (also by written communications), at the meeting of March 27 ADR presented users with a further reduction of the</p>

SCOPE	AIRPORT	REFERENCE REGULATION	IMPACT ON ADR BUSINESS	NOTES
				<p>aforementioned differential to 42%, justifying the initiative with detailed cost analysis documentation.</p> <p>Following the formal checks, ART agreed to the definition of the fees presented by ADR in the meeting of March 27.</p>
TRANSPORT REGULATION AUTHORITY – TARIFF SYSTEMS	FCO-CIA	<p>Resolution no. 118/2019 of August 1, 2019</p> <p>Resolution no. 136/2020 of July 16, 2020</p> <p>Resolution no. 68/2021 of May 20, 2021</p> <p>Resolution no. 80/2022 of May 2022</p>	ART taking over from ENAC in the procedures for the review of airport fees subject to financial regulation and amendment of the Planning Agreement in force with ENAC	<p>On November 23, 2022, the hearing was held relating to ADR's appeal to the Regional Administrative Court against the refusal to consent to the start of the user consultation communicated by ART on December 16, 2021. The hearing was then scheduled again, by autonomous decision of the Lazio Regional Administrative Court, for February 22, 2023. The hearing was held on that date and the Lazio Regional Administrative Court took the appeal request under advisement. On May 17, 2023, the ruling of the Lazio Regional Administrative Court was published, which declared ADR's appeal inadmissible. In particular, the Regional Administrative Court attributed to the ART note a "<i>merely interlocutory nature</i>", believing that it does not contain "a refusal to start the consultation procedure" but rather that it has an "<i>interlocutory and not decision-making nature, without dispositive value</i>".</p>
TRANSPORT REGULATION AUTHORITY – TARIFF SYSTEMS	FCO-CIA	<p>Resolution no. 38/2023 of March 9, 2023</p> <p>Conclusion of the proceedings initiated with resolution no. 42/2022. Approval of airport fee regulation models.</p>	ART taking over from ENAC in the procedures for the review of airport fees subject to financial regulation and amendment of the Planning Agreement in force with ENAC.	<p>On March 9, 2023, ART published a resolution to approve the Airport Fee Regulation Models and related annexes, which enter into force on April 1, 2023.</p> <p>This resolution supersedes the regulatory measures pursuant to resolution no. 136/2020 and the regulatory intervention scope of the procedure in question is extended to all airports to which Decree Law no. 1/2012 applies, i.e. all airport operators of Italian airports open to commercial traffic.</p> <p>With reference to the Planning Contracts envisaged by Article 17, paragraph 34-bis, of Decree Law no. 78/2009 (so-called derogation contracts), the provisions of the new Regulation are implemented in additional deeds or conventional agreements, however described, stipulated between ENAC, the grantor, and the concessionaire.</p> <p>Pending the transposition of the provisions of the new Regulatory Act, the Authority exercises the supervisory functions referred to in Article 80 of Decree Law no. 1/2012 on the basis of the principles referred to in Articles 71 to 82 of Decree Law no. 1/2012.</p>
GROUND HANDLING SERVICES – LIMITATIONS	FCO	ENAC Provision no. 37 of July 15, 2022 confirming the DG Measure with which the limitation on the access of ground handling service providers for	Limitation of the ramp handling services market at FCO airport.	<p>The call for the selection tenders for ground handling service providers was published on November 18, 2022 and in January 2023 the tender procedure for these operators was launched, while there were no bidders for the request for expressions of interest aimed at self-providers in January 2023.</p> <p>The tender for providers was then suspended on March 30, 2023 following the challenge to the Lazio Regional Administrative Court of the ENAC limitation measure by some airlines. The publication of the ruling of the Regional Administrative Court for the restart of the work of the Commission is pending.</p>

SCOPE	AIRPORT	REFERENCE REGULATION	IMPACT ON ADR BUSINESS	NOTES
		the Leonardo da Vinci airport of Fiumicino no. 27/72014 was arranged.		Consequently, with deed of March 27, 2023, ENAC ordered the extension of the effectiveness of the previous limitation measure (no. 27 of October 13, 2014) from May 18 to October 29, 2023.
PUBLIC GRANTS	FCO-CIA	Italian Legislative Decree no. 36/2023 containing the new public contracts code (published on March 31, 2023) and ANAC implementing measures (published on June 30, 2023)	Provisions regarding public tenders	<p>The new Code, in force since April 1 and effective from July 1, with the exception of some provisions, reorganizes the regulations in force on public contracts and dedicates a special book (Book III) to the regulation of tenders in special sectors, operating an analytical identification of the provisions of Books I (on principles, digitalization, planning and design) and II (on tenders in ordinary sectors) that also apply to special sectors.</p> <p>With regard to the general regulations referred to in Books I and II, the main changes also applicable to special sectors include:</p> <ul style="list-style-type: none"> • the introduction of a more complete regulation on general principles, which includes, <i>inter alia</i>, the result principle and the contractual balance maintenance principle; • an <i>ad hoc</i> regulation on digitalization and BIM that will enter into force from January 1, 2024; • the unification of design levels (from three to two, with the abandonment of the final project) and the possibility of using the integrated contract; • the mandatory inclusion of price revision clauses; • the elimination of percentage limits on subcontracting and the possibility of recourse to “cascade” subcontracting. <p>In light of this regulatory context, ADR is adjusting its internal regulations on the matter, its tender documentation models, above and below the European threshold and the standard contracts.</p>

3.2 Financial position and financial performance

3.2.1 Introduction

Please note the inclusion in the consolidation scope of the new company, ADR Ventures S.r.l., incorporated on February 3, 2023, with a capital injection of 2 million euros (of which 10 thousand euros as quota capital), fully subscribed by the sole quotaholder ADR. The new company's purpose relates to Corporate Venture Capital activities in order to invest in the development of start-ups with high innovative potential, which operate directly in the ADR's Innovation Hub, and organizationally operates with personnel seconded from ADR.

3.2.2 Financial performance

Table 9 – Reclassified income statement

(THOUSANDS OF EUROS)	1st HALF 2023	1st HALF 2022	CHANGE	% CHANGE
Revenue from airport management of which:	388,693	259,125	129,568	50.0%
<i>Aviation</i>	270,467	186,537	83,930	45.0%
<i>Non aviation</i>	118,226	72,588	45,638	62.9%
Revenue from construction services	141,563	72,331	69,232	95.7%
Other operating income	3,558	9,996	(6,438)	(64.4%)
TOTAL REVENUE	533,814	341,452	192,362	56.3%
External operating costs	(87,998)	(77,590)	(10,408)	13.4%
Total costs for construction services	(135,552)	(69,104)	(66,448)	96.2%
Concession fees	(16,601)	(10,551)	(6,050)	57.3%
Net personnel expense	(96,688)	(82,629)	(14,059)	17.0%
(Accruals to) re-absorptions of provisions for risks and charges	49	5,131	(5,082)	(99.0%)
NET OPERATING COSTS	(336,790)	(234,743)	(102,047)	43.5%
GROSS OPERATING PROFIT (EBITDA)	197,024	106,709	90,315	84.6%
Amortization and depreciation, impairment losses and reversals	(58,695)	(54,318)	(4,377)	8.1%
Provision for renovation and other provisions	(27,561)	(23,361)	(4,200)	18.0%
OPERATING PROFIT (EBIT)	110,768	29,030	81,738	281.6%
Net financial expense	(21,793)	(31,346)	9,553	(30.5%)
Share of profit (loss) of equity-accounted investees	(549)	(97)	(452)	466.0%
PROFIT (LOSS) BEFORE TAXES	88,426	(2,413)	90,839	n.s.
Income Taxes	(26,477)	(522)	(25,955)	n.s.
PROFIT (LOSS) FROM CONTINUING OPERATIONS	61,949	(2,935)	64,884	n.s.
Profit (loss) from discontinued operations	0	0	0	n.s.
PROFIT (LOSS) FOR THE PERIOD	61,949	(2,935)	64,884	n.s.
Profit (loss) for the period attributable to non-controlling interests	0	60	(60)	(100.0%)
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT	61,949	(2,995)	64,944	n.s.

Revenue

Revenue from airport management, equal to 388.7 million euros, increased by 50.0% compared to the first half of 2022, by effect of the expansion of aviation activities (+45.0%), due to the consistent recovery in traffic volumes, as there were no tariff changes. The non-aviation segment, with revenue up by 62.9%, also benefited from the increase in passenger traffic, as well as the increase in passengers' propensity to spend promoted by the opening of new commercial spaces; more specifically, revenue from commercial sub-concessions, revenue from parking and advertising revenue increased.

Revenue from construction services amounted to 141.6 million euros, an increase of 69.2 million euros compared to the same period of 2022. This increase reflects the acceleration of works for the opening of new infrastructures for the summer season.

Other operating income amounted to 3.6 million euros and the decrease of 6.4 million euros is mainly attributable to the company Leonardo Energia, which manages the cogeneration plant, which reduced the sale to the grid of the cogeneration electricity produced in the period compared to the comparative period.

Net operating costs

External operating costs amounted to 88.0 million euros and recorded an increase of 10.4 million euros compared to the first half of 2022 mainly linked to the full recovery of airport infrastructures and the opening of new infrastructure (May 2022 and April 2023), with the consequent increase in operating and maintenance costs, as well as the increase in the costs of energy supply.

Total costs for construction services, equal to 135.6 million euros, increased by 66.4 million euros, consistently with the trend of the corresponding revenue. This item includes both external costs and the personnel expense for employees dedicated to the works carried out in the period on infrastructures under concession.

Concession fees, directly correlated to traffic trends, amounted to 16.6 million euros, up by 6.1 million euros with respect to the comparative period.

Net personnel expense³ amounted to 96.7 million euros, with an increase of 17.0% (+14.1 million euros), related to the growth in the volume of managed activities, with a consequent elimination of the use of social safety nets (CIGS) and increase in the workforce.

(Accruals to) re-absorptions of provisions for risks and charges amounted to zero compared to +5.1 million euros recorded in the comparative period due to the effect of the reabsorption of pre-existing provisions following the favorable outcome of tax and labor law disputes.

Gross operating profit (EBITDA)

The gross operating profit (EBITDA) amounted to 197.0 million euros, up by 90.3 million euros compared to the first half of 2022.

Amortization and depreciation

Amortization of intangible assets and depreciation of property, plant and equipment stood at 58,7 million euros and mainly represented amortization of the airport concession owned by the Parent, ADR. The increase of 4.4 million euros compared to the same period of 2022 is attributable to the commissioning of new infrastructure and systems.

Provision for renovation and other provisions

This item, totaling 27.6 million euros (23.4 million euros in the first half of 2022), is broken down as follows:

- accrual to the provision for renovation of airport infrastructure of 28.8 million euros (20.4 million euros in the comparative period), up by 8.4 million euros, essentially attributable to the effect of the updated interest rate used as a reference for discounting expected future cash flows, which in the period in question experienced a decrease, with a negative impact on the provision. In the comparative period, the trend in rates was reversed;
- net re-absorption of loss allowances, equal to 1.2 million euros, arising mainly from the collection from insolvency procedure, received on 27 July (accrual of 3.0 million euros in the first half of 2022).

Operating profit

Operating profit (EBIT) is 110.8 million euros (29.0 million euros in the comparative period).

Net financial expense

Net financial expense, equal to 21.8 million euros, decreased by 9.6 million euros compared to the same period of 2022, mainly due to the increase in financial income from cash investments, in relation to the increase in interest rates, and to lower financial expense for the reimbursement of A4 bonds at the end of

³ Net of the personnel expense for employees dedicated to construction services and airport infrastructure renovation works.

February 2023. These effects were partially offset by the increase in financial expense from discounting of the provision for renovation of airport infrastructure.

Share of profit (loss) of equity-accounted investees

This item amounted to -0.5 million euros and includes the impairment loss on the equity investment in the jointly controlled UrbanV S.p.A. for 0.3 million euros and the impairment loss on the equity investment in the associate SPEA Engineering S.p.A. for 0.2 million euros (-0.1 million euros in the comparative period due to the effect of the impairment loss on the equity investment in the associate SPEA Engineering S.p.A.).

Profit (loss) for the period attributable to the owners of the parent

Net of current and deferred taxes, amounting to 26.5 million euros (0.5 million euros in the comparative period), the ADR Group achieved a profit of 61.9 million euros in the period in question, compared to a loss of 3.0 million euros in the first half of 2022.

Table 10 –Statement of Comprehensive Income

(THOUSANDS OF EUROS)	1st HALF 2023	1st HALF 2022
PROFIT (LOSS) FOR THE PERIOD	61,949	(2,935)
Fair value gains (losses) on cash flow hedges	(2,727)	69,715
Tax effect	654	(16,732)
Other comprehensive income (expense) from equity-accounted investees	0	(3)
OTHER COMPREHENSIVE INCOME (EXPENSE) THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS, NET OF THE TAX EFFECT	(2,073)	52,980
Fair value gains (losses) on equity investments	0	0
OTHER COMPREHENSIVE INCOME (EXPENSE) THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS, NET OF THE TAX EFFECT	0	0
RECLASSIFICATIONS OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	2,425	2,424
OTHER COMPREHENSIVE INCOME, NET OF THE TAX EFFECT	352	55,404
COMPREHENSIVE INCOME FOR THE PERIOD	62,301	52,469
Of which:		
Attributable to the owners of the parent	62,301	52,409
Attributable to non-controlling interests	0	60

3.2.3 Financial position

Table 11 – Reclassified statement of financial position

(THOUSANDS OF EUROS)		06.30.2023	12.31.2022	Change
	Intangible assets	2,639,137	2,546,612	92,525
	Property, plant and equipment	59,919	52,687	7,232
	Financial assets	18,881	19,430	(549)
	Deferred tax assets	31,468	39,775	(8,307)
	Other non-current assets	470	461	9
A	NON-CURRENT ASSETS	2,749,875	2,658,965	90,910
	Trade assets	254,665	214,068	40,597
	Other current assets	33,560	36,658	(3,098)
	Current tax assets	4,498	23,061	(18,563)
	Trade liabilities	(251,491)	(188,923)	(62,568)
	Other current liabilities	(209,807)	(186,833)	(22,974)
	Current tax liabilities	(4,032)	(13,486)	9,454
B	WORKING CAPITAL	(172,607)	(115,455)	(57,152)
	Employee benefits	(1,501)	(1,501)	0
	Provision for renovation of airport infrastructure	(93,258)	(76,548)	(16,710)
	Other provisions for risks and charges	(5,124)	(5,998)	874
C	CURRENT PROVISIONS	(99,883)	(84,047)	(15,836)
D = B + C	WORKING CAPITAL NET OF CURRENT PROVISIONS	(272,490)	(199,502)	(72,988)
	Non-current liabilities	(183,362)	(188,880)	5,518
E	NON-CURRENT LIABILITIES	(183,362)	(188,880)	5,518
F = A + D + E	NET INVESTED CAPITAL	2,294,023	2,270,583	23,440
	Equity attributable to the owners of the parent	1,158,478	1,096,177	62,301
	Equity attributable to non-controlling interests	0	0	0
G	EQUITY	1,158,478	1,096,177	62,301
	Non-current financial liabilities	1,888,075	1,892,036	(3,961)
	Other non-current financial assets	(21,540)	(17,429)	(4,111)
H	NON-CURRENT NET FINANCIAL DEBT	1,866,535	1,874,607	(8,072)
	Current financial liabilities	56,021	382,674	(326,653)
	Current financial assets	(787,011)	(1,082,875)	295,864
I	CURRENT NET FINANCIAL POSITION	(730,990)	(700,201)	(30,789)
L = H + I	NET FINANCIAL DEBT	1,135,545	1,174,406	(38,861)
G + L	INVESTED CAPITAL COVERAGE	2,294,023	2,270,583	23,440

Non-current assets

Non-current assets as at June 30, 2023 equaled 2,749.9 million euros, rising by 90.9 million euros compared to the end of 2022, mainly due to the following changes:

- an increase in Intangible assets (+92.5 million euros), mainly in relation to the investments for the period (150.6 million euros), partly offset by amortization (53.5 million euros);
- an increase in property, plant and equipment (+7.2 million euros), due to the effect of investments in the half-year (12.4 million euros), partly offset by depreciation (5.2 million euros);
- decrease in deferred tax assets (-8.3 million euros), essentially due to the cancellation of the residual portion of deferred tax assets allocated against previous tax losses due to the effect of their transfer to the tax consolidation in the first half of 2023.

Working capital

Working capital was a negative 172.6 million euros and showed a decrease of 57.2 million euros compared to December 31, 2022 due to the trends described below.

- Trade assets amounted to 254.7 million euros, up by 40.6 million euros compared to the end of 2022, essentially due to the significant increase in business volumes, particularly in the second quarter of 2023.
- Other current assets decreased by 3.1 million euros, mainly due to the decrease in VAT assets (-5.0 million euros), partially offset by the increase in INAIL assets (+0.8 million euros) due to the payment of the 2023 payment on account.
- Current tax assets decreased by 18.6 million euros essentially due to the collection of part of the tax asset for consolidated taxation from Mundys on the tax losses transferred to the tax consolidation scheme in previous years, net of the first 2023 IRES payment on account, and for the estimate of the IRES tax due for the period, partially offset by the increase in tax assets from Mundys due to the transfer to the tax consolidation scheme, in the first half of 2023, of the previous residual tax losses.
- Trade liabilities increased by 62.6 million euros due to higher trade payables as a result of the growing volume of investments compared to the last portion of the previous year and the increase in advances received from customers.
- Other current liabilities increased by a total of 23.0 million euros, essentially as the combined effect of:
 - an increase in the liability for concession fees of 10.9 million euros in relation to portion accrued in the period, net of the payment of the second instalment of 2022 made in January 2023;
 - an increase in the liability for the surtax on passenger fees of 3.9 million euros due to the impact of the correlated effect of the trend in the period of this type of collections from carriers. For this type of charge, ADR is an intermediary in the collection of surtaxes, which it pays back to the end beneficiaries in the month after that of collection;
 - an increase in the liability for firefighting services of 3.3 million euros due to the cost accrued in the half-year;
 - an increase in amounts due to personnel of 3.0 million euros and amounts due to social security institutions of 2.0 million euros attributable to the increase in short-term amounts due.
- Current tax liabilities decreased by 9.5 million euros attributable mainly to the combined effect of the first IRAP payment on account due and the third instalment of the substitute tax in relation to the realignment, pursuant to Italian Decree Law no. 104/2020, of the tax amount to the higher carrying amount of the financial statement item Airport concession – rights acquired, effects partially offset by the estimate of the IRAP tax due in the period.

Table 12 – Current provisions and non-current liabilities

(THOUSANDS OF EUROS)	06.30.2023	12.31.2022	Change
Employee benefits	13,527	13,519	8
Provision for renovation of airport infrastructure	246,294	233,978	12,316
Other provisions for risks and charges	21,356	22,479	(1,123)
TOTAL	281,177	269,976	11,201
of which:			
- current	99,883	84,047	15,836
- non-current ⁴	181,294	185,929	(4,635)

The provision for renovation of airport infrastructure, which includes the present value of the estimate of the charges to be incurred for the contractual obligation to restore and replace assets under concession, increased by 12.3 million euros compared to the balance at the end of 2022 due to accruals for the period which reflect the amounts resulting from updating the scheduled replacement/renewal actions included in the business plan, partially offset by operating uses.

Net invested capital

⁴ Non-current liabilities also include the item Other liabilities equal to 2,068 thousand euros as at June 30, 2023 and 2,951 thousand euros as at December 31, 2022.

Net invested capital, equal to 2,294.0 million euros as at June 30, 2023, showed an increase of 23.4 million euros compared to the end of the previous year.

Equity

Equity attributable to the owners of the parent amounted to 1,158.5 million euros, up by 62.3 million euros compared to December 31, 2022 due to the comprehensive income for the period (62.3 million euros), which was affected by fair value losses on derivatives (2.1 million euros net of the tax effect).

Net financial debt

Net financial debt as at June 30, 2023 amounted to 1,135.5 million euros, down by 38.9 million euros compared to the end of 2022, thanks to the cash flows from operating activities.

Table 13 – Net financial debt

(THOUSANDS OF EUROS)	06.30.2023	12.31.2022	Change
Non-current financial liabilities	1,888,075	1,892,036	(3,961)
Bonds	1,275,466	1,273,005	2,461
Medium/long-term loans	611,091	617,214	(6,123)
Other non-current financial liabilities	1,518	1,817	(299)
Other non-current financial assets	(21,540)	(17,429)	(4,111)
NON-CURRENT NET FINANCIAL DEBT	1,866,535	1,874,607	(8,072)
Current financial liabilities	56,021	382,674	(326,653)
Current portion of non-current financial liabilities	55,765	298,764	(242,999)
Derivatives	256	83,910	(83,654)
Current financial assets	(787,011)	(1,082,875)	295,864
Cash and cash equivalents	(728,671)	(1,024,985)	296,314
Other current financial assets	(58,340)	(57,890)	(450)
CURRENT NET FINANCIAL POSITION	(730,990)	(700,201)	(30,789)
NET FINANCIAL DEBT	1,135,545	1,174,406	(38,861)

Non-current net financial debt

The non-current net debt amounted to 1,866.5 million euros, down by 8.1 million euros as a result of the changes described below.

Bonds (1,275.5 million euros) recorded an increase of 2.5 million euros due to their measurement using the amortized cost method.

Medium/long-term loans, amounting to 611.1 million euros, decreased by 6.1 million euros due to the reclassification to current of the portion of the CDP loans due within twelve months.

Other non-current financial assets increased by 4.1 million euros mainly due to the recognition of the takeover right linked to the completed investments relating to boarding area B with a regulatory useful life exceeding the residual duration of the airport concession (+3.3 million euros) and the subscription by the subsidiary ADR Ventures of a SAFE (Simple Agreement for Future Equity) for the subsequent equity investment in the share capital of a Start-up (+0.6 million euros).

Current net financial position

The current net financial position amounts to 731.0 million euros, up by 30.8 million euros compared to December 31, 2022 in relation to the following trends:

- decrease in the Current portion of non-current financial liabilities (-243.0 million euros), essentially due to the repayment on February 20, 2023 of Tranche A4 of bonds for a total of 242.3 million euros;
- decrease of liabilities for derivatives for 83.7 million euros due to the closure of the Cross Currency Swap hedging of Tranche A4 in pounds sterling;

- lower cash and cash equivalents for 296.3 million euros, mainly due to the repayment of Tranche A4 in pounds sterling of the bonds and the closure of the related Cross Currency Swap hedging, change partially offset by cash flows from operating activities of the period, net of cash flows used in investing activities.

As at June 30, 2023 the ADR Group had a liquidity reserve of 1,078.7 million euros, comprising:

- 728,7 million euros attributable to cash and/or cash equivalents and/or investees with a time frame not exceeding the short term;
- 350.0 million euros attributable to a committed revolving credit facility with a residual period of use of approximately 4 years, with the possibility of extension up to a further two years.

Table 14 – Statement of Cash Flows

(THOUSANDS OF EUROS)	1st HALF 2023	1st HALF 2022
PROFIT (LOSS) FOR THE PERIOD	61,949	(2,935)
Adjusted by:		
Amortization and depreciation	58,695	54,318
Accruals to the provision for renovation of airport infrastructure	28,750	20,371
Financial expense from discounting provisions	4,801	642
Change in other provisions	(1,324)	(5,607)
Share of profit (loss) of equity-accounted investees	549	97
Net change in deferred tax (assets) liabilities	8,195	1,208
Other non-monetary costs	6,620	5,962
Changes in working capital and other changes	56,269	280,943
CASH FLOWS FROM OPERATING ACTIVITIES (A)	224,504	354,999
Investments in property, plant and equipment (*)	(12,356)	(6,888)
Investments in intangible assets (**)	(150,615)	(78,538)
Works for renovation of airport infrastructure	(21,026)	(16,699)
Investments in consolidated companies net of net cash contributions	0	(975)
Gains from disinvestments and other changes in property, plant and equipment and intangible assets and equity investments	1,109	197
Net change in other non-current assets	(9)	4
CASH FLOWS USED IN INVESTING ACTIVITIES (B)	(182,897)	(102,899)
Repayments of bonds	(242,286)	0
Repayment of medium/long-term loans	(6,154)	0
Net change in other current and non-current financial liabilities	(83,990)	(2,359)
Net change in current and non-current financial assets	(5,491)	(120,373)
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	(337,921)	(122,732)
CASH FLOWS FOR THE PERIOD (A+B+C)	(296,314)	129,368
Opening cash and cash equivalents	1,024,985	661,640
Closing cash and cash equivalents	728,671	791,008

(*) including advances to suppliers for 48 thousand euros in the first half of 2022.

(**) including advances to suppliers for 1,685 thousand euros in the first half of 2023.

Table 15 – Additional information to the Statement of Cash Flows

(THOUSANDS OF EUROS)	1st HALF 2023	1st HALF 2022
Net income taxes paid (reimbursed)	7,615	(53,408)
Interest income collected	4,708	304
Interest expense and commissions paid	22,094	26,947

In the first half of 2023, cash flows from operating activities of the ADR Group amounted to 224.5 million euros, with a decrease of 130.5 million euros compared to the comparative period, mainly due to the less favorable trend of the working capital, which in the first half of 2022 benefited from the collection of the Covid-19 relief (219.2 million euros). This performance was partially offset by the improvement in the profit for the period and by increase in non-monetary costs (in particular the accruals to the provision for renovation of airport infrastructure and amortization and depreciation for the period).

Cash flows from operating activities were partially absorbed by investing activities, which used cash flows of 182.9 million euros (102.9 in the comparative period).

Cash flows used in financing activities amounted to 337.9 million euros, essentially due to the repayment of Tranche A4 of the bonds and the consequent closure of the Cross Currency Swap hedging of Tranche A4 in pounds sterling, as well as the repayment of principal amounts due during the period on EIB and CDP loans.

As a result of the trends described above, the cash flows for the period, which were negative for 296.3 million euros, decreased the closing cash and cash equivalents to 728.7 million euros compared to the opening balance of 1,025.0 million euros.

3.2.4 ADR Group investments

Table 16 – ADR Group capital investments in the first half of 2023, 2022 and 2021

(MILLIONS OF EUROS)	1st HALF 2023	1st HALF 2022	1st HALF 2021
Airport concession investments	141.6	72.3	49.6
Other investments in property, plant and equipment and intangible assets	19.7	13.1	10.6
Total investments	161.3	85.4	60.2
Renovation works ⁵	21.0	16.7	9.7
Total	182.3	102.1	69.9

182.3 million euros have been spent in total, broken down as follows:

- 129.3 million euros targeted to the expansion of capacity; in particular, 51.7 million euros for the restructuring of Terminal 3, 39.5 million euros for the restructuring of Pier B and 27.7 million euros for construction of the East Airport Terminal System;
- 32.0 million euros for the development of computing and technological equipment and systems to support the airports of Fiumicino and Ciampino and other minor works;
- 21.0 million euros for restoration works, extraordinary maintenance and renovation of the existing infrastructure.

Table 17 – Details of investments for the period

(MILLIONS OF EUROS)	1st HALF 2023
Works on terminals and piers	128.6
of which the main ones are:	
Terminal 3 – restructuring	51.7
Restructuring of Pier B	39.5
East Airport System	27.7
Works on runways and aprons	0.7
Development of systems, ICT systems and other minor systems	32.0
of which the main ones are:	
Information systems	12.1
Property developments (Business District I, Epuia 3, III Hotel)	1.0
Total investments	161.3
Of which:	
Finished	109.5
In progress	51.8
Renovation works	21.0
Total	182.3

⁵ These amounts are for the use of the provisions for renovation of airport infrastructure.

3.2.5 Alternative performance indicators

In order to illustrate the Group's financial performance, as well as its financial position and cash flows, reclassified statements were prepared which are different from those required under the EU-endorsed IFRS adopted by the Group and contained in the Condensed interim consolidated financial statements.

These reclassified statements contain alternative performance indicators to those included in the Condensed interim consolidated financial statements that management deem useful for monitoring the Group's performance and representing the financial position and financial performance of the business.

These alternative performance indicators ("API") are:

- Net operating costs;
- Gross operating profit (loss) (EBITDA)

Reference is made to the next paragraph for a reconciliation of the above-mentioned indicators with the Condensed interim consolidated financial statements.

Moreover, in order to better assess the Group's financial position and financial performance, the following additional alternative performance indicators are presented:

Alternative performance indicators (APIs)

	SOURCE/CALCULATION METHOD
Investments	are determined as follows:
	+ investments in property, plant and equipment net of advances paid to suppliers in the period (see Note 6.1 of the Notes)
	+ investments in Intangible assets net of advances paid to suppliers in the period (see Note 6.2 of the Notes)
	+ revenue from construction services (see Note 7.1 of the Notes)
	+ operating uses of the Provision for renovation of airport infrastructure (see Note 6.13 of the Notes)
Liquidity	Cash and cash equivalents as inferred from the condensed interim consolidated financial statements

The reclassified statements and the above-mentioned indicators must not be considered as a replacement to the conventional ones required by IFRS.

Reconciliation between the reclassified income statement and the income statement included in the condensed interim consolidated financial statements

The income statement was reclassified on a "value-added" basis, which shows the contribution of the financial and core areas of operation.

For the items that cannot be directly inferred from the Condensed interim consolidated financial statements, the calculation method and the reference to the sections of this Interim financial report containing the necessary information for calculation purposes are provided.

RECLASSIFIED INCOME STATEMENT	SOURCE/CALCULATION METHOD
Revenue from airport management of which:	inferred from the condensed interim consolidated financial statements
Aviation	see Note 7.1 of the Notes
Non- Aviation	see Note 7.1 of the Notes
Revenue from construction services	inferred from the condensed interim consolidated financial statements
Other operating income	inferred from the condensed interim consolidated financial statements
TOTAL REVENUE	
External operating costs	Calculated as follows
	+ Consumption of raw materials and consumables (inferred from the Condensed interim consolidated financial statements)
	+ Service costs (inferred from the condensed interim consolidated financial statements)
	- Costs for construction services (see Note 7.3 of the Notes)
	- Costs for renovation of airport infrastructures (see Note 7.3 of the Notes)
	+ Lease payments inferred from the condensed interim consolidated financial statements)
	+ Other costs (inferred from the condensed interim consolidated financial statements)
	- Accruals to the loss allowance (see Note 7.5 of the Notes)
	+ Costs for construction services (see Note 7.3 of the Notes)
Total costs for construction services	+ Personnel expense for employees dedicated to construction services (see Note 7.4 of the Notes)
Concession fees	inferred from the condensed interim consolidated financial statements
	+ Personnel expense (inferred from the condensed interim consolidated financial statements)
Net personnel expense	+ Personnel expense for employees dedicated to construction services (see Note 7.4 of the Notes) - Personnel expense for employees dedicated to airport infrastructure renovation works (see Note 7.4 of the Notes)
(Accruals to) re-absorption of provisions for risks and charges	inferred from the condensed interim consolidated financial statements
TOTAL NET OPERATING COSTS	
GROSS OPERATING PROFIT (LOSS) (EBITDA)	
Amortization and depreciation	inferred from the condensed interim consolidated financial statements
Provision for renovation and other provisions/allowances	Calculated as follows
	+ Accruals to the loss allowance (see note 7.5 of the Notes)
	+ Accruals to (use of) the provision for renovation of airport infrastructure (as inferred from the condensed interim consolidated financial statements)
	- operating uses of the provision for renovation of airport infrastructure (see Note 6.13 of the Notes)
OPERATING PROFIT (LOSS) (EBIT)	
Net financial (expense)	inferred from the condensed interim consolidated financial statements
Share of profit (loss) of equity-accounted investees	inferred from the condensed interim consolidated financial statements
PROFIT (LOSS) BEFORE TAXES	inferred from the condensed interim consolidated financial statements
Income Taxes	inferred from the condensed interim consolidated financial statements
PROFIT (LOSS) FROM CONTINUING OPERATIONS	inferred from the condensed interim consolidated financial statements
Profit (loss) from discontinued operations	inferred from the condensed interim consolidated financial statements
PROFIT (LOSS) FOR THE PERIOD	inferred from the condensed interim consolidated financial statements
Profit (Loss) for the period attributable to non-controlling interests	inferred from the condensed interim consolidated financial statements
PROFIT (LOSS) FOR THE PERIOD ATTRIBUTABLE TO THE OWNERS OF THE PARENT	inferred from the condensed interim consolidated financial statements

Reconciliation between the Reclassified statement of financial position and the statement of financial position contained in the consolidated financial statements

The statement of financial position was reclassified on a management account basis, which, on one hand, shows the division of invested capital between non-current assets and working capital, net of provisions, and on the other, the related sources of funding, represented by self-financing (equity) and borrowings (current and non-current net financial debt). For the items that cannot be directly inferred from the Condensed interim consolidated financial statements, the calculation method is provided.

	RECLASSIFIED STATEMENT OF FINANCIAL POSITION	SOURCE/CALCULATION METHOD
	INTANGIBLE ASSETS	corresponding to the item "Intangible assets" in the condensed interim consolidated financial statements
	PROPERTY, PLANT AND EQUIPMENT	corresponding to the item "Property, plant and equipment" in the condensed interim consolidated financial statements
	FINANCIAL ASSETS	corresponding to the item "Equity investments" in the condensed interim consolidated financial statements
	DEFERRED TAX ASSETS	inferred from the condensed interim consolidated financial statements
	OTHER NON-CURRENT ASSETS	inferred from the condensed interim consolidated financial statements
A	NON-CURRENT ASSETS	
	TRADE ASSETS	inferred from the condensed interim consolidated financial statements
	OTHER CURRENT ASSETS	inferred from the condensed interim consolidated financial statements
	CURRENT TAX ASSETS	inferred from the condensed interim consolidated financial statements
	TRADE LIABILITIES	inferred from the condensed interim consolidated financial statements
	OTHER CURRENT LIABILITIES	inferred from the condensed interim consolidated financial statements
	CURRENT TAX LIABILITIES	inferred from the condensed interim consolidated financial statements
B	WORKING CAPITAL	
	EMPLOYEE BENEFITS	inferred from the condensed interim consolidated financial statements
	PROVISION FOR RENOVATION OF AIRPORT INFRASTRUCTURE	inferred from the condensed interim consolidated financial statements
	OTHER PROVISIONS FOR RISKS AND CHARGES	inferred from the condensed interim consolidated financial statements
C	CURRENT PROVISIONS	corresponding to the item "current provisions" in the condensed interim consolidated financial statements
D = B + C	WORKING CAPITAL NET THE CURRENT PROVISIONS	
	NON-CURRENT LIABILITIES	+ Non-current provisions inferred from the Condensed interim consolidated financial statements + Other non-current liabilities inferred from the Condensed interim consolidated financial statements
E	NON-CURRENT LIABILITIES	
F = A + D + E	NET INVESTED CAPITAL	
	EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	inferred from the condensed interim consolidated financial statements
	EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	inferred from the condensed interim consolidated financial statements
G	EQUITY	
	NON-CURRENT FINANCIAL LIABILITIES	inferred from the condensed interim consolidated financial statements
	OTHER NON-CURRENT FINANCIAL ASSETS	inferred from the condensed interim consolidated financial statements
H	NON-CURRENT NET FINANCIAL DEBT	
	CURRENT FINANCIAL LIABILITIES	inferred from the condensed interim consolidated financial statements
	CURRENT FINANCIAL ASSETS	+ Other current financial assets as inferred from the Condensed interim consolidated financial statements + Cash and cash equivalents as inferred from the Condensed interim consolidated financial statements
I	CURRENT NET FINANCIAL POSITION	
L = H + I	NET FINANCIAL DEBT	
G + L	INVESTED CAPITAL COVERAGE	

Chapter 4

4. Other information

Relations with the ultimate parent, Mundys S.p.A.

On October 15, 2021 Mundys S.p.A. – which owns 99.389% of the share capital, the remainder being divided among the territorial public entities (pursuant to the Italian Prime Ministerial Decree of February 25, 1999) and other minor shareholders (with a total shareholding of 0.260%) – notified ADR that on October 14, 2021 its Board of Directors had resolved to cease exercising management and coordination activities over ADR, following the redesign of the organizational, functional and managerial structure, which has led Mundys to focus on its core activities of portfolio management, strategy, risk, talent, partnership, innovation and sustainability, as well as following the redefinition of relations with its operating subsidiaries, which have full management autonomy.

However, the cessation of management and coordination activities did not invalidate those Policies and Guidelines aimed at (i) allowing Mundys to fulfil the obligations of preparing the consolidated financial statements and forecast data, the obligations set out in the TUF (Consolidated Law on Finance) and the Code of Corporate Governance, as well as (ii) allowing the monitoring of those operational, compliance and financial risks that may have an impact at whole Group level.

In turn, ADR manages and coordinates its subsidiaries, ADR Tel S.p.A., ADR Assistance S.r.l., ADR Mobility S.r.l., ADR Security S.r.l., Airport Cleaning S.r.l., ADR Infrastrutture S.p.A., ADR Ingegneria S.p.A, ADR Ventures S.r.l., Fiumicino Energia S.r.l. and Leonardo Energia S.c.a.r.l., excluding the subsidiary UrbanV S.p.A.

Intragroup relations and transactions with related parties

All transactions with parents, subsidiaries and other related parties were carried out on an arm's length basis.

With reference to intragroup relations and related party transactions, please see Note 10 to the Condensed interim consolidated financial statements.

Chapter 5

5. Subsequent events

Traffic data

The traffic trend of the Roman airport system is represented for a longer period (up to July 23, 2023), in order to provide an update on the significant recovery of air traffic in the summer period. The positive start to the summer season was also confirmed in the peak month (July 1-23) thanks to the consolidation of the activity started in the summer and the increase in seasonal flights promoting leisure passenger flows: in the period from January 1 to July 23, 2023, at Fiumicino and Ciampino airports, transported passengers increased by 46% compared to 2022, as did aircraft movements, with an increase of 23.5%.

Table 18 – Main traffic data of the Roman Airport System as at July 23, 2023⁶

	Jan 1 - Jul 23, 2023	Jan 1 - Jul 23, 2022	% Change
Movements (no.)	162,878	131,839	+23.5%
Fiumicino	139,185	108,224	+28.6%
Ciampino	23,693	23,615	+0.3%
Passengers (no.)	23,185,212	15,882,069	+46.0%
Fiumicino	20,999,147	14,059,027	+49.4%
Ciampino	2,186,065	1,823,042	+19.9%
Cargo (tons)	97,447	77,139	+26.3%
Fiumicino	89,768	68,712	+30.6%
Ciampino	7,678	8,426	-8.9%

Below is the trend of the individual airports:

Fiumicino

Between January 1 and July 23, 2023, Fiumicino airport recorded a traffic volume of approximately 21.0 million passengers, an increase of 49.4% compared to 14.1 million in the same period of 2022. Aircraft movements recorded growth of 28.6% with approximately 139.2 thousand flights operated.

In this period of time, an average of 103 thousand passengers per day passed through, compared to 69 thousand in the same period of 2022; in July (1-23) the average number of passengers per day rose to 134.2 thousand.

There was a significant recovery in international traffic, with 16.4 million passengers, up by 49.4% compared to the same period of 2022: the recovery of non-EU traffic - a market that was more affected by the limitation to travel due to Covid - continued, with an 84.9% increase over 2022 volumes and a recovery over 2019 traffic of around 80%, despite the continued total absence of traffic from Ukraine and Russia, due to the airspace closure due to recent geopolitical events between the two countries. Domestic traffic, equal to about 4.6 million passengers, is up by 30.3% compared to the same period of 2022.

Ciampino

In the period January 1 - July 23, 2023, Ciampino airport recorded a recovery in traffic with transiting passengers equal to approximately 2.2 million and a growth of around 20%, driven by the main airport market

⁶ Provisional data

- intra-European traffic - with 1.4 million passengers. The total number of movements recorded is essentially in line with respect to the previous year; albeit with a daily limit of 65 flights, commercial flights recorded a 5.2% growth in the period.

Cargo traffic decreased by 8.9%, affected by the shift from Ciampino to Fiumicino of TNT/FedEx activities starting from the Summer 2022 season.

Other subsequent events

- During the first two weeks of July, the Parent ADR implemented a series of financial transactions aimed at optimizing the maturity profile and increasing the average life of debt, at the same time accelerating the transition of the sources of funding mix towards “sustainable finance”. The transactions, which will have accounting effects in July 2023, generated total net funding of approximately 183 million euros. More specifically:
 - On July 3, 2023, ADR placed new Sustainability-Linked bonds. With a nominal value of 400 million euros and a duration of 10 years, the issue was settled on July 10, 2023 and provides for repayment in a lump sum, on July 10, 2033, and the payment of an annual fixed-rate coupon equal to 4.875%. Issued under the Company's EMTN program, the bond issue is aimed at institutional investors and is listed on the Irish Stock Exchange. The bond issue was assigned a rating in line with that of ADR (“Baa2” by Moody's, “BBB” by S&P and “BBB-” by Fitch).
 - On July 3, 2023, at the same time as the pricing of the issue, the entire Interest Rate Swap Forward Starting derivatives portfolio put in place by ADR in 2018 and 2021 was unwound, with ADR collecting a positive mark-to-market of 50.9 million euros.
 - On July 3, 2023, at the same time as the launch of the new bond issue, the Company launched a Tender Offer aimed at the holders of the 500 million euros bonds maturing on June 8, 2027, issued by ADR in 2017 in relation to its EMTN Program. On July 14, paying the participants a total consideration of 63.1 million euros (including accrued interest), the Company finalized the repurchase of the securities and the simultaneous cancellation of the same securities. As a result of the transaction, the residual outstanding notional value amounted to approximately 432.8 million euros.
 - On July 11, 2023, the voluntary and full early repayment of the 200 million euros bank loan granted by Banca Nazionale del Lavoro in 2020, which had contractual maturity in May 2026, was finalized.
- On July 19, 2023, the Piedmont Regional Administrative Court declared that the appeals filed against ART Resolutions 118/2019 and 136/2020 are no longer proceeding, due to the fact that ART Resolution 38/2023 definitively repealed those resolutions. It is to be noted that the issue of ART's competence over the holders of “derogation” contracts is still submitted to the ruling of the aforementioned Court in the pending litigation on Resolution 38/2023.

Chapter 6

6. Business Outlook

The traffic trend in the 2023 summer season shows a consolidation of the excellent growth prospects already shown in the first months of the year. The full recovery of pre-pandemic volumes cannot yet be achieved in the current year. However, if the positive trend is confirmed also in the coming months, it may be an achievable goal predictably ahead of the more optimistic recent traffic forecast.

Similarly positive is the economic outlook for both aviation and commercial activities, with the latter also experiencing a significant growth trend.

The further strengthening of the Group's financial solidity has benefited from the positive performance of operations as well as from the new bond issue (Sustainability Linked bonds) - finalized in July - and allows us to be able to confidently look forward to a prospect of stability no longer characterized by the management constraints and restrictions that characterized the pandemic crisis years.

However, there are risk elements that the Group shall manage with the utmost attention: international instability is still significant, inflationary dynamics are still affecting monetary policies and, last but not least, raw materials and energy costs are still very volatile.

In this still complex scenario, the Group will continue with its commitment to maintaining the excellence service quality levels achieved in past years and made even more difficult by the complex commitment required of structures by important traffic growth trends experienced in the last few months, that have already caused difficulties for many European airport systems.





CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS AT JUNE 30, 2023

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Condensed interim consolidated financial statements of the Aeroporti di Roma Group

Statement of financial position

ASSETS (THOUSANDS OF EUROS)	NOTES	06.30.2023	<i>of which related parties</i>	12.31.2022	<i>of which related parties</i>
NON-CURRENT ASSETS					
Property, plant and equipment	6.1	59,919		52,687	
<i>Concession rights</i>		2,600,541		2,510,482	
<i>Other intangible assets</i>		38,596		36,130	
Intangible assets	6.2	2,639,137		2,546,612	
Equity investments	6.3	18,881		19,430	
Other non-current financial assets	6.4	21,540		17,429	
Deferred tax assets	6.5	31,468		39,775	
Other non-current assets	6.6	470		461	
TOTAL NON-CURRENT ASSETS		2,771,415		2,676,394	
CURRENT ASSETS					
<i>Inventories</i>		7,976		5,801	
<i>Contract assets</i>		271		322	
<i>Trade receivables</i>		246,418	7,247	207,945	7,059
Trade assets	6.7	254,665	7,247	214,068	7,059
Other current financial assets	6.4	58,340	1,350	57,890	1,350
Current tax assets	6.8	4,498	4,462	23,061	22,981
Other current assets	6.9	33,560	564	36,658	560
Cash and cash equivalents	6.10	728,671		1,024,985	
TOTAL CURRENT ASSETS		1,079,734	13,623	1,356,662	31,950
TOTAL ASSETS		3,851,149	13,623	4,033,056	31,950

EQUITY AND LIABILITIES (THOUSANDS OF EUROS)	NOTES	06.30.2023	<i>of which related parties</i>	12.31.2022	<i>of which related parties</i>
EQUITY					
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT					
Share capital		62,225		62,225	
Reserves and retained earnings		1,034,304		988,893	
Profit for the period		61,949		45,059	
		1,158,478		1,096,177	
TOTAL EQUITY	6.11	1,158,478		1,096,177	
LIABILITIES					
NON-CURRENT LIABILITIES					
<i>Employee benefits</i>	6.12	12,026		12,018	
<i>Provision for renovation of airport infrastructure</i>	6.13	153,036		157,430	
<i>Other provisions for risks and charges</i>	6.14	16,232		16,481	
Non-current provisions		181,294		185,929	
<i>Bonds</i>		1,275,466		1,273,005	
<i>Medium/long-term loans</i>		611,091		617,214	
<i>Derivatives</i>		0		0	
<i>Other financial liabilities</i>		1,518	89	1,817	155
Non-current financial liabilities	6.15	1,888,075	89	1,892,036	155
Other non-current liabilities	6.16	2,068	172	2,951	358
TOTAL NON-CURRENT LIABILITIES		2,071,437	261	2,080,916	513
CURRENT LIABILITIES					
<i>Employee benefits</i>	6.12	1,501		1,501	
<i>Provision for renovation of airport infrastructure</i>	6.13	93,258		76,548	
<i>Other provisions for risks and charges</i>	6.14	5,124		5,998	
Current provisions		99,883		84,047	
<i>Trade payables</i>	6.17	251,491	2,804	188,923	3,165
Trade liabilities		251,491	2,804	188,923	3,165
<i>Current portion of non-current financial liabilities</i>		55,765	131	298,764	131
<i>Derivatives</i>		256		83,910	
Current financial liabilities	6.15	56,021	131	382,674	131
Current tax liabilities	6.8	4,032	0	13,486	
Other current liabilities	6.18	209,807	713	186,833	959
TOTAL CURRENT LIABILITIES		621,234	3,648	855,963	4,255
TOTAL EQUITY AND LIABILITIES		3,851,149	3,909	4,033,056	4,768

Income Statement

(THOUSANDS OF EUROS)	NOTES	1st HALF 2023	<i>of which related parties</i>	1st HALF 2022	<i>of which related parties</i>
REVENUE					
Revenue from airport management		388,693	8,064	259,125	3,841
Revenue from construction services		141,563	29	72,331	
Other operating income		3,558	140	9,996	795
TOTAL REVENUE	7.1	533,814	8,233	341,452	4,636
COSTS					
Consumption of raw materials and consumables	7.2	(17,060)		(13,925)	
Service costs	7.3	(208,032)	(1,190)	(131,560)	(892)
Personnel expense	7.4	(110,208)	(679)	(93,383)	(643)
<i>Concession fees</i>		(16,601)		(10,551)	
<i>Lease payments</i>		(1,475)		(1,083)	
<i>(Accruals to)/uses of the provision for renovation of airport infrastructure</i>	6.13	(7,724)		(3,672)	
<i>(Accruals to)/re-absorption of provisions for risks and charges</i>	6.14	49		5,131	
<i>Other costs</i>		(3,300)		(9,061)	(7)
Other operating costs	7.5	(29,051)		(19,236)	(7)
<i>Depreciation of property, plant and equipment</i>	6.1	(5,192)		(5,888)	
<i>Amortization of concession rights</i>	6.2	(48,120)		(43,779)	
<i>Amortization of other intangible assets</i>	6.2	(5,383)		(4,651)	
Amortization and depreciation		(58,695)		(54,318)	
TOTAL COSTS		(423,046)	(1,869)	(312,422)	(1,542)
OPERATING PROFIT		110,768		29,030	
Financial income		9,956		1,766	
Financial expense		(31,875)		(38,454)	
Net exchange gains		126		5,342	
NET FINANCIAL EXPENSE	7.6	(21,793)		(31,346)	
Share of profit (loss) of equity-accounted investees	7.7	(549)		(97)	
PROFIT (LOSS) BEFORE TAXES		88,426		(2,413)	
Income taxes	7.8	(26,477)		(522)	
PROFIT (LOSS) FROM CONTINUING OPERATIONS		61,949		(2,935)	
Profit (loss) from discontinued operations		0		0	
PROFIT (LOSS) FOR THE PERIOD		61,949		(2,935)	
of which:					
Attributable to the owners of the parent		61,949		(2,995)	
Attributable to non-controlling interests		0		60	

Statement of Comprehensive Income

(THOUSANDS OF EUROS)	1st HALF 2023	1st HALF 2022
PROFIT (LOSS) FOR THE PERIOD	61,949	(2,935)
Fair value gains (losses) on cash flow hedges	(2,727)	69,715
Tax effect	654	(16,732)
Other comprehensive income (expense) from equity-accounted investees	0	(3)
OTHER COMPREHENSIVE INCOME (EXPENSE) THAT CAN BE RECLASSIFIED TO PROFIT OR LOSS, NET OF THE TAX EFFECT	(2,073)	52,980
Fair value gains (losses) on equity investments	0	0
OTHER COMPREHENSIVE INCOME (EXPENSE) THAT WILL NOT BE SUBSEQUENTLY RECLASSIFIED TO PROFIT OR LOSS, NET OF THE TAX EFFECT	0	0
RECLASSIFICATION OF OTHER COMPREHENSIVE INCOME FOR THE PERIOD	2,425	2,424
OTHER COMPREHENSIVE INCOME, NET OF THE TAX EFFECT	352	55,404
COMPREHENSIVE INCOME FOR THE PERIOD	62,301	52,469
Of which:		
Attributable to the owners of the parent	62,301	52,409
Attributable to non-controlling interests	0	60

Statement of changes in equity

(THOUSANDS OF EUROS)	SHARE CAPITAL	LEGAL RESERVE	SHARE PREMIUM RESERVE	HEDGING RESERVE	EQUITY ACCOUNTING RESERVE	FAIR VALUE RESERVE	OTHER RESERVES AND RETAINED EARNINGS	PROFIT (LOSS) FOR THE PERIOD/YEAR	TOTAL	EQUITY ATTRIBUTABLE TO NON- CONTROLLING INTERESTS	TOTAL EQUITY
BALANCE AS OF DECEMBER 31, 2021	62,225	12,462	667,389	(76,487)	230	(40,611)	379,798	(38,035)	966,971	2,795	969,766
Loss for the period								(2,995)	(2,995)	60	(2,935)
Other comprehensive income:				55,407	(3)				55,404	0	55,404
Fair value gains on cash flow hedges, net of the tax effect				55,407					55,407	0	55,407
Actuarial gains (losses) on employee benefits, net of the tax effect									0	0	0
Other comprehensive expense from equity-accounted investees					(3)				(3)	0	(3)
Fair value gains (losses) on equity investments									0	0	0
Comprehensive income for the period				55,407	(3)			(2,995)	52,409	60	52,469
Allocation of loss for the previous year							(38,035)	38,035	0	0	0
Other changes									0	0	0
BALANCE AS OF JUNE 30, 2022	62,225	12,462	667,389	(21,080)	227	(40,611)	341,763	(2,995)	1,019,380	2,855	1,022,235
BALANCE AS OF DECEMBER 31, 2022	62,225	12,462	667,389	5,143	204	(40,611)	344,306	45,059	1,096,177	0	1,096,177
Profit for the period								61,949	61,949	0	61,949
Other comprehensive income:				352					352	0	352
Fair value gains on cash flow hedges, net of the tax effect				352					352	0	352
Actuarial gains (losses) on employee benefits, net of the tax effect									0	0	0
Other comprehensive income (expense) from equity-accounted investees									0	0	0
Fair value gains (losses) on equity investments									0	0	0
Comprehensive income for the period				352				61,949	62,301	0	62,301
Allocation of profit for the previous year							45,059	(45,059)	0	0	0
Other changes									0	0	0
BALANCE AS OF JUNE 30, 2023	62,225	12,462	667,389	5,495	204	(40,611)	389,365	61,949	1,158,478	0	1,158,478

Statement of Cash Flows

(THOUSANDS OF EUROS)	1st HALF 2023	1st HALF 2022
PROFIT (LOSS) FOR THE PERIOD	61,949	(2,935)
Adjusted by:		
Amortization and depreciation	58,695	54,318
Accruals to the provision for renovation of airport infrastructure	28,750	20,371
Financial expense from discounting provisions	4,801	642
Change in other provisions	(1,324)	(5,607)
Share of profit (loss) of equity-accounted investees	549	97
Net change in deferred tax (assets) liabilities	8,195	1,208
Other non-monetary costs	6,620	5,962
Changes in working capital and other changes	56,269	280,943
CASH FLOWS FROM OPERATING ACTIVITIES (A)	224,504	354,999
Investments in property, plant and equipment (*)	(12,356)	(6,888)
Investments in intangible assets (**)	(150,615)	(78,538)
Works for renovation of airport infrastructure	(21,026)	(16,699)
Investments in consolidated companies net of net cash contributions	0	(975)
Gains from disinvestments and other changes in property, plant and equipment and intangible assets and equity investments	1,109	197
Net change in other non-current assets	(9)	4
CASH FLOWS USED IN INVESTING ACTIVITIES (B)	(182,897)	(102,899)
Repayments of bonds	(242,286)	0
Repayment of medium/long-term loans	(6,154)	0
Net change in other current and non-current financial liabilities	(83,990)	(2,359)
Net change in current and non-current financial assets	(5,491)	(120,373)
CASH FLOWS USED IN FINANCING ACTIVITIES (C)	(337,921)	(122,732)
CASH FLOWS FOR THE PERIOD (A+B+C)	(296,314)	129,368
Opening cash and cash equivalents	1,024,985	661,640
Closing cash and cash equivalents	728,671	791,008

(*) including advances to suppliers for 48 thousand euros in the first half of 2022;

(**) including advances to suppliers for 1,685 thousand euros in the first half of 2023.

Additional information to the statement of cash flows

(THOUSANDS OF EUROS)	1st HALF 2023	1st HALF 2022
Net income taxes paid (reimbursed)	7,615	(53,408)
Interest income collected	4,708	304
Interest expense and commissions paid	22,094	26,947



Notes to the condensed interim consolidated Financial Statements of the Aeroporti di Roma Group

1. General information

Aeroporti di Roma S.p.A. (hereafter the “Company” or “ADR” or “the Parent”) manages the Roman airport system on an exclusive basis under the concession signed between the Italian Civil Aviation Authority (“ENAC”) and ADR. On December 21, 2012, the Prime Minister approved the new Planning Agreement signed between ADR and ENAC on October 25, 2012, based on which ADR is entrusted with managing the airport system directly and indirectly through its subsidiaries, to which specific activities are assigned. The concession expires on June 30, 2046.

The registered office of the Parent is in Fiumicino, Via Pier Paolo Racchetti 1, while the secondary office is in Ciampino, Via Appia Nuova 1651. The duration of the Company is currently set until December 31, 2050, unless extended.

At the date of these Condensed Interim Consolidated Financial Statements, Mundys S.p.A. (“Mundys”) is the shareholder who directly holds the majority of ADR's shares (61,844,628, equal to 99.389% of the share capital).

These Condensed Interim Consolidated Financial Statements of ADR and its subsidiaries (the “ADR Group”) were approved by the Board of Directors of the Company at the meeting of August 1, 2023 and reviewed by KPMG S.p.A.

The Condensed Interim Consolidated Financial Statements were prepared on a going concern basis.

2. Basis of presentation

The Condensed Interim Consolidated Financial Statements at June 30, 2023 were prepared in accordance with IAS 34 “Interim Financial Reporting” (applicable for interim financial information).

The Condensed Interim Consolidated Financial Statements comprise a statement of financial position, income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows and these notes, applying the provisions of IAS 1 “Presentation of Financial Statements” and the general criterion of the historical cost, with the exception of the financial statement items that under IFRS are recognized at their fair value, as stated in the accounting policies of the individual items described in the Consolidated Financial Statements at December 31, 2022, to which reference is made.

Compared to the Annual Consolidated Financial Statements, condensed financial statements are required in terms of form and content, as permitted by IAS 34. Therefore, for more complete disclosure, these Condensed Interim Consolidated Financial Statements must be read together with the Consolidated Financial Statements as at and for the year ended December 31, 2022, prepared in accordance with the International Financial Reporting Standards (IFRS).

The layouts of the financial schedules are the same as those adopted in the annual consolidated financial statements at December 31, 2022.

All the amounts are expressed in thousands of euros, unless otherwise stated. The euro represents the functional currency of the Parent and its subsidiaries and the presentation currency.

Each item in the condensed interim consolidated financial statements is compared with the corresponding balance of the previous financial year or period.

3. Consolidation scope and basis of consolidation

The Condensed Interim Consolidated Financial Statements include the financial statements of ADR and its subsidiaries at June 30, 2023, directly or indirectly controlled by ADR, both by virtue of the shares held to obtain the majority of votes in the Meeting (also when considering the potential voting rights deriving from options that can be exercised immediately) and due to

other facts or circumstances that (also when excluding the related shares) assign the power over the relevant activities of the company, the exposure or the right to variable returns on the investment of the company and the ability to use the power over the company to influence the returns on the investment.

The subsidiaries are included in the consolidation scope as of the date when control is acquired by the Group and are excluded from the scope as of the date when control is lost by the Group. The list of companies included in the consolidation scope is shown in Attachment 1 "List of equity investments".

With respect to December 31, 2022, please note the inclusion in the consolidation scope of the new company, ADR Ventures S.r.l., incorporated on February 3, 2023, with a capital injection of 2 million euros (of which 10 thousand euros as quota capital), fully subscribed by the sole quotaholder ADR. The new company's purpose relates to Corporate Venture Capital activities in order to invest in the development of start-ups with high innovative potential, which operate directly in ADR's Innovation Hub.

In addition, on May 22, 2023, the Shareholders' and Quotaholders' Meetings of Leonardo Energia Sc. a r.l. and Fiumicino Energia S.r.l. were held, which resolved the reverse merger of Fiumicino Energia S.r.l. into Leonardo Energia S.c. a r.l., pursuant to articles 2501-ter and 2505 of the Italian Civil Code, with concurrent approval (only for Leonardo Energia) of the transformation of the latter into a limited liability company and share capital increase from 10,000 euros to 742,000 euros. The merger will be finalized once the deadline for the creditors' opposition has expired.

For consolidation purposes, the financial statements of the subsidiaries, approved by the relevant Boards of Directors, were used and adjusted to comply with the IFRS adopted by the Group.

The consolidation criteria are the same ones applied for the preparation of the consolidated financial statements at December 31, 2022 to which reference is made.

4. Accounting standards

In preparing the Condensed Interim Consolidated Financial Statements at June 30, 2023, the same accounting standards and policies were adopted as those applied in the preparation of the Consolidated Financial Statements at December 31, 2022, to which reference should be made, where these standards and policies are analytically described.

New accounting standards and interpretations, amendments to accounting standards and interpretations in force from 2023

The new accounting standards and interpretations, or the amendments to the existing standards and interpretations already applicable, which are in force since 2023, listed below, have not had an impact on the condensed Interim Consolidated Financial Statements, as there are no significant applicable cases.

ENDORSED ACCOUNTING STANDARDS AND INTERPRETATIONS IN FORCE FROM JANUARY 1, 2023	Date of entry into force for IASB	Date of endorsement for EU
Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Presentation of accounting standards	January 1, 2023	March 2022
Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates	January 1, 2023	March 2022
Amendments to IAS 12 - Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	January 1, 2023	August 2022

Amendments to IAS 1 - Presentation of Financial Statements and IFRS Practice Statement 2: Presentation of accounting standards

The document "Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2)" indicates the criteria to be followed in the disclosure of accounting policies in the financial statements and in particular:

- the notes to the financial statements illustrate the material accounting policy information, instead of the significant accounting policies;
- accounting policy information is material if users need it to understand other material information;
- immaterial accounting policy information must not obscure material accounting policy information.

Amendments to IAS 8 - Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates

With the document "Definition of Accounting Estimates (Amendments to IAS 8)", the IASB clarifies the following: (i) accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty"; (ii) accounting estimates are made if the accounting standards require financial statement items to be measured in a manner that results in measurement uncertainty; (iii) a change in the accounting estimate resulting from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or in a measurement technique used to prepare an accounting estimate are changes in accounting estimates if they do not derive from the correction of errors from previous years; (iv) a change in an accounting estimate may affect only the profit or loss for the current period, or the profit or loss for both the current and future periods. The effect of the change relating to the current year is recognized as income or expense in the current year. Any effect on future periods is recognized as income or expense in those future periods.

Amendments to IAS 12 - Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction

With the document "Deferred Tax related to Assets and Liabilities arising from a Single Transaction (amendments to IAS 12)", the IASB clarified that the exemption provided for by IAS. 12.15 (b) and IAS 12.24 does not apply to the recognition of deferred taxes on leases and decommissioning obligations.

Accounting standards and newly issued interpretations, revisions and amendments to existing standards not yet in force or not yet endorsed by the European Union

As at the date of approval of these condensed interim consolidated financial statements, some accounting standards, interpretations and amendments had been issued by the IASB, but not yet endorsed by the European Union, some still at the consultation phase, including the following:

DOCUMENT TITLE	Issue date by the IASB	Date of the IASB document coming into force
Classification of liabilities as current or non-current (Amendments to IAS 1) and Non-current liabilities with covenants (Amendments to IAS 1)	January 2020	
	July 2020	January 1, 2024
	October 2022	
Lease liability in a sale and leaseback (Amendments to IFRS 16)	September 2022	January 1, 2024
Amendments to IAS 12 Income taxes: International Tax Reform – Pillar Two Model Rules	April 24, 2023	January 1, 2024



Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	July 17, 2023	January 1, 2024
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The ADR Group is assessing the possible impact, which cannot currently be estimated reasonably, resulting from future application of all the newly issued standards, as well as for all the reviews and amendments to the existing standards.

5. Concession Agreement

Concessionary Relationship

ADR's business purpose is the construction and management of airports or a part thereof, and the exercise of any activity related or complementary to air traffic of any type or specialty. This goal is achieved on the basis of a concession for the single management of the Roman airport system entrusted to the Company with Italian Law no. 755 of November 10, 1973.

The concessionaire ADR ensures the management and development of the Roman airport system ("Leonardo da Vinci" at Fiumicino and "G.B. Pastine" at Ciampino) in accordance with international, European and national regulations as well as the ENAC Regulations that govern the operation of airports open to civil traffic.

The original Concession Management Agreement no. 2820/74 was in force until December 21, 2012. After that date, a new Single Deed - Planning Agreement was approved with a specific Council of Ministers Presidential Decree. The single document regulates both the relations regarding the airport management concession and the criteria to determine and periodically update the fees applicable to the so-called "regulated services".

The principle remains in place according to which the management must be guided by financial and organizational criteria pursuant to Italian Law no. 755 of November 10, 1973 and subsequent amendments.

Duration of the concession

The expiry of the concession set for June 30, 2044 - pursuant to art. 14 of Italian Law no. 359 of August 8, 1992, and art. 1-quater of Italian Law no. 351 of August 3, 1995, and reaffirmed with notes from the Italian Ministry of Transport and Navigation on September 12, 1994 and January 23, 1998 - was extended *ope legis* to June 30, 2046 by virtue of article 202, paragraph 1-bis of Italian Legislative Decree no. 34 of May 19, 2020 (converted with amendments by Italian Law no. 77 of July 17, 2020), which provided for the two-year extension of the "duration of the concessions for the management and development of the airport activities in progress" in consideration of the negative economic effects deriving from the significant decrease in traffic linked to the emergency situation caused by the Covid-19 pandemic and related measures to contain the contagion adopted by the State and the Regions.

The causes of revocation, forfeiture and termination of the concessionary relationship are specified in the Single Deed - Planning Agreement in Articles 18, 19 and 20, as well as art. 20-*bis* for the effects envisaged at the natural expiry of June 30, 2046.

Subject Matter of the Concession

Italian Law no. 755/1973 (art. 1) sets forth the subject of the concession, consisting in the single management of the Roman airport system, to be carried out under the supervision of the Ministry of Transport (now ENAC - Italian Civil Aviation Authority - pursuant to Italian Legislative Decree no. 250/1997) according to the provisions of the Navigation Code and regulations currently in force.

ADR also provides security screening services for passengers and carry-on and checked baggage, also based on the concession regime.

Income

"All revenue pertaining to the State, however achievable from the management of the two airports" pursuant to art. 6, paragraph 1, of Law no. 755/1973 "belongs to the concessionaire company".

Art. 10 of the Single Deed - Planning Agreement lists in detail the concessionaire's income, also providing for the "fair consideration" to be paid to it by anyone who carries out, even occasionally, within airports under concession, a non-aviation activity for profit, not otherwise remunerated.

This article also specifies the income deriving from or connected with commercial activities that do not fall under the tariff regulations of the Planning Agreement.

The Planning Agreement regulates the so-called "regulated fees", i.e. the airport services originally identified in the "Restructuring framework regarding the tariff system for airport services rendered on an exclusive basis" proposed by the Minister of Transport and Navigation in conjunction with the Minister of Finance and approved with CIPE resolution no. 86 of August 4, 2000 and replaced by Resolution no. 51/08. These fees include the airport fees and all the fees for the services rendered on an exclusive basis.

Concession fees

Italian Law Decree no. 251/1995, converted into Italian Law no. 351/1995, introduced the obligation to pay a concession fee.

The reference parameter in force for determining the fee ("WLU" - Work Load Unit) was adopted following the Decree of the State Property Office of June 30, 2003 and then extended in the following years. The WLU corresponds to one passenger or 100 kg of goods or mail and is calculated using the data reported in the statistical yearbook of the Ministry of Infrastructure and Transport - ENAC. This method of quantifying the fee was confirmed, with subsequent Decrees of the State Property Office, and most recently - with Decree of November 18, 2021 - again for the three-year period 2022 - 2024.

Art. 2, paragraph 4 of the Single Deed - Planning Agreement provides that, if as a result of regulatory provisions and / or administrative measures, the amount of the concession fee should be modified with respect to that in force at the time of its stipulation, or if forms of taxation are introduced with an equivalent effect payable by the Concessionaire, the latter will be entitled to the recognition of a specific tariff increase to cover the higher outlay.

ADR also pays ENAC a fee for the concession of security control services to passengers and baggage, as required by Ministerial Decree no. 85/1999. The amount is set to 0.07 euros per outgoing passenger (Italian Ministerial Decree of July 13, 2005). The obligation to make this payment is reported also under art. 2, paragraph 5 of the Planning Agreement.

The assets regime

Article 12 of the Single Deed - Planning Agreement regulates the Concessionaire's right to use the assets. This is, however, to be interpreted together with the provisions contained in Articles 703 and 41 of the Navigation Code.

Additional rules contained in the Planning Agreement contribute to defining the legal treatment of the assets (e.g., art. 20-bis) which, though conditioned by the relevance of the principle of correlation to the use for performing regulated activities or alternatively commercially (unregulated) activities, does not significantly differ from the pre-existing regime. In particular:

- the assets received under concession at the time of the establishment of the concessionaire company or subsequently realized by the same by virtue of the laws of the State with public funding, are owned by the concessionaire itself under the right of use regime as they are State property; these assets are summarized in the following table:

(THOUSANDS OF EUROS)	06.30.2023	12.31.2022
Assets received under concession at Fiumicino	119,812	119,812
Assets received under concession at Ciampino	29,293	29,293
Assets produced on behalf of the State (*)	742,197	742,197
TOTAL	891,302	891,302

(*) amount of construction services for works financed, produced and already reported to ENAC.

- the assets acquired / produced by the Concessionaire with its own funding and used for the exercise of activities subject to tariff regulation are held under the ownership regime until the end of the concession. This results in the obligation of devolution to the granting Body upon the natural expiry of the concession, devolution which will in any case be subject to the reimbursement of their value to be established on the basis of the agreement rules;
- the assets acquired / produced by the Concessionaire with its own funding, but used for the performance of commercial activities (unregulated) as long as they relate to immovable assets, for which, due to the fact they are conducive to airport operations, their need has been expressly declared by ENAC, and therefore the construction has been authorized, have the same treatment as the assets in the previous category;
- the commercial movable assets, on the other hand, belong to the Concessionaire with title of full ownership; the granting administration has the right to purchase (art. 20-bis 4.d), at the natural expiry of the concession, which can be completed by paying the former Concessionaire their residual carrying amount.

On the basis of the provisions of the Single Deed - Planning Agreement, ADR will have, at the end of the concession period (June 30, 2046) the unconditional right to receive compensation equal to the residual carrying amount not yet amortized of the assets subject to tariff regulation, which can be identified from the certified analytical regulatory accounts ("takeover right"). This right will also apply to assets intended for commercial activities, provided that, due to the fact they are conducive to airport operations, their need has been expressly declared by ENAC, and therefore their construction has been authorized.

As at June 30, 2023, assets in operation with a regulatory useful life that exceeds the residual duration of the concession against which a takeover right was recognized under Non-current financial assets amount to 19.6 million euros.

6. Notes to the statement of financial position

6.1 Property, plant and equipment

	(THOUSANDS OF EUROS)			CHANGE				06.30.2023		
	12.31.2022			INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	COST	ACC. DEPR.	CARRYING AMOUNT
COST	ACC. DEPR.	CARRYING AMOUNT								
Land and buildings	18,208	(1,381)	16,827	0	(320)	0		18,208	(1,701)	16,507
Plant and machinery	99,926	(94,624)	5,302	1,045	(1,244)	1,188	0	101,975	(95,684)	6,291
Industrial and commercial equipment	16,249	(14,418)	1,831	263	(455)	17	0	16,529	(14,873)	1,656
Other assets	59,613	(39,613)	20,000	2,033	(2,518)	511	(203)	61,946	(42,123)	19,823
Assets under construction and payments on account	5,995	0	5,995	8,695	0	(1,445)	0	13,245	0	13,245
Right-of-use assets - Property, plant and equipment and other assets	5,738	(3,006)	2,732	320	(655)	0	0	5,447	(3,050)	2,397
TOTAL PROPERTY, PLANT AND EQUIPMENT	205,729	(153,042)	52,687	12,356	(5,192)	271	(203)	217,350	(157,431)	59,919

	(THOUSANDS OF EUROS)			CHANGE				06.30.2022		
	12.31.2021			INVESTMENTS	DEPRECIATION	OTHER CHANGES	DISPOSALS	COST	ACC. DEPR.	CARRYING AMOUNT
COST	ACC. DEPR.	CARRYING AMOUNT								
Land and buildings	16,837	(1,080)	15,757	0	(94)	0		16,837	(1,174)	15,663
Plant and machinery	98,476	(91,730)	6,746	2	(2,004)	183	0	98,029	(93,102)	4,927
Industrial and commercial equipment	15,698	(13,860)	1,838	187	(347)	579	0	16,397	(14,140)	2,257
Other assets	47,294	(34,736)	12,558	3,858	(2,767)	5,621	0	56,773	(37,503)	19,270
Assets under construction and payments on account	10,050	0	10,050	2,841	0	(6,439)	0	6,452	0	6,452
Right-of-use assets - Property, plant and equipment and other assets	5,997	(2,048)	3,949	0	(676)	(62)	0	5,683	(2,472)	3,211
TOTAL PROPERTY, PLANT AND EQUIPMENT	194,352	(143,454)	50,898	6,888	(5,888)	(118)	0	200,171	(148,391)	51,780

Property, plant and equipment, equal to 59,919 thousand euros (52,687 thousand euros as at December 31, 2022), increased during the period by 7,232 thousand euros mainly due to investments (12,356 thousand euros), partly offset by depreciation for the period (5,192 thousand euros).

Investments of 12,356 thousand euros mainly refer to:

- under Assets under construction and payments on account (8,695 thousand euros), the acquisition of X-ray machines for baggage checks for 1,024 thousand euros, supplies of monitors, equipment and other electronic devices for a total of 4,289 thousand euros;
- under Other assets (2,033 thousand euros), to the installation of monitors, ledwalls and equipment for the self-boarding pass for 1,223 thousand euros and to the acquisition of gate desks and furniture for 611 thousand euros;
- under Plant and machinery (1,045 thousand euros), baggage inspection machines for 334 thousand euros, motor vehicles for 300 thousand euros, car parks for 338 thousand euros.

During the period there were no significant changes in the estimated useful life of the assets.

6.2 Intangible assets

(THOUSANDS OF EUROS)	12.31.2022				CHANGE			06.30.2023			
	COST	IMPAIRMENT LOSSES	ACC. AMORT.	CARRYING AMOUNT	INVEST.	AMORT.	OTHER CHANGES	COST	IMPAIRMENT LOSSES	ACC. AMORT.	CARRYING AMOUNT
Concession rights											
Airport concession - rights acquired	2,167,966	0	(1,098,851)	1,069,115	0	(22,738)	0	2,167,966	0	(1,121,589)	1,046,377
Airport concession - investments in infrastructure	1,819,764	0	(378,397)	1,441,367	141,589	(25,382)	(3,410)	1,957,943	0	(403,779)	1,554,164
TOTAL CONCESSION RIGHTS	3,987,730	0	(1,477,248)	2,510,482	141,589	(48,120)	(3,410)	4,125,909	0	(1,525,368)	2,600,541
Other intangible assets	121,976	(41)	(87,509)	34,426	7,341	(5,318)	(101)	129,224	(41)	(92,835)	36,348
Advances to suppliers	1,422	0	0	1,422	1,685	0	(1,076)	2,031	0	0	2,031
Right-of-use assets: other int. assets	521		(239)	282	0	(65)	0	521		(304)	217
TOTAL OTHER INTANGIBLE ASSETS	123,919	(41)	(87,748)	36,130	9,026	(5,383)	(1,177)	131,776	(41)	(93,139)	38,596
TOTAL INTANGIBLE ASSETS	4,111,649	(41)	(1,564,996)	2,546,612	150,615	(53,503)	(4,587)	4,257,685	(41)	(1,618,507)	2,639,137

	(THOUSANDS OF EUROS)				CHANGE			06.30.2022			
				12.31.2021							
	COST	IMPAIRMENT LOSSES	ACC. AMORT.	CARRYING AMOUNT	INVEST.	AMORT.	OTHER CHANGES	COST	IMPAIRMENT LOSSES	ACC. AMORT.	CARRYING AMOUNT
Concession rights											
Airport concession - rights acquired	2,167,966	0	(1,053,374)	1,114,592	0	(22,738)	0	2,167,966	0	(1,076,112)	1,091,854
Airport concession - investments in infrastructure	1,691,608	0	(332,661)	1,358,947	72,331	(21,041)	(14,890)	1,749,049	0	(353,702)	1,395,347
TOTAL CONCESSION RIGHTS	3,859,574	0	(1,386,035)	2,473,539	72,331	(43,779)	(14,890)	3,917,015	0	(1,429,814)	2,487,201
Other intangible assets	106,338	(41)	(78,254)	28,043	6,207	(4,586)	(19)	112,526	(41)	(82,840)	29,645
Advances to suppliers	725	0	0	725	0	0	(61)	664	0	0	664
Right-of-use assets: other int. assets	521	0	(108)	413	0	(65)	0	521		(173)	348
TOTAL OTHER INTANGIBLE ASSETS	107,584	(41)	(78,362)	29,181	6,207	(4,651)	(80)	113,711	(41)	(83,013)	30,657
TOTAL INTANGIBLE ASSETS	3,967,158	(41)	(1,464,397)	2,502,720	78,538	(48,430)	(14,970)	4,030,726	(41)	(1,512,827)	2,517,858

Intangible assets, equal to 2,639,137 thousand euros (2,546,612 thousand euros as at December 31, 2022) increased by 92,525 thousand euros mainly due to investments for the period of 150,615 thousand euros, partly offset by amortization for the period, equal to 53,503 thousand euros and the reclassification, under Other non-current financial assets, of the amount relating to the "takeover right" equal to the residual carrying amount not yet amortized relating to the completed investments of the new pier B with a useful life that exceeds the residual duration of the airport concession (3,336 thousand euros).

Concession rights include the concession relating to managing Rome's airport system; for further information on the concession relationship reference should be made to Note 5. In detail:

- Airport concession - rights acquired: refers to the value of the airport concession, acquired for consideration; this value expresses the higher price paid by Leonardo S.p.A. for ADR shares (merged into Leonardo S.p.A. with effect from January 1, 2001) compared to the pro-rata value of the ADR Group's equity;
- Airport concession - investments in infrastructure: includes the construction of new infrastructure and/or the improvement and expansion of the existing airport infrastructure carried out by the ADR Group, net of the takeover right.

Investments in the airport concession - investments in infrastructures amounted to 141,589 thousand euros and relate to construction services carried out during the period on infrastructure under concession. Pursuant to IFRIC12, the costs associated with these investments are recognized by nature in the income statement, as well as the fair value of the related construction services performed.

Worth noting are:

- works for the restructuring of Boarding Area B for 37.9 million euros;
- renovation of Terminal 3 for 44.4 million euros;
- works relating to the East Airport Terminal System for 24.1 million euros, aimed at the construction of the new Boarding Area A and the Front Building of Terminal 1;

- Solar Farm Runway 3 works for 3.9 million euros.

In the absence of specific indicators regarding the risk of non-recovery of the carrying amount of intangible assets, these were not subjected to impairment testing.

Other intangible assets, amounting to 36,348 thousand euros (34,426 thousand euros as at December 31, 2022), include the right-of-use assets on intellectual property rights, concessions, licenses, trademarks and similar rights. The investments for the period, equal to 7,341 thousand euros, mainly refer to the acquisition of licenses and the evolutionary maintenance of the accounting system.

6.3 Equity investments

(THOUSANDS OF EUROS)	06.30.2023	12.31.2022	CHANGE
ASSOCIATES			
Spea Engineering S.p.A.	5,318	5,544	(226)
Ligabue Gate Gourmet Roma S.p.A. (in bankruptcy)	0	0	0
	5,318	5,544	(226)
JOINT VENTURES			
UrbanV S.p.A.	321	644	(323)
	321	644	(323)
OTHER COMPANIES			
Azzurra Aeroporti S.p.A.	12,543	12,543	0
Aeroporto di Genova S.p.A.	697	697	0
S.A.CAL. S.p.A.	0	0	0
Consorzio CAIE	1	1	0
Convention Bureau Roma e Lazio S.c.r.l.	1	1	0
	13,242	13,242	0
TOTAL	18,881	19,430	(549)

Compared to December 31, 2022, the decrease in Equity investments of 549 thousand euros is attributable to:

- decrease in the carrying amount of the equity investment in Spea Engineering (20%) due to its measurement at equity (-226 thousand euros charged to the income statement);
- decrease, under Equity investments in joint ventures, of the equity investment in the company UrbanV S.p.A. (60% held); the carrying amount is reduced to 323 thousand euros due to its measurement at equity.

ADR has established a pledge on the entire equity investment held in Azzurra Aeroporti, equal to 7.77% of the share capital, in favor of the financial creditors of the same company (bondholders and banks that have entered into derivatives transactions). In addition to this collateral, in the context of the same Azzurra Aeroporti loan, ADR has provided Mundys with a counter-guarantee, limited to a maximum of 1.3 million euros, for the obligations taken on by Mundys towards a bank which granted, in the interest of Azzurra Aeroporti and in favor of the latter's financial creditors, a guarantee for the debt service of the transaction in question.

The fair value measurement of the main unlisted non-controlling interests, falling under level 3 of the fair value hierarchy, was determined by adopting an approach that takes into account expected future cash flows (so-called "discounted cash flow") as the measurement technique.

6.4 Other current and non-current financial assets

(THOUSANDS OF EUROS)	06.30.2023			12.31.2022		
	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION
OTHER FINANCIAL ASSETS						
Derivatives with positive fair value	50,228	50,228	0	54,654	54,654	0
Interest accrual	762	762	0	0	0	0
Other financial assets	28,890	7,350	21,540	20,665	3,236	17,429
TOTAL OTHER FINANCIAL ASSETS	79,880	58,340	21,540	75,319	57,890	17,429

Derivatives with positive fair value

As at June 30, 2023, derivatives with positive fair value amounted to 50,228 thousand euros, of which 49,246 thousand euros referring to the five forward-starting Interest Rate Swap contracts entered into by ADR in 2018 and 2021 for a total notional value of 400 million euros, restructured in the first half of 2022, held to hedge interest rate risk, and 982 thousand euros referring to two “non-deliverable forward” contracts signed by Leonardo Energia to hedge the price risk relating to the purchase of methane gas.

For a description of the characteristics of these contracts, see Note 9.3 Financial risk management.

For the measurement techniques and inputs used in determining the fair value of derivatives, please refer to Note 9.4 Information on fair value measurements.

Other financial assets

Other non-current financial assets amounted to 21,540 thousand euros (17,429 thousand euros as at December 31, 2022) and refer mainly to:

- the registration of the right of subrogation for a total of 19,577 thousand euros, recognized to ADR in application of the regulatory regime in force and which was first applied in 2022. The increase compared to the previous year is essentially due to the entry into operation, in May, of the new pier B, whose infrastructural component has a regulatory useful life longer than the residual duration of the airport concession;
- the subscription by the subsidiary ADR Ventures of a SAFE (Simple Agreement for Future Equity) for the subsequent equity investment in a start-up;
- the accessory charges incurred for the Revolving sustainability-linked credit facility of 350 million euros, subscribed in October 2022, which remained unused in the first half of 2023. For details, refer to Note 6.15.

Other current financial assets amounted to 7,350 thousand euros (3,236 thousand euros as at December 31, 2022) and increased compared to December 2022 mainly due to the recognition of accrued income for interest accrued on time deposits held at bank counterparties recognized under cash equivalents; the item also includes the amount due from the associate Spea Engineering S.p.A. for 1,350 thousand euros, for dividends resolved in 2018 and not yet paid.

6.5 Deferred tax assets

Deferred tax assets are shown net of deferred tax liabilities that can be offset. The nature of the temporary differences is illustrated in the table below:

	12.31.2022	CHANGE			06.30.2023
(THOUSANDS OF EUROS)		ACCRUALS	RELEASES	DEFERRED TAX ASSETS/LIABILITIES ON INCOME/EXPENSE RECOGNIZED IN EQUITY	
DEFERRED TAX ASSETS					
Accruals to (uses of) the provision for renovation of airport infrastructure	33,403	2,115	(1,857)	0	33,661
Accruals to the allowance for inventory write-downs	53	8	(10)	0	51
Accruals to the loss allowances	38,714	0	(641)	0	38,073
Amortized cost and derivative instruments	(1,621)	0	0	(111)	(1,732)
Provisions for risks and charges	4,893	0	(282)	0	4,611
Tax losses and ACE (aid for economic growth)	7,826	213	(8,039)	0	0
Other	870	267	(198)	0	939
TOTAL DEFERRED TAX ASSETS	84,138	2,603	(11,027)	(111)	75,603
DEFERRED TAX LIABILITIES THAT CAN BE OFFSET					
IFRIC 12 application	43,886	424	(643)	0	43,667
Other	477	0	(9)	0	468
TOTAL DEFERRED TAX LIABILITIES	44,363	424	(652)	0	44,135
TOTAL NET DEFERRED TAX ASSETS	39,775	2,179	(10,375)	(111)	31,468

The decrease of 8,307 thousand euros recorded in the period is mainly due to the cancellation of deferred tax assets on the residual IRES 2020 tax loss, transferred to the tax consolidation scheme, in the first half of 2023, in relation to the capacity of the Mundys group's taxable income.

With regard to deferred tax assets, which are recognized in the condensed interim consolidated financial statements, it should be noted that the relative recoverability is reliably attributable to the underlying forecasts and deriving from the most up-to-date economic projections of the Group.

6.6 Other non-current assets

Other non-current assets, equal to 470 thousand euros (461 thousand euros as at December 31, 2022), relate to guarantee deposits.

6.7 Trade assets

Trade assets, equal to 254,665 thousand euros (214,068 thousand euros as at December 31, 2022), include:

- inventories, equal to 7,976 thousand euros (5,801 thousand euros as at December 31, 2022), consisting essentially of consumables, clothing, spare parts, cleaning materials, fuels, telephone equipment, telecommunications systems and building materials;
- contract assets, amounting to 271 thousand euros (322 euros as at December 31, 2022) consisting of work in progress for third parties of ADR Infrastrutture and ADR Ingegneria;
- trade receivables, equal to 246,418 thousand euros (207,945 thousand euros as at December 31, 2022).

In detail, trade receivables are broken down as follows:

(THOUSANDS OF EUROS)	06.30.2023	12.31.2022	CHANGE
Customers	399,685	367,602	32,083
Parent	10	19	(9)
Other	8,679	4,503	4,176
TOTAL TRADE RECEIVABLES, INCLUDING LOSS ALLOWANCES	408,374	372,124	36,250
Loss allowances	(161,154)	(162,447)	1,293
Default interest	(802)	(1,732)	930
TOTAL LOSS ALLOWANCES	(161,956)	(164,179)	2,223
TOTAL TRADE RECEIVABLES	246,418	207,945	38,473

Trade receivables (including loss allowances) recorded an increase of 32,083 thousand euros essentially due to the increase in business volumes, particularly in the final part of the half year.

The loss allowances include, among other things, the accruals, made in 2021, relating to trade receivables for regulated services from Alitalia SAI under extraordinary administration.

By contrast, the trade receivables due to the ADR Group from companies belonging to the Alitalia LAI group, under extraordinary administration since 2008 amounted to 10,919 thousand euros. As regards the trade receivables due from Alitalia LAI S.p.A. under extraordinary administration, it should be remembered that 2011 saw the enforcement of the surety of 6.3 million euros issued by Alitalia/CAI to guarantee the trade receivables due to ADR from Alitalia LAI S.p.A. under extraordinary administration (as well as from the lessors owning the aircraft, jointly and severally liable) in order to allow the aircraft owned by the lessors to reach Alitalia/CAI free from the order for seizure requests made by ADR. The amount enforced and collected was posted under other current liabilities.

Other trade receivables, equal to 8,679 thousand euros (4,503 thousand euros as at December 31, 2022), consist of prepaid expenses of a commercial nature and advances to suppliers.

The following table shows the changes in the loss allowances for trade receivables:

(THOUSANDS OF EUROS)	12.31.2022	INCREASES/REASORPTIONS	DECREASES	06.30.2023
Loss allowances	162,447	(1,189)	(104)	161,154
Default interest	1,732	(930)	0	802
TOTAL LOSS ALLOWANCES	164,179	(2,119)	(104)	161,956

The carrying amount of trade receivables approximates their fair value.

6.8 Current tax assets and liabilities

(THOUSANDS OF EUROS)	ASSETS			LIABILITIES		
	06.30.2023	12.31.2022	CHANGE	06.30.2023	12.31.2022	CHANGE
Due from/to ultimate parent for tax consolidation	4,462	22,982	(18,520)	0	0	0
IRES	36	79	(43)	804	5,601	(4,797)
IRAP	0	0	0	3,228	7,885	(4,657)
TOTAL	4,498	23,061	(18,563)	4,032	13,486	(9,454)

Current tax assets decreased by 18,563 thousand euros essentially due to the offsetting of tax liabilities deriving from the estimate of the IRES tax due for the period and following the collection of part of the tax asset consolidated taxation from Mundys, corresponding to an IRES (24%) tax benefit on the tax losses transferred to the tax consolidation scheme in previous years, partially offset by the recognition of the tax asset for tax consolidation on previous tax losses transferred in 2023.

Current tax liabilities are reduced by 9,454 thousand euros compared to December 31, 2022, due to the effect of the payment of the first IRAP payment on account, the payment of the third and last instalment of the substitute tax in relation to the realignment, pursuant to Decree Law no. 104/2020, of the tax amount of the higher carrying amount of the financial statement item Airport concession, and of the partial payment of the amount due for the substitute tax relative to the exemption of the goodwill of the subsidiary ADR Infrastrutture.

For more information, see Note 7.8 Income taxes.

6.9 Other current assets

(THOUSANDS OF EUROS)	06.30.2023	12.31.2022	CHANGE
Due from associates	482	482	0
Due from tax authorities	28,935	33,426	(4,491)
Due from others	4,143	2,750	1,393
TOTAL OTHER CURRENT ASSETS	33,560	36,658	(3,098)

Due from tax authorities, equal to 28,935 thousand euros, mainly consists of:

- VAT credit of 18,651 thousand euros (23,691 thousand euros as at December 31, 2022), of which 12,000 thousand euros requested as a refund by the Parent ADR;
- other tax assets of 4,611 thousand euros for taxes (and related interest and collection charges) relating to the period January 1, 1993 - March 23, 1995, recognized as prescribed by the ruling of the Supreme Court, in the context of the dispute with the Customs Office and subject to a refund request.

The increase in due from others, equal to 1,394 thousand euros, is mainly attributable to the increase in INAIL assets due to the payment of the 2023 payment on account (+0.7 million euros).

6.10 Cash and cash equivalents

(THOUSANDS OF EUROS)	06.30.2023	12.31.2022	CHANGE
Bank and post office deposits	258,227	404,582	(146,355)
Cash equivalents	470,000	620,000	(150,000)
Cash and notes in hand	444	403	41
TOTAL CASH AND CASH EQUIVALENTS	728,671	1,024,985	(296,314)

Cash and cash equivalents decreased by 296,314 thousand euros compared to December 31, 2022 essentially due to the repayment, in February 2023, of the A4 bonds and the simultaneous unwinding of the related cross currency swap contracts, partially offset by cash flows from operating activities in the period, net of investments.

For an examination of the Group's liquidity reserve, reference should be made to Note 9.3.

6.11 Equity

(THOUSANDS OF EUROS)	06.30.2023	12.31.2022	CHANGE
Share capital	62,225	62,225	0
Legal reserve	12,462	12,462	0
Share premium reserve	667,389	667,389	0
Hedging reserve	5,495	5,143	352
Equity-accounting reserve	204	204	0
Fair value reserve	(40,611)	(40,611)	0
Other reserves and retained earnings	389,365	344,306	45,059
Profit for the period	61,949	45,059	16,890
TOTAL EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT	1,158,478	1,096,177	62,301
EQUITY ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	0	0	0
TOTAL EQUITY	1,158,478	1,096,177	62,301

The changes that took place during the period are highlighted in the specific table included in the condensed interim consolidated financial statements and mainly relate to:

- the profit for the period attributable to the owners of the parent, equal to 61,949 thousand euros;
- other comprehensive income, equal to 352 thousand euros.

As at June 30, 2023, ADR's share capital, fully subscribed and paid up, consists of 62,224,743 ordinary shares with a par value of 1 euro each, for a total of 62,224,743 euros.

ADR's legal reserve represents the part of profits which, in accordance with the provisions of art. 2430 of the Italian Civil Code, may not be distributed as dividends. The reserve has reached the maximum amount required by law.

The hedging reserve includes the fair value measurement of hedging derivatives; for details, please refer to Note 9.3 Financial risk management.

6.12 Employee benefits (current and non-current portion)

(THOUSANDS OF EUROS)	1ST HALF 2023
OPENING BALANCE OF POST-EMPLOYMENT BENEFITS	13,519
Current cost	50
Interest expense	211
Total expense taken to profit or loss	261
Payments/Uses	(289)
CLOSING BALANCE OF POST-EMPLOYMENT BENEFITS	13,527
of which:	
non-current portion	12,026
current portion	1,501

Employee benefits consist of the post-employment benefits ("TFR"), governed by art. 2120 of the Italian Civil Code, which includes the estimate of the obligation, determined on the basis of actuarial techniques, relating to the amount to be paid to ADR employees upon termination of the employment relationship.

In accordance with the provisions of IAS 19, the actuarial estimate of the post-employment benefits as at June 30, 2023 was not carried out as the effects are negligible, considering the main assumptions, such as the discount rate and the annual turnover rate, in line with those as at December 31, 2022.

6.13 Provision for renovation of airport infrastructure (current and non-current portion)

(THOUSANDS OF EUROS)	12.31.2022	ACCRUALS	DISCOUNT EFFECT	OPERATIONAL USES (*)	06.30.2023
Provision for renovation of airport infrastructure	233,978	28,750	4,592	(21,026)	246,294
of which:					
current portion	76,548				93,258
non-current portion	157,430				153,036

(*) of which uses for external costs equal to 19,981 thousand euros and uses relating to personnel expense equal to 1,045 thousand euros.

The provision for renovation of airport infrastructure includes the present value of the updated estimate of charges to be incurred for extraordinary maintenance, repairs and replacements of goods and plant for the contractual obligation of the concessionaire to ensure the due functionality and safety of the airport infrastructure.

6.14 Other provisions for risks and charges (current and non-current portion)

(THOUSANDS OF EUROS)	12.31.2022	ACCRUALS	DECREASES FOR REVERSAL OF EXCESS PROVISIONS	OPERATIONAL USES	06.30.2023
Taxes	5,158	43	0	0	5,201
Current and potential disputes	16,449	115	(38)	(867)	15,659
Internal insurance	872	0	(169)	(207)	496
Investee losses	0	0	0	0	0
Restructuring	0	0	0	0	0
TOTAL OTHER PROVISIONS FOR RISKS AND CHARGES	22,479	158	(207)	(1,074)	21,356
of which:					
current portion	5,998				5,124
non-current portion	16,481				16,232

The tax provision, equal to 5,201 thousand euros, reflects the risk of negative outcomes of the pending disputes with UTF (now the Customs Office) concerning revenue tax and the provincial surcharge on electricity supplied in the period 2003-2010 - as well as the issues regarding ICI/IMU (property taxes).

The provision for current and potential disputes, amounting to 15,659 thousand euros (16,449 thousand euros as at December 31, 2022), includes the estimate of the charges that are considered likely to be incurred in relation to the disputes and litigation pending at the end of the half year. This provision decreased due to operational uses and the re-absorption in the period relating to current disputes with employees and non-recurring items relating to employees, partially offset by accruals for the half year.

It should be noted that this provision includes, among other things, the assessment, carried out on the basis of today's best knowledge, of the compensation to third parties for the alleged damage resulting from the fire in T3 on May 7, 2015. In this regard, as of today, approximately 170 claims for damages have been received (carriers, handlers, sub-concessionaires and passengers), only partially supported by a timely quantification, for damages that amount to a total, to date, of approximately 19 million euros.

For details on the disputes in progress, please refer to Note 9.5 Litigation.

6.15 Financial liabilities (current and non-current portion)

(THOUSANDS OF EUROS)	06.30.2023					12.31.2022		
	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION	BETWEEN 1 AND 5 YEARS	OVER 5 YEARS	CARRYING AMOUNT	CURRENT PORTION	NON-CURRENT PORTION
NON-CURRENT FINANCIAL LIABILITIES								
Bonds	1,275,466	0	1,275,466	483,786	791,680	1,515,063	242,058	1,273,005
Medium/long-term loans	650,514	39,423	611,091	357,597	253,494	656,637	39,423	617,214
Accrued expenses for non-current financial liabilities	15,216	15,216	0	0	0	16,059	16,059	0
Other financial liabilities	2,644	1,126	1,518	1,360	158	3,041	1,224	1,817
TOTAL NON-CURRENT FINANCIAL LIABILITIES	1,943,840	55,765	1,888,075	842,743	1,045,332	2,190,800	298,764	1,892,036
DERIVATIVES	256	256	0	0	0	83,910	83,910	0
TOTAL FINANCIAL LIABILITIES	1,944,096	56,021	1,888,075	842,743	1,045,332	2,274,710	382,674	1,892,036

As at June 30, 2023, approximately 50% of the Group's bonds and medium/long-term loans – also considering the contribution of the Revolving credit facility signed in October 2022 and not disbursed at June 30, 2023 – are structured in a "Green" or "Sustainability-linked" format¹.

Bonds

(THOUSANDS OF EUROS)	12.31.2022	CHANGES				06.30.2023
	CARRYING AMOUNT	NEW FINANCING	REPAYMENTS	EXCHANGE DIFFERENCES	AMORTIZED COST EFFECT	CARRYING AMOUNT
Bonds	1,515,063	0	(242,286)	(123)	2,812	1,275,466
current portion	242,058					0
non-current portion	1,273,005					1,275,466

As at June 30, 2023, Bonds decreased by 239,597 thousand euros mainly due to the repayment, on February 20, 2023, of Tranche A4 for a total of 242,286 thousand euros, a change in part offset by the effects on the valuation of the debt of the application of the amortized cost method (+2,812 thousand euros).

Information relating to the bonds outstanding at June 30, 2023 issued by ADR, is provided below:

¹ For the purposes of the calculation, bonds and bank loans are measured at nominal value.

NAME	OUTSTANDING PAR VALUE	CURRENCY	CARRYING AMOUNT	FIXED INTEREST RATE	INTEREST PAYMENT FREQUENCY	REPAYMENT	TOTAL DURATION	EXPIRY
€500,000,000 1.625% EMTN 06.2027	500,000	EUR	483,786	1.625%	yearly	bullet	10 years	06.2027
€300,000,000 1.625% EMTN 02.2029 - "GREEN BOND"	300,000	EUR	298,400	1.625%	yearly	bullet	8 years and 2 months	02.2029
€500,000,000 1.750% EMTN 07.2031 - "SUSTAINABILITY-LINKED BOND"	500,000	EUR	493,280	1.750%	annual	bullet	10 years and 3 months	07.2031
TOTAL BONDS	1,300,000		1,275,466					

Issues related to the bond issue program called EMTN (Euro Medium Term Notes) launched by ADR in 2013 are currently outstanding. The following bonds, all unsecured senior, have been issued and are still outstanding under this Program:

- the notes issued on June 8, 2017 for a nominal value of 500 million euros;
- the issue finalized on December 2, 2020, for a nominal value of 300 million euros and characterized by the "green" label;
- the issue finalized on April 30, 2021, for a nominal value of 500 million euros and characterized by the "sustainability-linked" label, with a duration of 10 years and three months and a coupon of 1.75%. The issue provides for the application of a step-up on the margin up to 25 basis points, starting from the coupon payable from July 2028 until maturity, in the event of failure to achieve one or more Sustainability Performance Targets.

All the bonds issued under the EMTN Program were placed with qualified investors, as defined by Consob with a regulation based on the criteria established by EU provisions, and are listed on the regulated market managed by the Irish Stock Exchange.

As at June 30, 2023, the rating assigned by the Fitch, Moody's and S&P agencies to the issuer ADR and its bond issues was of BBB- (outlook "stable"), Baa2 (outlook "negative" which reflects the restrictions determined by the rating currently assigned by the Italian Republic agency) and BBB (outlook "stable"), respectively. The ratings did not change during the half-year.

The fair value of the bond issues is reported in the table below.

(THOUSANDS OF EUROS)	06.30.2023		12.31.2022	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Fixed rate	1,275,466	1,131,562	1,515,063	1,300,224
TOTAL BONDS	1,275,466	1,131,562	1,515,063	1,300,224

The fair value of the bonds was determined on the basis of the market values available as at June 30, 2023; in particular, the future cash flows were discounted using the discount curves as per market practice (6-month Euribor), increased by a credit spread commensurate with the counterparty risk of ADR at the measurement date. Compared to December 31, 2022, the fair value of the bonds decreased by 169 million euros, a change attributable to the repayment in February 2023 of the A4 bonds, partially offset by the increase in fair value on the remaining instruments due to the significant reduction in credit spreads during the first half of 2023, as can also be inferred from the prices of the Company's bonds.

Medium/long-term loans

(THOUSANDS OF EUROS)	12.31.2022	CHANGES			06.30.2023
	CARRYING AMOUNT	NEW FINANCING	REPAYMENTS	AMORTIZED COST EFFECT	CARRYING AMOUNT
Medium/long-term loans	656,637	0	(6,154)	31	650,514
current portion	39,423				39,423
non-current portion	617,214				611,091

Medium/long-term loans decreased by 6,123 thousand euros mainly due to the repayment on maturity of the current principal amounts relating to the CDP loans for a total of 6,154 thousand euros.

The main information relating to medium/long-term loans outstanding as at June 30, 2023 is provided below.

(THOUSANDS OF EUROS)

LENDER	NAME	AMOUNT GRANTED	OUTSTANDING PAR VALUE	CARRYING AMOUNT	CURRENCY	RATE	INTEREST PAYMENT FREQUENCY	REPAYMENT	TOTAL DURATION	EXPIRY
Consortium of banks	Revolving Credit Facility Sustainability-linked ("RCF")	350,000	0	0	EUR	variable indexed to Euribor + margin	quarterly (in case of use)	revolving	5 years (*)	10.2027
Banca Nazionale del Lavoro ("BNL")	BNL loan 2020	200,000	200,000	199,904	EUR	variable rate indexed to the Euribor3M + 1.85%	quarterly	bullet	6 years (**)	05.2026 (**)
European Investment Bank ("EIB")	EIB loan 2016	150,000	119,423	119,334	EUR	I tranche (110,000) 1.341%	yearly	amortizing from 2020	14 years	09.2031
						II tranche (40,000) 0.761%		amortizing from 2022	15 years	11.2034
Cassa Depositi e Prestiti ("CDP")	CDP loan 2016	150,000	131,538	131,465	EUR	I tranche (40,000) 1.629%	yearly	amortizing from 2020	14 years	09.2031
						II tranche (30,000) 1.070%		amortizing from 2022	15 years	11.2034
						III tranche (80,000) 1.263%		amortizing from 2023	15 years	03.2035
European Investment Bank ("EIB")	EIB loan 2018	200,000	200,000	199,811	EUR	0.819%	yearly	amortizing from 2023	15 years	09.2035
Total medium/long-term loans		1,050,000	650,961	650,514						

(*) the contract provides for extension options until October 2029.

(**) the original duration/maturity was extended by two years (from May 2024 to May 2026) in August 2022

ADR's bank loans, like ADR's debt deriving from bond issues under the EMTN Program, are of the senior unsecured type.

A new revolving sustainability-linked credit facility of 350 million euros subscribed on October 4, 2022, fully available as at June 30, 2023, has a duration of 5 years (maturity in October 2027), with the possibility of extension up to a further two years. This facility was granted by a pool of banks, composed as at June 30, 2023 of: Banco BPM, Barclays, BNP Paribas Group, Crédit Agricole, Intesa Sanpaolo, Mediobanca, Natixis and Société Générale. The cost of this credit facility varies according to ADR's credit rating and whether or not the relative sustainability objectives set out in the "sustainability-linked" structure are achieved.

The 200-million-euro bank loan granted in the second quarter of 2020 by BNL (BNP Paribas Group) pays a variable rate and has a bullet maturity in 2024. During 2022, the originally scheduled maturity was extended by two years (from May 2024 to May 2026) and a change in the margin from 1.55% to 1.85% was agreed with effect from January 1, 2023.

The 2016 EIB and CDP loans were subscribed using the 300 million euro credit facility approved by the EIB for ADR in 2014 as financial support for the project called "Aeroporti di Roma - Fiumicino Sud", and are divided into a contract of 150 million euros granted directly by the EIB and a contract of 150 million euros brokered by Cassa Depositi e Prestiti ("CDP"). As at June 30, 2023, these facilities were used in full through the drawdown of several tranches with final maturities between 2031 and 2035. All the tranches used have an amortizing repayment profile and are at a fixed rate. An additional facility granted by the EIB in 2018, amounting to 200 million euros, was fully disbursed in 2020. This loan was granted following the updating of the Fiumicino Sud infrastructure project which provided for an increase in the value of the projects originally financed. The characteristics of the relevant loan agreement are essentially in line with the previous agreement.

For an examination of the main terms and conditions of bank loans, please refer to Note 8 below.

The fair value of the medium/long-term loans is reported in the table below.

(THOUSANDS OF EUROS)	06.30.2023		12.31.2022	
	CARRYING AMOUNT	FAIR VALUE	CARRYING AMOUNT	FAIR VALUE
Fixed rate	450,610	384,546	456,746	365,631
Variable rate	199,904	209,253	199,891	203,816
TOTAL MEDIUM/LONG-TERM LOANS	650,514	593,799	656,637	569,446

The fair value of medium/long-term loans was determined on the basis of the market values available as at June 30, 2023; in particular, future cash flows were discounted on the basis of the standard discount curves used in market practice (6-month Euribor), increased by a credit spread commensurate with the counterparty risk of ADR at the measurement date.

Compared to December 31, 2022, the fair value of medium/long-term loans increased by 24 million euros. This change is attributable to the significant decrease in the credit spread incorporated into the discount rates.

Other financial liabilities

(THOUSANDS OF EUROS)	12.31.2022	CHANGES				06.30.2023
	CARRYING AMOUNT	NEW FINANCING	INCREASES FOR FIN. DISC.	REPAYMENTS	DISPOSALS	CARRYING AMOUNT
Leases	3,041	320	20	(737)	0	2,644
current portion	1,224					1,126
non-current portion	1,817					1,518

Leases, which includes the present value of liabilities deriving from lease contracts, decreased by 397 thousand euros essentially due to the payments of lease instalments (-737 thousand euros), partially offset by new leases signed during the period (320 thousand euros).

Derivatives with negative fair value

(THOUSANDS OF EUROS)	06.30.2023	12.31.2022	CHANGE
Derivatives with negative fair value	0	83,652	(83,652)
Interest accrued	256	258	(2)
TOTAL DERIVATIVES WITH NEGATIVE FAIR VALUE	256	83,910	(83,654)
non-current portion	0	0	0
current portion	256	83,910	(83,654)

As at June 30, 2023, derivatives with negative fair value were reduced to zero due to the closure of the Cross Currency Swap hedging Tranche A4 in pounds sterling.

For further details, please refer to Note 9.3 Financial risk management.

For the measurement techniques and inputs used in determining the fair value of derivatives, please refer to Note 9.4 Information on fair value measurements.

Net financial debt

The following table shows the details of the net financial debt, with the analysis of amounts due to/from related parties, according to Consob communication no. DEM / 6064293 of July 28, 2006 and Warning notice no. 5/21 issued by Consob on April 29, 2021 with reference to ESMA Guideline 32-382-1138 of March 4, 2021.

(THOUSANDS OF EUROS)	06.30.2023	<i>of which related parties</i>	12.31.2022	<i>of which related parties</i>
Cash (A)	(258,671)		(404,985)	
Cash equivalents (B)	(470,000)		(620,000)	
Other current financial assets (C)	(58,340)	(1,350)	(57,890)	(1,350)
LIQUIDITY (D=A+B+C)	(787,011)		(1,082,875)	
Current financial debt (including debt instruments, but excluding the current portion of non-current financial debt) (E)	256		83,910	
Current portion of non-current financial debt (F)	55,765	131	298,764	131
CURRENT FINANCIAL DEBT (G=E+F)	56,021		382,674	
CURRENT NET FINANCIAL POSITION (H=G+D)	(730,990)		(700,201)	
Non-current financial debt (excluding the current portion and debt instruments) (I)	612,609	89	619,031	155

Debt instruments (J)	1,275,466	1,273,005	
Trade payables and other current liabilities (K)	0	0	
NON-CURRENT FINANCIAL DEBT (L=I+J+K)	1,888,075	1,892,036	
NET FINANCIAL DEBT as per ESMA recommendation of March 4, 2021 (M=H+L)	1,157,085	1,191,835	
Other non-current financial assets (N)	(21,540)	(17,429)	
NET FINANCIAL DEBT (O=M+L)	1,135,545	1,174,406	

6.16 Other non-current liabilities

Other non-current liabilities amounted to 2,068 thousand euros and the decrease compared to December 31, 2022 is attributable to the classification under current liabilities of some liabilities relative relating to the long-term incentive plans.

6.17 Trade payables

(THOUSANDS OF EUROS)	06.30.2023	12.31.2022	CHANGE
Suppliers	212,989	165,453	47,536
Parents	1,107	598	509
Deferred income	9,004	7,452	1,552
Payments on account and advances received	28,391	15,420	12,971
TOTAL TRADE PAYABLES	251,491	188,923	62,568

Trade payables, equal to 212,989 thousand euros, increased by 47,536 thousand euros mainly due to the higher volume of investments compared to the last part of the previous year.

Payments on account and advances received, amounting to 28,391 thousand euros, recorded an increase of 12,971 thousand euros due to higher advances received from customers.

6.18 Other current liabilities

(THOUSANDS OF EUROS)	06.30.2023	12.31.2022	CHANGE
Taxes other than income taxes	113,567	110,031	3,536
Fire prevention and fire-fighting service	4,174	826	3,348
Personnel	23,166	20,204	2,962
Pension and social security institutions	13,723	11,707	2,016
Guarantee deposits	16,215	16,743	(528)
Other	38,962	27,322	11,640
TOTAL OTHER CURRENT LIABILITIES	209,807	186,833	22,974

Taxes other than income taxes mainly include:

- 85,334 thousand euros for passenger surcharges (81,418 thousand euros as at December 31, 2022). This amount was paid the following month after collection of the surcharge from carriers, while the outstanding amounts due are recorded in a balancing entry under amounts due from customers. The surcharge on the passenger boarding fee charged to the carriers equals 7.5 euros per passenger, of which 5.0 euros allocated to INPS and one euro

(commission surcharge) for the commission management of the Municipality of Rome. The increase in the surcharge liability, of 3,916 thousand euros compared to the end of 2022, reflects the correlated trend, during the period, of the corresponding collections from carriers;

- 23,901 thousand euros due to the Lazio Regional Authority for IRESA (23,590 thousand euros as at December 31, 2022). This tax is charged by the Lazio Regional Authority to carriers, who are obliged to pay it to the airport management companies which, in line with the surcharges commented on above, must periodically pay them back to the Region.

Amounts due for the fire prevention and fire-fighting service amounted to 4,174 thousand euros in relation to the cost accrued during the period.

Amounts due to personnel and pension and social security institutions increased by 2,962 thousand euros and 2,016 thousand euros, respectively, due to the increase in current liabilities.

Other, equal to 38,962 thousand euros, include the amount due to ENAC for the variable concession fee, equal to 31,352 thousand euros, up by 10,959 thousand euros compared to December 31, 2022 in relation to the portion accrued during the period, net of the payment of the second 2022 instalment, paid in January 2023.

7. Notes to the income statement

7.1 Revenue

Revenue for the first half of 2023 was broken down as follows, in application of IFRS 15:

(THOUSANDS OF EUROS)	1ST HALF 2023			1ST HALF 2022		
	REVENUE FROM CONTRACTS IFRS 15	OTHER REVENUE	TOTAL	REVENUE FROM CONTRACTS IFRS 15	OTHER REVENUE	TOTAL
AVIATION						
Airport fees	198,612	0	198,612	139,170	0	139,170
Centralized Infrastructure	6,032	0	6,032	4,094	0	4,094
Security services	47,860	0	47,860	32,722	0	32,722
Other	17,963	0	17,963	10,551	0	10,551
	270,467	0	270,467	186,537	0	186,537
NON AVIATION						
Sub-concessions and utilities:						
Real estate and utilities	3,777	25,706	29,483	3,581	17,708	21,289
Commercial	0	66,228	66,228	0	35,220	35,220
Car parks	12,720	0	12,720	9,409	0	9,409
Advertising	4,047	0	4,047	2,328	0	2,328
Other	4,983	765	5,748	4,074	268	4,342
	25,527	92,699	118,226	19,392	53,196	72,588
REVENUE FROM AIRPORT MANAGEMENT	295,994	92,699	388,693	205,929	53,196	259,125
REVENUE FROM CONSTRUCTION SERVICES	141,563	0	141,563	72,331	0	72,331
OTHER OPERATING INCOME	942	2,616	3,558	432	9,564	9,996
TOTAL REVENUE	438,499	95,315	533,814	278,692	62,760	341,452
Timing for the transfer of goods/services:						
Goods and services transferred over a period of time	170,201			93,541		
Goods and services transferred at a point in time	268,298			185,151		

Revenue from airport management, equal to 388,693 thousand euros, increased by 50.0% compared to the comparative period, mainly due to the growth in aviation activities (+45.0%), in relation to the consistent recovery in traffic volumes in the absence of tariff changes. The non-aviation segment, with revenue up 62,9%, also benefited from the increase in passengers, as well as from the opening of new commercial spaces; more specifically, revenue from commercial sub-concessions, advertising and parking increased.

Revenue from construction services, equal to 141,563 thousand euros, essentially relates to revenue for construction services for self-financed works. Consistently with the accounting model adopted, according to the application of IFRIC 12, this revenue, which represents the consideration due for the activities carried out, is measured at fair value, determined on the basis of the total costs incurred (external costs and personnel expense).

Other operating income, equal to 3,558 thousand euros, is broken down as follows:

(THOUSANDS OF EUROS)	1ST HALF 2023	1ST HALF 2022
Grants and subsidies	563	418
Gains on sales	21	100
Re-absorption of loss allowances	2	34
Expense recoveries	1,817	6,995
Compensation from third parties	122	142
Other income	1,033	2,307
TOTAL OTHER OPERATING INCOME	3,558	9,996

The decrease of 6,438 thousand euros, with respect to the comparative period, is mainly due to the company Leonardo Energia, which manages the cogeneration plant, which reduced sales to the grid of the electricity produced by cogeneration in the period under review (-4,202 thousand euros). The reduction also reflects lower capitalization for internal work and lower cost recoveries with respect to the comparative period.

7.2 Consumption of raw materials and consumables

(THOUSANDS OF EUROS)	1ST HALF 2023	1ST HALF 2022
Fuel and lubricants	650	344
Electricity, gas and water	14,358	11,417
Consumables, spare parts and various materials	2,052	2,164
TOTAL CONSUMPTION OF RAW MATERIALS AND CONSUMABLES	17,060	13,925

The increase of 3,135 thousand euros with respect to the comparative period is mainly attributable to the increase in energy procurement costs.

7.3 Service costs

(THOUSANDS OF EUROS)	1ST HALF 2023	1ST HALF 2022
Maintenance	28,965	24,875
Renovation of airport infrastructure	19,981	15,352
External services	6,347	5,087
Construction services	123,077	59,697
Cleaning and pest control	3,446	3,023
Professional services	6,417	5,224
Fire prevention and fire-fighting services	3,348	2,362
Other costs	15,690	15,211
Remuneration of Directors and Statutory Auditors	761	729
TOTAL SERVICE COSTS	208,032	131,560

The increase in service costs, equal to 76,472 thousand euros, is mainly attributable to the increase in construction services costs (+63,380 thousand euros) and the costs for renovation of airport infrastructure (+4,629 thousand euros). This trend also reflects infrastructure becoming fully up and running once again and the opening of new infrastructure (May 2022 and April 2023), with a consequent increase in maintenance costs (+4,090 thousand euros) and operating costs (cleaning, external services, etc.).

7.4 Personnel expense

(THOUSANDS OF EUROS)	1ST HALF 2023	1ST HALF 2022
Wages and salaries	79,726	67,264
Social security charges	23,752	19,510
Post-employment benefits	4,381	3,856
Other costs	2,349	2,753
TOTAL PERSONNEL EXPENSE	110,208	93,383
of which:		
Personnel expense for employees dedicated to construction services	12,475	9,407
Personnel expense for employees dedicated to airport infrastructure renovation works	1,045	1,347

The increase in Personnel expense of 16,825 thousand euros compared to the comparative period is related to the growing volume of activities managed, with the elimination of the use of social safety nets (CIGS / Extraordinary Wage Guarantee Fund) and an increase in employees.

The table below shows the average headcount of the ADR Group (broken down by employment level):

AVERAGE HEADCOUNT	1ST HALF 2023	1ST HALF 2022	CHANGE
Executive	61.3	58.1	3.2
Middle managers	312.0	297.2	14.8
White-collars	1,966.9	1,722.9	244.0
Blue-collars	1,192.7	1,059.0	133.7
TOTAL AVERAGE HEADCOUNT	3,532.9	3,137.2	395.7

7.5 Other operating costs

(THOUSANDS OF EUROS)	1ST HALF 2023	1ST HALF 2022
Concession fees	16,601	10,551
Lease payments	1,475	1,083
Accruals to (uses of) the provision for renovation of airport infrastructure	7,724	3,672
Accruals to (re-absorption of) provisions for risks and charges	(49)	(5,131)
<i>Other costs:</i>		
Accruals to (re-absorption of) loss allowances	(1,189)	2,990
Indirect taxes and levies	1,934	3,396
Other expenses	2,555	2,675
TOTAL OTHER OPERATING COSTS	29,051	19,236

The item Concession fees, equal to 16,601 thousand euros, increased by 6,050 thousand euros compared to the comparative period, as it is directly related to traffic trends.

The item Accruals to (uses of) the provision for renovation of airport infrastructure includes the accruals to the provision for renovation of airport infrastructure, recognized net of uses for costs incurred during the period, classified by nature in the corresponding income statement item.

Accruals to (re-absorption of) provisions for risks and charges amounted to -49 thousand euros compared to -5,131 thousand euros recorded in the comparative period due to the effect of the reabsorption of pre-existing provisions following the favorable outcome of tax and labor law disputes. For more details, see Note 6.14.

Accruals to (re-absorption of) loss allowances show a net re-absorption of 1,189 thousand euros mainly due to the collection received on 27 July 2023 under an insolvency procedure (accruals of 2,990 thousand euros in the comparative period).

7.6 Net financial expense

The item Net financial expense amounted to -21,793 thousand euros (-31,346 thousand euros in the first half of 2022).

Financial income

(THOUSANDS OF EUROS)	1ST HALF 2023	1ST HALF 2022
<i>Interest income</i>		
Interest on bank deposits and loans	8,925	661
<i>Gains on derivatives</i>		
Fair value gains on derivatives	34	1,102
Differentials	763	0
<i>Other income</i>		
Interest from customers and others	234	3
TOTAL FINANCIAL INCOME	9,956	1,766

Financial income increased by 8,190 thousand euros in the first half of 2023 due to higher financial income on investments in liquidity, in relation to the increase in interest rates.

Financial expense

(THOUSANDS OF EUROS)	1ST HALF 2023	1ST HALF 2022
FINANCIAL EXPENSE FROM DISCOUNTING THE PROVISION FOR RENOVATION OF AIRPORT INFRASTRUCTURE	4,592	611
Interest on bonds	12,595	17,581
Interest on medium/long-term loans	7,309	3,951
Effects of applying the amortized cost method	2,990	3,854
Other financial expense - interest	7	211
TOTAL FINANCIAL EXPENSE - INTEREST	22,901	25,597
Fair value losses on derivatives	814	5,343
Differentials	1,078	3,662
Release of the portion pertaining to the hedging reserve	3,190	3,191
TOTAL EXPENSE ON DERIVATIVES	5,082	12,196
Financial expense from discounting employee benefits	209	31
Other expense	(909)	19
TOTAL OTHER EXPENSE	(700)	50
TOTAL FINANCIAL EXPENSE	31,875	38,454

Financial expense from discounting the provision for renovation of airport infrastructure, equal to 4,592 thousand euros, includes the financial component for discounting the provision and increased by 3,981 thousand euros due to the update of the rate used.

Interest on bonds amounted to 12,595 thousand euros, down by 4,986 thousand euros with respect to the comparative period due to the repayment of the A4 bonds in February 2023.

Interest on medium/long-term loans amounted to 7,309 thousand euros and increased, with respect to the comparative period, in relation to the increase in interest rates that impacted the 200 million euro bank loan granted in the second quarter of 2020 by BNL, the only variable-rate financial debt held by ADR as at June 30, 2023.

Fair value losses on derivatives came to 814 thousand euros and include the effect of the closure of cross currency swap contacts for the euro/pound sterling exchange rate component hedging the A4 bonds issued in pound sterling and repaid in February 2023. Within this item, an amount of 123 thousand euros relates to the derivative effective valuation component, which is offset by a component of the same amount recorded in exchange gains which relates to the reduction in the nominal value of the bonds in pound sterling.

Differentials includes i) the balance of interest income and expense accrued on the last differential on the aforementioned cross currency swap contracts, liquidated in February 2023, and ii) the portion of the hedging reserve recognized in the income statement in the first half of 2023, related to the negative fair value of both the interest rate swap forward starting derivatives subscribed in 2015 and unwound (closed) in June 2017 (amounting to 994 thousand euros) and the IRS forward starting derivatives subscribed in 2016-2017 and unwound (closed) in April 2021 (amounting to 2,196 thousand euros).

Other expense, equal to 909 thousand euros, include a re-absorption of loss allowances for default interest of 930 thousand euros.

Exchange gains (losses)

(THOUSANDS OF EUROS)	1ST HALF 2023	1ST HALF 2022
Exchange gains	128	5,343
Exchange losses	(2)	(1)
NET EXCHANGE GAINS	126	5,342

For details, please refer to the paragraph relating to financial income and expense.

7.7 Share of profit (loss) of equity-accounted investees

This item, equal to -549 thousand euros, includes the effect of the impairment loss on the investment in the associate Spea Engineering S.p.A. (for -226 thousand euros in the half year, compared to -97 thousand euros in the comparative period) and in the company subject to joint control Urban V S.p.A. (-323 thousand euros).

7.8 Income taxes

(THOUSANDS OF EUROS)	1ST HALF 2023	1ST HALF 2022
CURRENT TAXES		
IRES	11,432	(3,707)
IRAP	6,661	2,071
Substitute tax	73	73
	18,166	(1,563)
DIFFERENCES ON CURRENT TAXES FROM PREVIOUS YEARS		
Income taxes from previous years	115	875
	115	875
DEFERRED TAXES		
Change in deferred tax assets	8,424	1,155
Change in deferred tax liabilities	(228)	55
	8,196	1,210
TOTAL INCOME TAXES	26,477	522

With regard to IRES, the participation to the tax consolidation of the Mundys Group should be noted, pursuant to art. 117 of the TUIR (Italian Income Tax Consolidation Act), for ADR S.p.A. and the Group companies, ADR Tel S.p.A., ADR Assistance S.r.l., ADR Mobility S.r.l., ADR Security S.r.l., Airport Cleaning S.r.l., ADR Ingegneria S.p.A., ADR Infrastrutture S.p.A., Fiumicino Energia S.r.l. and Leonardo Energia S.c.ar.l.

The estimate of the IRES tax charge for the period is represented by a net consolidated tax charge of 11,432 thousand euros, corresponding to an IRES tax charge of 24% for the period, net of the recovery of previous tax loss transferred to the group tax consolidation and used for offsetting the profits generated in the Mundys group in the first half of 2023.

Deferred tax assets and liabilities were determined on the basis of the tax rates that are expected to be applied when these differences will be reversed. For more details on the calculation of deferred tax assets, please refer to Note 6.5.

8. Guarantees and covenants on medium/long-term financial liabilities

It should be noted that the only residual guarantee (consisting of a “deed of assignment” limited to a maximum value of 96.5 million euro) remaining in support of the Romulus debt structure, was cancelled following repayment on maturity of the A4 bonds and the simultaneous closure of the related cross currency swap contracts, in February 2023.

ADR has established a pledge on the entire equity investment held in Azzurra Aeroporti, equal to 7.77% of the share capital, in favor of the financial creditors of Azzurra Aeroporti (bondholders and banks that have entered into hedge derivatives transactions). In addition to this collateral, in the context of the same Azzurra Aeroporti loan, ADR has provided Mundys with a counter-guarantee, limited to a maximum of 1.3 million euros, for the obligations taken on by Atlantia towards a bank which granted, in the interest of Azzurra Aeroporti and in favor of the latter's financial creditors, a guarantee for the debt service of the transaction in question.

The loan agreements of ADR include, among the contractual clauses, financial covenants calculated on the final data, in line with the contracts normally applied to companies with investment grade ratings. Among these, it is significant to point out that the banking contracts with EIB and CDP provide for compliance with a leverage ratio threshold not exceeding 4.25x, which becomes 4.75x in the event all the ratings assigned to the company are equal to BBB/Baa2 or higher. The Revolving Credit Facility and the financial contract signed with BNL also include a maximum leverage ratio threshold. The financial ratios must be verified, in accordance with the contracts, twice a year by applying the calculation formulas to the Group's reference data (which must exclude any shareholdings in companies financed through non-recourse financial debt) contained in the Consolidated financial statements at December 31 and the Consolidated Interim Financial Report at June 30.

ADR obtained a precautionary easing of the maximum leverage ratio threshold for the calculation date of June 30, 2023 from all counterparties.

On the basis of the simulations carried out on the closing figures at June 30, 2023, it is already possible to confirm compliance with the thresholds set out in the loan agreements. The calculation of the financial covenants will be formalized after the approval of the Consolidated Interim Financial Report at June 30, 2023.

The Company continues to monitor compliance with the terms of the loan agreements.

Moreover, the loan agreements also provide for acceleration, termination and withdrawal, typical for loans of this type.

The documentation of the EMTN Program does not provide for compliance with financial covenants and does not include performance obligations/non-performance obligations in line with market practice for investment grade issuers.

9. Other guarantees, commitments and risks

9.1 Guarantees

As at June 30, 2023, the ADR Group has guarantees issued as part of the loan agreements mentioned in Note 8; there are no sureties issued to customers and third parties (0 million euros as at December 31, 2022).

9.2 Commitments

The ADR Group has purchase commitments relating to investment activities.

9.3 Management of financial risks

Credit risk

As at June 30, 2023, the ADR Group's maximum exposure to credit risk is equal to the carrying amount of the trade and financial assets shown in the condensed interim consolidated financial statements, as well as the nominal value of the guarantees provided for third-party debt or commitments.

The greatest exposure to credit risk is from the receivables arising from its transactions with customers. The risk of customers' default is managed by making accruals to a specific loss allowance, whose balance is reviewed from time to time. The ADR Group's policy in this respect involves making accruals for each position, depending on the age of the receivable, the creditworthiness of the individual customer, as well as the status of the receivable management and collection process.

The Group's commercial and credit protection policies aim to control the level of credit facilities as follows:

- cash payment is required in transactions with consumers (multilevel and long-term parking lots, first aid, etc.), with occasional counterparties (e.g. club memberships, luggage porters, taxi access management, etc.);
- cash payment or prepayment is required from occasional carriers without a satisfactory credit profile or collateral;
- payment extensions are granted to loyal customers deemed reliable (carriers with medium-term flight schedules and sub-concessionaires) for which creditworthiness is monitored and adequate collateral guarantees are requested.

As regards investments in liquidity and transactions in derivative contracts, the Group manages credit risk in compliance with the principles of prudence and in line with market "best practices", as outlined in internal policies, preferably by resorting to counterparties with high credit standing and conducting ongoing monitoring to ensure that no significant concentrations of credit risk occur.

Liquidity risk

Liquidity risk is the risk that the available financial resources may be insufficient to cover the obligations falling due. In consideration of ADR Group's ability to generate cash flows, the diversification of the sources of financing and the availability of credit facilities, the group deems it has access to sufficient sources of finance to meet the planned financial requirements.

As at June 30, 2023 the ADR Group had a liquidity reserve of 1,078.7 million euros, comprising:

- 728.7 million euros related to cash and cash equivalents;

- 350.0 million euros of unused credit facilities (for details, see Note 6.15).

Market risk

The ADR Group uses derivatives to hedge currency risk, interest rate risk and change risk regarding specific raw materials, to counteract negative impacts on cash flows that may arise from any unfavorable changes in the underlying market parameters.

As at June 30, 2023, the ADR Group had:

- five forward starting interest rate swaps held to hedge the interest rate risk on the assumption of new highly probable debt, of which i) three subscribed on August 7, 2018, for a total nominal value of 300 million euros and ii) two subscribed on December 20, 2021, for a total nominal value of 100 million euros. During 2022, the activation date of these instruments, originally scheduled for February 2022 and April 2022, respectively, was postponed to May 2023, without prejudice to the respective expiry dates of February 2032 and April 2032;
- two non-deliverable forward derivatives, subscribed by Leonardo Energia in May 2023 to hedge the risk of changes in the price of natural gas, for a total notional value of 11.3 million euros and expiring in March 2024.

COUNTERPART	INSTRUM.	TYPE	RISK COVERED	SUBSCR. DATE	EXPIRY	NOTIONAL VALUE HEDGED	RATE APPLIED	UNDERLYING	FAIR VALUE OF THE DERIVATIVE		CHANGE IN FAIR VALUE		AMOUNTS PAID
									AS AT 06.30.2023	AS AT 12.31.2022	TO PROFIT OR LOSS (**)	TO OCI (***)	
Mediobanca, UniCredit	CCS	CF	I	02.2013	02.2023	325,019	Receive a fixed rate in GBP of 5.441% pay a fixed rate in EUR of 6.4%	Class A4	0	(1,042)	(691)	1,733	82,733
			C						0	(82,610)	(123)	0	
			Total						0	(83,652)	(814)	1,733	
UniCredit	Forward	CF	M	05.2023	03.2024	8,209	Pay a fixed price (€42.55 per MWh) Receive the monthly average of the PSV index	Purchases of methane gas	982	0	0	982	0
			3,082			Pay a fixed price (€43.40 per MWh) Receive the monthly average of the PSV index							
UniCredit, Intesa Sanpaolo, Société Générale	IRS forward starting (*)	CF	I	08.2018	02.2032	300,000	Pay an average fixed rate of 1.816% and receive the 6-month Euribor	Debt to be assumed	27,191	31,267	0	(4,076)	0
				12.2021	04.2032	100,000	Pay an average fixed rate of 0.092% and receive the 6-month Euribor		22,055	23,387	34	(1,366)	0
TOTAL (excluding accruals)									50,228	(28,998)	(780)	(2,727)	82,733
of which:													
derivatives with positive fair value									50,228	54,654			
derivatives with negative fair value									0	(83,652)			

CF: Cash Flow Value Hedge - C: exchange rate - I: interest - M: raw materials

(*) activation date May 2023

(**) to the item "Net financial expense"

(***) the change in fair value is shown in OCI net of the tax effect

As a result of the repayment of the A4 bonds, the Group has no financial transactions in foreign currency.

9.4 Information on fair value measurements

Below is the fair value measurement at the reporting date and the classification according to the fair value hierarchy of the assets and liabilities measured at fair value on a recurring basis (there are no assets or liabilities measured at fair value on a non-recurring basis):

(THOUSANDS OF EUROS)	06.30.2023			
	LEVEL 1	LEVEL 2	LEVEL 3	TOTAL
Derivatives with positive fair value	0	50,228	0	50,228
Derivatives with negative fair value	0	0	0	0
TOTAL HEDGING DERIVATIVES	0	50,228	0	50,228

The only financial instruments of the Group measured at fair value are the derivatives described in Note 9.3. These derivatives are included in "level 2" of the "fair value hierarchy" defined by IFRS 7, with the fair value measured based on techniques that use parameters that can be observed in the market, other than the price of the financial instrument.

In the first half of 2023 there were no transfers between different levels of the fair value hierarchy.

With reference to the financial liabilities, for which Note 6.15 indicates the fair value, this fair value is also included in level 2 of the "fair value hierarchy" defined by IFRS 7.

9.5 Litigation

As regards litigation as a whole, the ADR Group carried out a valuation of the risk of negative outcomes leading to the creation, prudentially, of a specific provision under "Provisions for risks and charges" to cover the cost of litigation likely to result in a negative outcome and for which a reasonable estimate of the amount involved could be made. For those legal proceedings whose negative outcome, given the different positions adopted in case law, was considered only possible, no specific accruals were made. There are also a small number of civil proceedings, in any case not material, for which, despite the uncertain outcomes, it was not possible to quantify any liability for the ADR Group.

It is believed that the settlement of the dispute in progress and other potential disputes should not result in any further significant expenses for the Group with respect to the provisions made.

Tax litigation

The most significant disputes in which the Parent ADR is involved are listed below, as there are no significant disputes to report in which the other Group companies are involved, which could give rise to potential liabilities not represented in the condensed interim consolidated financial statements.

Litigation with the Customs Office - Electricity

- In 2006, the Technical Finance Office of Rome (UTF - today the Customs Office) issued payment notices for 13 million euros (including interest, expenses and penalties), concerning the non-payment of consumption tax on electricity and the associated surcharge for the period 2002-2006, as well as the related notices of administrative violations. The disputes concern the alleged sale to third parties of the electricity purchased by ADR, as well as the disavowal of the subsidy provided for in favor of the entities who are recognized as an "industrial factory".

Following the substantive rulings in favor of the Company, the Court of Cassation filed nineteen rulings with which the grounds for appeal proposed by the State Attorney were upheld, rejecting those proposed by the Company on counter appeal. On October 8, 2019, the Court of Cassation filed four rulings in favor of the Company regarding as many deeds of imposition of sanctions issued by the Customs Office. On February 28, 2020, the Court of Cassation filed the ruling relating to three further acts of imposition of sanctions with which the ruling on the merit, forming the object of the proceedings, was quashed, and ordered the referral to the Regional Tax Commission for the examination of the effects of the ruling regarding tax for the purposes of resolving the dispute regarding the related sanctions. On November 18, 2021, the Regional Tax Commission filed the ruling with which the appeal for reinstatement proposed by ADR was partially upheld. The company, deeming its grounds for the applicability of the exemptions from sanctioning liability invoked in court to be unaffected, appealed to the Supreme Court. The Customs Office did not appeal against the ruling in respect of the part of its own loss by serving three notices that challenge the redetermined penalties by applying the principle of cumulation of rights. The Company filed defence briefs requesting the cancellation of the disputes.

- Similar to the audit activity undertaken for the years 2002-2006 by the UTF of Rome, the Customs Office has launched two subsequent audits on the subject of consumption tax, excise duty and surcharges on electricity for the periods 2007-2010 and 2011-2012. The Revenue Agency also provided the tax assessment notices regarding the VAT due on the excise duties at issue for the same years.
- With regard to the payment orders issued by the Customs Office for the tax periods 2007-2010 and by the Revenue Agency for VAT 2007, the Company appealed to the Supreme Court against the unfavorable ruling of the Regional Tax Commission, while it settled the dispute of the tax periods 2011 and 2012.
- As regards the assessment notices notified by the Revenue Agency for the VAT due on the consumption tax for the years 2008-2012, the Company filed the relevant appeals which were not upheld by the Provincial Tax Commission. Considering its arguments still open, ADR lodged an appeal against the rulings of first instance with the Provincial Tax Commission, which for two years confirmed the first instance ruling, whilst for two others upheld the Company's appeals. Appeals to the Supreme Court have been submitted for all the second instance rulings.

ICI/IMU

- In 2011, the Municipality of Fiumicino notified ADR tax assessments for the failure to pay the local property tax only for 2007-2009 regarding buildings in the Alitalia Technical Area. The Company challenged the mentioned deeds and appealed before the Provincial Tax Commission. For the year 2007, the Commission accepted the appeal filed by the company and the final ruling was issued, while the appeals for the other two years were rejected. ADR therefore appealed with regard to the years 2008 and 2009, both rejected by the Regional Tax Commission. The Company has filed appeals with the Supreme Court.

Administrative, civil and labor litigation

The most significant disputes in which the Parent ADR is involved are listed below, as there are no significant disputes to report in which the other Group companies are involved, which could give rise to potential liabilities not represented in the condensed interim consolidated financial statements.

Tariff rights and regulation

- In 2014, ADR was notified of Easyjet Airline Company Ltd's appeal to the Lazio Regional Administrative Court for the cancellation, after suspension, of the rescheduling from March 1, 2014, of passenger boarding fees linked to the determination of new fees for transits, introduced with the ENAC provision of December 27, 2013. In the applicants' opinion, the aforementioned remodeling would constitute a violation of Italian and EU legislation. In 2014, the Lazio Regional Administrative Court rejected Easyjet's precautionary petition as the appeal was not assisted by the *fumus boni iuris*; the setting of the hearing on the merits is pending.

- By means of an extraordinary appeal to the President of the Republic, on April 11, 2019, ADR challenged, requesting its cancellation, the provision of December 24, 2018 by which the General manager of ENAC - in execution of the annual monitoring of the tariff parameters k, v and ε provided for by art. 37-bis, paragraph 4 of the Planning Agreement signed between ENAC and ADR - updated the fees for the regulated services provided to users by the airport operator for the year 2019. On June 10, 2019, ENAC filed an objection to the extraordinary appeal and, therefore, ADR transposed the appeal before the Lazio Regional Administrative Court in accordance with the provisions of art. 48, paragraph 1, of the Code of Administrative Procedure. The setting of a hearing is pending.

Fuel supply fees

- ENI S.p.A. has brought a claim before the Rome Civil Court against its own customer airlines in order to ascertain their obligation to pay the oil company the amounts it owes to airport operators, and to order them to pay the amount accrued since October 2005. By the same deed, alternatively, ENI S.p.A. also summonsed the management companies, including ADR, so that it is ascertained that it does not owe to the operators themselves the concession fee based on the quantity of fuel supplied to the airlines and, in particular for ADR, so that it is ordered to repay the amount paid since October 2005, equal to 0.2 million euros, and it is declared that the sum of 1.1 million euros requested by ADR up to May 2006 and unpaid is not owed by ENI. The ruling is currently pending before the Court of Rome, as per referral from the Court of Appeal and contextual resumption following the recognition of the jurisdiction of the ordinary Judge. The accounting court-appointed expert witness report was filed in March 2023. Following requests for additional information received from the Parties, the Judge rescheduled the examination hearing to September 21, 2023, granting the Parties terms for observations and reserving, at the outcome, the option to order the integration or renewal of the same expert witness report.
- Alitalia LAI under extraordinary administration has sued, in separate proceedings, before the Civil Court of Milan and Rome, some oil companies to request a ruling for the repayment of the sums paid as fuel royalties in the period 2000-2009, due to the alleged non-correspondence of such payments to the management costs of the specific service. In these proceedings, the oil company executives invoked ADR and other airport operators as third parties, in consideration of the fact that the royalties on fuel were requested by these companies. As part of the proceedings, economic and accounting court-appointed expert witnesses were appointed. Some of the rulings are still pending, even in the appeal and Cassation phase. In particular:
 - In February 2020, three rulings were published with which the Court of Milan, respectively in the proceedings initiated by Alitalia LAI against Total Aviazione Italia and Air Total International SA, KAI (formerly Shell Italia Aviazione) and KRI (formerly Shell Italia) and Tamoil, upheld, albeit partially, the claim proposed by Alitalia against the oil companies and, in accepting the related compensation requests submitted against the airport operators, ordered the latter to reimburse specific amounts to the oil companies (in particular, as far as regards ADR: 1.7 million euros in favor of Total Aviazione Italia and Air Total International, 0.8 million euros in favor of KAI and KRI and 0.4 million euros in favor of Tamoil). ADR and the other operators challenged the rulings before the Milan Court of Appeal. By means of rulings nos. 795/2022, 981/2022 and 988/2022 all three appeals proposed by the managers, Total Aviazione and Air Total, c / KAI-KRI and c / Tamoil were upheld. Between June and October 2022, Alitalia under extraordinary administration filed the respective appeals to the Supreme Court. The setting of the hearing for discussion is pending. In March 2020, the sentence was published with which the Court of Rome, in the proceedings initiated by Alitalia LAI against Air BP Italia, rejected the request presented by the carrier against the oil company and, consequently, the airport operators, including ADR, summonsed as third party. Alitalia LAI has appealed. The hearing for the first appearance of the Parties was deferred ex officio first to March 25, 2023 and then, for reasons relating the role of the Court, to May 26, 2025.
 - In August 2020, the ruling was published by which the Court of Rome, in the proceedings initiated by Alitalia LAI against Kuwait Petroleum Italia, rejected the request submitted by

- the carrier against the oil company and, consequently, the airport operators, including ADR, again summonsed. Alitalia LAI under extraordinary administration has appealed. Following the outcome of the hearing for the appearance of the Parties, held on May 9, 2022, the case was postponed for the presentation of conclusions to December 11, 2023.
- In December 2021 the ruling was published by which the Court of Rome, in the proceedings initiated by Alitalia LAI against Esso Italiana S.r.l. and Exxonmobil Aviation International limited, partially upheld Alitalia's request, ordering Exxonmobil to repay airport fees to Alitalia, to the extent of 5.2 million euros, and accepted the guarantee and indemnity request, ordering ADR, SEA and SABCO to repay the aforementioned amount to Exxonmobil. ADR has lodged an appeal; following the outcome of the hearing for the appearance of the parties, held on June 7, 2022, the proceedings will be joined to the separate appeal proposed by SEA updated, for the clarification of the conclusions, on March 12, 2024.

Resolution of the Transport Regulatory Authority (ART) relating to the public consultation for the revision of the airport fee regulation models

ADR challenged resolution no. 118 of August 1, 2019 of the Transport Regulation Authority (hereinafter "ART") concerning "Proceedings initiated with resolution no. 84/2018 - Calling of the public consultation for the revision of the airport fee regulation models approved by resolution no. 92/2017", objecting to the Authority's lack of power to introduce changes to the tariff regulation system envisaged by the Planning Agreement signed between ENAC and ADR. In fact, by express regulatory provision, the tariff system envisaged in the "in derogation" program contracts is a "multi-year" tariff system, with updating procedures "valid for the entire duration of the concession".

With additional grounds, on October 15, 2020, ADR challenged also resolution no. 136/2020 of July 16, 2020 with which the ART approved the Airport Fee Regulation models attached to said resolution, confirming, among other things, that it has the alleged power to define the aforementioned fees also with reference to operators - such as ADR - which act on the basis of a Planning Agreement under derogation.

On May 20, 2021, ART published Resolution no. 68/2021 with which it has (i) deferred the entry into force of the Airport Fee Regulation models pursuant to resolution no. 136/2020, from July 1, 2021 to January 1, 2023; (ii) gave the alternative to the airport operators that activate the consultation procedure for the revision of the fees during the two-year period 2021-2022 to: a) start the related procedure pursuant to the provisions of the Models referred to in resolution 92/2017, or b) subject to a reasoned application to the Authority, propose the extension of the fees in force at the time of the application also to apply to the following year. With reference to the airports regulated by the planning agreements provided for by art. 17, paragraph 34-bis, of Law Decree no. 78/2009 - such as Fiumicino and Ciampino - the Authority specified that the economic regulation provisions set out in the Models pursuant to resolution no. 92/2017 were likely to be applied through the signing of additional deeds related to the revision of the contractual agreements or different agreement between the grantor and the concessionaire.

Due to the publication of the aforementioned resolution, at the hearing of June 9, 2021, the Board, having regard to the petitions of the parties, postponed both cases to a date to be decided.

By virtue of the provisions of Resolution no. 68/2021, on August 11, 2021, ADR entered into a specific additional deed with its grantor (ENAC), with which it positively defined the methods for the acknowledgement of the regulatory model established by Resolution no. 92/2017, taking into account at the same time the unique regulatory characteristics of the Planning Agreement itself, without renouncing the complaints raised with the appeal against Resolution no. 136/2020.

Subsequently, ART submitted critical observations with respect to the additional deed agreed between ENAC and ADR, and, on December 16, 2021, in response to the ADR request to start the consultation of the Users for the revision of the rights, expressed its refusal to the consultation as, in the Authority's opinion, the additional deed presented substantial critical issues and should have been incorporated into an Italian Prime Ministerial Decree.

Therefore, on February 14, 2022, ADR notified an appeal to the Lazio Regional Administrative Court against this refusal, requesting the Administrative Judge to annul the refusal to open the

consultation, mentioning the validity and effectiveness of the additional deed signed with ENAC. Subsequently, ADR notified a second appeal to the Lazio Regional Administrative Court against a note dated February 13, 2022 with which ENAC sent ADR a new proposal for an additional deed, rejecting the validity and effectiveness of the additional deed signed on August 11, 2021. Also in this appeal, ADR highlighted the validity and effectiveness of the additional deed signed. The Lazio Regional Administrative Court set the hearing relating to the first appeal against ART for July 20, 2022, then postponed to November 23, 2022. In relation to the second appeal against the ENAC note of February 13, 2022, a hearing date has not yet been set.

Having been prevented from launching the consultation requested on December 13, 2021, on February 15, 2022 ADR submitted a request to ART to extend the airport fees defined for 2021 for the year 2022, limited to the period strictly necessary to review them for the new regulatory period, reserving the right to subsequently provide for the necessary adjustment mechanisms, as also provided for in resolution no. 68/2021.

On February 18, 2022 ART replied by inviting ADR to start consultations with users within the terms described, reserving the right to carry out the assessments within its competence following the outcome of the consultations. The latter took place on February 28, 2022 with a tariff forecast for 2022 in continuity with the one in force, as already envisaged in the tariff dynamics presented to the ART in mid-December 2021 and in line with the intention, already proposed to the market, to promote a tariff proposition oriented towards stability and supported by certain rules.

In May 2022, therefore ART published Resolution no. 80, with which it postponed the entry into force of Resolution no. 136/2020 and, at the same time, launched a consultation on new regulatory models - to be issued to replace the models issued with Resolution no. 136/2020.

ADR participated in the consultation, providing its comments but, at the same time, expressly reserving the possible challenge of the final resolution with which ART will issue the new models developed.

Following various postponements, lastly, on March 9, 2023, ART published resolution 38/2023 which introduced new regulatory models for the airport sector, applicable from April 1, 2023, and repealing Resolution 136/2020 and the regulatory models envisaged therein. With reference to airport operators regulated by Derogation Contracts, including ADR, the resolution provides that the new regulatory models must be incorporated into new additional deeds stipulated between the grantor and the concessionaire.

Given the situation, ADR has proposed to ART the extension of the tariffs in force also for 2023 (as already done for 2022), with express protection of its rights in the ongoing proceedings.

For the sake of completeness of disclosure, it should be noted that, pending the finalization of the entire regulation models and tariffs revision process, ADR's appeals before the competent Regional Administrative Courts against the previous ART resolutions are still pending and ADR has filed an appeal with the Regional Administrative Court of Piedmont also against resolution 38/2023.

Lastly, the Administrative Court of Lazio, on May 17, 2023, considered that the refusal to initiate consultation with users on airport fees expressed by ART in December 2021 was not detrimental to ADR's interests, without prejudice to the merits of the other pending appeals, relating to whether or not the Authority has the power to introduce changes to the tariff regulation system envisaged for airports with derogation plan agreements.

Expropriations for the construction of the Cargo City junction

ADR, delegated by ENAC as Expropriating Authority (pursuant to the Consolidated Law on Expropriation), proceeded with the expropriation activities necessary to create the "Cargo City Junction", a work envisaged in the Project to complete Fiumicino Sud, which partly stands on areas outside the airport grounds. The expropriated private entities include the company Nuova Agrisud Immobiliare S.r.l. (Agrisud) for which ADR has quantified the provisional expropriation indemnity at 315 thousand euros, based on a specific Estimate Report prepared by the Revenue Agency. Agrisud did not communicate its agreement with the indemnity and, therefore, the aforementioned sum was deposited at the Territorial Accounting Office of the State of Rome and the Provincial Expropriation Commission of Rome (CPE), the competent authority for definitively determining the aforementioned indemnity. The CPE has established an overall definitive

indemnity of 260 thousand euros for Agrisud; the estimate of the definitive indemnity was notified by ADR to Agrisud.

Agrisud, on February 9, 2021, notified ADR (and ENAC) of a specific appeal in Opposition to the Estimate with which: i) it contested the definitive indemnity as determined by the CPE; ii) quantified the compensation due for the expropriation at 6.9 million euros; iii) requested the Judge to order ADR (and ENAC) to pay the sum determined under ii) or to a greater or lesser amount that will be considered fair also following a specific report from a court-appointed expert.

ADR appeared in court. At the hearing of May 12, 2022, ADR challenged the absolute groundlessness of the quantification of the indemnity made by Agrisud, requesting that the case be postponed for the clarification of the conclusions without the need for further investigation and without the need to appoint a court-appointed expert. The Court, by lifting the reservation, deemed it appropriate to order a report by a court-appointed expert. The expert witness assessment is scheduled for the hearing of November 16, 2023.

Extraordinary maintenance plan 2019 -2021 Fiumicino and Ciampino airports

With an appeal of December 2019, ADR challenged, without asking for suspension, the deed by which ENAC approved the extraordinary maintenance plan for Fiumicino airport with exceptions, prescriptions and clarifications. In particular, ENAC was challenged for the removal of some initiatives included by ADR in the Plan. The setting of a hearing is pending.

Similar appeals were subsequently lodged by ADR to challenge before the Regional Administrative Court ENAC's measures with which the Authority approved: i) the 2020 Extraordinary Maintenance Plans for Fiumicino and Ciampino airports; ii) the addendum to the 2020 Extraordinary Maintenance Plan for Fiumicino Airport; iii) the 2021 Extraordinary Maintenance Plan and related addendum for Fiumicino Airport. Appeals i), ii) and iii) are also pending the setting of a hearing.

Customer insolvency procedures

- Following the rulings of the Bankruptcy Section of the Court of Rome declaring the state of insolvency of Alitalia S.p.A. under extraordinary administration, Volare S.p.A. under extraordinary administration, Alitalia Express S.p.A. under extraordinary administration, Alitalia Servizi S.p.A. under extraordinary administration, Alitalia Airport S.p.A. under extraordinary administration, between the end of 2011 and 2013, first the liabilities were deposited and then some distribution plans following which, in 2014, the collection of 10.3 million euros was received as an "insolvency claim" secured by a lien. On March 19, 2014, 0.1 million euros was collected as per the distribution plan relating to Alitalia Express under extraordinary administration.

Commercial Sub-concessions

- ADR brought civil proceedings against Moccia Conglomerati S.r.l. aimed at ascertaining the termination of the sub-concession agreement of the area to be allocated to a bituminous conglomerate production and marketing plant, due to the serious breach by the counterparty, requiring immediate release of the area and the order to pay damages. As part of the proceedings, Moccia filed a counterclaim against ADR for 38.4 million euros, of which 33.6 million euros of lost profit. By means of a ruling published in May 2021, the Court of Rome, in acceptance of ADR's secondary claim, declared the termination of the sub-concession agreement due to the supervening impossibility of the service and ordered Moccia to immediately return the area and to pay the compensation for unlawful occupation of 2.5 million euros. Moccia appealed with a simultaneous application to suspend the effectiveness of solely the single charge of the ruling relating to the order to pay the occupation compensation; the Board accepted the aforementioned request. The case was adjourned, for the clarification of the conclusions, to the hearing on November 16, 2023.
- By means of the provision of July 8, 2022, as part of a preventive assessment action initiated by the counterpart before the Court of Rome, the report of the court-appointed expert requested by the appellant concerning the plant and any damage suffered by the latter was admitted. At the hearing of July 13, 2022, the engagement of the court-appointed expert

witness was formalized, and the questions formulated. The Parties have identified their respective court-appointed expert witnesses. On July 20, 2022, the expert operations got underway. Also following extensions granted in the meantime, the final draft was filed in June 2023.

Tenders

- ATI Alpine Bau, contractor for the upgrading of the flight infrastructure of Runway 3 at Fiumicino airport, appealed against the 2006 ruling of the Civil Court of Rome, which settled the proceedings by ordering ADR to pay 1.2 million euros, plus revaluation, interest and expenses. The appeal deed reiterates the compensation claims made at first instance proceedings (66 million euros, including interest and revaluation). With its 2014 ruling, the Court of Appeal of Rome essentially rejected the appeal lodged by ATI Alpine Bau and declared the 1997 tender contract terminated, due to the negligence of the contracting party ATI. In 2015, Fallimento Alpine lodged an appeal with the Supreme Court, rejected by order communicated on June 16, 2020. In October 2020, ADR proposed proceedings for the reform of the ruling of the Civil Court of Rome in 2006 in order to attempt the recovery, albeit against a party in the meantime declared bankrupt, of the amount paid in due course to the counterparty; with ruling no. 5444/2022, the Court of Appeal of Rome accepted ADR's claims and ordered the ATI companies to return the amounts paid in 2006 by ADR. In January 2021, both Fallimento Alpine and Itinera S.p.A. (the merging company of Abc Costruzioni, one of the original parents of the ATI) appealed to the Supreme Court for revocation of the aforementioned order communicated in June 2020. The setting of the hearing for discussion is pending.
- By deed served on November 28, 2018, Cimolai S.p.A., both on its own behalf and as agent of the ATI comprising Sertech S.p.A., RPA S.r.l. and Tecnica Y Projectos S.a., summonsed ADR before the Ordinary Court of Rome - Specialized Section on the matter of Companies, in relation to some reservations (from no. 30 to no. 41) for sundry charges and non-contractual works. The total claim amounted to approximately 64 million euros, plus interest and monetary revaluation. In the application, the plaintiff made an express request for the appointment of a court-appointed expert. Following the lifting of the reservation made at the hearing of June 8, 2020, the examining magistrate decided to proceed with the engagement of a court-appointed expert witness "in order to verify the timeliness, correctness and validity of the reservations entered and the claims for compensation proposed".
The expert operations began on October 22, 2020. Also following the postponement of the deadline requested by the Technical Consultants and accepted by the Judge, the final report by the court-appointed expert witness dated July 31, 2021 was filed, in which an amount of approximately 4 million euros was acknowledged in favor of the contractor, releasing an additional amount of approximately 25 million euros to the Court's assessment.
In April 2022, an agreement was formalized between the Parties with which ADR acknowledged having to pay 4.8 million euros to Cimolai; following this settlement, the proceedings were abandoned. The actual settlement of the proceedings was declared by the Judge on April 5, 2023.

ANAC resolution on the Pier C tender

With reference to the surveillance procedure pursuant to Legislative Decree no. 50/2016, initiated by ANAC in October 2016, regarding the tender for Pier C (currently Pier E and forebuilding), on September 4, 2019, the Authority issued resolution no. 759 with which almost all the objections raised since the beginning of the procedure were confirmed and the transmission to the Court of Auditors, as well as to ENAC and MIT was ordered, with a request also to ADR to evaluate "the possible initiatives to undertake, informing the Authority of any consequent measures that it intends to adopt".

Consequently, on October 18, 2019, ADR notified an appeal to the Lazio Regional Administrative Court, without request for suspension, requesting the cancellation of the aforementioned ANAC resolution. An announcement of the date of the relevant hearing is awaited. Furthermore, ADR informed the Certification Body Companies (SOAs) of Cimolai and the sub-contractors about the

assessments carried out by ANAC on the qualification attributions of some categories of works, related to the contract in question, for the purposes of their consequent assessments and determinations.

Terminal 3 fire

In relation to the fire that affected a large area of Terminal 3 (hereinafter also referred to as "T3") on the night of May 6-7, 2015, at the hearing of December 16, 2022 in the proceedings pending before the Public Prosecutor's Office at the Court of Civitavecchia, the ruling of acquittal was passed on all the defendants because no offence was committed. The aforementioned procedure, with regard to the offences set forth in articles 113 and 449 of the Criminal Code (complicity in negligent fire) and personal injury saw, as defendants today: (i) five employees of the contractor for the ordinary maintenance of air conditioning systems and two employees of ADR, all also under investigation for the crime pursuant to article 590 of the Criminal Code (negligent personal injury), (ii) the Director of the Airport System Lazio (ENAC).

The trial before the Court of Civitavecchia, which began on October 15, 2018, lasted for several hearings, during which, in addition to procedural checks, witness evidence was heard with the names indicated by the Public Prosecutor and the party-appointed technical consultants carried out their examinations.

The reasons for the ruling were filed on June 14, 2023 by reason of the extension of the terms already set at 90 days by the provision.

Claims for damages

- In 2011 ADR received a claim for \$ 24 million for direct damages from AXA Assicurazioni, Ryanair's insurer, for the damage suffered by the B737-800 E-IDYG aircraft as a result of the emergency landing caused by a "Bird strike" which occurred on November 10, 2008 at Ciampino airport. After periodic communications of mere prescriptive interruption, in November 2020 ADR received a letter sent by AXA to Generali, in which, by making use of its insurer, it claimed damages of \$ 22.8 million for the damage suffered by the aircraft. The elements supporting the claim include the outcome of the report produced in 2018 by the Agenzia Nazionale per la Sicurezza (ANSV - Italian flight safety agency) regarding the details of the accident. Even after the in-depth analysis of the aforementioned documentation, the airport manager does not appear to be responsible for the accident, entirely attributable to the incorrect "go around" manoeuvre carried out by the pilot of the aircraft involved. ADR therefore rejects, also through its own insurer who is overseeing its management, any type of liability for the accident.
- approximately 170 claims for damages have been received from third parties (mainly sub-concessionaires, handlers and passengers) relating to the fire event which, however, only partially include a precise quantification of the damages (approximately 19 million euros). In response to such claims for damages, a prudent valuation, carried out on the basis of today's best knowledge, of the liabilities that the Company is likely to incur has been included in the provisions.

Claims on works entered by contractors

As at June 30, 2023, no reserves were recognized by the contractors (zero million euros as at December 31, 2022) with respect to ADR. Based on past evidence, only a small percentage of the reserves posted is actually due to the contractors. If recognized, the reserves will be recorded as an increase in the cost of concession fees.

If these refer to claims or maintenance, they are accrued under the provisions for risks and charges for the portion deemed probable.

10. Transactions with related parties

The transactions performed by the ADR Group with related parties were carried out in the interest of the Group and are part of ordinary operations. Such transactions are regulated on a basis that is equivalent to those prevailing in transactions between independent parties.

During the period, no transactions of greater significance or other transactions were concluded that significantly influenced the financial position or results of the Group.

Business and other relationships

(THOUSANDS OF EUROS)	06.30.2023		1st HALF 2023		12.31.2022		1st HALF 2022	
	ASSETS	LIABILITIES	REVENUE	COSTS	ASSETS	LIABILITIES	REVENUE	COSTS
PARENTS								
Mundys S.p.A.	5,211	1,072	0	(89)	23,239	628	0	(85)
TOTAL TRANSACTIONS WITH PARENTS	5,211	1,072	0	(89)	23,239	628	0	(85)
ASSOCIATES								
Spea Engineering S.p.A.	74	395	0	(118)	74	1,201	105	0
Ligabue Gate Gourmet S.p.A. (in bankruptcy)	482	968	0	0	482	968	0	0
TOTAL TRANSACTIONS WITH ASSOCIATES	556	1,363	0	(118)	556	2,169	105	0
JOINT VENTURES								
UrbanV S.p.A.	115	24	70	(100)	11	64	0	0
TOTAL TRANSACTIONS WITH JOINT VENTURES	115	24	70	(100)	11	64	0	0
RELATED PARTIES								
Telepass S.p.A.	193	115	45	(97)	120	64	0	(53)
Autogrill Italia S.p.A.	6,102	93	7,973	(140)	6,568	73	4,424	(65)
Autostrade per l'Italia S.p.A. (*)	0	0	0	0	0	0	0	(48)
Autostrade Tech S.p.A. (*)	0	0	0	0	0	0	0	(43)
Consorzio Autostrade Italiane Energia	0	16	0	(21)	0	0	0	(18)
Retail Italia Network S.r.l.	74	19	119	0	100	0	94	0
Telepass Pay S.p.A.	2	0	0	0	2	0	0	0
K-Master S.r.l.	0	91	0	0	0	168	0	0
Aeroporto Guglielmo Marconi di Bologna S.p.A.	2	0	9	0	4	0	13	0
Amplia Infrastructures S.p.A. (formerly Pavimental S.p.A.) (*)	0	0	0	0	0	0	0	(10)
PTSCLAS S.p.A.	0	11	0	(11)	0	0	0	0
S.A.CAL. S.p.A.	18	1	17	0	0	0	0	0
Key Management Personnel	0	884	0	(1,293)	0	1,316	0	(1,220)
TOTAL RELATIONS WITH RELATED PARTIES	6,391	1,230	8,163	(1,562)	6,794	1,621	4,531	(1,457)
TOTAL	12,273	3,689	8,233	(1,869)	30,600	4,482	4,636	(1,542)

(*) with reference to the companies belonging to the Autostrade per l'Italia group, only the income statement figures for the period January 1, 2022 - April 30, 2022 are shown, in relation to the completion of the sale of Autostrade per l'Italia by the parent Mundys on May 5, 2022.

Transactions with Mundys mainly refer to the participation of the companies of the ADR Group in the Group tax consolidation scheme and the recharging of insurance costs.

The main transactions with other related parties are summarized below:

- Spea Engineering: a subsidiary of Mundys, which performed airport engineering services (design and construction management) for the ADR Group until March 1, 2021, the date on

which the subsidiary ADR Ingegneria S.p.A. leased the Spea business unit Engineering S.p.A. specialized in airport engineering and construction management activities;

- Telepass S.p.A. (a subsidiary of Mundys): costs related to the Telepass system used in the car parks managed by ADR Mobility;
- Autogrill Italia S.p.A. (the company is indirectly controlled by Edizione S.r.l. which, indirectly, holds a relative controlling interest in Mundys): obtainment of revenue from the space sub-concession, royalties, utilities, car parks and numerous services.

The remuneration payable to the persons who have the power and responsibility for the planning, management and control of the company and therefore the directors, statutory auditors and other key management personnel in office as of June 30, 2023 amounted to 1,293 thousand euros and include the amount of emoluments, remuneration for employees, non-monetary benefits, bonuses and other incentives for positions in ADR (the remuneration relating to directors who held the office in the half year, even for a part of the period).

Financial transactions

(THOUSANDS OF EUROS)	06.30.2023		1st HALF 2023		12.31.2022		1st HALF 2022	
	ASSETS	LIABILITIES	INCOME	EXPENSE	ASSETS	LIABILITIES	INCOME	EXPENSE
Spea Engineering S.p.A.	1,350	220	0	0	1,350	286	0	0
TOTAL TRANSACTIONS WITH RELATED PARTIES	1,350	220	0	0	1,350	286	0	0

Financial assets due from Spea Engineering S.p.A. consist of dividends approved by the company in 2018 and not paid; financial liabilities relate to the lease of the business unit by the subsidiary ADR Ingegneria.

11. Other information

11.1 Significant non-recurring, atypical and/or unusual events and transactions

During the first half of 2023, no significant non-recurring, atypical or unusual transactions were carried out either with third parties or with related parties.

For information on the impacts of the Covid-19 epidemic, please refer to Note 11.2 below; in the period under review, no other significant non-recurring events occurred.

11.2 Disclosure on the effects of the Covid-19 epidemic

During the first half of 2023, the Roman airport system recorded a total of 19.8 million passengers. The sustained and continuous growth in volumes (passengers +49.9% and movements +25% compared to the same period of 2022) took hold from the second quarter of 2022 thanks to the drastic reduction of travel restrictions and despite the persistence of the total absence of traffic for Ukraine and Russia.

Compared to 2019, the systemic recovery of movements stood at 80%, while that of passengers at 75% thanks to a higher Load Factor than in 2019.

The traffic trend was reflected in both aviation and non-aviation revenue, which rose by 50% compared to the first half of 2022. For more details, see Note 7.1 Revenue.

The trend in costs was affected by the greater volume of activities and by infrastructure becoming fully up and running once again and the opening of new infrastructure (May 2022 and April 2023), with a consequent increase in operating and maintenance costs. For further details, please refer to the following notes: Note 7.3 Service costs, Note 7.4 Personnel expense, Note 7.5 Other operating costs.

With reference to the recoverability of the carrying amount of intangible assets, and in particular of concession rights, in the absence of specific indicators regarding the risk of non-recovery of the carrying amount of the intangible assets, these were not subjected to an impairment test.

Activities and initiatives to secure the Group continued on the financial front as well. ADR obtained a precautionary easing of the maximum leverage ratio threshold from all counterparties for the date of calculation of the financial covenants of June 30, 2023. On the basis of the simulations carried out on the closing figures at June 30, 2023, it is in any case already possible to confirm compliance with the thresholds set out in the loan agreements. The calculation of the financial covenants will be formalized after the approval of the Consolidated Interim Financial Report at June 30, 2023. For more details, see Note 6.15 Financial liabilities and Note 8 Guarantees and covenants on non-current financial liabilities.

11.3 Impacts resulting from the Russian invasion of Ukraine

In preparing these Condensed Interim Consolidated Financial Statements at June 30, 2023, in accordance with IFRS and the recent calls from the surveillance authorities on the financial markets, the ADR Group assessed the impact of the Russian invasion of Ukraine on its financial position, financial performance and cash flows. The events in Ukraine led to the closure of the airspace in Russia for European airlines, with the consequent reduction to zero of traffic to Ukraine, Russia and Belarus from the start of 2022.

As at the date of these Condensed Interim Consolidated Financial Statements, the Group is constantly monitoring the evolution of this conflict to identify further risks.

At present, it is believed that there are no significant impacts on the Group's resources and business.

12. Subsequent events

- During the first two weeks of July, the Parent ADR implemented a series of financial transactions aimed at optimizing the maturity profile and increasing the average life of debt, at the same time accelerating the transition of the sources of funding mix towards “sustainable finance.” The transactions, which will have accounting effects in July 2023, generated total net funding of approximately 183 million euros.

More specifically:

- On July 3, 2023, ADR placed new Sustainability-Linked bonds. With a nominal value of 400 million euros and a duration of 10 years, the issue was settled on July 10, 2023 and provides for repayment in a lump sum, on July 10, 2033, and the payment of an annual fixed-rate coupon equal to 4.875%. Issued under the Company's EMTN program, the bond issue is aimed at institutional investors and is listed on the Irish Stock Exchange. The bond issue was assigned a rating in line with that of ADR (“Baa2” by Moody's, “BBB” by S&P and “BBB-” by Fitch).
 - On July 3, 2023, at the same time as the pricing of the issue, the entire Interest Rate Swap Forward Starting derivatives portfolio put in place by ADR in 2018 and 2021 was unwound, with ADR collecting a positive mark-to-market of 50.9 million euros.
 - On July 3, 2023, at the same time as the launch of the new bond issue, the Company launched a Tender Offer aimed at the holders of the 500 million euros bond maturing on June 8, 2027, issued by ADR in 2017 in relation to its EMTN Program. On July 14, paying the participants a total consideration of 63.1 million euros (including accrued interest), the Company finalized the repurchase of the securities and the simultaneous cancellation of the same securities. As a result of the transaction, the residual outstanding notional value amounted to approximately 432.8 million euros.
 - On July 11, 2023, the voluntary and full early repayment of the 200 million euros bank loan granted by Banca Nazionale del Lavoro in 2020, which had contractual maturity in May 2026, was finalized.
- On July 19, 2023, the Piedmont Regional Administrative Court declared that the appeals filed against ART Resolutions 118/2019 and 136/2020 are no longer proceeding, due to the fact that ART Resolution 38/2023 definitively repealed those resolutions. It is to be noted that the issue of ART's competence over the holders of “derogation” contracts is still submitted to the ruling of the aforementioned Court in the pending litigation on Resolution 38/2023.

The Board of Directors



Annexes

Annex 1 - List of equity investments

NAME	REGISTERED OFFICE	ACTIVITIES	CURRENCY	SHARE/QUOTA CAPITAL (EURO)	SHAREHOLDERS/QUOTAHOLDERS	% HELD	% ADR GROUP INTEREST	CONSOLIDATION METHOD OR MEASUREMENT CRITERION
PARENT								
Aeroporti di Roma S.p.A.	Fiumicino (Rome)	Airport management	Euros	62,224,743				
SUBSIDIARIES								
ADR Tel S.p.A.	Fiumicino (Rome)	Telephony	Euros	600,000	Aeroporti di Roma S.p.A. ADR Ingegneria S.p.A.	99 1	100	Line-by-line
ADR Assistance S.r.l.	Fiumicino (Rome)	Assistance to passengers with reduced mobility (PRM)	Euros	4,000,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Ingegneria S.p.A.	Fiumicino (Rome)	Coordination of activities for major airport works	Euros	500,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Mobility S.r.l.	Fiumicino (Rome)	Management of parking and car parks	Euros	1,500,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Infrastrutture S.p.A.	Fiumicino (Rome)	Building and construction activity	Euros	5,050,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ADR Security S.r.l.	Fiumicino (Rome)	Security and control services	Euros	400,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
Airport Cleaning S.r.l.	Fiumicino (Rome)	Cleaning services	Euros	1,500,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
Fiumicino Energia S.r.l.	Fiumicino (Rome)	Electricity production	Euros	741,795	Aeroporti di Roma S.p.A.	100	100	Line-by-line
Leonardo Energia - Società Consortile ar.l.	Fiumicino (Rome)	Electricity production	Euros	10,000	Aeroporti di Roma S.p.A. Fiumicino Energia S.r.l.	10 90	100	Line-by-line
ADR Ventures S.r.l.	Fiumicino (Rome)	Investments in start-ups with high innovative potential	Euros	10,000	Aeroporti di Roma S.p.A.	100	100	Line-by-line
ASSOCIATES								
Spea Engineering S.p.A.	Rome	Engineering and design services	Euros	6,966,000	Aeroporti di Roma S.p.A.	20		Measured at equity
Ligabue Gate Gourmet Roma S.p.A. in bankruptcy	Tessera (Venice)	Airport catering	Euros	103,200	Aeroporti di Roma S.p.A.	20		Measured at cost
JOINT VENTURES								
UrbanV S.p.A.	Fiumicino (Rome)	Advanced Air Mobility (AAM) and Urban Air Mobility (UAM)	Euros	50,000	Aeroporti di Roma S.p.A.	60		Measured at equity
OTHER EQUITY INVESTMENTS								
Aeroporto di Genova S.p.A.	Genova Sestri	Airport management	Euros	7,746,900	Aeroporti di Roma S.p.A.	15		Measured at fair value
Azzurra Aeroporti S.p.A.	Rome	Real estate, financial investments, etc.	Euros	3,221,234	Aeroporti di Roma S.p.A.	7.77		Measured at fair value
S.A.CAL. S.p.A.	Lamezia Terme (Catanzaro)	Airport management	Euros	23,920,556	Aeroporti di Roma S.p.A.	5.37		Measured at fair value
Consorzio Autostrade Italiane Energia	Rome	Supply on the electricity market	Euros	116,330.44	Aeroporti di Roma S.p.A.	1.13		Measured at fair value
Convention Bureau Roma & Lazio S.c.r.l.	Rome	MICE ¹ tourism related activity and business tourism	Euros	121,000	Aeroporti di Roma S.p.A.	1 share (1,000 euros)		Measured at fair value

¹MICE (Meetings, Incentives, Conferences, Exhibitions)



Report of the Independent Auditors



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(This independent auditors' report has been translated into English solely for the convenience of international readers. Accordingly, only the original Italian version is authoritative.)

Report on review of condensed interim consolidated financial statements

To the shareholders of
 Aeroporti di Roma S.p.A.

Introduction

We have reviewed the accompanying condensed interim consolidated financial statements of the Aeroporti di Roma Group, comprising the statement of financial position as at 30 June 2023, the income statement and the statements of comprehensive income, changes in equity and cash flows for the six months then ended and notes thereto. The directors are responsible for the preparation of these condensed interim consolidated financial statements in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union. Our responsibility is to express a conclusion on these condensed interim consolidated financial statements based on our review.

Scope of the review

We conducted our review in accordance with Consob (the Italian Commission for Listed Companies and the Stock Exchange) guidelines set out in Consob resolution no. 10867 dated 31 July 1997. A review of condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and, consequently, does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the condensed interim consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed interim consolidated financial statements of the Aeroporti di Roma Group as at and for the six months ended 30 June 2023 have not been prepared, in all material respects, in accordance with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34), endorsed by the European Union.

Rome, 2 August 2023

KPMG S.p.A.

(signed on the original)

Marco Mele
 Director of Audit

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