
Corporaciòn America Italia Group



ANNUAL FINANCIAL REPORT 2022

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Corporaciòn America Italia S.p.A.

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Dear Shareholders,

The Management Report on the Consolidated Financial Statements of Corporación America Italia SpA (hereinafter also "**CAI**", or the "**Parent Company**") and its subsidiaries (hereinafter "CAI Group") and the Draft Financial Statements as at 31 December 2022, approved by the Board of Directors, is made up of the financial statements and the Directors' observations on management performance and on the most significant events that occurred in 2022 and after 31 December 2022..

The tables provided and commented below have been prepared based in the Consolidated Financial Statements at 31 December 2022, to which we refer the readers of this document. Pursuant to the applicable legislation, we considered it more appropriate to prepare a single Report on Operations and provide an analysis of the most significant items, namely consolidated data.

The consolidated financial statements and the financial statements at 31 December 2022 are drawn up in compliance with the International Accounting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and approved by the European Union. "IFRS" also means the International Accounting Standards (IAS) still in force, as well as all the interpretative documents issued by the International Financial Reporting Interpretations Committee ("IFRIC") previously called the Standing Interpretations Committee ("SIC").

As of December 31, 2022 Corporación America Italia SpA holds a stake of 62.283% in Toscana Aeroporti S.p.A., the company that manages the Pisa G. Galilei airport and the Florence A. Vespucci airport; the Group oversees the development of the two airports, both in terms of air traffic and infrastructures and services for passengers.

The accounting information provided for the year ended 31 December 2022 includes data regarding the holding Corporación America Italia SpA, the Subholding Toscana Aeroporti S.p.A. and those of its subsidiaries Toscana Aeroporti Engineering S.r.l. (hereinafter "TAE"), Parcheggio Peretola S.r.l., Jet Fuel Co. S.r.l., and Toscana Aeroporti Costruzioni S.r.l. (hereinafter "TAC"), which have been consolidated by using the full consolidation method.

Please note that the majority stake in the share capital (80%) of the subsidiary Toscana Aeroporti Handling S.r.l. (hereinafter TAH) was sold on 30 December 2022. The consolidation area has changed as a result of this transaction.

In line with IFRS 5, after the aforesaid divestment, the Handling business was classified as "discontinued operations", which means that, in the Income Statement for the financial year 2022, and for comparative purposes of the financial year 2021, revenue and expense items have been reclassified to "Net income from assets sold or held for sale".

The Group's Consolidated Financial Statements and CAI's Annual Report are audited by PricewaterhouseCoopers S.p.A. ("PwC").

Furthermore, we point out that the Subholding Toscana Aeroporti S.p.A., being an "EIPR" (Ente di Interesse Pubblico Rilevante, meaning an "entity of significant public interest"), is required to prepare and submit a Non-Financial Consolidated Statement [*Dichiarazione consolidata di carattere non finanziario*, hereinafter also briefly "DNF"] in the form of a "separate report", as required by Art. 5 "*Collocazione della dichiarazione e regime di pubblicità*" (Reporting and disclosure requirements) of Legislative Decree 254/2016. This statement is published on the same dates and with the same procedures as the Annual Report and is available on the Company's website.

In line with the requirements of the selected reporting standards "GRI", the Global Reporting Initiative, for the preparation of the DNF the Management of the Subholding Toscana Aeroporti completed an

accurate materiality analysis, which produced the results described below for the definition of the following material themes, divided by ESG area (Environmental - Social - Governance). With a view to responding to regulatory requests relating to **Corporate Sustainability Reporting** (CSRD) in the coming years, when they will be applicable, a summary of the main aspects is given below. For details, please see the DNF prepared as a separate report.

FINANCIAL AND NON-FINANCIAL 2022 HIGHLIGHTS OF THE SUBHOLDING TOSCANA AEROPORTI SPA

| | FINANCIAL RATIOS | 2022 | 2021 | Δ% vs 2021 |
|-----------------------|--|-----------|-----------|------------|
| BUSINESS ACTIVITY | Total Passengers (millions) | 6.72 | 2.84 | +137% |
| | Global perception of the passenger and carry-on baggage security service | 98% | 96% | +2% |
| FINANCIAL PERFORMANCE | Revenues (€/000) | 90,407 | 48,531 | +86% |
| | EBITDA (€/mln) | 20.9 | 6.3 | +232% |
| | TA Group's profit (loss) for the period (€/000) | 4,680 | 5,256 | -11% |
| | Investments (€/000) | 9,107 | 15,075 | -40% |
| ENVIRONMENT | Total CO ₂ emissions (Scope 1 and 2) (tCO ₂) | 10,041.64 | 8,717.5 | +15% |
| | Self-produced energy consumption - PSA (GJ) | 27,539.65 | 23,208.07 | +19% |
| SOCIAL | Total number of employees | 752 | 826 | -9% |
| | Percentage of female employees | 49% | 50% | -2% |
| | Total training hours | 27,693 | 12,409 | +123% |

THE TUSCAN AIRPORT SYSTEM

| Amerigo Vespucci airport - FLORENCE | Galileo Galilei airport - PISA |
|--|--|
| <ul style="list-style-type: none"> • 2,228,999 passengers • Focus on business and leisure traffic through full-service carriers • Land lot of about 120 ha, including a flight runway • The paved area of the flight runway covers 7.2 ha • The main configuration includes 14 aircraft stands (dedicated to aircraft parking) • The gross surface area of the terminal is approximately 18,800 square metres and includes the main terminal, the cargo area, the BHS, State Entities and TA offices • Connection with the city tramway • Dedicated stop on the east side with a covered pedestrian walkway of about 70 m. | <ul style="list-style-type: none"> • 4,493,847 passengers • Focus on tourist traffic operated by low-cost carriers • Civil land lot of about 45 ha – Military land lot of about 500 sq.m., with two runways for alternate use • The paved runway area covers approximately 25.8 ha • 19 (14C/4D/1E) aircraft parking stands • The gross surface area of the terminal is approximately 36,100 square metres and includes the main terminal, the area, the BHS, State Entities and TA offices, Canteen, Building A • Connection with the railway station by the shuttle bus called People Mover • Dedicated station on the west side with a covered pedestrian walkway of about 110 m. |

ENVIRONMENT

The **material themes** identified in the TA Group's DNF concerning **environmental** issues include:

- Noise pollution
- Energy consumption and emissions
- Water consumption and drains

Both the Pisa and Florence airports operated by TA have been certified according to ISO 14001:2015 (Environmental Management Systems).

In general, the Company adopted an Integrated Quality Management System, in compliance with the requirements of the UNI EN ISO 9001:2015 standard for occupational health and safety, with the ISO 45001:2018 standard for social responsibility, consistently with SA8000, and with the UNI EN ISO 14001:2015 standard for environmental matters.

With regard to risks, see the “Main risks and uncertainties to which the TA Group is exposed” section below.

The **main KPIs** of the Toscana Aeroporti Group include:

- A total energy consumption of 65,930.7 GJ
- A total consumption of 9.65 (GJ/number of passengers*1,000)
- 7,325.5 tCO₂ of direct GHG emissions (Scope 1)

SOCIAL

The **material themes** identified in the Group's DNF concerning Social issues are:

- Personnel management and development
- Equal opportunities and diversity
- Employee health and safety.

The TA Group has undergone deep changes in recent years, which required a huge effort in standardizing Human Resources management procedures and methods.

The commitment of the Human Resources Management and Organisation is best expressed in the **HR Management procedure**, which defines the areas and actions to be implemented concerning communication with the personnel, remuneration and rewards, working hours, freedom of association, disciplinary actions, mobbing, and sexual harassment at the workplace.

With regard to the TA Group’s commitment on Health and Safety, the **UNI ISO 45001:2018** certification has been maintained for TA and TAH following three days of inspection by the certification body DNV last November 2022.

The main **risks** in this area can be summarized in the following areas:

- Personnel selection and recruitment
- Personnel management
- Training
- Accident/incident/illness management
- Health surveillance and preventive occupational medicine

The **main KPIs** of the Toscana Aeroporti Group include:

- A staff of 752 people at 31 December 2022
- 49% of female employees
- An average 25 hours of training per employee for Toscana Aeroporti
- The recordable incident rate is 5.99 for TA and 46.84 for TAH, as a consequence of 1 and 21 incidents, respectively.
- **Zero incidents with serious consequences in the workplace**
- 181 incidents, of which 21 Near Misses, managed and traced by the PPS (Prevention and Protection Service)
- There were no SARS-CoV-2 infections in the Company

GOVERNANCE

In February 2023, the Company entrusted the Control and Risk Committee with specific ESG (Environment, Social and Governance) tasks.

The renamed **Control, Risk and Sustainability Internal Board Committee** will play a proactive and advisory role, in support of the Subholding's Board of Directors relating to sustainability issues, in line with the initiative undertaken to strengthen **ESG factors in our operational choices and corporate strategies**.

The Committee has 3 non-executive and independent directors, namely Mr. Stefano Bottai (President), Mr. Mirko Romoli Fenu, and Ms. Patrizia Pacini.

STRATEGIC SUSTAINABILITY APPROACH

During the meeting of the Board of Directors held on 15 March 2023, the Subholding Toscana Aeroporti Group approved its strategic sustainability approach. This shows the Subholding's commitment in embarking on **initiatives combining business objectives with ESG principles**, to create value for our Shareholders and Stakeholders.

The TA Group identified **5 relevant topics** - Green Infrastructure, Operational Excellence, People & Innovation, Customer Experience, Community -, consistent with the topics indicated by the parent company CAAP, to identify the objectives, initiatives and indicators necessary to build the Integrated Sustainability Plan. In addition, for each Relevant topic, the Company **associated the Material topics** reported in the DNF and the evidence emerged from the Public Debate for the new Florence Master Plan.

THE EUROPEAN TAXONOMY

The **European Taxonomy** introduced by Regulation (EU) 2020/852, effective from 1 January 2022 (the "EU Taxonomy"), is a system for the classification of environmentally sustainable economic activities, which has the purpose to increase the development of sustainable investment and favour the achievement of the objectives set out in the European Green Deal. In line with regulatory requirements, for the first year the Group published information regarding the EU taxonomy with regard to the so-called "Taxonomy-eligible economic activities". As regards the financial year 2022, the applicable law also requires information on the TA Group's **eligibility and alignment KPIs**.

REPORT ON OPERATIONS

1. GROUP'S ACTIVITIES

Corporación America SpA was incorporated on February 19, 2014 and is domiciled in Italy with registered office in Milan.

The acquisition by CAI of the controlling interest in Aeroporto di Firenze SpA with registered office in Florence, hereinafter "ADF" and in the company Aeroporto Toscano SpA with registered office in Pisa, hereinafter "SAT", took place for ADF in the month of April 2014 and for SAT in July 2014. In 2015 SAT incorporated ADF and changed the name to Toscana Aeroporti SpA as specified below.

Having issued a bond loan traded on the Vienna stock exchange, CAI is required to prepare and file the consolidated financial statements. On January 8, 2018, a new bond loan of € 60 million was issued expiring on December 31, 2024 at an annual rate of 4.556% and at the same time the previous bond loan of € 50 million was repaid in advance and in full, the contractual maturity of which was scheduled for December 31, 2019.

The main purpose of the company is the management of company shareholdings.

At 31 December 2017 CAI held a total of no. 9,516,649 shares equal to 51.132% of the share capital of TA.

On February 19, 2018, Corporación America Italia S.p.A. bought n. 850,235 shares of Toscana Aeroporti S.p.A. increasing its stake from 51.13% to 55.7%.

On 25 June 2018, Corporación America Italia S.p.A. bought n. 1,225,275 shares of Toscana Aeroporti S.p.A. increasing its stake from 55.7% to 62.2833%.

On 12 September 2018, the shareholder DI CASA SPAIN sold 25% of the share capital of CAI to the company MATAAR HOLDINGS 2 B.V.

The share capital of Corporación America Italia S.p.A. is equal to Euro 85,000,000.00, fully paid up and underwritten, represented by n. 130,000 ordinary shares with no par value.

It should be noted that the CAI shares and all the TA shares owned by Corporación America Italia S.p.A. have been pledged until December 2024 to guarantee the bond issued by the Company.

2. THE OWNERS OF THE PARENT COMPANY

The share capital is held 75% by the company DI CASA SPAIN S.A.U. and 25% by the company MATAAR HOLDINGS 2 B.V.

3. NATIONAL TAX CONSOLIDATION

During the 2016 financial year CAI and the subsidiary TA exercised the option for the national tax consolidation for the three-year period 2016-2018, possibly renewable for a further three-year period under the conditions agreed in the specific consolidation agreement signed on 30 September 2016 by CAI age. Subsequently, on the same date, the option was communicated to the Revenue Agency on the occasion of the presentation of the tax return of the consolidating CAI, pursuant to art. 117 and following of Presidential Decree 917/86 and subsequent amendments.

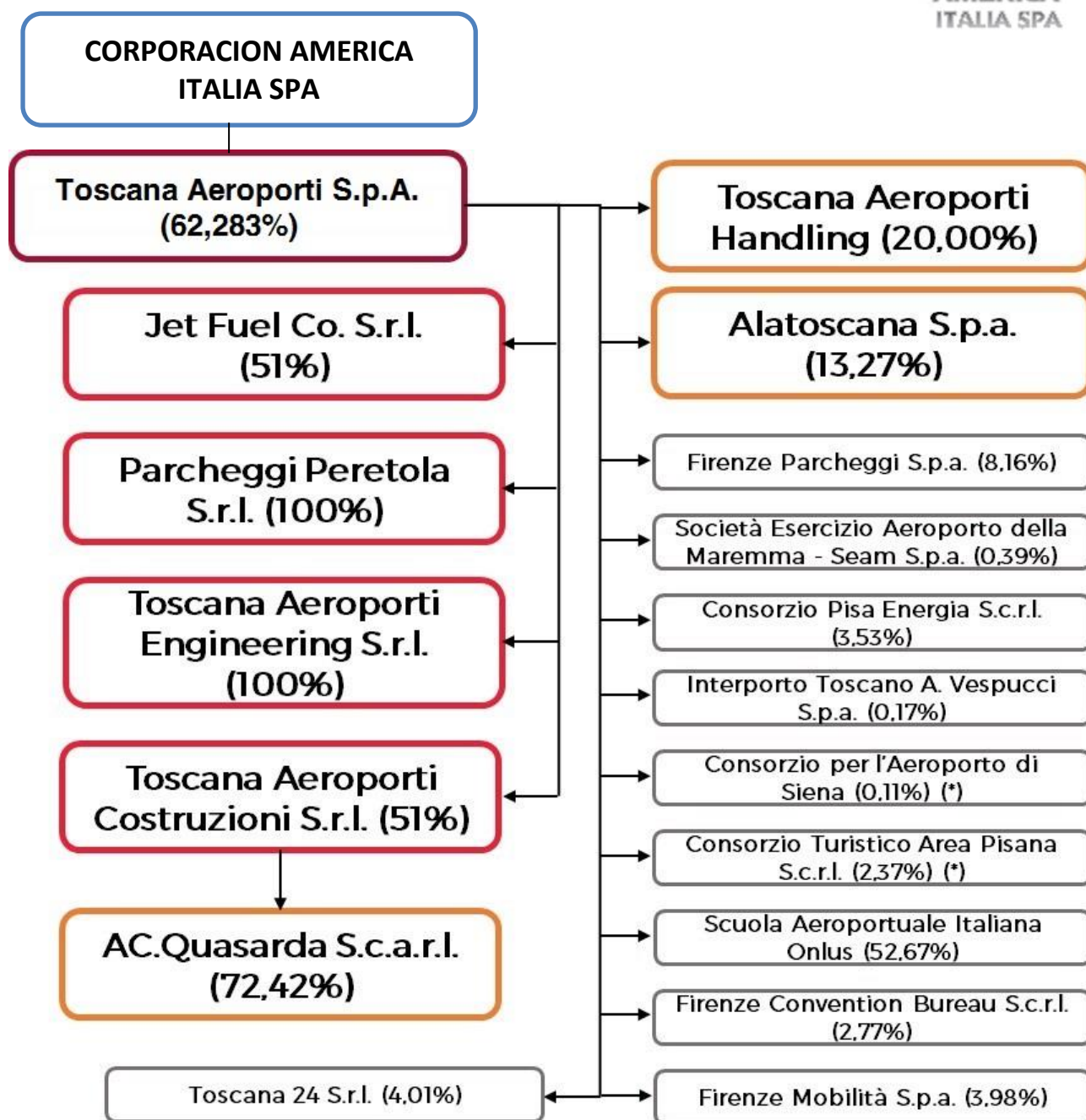
On 30 August 2016, the Revenue Agency had expressed a favorable opinion on a specific request for a ruling presented by CAI in which confirmation was requested that the stipulation of the Pledge agreement connected to the issue of the bond loan did not eliminate the requirement of control of CAI on TA, a requirement required by the legislation for the effectiveness of the option for the consolidation.

During the 2019 financial year, CAI and the subsidiary TA renewed the option for the national tax consolidation for the three-year period 2019-2021, possibly renewable for a further three-year period. The option was exercised by both companies following a resolution by their respective Boards of Directors, under the conditions agreed in the specific consolidation agreement signed by CAI and TA. The renewal of the option was not subject to communication to the Revenue Agency pursuant to art. 117 and following of Presidential Decree 917/86 and subsequent amendments as the so-called tacit renewal.


In the first quarter of 2022, CAI and its subsidiary TA expressed their willingness to renew the option for national tax consolidation for the three-year period 2022-2024. The option was exercised by both companies following a resolution by their respective Boards of Directors under the conditions agreed in the specific consolidation agreement signed by CAI and TA. The renewal of the option was not subject to communication to the Revenue Agency pursuant to art. 117 and following of Presidential Decree 917/86 and subsequent amendments, as the so-called tacit renewal.


4. MACROSTRUCTURE OF THE CORPORACION AMERICA ITALIA SPA GROUP

The macrostructure of the group as at 31 December 2022 is represented in the graph below).



 **Parent Company** - Corporacion America Italia S.p.A.

 **Subholding** - Toscana Aeroporti S.p.A

 **Controlled companies** - Jet Fuel Co. S.r.l., Parcheggi Peretola S.r.l., Toscana Aeroporti Engineering S.r.l., Toscana Aeroporti Handling S.r.l., Toscana Aeroporti Costruzioni S.r.l.

Within the framework of the consolidation, we inform readers that Toscana Aeroporti owns 33.33% of property and dividend rights and 51% of voting rights in the company Jet Fuel Co. S.r.l. For further details, see section on controlled companies.

 **Other equity interests:** (*) winding-up companies

 **Associated companies and companies under joint control**

Line-by-line consolidation¹

| Company | Registered Office | Share Capital (€k) | Shareholders' Equity (€K) | % |
|--------------------------------------|-------------------|--------------------|---------------------------|------------|
| Corporacion America Italia Spa | Milan | 85.000 | 111.110 | Holding |
| Toscana Aeroporti S.p.a. | Florence | 30,710 | 95,479 | Subholding |
| Toscana Aeroporti Engineering S.r.l. | Florence | 80 | 562 | 100.00 |
| Parcheggi Peretola S.r.l. | Florence | 50 | 3,150 | 100.00 |
| Jet Fuel Co. S.r.l. | Pisa | 150 | 1,262 | 51.00 |
| Toscana Aeroporti Costruzioni S.r.l. | Pisa | 1,000 | 8,253 | 51.00 |

Full Consolidation

| Company | Registered Office | Share Capital (€k) | Shareholders' Equity (€K) | % |
|--|-------------------|--------------------|---------------------------|-------|
| Alatoscana S.p.a. ² | M. di Campo | 2,910 | 2,846 | 13.27 |
| Toscana Aeroporti Handling S.r.l. ³ | Florence | 1,150 | (3,121) | 20.00 |
| AC.Quasarda S.c.a.r.l. ⁴ | Pisa | 10 | 10 | 72.42 |

5. HIGHLIGHTS

| | |
|---|--|
| <p>Consolidated financial and income results at 31 December 2022</p> | <p>Revenues totalled € 90,407 K, up by € 41,876 K (+86.3%) compared to € 48,531 K of the CAI Group at 31 December 2021.</p> <p>Operating revenues totalled € 76,819 K, up by € 41,672 K (+118.6%) compared to € 35,147 K of the CAI Group at 31 December 2021.</p> <p>The EBITDA is positive for € 19,778 K, up by € 14,783 K compared to a value of € 4,995 K for the Group in 2021.</p> <p>The EBIT is positive for € 91 K, markedly up by € 16,617 K compared to the negative EBIT of € 16,526 K of the Group in 2021.</p> <p>The Profit Before Tax (PBT) is negative for € 7,175 K compared to a negative PBT of € 22,042 K for the Group in 2021.</p> <p>The Group's net profit from operations totalled € 6,284 K loss against a negative result of € 12,568 K in 2021.</p> <p>If the above result is summed up to the net profit from the divested assets (TAH), consisting of profits for € 3,320 K, the 2022 result totals € 2,964 K loss compared to a loss of € 12,514 K in 2021.</p> <p>The Group 2022 loss totals € 3,129 K, up by € 6,202 K compared to the 2021 loss of € 9,331 K.</p> <p>Net borrowing totalled € 139,095 K at 31 December 2022 compared to € 151,397 K at 31 December 2021.</p> |
|---|--|

¹ Data at 31 December 2022

² Data at 31 December 2021

³ Data at 31 December 2022

⁴ Data at 31 December 2021

| | |
|--|---|
| | <p>The Net Adjusted Financial Position (not including commitments for deferred payments for corporate acquisitions and financial liabilities for rights of use) totalled € 132,596 K at 31 December 2022 against € 143,320 K at 31 December 2021.</p> |
| The Group's investments in 2022 | <p>At 31 December 2022, investments were made for a total of € 9,110 K, including € 7,407 K for concession rights; € 2,652 K for the design of the new Florence terminal; € 2,367 K for the Florence Master Plan; € 689 K for the new self-service baggage drop system in both airports; € 312 K for BHS improvements in both airports; and € 218 K for the Pisa airport sewage bypass.</p> <p>At 31 December 2022, the balance of investments in tangible fixed assets was € 1,387 K, including € 707 K for the new information system for the management of parking lots at the Pisa airport and € 244 K for the purchase of ramp vehicles and equipment at both airports.</p> |
| Traffic | <p>Although the global tuscan airport traffic remained below the levels of the same period in 2019, a growth was recorded month after month, which reduced the negative gap with the pre-Covid period. On the whole, the Tuscan Airport System carried approximately € 6.72 million passengers in 2022, up by +137% for the passenger component, +91% for tonnage, and +74.1% for the flight component compared to 2021. However, freight and mail volumes decreased slightly by 2.9%. So, in the 12 months considered, TA passenger traffic still remained -18.6% lower than in the same period of 2019.</p> <p>For the sake of completeness, we point out that, like other European countries, Italy closed its airspace to Russian carriers from 27 February 2022, so no Russian carrier is allowed to land in Italy, take off from Italy or fly over the Italian national airspace. Consequently, Russia closed its airspace to airlines from 36 countries, including Italy. The impact of these cancellations was not significant in terms of revenue and margin reduction. No other consequences were recorded during 2022 both as regards the impact of high fuel prices on the airlines and the passenger load factor.</p> <p>However, the recovery trend over 2019 recorded in the first 6 months of 2022 slowed down a little due to the cancellation of flights imposed on many European airports during the summer due to a capacity reduction caused by the lack of both airline and airport personnel.</p> |
| Outlook | <p>The final passenger traffic figures at year-end 2022 show a clear recovery compared to 2021 (+137%, reaching 81.4% of pre-Covid 2019 traffic). Despite the uncertainty factors mainly linked to the international scenario, mainly the ongoing conflict between Russia and Ukraine and the continuing inflationary dynamics, the Group remains confident in the continuous improvement of the expected results, also thanks to a constant increase in passenger traffic recorded in the first months of the year in both Tuscan airports.</p> |

6. PROFILE OF THE FINANCIAL YEAR 2022

6.1 The macroeconomic scenario and the air transport industry

The world economy has slowed down in the last period of 2022 and is still being affected by the uncertainty caused by the war in Ukraine, high inflation, and restrictive monetary policies. In such a context, the OECD's outlook for 2023 also predicts a slowdown in global growth to +2.2% compared to last year's +3.1%.

The economic growth has been broadly stagnant in the euro area in the last quarter of 2022, while it had increased in the summer months, underpinned by the expansion of household investment and consumption. At the individual Country level, the GDP grew by 0.2% in Spain, 0.1% in France, and declined by 0.2% in Germany as a result of a general weakness in consumption and investment.

Inflation has remained high, with only the last two months of the year experiencing the first reductions since the summer 2021. This dynamic is mainly supported by increases in the energy component, which keeps influencing the prices of the other goods and services. The European Central Bank's projections for 2023 have been revised down by almost half a percentage point compared to previous projections, as the global economic cycle weakens and inflation continues to rise, predicting a GDP of 0.5%. As to the scope of recovery and resilience measures, within the framework of the so-called €750 billion *Next Generation EU* plan created to support the revival of the economy of the European Union, the second instalment of € 21 billion has been disbursed for Italy in October.

Italy's 2022 GDP, higher than the euro area average, had a strong growth (+3.7%), although lower than in 2021 (+6.5%), supported above all by the strong expansion of household investment and consumption.

ACI Europe, the association representing over 500 airports in 55 Countries, reported a 98% increase in European passenger traffic in 2022 on 2021, and a 21% decrease on 2019, the last pre-Covid reference year. Aircraft movements increased by +57% in Europe compared to 2021, but are still below 19% compared to pre-Covid 2019 levels. By contrast, the European cargo business decreased by 5% on 2021 and grew by 2% compared to pre-Covid 2019 levels.

According to the data issued by Assaeroporti, the Italian airport traffic totalled 164.6 million passengers in 2022, up by +104.1% compared to 2021 and down by 14.7% compared to 2019. Aircraft movements increased by +55% compared to 2021, while they decreased by 10.6% compared to 2019. The Cargo volume in Italian airports increased by +1.7% and +0.3% compared to 2021 and 2019, respectively.

6.2 Traffic trends in the Tuscan Airport System

The early months of 2022 were still negatively affected by the spread of the Omicron variant and the maintenance of restrictions on travellers' movements, with compulsory swabs also for vaccinated incoming travellers from EU countries and quarantine for non-vaccinated incoming and those arriving from non-EU countries in Italy until 31 January 2022. Only from mid-February, with the easing of restrictions on mobility, could we see a resumption of traffic, which continued in March with the elimination of quarantine for non-EU countries.

In 2022, Group's passenger traffic grew by +137% (+3,885,684 passengers) compared to 2021.

The table below shows Toscana Aeroporti's monthly trends for 2022 and the comparison with 2021 and 2019 (pre-COVID period); the gradual resumption of traffic compared to the pre-Covid period is clearly visible.

| Toscana Aeroporti - January-December 2022 Monthly Traffic | | | | | | | | |
|--|--------------|------------------|------------------|------------------|----------------------|------------------------|----------------------|------------------------|
| Air-port | Month | 2022 | 2021 | 2019 | Diff. 2022/21 | % Diff. 2022/21 | Diff. 2022/19 | % Diff. 2022/19 |
| TA | Jan | 191,455 | 36,704 | 460,725 | 154,751 | 421.6% | -269,270 | -58.4% |
| TA | Feb | 250,464 | 19,348 | 430,132 | 231,116 | 1194.5% | -179,668 | -41.8% |
| TA | Mar | 363,688 | 19,373 | 532,312 | 344,315 | 1777.3% | -168,624 | -31.7% |
| TA | Apr | 576,503 | 39,743 | 737,981 | 536,760 | 1350.6% | -161,478 | -21.9% |
| TA | May | 669,565 | 77,243 | 785,782 | 592,322 | 766.8% | -116,217 | -14.8% |
| TA | Jun | 754,919 | 212,812 | 841,983 | 542,107 | 254.7% | -87,064 | -10.3% |
| TA | Jul | 815,005 | 399,747 | 891,732 | 415,258 | 103.9% | -76,727 | -8.6% |
| TA | Aug | 807,359 | 485,678 | 905,069 | 321,681 | 66.2% | -97,710 | -10.8% |
| TA | Sep | 743,389 | 453,781 | 865,173 | 289,608 | 63.8% | -121,784 | -14.1% |
| TA | Oct | 678,813 | 457,940 | 774,476 | 220,873 | 48.2% | -95,663 | -12.4% |
| TA | Nov | 429,593 | 339,335 | 519,076 | 90,258 | 26.6% | -89,483 | -17.2% |
| TA | Dec | 442,093 | 295,458 | 517,350 | 146,635 | 49.6% | -75,257 | -14.5% |
| TA | Total | 6,722,846 | 2,837,162 | 8,261,791 | 3,885,684 | 137.0% | -1,538,945 | -18.6% |

For a correct analysis of data, we remind readers that the Florence airport remained closed from February 1st to April 1st, 2021, for the execution of works for the requalification of the runway pavement.

The Group reported a total of approx. 6.72 million passengers in 2022, which reflects a +137% growth and a +101.6% increase in commercial passenger movements compared to 2021. Compared to 2019 (pre-Covid 19 period), Toscana Aeroporti had a -18.6% drop in passenger traffic. The table shows how the recovery trend recorded in the first 6 months of 2022 slowed down a little due to the cancellation of flights imposed on many European airports during the summer, due to a capacity reduction caused by the lack of both airline and airport personnel.

The scheduled flight load factor was 80.1%, up by 11.7 percentage points compared to 2021 (68.4%). The load factor was 83.9% in 2019.

Freight and mail traffic fell by 2.9% overall (-449 tons) in 2022 compared to 2021, being negatively affected by the suspension of Fedex operations from Pisa from the summer, due to the merger between Fedex and TNT, which led the carrier to focus on Italian airports where it already operated large capacity aircraft (737 tons 2022/21). This reduction was only partially offset by the growth of DHL's operations.

The Toscana Aeroporti traffic at 31 December 2022, distinguished in its various components, and the related comparison with the same period of 2021 is detailed below.

| TOSCANA AEROPORTI TRAFFIC | | | | |
|-------------------------------------|---------------------|---------------------|----------------------|------------------------|
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| Commercial Passengers | 6.696.621 | 2.816.774 | 3.879.847 | 137,7% |
| Domestic (Scheduled + Charter) | 1.580.030 | 974.247 | 605.783 | 62,2% |
| International (Scheduled + Charter) | 5.116.591 | 1.842.527 | 3.274.064 | 177,7% |
| General Flight Passengers | 26.225 | 20.388 | 5.837 | 28,6% |
| TOTAL PASSENGERS | 6.722.846 | 2.837.162 | 3.885.684 | 137,0% |
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| Commercial Flights | 54.424 | 28.111 | 26.313 | 93,6% |
| Domestic (Scheduled + Charter) | 11.316 | 7.545 | 3.771 | 50,0% |
| International (Scheduled + Charter) | 41.586 | 18.698 | 22.888 | 122,4% |
| Cargo | 1.522 | 1.868 | -346 | -18,5% |
| General Flights | 14.469 | 11.463 | 3.006 | 26,2% |
| TOTAL FLIGHTS | 68.893 | 39.574 | 29.319 | 74,1% |
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| Commercial Tonnage | 3.515.206 | 1.792.045 | 1.723.161 | 96,2% |
| Domestic (Scheduled + Charter) | 743.591 | 475.357 | 268.234 | 56,4% |
| International (Scheduled + Charter) | 2.629.340 | 1.169.955 | 1.459.385 | 124,7% |
| Cargo | 142.275 | 146.733 | -4.458 | -3,0% |
| General Aviation Tonnage | 209.759 | 157.897 | 51.862 | 32,8% |
| TOTAL TONNAGE | 3.724.965 | 1.949.942 | 1.775.023 | 91,0% |
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| Air cargo (kg) | 14.658.384 | 15.091.495 | -433.111 | -2,9% |
| Ground cargo (kg) | 246.435 | 245.368 | 1.067 | 0,4% |
| Mail (kg) | 2.363 | 19.244 | -16.881 | -87,7% |
| TOTAL CARGO AND MAIL | 14.907.182 | 15.356.107 | -448.925 | -2,9% |
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| TOTAL TRAFFIC UNITS | 6.871.918 | 2.990.723 | 3.881.195 | 129,8% |

The Italian airport system was also affected by the outbreak of the Omicron variant in the first few months of 2022. However, there was a recovery in the following months, with a +104.1% growth compared to 2021, although still below pre-Covid levels (-14.7% compared to 2019).

6.3 Traffic trends in the Pisa "Galileo Galilei" airport

The table below compares 2022 traffic trends against 2021, broken down into the various components:

| PISA AIRPORT TRAFFIC | | | | |
|-------------------------------------|---------------------|---------------------|----------------------|------------------------|
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| Commercial Passengers | 4.482.191 | 1.988.180 | 2.494.011 | 125,4% |
| Domestic (Scheduled + Charter) | 1.418.745 | 890.003 | 528.742 | 59,4% |
| International (Scheduled + Charter) | 3.063.446 | 1.098.177 | 1.965.269 | 179,0% |
| General Flight Passengers | 11.656 | 10.957 | 699 | 6,4% |
| TOTAL PASSENGERS | 4.493.847 | 1.999.137 | 2.494.710 | 124,8% |
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| Commercial Flights | 31.722 | 17.698 | 14.024 | 79,2% |
| Domestic (Scheduled + Charter) | 9.264 | 6.269 | 7.639 | 47,8% |
| International (Scheduled + Charter) | 20.936 | 9.563 | 20.859 | 118,9% |
| Cargo | 1.522 | 1.866 | 1.230 | -18,4% |
| General Flights | 5.937 | 5.699 | 4.149 | 4,2% |
| TOTAL FLIGHTS | 37.659 | 23.397 | 14.262 | 61,0% |
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| Commercial Tonnage | 2.229.969 | 1.215.669 | 1.014.300 | 83,4% |
| Domestic (Scheduled + Charter) | 630.387 | 413.197 | 217.190 | 52,6% |
| International (Scheduled + Charter) | 1.457.307 | 655.869 | 801.438 | 122,2% |
| Cargo | 142.275 | 146.603 | -4.328 | -3,0% |
| General Aviation Tonnage | 95.206 | 88.480 | 6.726 | 7,6% |
| TOTAL TONNAGE | 2.325.175 | 1.304.149 | 1.021.026 | 78,29% |
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| Air cargo (kg) | 14.593.098 | 15.086.415 | -493.317 | -3,3% |
| Ground cargo (kg) | 171.900 | 142.386 | 29.514 | 20,7% |
| Mail (kg) | 1.921 | 19.219 | -17.298 | -90,0% |
| TOTAL CARGO AND MAIL | 14.766.919 | 15.248.020 | -481.101 | -3,2% |
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| TOTAL TRAFFIC UNITS | 4.641.516 | 2.151.617 | 2.489.899 | 115,7% |

A total of 4.5 million passengers transited through the Pisa airport in 2022, up by 124.8% compared to 2021 (with a difference of +2.494 million passengers), against a +90.8% increase in commercial passenger flights.

The load factor of flights operated in the period is 81.6%, up by 11.6 percentage points compared to 2021 (70% of the final value). The load factor was 86.9% in 2019.

The table below shows 2022 traffic trends in the Pisa airport by month and compares them with 2021 and 2019, when the airport operated at full capacity.

| Pisa airport - January-December 2022 Monthly Traffic | | | | | | | | |
|--|--------------|------------------|------------------|------------------|------------------|------------------|-----------------|------------------|
| Airport | Month | 2022 | 2021 | 2019 | 2022/ 21 DIFF. | 2022/ 21 % DIFF. | 2022/19 DIFF. | 2022/ 19 % DIFF. |
| PSA | Jan | 133.457 | 24.659 | 288.569 | 108.798 | 441,2% | -155.112 | -53,8% |
| PSA | Feb | 182.633 | 19.348 | 275.797 | 163.285 | 843,9% | -93.164 | -33,8% |
| PSA | Mar | 256.572 | 19.373 | 329.614 | 237.199 | 1224,4% | -73.042 | -22,2% |
| PSA | Apr | 383.739 | 26.273 | 485.081 | 357.466 | 1360,6% | -101.342 | -20,9% |
| PSA | May | 438.466 | 46.946 | 515.094 | 391.520 | 834,0% | -76.628 | -14,9% |
| PSA | Jun | 506.684 | 156.442 | 555.404 | 350.242 | 223,9% | -48.720 | -8,8% |
| PSA | Jul | 550.730 | 282.436 | 607.609 | 268.294 | 95,0% | -56.879 | -9,4% |
| PSA | Aug | 556.018 | 341.050 | 627.066 | 214.968 | 63,0% | -71.048 | -11,3% |
| PSA | Sep | 486.115 | 308.504 | 571.407 | 177.611 | 57,6% | -85.292 | -14,9% |
| PSA | Oct | 441.448 | 320.832 | 489.048 | 120.616 | 37,6% | -47.600 | -9,7% |
| PSA | Nov | 264.273 | 235.914 | 313.456 | 28.359 | 12,0% | -49.183 | -15,7% |
| PSA | Dec | 293.712 | 217.360 | 329.413 | 76.352 | 35,1% | -35.701 | -10,8% |
| PSA | Total | 4.493.847 | 1.999.137 | 5.387.558 | 2.494.710 | 124,8% | -893.711 | -16,8% |

Carriers and destinations operated in the Galilei airport are listed below: It should be remembered that the first months of 2022 were negatively affected by the spread of the Omicron variant and the consequent reintroduction of restrictions on traveller movements.

- The Irish company **Ryanair** operated in the January-March period on about 35 destinations. Flights to Wroclaw, Vienna and Palma de Mallorca were operated starting from the winter season 2021/2022. A slight reduction in flights observed in the January-February period (up to a maximum of 32) due to the outbreak of the Omicron Covid variant and the consequent travel restrictions. In addition, due to the Russia-Ukraine conflict, the link to Lviv was suspended. With the start of the summer season, operated flights gradually rose to 45, with the re-establishment of seasonal destinations, the return of the Warsaw Modlin flight and the opening of new Memmingen and Paphos flights, plus the new 2 weekly flights to Zadar and the resumption of the connection with East Midlands. Seasonal flights to Greece - Rhodes, Skiathos, Kefalonia, Chania, Corfu and Kalamata - were resumed starting from June, the last three after about two years of stop due to Covid-19. Ryanair operated more flights to Cork and Bordeaux in June and the flight to Brussels Zaventem that had been temporarily suspended since April 2022 was resumed. So, destinations served by Ryanair in June reached a total number of 54, 8 of which connected with Pisa for the first time (Agadir, Bordeaux, Wroclaw, Cork, Memmingen, Palma, Paphos and Zadar for the summer 2022). The carrier continued operating on 36 destinations during the winter.
- The British carrier **EasyJet** operated flights to Paris Orly and London Gatwick during the winter and increased the frequency of its flights month after month. Since the end of March, with the beginning of the summer season, the Manchester and Bristol flights were resumed, while since May the new seasonal connection to Amsterdam and, since June, flights to Berlin Brandenburg and London Luton (seasonal) also restarted operations.
- The Hungarian carrier **WizzAir** operated direct flights to Catania, Bucharest Otopeni (resumed in the summer), and Tirana using larger capacity aircraft (passing from the 180-seat AB320 aircraft to a mix of AB321 and AB321 NEO aircraft offering 230 and 239 seats, respectively).
- **Air Dolomiti** continued its operations on Frankfurt (Main), with up to 8 flights per week in the winter and up to 2 daily flights in the summer.
- The Czech airline **Silver Air** kept ensuring territorial continuity flights to/from the Elba Island (up to max 3 flights per week).
- The Moroccan company **Air Arabia Maroc** resumed its operations in February 2022 with a weekly flight to/from Casablanca.

- **Air Albania** operated up to 2 flights per week to/from Tirana during the summer and up to 4 in the winter.
- The other Albanian company, **Albawings**, operated up to 5 flights to/from Tirana every week.
- In March **British Airways** restarted operating its direct flight to London Heathrow with up to 17 weekly flights in the summer season. The connection continued in the winter with 3 weekly flights.
- **Transavia**, the carrier that connects the Pisa airport with Amsterdam, operated 2-3 weekly flights in the winter season and up to 9 weekly flights in the summer season.
- **Norwegian Airlines** have been operating their flight to Copenhagen since late March (up to 3 flights per week), while connections with Oslo were resumed in April (up to 3 weekly flights). Two weekly flights to Stockholm (ARN) and up to 2 weekly flights to Helsinki were resumed since May.
- **AerLingus** reconnected Pisa with Dublin with 3 weekly flights starting from the end of March.
- **Eurowings** connected Pisa with Cologne Bonn with up to 4 flights per week.
- **AirBaltic** started operating two weekly flights to Riga, thus increasing its operation period (flights had started in June in 2021).
- **Jet2.com** restarted flying to Manchester (with up to 3 flights per week) in April, and to Birmingham and Leeds, once per week each, since May. Connections are seasonal in nature.
- The carrier **SAS** operated seasonal flights to Copenhagen, Oslo and Stockholm during the highest season period.
- The Spanish carrier **Volotea** operated the bi-weekly seasonal flight to Nantes and, since June, the three-weekly seasonal flight to Olbia.
- The Norwegian carrier **Flyr** operated 2 weekly flights to Oslo in the summer season (3 in July).
- The low-cost United Arab Emirates carrier **FlyDubai** has been operating a new connection with Dubai three times a week since June 24th, also offering an extensive network of flights in partnership with Emirates. This connection continued during the winter season.
- The Swiss carrier **Edelweiss** operated 2 weekly flights to Zurich from June to September.

Scheduled passenger traffic by Country

A total of 29 markets have been connected with the Pisa airport with scheduled flights during 2022. Italy is the first market, with about 1.414 million passengers, accounting for 31.7% of the total number of passengers.

The table below shows the percentage incidence of each European country over the total scheduled passenger traffic in the Galilei airport during 2022 and the difference, both in absolute and percentage terms, compared to 2021.

Compared to 2021, we can notice the presence of the international markets for which flights had been suspended due to the persistence of the Covid pandemic.

For the sake of completeness, we point out that, like other European countries, Italy closed its airspace to Russian carriers from 27 February 2022, so no Russian carrier is allowed to land in Italy, take off from Italy or fly over the Italian national airspace. Consequently, Russia closed its airspace to airlines from 36 countries, including Italy.

The direct consequences of the war led to the cancellation of the flights from Pisa operated by Ryanair to Lviv (2 weekly flights) and by the Russian carrier Pobeda to Moscow Vnukovo (1 weekly flight).

The impact of these cancellations was not significant in terms of revenue and margin reduction. No other consequences were recorded during 2022 both as regards the impact of high fuel prices on the airlines and the passenger load factor.

| Passenger Scheduled Traffic | 2022 | 2021 | Diff. | Diff. % | % over TOT |
|-----------------------------|------------------|------------------|------------------|---------------|---------------|
| Italy | 1.414.611 | 885.113 | 529.498 | 59,8% | 31,7% |
| United Kingdom | 780.341 | 138.539 | 641.802 | 463,3% | 17,5% |
| Spain | 461.804 | 181.346 | 280.458 | 154,7% | 10,4% |
| France | 219.997 | 100.251 | 119.746 | 119,4% | 4,9% |
| The Netherlands | 214.424 | 112.416 | 102.008 | 90,7% | 4,8% |
| Albania | 208.402 | 121.140 | 87.262 | 72,0% | 4,7% |
| Germany | 166.210 | 85.760 | 80.450 | 93,8% | 3,7% |
| Belgium | 134.777 | 60.429 | 74.348 | 123,0% | 3,0% |
| Poland | 111.807 | 33.411 | 78.396 | 234,6% | 2,5% |
| Ireland | 109.153 | 25.198 | 83.955 | 333,2% | 2,4% |
| Romania | 87.056 | 32.129 | 54.927 | 171,0% | 2,0% |
| Mbrocco | 76.074 | 35.502 | 40.572 | 114,3% | 1,7% |
| Sweden | 60.076 | 25.849 | 34.227 | 132,4% | 1,3% |
| Denmark | 55.285 | 17.869 | 37.416 | 209,4% | 1,2% |
| Hungary | 51.427 | 15.811 | 35.616 | 225,3% | 1,2% |
| Greece | 50.025 | 24.127 | 25.898 | 107,3% | 1,1% |
| Czech Republic | 43.878 | 19.834 | 24.044 | 121,2% | 1,0% |
| Norway | 37.771 | 3.114 | 34.657 | 1112,9% | 0,8% |
| Austria | 37.570 | 2.738 | 34.832 | 1272,2% | 0,8% |
| Malta | 37.490 | 17.143 | 20.347 | 118,7% | 0,8% |
| Portugal | 32.866 | 16.409 | 16.457 | 100,3% | 0,7% |
| Cyprus | 18.305 | | 18.305 | 100,0% | 0,4% |
| United Arab Emirates | 14.285 | | 14.285 | 100,0% | 0,3% |
| Latvia | 12.093 | 6.301 | 5.792 | 91,9% | 0,3% |
| Finland | 9.930 | | 9.930 | 100,0% | 0,2% |
| Croatia | 7.613 | | 7.613 | 100,0% | 0,2% |
| Switzerland | 2.660 | | 2.660 | 100,0% | 0,1% |
| Ukraine | 1.055 | 3.290 | -2.235 | -67,9% | 0,0% |
| Russian Federation | 1.003 | 7.450 | -6.447 | -86,5% | 0,0% |
| TOTAL | 4.457.988 | 1.971.169 | 2.486.819 | 126,2% | 100,0% |

Cargo & Mail Traffic

Cargo traffic decreased by 3.2% (with -481 tons of cargo and mail) compared to 2021. The decrease is mainly due to the suspension of Fedex operations starting from the summer season (-737 tons) only partially offset by the growth of DHL operations. Fedex flights were stopped after the merger between Fedex and TNT, which led the carried to focus on the Italian airports where they already operated with large-capacity aircraft.

6.4 Traffic trends in the Florence "Amerigo Vespucci" airport

The table below compares 2022 traffic trends against 2021, broken down into the various components.

| FLORENCE AIRPORT TRAFFIC | | | | |
|-------------------------------------|---------------------|---------------------|----------------------|------------------------|
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| Commercial Passengers | 2.214.430 | 828.594 | 1.385.836 | 167,3% |
| Domestic (Scheduled + Charter) | 161.285 | 84.244 | 77.041 | 91,4% |
| International (Scheduled + Charter) | 2.053.145 | 744.350 | 1.308.795 | 175,8% |
| General Flight Passengers | 14.569 | 9.431 | 5.138 | 54,5% |
| TOTAL PASSENGERS | 2.228.999 | 838.025 | 1.390.974 | 166,0% |
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| Commercial Flights | 22.702 | 10.413 | 12.289 | 118,0% |
| Domestic (Scheduled + Charter) | 2.052 | 1.276 | 776 | 60,8% |
| International (Scheduled + Charter) | 20.650 | 9.135 | 11.515 | 126,1% |
| Cargo | | 2 | -2 | -100,0% |
| General Flights | 8.532 | 5.764 | 2.768 | 48,0% |
| TOTAL FLIGHTS | 31.234 | 16.177 | 15.057 | 93,1% |
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| Commercial Tonnage | 1.285.237 | 576.376 | 708.861 | 123,0% |
| Domestic (Scheduled + Charter) | 113.204 | 62.160 | 51.044 | 82,1% |
| International (Scheduled + Charter) | 1.172.033 | 514.086 | 657.947 | 128,0% |
| Cargo | | 130 | -130 | -100,0% |
| General Aviation Tonnage | 114.553 | 69.417 | 45.136 | 65,0% |
| TOTAL TONNAGE | 1.399.790 | 645.793 | 753.997 | 116,76% |
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| Air cargo (kg) | 65.286 | 5.080 | 60.206 | 1185,2% |
| Ground cargo (kg) | 74.535 | 102.983 | -28.448 | -27,6% |
| Mail (kg) | 442 | 25 | 417 | 1668,0% |
| TOTAL CARGO AND MAIL | 140.263 | 108.088 | 32.175 | 29,8% |
| | YOY 31.12.22 | YOY 31.12.21 | 2022/21 DIFF. | 2022/21 % DIFF. |
| TOTAL TRAFFIC UNITS | 2.230.402 | 839.106 | 1.391.296 | 165,8% |

A total of 2.28 passengers transited through the Florence airport in 2022, up by 166% compared to 2021 (+1,390,974 passengers), with a 118.1% increase in commercial passenger movements.

The load factor of flights operated in the period is 77.4%, up by 12.4 percentage points compared to 2021 (65% in 2021).

The table below shows 2022 traffic trends in the Florence airport by month and compares them with 2021 and 2019, when the airport operated at full capacity (pre-Covid).

We remind readers that, as previously pointed out, the Amerigo Vespucci airport remained closed for runway pavement renovation works from February 1st to April 1st, 2021.

| Florence airport - January-December 2022 Monthly Traffic | | | | | | | | |
|--|--------------|------------------|----------------|------------------|------------------|------------------|-----------------|------------------|
| Airport | Month | 2022 | 2021 | 2019 | 2022/ 21 DIFF. | 2022/ 21 % DIFF. | 2022/19 DIFF. | 2022/ 19 % DIFF. |
| FLR | Jan | 57.998 | 12.045 | 172.156 | 45.953 | 381,5% | -114.158 | -66,3% |
| FLR | Feb | 67.831 | 0 | 154.335 | 67.831 | - | -86.504 | -56,0% |
| FLR | Mar | 107.116 | 0 | 202.698 | 107.116 | - | -95.582 | -47,2% |
| FLR | Apr | 192.764 | 13.470 | 252.900 | 179.294 | 1331,1% | -60.136 | -23,8% |
| FLR | May | 231.099 | 30.297 | 270.688 | 200.802 | 662,8% | -39.589 | -14,6% |
| FLR | Jun | 248.235 | 56.370 | 286.579 | 191.865 | 340,4% | -38.344 | -13,4% |
| FLR | Jul | 264.275 | 117.311 | 284.123 | 146.964 | 125,3% | -19.848 | -7,0% |
| FLR | Aug | 251.341 | 144.628 | 278.003 | 106.713 | 73,8% | -26.662 | -9,6% |
| FLR | Sep | 257.274 | 145.277 | 293.766 | 111.997 | 77,1% | -36.492 | -12,4% |
| FLR | Oct | 237.365 | 137.108 | 285.428 | 100.257 | 73,1% | -48.063 | -16,8% |
| FLR | Nov | 165.320 | 103.421 | 205.620 | 61.899 | 59,9% | -40.300 | -19,6% |
| FLR | Dec | 148.381 | 78.098 | 187.937 | 70.283 | 90,0% | -39.556 | -21,0% |
| FLR | Total | 2.228.999 | 838.025 | 2.874.233 | 1.390.974 | 166,0% | -645.234 | -22,4% |

The carriers that operated in the Florence Vespucci airport in 2022 and the related destinations are listed below. Readers should remember that the first months of 2022 were adversely affected by the spread of the Omicron variant and the consequent reinstatement of restrictions on travellers' movements:

- The Dutch carrier **KLM** operated up to 27 weekly flights in the summer season and continued into the winter season with 1 daily flight.
- The French carrier **Air France** operated up to 4 daily flights in the winter and 6 in the summer.
- **Air Dolomiti** operated up to 15-16 weekly flights to Munich and Frankfurt in the winter season and up to 25 weekly flights to each destination in the summer.
- Since July, the Italian carrier **ITA Airways** operated two daily flights to Rome Fiumicino, which continued in the winter season as well.
- Since July, the canary Islands carrier **Binter Canarias** operated a new weekly flight to Gran Canaria – Las Palmas, which also continued into the winter season.
- **Blue Air** operated 2 weekly flights to Bucharest since March (up to 4 in the high summer season). Starting from 6 September 2022, these connections were suspended due to financial problems of the carrier.
- **Swiss Airlines** operated its weekly flights to Zurich reaching up to 3 daily flights and continued with the same frequency in the winter period. From 17 June 2022 until the end of October, the seasonal bi-weekly link to Geneva was also operated.
- The Spanish carrier **Iberia** operated 1 daily flight to/from Madrid until March. However, flights were reduced to 3 per week during the summer because the destination was covered by the other carrier of the IAG group, Vueling, which operated up to 10 weekly flights on that destination and completed the product for the Spanish capital.
- **Luxair** operated its seasonal connection with Luxembourg by increasing its frequency from 2 to 3 flights per week.
- The Czech airline **Silver Air** continued operating territorial continuity flights to the Elba Island with 2 flights per week and up to 4 in the summer.
- **British Airways** operated up to 13 weekly flights to London City and continued with 12 weekly flights into the winter season. Three flights per week were also operated to Edinburgh since the end of May.
- The Portuguese carrier **TAP** resumed its direct flights to Lisbon with up to 7 travels per week and the connection continued into the winter season with one daily flight.
- The Spanish carrier **Vueling Airlines** operated continuously on 6 destinations (Amsterdam, Barcelona, Catania, London Gatwick, Palermo, Paris Orly) during the whole winter. Flights to Madrid was also

resumed with the start of the summer season and, starting from June, a direct flight to Olbia was added. In July, seasonal connections to Greece (Mykonos and Santorini) were started, in addition to the flight to Copenhagen. Flights to Madrid increased up to 10 travels per week, thus completing the product of the IAG Group with Iberia, which confirmed its service for this destination with 13 flights per week (2 daily flights in total). The carrier also increased its weekly flights on already operated destinations. During 2022, the carrier operated on a total of 11 destinations.

- **Austrian Airlines** resumed their daily flight to Vienna starting from the summer. Flights rose to two per day from in mid-May. For the first time, the carrier continued its connection with the Florence airport with 4 flights per week.
- **Brussels Airlines** resumed its daily seasonal flight to Brussels from the end of March.
- The Swedish carrier **SAS** operated 3 flights per week to Copenhagen during the summer.
- **Albawings** operated 3 weekly flights to Tirana from May to mid-September.
- **Aegean Airlines**, a new carrier in Florence, operated a new flight to Athens. The new bi-weekly connection with Athens started on June 7th and continued with 1-2 weekly flights in the winter season as well.
- The Spanish carrier **Volotea** resumed its operations in Florence on May 27th and operated a seasonal flight to Bordeaux for the first time, thus expanding its offer from Tuscany in addition to the flights already operated from the Pisa airport. From 1 April 2023, the Iberian company will base one A319 Airbus in the Florence airport for connections with 11 destinations: Bilbao, Bari, Cagliari, Catania, Olbia, Palermo, Bordeaux, Lyon, Marseille, Nantes, Toulouse, and Hamburg.
- In the very high season (end of June-beginning of August), the Norwegian airline **Widerøe** operated a new connection to Bergen.
- **Aeroitalia** operated a few flights from Florence during the Christmas holidays: Catania, London Heathrow, Bucharest, and Trapani.

Scheduled passenger traffic by Country

A total of 17 markets have been connected with scheduled flights with the Florence airport in 2022.

The international market accounts for 92.8% of the total scheduled passenger traffic of the Amerigo Vespucci airport, while domestic traffic accounts for 7.2%. France, Germany, Spain and The Netherlands are the first four markets, accounting for 63.0% of the total scheduled traffic.

The table below shows the percentage incidence of each European country over the total number of scheduled passenger traffic recorded by the Vespucci airport in 2022 and the difference, both in absolute and percentage terms, compared to 2021:

Compared to 2021, we can notice the presence of the international markets for which flights had been suspended due to the persistence of the Covid pandemic.

Regarding the tensions created by the Russo-Ukrainian conflict, we note that the Florence airport had no connections with Russia.

| Passenger Scheduled Traffic | 2022 | 2021 | Diff. | Diff. % | % over TOT |
|-----------------------------|------------------|----------------|------------------|---------------|---------------|
| France | 549.620 | 198.676 | 350.944 | 176,6% | 24,9% |
| Germany | 328.009 | 124.095 | 203.914 | 164,3% | 14,8% |
| Spain | 284.977 | 110.945 | 174.032 | 156,9% | 12,9% |
| United Kingdom | 236.390 | 39.027 | 197.363 | 505,7% | 10,7% |
| The Netherlands | 221.999 | 118.250 | 103.749 | 87,7% | 10,0% |
| Switzerland | 161.821 | 46.399 | 115.422 | 248,8% | 7,3% |
| Italy | 159.799 | 82.738 | 77.061 | 93,1% | 7,2% |
| Austria | 77.727 | 24.741 | 52.986 | 214,16% | 3,5% |
| Portugal | 49.774 | 10.581 | 39.193 | 370,4% | 2,3% |
| Belgium | 39657 | 22062 | 17.595 | 79,8% | 1,8% |
| Denmark | 37.059 | 9.417 | 27.642 | 293,5% | 1,7% |
| Greece | 18.335 | 2.755 | 15.580 | 565,5% | 0,8% |
| Romania | 18.154 | 20.599 | -2.445 | -11,9% | 0,8% |
| Albania | 14.896 | 4.192 | 10.704 | 255,3% | 0,7% |
| Luxembourg | 9.795 | 4.525 | 5.270 | 116,5% | 0,4% |
| Norway | 1.360 | | 1.360 | 100,0% | 0,1% |
| Czech Republic | 187 | 6.675 | -6.488 | -97,2% | 0,0% |
| TOTAL | 2.209.559 | 825.677 | 1.383.882 | 167,6% | 100,0% |

In the January-September period of 2022, cargo traffic grew by +29.8%, mainly due to the growth of air freight (mainly with airline cargo, +60 tons), which offsets the reduction in road freight transport (-28 tons).

7. SIGNIFICANT EVENTS OCCURRED IN 2022

Since February 27, Italy, like other European countries, has closed the airspace to Russian carriers who cannot therefore land in Italy, take off from Italy or fly over the national airspace. Russia has consequently closed its airspace to airlines from 36 countries including Italy. At the moment the flights operated by Ryanair to Lviv (2 weekly frequencies) and by Pobeda to Moscow Vnukovo (1 weekly frequency) have been canceled from Pisa.

On 8 March 2022, the Subholding TA collected 3.64 million euros from Enac as an advance (50%) of the contribution to airport operators established by art. 1, paragraph 715, law 30 December 2020, n. 178 (the so-called "2021 Budget Law"). On 31 March 2022, the subsidiary TAH collected 60% of the grant, equal to approximately €1.32 million.

During the first quarter, as anticipated in paragraph 3 "national tax consolidation" of this report, CAI and the subsidiary TA expressed their willingness to renew the option for national tax consolidation for the three-year period 2022-2024. The option was exercised by both companies following a resolution by their respective Boards of Directors under the conditions agreed in the specific consolidation agreement signed by CAI and TA.

The Ordinary Shareholders' Meeting of the Subholding Toscana Aeroporti S.p.A. of 28 April 2022 approved the distribution of the extraordinary dividend, at value on part of the "Extraordinary Reserve", for a total amount of 7,000,000 euros. The amount due to the Parent Company Corporacion America Italia SpA equal to Euro 4,359,811, was collected on 25 May 2022.

On 31 May 2022, the Subholding TA collected 3.4 million euros from Enac as the balance of the contribution to airport operators established by the 2021 Budget Law. The subsidiary TAH collected on 23 May 2022 and on 28 June 2022 the balance of the contribution, equal to approximately 789 thousand euro.

With reference to the bond loan of the Parent Company, as already happened during the previous years 2020 and 2021, CAI managed to finalize the renewal of the Waiver with the representatives of the bondholders and their lawyers on December 29, 2022, in order to obtain temporary coverage for the deadlines of 31 December 2022 and 30 June 2023. The renewal of the waiver was requested due to the persistence of the effects of the Covid-19 pandemic on the transport and infrastructure system, in relation to the containment measures envisaged by the government as well as by effects arising from the conflict between Russia and Ukraine.

The Waiver currently in place provides for a series of conditions aimed at guaranteeing bondholders the satisfaction of the Company's financial commitments, through the maintenance of minimum liquidity thresholds (4 million at the end of each quarter, except at 06/30/2022 and at 30 /06/2023 in correspondence with the expiry of the interest coupon in which the threshold is set at 1.6 million) to date respected and which will be guaranteed for future maturities. Furthermore, provision is made for the preparation and making available to bondholders on a quarterly basis of further current and prospective documentation of a quantitative and qualitative nature not only by the Company, but also by the subsidiary Toscana Aeroporti.

To date, all the obligations associated with the bond loan, both the original ones and those envisaged in said Waiver, have been duly complied with by the Company and deemed satisfactory by the bondholders.

On 30 December 2022, the Subholding TA completed the sale of 80% of the share capital of Toscana Aeroporti Handling (TAH) to Alisud S.p.A. at a value of 750 thousand euro. The transaction provides for TA the right to be able to exercise, starting from 1 January 2025, a put option to Alisud of the remaining 20% stake in the share capital of TAH, at a price of 250 thousand euro. Furthermore, upon achievement of the performance objectives set out in TAH's business plan, Alisud will pay TA an additional price by way of earn-out, equal to at least 200 thousand euro.

8. OPERATING RESULTS OF THE CAI GROUP

8.1 Consolidated Income Statement

In line with IFRS 5, after the sale of 80% of TAH's shares by the subholding TA, the Handling business was classified as "discontinued operations", which means that, in the Income Statement for the financial year 2022, and for comparative purposes of the financial year 2021, income, revenue and expense items have been reclassified to "Net income from assets sold or held for sale".

In fact, according to IFRS 5, the Income Statement of the business line sold should not be considered for the determination of the year's result on each cost and revenue line by nature, but the overall result of the business line sold should be reflected in a specific separate line of the Income Statement called "Net income from assets sold or held for sale". IFRS 5 also requires the Income Statement of the comparative period to be re-disclosed in such a way as to make operating assets and sold assets comparable between the two financial years shown in the financial statements.

Therefore, the comparative data of the consolidated economic data for 2022 and 2021 presented below in this report reflect this recognition.

CAI GROUP CONSOLIDATED INCOME STATEMENT

| Amounts shown in € K | 2022 | 2021 | Var/Ass 2022/2021 | VAR % |
|---|----------------|-----------------|----------------------|----------------|
| REVENUE I | | | | |
| Aviation revenues | 59.476 | 27.351 | 32.125 | 117,45% |
| Non-aviation revenues | 30.709 | 14.457 | 16.252 | 112,42% |
| Network development charges | (13.367) | (6.661) | (6.706) | 100,68% |
| TOTAL OPERATING REVENUES | 76.819 | 35.147 | 41.672 | 118,56% |
| Other revenues | 6.182 | 1.863 | 4.319 | 231,83% |
| Revenues for construction services | 7.407 | 11.522 | (4.115) | -35,71% |
| TOTAL REVENUES (A) | 90.407 | 48.531 | 41.876 | 86,29% |
| OTHER INCOME (B) | 666 | 9.761 | (9.095) | -93,18% |
| COSTS | | | | |
| Consumables | 1.101 | 708 | 393 | 55,40% |
| Staff costs | 21.906 | 17.732 | 4.174 | 23,54% |
| Costs for services | 35.583 | 20.790 | 14.793 | 71,15% |
| Various management charges | 1.188 | 1.576 | (388) | -24,62% |
| Airport fees | 5.712 | 2.669 | 3.043 | 114,01% |
| Operating costs | 65.490 | 43.475 | 22.015 | 50,64% |
| Costs for construction services | 5.805 | 9.822 | (4.017) | -40,90% |
| TOTAL COSTS (B) | 71.296 | 53.298 | 17.998 | 33,77% |
| EBITDA - GROSS OPERATING MARGIN (A-B) | 19.778 | 4.995 | 14.783 | 296,00% |
| depreciation | 16.087 | 16.072 | 15 | 0,10% |
| Accruals to provisions for risks and reinstatements | 3.484 | 4.333 | (849) | -19,59% |
| Accruals to provisions for risks and charges | 115 | 1.115 | (1.000) | -89,69% |
| EBIT - OPERATING RESULT | 91 | (16.526) | 16.617 | 100,55% |
| FINANCIAL MANAGEMENT | | | | |
| Financial income | 103 | 19 | 84 | 442,11% |
| Financial charges | (7.128) | (5.611) | (1.517) | 27,04% |
| Profit (loss) from equity investments | (242) | 76 | (318) | -418,42% |
| TOTAL FINANCIAL MANAGEMENT | (7.266) | (5.516) | (1.750) | -31,73% |
| PBT - PROFIT (LOSS) BEFORE TAX | (7.175) | (22.042) | 14.867 | 67,45% |
| Operating taxes | 892 | 9.476 | (8.584) | -90,59% |
| RESULT FROM OPERATING ACTIVITIES | (6.284) | (12.568) | 6.284 | 50,00% |
| Net result from assets sold or held for sale | 3.320 | 53 | 3.267 | n/a |
| PROFIT (LOSS) FOR THE TOTAL PERIOD | (2.964) | (12.514) | 9.550 | 76,32% |
| Profit (loss) of third parties | (165) | 3.183 | (3.348) | -105,18% |
| PROFIT (LOSS) FOR THE YEAR CAI GROUP | (3.129) | (9.331) | 6.202 | 66,47% |

We specify that the summarised income statement details reported can be easily reconciled with those indicated in financial statements. As to alternative performance indicators, with this Consolidated Financial Report CI, in addition to the financial measures prescribed by the IFRS, is providing some ratios derived from the latter, although not required by IFRS (Non-GAAP Measures).

These indicators are presented with the purpose of allowing for a better assessment of the Group's management trends and should not be considered as alternative to those required by IFRS. In detail:

- the interim EBIT (Earnings Before Interests and Taxes) coincides with the Operating profit shown in the Income Statement;
- the interim PBT (Profit Before Taxes) coincides with the Profit before taxes shown in the Income Statement.

As regards the EBITDA (Earnings Before Interests, Taxes, Depreciation, Amortization) or Gross Operating Margins, we point out that it reflects the EBIT before amortization and provisions.

In general terms, we point out that the interim profits indicated in this document are not defined as an accounting measure under IFRS and that, consequently, the criteria for the definition of said interim profits might not be consistent with those adopted by other companies.

The table below shows the main income statement results for the period examined.

REVENUES

Total consolidated revenues increased by 86.3%, passing from € 48.5 M in 2020 to € 90.4 M in 2022. This difference is the main result of the approx. € 41.7 M increase in operating revenues (up by 118.6%) resulting from increased traffic (+137% of passengers, +91% of tonnage, +74% of movements).

Furthermore, in compliance with IFRS 15, operating revenues have been booked after deducting network development expenses arising from marketing support agreements and show an increase of approximately € 6.7 M compared to 2021.

OPERATING INCOME

Consolidated operating revenues totalled € 76.8 M in 2022, up by approx. € 41.7 M, corresponding to +118.6%, compared to 2021.

Aviation revenues

Aviation revenues totalled € 59.5 M in 2022, up by 117.5% compared to 2021, when they were € 27.4 M.

More specifically, revenues from rights, airport fees and charges increased by 118.5% as a direct consequence of the greater traffic managed in 2022 compared to 2021.

Handling revenues totalled € 1.8 M, up by 89.4% for the same reason, i.e. more traffic managed in 2022 compared to 2021 (+74.1% of movements).

Non-Aviation revenues

The Non-Aviation business consisting in commercial and real estate operations in the two Florence and Pisa airports are carried out:

- through subcontracting to third parties (Retail, Food, Car Hire, specific areas and other subconcessions);
- through direct control (Advertising, Parking Lots, Business Centre, Welcome Desk, VIP Lounge, and Cargo Agency).

In 2022, revenues deriving from subconcession activities accounts for 65.1% of Non-Aviation operating revenues, while those deriving from directly managed activities accounts for the remaining 34.9%. In 2021, these percentages were 69.5% for indirect management and 30.5% for direct management, respectively.

Year-on-year data at 31 December 2020 for Non-Aviation revenues is € 30.7 M, down by 112.4% compared to 2021, when they were € 14.5 M.

Non-aviation activities were positively affected by the increased traffic managed in 2022, including parking lots (+ € 3,352 K, +144.5%), Food (+ € 2,366 K, +186.6%), Retail (+ € 2,671 K, +91.5%), Car Hires (+ € 3,841 K, +127.8%), VIP Lounges (+ € 2,242 K, +538.2%), Advertising (+ € 681 K, +59.7%), and other sub-concessions (+ € 1,021 K, +86.8%).

Network development expenses

Network development expenses totalled € 13.4 M in 2022, up by € 6,706 K (+100.7%) compared to 2021, when they were € 6.7 M, consistently with traffic trends.

OTHER REVENUES

Year-on-year data for “Other revenues” show € 6,182 K at 31 December 2022, a greater amount compared to 2021, when the total was € 1,863 K. The difference of about € 4,319 K substantially derives from the design and manufacturing activity under the multiannual framework agreement signed with ANAS (€ 3,870 K, zero at 31 December 2021). In addition, we point out that a higher number of utility connections were recovered by sub-concessionaires in the two airports (+ € 416 K).

REVENUES FROM CONSTRUCTION SERVICES

Revenues from construction services totalled € 7.4 M in 2022, down by € 4,115 K (-35.7%) compared 2021 due to greater investments made by the Group during the year.

OTHER INCOME

Year-on-year data for “Other income” show € 666 K at 31 Dec. 2021, down by € 9,095 K compared to 2021, when they totalled € 9,761 K. The difference is substantially explained by Government grants (approx. € 7.7 M) that were received by the Subholding during 2021 under several decrees issued by the Government to support enterprises during the pandemic (“Decreto Sostegni” [Support Decree], equalization aid, etc.). The main contribution received in 2021, consisting of € 7.3 M, has been the one received under the equalization fund established by the 2021 Budget Law and implemented with a Decree of the Ministry of Sustainable Infrastructure and Mobility on 25 November 2021, in agreement with the Ministry of the Economy and Finance, to support airport operators (€ 735 M) and airport handlers (€ 65 M).

COSTS

In 2022, costs totalled € 71.3 M, up by 34% compared to 2021, when they were € 53 M. This result is the consequence of a 51% increase in operating costs (from € 43.5 M in 2021 to € 65.5 M in 2022), directly related to the greater traffic managed in 2022 and to the simultaneous decrease of approximately € 4 M in construction service costs due to the lesser investments made during the year.

OPERATING COSTS

Operating costs totalled € 65.5 M in 2022, up by 51% compared to € 43.5 M reported at the end of 2021. This increase, deriving from the increased operation of the airport for the management of the increased traffic in the two Tuscan airports, is to be compared with the 118.6% increase in operating revenues, which proves the continuous focus on cost mitigation, aimed at improving profits.

Consumables totalled € 1,101 K in 2022, up by € 393 K compared to the same period of 2021, an increase mainly due to higher consumption of fuel materials (+ € 277 K), clothing (+ € 35 K), and materials for operating and security services (+ € 70 K), a direct consequence of the increased operations in the two airports during the period at issue.

The Group's Cost of Personnel totalled € 21.9 M in 2022, up by € 4,174 K compared to 2021 (+23.54%). Despite the moderate increase in the Group's workforce compared to the same period of 2021 (+v0.8%) and the greater traffic handled (+137% passengers), the cost of labour increased as a result of a higher number of operating staff necessary for the increased requirements (reduced use of “social shock absorbers”) and the need to replace absent personnel due to Covid-19. Please note that the Florence Amerigo Vespucci airport temporarily suspended its operations from February to April 2021 for the execution of runway requalification works. The 2022 cost was also affected by increased variable compensation compared to the same period of 2021.

Costs for services totalled € 35.6 M in 2022, up by 71% compared to 2021, when they were € 20.8 M (+ € 14,793 K). The increased costs of the period are mainly due to the higher costs for operating services, essentially linked to the increased traffic handled during the period, including portorage (+ € 442 K), security services (+ € 1,257 K), VIP lounges (+ € 590 K), aircraft cleaning (+ € 221 K), and PRM support (+ € 330 K). Shuttle bus service (+ € 365 K) and cleaning of premises (+ € 267 K). Increased operating services also include the new cost for design and manufacturing services outsourced to the investee of the subholding, A.C. Quasarda for € 3,677 K (€ 0 in 2021), covered by “Other revenues” as described above.

“Sundry operating expenses” totalled € 1,188 M in 2022, down by € 388 K (-24.62%) compared to 2021. This reduction is mainly due to lower taxes and non-recurring costs.

“Airport fees” totalled € 5,712 K in 2022, up by 114% compared to 2021, as a direct consequence of the increased traffic managed in 2022.

COSTS FOR CONSTRUCTION SERVICES

“Costs for construction services” totalled approximately € 5.8 M in 2022, down by € 4,017 K compared to 2021 for the same reasons indicated in the comment to the corresponding revenue item.

YEAR'S RESULT

The **EBITDA** (gross operating margin) is **positive for € 19.78 M** in 2022, up by approximately **€ 14.8 M** compared to 2021, when it totalled € 4.99M. Please note that the EBITDA includes Government grants for € 7.7 M for the financial year 2021 and € 315 K for 2022.

Amortization and provisions for liabilities totalled € 19.7 M in 2022, down by € 1.8 M compared to 2021. This is mainly due to lower amounts set aside in the provision for repair for € 849 K and lower amounts set aside in the provision for bad debt for € 1 M.

The 2022 **EBIT** (operating profit) is **positive** for approximately **€9 K**, up by € 16.6 M compared to 2021, when it was negative for approx. € 16.5 M.

Financial operations passed from a negative figure of € 5,516 K in 2021 to a negative figure of € 7,266 K in 2022. The € 1,750 K difference is mainly the consequence of higher bank interests (+ € 1,012 K) on the SACE loan and lower interest expenses generated by the discounting of the provision for repair (+ € 375 K). Furthermore, we point out an equity interest loss (€ -318 K) essentially relating to the sale of the shares in the associated company of the Subholding “Immobili Careggi” to the Azienda Ospedaliera Universitaria di Careggi (Florence Careggi Hospital).

The **Profit Before Tax (PBT)** shows **loss for approx. € 7.2 M** in 2022, up by approx. € 14.9 M compared to 2021, when it was negative for approx. € 22 M.

The year’s taxes totalled € 892 K.

Therefore, based on the data disclosed above, the year 2022 was closed with a **loss from operations of approximately € 6.3 M**, up by € 6.3 M compared to 2021, when it was negative for € 12.6 M.

As stated above, the **Net income from assets sold or held for sale** totalled € 3.3 M and includes both the net year's income for assets sold (- € 682 K) and the result of the sale (+ € 4 M). The same figure for 2021, € 53 K, is the net income for the assets sold.

The Group’s loss for the period at 2022 year-end is approximately **€ 43713M** against a loss of approximately € 9.3 M in 2021.

8.2 Consolidated Statement of Financial Position

The table below provides a comparison between the **Consolidated Statement of Financial Position** of the Group at 31 December 2022 and the same value at 31 December 2021.

| Amounts shown in thousand euro (€K) | 31.12.2022 | 31.12.2021 | DIFFERENCE |
|--|----------------|----------------|-----------------|
| Non Current Assets | | | |
| Intangible assets | 336.745 | 341.637 | (4.892) |
| Tangible assets | 39.924 | 42.554 | (2.630) |
| Rights of use | 3.904 | 4.583 | (679) |
| Investments | 3.535 | 3.584 | (50) |
| Financial Assets | 5.497 | 3.373 | 2.124 |
| Off-peak taxes recovered over the year | 12.779 | 15.074 | (2.295) |
| TOTALNON CURRENT ASSETS | 402.384 | 410.804 | (8.421) |
| Current assets | | | |
| Receivables from customers | 18.125 | 16.094 | 2.031 |
| Receivables from associated companies | 709 | 138 | 571 |
| Tax Receivables | 729 | 2.781 | (2.052) |
| Receivables from others | 8.002 | 15.936 | (7.934) |
| Cash and cash equivalentents | 60.693 | 58.524 | 2.169 |
| TOTAL CURRENT ASSETS | 88.258 | 93.475 | (5.217) |
| TOTAL ASSETS | 490.641 | 504.279 | (13.637) |

The difference in total assets, down by € 13.6 M compared to total assets at 31 December 2021, mainly reflects the decrease in non-current assets (€ -8.4 M) and the simultaneous reduction in current assets for approx. € 5.2 M). Overall, about € 7 M of the total difference above derives from the divestment of the Handling business.

In detail, non-current assets decreased due to the negative changes in intangible and tangible assets resulting from investments and to the reduction in deferred tax assets (€ -2.3 M), the latter being mainly due to the exit of TAH from the consolidation area for approx. € 2.4 M, as well as to the partial use of the tax losses accumulated at 31 December 2021 on the positive results of the current year for the Group's companies.

Current assets were mainly affected by a decrease in receivables from others (- € 7.9 M), resulting from the collection of government grants (€ 9.4 M) and tax credits (- € 2.1 M), partially mitigated by the increase in trade receivables (€ 2 M)

| Amounts shown in thousand euro (€K) | 31.12.2022 | 31.12.2021 | DIFFERENCE |
|---|----------------|----------------|-----------------|
| NET ASSETS | 161.895 | 167.041 | (5.146) |
| Non-financial liabilities | 69.128 | 74.503 | (5.375) |
| of which Deferred tax provision | 45.409 | 47.216 | (1.808) |
| of which severance indemnity fund | 2.344 | 5.309 | (2.966) |
| Financial liabilities | 128.016 | 155.747 | (27.731) |
| Total liabilities | 197.145 | 230.250 | (33.106) |
| CURRENT LIABILITIES | 131.602 | 106.987 | 24.615 |
| of which fin.liab. rights of use w.in year | 589 | 727 | |
| TOTAL LIABILITIES | 328.746 | 337.237 | - 8.491 |
| TOTAL LIABILITIES AND SHAREHOLDER'S EQUITY | 490.642 | 504.280 | (13.638) |

The Shareholders' Equity decreased by about € 5.1 M mainly as a consequence of the decrease in capital reserves due to the coverage of the previous year's losses.

Non-current liabilities include a decrease in financial liabilities (€ 27.7 M) caused by the reclassification of payables with maturity date within the following year among current liabilities, by the approx. € 3 M decrease in the Employee Benefit Fund after the divestment of the liability relating to TAH (€ 2 M), and by the provision for risks (€ 1 M), also due to the sale of TAH (€ 1.1 M); these changes were partially mitigated by the increase in the long-term share of the provision for replacement and repair (+ € 0.9 M).

Current liabilities (+ € 25 M) include increased short-term bank loans obtained (+ € 17.7 M), trade payables (+ € 6.2 M) and other payables (+ € 2 M), and the reduction of tax liabilities (- € 1.9 M).

INVESTED CAPITAL

The table below compares the summarized data regarding the capital invested at 31 December 2022 and at 31 December 2021, followed by the main comments on the reported differences.

| (Amounts in € K) | Consol. 31 dec 2022 CAI | Consol. 31 dec 2021 CAI | Diff. Abs. 2022/2021 |
|-----------------------------------|-------------------------------|-------------------------------|-------------------------|
| Non current assets | 402.384 | 410.804 | (8.421) |
| Net Working Capital | (32.266) | (17.864) | (14.402) |
| Med./Long term liabilities | (69.128) | (74.503) | 5.375 |
| Invested Capital | 300.989 | 318.437 | (17.448) |
| | - | - | - |
| Net financial indebtedness | - | - | - |
| Shareholders' equity | 300.989 | 318.437 | (17.448) |
| Net assets | (161.895) | (167.041) | 5.146 |
| Net financial indebtedness | 139.094 | 151.396 | (12.302) |

Fixed assets decreased by about € 8.4 M, mainly due to the decrease in prepaid taxes (- € 2.3 M) after the sale of TAH, year's investments net of amortization/depreciation and rights of use, which decrease has been partially mitigated by a € 2.1 M increase in financial assets relating to the new € 1.3 M account payable to TAH beyond the year and the increase in guarantee deposits (+ € 549 K).

The net working capital, negative for about € 32 M at 31 December 2022, increased by € 14.4 M compared to 31 December 2021, mainly due to the simultaneous increase in current liabilities (+ € 25 M), the decrease in current bank payables (approximately -1 M) and the decrease in current assets (approximately -5 M).

Non-financial medium/long-term liabilities decreased essentially due to the decrease in the Employee Benefit Fund (- € 3 M), of which € 2 M due to the sale of TAH.

As a result of the operations described above, the invested capital of the Group decreased by € 17.4 M at 31 December 2022 compared to 31 December 2021, with a balance of € 301 M.

8.3 Cash flow analysis

The Consolidated Statement of Cash Flows provided below has been prepared by using the indirect method, as defined by IAS 7 which shows the main determinants of movements in cash and cash equivalents occurred during the reporting period.

| CONSOLIDATED CASH FLOW STATEMENT (Amounts in € K) | | |
|--|----------------------|----------------------|
| €/000 | At 31/12/2022 | At 31/12/2021 |
| A) Financial flow from operations (indirect method) | | |
| Net profit (loss) for the year | (2.964) | (12.514) |
| Income taxes | (892) | (9.476) |
| Interest expenses/(income) | 7.024 | 5.516 |
| (capital gains)/Capital losses resulting from asset disposal | (3.320) | (53) |
| 1) Profit (loss) for the fiscal year before income taxes, dividends and capital gains/losses from disposals | (151) | (16.526) |
| Accruals to provisions | 4.851 | 4.333 |
| Depreciation of assets | 16.088 | 16.072 |
| Total adjustments for non-monetary items with no offset in net working capital | 20.939 | 20.405 |
| 2) Financial flow before changes to the net working capital | 20.788 | 3.879 |
| Decreases/(Increase) of credits towards customers | (2.031) | (3.076) |
| Decreases/(Increase) of payables due to suppliers | 6.479 | 6.081 |
| Other decreases/(Other increases) of net working capital | 14.347 | 6.462 |
| Total changes in net working capital | 18.795 | 9.467 |
| 3) Financial flow after changes to the net working capital | 39.583 | 13.346 |
| Interest collected/(paid) | (5.034) | (4.368) |
| (income taxes paid) | (53) | 0 |
| (Use of provisions) | (8.251) | (11.483) |
| Total other adjustments | (13.338) | (15.851) |
| Financial flow from operations (A) | 26.245 | (2.505) |
| B) Financial flow from investing activities | | |
| (Investments) Tangible Fixed Assets | (1.388) | (3.250) |
| Disinvestments Tangible Fixed Assets | 142 | 346 |
| (Investments) Intangible Fixed Assets | (7.722) | (11.825) |
| (Investments) Financial fixed assets | (1.075) | 0 |
| Disinvestments Financial fixed assets | 0 | 0 |
| Cash flow from investing activities (B) | (10.043) | (14.729) |
| C) Financial flow from financing activities | | |
| New loans | 59.500 | 57.200 |
| (Reimbursement of loans) | (70.893) | (62.787) |
| Increase in paid share capital | 0 | 0 |
| Disposal/(Purchase) of treasury shares | 0 | 0 |
| (Dividends and advances on dividends paid) | (2.640) | 0 |
| Cash flow from financing activities (C) | (14.033) | (5.587) |
| Increase (decrease) in cash and cash equivalents (A ± B ± C) | 2.169 | (22.821) |
| Total cash and cash equivalents at the beginning of the fiscal year | 58.524 | 81.345 |
| Total cash and cash equivalents at the end of the fiscal year | 60.693 | 58.524 |
| Increase (decrease) in cash and cash equivalents | 2.169 | (22.821) |

At 31 December 2022, cash and cash equivalents totalled € 60.69 M, up by € 2.2 M compared to cash and cash equivalents at 31 December 2021, when they were € 58.52 M.

The items of the Consolidated Statement of Cash Flows at 31 December 2022 specifically include:

- Investments in airport infrastructure for € 9.1 M
- Net difference in the Subholding TA loans for € 10.5 M
- The repayment of financial liabilities for rights of use for € 887 K.

8.4 Consolidated Net Financial Position

To complete the information above, the Consolidated Net Financial Position of the Group at 31 December 2022 and at 31 December 2021 is provided below.

| NET CONSOLIDATED FINANCIAL INDEBTEDNESS | | | | |
|--|---|---------------------|---------------------|------------------|
| (values in €/000) | | 31.12.2022 | 31.12.2021 | Diff. |
| | | Consolidated | Consolidated | 2022/2021 |
| | | CAI | CAI | |
| A | Cash on hand and at banks | 60.693 | 58.524 | 2.169 |
| B | Other cash and cash equivalents | - | - | - |
| C | Securities held for trading | - | - | - |
| D | Liquid assets (A) + (B) + (C) | 60.693 | 58.524 | 2.169 |
| E | Current Financial receivables | - | - | |
| F | Current bank payables | 40.266 | 41.168 | (902) |
| G | Current portion of non-current indebtedness | 30.917 | 12.278 | 18.638 |
| H | Other current financial payables due to leasing companies | 589 | 727 | (138) |
| I | Current financial indebtedness (F) + (G) + (H) | 71.771 | 54.173 | 17.598 |
| J | Net current financial indebtedness (I) - (E) - (D) | 11.078 | (4.351) | 15.429 |
| K | Non-current bank payables | 66.515 | 94.037 | (27.522) |
| L | Bonds issued | 58.011 | 57.718 | 293 |
| M | Other non-current payables due to leasing companies | 3.491 | 3.993 | |
| N | Non-current financial Indebtedness (K) + (L) + (M) | 128.017 | 155.748 | (27.731) |
| O | Net financial indebtedness (J) + (N) P.F.N. | 139.095 | 151.397 | (12.302) |

At 31 December 2022, current bank liabilities (use of short-term credit lines) totalled € 40.3 M, to which we should add the item “Current portion of non-current liabilities”, which includes the portions due within the next 12 months of medium-long term loans (€ 28,183 K), financial liabilities for rights of use (€ 589 K), other liabilities related to the purchase of the TAC investment (€ 1 M), and other payables relating to the Parent Company equal to € 2,734 K.

In addition, there are approximately € 66 M of non-current bank liabilities, which mainly consist in the non-current share of outstanding loans (€ 66.5 M) and in the non-current share of financial liabilities for rights of use (€ 3.5 M).

The item “Other non-current liabilities” includes the non-current portion of financial liabilities relating to the purchase of the TAC investment (€ 1.4 M).

At 31 December 2022, the Group’s cash on hand is € 60.7 M.

Therefore, the **Consolidated Net Financial Indebtedness** at the closing date (31 Dec. 2022) is **€ 139.9 M**, down by € 14.7 M compared to 31 December 2021.

Based on the details given above, the new **debt-to-equity ratio** at 31 December 2022 is **0.86** (against 0.92 at 31 Dec. 2021).

The composition of the **Net Adjusted Financial Position** used by the Management for periodic monitoring, is given below. Compared to the financial liabilities described in the previous point, the item does not include the other payables for deferred payments for corporate acquisitions and financial liabilities for rights of use.

| (values in €/000) | 31.12.2022 | | 31.12.2021 | | Diff. |
|---|---------------------|---------------------|---------------------|---------------------|------------------|
| | Consolidated | Consolidated | Consolidated | Consolidated | 2022/2021 |
| | CAI | CAI | CAI | CAI | |
| Net financial debt | 139.095 | 153.754 | - | 14.659 | |
| liabilities for pafam deferred for company acquisitions | - | 2.419 | - | 3.357 | 938 |
| Financial liabilities for sales rights | - | 4.080 | - | 4.720 | 640 |
| Adjusted financial debt | 132.596 | 145.677 | - | 13.081 | |

Therefore, at the closing date (31 Dec. 2022) the **Adjusted Consolidated Financial Position** of the Group is **€ 132.6 M**, down by € 13 M compared to 31 December 2021.

Consequently, the new **Adjusted Debt-to-Equity ratio** at 31 December 2022 is **0.82** (against 0.87 at 31 Dec. 2021).

8.5 Consolidated key financial ratios

The CAI Group is submitting, in its Report on Operations, not only the financial ratios required by the IFRS, but also alternative indicators derived, although not required, from IFRS (Non-GAAP Measures).

These indicators are presented with the purpose of allowing for a better assessment of the Group's management trends and should not be considered as alternative to those required by IFRS. More specifically, the alternative performance indicators used are described below (with the calculation method explained in a note for each indicator):

| Profitability ratios | 31.12.2022 Consolidated | 31.12.2021 Consolidated |
|--|------------------------------------|------------------------------------|
| ROE Net Income / Shareholders Equity | -1,83% | -7,49% |
| Gross ROE Profit before tax / Shareholders Equity | -4,43% | -13,20% |
| ROI Operating income / Net invested Capital (1) | 0,03% | -5,19% |
| ROS Operating income / Revenues (2) | 0,11% | -44,65% |
| FINANCIAL EXPENSES / REVENUE RATIO Financial expenses / Revenues (2) | 8,59% | 15,16% |
| EBITDA / FINANCIAL EXPENSE RATIO EBITDA / Financial expense | 2,8 | 0,9 |
| Equity ratios | 31.12.2022 Consolidated | 31.12.2021 Consolidated |
| STOCK LIABILITIES RATIO Current assets / Current liabilities | 0,67 | 0,87 |
| DEBT TO EQUITY RATIO Debt(NFP) / Shareholders equity | 0,86 | 0,91 |
| NET DEBT TO EBITDA RATIO Debt(PFN) / EBITDA | 7,03 | 30,31 |
| PRIMARY QUOTIENT OF STRUCTURE Shareholders equity / Non-current assets | 0,40 | 0,41 |

Notes:

(1) Net Invested Capital = Non-Current Assets + NWC (Net Working Capital) - Medium/long-term (non-financial) Liabilities
NWC = Current Assets - Cash and cash equivalents - Current Liabilities + Bank overdraft and short-term loans

(2) Revenues after deducting revenue from constructions.

9. THE GROUP'S INVESTMENTS

At the end of 2022, the Group's investments totalled **about € 9.1 M**, of which € 7.7 M relating to intangible assets and € 1.4 M relating to tangible assets.

| Amounts shown in Euro/000 | Scalo | Sub-tot | Sub-tot | Sub-tot | TOTAL |
|--|---------|---------|---------|--------------|--------------|
| Total GROUP Investments al 31.12.2022 | | | | | 9.110 |
| A) Intangible Assets | | | | 7.722 | |
| - Software | | | | 61 | |
| - Concession rights | | | | 1.723 | |
| Self.Service Bag Drop systems | PSA/FLR | 689 | | | |
| BHS adjustment and baggage belt works | PSA/FLR | 312 | | | |
| Purchase of land for the expansion of the premises | PSA | 215 | | | |
| Infrastructure - AVL plant engineering works | FLR | 150 | | | |
| GPU underboard 400 fixed systems | PSA | 146 | | | |
| Expansion of flight infrastructure and strip areas | FLR | 63 | | | |
| 1st rain water treatment and storage system | FLR | 50 | | | |
| Others | PSA/FLR | 98 | | | |
| - Assets under construction | | | | 5.684 | |
| Design of the new Florence terminal | FLR | 2.652 | | | |
| Masterplan of Florence | FLR | 2.367 | | | |
| Mezzi Shelter | FLR | 125 | | | |
| Existing runway reconstruction | FLR | 89 | | | |
| New terminal | PSA | 69 | | | |
| Sewer bypass | PSA | 218 | | | |
| Other minors | PSA/FLR | 164 | | | |
| - Current Software | | | | 177 | |
| - Other assets | | | | 77 | |
| B) Tangible Assets | | | | 1.387 | |
| - Plant and machinery | | | | 977 | |
| Grand power units | PSA | 428 | | | |
| Airport sweeper | PSA | 314 | | | |
| Tractors | PSA/FLR | 546 | | | |
| Ambulift | PSA/FLR | 543 | | | |
| Air start unit | PSA/FLR | 350 | | | |
| inter-runway bus | PSA/FLR | 125 | | | |
| others | PSA/FLR | 719 | | | |
| FPO Parking Management System | PSA | 707 | | | |
| Purchase of ramp means and equipment | PSA/FLR | 244 | | | |
| Other minors | PSA/FLR | 27 | | | |
| - Assets in progress | | | | 79 | |
| Renovation / expansion of the Palagio degli Spini area | FLR | 512 | | | |
| Parking interventions P4 sector C | PSA | 155 | | | |
| Other minors | PSA/FLR | 2 | | | |
| FPO Parking Management System | PSA | 43 | | | |
| New Firewall system for perimeter protection | PSA/FLR | 36 | | | |
| - Other Assets | | | | 331 | |
| Motor vehicles | PSA/FLR | 167 | | | |
| Electronic Machines(HW) | PSA/FLR | 87 | | | |
| Furnishings | PSA/FLR | 63 | | | |
| Other minors | | 14 | | | |

Investments in intangible fixed assets include € 7,407 K of concession rights, of which € 2,652 K for the design of the new terminal in Florence, € 2,367 K for the Florence Master Plan, € 689 K for the new self-service baggage drop system in both airports, € 312 K for BHS improvement in both airports, and € 218 K for the sewage by-pass in the Pisa airport.

The balance of investments in tangible fixed assets shows € 1,387 K, which include € 707 K for the new parking lot information system of the Pisa airport and € 244 K for the purchase of ramp vehicles and equipment in both airports.

10. HUMAN RESOURCES

The Group's Staff

On 30 December 2022, the majority stake in TAH's share capital was sold, so the average workforce of the CAI Group, net of the outgoing TAH personnel, was 359.5 FTEs (Full-Time Equivalent units), which reflects a 2.8 (0.8%) FTE increase in absolute terms compared to 2021. Including TAH's workforce, the CAI Group would have had an average workforce of 693.8 FTEs against 678.7 FTEs in 2021 (+2.2%) and a global workforce of 753 units at 31 December 2022 against 827 at 31 December 2021 (-9%).

The incremental change is due to both the increased traffic managed at the two airports, which was very small in 2021 as a result of the various waves of the Covid-19 pandemic, and the comparison with a year during which the Florence Amerigo Vespucci airport had remained temporary closed in February and March 2021 for the requalification of its flight runway.

The average number of the Parent Company remained unchanged, while the average number of employees of the Subholding TA employees is 236 FTEs, up by 2.6 FTEs in absolute terms (0.8%) compared to 2021. In the first half of 2022, TA employees benefited from temporary unemployment benefits ("Cassa Integrazione Guadagni Straordinaria"), a situation that was closed by the companies, in agreement with trade unions, after the significant increase in traffic handled since the spring.

The number of employees of the subsidiary Jet Fuel, the company that manages the fuel storage facility in the Pisa airport, reached 12.74 FTEs. However, Jet Fuel used temporary unemployment benefits in the first half of 2022.

The average number of TAC employees is 13.08 FTEs, down by 1.4 FTEs (-10%) in absolute terms compared to 2021.

The subsidiary TAE stabilized its workforce reaching a total of 6.68 FTEs. We remind readers that, for infrastructure development, TAE also uses technical staff (engineers, land surveyors, etc.) seconded by the Subholding TA.

We remind readers that the subsidiary "Parceggi Peretola S.r.l." has no employees.

| Tab EFT pro forma | 2022 | 2021 | Var. | Var. % |
|----------------------------|--------------|--------------|------------|--------------|
| Corporacion America Italia | 1,0 | 1,0 | 0 | 0,0% |
| Toscana Aeroporti | 326 | 323,4 | 2,6 | 0,8% |
| Jet Fuel | 12,74 | 11,25 | 1,49 | 13,2% |
| TAC | 13,08 | 14,53 | -1,45 | -10,0% |
| TAE | 6,68 | 6,52 | 0,16 | 2,5% |
| Group | 359,5 | 356,7 | 2,8 | 0,80% |

NOTE: Part-time personnel is calculated proportionally to full-time units (1 FTE).

The Group's Cost of Personnel totalled € 21.9 M in 2022, down by € 4,174 K compared to 2021 (+23.5%). Despite the moderate increase in the Group's workforce compared to the same period of 2021 (+0.8%) and the greater traffic handled (+137% passengers), the cost of labour increased as a result of a higher number of operating staff necessary for the increased requirements (reduced use of “social shock absorbers”), the need to replace absent personnel due to Covid-19, and finally for the last salary increase provided for under the National Collective Bargaining agreement (“CCNL”) of the airport operator (July 2022). Compared with 2021, the cost of 2022 was also affected by increased variable compensation and the renewal of the CCNL on 1 July 2022.

Technical training and education

In spite of the pandemic, anti-infection restrictions and the adoption of social “shock absorbers” that made it difficult to organize classroom courses, the Group managed to deliver a total of 27,693 hours of training, 47% of which attended by female staff and 53% by male staff, against 15,284 hours delivered in 2021.

11. OCCUPATIONAL HEALTH & SAFETY

The Subholding TA's Prevention and Protection Service (PPS) kept monitoring the main occupational health and safety issues in the Pisa and Florence airports throughout 2022.

In the first six months of 2022, the Prevention and Protection Service was nevertheless engaged in pandemic risk management activities, such as adapting corporate procedures to the applicable legislation from time to time enacted to mitigate the spread of the Covid-19 virus.

Before the significant recovery of operations, safety information signage was adapted to new requirements according to the applicable provisions.

There were no cases of SARS-CoV-2 infection throughout 2022 in the Company (specifically there were no infection foci caused by failure to comply with protocol rules or symptoms during working hours).

The following professional roles are on duty for each company:

- Employer
- Airport Safety Managers (only in TA)
- PPSM (Prevention and Protection Service Manager, in Italian “RSPP”)
- Prevention and Protection Service (PPS) - service outsourced to TA, which also provides it for its own subsidiaries

- Health surveillance facility (Competent Physician, etc.)
- Emergency management personnel

For the Subholding TA, in compliance with Art. 16 of Legislative Decree no. 81/2008, the Employer appointed two officers (for the Pisa and Florence airports) to ensure the constant monitoring of specific safety aspects in the two sites.

The safety organizational chart was revised in the second half of 2022, especially as regards the role of Executive (“Dirigente”) as defined in Legislative Decree no. 81/08: the number of people playing this role was reduced and the role of Manager (“Preposto”) was extended to all those who directly supervise employees.

In addition, the Employee Safety Representatives (in Italian “RLS”, *rappresentanti dei lavoratori per la sicurezza*) of each company are on duty in each site and are involved by the PPS to play an active role in inspections, reporting of events or aspects to be monitored, risk assessment and the related prevention measures, as well as in periodic meetings (Art. 35 of Leg. Dec. 81/08).

The Prevention and Protection Service directly trains all the personnel (Employees, Managers and Executives) in compliance with Legislative Decree no. 81/08 and the relevant agreements between regional governments and the central government.

Maintenance of the ISO 45001:2018 certification

In November 2022, the Subholding TA received a three-day audit from the certification body “DNV”, the purpose of which was to re-obtain the UNI ISO 45001:2018 certification. The audit was successfully concluded with no non-conformities (NCs). The renewal of the helps the companies to be compliant with the provisions set forth in Art. 16, par. 3, and Art. 30 of Leg. Dec. no. 81/08, which require the adoption of a model for the supervision of the tasks of the Employer and their delegates, with significant positive implications on the administrative responsibility of companies for occupational health and safety crimes, as provided for in the Organizational Model required by Leg. Dec. no. 231/2001.

Risk Assessment and PPE

The identification and assessment of risks is a constantly ongoing process based on which the “DVR” (Documento di Valutazione dei Rischi, i.e. risk assessment) is regularly updated and supplemented.

The operating procedures or prevention and mitigation measures are formalized by issuing specific risk information (*INFO Sicurezza*) that focus attention on the most important aspects of the employees’ occupational health and safety.

Risk identification criteria take into account the individual risk categories identified in the workplaces and those deriving from the activities carried out by employees, categorized in groups by role, also considering the simultaneous presence of third parties and the use of equipment and systems.

Collective or individual protection devices (PPE) are then adopted in line with the outcome of the aforesaid assessments.

Emergency and evacuation drills

The annual emergency management and evacuation tests were organized and carried out by the Subholding TA, in compliance with D.M. [Ministerial Decree] dated 10 March 1998 in March 2022 for the Florence airport and in February 2022 for the Pisa airport. The tests, consisting in the simulation of fire scenarios, were performed successfully with the involvement of Handlers and Entities and confirmed an effective coordination in the emergency response.

More specifically, the following drills have been performed in the two airports:

- Pisa airport (10 February 2022 - starting fire at the baggage claim carousel system managed by the Cooperative);
 - Florence airport (23 March 2022 - starting fire at the baggage claim carousel system managed by the Cooperative).
- Both fire drills have been conducted in compliance with the applicable COVID-19 infection prevention measures.

Labour accidents

The excellent performance in terms of number of accidents and related working days lost for the Subholding TA has been confirmed (1 only incident in 2022).

The events are mostly due to oversight or inexperience (the so-called “human factor”) rather than being related to vehicles, equipment or dysfunctional work processes.

Training programs focusing on the “human factor” have been organized by the PPS and generally included in TA/TAH training programmes.

For further details, please consult the Consolidated Non-Financial Statement 2022.

12. IT SECURITY AND PRIVACY LEGISLATION - EU Regulation no. 2016/679

Law Decree no. 5 of 9 February 2012 (converted by Law no. 35 of 4 April 2012) amended certain provisions concerning minimum security measures by deleting, in particular, the Safety Plan. However, the abolition of the obligation to draw up a Safety Plan does not exempt the company from the obligation to fulfil all the other privacy requirements.

In order to ensure that personal data are processed in compliance with the applicable privacy legislation, the Group upgraded its facilities to comply with the requirements of EU Regulation 2016/679 (regarding the protection of the personal data of natural persons and the free movement of said information) and Leg. Dec. no. 196/2003 (“*Codice Privacy*” - Privacy Code) supplemented with the changes introduced by Leg. Dec. no. 101 of 1 August 2018.

13. RESEARCH & DEVELOPMENT

The Group, in continuity with the policy adopted over the last two years and in response to the changing business needs in terms of remote work (which, after the many extensions, has become, in fact, a routine working mode), continued to provide a fully efficient service and ensure the highest safety standards thanks to the considerable efforts made by both the ICT staff and our outsourcers (first-level help desk support).

The technological investments, process improvements, standardization, integration, and consolidation implemented in previous years on our information systems have enabled us to keep providing a rapid response not only to the persisting and growing business needs, but also to the latest threats that were progressively acknowledged by the various vendors of the Toscana Aeroporti infrastructure, as well as by the dedicated SOC infrastructure. This allowed us to capitalize on the work done in the past, to exploit the scalability obtained with previous actions, and to innovate technological solutions, where necessary.

More specifically, during 2022 the Subholding TA:

- Completed the implementation of a Security Operation Centre (SOC), operating 24x7, aimed at identifying, classifying and notifying the presence of ongoing and potential cyber threats in our

networks and information systems. After a careful analysis of the technological solutions available, this service was eventually implemented in the first months of 2022 bringing our capacity to identify cyberattacks at an earlier stage to a higher level.

- Digitalized the service for assistance to passengers with reduced mobility (PRM), making this process - which involves several players (the airport operator, the handling company, the service contractor) - more efficient through the use of handheld devices for the detection and management of assistance cases, the allocation of tasks, and service reporting
- Completed the corporate proxy replacement project (technical security improvement for Internet access from airport workstations) and replaced perimeter security devices (firewalls) with new generation systems
- Designed the development of a new corporate protocol system for the management of incoming and outgoing communications according to the principles of efficiency, confidentiality and traceability of activities
- Completed the migration of the corporate email system onto the Microsoft 365 platform, with the simultaneous implementation of an email communication protection system based on a Phishing and Impersonation Protection solution
- Activated a private mobile network via private APN on a WindTre infrastructure to manage the corporate mobile phone data traffic that needs accessing the private resources of Toscana Aeroporti on the go, while making communications more accessible and secure, and avoiding public exposure of particularly sensitive services
- Undertook an assessment action for the provision of terminal service operator services
- Started a feasibility study regarding solutions for the verification and reporting of queuing using automatic detection systems already tested in other airports of the Corporación America Group
- Introduced an upgraded enterprise mobile device management (MDM) software for more effective configuration control
- Implemented a new web solution for the management of whistleblowing reports according to the Whistleblowing Regulation
- Prepared a proof of concept for the video analysis of risk situations relating to aircraft movements in airport stands

14. RELATIONSHIPS WITH THE OTHER ENTITIES OF THE GROUP AND WITH RELATED PARTIES

Revenues, costs, receivables and payables as at 31 December 2022 to subsidiaries and associated companies relate to the sale of goods or services that fall within the Group's normal activities. Transactions are carried out at normal market values, based on the characteristics of the goods and services provided.

As of 31 December 2022, CAI holds 62.283% of the investment in the Subholding **Toscana Aeroporti S.p.A.** It should be noted that since 2016 the Group has adhered to the National Tax Consolidation pursuant to articles 117 to 129 of the Consolidated Income Tax Act (T.U.I.R) whose consolidating company is Corporación America Italia S.p.A. During the first quarter of 2022, CAI and its subsidiary TA renewed the option for national tax consolidation for the three-year period 2022-2024.

The consolidating company determines a single global income equal to the algebraic sum of the taxable income (income or loss) realized by the individual companies that opt for this group taxation method.

The consolidating company recognizes a receivable from the consolidated company equal to the IRES to be paid on the positive taxable amount transferred by the latter. Instead, with regard to companies that contribute tax losses, the consolidating company records a payable equal to IRES on the part of the loss

actually used in determining the total global income. Furthermore, as a result of participation in the National Tax Consolidation, the companies can confer, pursuant to art. 96 of the D.p.r. 917/86, the excess of interest expense which has become non-deductible for one of them so that, up to the amount of the excess Gross Operating Income (i.e. ROL) produced in the same tax period by other subjects participating in the consolidation, it can be taken as a reduction of the total income of the group.

Due to the losses generated in 2020 due to the Covid-19 pandemic, the Consolidating Company CAI has recognized a debt generated by the income due to the Subholding for the tax consolidation with respect to the consolidated TA. As at 31 December 2022, this payable, net of IRES to be paid on the positive taxable income of the Subholding for 2022, amounts to Euro 210,376.

As of 31 December 2022, the Subholding holds equity investments in the following associated companies:

- Toscana Aeroporti Handling S.r.l.

Toscana Aeroporti Handling S.r.l. started operations on 1 July 2018 with the business purpose of providing the services described in Legislative Decree no. 18 of 13 January 1999, and subsequent amendments and supplements, as well as of conducting additional activities related to the handling business. Handling activities include airport ground aircraft, passenger and cargo handling services. As already pointed out several times, on 30 December 2022 the majority interest in TAH (80%) was sold; consequently, our consolidation area changed following this transaction and TAH became an associated company.

At 31 December 2022, in continuity with the previous years, TAH was awarded a ca. € 1,122 K contract by TA for staffing services and provided handling services to TA for a total value of approximately € 797 K.

- Alatoscana S.p.a.

Company that manages the Elba Island airport. TA owns a 13.27% share in the share capital of this company (13.27% at 31 Dec. 2021), and the majority is owned by Regione Toscana (51.05%) and by the Maremma and Tirreno Chamber of Commerce (34.36%).

A service level agreement is in place with this Associate at 31 December 2022 for the continuation of previous years' staff activities, for a global value of approx. € 32 K.

- AC.Quasarda S.c.a.r.l.

This consortium was created in 2021 by Toscana Aeroporti Costruzioni S.r.l. and Cemes S.r.l. to manage a contract with ANAS for the design and construction of the central Jersey barrier on the Carlo Felice highway in Sardinia. The share of 72.42% is owned by TAC and, according to the by-laws of the consortium, TAC and Cemes jointly control A.C. Quasarda.

At 31 December 2022, the Subholding TA recognized € 3,677 K of design and manufacturing services outsourced to A.C. Quasarda, relating to the progress of contract works, as "Operating costs". In addition, TA recognized about € 23 K relating to recovered costs as "Other revenues".

The main relationships with the other **related parties** of the Subholding at 31 December 2022 are:

- Delta Aerotaxi S.r.l.

A number of agreements are in force between the Subholding and Delta Aerotaxi S.r.l., which include:

- the sub-concession of office premises and other types of spaces in the two airports for € 149 K of revenues at 31 December 2022;
- Aviation revenues for € 232 K for the invoicing of airport fees, taxes and extra handling services relating to general Aviation in the Pisa airport.

- Additional revenues for about € 34 K from the aforesaid associate have been recognized at 31 December 2022 and consist in the charge-back of common services and insurance expenses due under existing agreements, as well as for parking passes and airport permits in the two airports.

- Corporate Air Services S.r.l.

At 31 December 2022, the Subholding recognized the following transactions with the related party Corporate Air Services S.r.l., the entity that manages general Aviation at the Florence airport, which is also indirectly connected with TA through SO.G.IM. S.p.a. and a TA shareholder:

- Aviation revenues for € 762 K for the invoicing of airport fees, taxes, handling fees and centralized general aviation infrastructure in the Florence airport, € 63 K for the same services provided in the Pisa airport;
- the subconcession of office premises and other types of spaces in the Pisa airport for a value of € 33 K in revenues for TA at 31 December 2022;
- Non-aviation revenues for € 96 K at 31 December 2022 relating to the sub-concession of a 130 sq. m. area in the air-side zone of the Florence airport.

Additional € 5 K in revenues have been recognized at 31 December 2022 in connection with said related party relating to the charge-back of common services and insurance expenses due under existing agreements, as well as for parking passes and airport permits in the two airports.

- Delifly S.r.l. - On 13 September 2007, AdF (today “TA”) and Delifly S.r.l. (related party through SO.G.IM. S.p.A) signed an agreement by which AdF (today “TA”) committed to sub-lease Delifly an area of approx. 122 sq.m. to be used exclusively for the installation of a removable object to be used for the delivery of General Aviation catering services in the Florence airport (€ 32 K of revenues for TA at 31 December 2022).

Lastly, the Subholding accrued a further € 7 K revenues from Delifly for the charge-back of common services, third-party liability insurance coverage expenses, and the assignment of parking passes and airport permits in the two airports.

- ACI Engineering Uruguay S.A.

This company is related to The Subholding as it is part of the Corporación America Group and involved in the design of the airport infrastructure through a 4-million-dollar (\$4M) agreement for the design of the new Florence Passenger Terminal.

At 31 December 2022, a final amount of € 912 K has been recognized as “Construction services costs” for the design services delivered for the new Florence terminal.

Finally, we specify that no non-core transactions were performed with related parties in 2022 and that Toscana Aeroporti S.p.A. does not own and did not purchase or transfer treasury stock or stock of controlling companies, including through the intermediary of trust companies or another person.

15. MAIN INFORMATION ON THE SUBHOLDING, SUBSIDIARIES, AND THEIR RELATIONSHIPS

15.1 Toscana Aeroporti S.p.A.

The tables below are extracted from the Financial Statements as at 31 December 2022 published on the Toscana Aeroporti website to which reference is made, prepared in compliance with the international accounting standards (IFRS) issued by the International Accounting Standard Board (IASB) and approved by the European Union, as well as the provisions issued in implementation of art. 9 of Legislative Decree 38/2005.

Below are the Operating Income Statement, Balance Sheet and Net Financial Position as at 31 December 2022 compared with the values for 2021.

No commentary notes are provided, in consideration of what has already been described with references to the consolidated data and taking into account the insignificant differences between the two financial statements. **TOSCANA AEROPORTI - INCOME STATEMENT**

| Amounts in €K | Notes | 2022 | of which Related Parties | 2021 | of which Related Parties |
|--|------------|----------------|--------------------------------|-----------------|--------------------------------|
| REVENUES | | | | | |
| Operating income | | 73,300 | 1,368 | 33,658 | 1,143 |
| Other revenues | | 3,336 | 99 | 2,859 | 96 |
| Revenues from construction services | | 7,407 | | 11,522 | |
| TOTAL REVENUES (A) | 6.1 | 84,043 | 1,467 | 48,039 | 1,239 |
| OTHER INCOME (B) | | | | | |
| | 6.2 | 616 | | 9,381 | |
| COSTS | | | | | |
| Operating Costs | | | | | |
| Consumables | 6.3.1 | 1,011 | | 643 | |
| Cost of personnel | 6.3.2 | 19,772 | | 15,841 | |
| Costs for services | 6.3.3 | 30,522 | - | 19,179 | 16 |
| Sundry operating expenses | 6.3.4 | 987 | | 1,443 | |
| Airport fees | 6.3.5 | 5,712 | | 2,669 | |
| Total operating costs | | 58,004 | - | 39,775 | 16 |
| Costs for construction services | 6.3.6 | 7,195 | 4,588 | 11,309 | |
| TOTAL COSTS (C) | | 65,199 | 4,588 | 51,084 | 16 |
| GROSS OPERATING MARGIN / EBIT (A+B-C) | | | | | |
| | | 19,460 | (3,121) | 6,336 | 1,223 |
| Amortization and impairment | 6.3.7 | 9,663 | | 9,602 | |
| Provision for liabilities and repair | 6.3.8 | 3,531 | | 5,737 | |
| Value write-ups (write-downs) net of trade receivables and other receivables | 6.4 | 115 | | 1,289 | |
| OPERATING EARNINGS | | 6,151 | (3,121) | (10,291) | 1,223 |
| FINANCIAL OPERATIONS | | | | | |
| Financial income | 6.5 | 198 | | 65 | |
| Financial expenses | 6.6 | (3,858) | | (2,534) | |
| Profit (loss) from equity investments | 6.7 | 767 | | (143) | |
| TOTAL FINANCIAL OPERATIONS | | (2,892) | - | (2,611) | - |

| | | | | | |
|-------------------------------------|-----|--------------|---------|-----------------|-------|
| PROFIT (LOSS) BEFORE TAX | | 3,259 | (3,121) | (12,903) | 1,223 |
| Year's taxes | 6.8 | (1,204) | 103 | 6,858 | 99 |
| PROFIT/(LOSS) FOR THE PERIOD | | 2,055 | (3,019) | (6,045) | 1,322 |
| Profit (loss) per share (€) | 6.9 | 0.1104 | | (0.3248) | |
| Profit (loss) diluted per share (€) | | 0.1104 | | (0.3248) | |

TOSCANA AEROPORTI – STATEMENT OF COMPREHENSIVE INCOME

| Amounts in €K | Notes | 2022 | 2021 |
|--|-------|--------------|----------------|
| PROFIT/(LOSS) FOR THE PERIOD (A) | | 2,055 | (6,045) |
| <i>Other comprehensive profit/(loss) that will not be subsequently reclassified to the Income Statement:</i> | | | |
| - Profit (loss) arising from the determination of the Termination Benefit after tax | 7.15 | 227 | 74 |
| <i>Total other profit (loss) before tax (B)</i> | | 227 | 74 |
| COMPREHENSIVE PROFIT FOR THE PERIOD (LOSS) (A) + (B) | | 2,282 | (5,970) |

| SHAREHOLDERS' EQUITY AND LIABILITIES | Notes | 31 Dec. 2022 | 31 Dec. 2021 |
|---|-------|-----------------|-----------------|
| CAPITAL AND RESERVES | | | |
| Share Capital | | 30,710 | 30,710 |
| Capital reserves | | 66,788 | 79,833 |
| IAS adjustments reserve | | -3,229 | -3,229 |
| Profit/(Loss) carried forward | | 564 | 337 |
| Profit/(loss) for the year | | 2,055 | -6,045 |
| TOTAL SHAREHOLDERS' EQUITY | 7.15 | 96,888 | 101,606 |
| NON-CURRENT LIABILITIES | | | |
| Provisions for liabilities and expenses | 7.16 | 1,156 | 1,020 |
| Provisions for repair and replacement | 7.17 | 17,887 | 16,987 |
| Provisions for employee retirement and benefits | 7.18 | 1,944 | 2,281 |
| Financial liabilities due beyond one year | 7.19 | 66,463 | 93,731 |
| Financial liabilities for rights of use beyond one year | 7.20 | 3,443 | 3,932 |
| Other payables due beyond the year | 7.21 | 2,253 | 2,768 |
| TOTAL NON-CURRENT LIABILITIES | | 93,146 | 120,719 |

| | | | |
|---|------|-----------------------------|----------------|
| CURRENT LIABILITIES | | | |
| Financial liabilities due within one year | 7.19 | 68,194 | 50,409 |
| Financial liabilities for rights of use within one year | 7.20 | 554 | 559 |
| Current tax liabilities | 7.22 | 377 | - |
| Other tax liabilities | 7.23 | 7,308 | 9,840 |
| Trade payables | 7.24 | 37,963 | 32,519 |
| | | of which to Related Parties | 3,456 0 |
| Payables to social security institutions | 7.25 | 1,080 | 1,081 |
| Other payables due within the year | 7.26 | 9,719 | 7,211 |
| Provisions for repair and replacement (current portion) | 7.17 | 3,596 | 2,147 |
| TOTAL CURRENT LIABILITIES | | 128,791 | 103,766 |
| TOTAL LIABILITIES | | 221,937 | 224,485 |
| TOTAL LIABILITIES AND SHAREHOLDERS' EQUITY | | 318,825 | 326,091 |

15.2 Parcheggi Peretola S.r.l.

Parcheggi Peretola S.r.l. became a member of the CAI Group in 2015 after the incorporation of AdF, which owned 100% of its shares. The prevalent activity of this company is the management of a 640-slot payment car parking lot for the public in front of the Departures Terminal of the Florence airport.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. The main accounts of this financial statement are summarized below.

For the consolidated financial statement, the financial statement of the subsidiary has been appropriately adjusted to take into account the impact deriving from the application of international accounting standards.

| Amounts in €K | 2,022 | 2,021 | Abs. Diff. | % Diff. |
|---------------------------|--------------|------------|-------------|--------------|
| REVENUES | | | | |
| Non-Aviation revenues | 1,493 | 525 | 968 | 184% |
| Other revenues | 41 | 41 | - | 0% |
| TOTAL REVENUES (A) | 1,534 | 566 | 968 | 171% |
| OTHER INCOME (B) | - | 222 | -222 | -100% |
| COSTS | | | | |
| Costs for services | 195 | 130 | 64 | 49% |
| Sundry operating expenses | 60 | 55 | 4 | 8% |
| TOTAL COSTS (C) | 255 | 186 | 69 | 37% |

| | | | | |
|--|--------------|------------|------------|-------------|
| GROSS OPERATING MARGIN / EBIT (A+B-C) | 1,280 | 603 | 677 | 112% |
| % incid. over total revenue | 83.4% | 6.6% | | |
| Amortization and impairment | 40 | 41 | -1 | -3% |
| OPERATING EARNINGS | 1,240 | 561 | 678 | 121% |
| % incid. over total revenue | 80.8% | 5.0% | | |
| FINANCIAL OPERATIONS | - | - | - | - |
| PROFIT (LOSS) BEFORE TAX | 1,240 | 561 | 678 | 121% |
| Year's taxes | -343 | -99 | -245 | 248% |
| PROFIT/(LOSS) FOR THE PERIOD | 897 | 463 | 434 | 94% |

Profits and losses for 2022 include revenues for € 1,534 K, up by € 968 K (+171%) compared to 2021, mainly due to the highest number of passengers transiting through the Florentine airport (+166%).

As to costs, they totalled € 255 K at 31 December 2022, up by 37% compared to € 186 K in 2021, and the most important component is the parking lot management and maintenance service (€ 93 K), professional services (€ 45 K), and utilities (€ 27 K).

The 2022 Gross Operating Margin (EBITDA) is positive for € 1,280 K, up by € 677 K compared to 2021, and the year's net profit is € 897 K, up by approx. € 434 K compared to profits of € 463 K in 2021.

Parceggi Peretola has a positive net financial position of € 679 K at 31 December 2022 (€ 730 K at 31 December 2021).

15.3 Toscana Aeroporti Engineering S.r.l.

Toscana Aeroporti Engineering ("TAE") is a fully owned subsidiary of Toscana Aeroporti, whose mission is to provide TA with the engineering services required for the implementation of the program for the development of the two (Florence and Pisa) airports.

For the engineering activities serving the design of the Master Plan, TAE uses its own staff and the support of:

1. Secondment of technical/engineering staff by TA (10 units at 31 December 2022);
2. In-house staff (8 units at 31 December 2022);
3. specialized service contractors.

In continuity with last year, 2021, the design activities carried out by TAE on behalf of TA throughout 2022 mainly consisted in the preparation of the projects for the new Florence passenger terminal (and related works); the definition of preparatory works – first part serving the expected expansion of the Pisa airport terminal; the design of the first phase works of the program for the improvement of the general aviation spaces in the Pisa airport; the review of the design proposed by the sub-concessionaires operating in the Pisa and Florence airports; the design of minor land-side works.

TAE completed project management support activities with the testing of the BHS installations and systems in Pisa and Florence, as well as of the rainwater harvesting, treatment, collection and management systems existing in the air-side area of the Florence airport.

Works for the upgrading and requalification of the flight infrastructure and related strips of the Florence airport continued (particularly as regards Phase 2 activities) and works for the preliminary preparation of the first functional portion of the planned expansion of the Pisa passenger terminal were started.

At 31 December 2022, the company had 8 direct employees and, consistently with 2021, staff-related activities have been carried out by the Subholding under a servicing agreement signed between the parties.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. For the sole purpose of the Consolidated Financial Statement, the Financial Statement of the Subsidiary has been adjusted to take into account the impact deriving from the application of international accounting standards.

| Amounts in €K | 2022 | 2021 | Diff. Abs. | % Diff. |
|--|--------------|--------------|--------------|------------|
| REVENUES | | | | |
| Other revenues and income | 4,818 | 2,525 | 2,293 | 91% |
| TOTAL REVENUES (A) | 4,818 | 2,525 | 2,293 | 91% |
| OTHER INCOME (B) | - | - | - | |
| COSTS | | | | |
| Consumables | 2 | - | 2 | - |
| Cost of personnel | 476 | 442 | 34 | 8% |
| Costs for services | 4,252 | 2,022 | 2,230 | 110% |
| Sundry operating expenses | 5 | 4 | 0.6 | 13% |
| TOTAL COSTS (B) | 4,734 | 2,468 | 2,266 | 92% |
| GROSS OPERATING MARGIN / EBIT (A+B-C) | 83 | 57 | 27 | 47% |
| % incid. over total revenue | 2% | -188% | | |
| Amortization and impairment | 22 | 22 | - | - |
| OPERATING EARNINGS | 61 | 35 | 27 | 78% |
| % incid. over total revenue | 1% | -193% | | |
| FINANCIAL OPERATIONS | (20) | (4) | (16) | 437% |
| PROFIT (LOSS) BEFORE TAX | 41 | 31 | 11 | 35% |
| Year's taxes | (15) | (16) | 1 | -4% |
| PROFIT/(LOSS) FOR THE PERIOD | 26 | 15 | 11 | 74% |

Revenues totalled € 4,818 K in 2022, reflecting the year's portion of the projects commissioned by TA, as better described above.

Costs totalled € 4,734 K in 2022 and mainly include € 476 K for in-house staff, € 3,424 K for outsourced survey and design costs, and € 576 K for TA seconded staff costs.

The EBITDA for the period is € 83 K and the net profit for the period is € 26 K.

TAE has a positive Net Financial Position of € 239 K at 31 December 2022 (against € 356 K at 31 December 2021).

15.4 Jet Fuel Co. S.r.l.

Jet Fuel Co. s.r.l. is the entity that manages the centralized fuel storage facility of the Pisa airport. The equity interest owned by the Subholding TA corresponds to 51.0% of voting rights, while administrative and property rights are exercised in equal portions with the other shareholders, Refuelling S.r.l. and Air BP Italy S.p.A. Therefore, for consolidation purposes, said equity and operating result share has been considered at 33%.

A total of 87,911 cubic metres of jet fuel passed through the storage facility during 2022, with a 79.5% volume increase compared to the 48,977 cubic metres of 2021. The company provided into-plane services for 87,911 cubic metres of fuel, with an 86.9% decrease compared to the 47,110 cubic metres of 2021.

At 31 December 2022, Jet Fuel had a sub-licensing agreement in place with TA for the management of the centralized fuel storage facility, for a global value of € 501 K (JF's airport fee) in 2022, administrative service (€ 20 K), rental of operating premises for about € 14 K, and other services (airport permits, parking lots, etc.) for a approx. € 10 K.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. The main accounts of this financial statement are summarized below.

For the sole purpose of the Consolidated Financial Statement, the Financial Statement of the Subsidiary has been adjusted to take into account the impact deriving from the application of international accounting standards.

| Amounts in €K | 2022 | 2021 | Abs. Diff. | % Diff. |
|--|--------------|--------------|--------------|---------------|
| REVENUES | | | | |
| Aviation revenues | 2,853 | 1,545 | 1,307 | 84.6% |
| Other revenues | 12 | 4 | 8 | 237.7% |
| TOTAL REVENUES (A) | 2,864 | 1,549 | 1,316 | 85.0% |
| OTHER INCOME (B) | 50 | 154 | (104) | -67.5% |
| COSTS | | | | |
| Consumables | 88 | 51 | 38 | 74.4% |
| Cost of personnel | 799 | 543 | 255 | 47.0% |
| Costs for services | 394 | 391 | 3 | 0.6% |
| Sundry operating expenses | 27 | 17 | 11 | 63.7% |
| Airport fees | 501 | 289 | 212 | 73.4% |
| TOTAL COSTS (B) | 1,809 | 1,291 | 518 | 40.1% |
| GROSS OPERATING MARGIN / EBIT (A+B-C) | 1,105 | 412 | 694 | 168.5% |
| % incid. over total revenue | 39% | 6% | | |
| Amortization and impairment | 148 | 152 | (5) | -3.0% |
| Provision for risks and repairs | - | 60 | (60) | N/S |
| Bad debt reserve | - | 1 | (1) | N/S |
| OPERATING EARNINGS | 958 | 199 | 759 | 381.5% |
| % incid. over total revenue | 33% | -11% | | |
| Financial operations | (8) | (9) | 0 | -4.8% |
| PROFIT (LOSS) BEFORE TAX | 950 | 190 | 759 | 399.0% |
| Year's taxes | (268) | (5) | (262) | N/S |
| PROFIT/(LOSS) FOR THE PERIOD | 682 | 185 | 497 | 268.8% |

Jet Fuel's total revenues reached € 2,864 K in 2022 (against € 1,549 K at 31 Dec. 2021) and mainly include the fuel storage service for € 1,251 K and the into-plane service for € 1,197 K. The company did not receive government grants in 2022 ("DL Sostegni", equalization aid), but received € 153 K in 2021.

The main costs of 2022 are € 1,809 K (€ 1,291 K in 2021) and include the cost of personnel (€ 799 K), the airport subconcession fee (€ 501 K), tank truck maintenance and fuel costs (€ 137 K), professional services (€ 116 K), and industrial insurance (€ 79 K).

Consequently, the 2022 result is a positive EBITDA of € 1,105 K (€ 412 K in 2021) and a net operating profit of € 682 K for the period, compared to the € 185 K loss reported in 2021.

Jet Fuel's net financial position at year-end 2022 is positive for € 527 K (negative for € 157 K at 31 Dec. 2021).

15.5 Toscana Aeroporti Engineering S.r.l.

On 26 January 2021, the Subholding Toscana Aeroporti S.p.A. signed an agreement for the acquisition of 51% of Cemes Aeroporti S.r.l., a recently incorporated company (July 2020) operating in the building sector, which changed its name into Toscana Aeroporti Costruzioni S.r.l. (TAC). The business purpose of this company is to build airports, roads, railways; perform river and maritime works; develop noise mitigation systems and prefabricate concrete elements for road, airport and railway facilities.

During 2022, the company completed the improvement of the fire prevention systems in the Pisa and Florence airports and continued the requalification of the flight infrastructure in the Florence airport (flight runway and adjacent strip areas), which was completed in the first quarter of 2023. In the Pisa airport, works were executed for the construction of a sub-service network as a preparatory work for the relocation of the sewer system as part of the preliminary works for the expansion of the Pisa passenger terminal. In addition, unscheduled maintenance works were completed to improve the safety of the building of the Pisa Fire Brigade at the Pisa airport.

We point out that the Subsidiary prepares its financial statement in compliance with the applicable legislation. For the consolidated financial statement, the financial statement of the subsidiary has been appropriately adjusted to take into account the impact deriving from the application of international accounting standards.

| Amounts in €K | 2022 | 2021 | Abs. Diff. | % Diff. |
|--|--------------|---------------|---------------|--------------|
| REVENUES | | | | |
| Other revenues | 6,072 | 10,785 | -4,713 | -44% |
| TOTAL REVENUES (A) | 6,072 | 10,785 | -4,713 | -44% |
| OTHER INCOME (B) | - | 4 | -4 | N/S |
| COSTS | | | | |
| Consumables | 210 | 2,511.7 | -2,302 | -92% |
| Cost of personnel | 923 | 1,120 | -196 | -18% |
| Costs for services | 5,639 | 6,649 | -1,010 | -15% |
| Sundry operating expenses | 90 | 72 | 18 | 25% |
| TOTAL COSTS (C) | 6,862 | 10,352 | -3,491 | -34% |
| GROSS OPERATING MARGIN / EBIT (A+B-C) | -789 | 437 | -1,226 | -281% |

| | | | | |
|-------------------------------------|---------------|-------------|---------------|-------------|
| % incid. over total revenue | -13.0% | 4.0% | | |
| Amortization and impairment | 1,307 | 1,298 | 8 | 1% |
| OPERATING EARNINGS | -2,096 | -862 | -1,234 | 143% |
| % incid. over total revenue | -34.5% | -8.0% | | |
| FINANCIAL OPERATIONS | -2 | - | -2 | N/S |
| PROFIT (LOSS) BEFORE TAX | -2,098 | -862 | -1,236 | 143% |
| Year's taxes | 52 | 142 | -91 | -64% |
| PROFIT/(LOSS) FOR THE PERIOD | -2,046 | -720 | -1,327 | 184% |

The main revenues of 2022 mainly include approx. € 1.6 M for the portion of works completed in the projects commissioned by the Subholding and € 3.8 M for work done for third parties.

On the cost side, the most significant component is the cost of services, approx. € 5.6 M. In detail, these consisted in outsourced work for approx. € 4.6 M, cost of personnel for € 923 K; professional services for € 349 K; seconded personnel for € 205 K; consumables for € 210 K.

Consequently, the 2022 EBITDA is negative for € 789 K (positive for € 437 K in 2021) and the loss for the year is € 2,046 K (loss of € 720 K in 2021).

The NFP of TAC at 31 Dec. 2020 is negative for € 686 K (negative for € 315 K at 31 Dec. 2021).

In any case, the Subholding TA declared its intention and irrevocable commitment to keep financing and supporting TAC in order to ensure both the fulfilment of its obligations and the regular continuity of its operations.

16. MAIN RISKS AND UNCERTAINTIES TO WHICH THE GROUP IS EXPOSED

- RISKS ASSOCIATED WITH THE GENERAL CONDITIONS OF THE ECONOMY AND THE INDUSTRY, AS WELL AS WITH THE COVID-19 OUTBREAK

The main factors that may affect operations in the transport sector where the Group operates are, *inter alia*, the gross domestic product (GDP), the business and consumer confidence level, the unemployment rate and the oil price. In general, the international political unrest, the credit crunch, the high unemployment rate, the reduction in the household income available in real terms as a consequence of the macroeconomic and inflation scenario and the consequent decrease in consumption, as well as events like the Covid-19 outbreak, are still affecting the recovery of air transport. In detail, should the economic weakness persist, also in the light of the conflict between Ukraine and Russia that started at the end of February 2022 and of the economic sanctions against Moscow, it cannot be excluded that the situation may lead to the continued negative impact on the economic and financial situation of the Group. In addition, this conflict, combined with post-lockdown demand peaks and disruptions in the global supply chain, led to higher raw material prices with significant impacts on energy costs and on the purchase price of certain materials. Moreover, the rising cost of jet fuel and the rerouting of flights to avoid overflying the Russian airspace to reach Asia have increased costs, which could result in an increase in the cost of air tickets for passengers. With regard to the COVID-19 pandemic, in spite of a first part of the year still affected by the spread of virus variants, the rest of 2022 was characterized by a clear recovery in the traffic managed

by Toscana Aeroporti in the two airports, with an 81.4% recovery over the traffic recorded in 2019. Despite the persisting uncertainty due to the possible emergence of new variants which might slow down the return of traffic to pre-pandemic levels, 2023 traffic data are clearly continuing to confirm the recovery trend against pre-COVID-19 traffic data.

For further insights, see the sections “Liquidity risk” and “Update on the impact of the Covid-19 pandemic and of the Russia-Ukraine war” of the Explanatory Notes.

- RISKS ASSOCIATED WITH CLIMATE CHANGE

As regards risks related to climate change (to be considered an exogenous risk for the Group), the Subholding TA's Management is gaining further insight on their potential implications on the business with the objective to continuously monitor the situation, also in the light of the additional information that will be acquired during this year. To date, these risks are not considered to be directly affecting the core business of the Group, at least in the short term.

In order to identify the main risks related to the activities of Toscana Aeroporti, a correlation matrix identifying environmental aspects and their related impacts has been developed. The assessment will use parametric criteria that will be cross-referenced with a contribution index to identify significance. For each impact, both the associated risks and the activities implemented to minimize them are identified, and both short- and long-term improvement projects are defined.

The monitoring of climate change risks also includes the consideration of thermal stress and heavy rainfall, two phenomena related to global warming. This because temperatures may somehow affect aircraft performance, while rainfall is a potential cause of local weather events, such as flooding.

Always relating to global warming, which is strongly influenced by emissions of climate-altering gases into the atmosphere, the Subholding Toscana Aeroporti started planning and implementing a number of synergistic actions to reduce CO2 emissions, such as participation in the Airport Carbon Accreditation (ACA) program, the design of renewable electricity generation systems to be developed.

Finally, there could be indirect effects resulting, for example, from the introduction of regulatory obligations which may affect the operations of carriers or modify passenger behaviours.

The Subholding TA Management will monitor the evolution of these phenomena in order to identify any economic and financial consequences on its multi-year plans, both in terms of investments and of current operating costs. therefore, we cannot exclude that the effects of climate change may affect the future cash flows of the Group over a long-term horizon.

In addition, the criteria underlying our corporate environmental policies should allow the Group to adopt climate change resilient development pathways and implement actions that are consistent with the 17 Sustainable Development Goals (SDGs) developed by the United Nations.

- RISKS ASSOCIATED WITH CYBERSECURITY

The increasing pervasiveness and effectiveness of global cyberattacks, combined with the increased reliance on remote work required by the Covid-19 pandemic, may increase the risk of illegal intrusion into airport information and technology systems. The Group pays great attention to the protection of its corporate information system and its infrastructure from unauthorized access and cyberattacks that could also cause the temporary suspension of operational services, the potential loss of sensitive and/or confidential data as well as reputational damage. The main protection measures adopted against IT risks are periodic vulnerability assessments and system penetration tests that are conducted in compliance with the industry best practices, as well as the consequent risk remediation strategies and the continuous

updating of our IT systems based to the periodic reports of the competent bodies and of the vendors of technological solutions.

- REGULATORY RISK

The Group, within the framework of the two concessions for the global management of the Pisa and Florence airports, operates in a sector regulated by domestic and international legislation. Any unpredictable change in the regulatory framework might adversely impact the bottom line of the Group. A potential risk factor in the airport sector is the constant evolution of the specific legislative and regulatory scenario where the Group, like the other airport operators, operates. The Company's financial results are affected by developments in the regulatory framework, particularly as regards the regulation of airport service tariffs.

In this regard, we remind readers that, at the date of approval of this Annual Report, consultations with airport users have been positively concluded for both the Pisa and Florence airports according to the preliminary procedure established by the tariff models for 2023. The Subholding TA is presently studying the situation, together with its trade association, to understand how any future condition might impact said new tariff models and how to mitigate any risks in their future application.

- RISKS ASSOCIATED TO DELAYS IN THE IMPLEMENTATION OF THE INVESTMENTS PLANNED

The CAI Group could find it hard to implement the investments announced in the Action Plan approved by ENAC within the expected time frame, due to unforeseeable or difficult to estimate events. External events such as, for example, delays in the authorization procedure or in the execution of the works, also resulting from the evolution of the Covid-19 outbreak or from legal disputes and petitions, may generate higher investment expenses, require a greater use of financial resources, and end up by negatively affecting the applicable tariffs, and consequently the Group's economic, equity and financial situation. The Investment Plans of the Florence and Pisa airports have been prepared on the basis of the actions planned in the Master Plans, according to a modular pattern related to air traffic trends. The health emergency due to COVID-19 forced the Group to redefine the timing of its main investments in infrastructure, including the construction of the new runway of the Florence airport. More generally, the entire time frame of the infrastructure development described in the master plans of the two airports had to be redefined in order to better respond to the new traffic requirements and to allow for an adequate return on the investment and financial sustainability.

- RISKS ASSOCIATED WITH AIR TRAFFIC TRENDS IN THE TWO AIRPORTS AND WITH THE CONCENTRATION ON CERTAIN CARRIERS

As for the other operators of the sector, the reduction or interruption of flights by one or more carriers also due to an economic/financial crisis in their business organizations might adversely impact the bottom line and traffic goals of the Group.

During 2022, the Tuscan airport system carried approx. 6.7 million passengers, with an overall difference of +137% for the Passenger component, +61% for the Flights component, +78% for the Tonnage component, and -3% for the Cargo & Mail component compared to the aggregate 2021 data regarding Passengers, Flights, Tonnage, and Cargo&Mail in the Pisa and Florence airports. The total incidence of the first three carriers is 63.1%. In detail, the incidence of the first carrier is 47%, while the second and third carriers account for 9.7% and 6.4%, respectively.

In order to minimize the risk of concentrating traffic on certain carriers, Toscana Aeroporti pursues a marketing and commercial strategy aimed, *inter alia*, at diversifying airlines in the two airports. This strategy is implemented, for example, by keeping continuous direct contacts with the carriers and taking

part in major global aviation events, while carrying out constant analyses and monitoring the reference markets.

- ENVIRONMENTAL RISK

The operations of the Group are regulated by many European Union regulations and domestic, regional and local legislation on the protection of the environment. The priority of the Group is to conduct its core business in compliance with the applicable environmental legislation. However, since the environmental liability risk is intrinsic to the activity of the Group, there can be no certainty that new future regulations may not involve further regulatory requirements for the Group. In this regard, we point out that the Group adopted an independently certified environmental management system (EMS) for compliance with the ISO 14001 standard in both Pisa and Florence airports.

- BUSINESS DISRUPTION RISK

Business activities and services may be interrupted by various kinds of events, which may last for shorter or longer periods of time, with impacts on the operation of the airports managed by the Subholding Toscana Aeroporti and on the business and financial performance of the Group. More specifically, disruptions of business activities generated by prolonged unusual events (e.g., wars, pandemics, volcanic eruptions, etc.) capable of causing long-lasting negative effects on air transport demand may critically impact the business activity of the Group. Natural, atmospheric and/or weather events, as well as the unavailability of the infrastructure and/or systems, may also be causes of disruption of airport operations. To tackle this, Toscana Aeroporti has defined and implemented specific safety measures. In addition, although no such event occurred in the past, since the Pisa airport is a military facility that was later opened to civil air traffic, civil aviation could be significantly limited or even suspended in case of a war or uncommon events of particular significance. The activities of the Group may also be totally or partially disrupted by strikes of its own personnel or of the personnel of any airline, air traffic control service provider or third parties operating in the two airports. With a view to mitigating the potential damage caused by disruptions due to personnel strikes and grievances, the Company maintains a continuous dialogue with trade unions. Furthermore, during this year of post-Covid restart, which was still characterized by some problem in the transport sector due to the high passenger traffic combined with reduced manpower, particularly in certain European countries where no long-term “social shock-absorbers” were adopted, the Group called all its operating staff back into service and stopped giving temporary unemployment benefits. Then we started new personnel recruitment for the season, not only before the opening of the summer season, but also afterwards, with the purpose of achieving and ensuring the highest levels of service.

- FINANCIAL RISK

As regards financial risks, see the specific section in the Explanatory Notes.

17. SIGNIFICANT EVENTS OCCURRED AFTER 31 DECEMBER 2012022

New flights operated in the Florence airport

The Spanish airline **Volotea** announced that, effective from 6 April 2023, it will base 1 Airbus A319 at Florence airport to connect the airport with 12 destinations: Bilbao, Bari, Cagliari, Catania, Palermo, Bordeaux, Lyon, Marseille, Nantes, Toulouse starting from April, Olbia from June 19th, and Hamburg from October 10th. Flights are already on sale in the airline's website.

British Airways announced and opened for sales a daily direct flight to London Heathrow operated with Ab320neo starting from mid-April.

Widerøe increased its flights to Bergen in the high season period and also opened to sales a new flight to Oslo Torp.

The Swedish carrier **SAS** increased its seasonal operations on Copenhagen and opened a new connection with Oslo and Stockholm Arlanda.

The Italian carrier **ITA Airways** increased its flights to Rome starting from June, passing from the current 2 daily flights to 4.

Swiss airlines increased operations on Zurich in the summer, passing from 3 daily flights to 4 with night stops.

Air Serbia opened a new seasonal connection with Belgrade with 2 flights per week starting from the end of May.

The Spanish carrier **Vueling** opened sales for its flights to Bilbao, Düsseldorf, and Bari.

Starting from 28 March 2023, **Albawings** restarted operating its flight to Tirana three times a week, in addition to the flight operated on an annual basis from the Pisa airport.

New flights operated in the Pisa airport

Ryanair already opened its bi-weekly flight to Birmingham for sales from June, while the new bi-weekly flight to Copenhagen and the new flight to Kos operated in the very high season have been opened since July. This carrier also re-established the Glasgow Prestwick link starting from the summer season.

From 23 June to 29 September 2023 **FlyDubai** increased its operations in Pisa passing from 3 to 4 weekly flights in the very high season.

Aegean Airlines re-operated its connection to Athens on a weekly basis during the peak season.

18. OUTLOOK

The final passenger traffic figures at year-end 2022 show a clear recovery compared to 2021 (+137%, reaching 81.4% of pre-Covid 2019 traffic).

As a direct consequence, after the negative results reported in 2020 and 2021 due to the pandemic, the Group returned to black ink in 2022.

Despite the uncertainty factors mainly linked to the international scenario, mainly the ongoing conflict between Russia and Ukraine and the continuing inflationary dynamics, the Group remains confident in the continuous improvement of the expected results, also thanks to a constant increase in passenger traffic recorded in the first months of the year in both Tuscan airports.

For the Board of Directors
The Chairman
(Roberto Naldi)

CONSOLIDATED FINANCIAL STATEMENT

CORPORACION AMERICA ITALIA SPA

Registered office in Milan - Piazzale Martesana no. 10

Share capital fully paid-up EUR 85,000,000.00

Registered in the C.C.I.A.A. of MILAN

VAT No.: 08555440968 - Tax Code: 08555440968

Economic and Administrative Archive No: 2033297

Consolidated Financial Statement as of 31/12/2022

(Amounts in €K)

| ASSETS | Notes | 31/12/2022 | 31/12/2021 |
|--|----------|----------------|----------------|
| NON-CURRENT ASSETS | | | |
| INTANGIBLE ASSETS | 1 | 336.745 | 341.637 |
| Concession rights | | 300.956 | 307.144 |
| Industrial patent rights. | | 422 | 673 |
| Other intangible assets | | 262 | 225 |
| Work in progress and advance payments | | 26.754 | 25.245 |
| Goodwill | | 8.350 | 8.350 |
| TANGIBLE ASSETS | 2 | 39.924 | 42.554 |
| Land and Buildings that can be freely assigned | | 30.364 | 30.610 |
| Owned property, plant and equipment | | 9.560 | 11.944 |
| RIGHTS OF USE | 3 | 3.905 | 4.583 |
| Vehicles for rights of use | | 349 | 649 |
| Parking lot for rights of use | | 3.556 | 3.934 |
| EQUITY INVESTMENTS | | 3.534 | 3.584 |
| Investments in Associated Companies | 5 | 572 | 631 |
| Equity investments in Other Companies | 4 | 2.962 | 2.953 |

| | | | |
|--|----------|----------------|----------------|
| FINANCIAL ASSETS | 6 | 5.497 | 3.373 |
| Guarantee deposits | | 742 | 193 |
| Financial instrument | | 63 | |
| Receivables from others due beyond the year | | 4.692 | 3.180 |
| OTHER NON-CURRENT ASSETS | 7 | 12.779 | 15.074 |
| TOTAL NON-CURRENT ASSETS | | 402.384 | 410.804 |
| CURRENT ASSETS | | | |
| ACCOUNT RECEIVABLE | | 27.564 | 34.949 |
| Receivables from customers | 8 | 16.201 | 16.094 |
| Contracts receivable | 8 | 1.924 | |
| Receivables from associated companies | | 709 | 138 |
| Tax receivables | 9 | 729 | 2.781 |
| Receivables from others, due within the year | 10 | 8.002 | 15.935 |
| CASH AND CASH EQUIVALENTS | | 60.693 | 58.524 |
| Cash and cash equivalents | 11 | 60.693 | 58.524 |
| TOTAL CURRENT ASSETS | | 88.258 | 93.475 |
| TOTAL ASSETS | | 490.642 | 504.279 |

(Amounts in €K)

| LIABILITIES | Notes | 31/12/2022 | 31/12/2021 |
|---|--------------|-------------------|-------------------|
| TOTAL NET EQUITY AND LIABILITIES | | | |
| NET ASSETS | 12 | | |
| Share capital | | 85.000 | 85.000 |
| Capital reserves | | 1.820 | 7.458 |
| Profit (loss) carried forward | | -1.888 | 1.531 |
| Profit (loss) of the period | | -3.129 | -9.331 |
| NET ASSETS CAI GROUP | | 81.803 | 84.658 |
| Minority shareholder's equity | | 80.092 | 82.383 |
| TOTAL NET ASSETS | | 161.895 | 167.041 |
| NON-CURRENT LIABILITIES | | | |
| Provisions for liabilities and expenses | 13 | 1.237 | 2.213 |
| Provisions for repair and replacement | 14 | 17.887 | 16.987 |
| Termination benefits and other personnel-related provisions | 15 | 2.344 | 5.309 |
| Deferred tax liabilities | | 45.409 | 47.216 |
| Financial liabilities | 16 | 124.526 | 151.754 |
| Financial liabilities for rights of use over the year | 17 | 3.491 | 3.993 |
| Other payables due beyond the year | 18 | 2.251 | 2.778 |
| TOTAL NON-CURRENT LIABILITIES | | 197.145 | 230.250 |

CURRENT LIABILITIES

| | | | |
|---|----|----------------|----------------|
| Loans | | 71.280 | 53.444 |
| Financial liabilities for current use rights | 17 | 589 | 727 |
| Tax liabilities | 19 | 8.157 | 10.026 |
| Payables to suppliers | 20 | 36.858 | 30.623 |
| Payables to social security institutions | 21 | 1.172 | 1.598 |
| Other payables due within the year | 22 | 9.706 | 7.744 |
| Provisions for repair and replacements | 14 | 3.596 | 2.147 |
| Advance payments | 22 | 244 | 677 |
| TOTAL CURRENT LIABILITIES | | 131.602 | 106.987 |
| TOTALE CURRENT AND NON CURRENT LIABILITIES | | 328.746 | 337.237 |
| TOTALE NET EQUITY AND LIABILITIES | | 490.642 | 504.279 |

Consolidated Income Statement

(Amounts in €K)

| | | 31/12/2022 | 31/12/2021 |
|------------------------------------|-----------|---------------|---------------|
| REVENUES | 23 | 90.407 | 48.531 |
| Operating revenues | | 76.819 | 35.147 |
| Revenues for construction services | 28 | 7.407 | 11.522 |
| Other revenue | 27 | 6.182 | 1.863 |
| Other income | 29 | 666 | 9.761 |
| COSTS | 30 | 71.296 | 53.298 |
| Consumables | | 1.101 | 708 |
| Cost of personnel | 31 | 21.906 | 17.732 |
| Cost for services | 32 | 35.583 | 20.790 |
| Sundry operating expenses | 33 | 1.188 | 1.576 |
| Airport leases | 34 | 5.712 | 2.669 |
| Costs for construction services | 35 | 5.805 | 9.822 |

| | | | |
|--|----|---------------|----------------|
| GROSS OPERATING MARGIN | | 19.778 | 4.995 |
| Amortization and write-downs | 36 | 16.087 | 16.072 |
| Provision for risks and repair | 37 | 3.484 | 4.333 |
| Bad debts reserve | 38 | 115 | 1.115 |
| ASSET MANAGEMENT | | 91 | -16.526 |
| Financial income | 39 | 103 | 19 |
| Financial expenses | 40 | -7.128 | -5.611 |
| Profit (loss) from equity investments | 41 | -242 | 76 |
| TOTAL ASSET MANAGEMENT | | -7.266 | -5.516 |
| PROFIT (LOSS) BEFORE TAXES | | -7.175 | -22.042 |
| Taxes for the year | 42 | 892 | 9.476 |
| Net income from assets sold or held for sale | 43 | 3.320 | 53 |
| PROFIT (LOSS) FOR THE YEAR | | -2.964 | -12.514 |
| Minority interest's loss (profit) for the year | 44 | -165 | 3.183 |
| CAI GROUP'S PROFIT (LOSS) FOR THE YEAR | | -3.129 | -9.331 |

CONSOLIDATED TOTAL INCOME STATEMENT
31/12/2022
31/12/2021

| | | |
|---|----------------|-----------------|
| Profit or loss for the period | (2.964) | (12.514) |
| Other income | 0 | 0 |
| Other gains/(losses) that will not be subsequently reclassified to profit or loss : | 0 | 0 |
| Gains (losses) deriving from the TFR prov. net of tax | 458 | 193 |
| Total | 458 | 193 |
| Financial assets available for sale | 0 | 0 |
| Cash Flow hedging reserve | 0 | 0 |
| Total other income | 458 | 193 |

| | | |
|-------------------------------|----------------|-----------------|
| Total Income Statement | (2.506) | (12.322) |
|-------------------------------|----------------|-----------------|

| | | |
|---|----------------|----------------|
| ATTRIBUTABLE TO OWNERS OF PARENT COMPANY | (1.875) | (9.218) |
|---|----------------|----------------|

| | | |
|--|--------------|----------------|
| OF WHICH ATTRIBUTABLE TO MINORITY INTERESTS | (631) | (3.104) |
|--|--------------|----------------|

Statement of changes in consolidated shareholders' equity

| | Shareholders' equity of the CAI Group | | | | | | Third parties shareholder' s equity | Total shareholder's equity | |
|--|---------------------------------------|-------------------------------------|------------------|------------------------------|-------------------|------------------------|---|----------------------------------|--------------------|
| | Share capital | Freely distributable reserves | Legal reserve | Exchange rate reserves | Other reserves | Result for the year | | | Total |
| Balance as of December 31, 2020 | 85.000.000 | | 298.571 | | 19.025.441 | (13.947.482) | 90.376.530 | 84.963.943 | 175.340.473 |
| Shareholder contributions | | | | | 3.500.000 | | 3.500.000 | | 3.500.000 |
| Profit (Loss) for the year | | | | | | (9.330.587) | (9.330.587) | (3.183.478) | (12.514.065) |
| Other total income (expenses) for the year | | | | | 112.362 | | 112.362 | 80.652 | 193.014 |
| Distributions | | | | | | | | | |
| Movements in other reserves | | | | | (13.947.482) | 13.947.482 | 0 | 521.831 | 521.831 |
| Other Third Party Movements | | | | | | | | | |
| Balance as of December 31, 2021 | 85.000.000 | | 298.571 | | 8.690.321 | (9.330.587) | 84.658.305 | 82.382.949 | 167.041.254 |
| Shareholder contributions | | | | | | | | | |
| Profit (Loss) for the year | | | | | | (3.128.810) | (3.128.810) | 165.133 | (2.963.677) |
| Other total income (expenses) for the year | | | | | 273.666 | | 273.666 | 184.337 | 458.003 |
| Distributions | | | | | | | | (2.640.189) | (2.640.189) |
| Movements in other reserves | | | | | (9.330.587) | 9.330.587 | | | |
| Other Third Party Movements | | | | | | | | | |
| Balance as of December 31, 2022 | 85.000.000 | | 298.571 | | (366.600) | (3.128.810) | 81.803.161 | 80.092.229 | 161.895.391 |

| CONSOLIDATED CASH FLOW STATEMENT (Amounts in € K) | | |
|--|----------------------|----------------------|
| €/000 | At 31/12/2022 | At 31/12/2021 |
| A) Financial flow from operations (indirect method) | | |
| Net profit (loss) for the year | (2.964) | (12.514) |
| Income taxes | (892) | (9.476) |
| Interest expenses/(income) | 7.024 | 5.516 |
| (capital gains)/Capital losses resulting from asset disposal | (3.320) | (53) |
| 1) Profit (loss) for the fiscal year before income taxes, dividends and capital gains/losses from disposals | (151) | (16.526) |
| Accruals to provisions | 4.851 | 4.333 |
| Depreciation of assets | 16.088 | 16.072 |
| Total adjustments for non-monetary items with no offset in net working capital | 20.939 | 20.405 |
| 2) Financial flow before changes to the net working capital | 20.788 | 3.879 |
| Decreases/(Increase) of credits towards customers | (2.031) | (3.076) |
| Decreases/(Increase) of payables due to suppliers | 6.479 | 6.081 |
| Other decreases/(Other increases) of net working capital | 14.347 | 6.462 |
| Total changes in net working capital | 18.795 | 9.467 |
| 3) Financial flow after changes to the net working capital | 39.583 | 13.346 |
| Interest collected/(paid) | (5.034) | (4.368) |
| (income taxes paid) | (53) | 0 |
| (Use of provisions) | (8.251) | (11.483) |
| Total other adjustments | (13.338) | (15.851) |
| Financial flow from operations (A) | 26.245 | (2.505) |
| B) Financial flow from investing activities | | |
| (Investments) Tangible Fixed Assets | (1.388) | (3.250) |
| Disinvestments Tangible Fixed Assets | 142 | 346 |
| (Investments) Intangible Fixed Assets | (7.722) | (11.825) |
| (Investments) Financial fixed assets | (1.075) | 0 |
| Disinvestments Financial fixed assets | 0 | 0 |
| Cash flow from investing activities (B) | (10.043) | (14.729) |
| C) Financial flow from financing activities | | |
| New loans | 59.500 | 57.200 |
| (Reimbursement of loans) | (70.893) | (62.787) |
| Increase in paid share capital | 0 | 0 |
| Disposal/(Purchase) of treasury shares | 0 | 0 |
| (Dividends and advances on dividends paid) | (2.640) | 0 |
| Cash flow from financing activities (C) | (14.033) | (5.587) |
| Increase (decrease) in cash and cash equivalents (A ± B ± C) | 2.169 | (22.821) |
| Total cash and cash equivalents at the beginning of the fiscal year | 58.524 | 81.345 |
| Total cash and cash equivalents at the end of the fiscal year | 60.693 | 58.524 |
| Increase (decrease) in cash and cash equivalents | 2.169 | (22.821) |

EXPLANATORY NOTES TO THE CONSOLIDATED FINANCIAL STATEMENT AT 31 DEC. 2022

General information

The Corporación America Italia Group (hereinafter also the "Group" or "CAI Group") is formed by the parent company Corporación America Italia S.p.A. with registered office in P.le Martesana 10, Milan, (hereinafter also "Capoguppo" or "CAI"), by its Subsidiary Toscana Aeroporti S.p.a. (hereinafter also the "Subholding" or "TA"), a joint-stock company with registered office at the Florence Company Register Office, and its sub-subsidiaries, Toscana Aeroporti Engineering S.r.l., Parcheggio Peretola S.r.l., Jet Fuel Co S.r.l. and Toscana Aeroporti Costruzioni S.r.l.. It should also be noted that the scope of consolidation changes due to the sale on 30 December 2022 of the majority stake in the share capital (80%) of the subsidiary Toscana Aeroporti Handling S.r.l..

Corporation America Italy S.p.A. was incorporated on 19 February 2014. The company's main purpose is the management of shareholdings. Corporation America Italy S.p.A. was wholly owned by the company DICASA Spain SAU based in Madrid, until 12 September 2018, when DICASA Spain SAU sold 25% of CAI to Matar Holdings 2 B.V. In December 2014, CAI issued a bond loan of 50 million euro, listed on the Vienna Stock Exchange. On 8 January 2018, a new bond loan of 60 million euro was issued, expiring on 31 December 2024 at an annual rate of 4.556% and at the same time the previous bond loan of 50 million euro, the contractual maturity of which was scheduled for December 31, 2019. The new bond has been fully subscribed and is listed on the Vienna Stock Exchange. Having issued a bond loan traded on the Vienna Stock Exchange, as better specified below, the Parent Company is required to prepare the consolidated financial statements. On 12 September 2018, the shareholder DI CASA SPAIN sold 25% of the share capital of CAI to the company MATAAR HOLDINGS 2 B.V.

The auditing of the Company is carried out by the company PricewaterhouseCoopers SpA in execution of the shareholders' resolution of 29 September 2014 which conferred the task on this company until the approval of the financial statements at 31 December 2022. These consolidated financial statements of the CAI Group are expressed in Euro (€) as this is the currency in which most of the operations of CAI and its subsidiaries are conducted.

The international accounting standards have been applied uniformly for all the companies of the Group. The financial statements of the subsidiaries, used for the consolidation, have been appropriately modified and reclassified, where necessary, to bring them into line with the international accounting standards and with the homogeneous classification criteria

Basis for consolidation

The subsidiaries, considering as such those in which the Parent Company holds control, have been fully consolidated.

For the structure of the CAI Group at 31 Dec. 2022, see the specific section of the Report on Operations.

Structure and content of the accounting statements

The 2022 consolidated financial statements of the CAI Group have been prepared in compliance with the International Accounting Standards (IAS/IFRS), in force at the date, issued by the International Accounting

Standards Board and endorsed by the European Union. The interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”), previously known as the Standing Interpretations Committee (“SIC”).

Format of account statements

As regards the format of financial statements, the Group decided to present the following types of consolidated statements: Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in the Consolidated Shareholders’ Equity, Statement of Cash Flows and Explanatory Notes. In their turn, Assets and Liabilities have been shown in the Balance Sheet based on their classifications as current and non-current.

Income Statement

The Income Statement is presented with classifications by nature, as this is considered to be the most significant classification method for the best disclosure of the earnings of the Company.

Furthermore, the Income Statement, breaks down all the relevant cost and revenue items referred to the relationships with related parties.

Statement of Comprehensive Income

In order to present additional information on its earnings, the Group chose to prepare two separated statements: the “Income Statement”, which includes the operating result for the period, and the “Statement of Comprehensive Income” (hereinafter also briefly “SCI”), which includes both the operating result for the period and changes in the Shareholders’ Equity relating to revenue and expense accounts, which, as specified in international accounting standards, are recognised among the components of the Shareholders’ Equity. The Statement of Comprehensive Income is presented with details of Other Comprehensive Profits and Losses to distinguish between profits and losses that will be reclassified in the income statement in the future, and profits and losses that will never be reclassified in the income statement.

Statement of Cash Flows

The Statement of Cash Flows is presented subdivided into cash flow formation areas. It has been adopted by the CAI Group and prepared by using the indirect method. Cash and cash equivalents included in the cash flow statement include the balance values of said items at the reference date. Income and expenses concerning interests, dividends received and income taxes are included in the financial flows generated by operations.

We specify that the cash flow statement does not show the financial flows regarding relationships with related parties, because they are not considered significant.

Statement of Changes in the Consolidated Shareholders’ Equity

The statement of Changes in the Consolidated Shareholders’ Equity is presented as required by international accounting standards, with separated items for the year’s profit and each revenue, income, charge and expense not passed in the income statement or in the statement of comprehensive income, but directly recognised in the Shareholders’ Equity based on specific IAS/IFRS accounting standards.

2. Consolidation area and criteria

The consolidation area includes the Parent Company and the companies directly or indirectly controlled by CAI. A company is controlled when the Group is exposed to or is entitled to receive variable returns from investment in the company and can influence such returns through the exercise of its decision-making power on the company. The subsidiaries are consolidated in full.

The structure of the Group has changed compared to 31 December 2021 due to the sale of 80% of the shares in TAH.

Companies are included in the scope of consolidation from the date on which the Group acquires control, while they are excluded from the date on which the Group loses control, as defined above.

The main consolidation criteria followed in preparing the Consolidated Financial Statements prepared in accordance with IFRS as at 31 December 2022 are as follows:

- a. The book value of the investments made in controlled companies is eliminated against the related Shareholders' equity, against the recognition of the assets and liabilities of the investees on a line-by-line basis. Control exists when the Group is exposed or is entitled to receive variable returns from its involvement in the entity and has the capacity to influence said variable returns with its power over the controlled company. The acquisition of a controlled company is recognized according to the acquisition method. The cost of the acquisition is determined by the sum of current entries at the date when control has been obtained on the assets given, on the liabilities incurred or undertaken, and on the financial instruments issued by the Group in exchange for the control of the acquiree.
- b. The assets, liabilities and potential liabilities acquired and identifiable are recognized at their fair value at the acquisition date. The positive difference between the fair value of the consideration, plus any minority interest in the acquiree (In the event of a step acquisitions, the fair value at the acquisition date of the interest in the acquiree previously held by the acquirer is also added), and the fair value of the assets acquired and of the liabilities assumed is classified as Goodwill and is recognized on the balance sheet as an intangible asset. Instead, any negative difference ("negative goodwill") is booked to the Income Statement at the acquisition date. Minority shareholders' shares are recognized proportionally to the net assets that can be identified at the acquisition date. If the control of a company is acquired, in which a minority interest was already held, the previously held investment is measured at fair value and the effects of this adjustment are recognized in the Income Statement.
- c. Once control has been acquired on the acquiree, any acquisition of further shares is accounted for by recognising the difference between the price paid and the value of the corresponding share of booked Shareholders' equity of the acquiree directly to reduce the consolidated Shareholders' equity. Similarly, in the event of a transfer of shares that does not involve a loss of control, the capital gain or loss is recognized directly in an item of the Shareholders' Equity and subsequently transferred to the Income Statement only at the time of the transfer of the control of the acquiree.
- d. The economic results of the subsidiaries acquired or transferred during the business year at issue are included in the Consolidated Income Statement since the effective acquisition date until the effective transfer date.
- e. Investments in associated companies are valued with the equity method: if the CAI share of the losses of the associated company exceeds the book value of the investment in the balance sheet, then the value of the investment is zeroed and the portion of the further loss is recognized to the extent that CAI is responsible for it.
- f. Significant transactions between consolidated entities are eliminated, together with the credit and debit entries, costs and revenues, and profits not yet realized deriving from transactions between companies of the Group, after deducting any tax.
- g. Minority interest in the net assets of the consolidated subsidiaries is identified separately from the Group's Shareholders' Equity. Said interest is determined based on the percentage held in the assets and liabilities identified at the acquisition date and in the Shareholders' equity variations after that date. For the acquisitions completed before the date of first application of the IFRS, as permitted by IFRS 1, the consolidation is done according to the previously applicable standards.

Accounting standards and valuation criteria adopted

The accounting principles and valuation criteria adopted in preparing the consolidated financial statements as at 31 December 2022 are described below. The basic valuation criterion adopted in preparing the financial statements is the historical cost criterion, except for those accounting items for which, as specified below, we proceed according to a valuation at fair value.

The Group has also assessed the applicability of the going concern assumption in preparing the financial statements, concluding that this assumption is adequate as there are no doubts about the going concern.

Goodwill

In the case of the acquisition of companies, the assets, liabilities and contingent liabilities acquired and identifiable are recognized at their current value (fair value) on the acquisition date. The positive difference between the fair value of the consideration plus any minority interest in the acquiree (in the case of a step acquisition, the fair value at the acquisition date of the interests in the acquiree previously held by the acquirer is also added) and the fair value of the assets acquired and the liabilities assumed is classified as Goodwill and is recorded in the balance sheet as an intangible asset. Any negative difference (“negative goodwill”) is instead recognized in the income statement at the time of acquisition. The interests of minority shareholders are recognized in proportion to the net assets identifiable at the time of acquisition. In the event of the acquisition of control of a company in which a minority interest was already held (step acquisition), the previously held investment is measured at fair value, recognizing the effects of this adjustment in the income statement.

The costs relating to the business combination transaction are recognized in the income statement.

Contingent consideration, i.e. the buyer's obligations to transfer additional assets or shares to the seller if certain future events or certain conditions occur, are recognized at fair value at the acquisition date as part of the consideration transferred in exchange for the acquisition itself. Subsequent changes in the fair value of these agreements are recognized in the income statement.

Goodwill is not amortized but is subjected annually, or more frequently if specific events or changed circumstances indicate the possibility of having suffered a loss in value, to checks to identify any reductions in value in accordance with the provisions of IAS 36 - Impairment of activity. After initial recognition, goodwill is valued at cost less any accumulated impairment losses.

Other Intangible Assets

A concession agreement falls within the scope of IFRIC 12 “Service concession arrangements” if the grantor (public entity) controls the infrastructure or a portion thereof, where “control” means that the grantor controls or regulates the services the operator must provide with the infrastructure, to whom it must provide them and at what price, and if the grantor also controls, through ownership, beneficial entitlement or otherwise any significant residual interest in the infrastructure at the end of the arrangement.

Concession rights represent the concessionaire's right to use the asset under concession, in consideration of the costs incurred for the design and construction of the asset, with the obligation to return it at the end of the concession. Concession rights are recognized using the so-called ‘intangible asset method’, where the concessionaire is entitled to charge a fee to the users of the public service it provides by using the infrastructure.

Concession rights are booked based on the fair value (estimated on the basis of the cost incurred, inclusive of interest expenses, in addition to the capitalization of internal costs for the general coordination activity required for the execution of works by TA) of the intangible assets relating to the construction and expansion activities carried out on the assets covered by the scope of IFRIC 12 “Service concession arrangements”.

If the fair value of the services received (in this case, the right to use the infrastructure for business purposes) cannot be measured reliably, the revenue is determined on the basis of the fair value of the services provided (fair value of the construction services provided).

Assets from construction services in progress at year-end are measured on the basis of the progress of works and this valuation converges in the Income Statement item “Revenue from construction services”. Repair or replacement activities are not capitalized and converge in the estimate of the provision described below.

Concession rights are amortized over the entire duration of each individual concession - a method that reflects the assumption that the future economic benefits of the asset will be used by the concessionaire. Considering that the Pisa airport is a military airport that has been opened to civil traffic, the item “Assets under concession” also includes the investments made by the parent company for the flight infrastructure belonging to the *Aeronautica Militare* (Ministry of Defence), as provided for in the planning agreements signed with ENAC.

The provision for impairment and the provision for repair or replacement expenses, globally considered, ensure an adequate coverage of the following charges:

- free assignment to the State, upon the expiration of the concession, of revertible assets with a useful life exceeding the term of the concession;
- repair and replacement of the components subject to wear and tear of the assets under concession;
- recovery of the investment, even in connection with the new works contemplated in financial plans.

Should events take place that support the assumption of an impairment of the value of said Intangible assets, the difference between the book value and the related “recovery value” is recorded in the Income Statement.

An intangible asset purchased or produced internally is booked among Assets, as required by IAS 38 “Intangible assets”, only if it can be identified and controlled, and if it is possible to predict the generation of future economic benefits, and if its cost can be determined reliably.

Intangible assets with finite lives are valued at purchase or production cost, after deducting accumulated amortization and impairment. Amortization is determined by making reference to the period of its estimated useful life and starts when the asset is available for use.

The amortization criteria adopted for the various intangible asset items are the following:

- Industrial patent and intellectual property rights: 2 years;
- Multi-year charges: 5 years or referring to the different useful life, if lower;
- Concession rights: based on the remaining years of the concession (expiry: December 2048 for the Pisa airport, February 2045 for the Florence airport - both terms extended for 24 months under Law no. 77 of 17 July 2020), keeping the residual value of transferred assets into account.

In particular, with regard to the amortization of concession rights, account is taken of the sum that the incoming concessionaire will be obliged to pay to the outgoing concessionaire, at the natural maturity of the concession, which will be determined in compliance with regulatory analytical accounting rules. Concession rights include the sums relating to the portion of scheduled maintenance works that is recognized in the balance sheet within the framework of the determination of the provision for repair, but in regulatory analytical accounting reflects assets that will not be completely amortized at the concession expiry date.

The Company elected to maintain the historical purchase cost, as an alternative to fair value, as valuation criterion for tangible assets after their initial recording.

Construction in Progress is valued at cost based on the progress reports defined by the contract with the supplier and are amortized starting from the business year when they start being used.

If, regardless of the amortization already accounted for, there is an impairment, the asset is written down accordingly; if, in subsequent years, the assumption of the impairment ceases to exist, the original value is restored, adjusted with the sole amortization.

Development costs can be capitalized provided that the cost is reliable, can be determined and the asset can be shown to be capable of producing future economic benefits.

Research costs are booked to the Income Statement in the period when they are incurred.

No intangibles with an indefinite useful life other than goodwill have been booked in the balance sheet.

Property, Plant and Equipment

Property, plant and equipment are booked at their purchase cost (more specifically, according to this principle, the value of land is separated from the value of the buildings built on said land and only the building is depreciated) and the cost includes incidental, direct and indirect costs for the portion reasonably attributable to the asset. For an asset that justifies capitalization, the cost also includes the financial expenses that are directly attributable to the acquisition, construction or production of asset itself.

If the individual components of a complex tangible asset have different useful lives, they are booked separately to be depreciated consistently with their relative duration (so-called “Component Approach”). The costs incurred after the purchase are capitalized only if they increase the future economic benefits implied in the asset to which they refer. All the other costs are booked in the Income Statement when they are incurred. Tangible assets in progress are valued at cost and depreciated starting from the year when they start being used.

Fixed assets are systematically depreciated in each business year on a straight-line basis based on economic-technical rates determined in connection with the residual possibilities of use of the assets.

The rates applied are specified below:

| | |
|--|-----------------|
| – Land: | Not depreciated |
| – Property: | 4% (25 years) |
| – Plant and machinery: | 10% (10 years) |
| – Industrial and commercial equipment: | 10% (10 years) |
| – Electronic machines: | 20% (5 years) |
| – Office furniture and equipment: | 12% (9 years) |
| – Trucks: | 25% (4 years) |
| – Cars: | 20% (5 years) |

Investments in revertible assets made before 1997 have been depreciated based on the lower term between the duration of the concession and the useful life of each individual asset.

Ordinary maintenance costs are fully debited to the Income Statement. Incremental maintenance costs are attributed to the assets to which they refer and depreciated in connection with their residual possibility of use.

Profits and losses deriving from the sale or divestment of assets are determined as the difference between the sales revenue and the net book value of the asset and are booked in the Income Statement of the year.

Impairment

At each year-end date, the Group reviews the carrying value of its tangible and intangible assets to detect any impairment. Whenever any such indication exists, the recoverable amount of said assets is estimated to determine the amount of the write-down (“impairment test”). When it is impossible to estimate the recoverable value of each individual asset, the TA Group estimates the recoverable amount of the cash-generating unit to which the asset belongs.

Intangible assets with indefinite useful life (goodwill) are tested for impairment every year in order to determine whether there have been losses of value, regardless of whether or not there are impairment indicators.

The recoverable amount is the greater between the net selling price and the value in use. In determining the value in use, the estimated future cash flows are discounted at their current value by using a pre-tax rate that reflects the market's current valuation of the current value of money and the specific risks of the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be lower than the relative book value, the book value of the asset is reduced to the lowest recoverable value. An impairment is immediately recognized in the Income Statement.

For the sake of completeness, we point out that the Group has identified the Florence and Pisa airports as CGUs.

When the circumstances requiring a write-down no longer exist, the carrying amount of the asset (or cash-generating unit), except for goodwill, is adjusted upward to its new estimated recoverable amount, but without exceeding the net carrying value the asset would have had if the impairment had not been recognized. The reversal is recognized immediately in the income statement.

Leases (for the lessee)

For all the lease agreements to which it is a party, except for short-term leases (with a duration of 12 months or less and that do not contain a purchase option) and leases for low-value assets (with a unit value lower than € 5 K), the Group recognizes a use right to use at the start date of the lease, which corresponds to the date on which the underlying asset is available for use.

Short-term and low-value leases are recognized as costs in the income statement on a straight-line basis over the term of the lease.

Use rights are valued at cost, net of accumulated depreciation and impairment losses, and adjusted as a result of each remeasurement of lease liabilities. The value of use rights corresponds to the lease liabilities recognized, in addition to the initial direct costs incurred, leases adjusted at the commencement date or earlier, and restoration costs, net of any lease incentives received. The discounted value of the liability so determined increases the right of use of the underlying asset, with a contraentry recognized in a dedicated provision. Unless the Group is reasonably certain to obtain the ownership of the leased asset at the end of the lease term, use rights are depreciated on a straight-line basis on the basis of the estimated useful life or term of the lease, if less.

The term of the lease is determined by considering the non-cancellable period of the lease, together with the periods covered by an option to extend the agreement if it is reasonably certain that said option will be exercised, or any period covered by an option to terminate the lease, if it is reasonably certain that the option will not be exercised. The Group assesses whether or not the exercise of the extension or termination options is reasonably certain, taking into account all the significant factors that create an economic incentive in connection with such decisions.

The lease liability is recognized at the commencement date of the arrangement for a global value equal to the current value of the leases to be paid during the term of the agreement, discounted by using the incremental borrowing rate (IBR), when the interest rate implicit in the lease is not easy to determine. Variable lease payments remain accounted for in the Income Statement as a cost of the period.

IFRS 16 requires the Management to develop estimates and assumptions which may affect the measurement of the right of use and of the finance lease liability, including the determination of: contracts for the implementation of the new rules for the measurement of assets/liabilities with the financial method; terms of the agreement; interest rate used for the discounting of future lease payments.

Leases (for the lessor)

Lease agreements where the Group is the lessor are classified as operating or finance leases. Subconcessions specifically belong to this category.

A lease is classified as a finance lease if it substantially transfers all the risks and rewards incidental to the ownership of an underlying asset. A lease is classified as an operating lease if it does not substantially transfer all the risks and rewards incidental to the ownership of an underlying asset.

For finance leases, the Group recognizes the assets associated with finance leases in the balance sheet at the commencement date and shows them as a receivable at a value corresponding to the net investment made on the lease. The net lease investment is measured by using the implicit interest rate of the lease.

For operating leases, the Group recognizes the lease payments as income on a straight-line basis or according to any other systematic criterion.

The costs incurred for the realization of the income, including amortization, are recognized as costs.

Non-current assets held for sale

Non-current assets (and disposal groups) classified as “held-for-sale” are valued at the lower of their previous carrying amount and fair value less costs to sell.

Non-current assets (and disposal groups) are classified as “held-for-sale” when their book value is expected to be recovered by means of a sale transaction rather than being used in the operating activity of the company. This condition is met only when the sale is highly probable, the asset (or group of assets) is immediately available for sale in its current conditions, the Management has already committed to sell it/them, and the sale is planned within twelve months from the classification date of this item.

Disclosure of relationships between operating assets and sold operating assets

Considering that neither IFRS 5 nor IAS 1 provide guidance on how relationships between operating assets and sold operating assets should be disclosed, we selected a method that recognizes these transactions taking into account the elimination of intra-group transactions between the two categories of assets.

Equity investments in associated and jointly-controlled companies

Associated companies and joint ventures are included in the balance sheet starting from the date on which the significant influence or joint control commences and until the time this situation ceases to exist. Associated companies or associates are those entities on which the Group exercises a considerable influence, but which the Group does not control as to their financial and operating policies.

The equity investment in an Associate is initially recognized at cost and the carrying value is increased or decreased to reflect the Group's share of its profits or losses realised by the investee after acquisition. The Group's share of profit (loss) for the year at issue realised by the investee is recognized in the consolidated income statement. Any dividends received by an investee will reduce the book value of the investment. The adjustments made to the book value of the investment may also be the result of changes in the other components of the investee's Statement of Comprehensive Income. The share of said changes, which refer to the Group, is recognized among the other components of the Statement of Comprehensive Income. If the share of the Group's losses in an associate is equal or greater than the Group's interest in that associate, the Group will suspend the recognition of its share of further losses. After deleting the investment, any further loss is set aside and recognized as a liability only to the extent that the Group has committed to fulfil legal or implicit obligations or has made payments on behalf of the Associate. If the Associate realises profits later, the Group will resume the recognition of its share of profits only when the Associate has reached its share of non-recognized loss.

Directors believe that the Group has a remarkable influence on Alatoscana S.p.a. (the Elba Island's airport operator), even if the share owned is lower than 20%. More specifically, that influence is due to the

composition of the shareholding of the company and to the possibility of influencing its financial and operating policies.

Financial assets (including equity investments in other entities)

The classification and valuation of financial assets is done by considering both the related management model and the contractual characteristics of the cash flows that can be obtained by the asset. Depending on the characteristics of the instrument and on the business model adopted for its management, the following three categories are distinguished:

(i) financial assets measured at amortized cost; (ii) financial assets measured at fair value through other comprehensive income (“FVTOCI”); (iii) financial assets measured at fair value through profit or loss (“FVTPL”).

The financial asset is measured by using the amortized cost method if both of the following conditions are met:

- the financial operations model consists in holding the asset solely for the purpose of collecting the relevant cash flows; and
- the financial asset generates, at contractually predetermined dates, cash flows representing exclusively the return on the financial asset itself.

According to the amortized cost method, the initial entry value is subsequently adjusted to take into account capital repayments, any write-down and depreciation of the difference between the repayment value and the initial entry value.

Amortization is made on the basis of the effective internal interest rate, which represents the rate that makes the present value of the expected cash flows and the initial entry value equal at the time of initial recognition.

Receivables and other financial assets measured at amortized cost are presented in the balance sheet net of the related provision for bad debt.

Financial assets that represent debt instruments, whose business model includes both the possibility of cashing contractual cash flows and that of realizing capital gains from sale (the “hold to collect and sell” business model), are measured at fair value through other comprehensive income or OCI (“assets measured at FVTOCI”).

In this case, any changes in the fair value of the instrument are recognized in the balance sheet as OCI. The aggregate amount of fair value changes booked in the equity reserve, which also includes the other components of the OCI, is reversed to the income statement when the instrument is derecognized. The income statement also includes any interest income determined by using the effective interest rate, exchange rate differences and impairments.

A financial asset that is not measured at amortized cost or FVTOCI is measured at fair value through profit or loss (assets measured at FVTPL).

Financial instruments are removed from the balance sheet when, as a result of their transfer or extinction, the Group is no longer involved in their management and the related risks and benefits no longer affect the Group.

Fair value hierarchy

For all transactions and (financial or non-financial) balances for which an accounting standard requires or permits fair value measurement, the Group applies the following criteria:

- a. Identification of the unit of account, i.e., the level at which an asset or liability is aggregated or disaggregated for recognition under IFRS;

- b. Identification of the main market (or of the most advantageous market) in which transactions could take place for the asset or liability to be valued; if there is no evidence to the contrary, the currently used market will be assumed to be the main market or the most advantageous market;
- c. Definition of the highest and best use for non-financial assets: if there is no evidence to the contrary, the highest and best use will be the current use of the asset;
- d. Definition of the most appropriate valuation methods for the estimation of fair value: these methods maximize the use of observable data, which market participants would use in determining the price of the asset or liability;
- e. Determination of the fair value of assets as the price that would be perceived for their sale, and of liabilities and equity instruments as the price that would be paid for their transfer in a regular transaction between market participants at the valuation date;
- f. Inclusion of non-performance risk in the valuation of assets and liabilities and, particularly for financial instruments, determination of an adjustment factor in the measurement of fair value to include, in addition to the counterparty credit risk (CVA, credit valuation adjustment), the own credit risk of the entity (DVA, debit valuation adjustment).

Based on the data used for fair value valuation, a fair value hierarchy has been identified to classify assets and liabilities measured at fair value or for which the fair value is disclosed in the financial statements:

- a. Level 1 – includes the prices quoted in active markets for assets or liabilities that are identical to those to be valued;
- b. Level 2 – includes observable data, different from those included in Level 1, such as: (i) prices quoted in active markets for similar assets or liabilities; (ii) prices quoted in non-active markets for similar or identical assets or liabilities; (iii) other observable data (interest rate curves, implicit volatility, credit spreads);
- c. Level 3 – uses non-observable data, which can be used when no observable input data is available. Non-observable data used for fair value valuation reflect the assumptions market participants would assume in price fixing for the assets and liabilities to be valued.

Trade and sundry receivables

Trade receivables and the other receivables are initially recognized at fair value and subsequently valued by using the amortized cost method, less the provision for bad debt.

The Group measures any impairment/write-down of receivables by adopting an expected loss approach. For trade receivables, the Group has adopted a ‘simplified approach’ to valuation that does not require the recognition of periodic changes in credit risk, but rather the recognition of an expected credit loss (“ECL”) calculated over the lifetime of the receivable (“lifetime ECL”). In detail, the policy implemented by the Group consists in stratifying trade receivables into categories based on the number of days that a trade receivable is past due and the allocation is defined on the basis of the historical experience of credit losses, adjusted to take into account specific forecasting factors referred to creditors and the economic environment.

Trade receivables are fully impaired in the absence of a reasonable expectation of their collection, i.e. in the presence of insolvent business counterparties.

The carrying amount of the asset is reduced through the use of a provision for bad debt and the amount of the loss is recognized in the P&L statement.

When the collection of money is deferred beyond the normal commercial terms agreed with customers, receivables are discounted back.

Derivative instruments and hedge accounting

Derivative instruments are initially recognized at fair value, which is the initial price, and then adjusted to fair value at the subsequent closing dates. Fair value differences are booked in the Income Statement. We specify that the Group does not own financial derivative instruments used solely for hedging purposes.

Cash and cash equivalents

The “Cash and cash equivalents” item includes cash, bank current accounts and deposits repayable on demand (postal current accounts held with post offices) that, due to their nature, are not subject to significant changes in value. It does not include repayable bank overdraft.

Financial liabilities

Financial liabilities include debt payable, which in its turn includes liabilities for advance payments made on the assignment of receivables, as well as other financial liabilities that include derivative financial instruments and liabilities for assets recognized under finance leases.

They also include trade and miscellaneous payables.

Financial liabilities are recognized at fair value, net of any ancillary transaction costs. After this initial recognition, these liabilities are recognized with the amortized cost method, determined by using the effective interest method. In the event of a renegotiation of a financial liability that does not qualify as “settlement of the original debt”, the difference between (i) the carrying amount of the pre-change liability and (ii) the present value of the cash flows of the changed debt, discounted at the internal rate of return (IRR), is booked in the income statement.

Provisions for liabilities and expenses

The Group recognizes provisions for liabilities and expenses when it has a legal or implicit obligation towards third parties and the use of the resources of the Group is likely to be necessary to fulfil that obligation, and when the amount of that obligation can be reliably estimated.

Changes in these estimates are reflected in the income statement of the period when the change occurred. If the effect is significant, provisions are determined by discounting back future estimated financial flows at a discount rate that also includes taxes, so as to reflect current market valuations of the current value of money and specific risks connected with liabilities.

Provisions for repair and replacement

As described above, in compliance with the requirements introduced by IFRIC 12, the concessionaire is not entitled to recognize the infrastructure as property, plant and equipment and the accounting of the work done on the infrastructure differs depending on its nature. More specifically, they are distinguished into two categories:

- work that can be classified as normal maintenance of the infrastructure; and
- replacement, scheduled maintenance and repair of the infrastructure at a future date.

The former refers to the ordinary maintenance of the infrastructure, which is recognized in the income statement when incurred.

The latter, considering that IFRIC 12 “Service Concession Arrangements” does not require the recognition of the physical infrastructure/asset, but of a right, should be recognized in compliance with IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, which requires:

- on the one hand, recognition to the income statement of a provision consisting of an operating component (which includes any effects deriving from changes in the discount rate) and a financial component;
- on the other hand, the recognition of a provision for charges in the balance sheet.

The “Provision for repair or replacement”, consistently with the obligations established by the individual concession agreements, includes the best estimate of the present value of the expenses accrued at year-end for maintenance scheduled in future years and aimed at ensuring the required functioning, operation and safety of all the assets under concession based on the information available at year-end.

Provisions for employee retirement and benefits

Liabilities consisting in benefits due to employees during and after their employment under defined-benefit plans are determined separately for each plan based on actuarial assumptions by estimating the amount of the future benefits employees have matured at the reference date (so-called “Projected Unit Credit Method”). The liabilities booked net of any assets for plan benefits are recognized on an accrual basis throughout the period of accrual of the right. Liabilities are valued by independent actuaries.

The components of the cost of defined benefits are recognized as follows:

- costs for the performance of the service are recognized in the income statement among personnel costs;
- net financial expenses on defined benefits liabilities or assets are recognized in the income statement as financial income/(expenses) and determined by multiplying the value of the net liability/(asset) for the rate used to discount obligations, keeping into account the contributions and benefits paid during the period;
- the items reflecting the re-measurement of the net liability, which include actuarial profits and losses, the yield of assets (not including interests receivable, which are recognized in the income statement), and any change in the limit of the assets are recognized immediately in the other comprehensive profits (losses). Said components must not be reclassified in the income statement in subsequent periods.

Tax assets and liabilities

Deferred taxes are determined on the basis of the temporary taxable differences existing between the value of assets and liabilities and their tax value. Deferred tax assets are recognized only to the extent that it is probable that sufficient taxable profit will be available in the future against which they can be utilized. The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that a sufficient taxable income capable of fully or partly recovering such assets is no longer probable.

Deferred taxes are determined on the basis of the taxable rates expected to be used during the business year in which said deferrals will be realized, considering the applicable or future known applicable tax rates. Deferred taxes are directly recognized in the Income Statement, except for those relating to items booked directly in the statement of comprehensive Income, in which case the related deferred taxes are also booked in the statement of comprehensive Income.

Current and deferred tax assets and liabilities are offset when the income taxes are applied by the same tax authority and there is a legal right to offset them. Deferred tax assets and liabilities are calculated using the tax rates that are expected to be applied in the country in which the Company operates, in the financial years in which the temporary differences will be realized or paid off.

Recognition of revenues

Based on five-step model described in IFRS 15 “Revenues from Contracts with Customers”, the Group recognizes revenues after identifying contracts with its customers and the related performance obligations (transfer of promised goods or services), determining the appropriate consideration to which it expects to be entitled in exchange for those goods or services, as well as assessing how said performance obligations should be satisfied (“at a point in time” versus “over time”).

In particular, the Group recognizes revenues only if the following requirements are met (identification of the contract with the customer):

- a) the parties to the contract approved the contract (in writing, orally or in compliance with other customary commercial practices) and have committed to fulfil their obligations; therefore, an agreement

is in place between the parties that creates enforceable rights and obligations regardless of the form in which said agreement is made;

b) the Group may identify the rights of each party in respect of the goods or services to be transferred;

c) the Group may identify the conditions for the payment of the goods or services to be transferred;

d) the contract has commercial substance; and

e) it is probable that the Group will receive the consideration to which it is entitled in exchange for the goods or services that will be transferred to the customer.

If the above requirements are not met, the related revenues are recognized when: (i) the Group has already transferred the control of the goods/services to the customer and all or almost all the consideration promised by the customer has been received and is non-refundable; or (ii) the contract has been terminated and the consideration received by the Group from the customer is non-refundable.

If the above requirements are met, the Group applies the recognition rules described below.

Aviation revenues

The Group fulfils its obligations to do in relation to airport fees by making the airport infrastructure available to carriers for landing, take-off, lighting and parking of aircraft, boarding and landing of passengers and goods, and for the use of centralized infrastructures. In addition, as to handling activities, the Group fulfils its obligations to do by providing ground handling services to passengers and aircraft.

Revenues from the performance of the services described above are recognized when they are performed with reference to their progress, considering that the Group provides services to carriers and passengers over a given period of time, as a function of the use of the infrastructure.

Non-Aviation revenues

- Revenues from commercial and non-commercial subconcession/leases consist in the fees paid for the use of retail and operating spaces and areas within and outside the airport site. This category includes subconcessions/leases with commercial pricing (retail, car parking, etc.) and with administered pricing (prices for the use of goods for exclusive use or for the use of airport infrastructure dedicated to individual carriers or operators, such as check-in desks, offices, operating rooms, etc.). Revenues deriving from this category are recognized on a straight-line basis throughout the term of the contract or based on the maturity period, according to contractual provisions, as required by IFRS 16 “Leases”.

- Revenues from parking lots consist in the price received for the offering of parking slots inside and outside the airport site, based on a public rate table that is defined for all the sales made. The Group fulfils its obligations to do in connection with this service by making parking spaces available to its customers. Revenues deriving from the performance obligations in question are recognized when they are fulfilled based on their progress, considering that the Group provides the service to customers over a given period of time (the time of parking).

Revenues are shown net of discounts, including, but not limited to, sales incentive programs and customer bonuses, network development expenses (in this case, the prices paid to customers regulated by IFRS 15), as well as taxes directly connected with the sale of goods or the performance of services.

Revenue from construction services in favour of the Grantor

Revenues from construction services refer to the construction services performed by the Group in favour of the Grantor for the implementation of the investments related to concession rights and are recognized on the basis of their fair value. The fair value of the price of construction and expansion services regarding the assets under concession performed by the Group is determined on the basis of the fair value of the price of the construction and expansion services provided by third parties, internal and external design costs and internal costs incurred for the planning and coordination of the works carried out by a special

internal facility. These revenues are recognized when the progress of the related works is presented, considering that the Grantor simultaneously receives and uses the benefits deriving from the performance of the entity, as the entity performs it.

Other revenues

Revenues deriving from other services rendered by the Group (administrative services, consultancy, etc.) are recognized when these are rendered with reference to the state of progress.

Revenues from the sale of goods are recognized when control of the asset involved in the transaction is transferred to the purchaser, or when the customer acquires the full ability to decide on the use of the asset and to obtain substantially all the benefits.

Revenues deriving from “Design and manufacturing services” to parties outside the Group are recognized when control of the goods and services is transferred to the customer for an amount that reflects the consideration that the Group deems probable to obtain in exchange for these goods or services. The Group fulfills its performance obligations over time by developing the contracts in the portfolio concerning, as at the date, complex and integrated activities in the field of design and construction of civil engineering works. Given the contractual characteristics and the role of the Subholding TA within the scope of the order scheme, no significant estimates have been identified for the item in question. The Group systematically updates the assumptions that form the basis of the contract budgets in order to reflect in the financial statements the most reasonable estimate regarding the contractual payments accrued and the economic result of the contract. In this regard, it should be noted that the Group recognizes as trade receivables the unconditional right to receive the consideration relating to the work performed (invoices issued and to be issued), while as “assets deriving from contracts” the amount due from customers for contract work executed net of advances and advances received.

Grants

Grants for systems and equipment are recognized in the balance sheet when there is reasonable certainty that the prerequisites for their disbursement are met and that the company is entitled to collect them; they are recognized in the income statement based on the useful life of the asset against which they are disbursed.

Working capital grants are recognized when there is reasonable certainty that the prerequisites for their disbursement are met and that the company is entitled to collect them, and are credited to the income statement in connection with the costs against which they are disbursed.

Costs

Costs are recognized in the income statement when they are actually incurred, if their amount can be objectively determined, and when it is possible to verify that the company has incurred such costs on an accrual basis.

Financial expenses

Financial expenses are recorded on an accrual basis and include interests payable on financial debts determined by using the effective interest rate method and exchange rate differences payable. Financial expenses also include the financial component of the annual contribution to the provision for repairs.

Financial expenses incurred for investments in assets for which a given period of time normally elapses to make the asset ready for use are capitalized and amortized along the useful life of the related class of assets.

Financial income

Financial income is recognized on an accrual basis. They include interest receivable on invested funds, exchange-rate differences receivable and income from financial instruments, when not offset within the framework of hedging operations. Interest income is booked in the income statement when accrued, taking into account its actual return.

Dividends

Dividends recorded in the income statement for the year, obtained from minority shareholdings, are recognized on an accrual basis, i.e. when, following the resolution to distribute by the investee, the related right to credit.

Income taxes

Taxes represent the sum of current and deferred taxes.

The taxes allocated on the basis of the estimate of the taxable income determined in compliance with the national legislation in force at the closing date of the accounting situation, taking into account the applicable exemptions and the due tax credits, are entered in the accounting situation. Income taxes are recognized in the income statement, with the exception of those relating to items directly debited or credited to equity, in which case the tax effect is recognized directly to equity.

It should be remembered that the Group has adhered to the National Tax Consolidation pursuant to articles from 117 to 129 of the Consolidated Income Tax Act (T.U.I.R) whose consolidating company is Corporacion America Italia SpA. The consolidating company determines a single global income equal to the algebraic sum of the taxable income (income or loss) realized by the individual companies that opt for this method of group taxation.

The consolidating company recognizes a receivable from the consolidated company equal to the IRES to be paid on the positive taxable amount transferred by the latter. Instead, with regard to companies that contribute tax losses, the consolidating company records a payable equal to IRES on the part of the loss actually used in determining the total global income.

Foreign currency translation criteria

Receivables, payables and any short-term provisions denominated in foreign currency are initially recognized by using the exchange rates ruling at the date of their inception and, if existing at December 31st, they are appropriately stated in the financial statement at the exchange rate ruling at the end of the period by posting the exchange gains/losses to the income statement.

Exchange rate differences are of a financial nature, so they are classified in the income statement as finance income because they are not strictly linked to the sale transaction, but express the fluctuation over time of the currency chosen for the transaction when the transaction has been concluded.

Use of estimates

We are now going to summarize the critical valuation processes and key assumptions used by the Group in the application of IFRS, which may significantly affect the values recorded in the financial statement or for which there is a risk that significant differences may emerge compared to the book values of future assets and liabilities.

As already indicated in the Report on Operations, in this context we point out that the situation caused by the global economic and financial crisis required the expression of rather uncertain assumptions concerning future trends. Consequently, we cannot exclude that the results actually achieved next year will differ from estimated amounts and could therefore require adjustments to book items that might even be rather significant and that cannot clearly be predicted or estimated at present.

Recoverable value of non-current assets

Non-current assets include Property, Plant and Equipment, Intangible Assets (including Goodwill), Equity Investments, and Other Financial Assets. The Group periodically reviews the book value of its held and used non-current assets and of the assets to be dismissed when events and circumstances so require. When the book value of a non-current asset has been impaired, the Group recognises an impairment corresponding to the excess between the book value of the asset and its value that can be recovered through its use or sale, determined by making reference to the cash flows of the most recent corporate plans.

Provisions for repair and replacement

For the assets held under concession, a special provision has been allocated for the maintenance and any refurbishment/repair work that will be required for said assets over time. Said provision has been booked in the Assets, as they must be returned to the State in perfect operating conditions at the end of the concession term.

The provision for repair and replacement is reviewed annually based on a technical assessment and estimate of the future expenses that will be incurred for the scheduled maintenance required to keep the assets in good conditions before returning them for free at the end of the concession term and used during the period for the actual maintenance required. Estimates are prepared with the support of external technical consultants.

Recoverability of deferred tax assets

The Group has deferred tax assets on deductible temporary differences and theoretical tax benefits for losses that can be carried forward. In the estimate of the recoverable value, the Group took into account the results of the business plan, in line with those used for the impairment tests. The net prepaid taxes so allocated refer to temporary differences and tax losses that can be recovered to a significant extent over an indefinite period of time; this is compatible with a context in which the exit from the current difficult and uncertain situation and the economic recovery might extend beyond a short/medium time horizon.

Current taxes

The determination of tax liabilities requires the Management to value amounts referred to transactions that have uncertain tax implications at year-end. The Group recognizes the liabilities that could derive from future inspections by the tax authority based on the estimate of due taxes. Any result of a tax assessment that differs from the Management's estimates may significantly affect current and deferred taxes.

Pension schemes and other post-employment benefits

Employee termination benefits or indemnities and net financial expenses are valued by using an actuarial method that requires the use of estimates and assumptions for the determination of the net value of the obligation. The actuarial method considers financial parameters such as, for example, the discount rate and salary growth rates, and considers the probability of occurrence of potential future events through the use of demographic parameters like mortality rates or employee resignation or retirement rates. The assumptions used for the valuation are detailed in the section "Provisions for employee benefits".

Provision for bad debt

The provision for bad debt reflects the Management's estimate of the expected losses connected with the customer portfolio. The Group has adopted the simplified approach provided for in IFRS 9 "Financial Instruments" and recognizes expected losses on all trade receivables based on the residual term and defines the allocation based on the historical credit loss experience, adjusted to take into account the

specific forecasting factors related to creditors and to the economic environment - the expected credit loss (ECL) notion.

Potential liabilities

The Group recognises liabilities for pending litigation and legal actions when it deems it likely to face a financial disbursement and when the amount of the deriving loss can be reasonably estimated. If a financial disbursement becomes possible but its amount cannot be determined, this fact is disclosed in the Notes. The Group is a party in legal actions and tax assessments concerning complex and difficult legal issues that are characterized by a different degree of uncertainty, including facts and circumstances regarding each case, jurisdiction and different applicable law. Considering the uncertainty of these issues, it is difficult to predict the disbursement that will derive from said disputes, so the value of provisions for litigation and legal actions may vary after future developments in ongoing proceedings. The Group monitors the status of ongoing legal actions and is supported by legal counsels and tax advisors.

RECENTLY-ISSUED PRINCIPLES

New accounting standards, amendments and interpretations effective for annual reporting periods beginning on or after 1 January 2022

The following IFRS standards, amendments and interpretations were first applied by the Group as of January 1, 2022:

On 14 May 2020, the IASB published the following amendments named:

- Amendments to IFRS 3 “Business combinations”: the purpose of the amendments is to update the reference in IFRS 3 to the revised Conceptual Framework in the reviewed version, without this involving changes to the provisions of the standard.
- Amendments to IAS 16 “Property, Plant and Equipment”: the purpose of the amendments is not to allow the deduction, from the cost of tangible assets, of the amount received from the sale of goods produced in the testing phase of the asset. These sales revenues and the related costs are therefore recognized in the Income Statement.
- Amendments to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”: the amendment clarifies that the estimate of the price of a contract must include all the costs that can be directly attributed to the contract. Consequently, the valuation of the price of a contract includes not only incremental costs (e.g., the cost of direct material used in processing), but also all the costs the company cannot avoid because it has entered into the agreement (e.g., the depreciation of the machinery used to fulfil the contract).
- Annual improvements 2018-2020: the amendments were made to IFRS 1 “First-Time Adoption of International Financial Reporting Standards”, to IFRS 9 “Financial Instruments”, to IAS 41 “Agriculture”, and to the Illustrative Examples of IFRS 16 “Leases”.

The implementation of the new amendments had no significant impact on either values or financial reporting.

IFRS accounting standards, amendments and interpretations approved by the European Union, not yet mandatory and not adopted in advance by the Group at 31 December 2022

- On 18 May 2017, the IASB published IFRS 17 “Insurance Contracts”, which is intended to replace IFRS 4 “Insurance Contracts”. This standard will become effective on 1 January 2023, but early application is permitted only for entities adopting IFRS 9 “Financial Instruments” and IFRS 15 “Revenue from Contracts with Customers”.
- On 9 December 2021, the IASB published an amendment called “Amendment to IFRS 17 Insurance Contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information”. The amendment is a transition option relating to comparative information about financial assets presented on initial application of IFRS 17. It aims to avoid the temporary accounting mismatch between financial assets and insurance liabilities, and thus to improve the usefulness of comparative information for the readers of financial statements. The amendments will apply from 1 January 2023, together with the application of IFRS 17. Directors do not expect a significant effect on the Consolidated Financial Statements of the Group from the adoption of this amendment.
- On 12 February 2021, the IASB published two amendments called “Disclosure of Accounting Policies—Amendments to IAS 1 and IFRS Practice Statement 2” and “Definition of Accounting Estimates—Amendments to IAS 8”. The amendments are intended to improve the accounting policy disclosure to provide investors and other primary users of the financial statements with more useful information and to help companies distinguish changes in accounting estimates from accounting policy changes. The amendments will become effective on 1 January 2023, but early adoption is permitted. Directors do not expect a significant effect on the Consolidated Financial Statements of the Group from the adoption of these amendments.
- On 7 May 2021, the IASB published the “Amendment to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction”. This document clarifies how deferred taxes should be accounted for relating to certain transactions that may generate assets and liabilities of the same amount, such as leases and decommissioning obligations. The amendments will become effective on 1 January 2023, but early adoption is permitted. Directors do not expect a significant effect on the Consolidated Financial Statements of the Group from the adoption of this amendment.

Accounting standards, amendments and interpretations not yet applicable

At the date of this report, the competent bodies of the European Union have not yet concluded the ratification process required for the adoption of the following accounting standards and amendments:

- On 23 January 2020, the IASB published the “Amendment to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current” and, on 31 October 2022, published “Amendments to IAS 1 Presentation of Financial Statements: Non-Current Liabilities with Covenants”. The purpose of these documents is to clarify how debt and the other short/long-term liabilities should be classified. The amendments will become effective on 1 January 2023, but early adoption is permitted.
- On 22 December 2022, the IASB published “Amendment to IFRS 16 Leases: Lease Liability in a Sale and Leaseback”. This document requires the lessee-seller to measure the lease liability arising from a sale and leaseback transaction, so as not to recognize income or loss relating to the retained right of use. These amendments will become effective on 1 January 2023, but early adoption is permitted.

- Amendment to IFRS 10 and IAS 28 “Sale or contribution of assets between an investor and its associate or joint venture”: the approval process is suspended pending the conclusion of the IASB project on the equity method.
- IFRS 14 “Regulatory Deferral Accounts”: the approval process is suspended pending the new accounting standard on “Rate-regulated Activities”.

The Group will adopt said new principles, amendments and interpretations based on the effectiveness date specified and will assess their potential impact when these will be ratified by the European Union.

3. Concessions

The core business of the Group is the operation of the Concession given to the Parent Company Toscana Aeroporti for the management of the Amerigo Vespucci airport in Florence and the Galileo Galilei airport in Pisa, consisting in the operation and development of the infrastructure of the two airports in Tuscany. Essential information relating to the concession contracts of the companies of the Group is given below. Under the concessions in force, airport concessionaires are entitled to collect boarding fees from airport users, which are annually updated on the basis of a special tariff formula provided by the Italian transport regulatory authority “Autorità di Regolazione dei Trasporti” (“ART”), against the obligation to pay the concession leases, carry out the necessary expansion and modernization works in the airports under concession, and maintain and manage the airport plot of land under concession. Upon expiry, concessions are not automatically renewed, but are awarded again through a public call for tenders, as required by the applicable legislation; all the airport infrastructure developed (which are called “transferable assets”) by the concessionaire must be transferred in a good state of maintenance to the Grantor, and the incoming concessionaire will pay the residual carrying amount of transferable assets, called the “step-in value”¹).

Corporate events and transactions

Update on the impact of the Covid-19 pandemic and the Russia-Ukraine war

The year 2021, and particularly the first quarter, was still affected by the impact of the global health crisis caused by the SARS-COV-2 virus outbreak (hereinafter also briefly “Covid-19” or “Coronavirus”).

Toscana Aeroporti reported a total of ca. 6.7 million passengers in 2022, which reflects a +137% increase and a +74.1% increase in commercial passenger movements compared to 2021. Compared to the pre-Covid-19 period, Toscana Aeroporti reported a -19% decrease in passenger traffic, with a considerable improvement starting from the summer season.

We also remind readers that new international tensions have appeared since February 2022 as a result of the war between Russia and Ukraine. This event had no significant impact on passenger volumes and the Group's revenues, but impacted the macroeconomic scenario with an increase in energy and gas costs.

The growth in traffic and margins resulted in a positive cash flow for the year 2022 arising from operations, including the effect of the collection of Government grants received under paragraph 715 of Art. 1, of Law no. 178 of 30 December 2020 (hereafter referred to as the “2021 Budget Law”), which allowed us to repay the € 10.5 M loan and to invest € 9.1 M.

As regards the initiatives implemented by the TA Management in response to the effects of the pandemic and the Russian-Ukrainian war, the Group maintained throughout 2022 a number of countermeasures

¹ Art. 703 of the Navigation Code: ... “The outgoing concessionaire shall continue managing the ordinary operations of the airport under the same conditions as those laid down in the concession agreement until the new concessionaire takes over, after paying the related “Step-In Value” due, unless ENAC determines otherwise, specifying the reason(s), concerning the correct performance of the service”.

aimed at adjusting costs to a reduced traffic demand, including the use of temporary unemployment benefits (“Cassa Integrazione Guadagni”) - which was definitively closed in the summer - and the mitigation of costs for services related to non-strategic activities.

In addition, as it also happened at 31 December 2021, in 2022 the Company obtained again a specific exemption from the bank “Banca Infrastrutture Innovazione e Sviluppo (BIIS, of the Intesa San Paolo Group) concerning the measurement of financial ratios required in the loan agreement signed by the parent company, with an outstanding debt of € 14.6 M at 31 December 2022 (expiry 2027).

We also remind readers that, considering the significant losses suffered by the airport sector, an € 800 M provision had been set aside with the “2021 Budget Law” to mitigate the economic effects of the Covid-19 emergency on the entire airport sector, of which € 735 M to be used by airport operators and € 65 M by ground handling service providers. The amount of the grant to which the Group was entitled for the damages suffered in the period going from 1 March 2020 to 30 June 2020, determined with the calculation recommended by the applicable legislation and applied for on 27 January 2022, has been € 9.5 M, of which approximately € 7.3 M for the parent company TA and approximately € 2.2 M for TAH, cashed during 2022. In the context just described, Toscana Aeroporti keeps monitoring the economic and financial outlook of the Group, also based on information obtained from external sources such as independent surveys conducted by the main players of the industry, which surveys confirmed that the air transport industry is not expected to return to pre-Covid-19 traffic levels until 2024.

In a short to medium-term horizon, given the above assumptions for the recovery of traffic levels, 2023 volumes are expected to be still lower than those reported before the pandemic. However, the increasing trend is confirmed, even compared to 2022 year-end data, when the passengers who transited through Tuscan airports were over 80% of pre-Covid levels.

The TA Management will continue to monitor the evolution of the pandemic and the war in order to be ready to adopt the most appropriate measures, where necessary, to mitigate costs, consistently with the necessary service levels and protection of liquidity, while ensuring the maintenance of infrastructure development plans, to allow Toscana Aeroporti to continue its development in the medium term.

However, a potential resurgence of the pandemic or a worsening of the macroeconomic scenario, also in connection with the Russia-Ukraine war, with a possible adverse impact on future traffic volumes and on our financial economic performance cannot be excluded.

In conclusion, the Management estimated that traffic levels will continue to recover in 2023 with respect to the 2020-2022 period, even though still significantly below pre-Covid-19 levels. This growth trend will allow the Group to recover earnings that, together with the available cash and non-revolving credit and with the cost reduction measures adopted consistently with the volumes to be managed, may allow the Group to meet its short-term obligations and keep operating as a going concern in the foreseeable future. See further considerations in the section “Liquidity risk”.

Disposal of the TAH shareholding

On 30 December 2022, the Subholding TA completed the sale of 80% of the share capital of Toscana Aeroporti Handling (TAH) in favour of Alisud S.p.A. for a price of € 750 K, thus losing control on this subsidiary. The transaction includes an option for TA to exercise, starting from 1 January 2025, a sell option for the remaining 20% share of TAH’s share capital to Alisud for a price of € 250 K. In addition, when the performance targets set by TAH’s Business Plan are achieved, Alisud will pay an additional earn-out price of at least € 200 K to TA.

In line with IFRS 5, after this divestment, the Handling business was classified as “discontinued operations”, which means that, in the Income Statement for the year 2022 and, for comparative purposes,

of 2021, the revenue and expense items of this business have been reclassified to the item “Net income from assets sold or held for sale” (for more details on this transaction, read the following section).

In fact, according to IFRS 5, the Income Statement of the business line sold should not be considered for the determination of the year’s result on each cost and revenue line by nature, but the overall result of the business line sold should be reflected in a specific separate line of the Income Statement called “Net income from assets sold or held for sale”. IFRS 5 also requires the Income Statement of the comparative period to be re-disclosed in such a way as to make operating assets and sold assets comparable between the two financial years shown in the financial statements.

Therefore, the comparative data presented in the remainder of this report reflect this re-reporting.

This section provides analytical details of the contents of the items relating to the sold operating assets, as reported in the Consolidated Income Statement, in the Consolidated Balance Sheet, and in the Consolidated Cash Flow Statement.

From a methodological point of view, please note that, referring to the recognition of sold operating assets under IFRS 5, the following process was adopted:

1. The individual profit and loss items that are recognized under the “Net income from assets sold or held for sale” are related to the Income Statement of Toscana Aeroporti Handling S.r.l. for the entire financial year, with the appropriate IAS/IFRS adjustments.
2. The individual income statement items relating to Operating assets and the item “Net income from assets sold or held for sale” comprise the total effects of the elimination of intra-group transactions.
3. The item “Net income from assets sold or held for sale” also includes the capital gain recognized as a result of the disposal of the net assets that make up the operating asset sold.
4. As to the Cash Flow Statement, the cash flows related to the operating assets sold have been recognized in the specific detailed table provided in this section, which includes a summary of the cash inflows/outflows of operating, investment, and financing activities.

The breakdown of revenue and expenses recognized in the Net income from assets sold and held for sale is presented below.

| Amounts in €K | 2022 | 2021 |
|--|---------------|---------------|
| REVENUES | | |
| Operating income | 21,180 | 11,379 |
| Other revenues | 42 | 51 |
| TOTAL REVENUES (A) | 21,222 | 11,430 |
| OTHER INCOME (B) | (85) | 2,373 |
| COSTS | | |
| Operating Costs | | |
| Consumables | 238 | 104 |
| Cost of personnel | 15,184 | 9,722 |
| Costs for services | 5,625 | 3,557 |
| Sundry operating expenses | 330 | 210 |
| Total operating costs | 21,377 | 13,593 |
| TOTAL COSTS (C) | 21,377 | 13,593 |
| GROSS OPERATING MARGIN / EBIT (A+B-C) | (240) | 211 |
| | (0) | |
| Amortization and impairment | 487 | 616 |
| Provision for risks and repairs | 60 | 120 |
| Value write-ups (write-downs) net of trade receivables and other receivables | 5 | 26 |
| OPERATING EARNINGS | (792) | (551) |
| | (0) | |
| FINANCIAL OPERATIONS | | |
| Financial expenses | (25) | (11) |
| TOTAL FINANCIAL OPERATIONS | (25) | (11) |
| PROFIT (LOSS) BEFORE TAX | (817) | (562) |
| Year's taxes | 135 | 615 |
| YEAR'S RESULT | (682) | 53 |

Summary of the result of the disposal

Amounts in €K

| | |
|--|--------------|
| Price of the disposal | 750 |
| Earn-out | 193 |
| TAH minority shareholding | 188 |
| Amount received / to be received (A) | 1,130 |
| Net assets disposed of (B) | (2,872) |
| Result of the disposal (C=A-B) | 4,002 |
| Net income of the asset sold for the period (D) | (682) |
| Net income from assets sold and held for sale (C+D) | 3,320 |

The effect of the collection, net of the cash included in the sold assets, is € 610 K.

The earn-out and the 20% minority interest, accounted for after losing control, have been recognized at fair value.

During 2022, TAH managed a total of 48,181 commercial aviation movements in the two airports, corresponding to an 88.5% market share (92% in 2021 with 25,869 movements). The +86.2% change in

movements between the two financial years under examination is linked, as for the other companies of the Group, to the resumption of traffic in the two Tuscan airports. In terms of assisted movements, the 2022 market share of each individual airport for commercial aviation traffic is 82.4% for Pisa (88.9% in 2021) and 97.1% for Florence (97.3% in 2021).

The main revenues for 2022 concern € 21.2 M of handling services and, at year-end, show a +86.1% increase over 2021, in line with the increased operations of the two airports (+74.1% movements, +91% tonnage).

The main costs of 2022 consist in the cost of personnel (€ 15.2 M) and the cost of outsourced services (€ 5.6 M), both increased as a consequence of the increased traffic managed during the year at issue compared to the previous year.

The EBITDA for the period is negative for € 240 K and the operating loss reported by the company in 2022 is € 682 K.

The assets and liabilities related to operating assets disposed of as at 30 December 2022 are as follows:

| ASSETS | 30 December 2022 |
|---|-------------------------|
| Intangible assets | 33 |
| Property, plant and equipment | 787 |
| Other financial assets | 9 |
| Deferred tax assets | 2,414 |
| TOTAL NON-CURRENT ASSETS | 3,242 |
| Trade receivables | 2,286 |
| Other tax assets | 53 |
| Receivables from others, due within the year | 44 |
| Cash and cash equivalents | 139 |
| TOTAL CURRENT ASSETS | 2,521 |
| TOTAL ASSETS (A) | 5,763 |
| LIABILITIES | 30 December 2022 |
| Provisions for liabilities and expenses | 1,125 |
| Provisions for employee retirement and benefits | 1,992 |
| Other payables due beyond the year | 1,345 |
| TOTAL NON-CURRENT LIABILITIES | 4,462 |
| Current tax liabilities | 23 |
| Other tax liabilities | 194 |
| Trade payables | 2,344 |
| Payables to social security institutions | 512 |
| Other payables due within the year | 1,101 |
| TOTAL CURRENT LIABILITIES | 4,173 |
| TOTAL LIABILITIES (B) | 8,636 |
| NET ASSETS SOLD (A-B) | (2,872) |

Finally, the cash inflows/outflows of operating, investment and financing activities related to the divested assets are detailed below.

| Cash inflows (outflows) from sale of assets | 2022 | 2021 |
|---|----------------|----------------|
| Cash and cash equivalents at beginning of period | 2,008 | 3,989 |
| Cash and cash equivalents at end of period | 139 | 2,008 |
| Increase/(decrease) in available cash and cash equivalents | (1,870) | (1,981) |
| Cash flow generated by operating activities | 3,300 | (2,002) |
| Cash flow generated (absorbed) by investments activities | (8) | 40 |
| Cash flow generated (absorbed) by loans | (5,162) | (19) |
| Increase/(decrease) in available cash and cash equivalents | (1,870) | (1,981) |

Information on the items in the Consolidated Income Statement

In line with IFRS 5, after this divestment, the Handling business was classified as “discontinued operations”, which means that, in the Income Statement for the year 2022 and, for comparative purposes, of 2021, the revenue and expense items of this business have been reclassified to the item “Net income from assets sold or held for sale” (see section 6.2 for more details). Therefore, the comparative data presented in the remainder of this report reflect this re-reporting.

For details of the balances of the items of the Consolidated Income Statement resulting from relations with related parties, see Annex C to these Explanatory Notes.

Summary of the impacts of the Covid-19 epidemic on the Income Statement

The following main changes occurred in 2022, compared to 2021, due to the gradual resumption of operations towards pre-Covid-19 levels:

1. The recovery of air traffic (+137% of passengers compared to 2021, equalling ca. +3.9 million);
2. The consequent increase in operating revenues, which increased by approx. € 41.7 M (+118.6%), reflecting greater traffic trends;
3. The continuation of cost reduction actions throughout the year, such as the use of temporary unemployment benefits (“CIGS”), the revision of supply agreements for goods and services, and so on, which led to a + € 22.2 M mitigation of higher operating costs in 2022 (+52.7%) compared to 2021;
4. Lower revenues (- € 4.1 M) and costs (- € 4 M) for construction services incurred in 2022 for the infrastructure investments in the two Tuscan airports.

NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED FINANCIAL STATEMENTS

31 DECEMBER 2022:

BALANCE SHEET-FINANCIAL SITUATION

The items of the Consolidated Statement of Financial Position as at 31 December 2022 are commented below, indicating the comparison with balances as at 31 December 2021.

For the details of the balances of the items of the Consolidated Statement of Financial Position arising from relations with related parties, please refer to note no. 10.4 in “Relations with related parties”.

NON-CURRENT ASSETS

The composition of non-current assets at 31 December 2022 and a comparison against 31 December 2019 are given below.

| amounts in euro/000 | 31.12.2022 | 31.12.2021 | VAR. |
|---------------------|------------|------------|---------|
| NON CURRENT ASSETS | 402.384 | 410.804 | (8.420) |

1 Intangible assets

| amounts in euro/000 | 31.12.2022 | 31.12.2021 | VAR. |
|---------------------|------------|------------|---------|
| INTANGIBLE ASSETS | 336.745 | 341.637 | (4.892) |

In addition to the information provided in the introduction, aggregate investments for approximately € 7.7 M in intangible assets were made in 2022, consisting of:

| (amounts in €K) | 31 Dec. 2022 |
|--|--------------|
| Concession rights (royalties) | 1,723 |
| Construction in progress (concession rights) | 5,684 |
| Work in progress (Software) | 177 |
| Other minor intangibles | 77 |
| Software | 61 |
| Total | 7,722 |

For a detailed analysis of the investments made in 2022, see section 9 of the Report on Operations. During 2022, assets were disposed of for € 91 K, as a result of the sale of the TAH majority shareholding. Movements of intangible assets are detailed in Annex A and information on the various categories of intangible assets is given below.

a. Goodwill

The value at 31 December 2022 is equal to € 8.35 M and has not changed compared to the value at 31 December 2021. The change that occurred in 2021 compared to 2020 was recognized following the transaction for the acquisition of 51% di Cemes Aeroporti S.r.l., (active since July 2020) in the construction sector, which at the same time assumed the company name of Toscana Aeroporti Costruzioni S.r.l. (TAC). TAC's corporate purpose is the construction of airport, road and railway constructions, as well as river and maritime works, as well as the construction of noise mitigation works and the prefabrication of concrete artefacts for airport and railway road works. The operation is part of TA's strategy aimed at making the investments necessary for the infrastructural development planned for the Florence and Pisa airports through a subsidiary company.

The goodwill recognized refers to the experience in the reference business of the acquired company and to the possibility of making the infrastructural development strategy of the Florence and Pisa airports more efficient through the subsidiary.

Goodwill was subjected to an annual impairment test in the manner described below in the specific paragraph.

b. Concession rights

The value of this item at 31 December 2022 is € 301 M (€ 307 M at 31 December 2021), down by € 6 M due to the effect of the year's infrastructure investment (€ 5.9 M), net of amortization . For further details, see section 9 in the Report on Operations.

c. Industrial patent rights

This item totalled € 422 K at 31 December 2022 (€ 673 K at 31 December 2021), down by € 250 K as a result of the higher amortization with respect to the year's investments.

d. Construction (work) in progress

At 31 December 2022, this item includes almost exclusively concession rights of the Subholding for € 26.8 M (€ 25.2 M at 31 December 2021), up by € 1.5 M due to the effect of the new ongoing investments of € 5.9 M, a difference that is partially offset by the item "Concession rights" for € 4.3 K after the conclusion of the related projects.

Please note that the value of construction in progress includes approx. € 16.8 M relating to the investment for the development of the Florence airport Master Plan and approx. € 5 M of investment for the design of the new Florence terminal.

Concerning these investments, we remind readers that the decisions of the Italian Regional Administrative Court ("TAR") and of the Council of State, pronounced in 2019 and February 2020, respectively, which required TA to restart the VIA procedure in order to overcome some weaknesses in the preliminary documentation, do not question the technical validity of the project and do not identify any regulatory or environmental impediment to its implementation; in fact, TA can reuse the specialist analyses and design work developed until now for the new work approval procedure.

During 2022, the Company continued to cooperate with ENAC in order to restart of the approval process, also in the light of the provisions of Law Decree 76/2020 (so-called "Decreto Semplificazioni" or Simplification Decree), which may help reducing the necessary authorization timeframe.

The amount of construction in progress relating to the Florence airport Master Plan was also tested for impairment as described below.

Impairment test

At 31 December 2022, pursuant to IAS 36 “Impairment of Assets”, an impairment test was performed on data at 31 December 2022, as approved, together with the Group’s Business Plan, by the Board of Directors on 10 March 2023, on both the CGUs of the Florence and Pisa airports.

These CGUs include, in addition to Concession rights (including, for the Florence airport, assets under construction for Master Plan developments), the goodwill of all the other assets that make up the net invested capital of the respective airports, identified by Directors and dedicated to the development of the airports, both as regards air traffic, the infrastructure and passenger services.

More specifically, the expected cash flows of the two airports estimated for the residual duration of the respective concessions (2048 for Pisa and 2045 for Florence - conventionally defined as 2044 in view of the expiry of the concession in February 2045), having acknowledged the postponement of the completion of the new Florence airport until the new approval process is completed, have been approved by the Board of Directors of the holding TA on 10 March 2023 and discounted by determining the recoverable value in use of the respective CGUs, which value was compared with the related book value.

The time horizon of the economic-financial forecasts (hereinafter also the “Plan”) will therefore take into account the 24-month extension, established by Law no. 77 of 17 July 2020, of the expiry of the airport concessions, which were initially set at 2043 for the Florence airport and 2046 for the Pisa airport.

The objectives and assumptions of the Plan have been determined by taking into account the historical results of operations and have been processed based on accurate estimates of passenger traffic and of the related revenues, also by using industry-related growth factors and especially considering the significant reduction in the demand determined at the end of the years 2021 and 2022 due to the impact of the Covid-19 pandemic.

The definition of the main drivers of the Plan, particularly as regards future traffic development forecasts, has also been based on external information, such as independent surveys conducted by primary operators of the sector. In the light of the information acquired from internal and external sources, the Plan forecasts are based on a possible recovery of pre-Covid passenger traffic levels not earlier than 2024, with a 2023 still below 2019 levels, but showing a significant recovery.

In the period following the pre-Covid level recovery period, revenue growth has been defined based on the following percentages, which are also in line with the forecasts developed by external sources on long-term traffic trends and with reported historical trends:

- Growth rate of operating revenues for the Florence airport: 5.4% CAGR for 2024-2045 (against 3.6% in 2021)
- Growth rate of operating revenues for the Pisa airport: 3.8% CAGR for 2024-2048 (against 2.8% in 2021)

As to the discounting of cash flows, the Group adopted a WACC (weighted average cost of capital) that reflects the current market valuation of interest rates and takes into account the specific risks of the business activity in which the CGUs operate, therefore establishing a WACC of 8.12% (against a WACC of 6.78% in 2021).

The Group then conducted a sensitivity analysis on the results of the test against the variations expected in basic assumptions (use of revenue growth rate and discount rate) that affect the value in use of the CGUs. Even in the event of a 1% increase in the WACC used, the analyses would not show an impairment.

In addition, also based on Consob’s Warning Notice no. 1/21 of 16 February 2021 and on the recommendations issued by ESMA in the Public Statement “European common enforcement priorities for 2020 annual financial reports”, as well as considering the basic scenario commented above and supported by external studies, as specified above, the expected scenario is one of persisting adverse effects of the pandemic and the present macroeconomic context. According to the assumed scenario, the expectation to reach the foreseen EBITDA should be put off of another two years. In fact, the EBITDA expected by the respective CGUs for 2023 was also applied to the years 2024 and 2025, and only in 2026 can we assume that

the margin levels defined in the basic scenario for the 2024 Plan will be reached. Despite this further significantly negative impact, the value of use of the CGUs examined is still higher than their net carrying amounts.

In all the cases processed, the current value of expected cash flows generated by the CGUs is higher than the net book value tested for impairment.

In addition, the Group conducted a further simulation aimed at defining the reduction of revenues and, for the same amount, of the profits expected in the plan, which would determine a recoverable amount not lower than the carrying amount of the CGUs. The reduction in revenues, which, without any reduction in the amount of costs, would result in a recoverable amount not lower than the carrying amount of the CGUs, would be about 18.4% for Florence airport and about 17.6% for Pisa airport.

Considering that the recoverable value is determined based on estimates, the Group cannot ensure that an impairment may appear in future periods. In the current market context, the various factors used for the processing of the estimates could be reviewed. The Group will constantly monitor these factors and any possible impairment.

e. Other fixed assets

The value of this item at 31 December 2022 is € 262 K (€ 225 K at 31 December 2021), and refers to investments in leased assets, particularly on the municipal road of “Via del Termine” near the Florence airport.

2 Tangible assets

| amounts in euro/000 | 31.12.2022 | 31.12.2021 | VAR. |
|---------------------|------------|------------|---------|
| TANGIBLE ASSETS | 39.924 | 42.553 | (2.629) |

On the whole, approximately € 1.4 million were invested in 2022 for:

| (amounts in €K) | 31 Dec. 2022 |
|---------------------------------|--------------|
| Plant and machinery: | 977 |
| Motor vehicles | 167 |
| Furniture and fittings | 74 |
| Hardware | 87 |
| Construction (work) in progress | 79 |
| Total | 1,384 |

For a detailed analysis of the main investments made in 2022, see section 9 of the Report on Operations.

Disposal of assets for € 299 K were made during 2022 in connection with the exit of TAH.

Movements regarding property, plant and equipment is given in Annex B.

3 Rights of use

At 31 December 2022, the value of the rights of use of the Company is € 3.9 M, including:

1. Rights of use on land, buildings and improvements for € 3.6 M, relating to long-term contracts signed for the concession of car park areas, with terms ranging from 9 to 20 years;
2. Rights of use on vehicles, furniture and fittings for € 349 K, relating to long-term contracts signed for corporate cars, with terms ranging from 3 to 4 years.

The details of the year are provided below.

| amounts in euro/000 | 31.12.2022 | 31.12.2021 |
|---------------------|--------------|--------------|
| RIGHTS OF USE | 4.583 | 4.542 |
| Acquisitions | 120 | 821 |
| Dismission | 0 | 0 |
| Depreciation | (798) | (779) |
| Total | 3.904 | 4.583 |

4 Investments in other entities

At 31 December 2022, the CAI Group owns shares in other investments for € 2,962 K (€ 2,953 K at 31 Dec. 2020), consisting of in:

- Firenze Parcheggio S.p.A. (8.16% of the share capital): € 2,823 K
- I.T. Amerigo Vespucci S.p.a. (0.17% of the share capital): € 40.6 K
- Consorzio Turistico Area Pisana S.c.a.r.l. (2.37% of the share capital): €420
- Toscana 24 Srl (4% of the share capital): € 30 K
- Consorzio Pisa Energia S.c.r.l. (3,53 % of the share capital): €831
- Consorzio per l'Aeroporto di Siena (0.11% of the share capital): € 8.5 K
- Firenze Convention Bureau S.c.r.l. (2,77 % of the share capital): € 6.3 K
- Firenze Mobilità S.p.a. (3.98% of the share capital): € 42.5 K
- Società Esercizio Aeroporto della Maremma S.p.a. (0.39% of the share capital): € 10.2 K
- A. C. Quasarda S.c.a.r.l. (72.42% of the share capital): € 7.2 K

The valuation of the investment in Firenze Parcheggio S.p.A. was done by using a methodology that takes into account expected future cash flows, called the discounted cash flow method, based on which the book value has been confirmed.

No significant change in the fair value of Equity Investments in other Entities - is recognized at 31 December 2022.

5 Investments in associated and jointly controlled companies

At 31 December 2022, the value of the Subholding TA's equity interests in associates and related entities is € 572 K (€ 632 K at 31 Dec. 2021), as shown in the table below.

- Alatoscana for € 378 K (€ 376 K at 31 December 2021);
- Toscana Aeroporti Handling for € 187 K (zero at 31 December 2021);
- A.C. Quasarda for € 7.2 K (€ 7.2 K at 31 December 2021).

The 20% stake in TAH, acquired on 30 Dec. 2022, following the loss of control, was measured at fair value. For further considerations on the characteristics of the entities in question, see the section "Relationships with associated companies, jointly-controlled companies and related parties" of the Report on Operations.

No impairment indicator applies to Equity Investments in related entities.

6 Other financial assets

| amounts in euro/000 | 31.12.2022 | 31.12.2021 | VAR. |
|--|------------|------------|-------|
| Guarantee deposits | 742 | 193 | 549 |
| Receiv. from other due beyond the year | 4.692 | 3.180 | 1.512 |
| Total | 5.497 | 3.373 | 2.124 |

Guarantee deposits

These mainly refer to guarantee deposits issued in favour of utility providers (for connections), tobacco products, cash floats given to ticket offices and parking operators.

Receivables from others, due beyond the year

The receivable mainly derives from the confirmation deposit on the price account of € 3 M paid by the Subholding in June 2018 upon signing the preliminary contract relating to the acquisition from NIT – Nuove Iniziative Toscane S.r.l. (a real estate company controlled by the Unipol Group) of an area located in the so-called "Piana di Castello" near the Florence airport for the purpose of developing the Master Plan and the component of the consideration to be received (earn out) for the sale of TAH equal to € 193 K, a financial asset designated at fair value (FVTPL). The amount also includes trade receivables relating to contractual repayment plans, the value of which at December 31, 2022 is equal to € 1,482 K (€ 162 K at December 31, 2021) and mainly refers to the repayment plan of receivables from associate TAH for € 1,342 K

Financial instruments

This item, totalling approximately € 63 K at 31 December 2022, refers to the fair value of the option right of the Subholding TA for the sale of the remaining 20% share today owned in TAH's share capital, as provided for in the sale contract.

7 Other non current assets

Other non-current assets consist of deferred tax assets and liabilities, shown net when offsettable within the same jurisdiction. The net balance is equal to € 12,779 K (€ 15,074 K as at 31 December 2021). This amount mainly consists of the tax effects recognized on the 2021 tax losses of the Group and its main subsidiaries, on the temporary differences calculated on the taxed provisions (recovery provision, bad debt provision, etc.), and on the accounting of intangible fixed assets (concession rights) according to IFRIC 12.

Deferred tax assets and liabilities have been determined by applying the tax rate in force in the year in which the temporary differences will reverse.

The change in deferred tax assets mainly derives from:

- exit from the scope of consolidation of the subsidiary Toscana Aeroporti Handling s.r.l. (effect of approximately € -2,400 K);
- use of tax losses carried forward against the achievement of positive tax results (effect of approximately € -1,450 K);
- changes in taxed provisions and other minor ones (effect of approximately + € 660 K)

The recoverability of deferred tax assets relating to tax losses is reflected in the ability to produce tax profits in future years as can be inferred from the long-term plan approved by the Board of Directors of the Subholding on 10 March 2023, also taking into account that the tax legislation permits the use of tax losses carried forward over an unlimited time horizon.

CURRENT ASSETS

The composition of current assets at 31 December 2022 and a comparison against 31 December 2019 are given below.

| amounts in euro/000 | 31.12.2022 | 31.12.2021 | VAR. |
|---------------------|------------|------------|---------|
| CURRENT ASSETS | 88.258 | 93.475 | (5.217) |

8 Trade receivables

The main item includes receivables from customers for € 18,125 K at 31 December 2022 (€ 16,904 K at 31 December 2021), net of the provision for bad debt, as detailed in the table below:

Receivables from customers

| amounts in euro/000 | 31.12.2022 | 31.12.2021 | VAR. |
|-------------------------|------------|------------|-------|
| Total gross receivables | 23.174 | 21.385 | 1.789 |
| Bad debts reserve | (5.049) | (5.291) | 242,0 |
| Total net receivables | 18.125 | 16.094 | 2.031 |

The provision for bad debt was increased during the year with the addition of € 115 K and decreased for the use of € 356 K.

BAD DEBT PROVISIONS

| amounts in euro/000 | 31.12.2021 | prov. | use | 31.12.2022 |
|---------------------|------------|-------|-------|------------|
| Bad debt provisions | 5.291 | 115 | (356) | 5.049 |

The composition of trade receivables by category of overdue account is detailed in the table below.

amounts in euro/000

| | Aggregate Total | Receivabl es due | Expired receivables | | | | |
|---------------------------------|--------------------|---------------------|---------------------|-------|-------|--------|---------|
| | | | 0-30 | 30-60 | 60-90 | 90-180 | > 180 |
| Non current/current receivables | 21.385 | 8.024 | 4.143 | 1.339 | 333 | 743 | 6.804 |
| Expected loss rate | 0 | 0 | (0) | (0) | (0) | (0) | (1) |
| Provision for bad debt | (5.291) | 0 | (11) | (18) | (18) | (61) | (5.182) |
| Total 31-dec-2020 | 16.094 | 8.024 | 4.132 | 1.321 | 315 | 682 | 1.621 |

amounts in euro/000

| | Aggregate Total | Receivabl es due | Expired receivables | | | | |
|---------------------------------|--------------------|---------------------|---------------------|-------|-------|--------|---------|
| | | | 0-30 | 30-60 | 60-90 | 90-180 | > 180 |
| Non current/current receivables | 21.250 | 9.847 | 4.123 | 820 | 483 | 220 | 5.756 |
| Expected loss rate | 0 | (0) | (0) | (0) | (0) | (0) | (1) |
| Provision for bad debt | (5.049) | (8) | (8) | (40) | (43) | (60) | (4.891) |
| Total 31-dec-2019 | 16.201 | 9.839 | 4.115 | 780 | 440 | 160 | 865 |

Trade receivables also include receivables from associated and jointly-controlled companies shown in the following table:

Receivables from associated companies

amounts in euro/000

| | 31.12.2022 | 31.12.2021 | VAR. |
|----------------------------|------------|------------|------------|
| Alatoscana Spa | - | 32 | - 32 |
| Immobili AOU Careggi Spa | - | 107 | (107) |
| Toscana Aeroporti Handling | 686 | - | 686 |
| AC. Quasarda | 23 | - | 23 |
| Total | 709 | 139 | 570 |

9 Tax credits

This item totalled approx. € 729 K at 31 Dec. 2022 (€ 2,781 K at 31 Dec. 2021), and mainly consists of:

- tax receivables for current taxes of the Subholding TA from other subsidiaries (+ € 60 K referring to Ires/Irap advances);
- a € 522 K VAT credit of the subsidiaries;
- a € 73 K VAT credit of Vola Srl (former subsidiary, now liquidated);
- a € 33 K credit on investments in operating assets made by the Subholding TA;
- € 27 K of ART bonus of the parent company.

10 Receivables from others due within the year

Receivables from others, due within the year

| amounts in euro/000 | 31.12.2022 | 31.12.2021 | VAR. |
|--|--------------|---------------|----------------|
| Public Contributions (State, Region) | 191 | 9.552 | (9.361) |
| Receiv. from carriers for add. municipal income tax on pass. Board. fees | 4.864 | 4.299 | 565 |
| Advance payments made to suppliers | 1.035 | 819 | 216 |
| Monopoly products receivables | 52 | 56 | (4) |
| Other accounts receivables | 1.861 | 1.209 | 652 |
| Total | 8.002 | 15.935 | (7.932) |

The item Public grants includes credits relating to state and regional subsidies, more fully described in the paragraph "Other income".

The credit for the municipal surcharge on passenger boarding fees, established by art. 2, paragraph 11 of the law of 24 December 2003 n. 350, has the same trend in the item "Other tax payables" of Current liabilities as the amount collected is paid to the State.

The other receivables mainly concern supplies with advance billing, membership fees, insurance.

11 Cash and cash equivalents

This item shows a value of € 60,693 K at 31 Dec. 2022 (€ 58,524 K at 31 Dec. 2021) and almost exclusively includes cash owned in current bank accounts and the remaining cash on hand component. The difference in cash mainly reflects:

- Cash flows generated by operating activities for € 30.4 M;
- Investments in airport infrastructure for € 9.1 M
- Net difference in the Subholding TA loans for € 10.5 M

For more details, see the Statement of Cash Flows in the Report on Operations.

12 SHAREHOLDERS' EQUITY

The Shareholders' Equity decreased by about € 5.1 M mainly as a consequence of the decrease in capital reserves due to the coverage of the previous year's losses.

The Group's objectives in managing capital are to:

- protect business continuity, so as to keep providing returns to shareholders and benefits to other stakeholders; and
- maintain an optimal capital structure to reduce the cost of capital.

The Shareholders' equity consists of the following items:

Share Capital

As at 31 December 2022, the share capital of € 85 Million, fully paid up, consisted of no. 130,000 ordinary shares without par value (130,000 as at December 31, 2021).

Other reserves

Capital reserves consist of:

| Description | 31.12.2022 | 31.12.2021 |
|-----------------------|--------------|--------------|
| Legal Reserve | 299 | 299 |
| Consolidation Reserve | (26.178) | (20.541) |
| Extraordinary Reserve | 27.700 | 27.700 |
| Other reserves | (53) | 0 |
| Totale | 1.820 | 7.458 |

The consolidation difference recognized in previous years refers to the adjustment to the IAS of the CAI Financial Statements and to the effects of the amortization of the higher value of the concessions and the reversal of the related deferred taxes.

Profit/(Loss) carried forward

Losses carried forward for € 1,888 K (profits carried forward for € 1,531 K as at 31 December 2021). The change mainly derives from the allocation of the 2021 result.

Other components of the Statement of Comprehensive Income

The value at 31 December 2022 is broken down below:

| SITUATION AT 31 Dec. 2022 | PROFIT/(LOSS) CARRIED FORWARD | GROUP TOTAL | MINORITY INT. S.E. | TOT. OTHER COMPON. OF COMPREH. I.S. |
|---|-------------------------------------|----------------|-----------------------|---|
| - Profit (loss) arising from the determination of the Termination Benefit after tax | 266 | 266 | 19 | 284 |
| - Profit (loss) arising from the determination of the Employee Termination Benefit, after deducting the taxes of assets sold or held for sale | 174 | 174 | 0 | 174 |
| GROUP'S COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD | 439 | 439 | 19 | 458 |
| SITUATION AT 31 Dec. 2021 | PROFIT/(LOSS) CARRIED FORWARD | GROUP TOTAL | MINORITY INT. S.E. | TOT. OTHER COMPON. OF COMPREH. I.S. |
| - Profit (loss) arising from the determination of the Termination Benefit after tax | 180 | 180 | 13 | 193 |
| GROUP'S COMPREHENSIVE PROFIT/(LOSS) FOR THE PERIOD | 180 | 180 | 13 | 193 |

The tax effect regarding the other components of the Statement of Comprehensive Income is broken down below:

| SITUATION AT 31 Dec. 2022 | Gross value | Tax (charge)/benefit | Net Value |
|---|-------------|-------------------------|------------------|
| - Profit (loss) arising from the determination of the Termination Benefit after tax | 374 | -90 | 284 |
| - Profit (loss) arising from the determination of the Employee Termination Benefit, after deducting the taxes of assets sold or held for sale | 229 | -55 | 174 |

| SITUATION AT 31 Dec. 2021 | Gross value | Tax (charge)/benefit | Net Value |
|---|-------------|-------------------------|------------------|
| - Profit (loss) arising from the determination of the Termination Benefit after tax | 254 | -61 | 193 |

Group's profit (loss) for the period

This item includes the Group's result for the year ended 31 December 2022, consisting of loss for € 3,129 K (loss of 9,331 K at 31 December 2021).

Minority interest

Based on the equity relationships existing in 2022, minority shareholders' interest totals € 80,092 K (€ 82,383 K at 31 December 2021).

13 Provisions for risk and charges

The provisions for liabilities and expenses consists of € 1,237 K (€ 2,213 K at 31 December 2021). The details of the year are provided below.

| | Data in €K |
|--|--------------|
| Provisions for liabilities and expenses at 1 Jan. 2022 | 2,213 |
| Addition | 447 |
| Use | (297) |
| Sale of controlled company | (1,125) |
| Provisions for liabilities and expenses at 31 Dec. 2022 | 1,237 |

At 31 December 2022, the provision mainly includes the following amounts:

- 1) € 351 K relating to the Fire Brigade Protection Service dispute, described in detail in the section "Information on the main items of the Provision for liabilities and expenses at 31 December 2022";

- 2) € 1,346 K relating to potential labour dispute risks, better described in the “Additional information” section;
- 3) € 215 K relating to a dispute in which the Subholding TA is sued by certain oil companies, which are themselves sued by certain national carriers, in connection with the sum of fuel royalties determined on the volumes handled in the 1999-2005 period (under Law no. 245/05, so-called Act on system requirements);
- 4) € 543 K relating to disputes on local taxes concerning the different classification of airport areas for IMU (municipal property tax) determination purposes.

For further information, see the section “Information on the main items of the Provisions for liabilities and expenses”.

The amounts set aside by the Company to face potential risks deriving from ongoing disputes are deemed appropriate for the predictable outcome of the legal proceedings.

14 Provisions for repair and replacement

This provision (valued according to the best estimate of the expense currently required to fulfil the obligation at the closing date of the report) includes the amounts spent for the maintenance and repair of infrastructures in the Florence and Pisa airports, to be returned in perfect maintenance conditions to the Grantor at the end of the concession period. The global value of this item at 31 December 2022 is € 21,483 K, up by € 2,349 K with respect to 31 December 2021, as a result of the year’s uses, mainly referred to the works completed on the Florence airport runway, partially offset by the additions to the provision made in 2022. Details are given below:

| | Data in €K |
|--|---------------|
| Provisions for repair and replacement at 1 | |
| Jan. 2022 | 19,134 |
| Addition | 3,248 |
| Use | (1,533) |
| Financial expenses | 635 |
| Provisions for repair and replacement at 31 | |
| Dec. 2022 | 21,483 |

Based on its estimated time of use, this provision has been recognized among non-current liabilities for € 17,887 K and to current liabilities for € 3,596 K.

The potential impact on this provision in terms of increase, as a consequence of a hypothetical reduction of 50 basis points in discount rates, would be approximately € 508 K. The potential impact on the provision in terms of decrease, as a consequence of a hypothetical increase of 50 basis points in discount rates, would be approximately € 483 K.

15 Provisions for employee benefits

The item includes the value of the provision for employee benefits, which is considered as a defined benefit obligation to be recognized as recommended by IAS 19 “Employee Benefits”.

The parameters used for the valuation of the Pisa and Florence airport staffs at 31 December 2022 are:

- Annual technical discount rate: 3.77%
- Annual inflation rate: 5.9% for 2023; 2.3% for 2024; 2% for 2025;

- Annual ETB increase rate: 5.9% for 2023; 3.2% for 2024; 3% for 2025;

As far as the discount rate is concerned, the Corporate AA iBoxx 10+ index has been selected as criterion for the valuation of this parameter, as its duration is suitable for the average time of permanence of the two staff groups being considered.

There is no defined benefit scheme for the executive staff of the company.

The liability is € 2,344 K (€ 5,309 K at 31 December 2021). This provision is booked after deducting the advance payments made and settlements paid during the period examined, and shows a € 2,966 K reduction compared to 31 Dec. 2021, as detailed below:

| | 31.12.2021 | variation | Actuarial (gain)/ loss | IAS fin. Charg | use | 31.12.2022 |
|-----------------------|------------|-----------|---------------------------|----------------|-------|------------|
| Employee benefit fund | 5.309 | (1.992) | (603) | 142 | (518) | 2.343 |

The difference introduced in the Statement of Comprehensive Income (€ 458 K) corresponds to the actuarial gain of € 603 K.

The valuation of future benefits is obviously affected by all the assumptions required for its identification; therefore, in order to obtain the sensitivity shown by the actual value as determined above compared to said assumptions, some tests have been conducted to provide the difference in the actual value against a given difference in some of the assumptions adopted, which may mostly affect that value. The table below provides the sensitivity analysis of the Provision (in €K).

| <i>Toscana Aeroporti Group</i> | | | | | | |
|--------------------------------|--------------------------------|----------|-----------------------|----------|----------------------|----------|
| | Annual technical discount rate | | Annual inflation rate | | Annual turnover rate | |
| | + 0.50 % | - 0.50 % | + 0.25 % | - 0.25 % | + 2.50 % | - 2.50 % |
| Provision (data in €K) | 4,133 | 4,475 | 4,349 | 4,250 | 4,315 | 4,284 |

Finally, the table below provides a prediction of disbursement of the provision.

Future Cash Flows (€)

| Year | CAIGroup |
|--------|----------|
| 0 - 1 | 255,801 |
| 1 - 2 | 156,340 |
| 2 - 3 | 213,247 |
| 3 - 4 | 295,870 |
| 4 - 5 | 449,005 |
| 5 - 6 | 363,438 |
| 6 - 7 | 489,437 |
| 7 - 8 | 515,887 |
| 8 - 9 | 407,555 |
| 9 - 10 | 491,838 |

16 Financial liabilities

The details of non-current and current financial liabilities are given below:

FINANCIAL LIABILITIES

| amounts in euro/000 | 31.12.2021 | increases | refunds | Other mov. | 31.12.2022 |
|---|----------------|---------------|-----------------|--------------|----------------|
| Non-current financial liabilities | 155.747 | - | - | 325,0 | 128.017 |
| <i>Bank overdrafts (short-term loans)</i> | 41.166 | 59.500 | - 60.500 | 98 | 40.264 |
| <i>Current portion of medium / long-term debt</i> | 12.278 | - | - 9.506 | 189 | 31.016 |
| Current financial liabilities | 53.444 | 59.500 | - 70.006 | 287 | 71.282 |
| Total | 209.191 | 59.500 | - 70.006 | 612 | 199.299 |

Other non-monetary movements mainly include the effect of the recognition of the interest share not yet settled for the period.

The amount of € 71.9 M, relating to the current financial liabilities existing at 31 December 2022, mainly refers for € 28,183 K to the current portion of medium/long-term debt relating to the loans of the Subholding described below, for € 40.3M to short-term loans (so-called "hot money") and for € 2.8 M to the current portion of the bond loan subscribed by the Parent Company.

The approx. € 28 M decrease in non-current financial liabilities refers to the short-term reclassification of the shares of capital due in the subsequent financial year.

The total amount of non-current financial liabilities and the related current share of medium-term debt relates to:

- 1) the loan agreement signed on 30 October 2020 with a pool of primary financial institutions consisting of Intesa Sanpaolo and BNL-BNP Paribas Group for a total amount of € 85 M secured by a SACE collateral in compliance with the provisions of the "Liquidity Decree" for an equal amount 90% of the sums paid in principal, plus interest and ancillary costs (hereinafter also the "SACE loan"). The outstanding principal debt at 31 December 2022 is € 79,820 K. This SACE loan was disbursed on 6 November 2020 and has a term of 6 years, with a pre-amortization of 24 months (first instalment paid in December 2022), and requires the company to comply a financial parameter, to be measured at the time of the annual consolidated financial statement, which consists in the value of the consolidated net financial position (NFP), as conventionally defined in the same agreement, not exceeding € 100 M. This financial parameter was met at 31 December 2022. According to the provisions of the loan agreement and of the "Liquidity Decree", this facility can be used to support the Group's cash requirements in connection with the payment of personnel costs, rents or leases, investments and working capital, with an interest rate indexed to the Euribor rate plus a margin. In addition, annual commissions are determined in the agreement, to be calculated in connection with the SACE guaranteed component on the share of principal paid out and not repaid, with a fixed percentage increasing over the term of the loan - For additional details, see the "Liquidity risk" section of these Explanatory Notes;
- 2) A long-term obtained from the bank "Banca Infrastrutture Innovazione Sviluppo" (BIIS - Intesa San Paolo Group) and MPS Capital Services to support infrastructure investments, with an original amount of € 40 M. This loan has a variable interest rate indexed to the 6-month Euribor rate plus a spread. The maturity date of the loan obtained from BIIS - Intesa San Paolo Group is September 2027 and the residual debt at 31 December 2022 is € 14.6 M (of which € 2.9 M to be repaid over the next 12 months).
- 3) Three loans obtained in 2017, 2018, and 2021 by the subsidiary Jet Fuel have a residual debt of € 305 K at 31 December 2022 (of which € 253 K due within the next 12 months).
- 4) The bond loan subscribed by the Parent Company which amounts to approximately € 58 M as of 31 December 2022 (2.734 k due within the next 12 months).

The financial liabilities arising from the loans granted to the Subholding by BIIS - Gruppo Intesa San Paolo and MPS Capital Service require compliance with preset financial ratios that are defined in the related agreement, such as the NFP/EBITDA and the NFP/Shareholders' Equity ratios, as defined in the agreement signed with the lending bank and measured on the book values of the financial statements of the Subholding. These measurements are performed when the annual report is issued (31 December).

At 31 December 2022, the Subholding, for the loan granted by BIIS - Intesa San Paolo Group, obtained a specific waiver of the requirement to provide financial ratios, as required by the respective agreements, on 31 December 2022 data. In consequence of that waiver, TA established that no dividends will be distributed until 2024, as long as the SACE loan has not been repaid.

The SACE loan agreement also requires compliance with a financial parameter to be measured when the annual consolidated financial statements are adopted, which consists of the value of the consolidated net financial position, as conventionally defined in the same agreement, not exceeding € 100 M. This financial parameter was met at 31 December 2022. It should also be noted that, after obtaining the waiver aimed to distribute reserves in 2022 for € 7 M, TA undertook not to distribute dividends until 2024 in the presence of said loan.

Failure to comply with the covenants and the other contractual commitments undertaken with the loan in question may lead, if the default is not remedied within the terms agreed, to the early repayment of the outstanding debt and/or to a restriction in the distribution of dividends.

Finally, in line with market practice, the aforesaid loans may include: negative pledge commitments under which the company cannot create real warranty rights or other constraints on company assets; *pari passu* clauses, under which the loans will have the same degree of priority in repayment as the other financial liabilities; and "change of control" clauses, that are activated in the event that the majority shareholder loses control over the company; limitations to the non-recurring transactions the Subholding may perform.

With reference to the bond loan of 60 million euro of the Parent Company, guaranteed by a pledge in favor of U.S. Bank Trustees Limited of London, expiring in 2024, it should be noted that this loan provides for compliance with formal and financial obligations (so-called operating and financial covenants) for its entire duration.

Following the Covid-19 emergency, Toscana Aeroporti's revenues suffered a significant contraction, as happened for all operators in the airport sector at national and international level. Consequently, the company therefore promptly started negotiations with the bondholders in order to obtain from the latter a waiver of the negative consequences that could have arisen from failure to comply with this covenant. The process ended with the obtaining, in November 2020, of a first waiver with respect to the original terms and conditions of the bond loan, suspending any potential "Default" or "Event of Default".

Since the health emergency also affected the 2021 financial year, in June 2021 and December 2021 the Company, with the contacts of its Shareholders and the support of legal advisors, managed to finalize the renewal of the waivers with the representatives of the bondholders and their lawyers on the verifications of the envisaged obligations with reference to the dates 31 December 2021 and 30 June 2022.

As a result of the persistent spread of the variants of the COVID-19 virus and the conflict between Ukraine and Russia ignited at the end of February 2022, the Company managed to finalize the renewal of the waiver with the representatives of the bondholders and their lawyers on December 29, 2022, in order to obtain temporary coverage on the verifications of the obligations envisaged as at 31 December 2022 and 30 June 2023.

The waiver currently in place envisages a series of conditions aimed at guaranteeing bondholders the satisfaction of the Company's financial commitments, through the maintenance of minimum liquidity thresholds (4 million at the end of each quarter, except on 30 June at the coupon expiry of interest where the threshold is set at 1.6 million) currently respected and which will be guaranteed for future maturities also thanks to a planned contribution from the Shareholders; in addition, it provides for the preparation and making available to bondholders on a quarterly basis of further current and prospective documentation of a quantitative and qualitative nature not only by the Company, but also by the subsidiary Toscana Aeroporti.

To date, all the obligations associated with the bond loan, both the original ones and those envisaged in said waiver, have been duly complied with by the Company and deemed satisfactory by the bondholders.

Details of the Subholding's loans existing at 31 December 2022 are shown below.

| Amounts in €K | Capital share | Interest share | Total |
|--------------------------------|----------------|----------------|----------------|
| Within the year | 68,056 | 4,133 | 72,189 |
| Included between 1 and 2 years | 22,830 | 2,534 | 25,364 |
| Included between 2 and 3 years | 22,778 | 1,406 | 24,183 |
| Included between 3 and 4 years | 17,800 | 418 | 18,219 |
| Included between 4 and 5 years | 2,868 | 65 | 2,933 |
| Included between 5 and 6 years | - | - | - |
| Beyond 6 years | - | - | - |
| Total | 134,332 | 8,555 | 142,888 |

Details of the credit facilities existing at 31 December 2022 are shown below.

| Data in €K | 31 Dec. 2022 | 31 Dec. 2021 | Diff. |
|------------------------------|---------------|---------------|----------------|
| Credit lines granted | 49,650 | 52,550 | (2,900) |
| <i>of which Subholding</i> | 49,250 | 52,150 | (2,900) |
| <i>of which subsidiaries</i> | 400 | 400 | - |
| Credit lines used | 40,000 | 41,000 | (1,000) |
| <i>% used</i> | 81% | 78% | |
| Residual facilities | 9,650 | 11,550 | (1,900) |

The lines of credit existing at 31 December 2022 refer to non-revolving lines of credit for € 40 M and the residual lines of credit at that date include non-revolving lines of credit for € 9,650 K.

Financial liabilities outstanding at 31 December 2022 are reported below, distinguished into fixed and variable interest rate categories.

| Banking institution | Expiry | type of interest | Interest rate | Debt at 31 December 2022 (in €K) |
|--|----------------|------------------|--------------------------|----------------------------------|
| Intesa San Paolo - 1 st tranche | September 2027 | variable | 6-Month Euribor + 96 bp | 6,285 |
| Intesa San Paolo - 2 nd tranche | September 2027 | variable | 6-Month Euribor + 180 bp | 8,287 |
| BPM - I Jet Fuel loan | June 2023 | variable | 3-Month Euribor + 110 bp | 51 |
| BPM - II Jet Fuel loan | June 2024 | variable | 3-Month Euribor + 110 bp | 153 |

| | | | | |
|-------------------------|--|----------|--------------------------|----------------|
| BPM - III Jet Fuel loan | December 2023 | fixed | 1.65% | 101 |
| ISP-SACE | September 2026 | variable | 3-Month Euribor + 115 bp | 79,820 |
| a) | Total medium/long term loans payable | | | 94,698 |
| BPM | March 2023 | fixed | 0.50% | 9 |
| BPM | March 2023 | variable | 3M/360 Euribor + 1.25 | 3,533 |
| Bank Intesa San Paolo | March 2023 | fixed | 1.60% | 11,137 |
| BNL | March 2023 | fixed | 3.76% | 5,030 |
| UniCredit | March 2023 | variable | 3M/360 Euribor + 1.90 | 2,501 |
| UniCredit | March 2023 | variable | 3M/360 Euribor + 1.90 | 2,501 |
| UniCredit | March 2023 | variable | 3M/360 Euribor + 1.90 | 3,501 |
| UniCredit | March 2023 | variable | 3M/360 Euribor + 1.90 | 1,002 |
| MPS | March 2023 | fixed | 1.86% | 11,052 |
| b) | Total revolving lines of credit (“hot money”) | | | 40,264 |
| a) + b) | Total Financial Liabilities | | | 134,962 |

Bank loans at 31 December 2022 are shown below, carried at their book value and at fair value.

| F.V. BANK LOANS amounts in euro/000 | 31.12.2022 | |
|--|------------|------------|
| | notional | fair value |
| TA - INTESA SAN PAOLO | 14.340 | 13.445 |
| JET FUEL - BPM | 305 | 308 |
| TA - INTESA SAN PAOLO SACE | 79.688 | 79.868 |
| TA - SHORT-TERM FINANCING | 40.000 | 40.081 |
| CAI - BOND LOAN | 60.744 | 60.709 |
| | 195.077 | 194.411 |

The **Net Financial Position** (hereinafter “**NFP**”) at 31 December 2022, as shown in the Report on Operations, is specified in the following table:

NET CONSOLIDATED FINANCIAL INDEBTEDNESS

| (values in €/000) | 31.12.2022 Consolidated CAI | 31.12.2021 Consolidated CAI | Diff. 2022/2021 |
|---|-----------------------------------|-----------------------------------|--------------------|
| A Cash on hand and at banks | 60.693 | 58.524 | 2.169 |
| B Other cash and cash equivalents | - | - | - |
| C Securities held for trading | - | - | - |
| D Liquid assets (A) + (B) + (C) | 60.693 | 58.524 | 2.169 |
| E Current Financial receivables | - | - | |
| F Current bank payables | 40.266 | 41.168 | (902) |
| G Current portion of non-current indebtedness | 30.917 | 12.278 | 18.638 |
| H Other current financial payables due to leasing companies | 589 | 727 | (138) |
| I Current financial indebtedness (F) + (G) + (H) | 71.771 | 54.173 | 17.598 |
| J Net current financial indebtedness (I) - (E) - (D) | 11.078 | (4.351) | 15.429 |
| K Non-current bank payables | 66.515 | 94.037 | (27.522) |
| L Bonds issued | 58.011 | 57.718 | 293 |
| M Other non-current payables due to leasing companies | 3.491 | 3.993 | |
| N Non-current financial Indebtedness (K) + (L) + (M) | 128.017 | 155.748 | (27.731) |
| O Net financial indebtedness (J) + (N) P.F.N. | 139.095 | 151.397 | (12.302) |

At 31 December 2022, “Current bank liabilities” (use of short-term credit lines) totalled € 40.3 M, to which we should add the item “Current portion of non-current liabilities”, which includes the portions due within the next 12 months of medium-long term loans (€ 28,183 K), financial liabilities for rights of use (€ 589 K), and other liabilities related to the purchase of the TAC investment (€ 1 M).

In addition, there are “Non-current bank liabilities” amounting to approximately € 66.5 M, which mainly consist in the non-current share of outstanding loans and the non-current share of financial liabilities for rights of use (€ 3.5 M).

The item “Trade payables and other non-current liabilities” includes the non-current portion of financial liabilities relating to the purchase of the TAC shareholding (€ 1.4 M).

See comments in the Report on Operations.

17 Financial liabilities for rights of use

At 31 December 2022, financial liabilities for rights of use, determined by discounting the value of the leases due, totalled € 4.1 M, of which € 3.5 M are classified as non-current liabilities and € 0.6 M as current liabilities.

FINANCIAL LIABILITIES FOR RIGHTS OF USE

| amounts in euro/000 | 31.12.2022 | 31.12.2021 |
|---|------------|------------|
| Finan. Liab. Due beyond one year | 3.491 | 3.993 |
| Finan. Liab. For rights of use wh. one year | 589 | 727 |
| Tot.financ. Liab. For rights of use | 4.080 | 4.720 |

The details of the year are provided below. The Group adopted the practical expedient introduced by the amendment to IFRS 16 “Leasing” for the valuation of lease agreements, applicable when leases have been renegotiated as a result of Covid-19. The Group, as lessee, elected to account for the concession as a variable lease over the period in which a lower payment is recognized: the amount of these lower payments, € 152.5 K, is reported in the “Payments / Other reductions” line of the table below.

| Data in €K | 31 Dec. 2022 | 31 Dec. 2021 |
|--|---------------------|---------------------|
| Values at January 1st | 4,720 | 4,631 |
| Acquisitions | 120 | 821 |
| Payment / Other reductions | (887) | (863) |
| Financial expenses | 126 | 132 |
| Financial liabilities for rights of use at year-end | 4,080 | 4,720 |

Lease agreements contain no covenants.

The accrual of the financial liability is shown below.

| | €K |
|----------------|--------------|
| < 1 year | 745 |
| 1-2 years | 592 |
| 2-3 years | 493 |
| 3-4 years | 429 |
| 4-5 years | 309 |
| 5-6 years | 272 |
| Beyond 6 years | 1,813 |
| Total | 4,652 |

The margin interest rates defined by the Group are reviewed on a recurring basis and applied to all the contracts with similar characteristics, which have been considered as a single contract portfolio. Rates are determined starting from the average effective borrowing rate of the parent company, appropriately adjusted to simulate a theoretical marginal interest rate, consistent with the contracts to be recognized. The most significant items considered for the adjustment of the rate are the credit risk spread of each country that can be observed in the market and the different duration of lease agreements.

The rates used for contracts signed in 2021 are:

- 0.56% for car hire agreements
- 1.18% for long-term lease agreements
- 0.93% for short/medium-term lease agreements

The rates used for contracts signed in 2022 are:

- 3.85% for car hire agreements
- 3.71% for long-term lease agreements
- 3.65% for short/medium-term lease agreements

18 Other payables due beyond the year

Accounts payable beyond the subsequent year (entirely of the Subholding TA) consist of € 2,251 K (€ 2,778 K at 31 December 2021) and refer to:

- the non-current component of the account payable to Cemes for the acquisition of 51% of the shares of Cemes Aeroporti's capital (today Toscana Aeroporti Costruzioni) for € 1,419 K;
- guarantee deposits received from customers as a guarantee of the services performed in their favour for € 832 K.

Payables due beyond 5 years

The Group has loans of a duration exceeding 5 years, whose details are given in Note to Financial Liabilities and Note of Financial liabilities for rights of use.

19 Tax liabilities

The aggregate amount of this item, € 36,9 K (€ 30,6 K at 31 December 2021), and recorded an increase of € 6.2 M.

20 Trade Payables

Trade payables amount to € 36.9 M (€ 30.6 M as at 31 December 2021) and show an increase of € 6.2 M.

21 Payables to social security institutions

This item includes accounts payable to social security and pension institutions (INPS, INAIL) for a total of € 1,172 K (€ 1,598 K at 31 December 2021).

22 Other payables due within the year

The other payables due within the year consist of € 9,95 M (€ 8.42 M at 31 December 2021) and include the following debit items:

OTHER PAYABLES DUE WITHIN THE YEAR

amounts in euro/000

| | 31.12.2022 | 31.12.2021 | VAR. |
|--------------------------------------|--------------|--------------|--------------|
| Employee / contractors fees | 1.969 | 2.274 | - 305 |
| Concession fees | 3.575 | 1.170 | 2.405 |
| Deferred income | 612 | 699 | - 87 |
| Fire protection service | 1.270 | 1.039 | 231 |
| Air/bus/train ticket office receipts | 468 | 545 | - 77 |
| Institutional bodies fees | 111 | 128 | - 17 |
| Payable to Cem for TAC purchase | 1.000 | 1.000 | - |
| Advances from customers | 245 | 677 | - 432 |
| Others | 701 | 889 | - 188 |
| Total | 9.951 | 8.422 | 1.530 |

In detail:

- the Fire Protection Service is the account payable to the Revenue Agency introduced by the 2007 Finance Law. For further considerations, see details in the annex "Provisions for liabilities and expenses".

- The account payable to Cemes for the purchase of TAC shares is the liability due within the next twelve months, arising as a result of the related business combination;
- Prepaid expenses mainly refer to non-aviation revenues invoiced in advance.

**NOTES TO THE MAIN ITEMS OF THE CONSOLIDATED
FINANCIAL STATEMENTS
DECEMBER 31, 2022:
INCOME STATEMENT**

23 REVENUES

Total consolidated revenues increased by 86.3%, passing from € 48.5 M in 2021 to € 90.4 M in 2022. This difference results from the € 41.7 M increase in operating revenues, the € 4.3 M increase in other revenues, and the simultaneous € 4.1 M decrease in revenues from construction services.

| Amounts in €K | 2022 | 2021 | Abs. Diff. 2022/2021 | % Diff. |
|-------------------------------------|---------------|---------------|---------------------------------|----------------|
| REVENUES | | | | |
| Operating income | | | | |
| Aviation revenues | 59,476 | 27,351 | 32,125 | 117.5% |
| Non-Aviation revenues | 30,709 | 14,457 | 16,253 | 112.4% |
| Network development expenses | (13,367) | (6,661) | (6,706) | 100.7% |
| Total operating revenues | 76,819 | 35,147 | 41,672 | 118.6% |
| Other revenues | 6,182 | 1,863 | 4,319 | 231.8% |
| Revenues from construction services | 7,407 | 11,522 | (4,115) | -35.7% |
| TOTAL REVENUES (A) | 90,407 | 48,531 | 41,876 | 86.3% |

OTHER INCOME (B)

| | | | |
|-----|-------|---------|--------|
| 666 | 9,761 | (9,096) | -93.2% |
|-----|-------|---------|--------|

Consolidated operating revenues totalled € 76.8 M in 2022, up by 118.6% compared to 2021. The analysis of the Group's operating revenue trends for the two business units - Aviation and Non-Aviation - is given below.

24 Aviation revenues

Aviation revenues totalled € 59.5 M in 2022, up by 117.5% compared to 2021, when they totalled € 27.4 M. The table below breaks down 2022 aviation revenue items and the related differences, both in absolute and percentage terms, compared to 2021:

| Amounts in €K | 2022 | 2021 | Diff. Abs. 2022/2021 | Diff. % |
|--------------------------------|---------------|---------------|-------------------------|---------------|
| AVIATION REVENUES | | | | |
| Passenger boarding fees | 25,734 | 10,375 | 15,359 | 148.0% |
| Landing/departure fees | 14,662 | 7,348 | 7,314 | 99.5% |
| Stopover fees | 1,100 | 1,415 | (315) | -22.3% |
| PRM assistance fees | 4,258 | 1,769 | 2,489 | 140.7% |
| Cargo fees | 322 | 347 | (25) | -7.1% |
| Passenger security fees | 6,913 | 2,977 | 3,936 | 132.2% |
| Baggage security fees | 2,717 | 1,020 | 1,697 | 166.3% |
| Handling | 1,821 | 961 | 860 | 89.4% |
| Centralised infrastructures | 1,949 | 1,139 | 810 | 71.1% |
| TOTAL AVIATION REVENUES | 59,476 | 27,351 | 32,125 | 117.5% |

For the analysis of the main deviations of the two periods examined, see section 8.1 of the Report on Operations.

25 Non-Aviation revenues

Non-Aviation revenues totalled € 30.7 M in 2022, up by 112.4% compared to 2021, when they totalled € 14.5 M.

The table below provides details on Revenues from Non-Aviation business referred to 2022 and to 2021:

| Amounts in €K | 2022 | 2021 | Diff. Abs. 2022/2021 | Diff. % |
|------------------------------|-------|-------|-------------------------|---------|
| NON-AVIATION REVENUES | | | | |
| Parking lots | 5,671 | 2,319 | 3,352 | 144.5% |
| Food | 3,634 | 1,268 | 2,366 | 186.6% |
| Retail | 5,588 | 2,917 | 2,671 | 91.5% |
| Advertising | 1,823 | 1,142 | 681 | 59.7% |
| Real Estate | 1,727 | 1,681 | 45 | 2.7% |
| Car rental | 6,847 | 3,006 | 3,841 | 127.8% |
| Other subconcessions | 2,197 | 1,176 | 1,021 | 86.8% |

| | | | | |
|------------------------------------|---------------|---------------|---------------|---------------|
| VIP Lounges | 2,659 | 417 | 2,242 | 538.2% |
| Air tickets | 156 | 180 | (24) | -13.4% |
| Cargo agency | 408 | 351 | 57 | 16.1% |
| TOTAL NON-AVIATION REVENUES | 30,709 | 14,457 | 16,253 | 112.4% |

For further details, see section 8.1 in the Report on Operations.

26 Network development expenses

The main objective of the Group is to encourage the development of passenger scheduled and cargo traffic in the Tuscan airports of Pisa (PSA-Galileo Galilei) and Florence (FLR-Amerigo Vespucci), consistently with the characteristics of the Tuscan market and of the airport Infrastructure available, as well as to increase the number of scheduled flight connections to and from the airports, in order to support the consolidation and development of air traffic and thus contribute to the economic growth of the airport manager and meet the demand of the territory for better accessibility.

To pursue said objectives, the Subholding TA has developed an action plan with incentives based on marketing contributions (the so-called “network development expenses”) of differing amounts based on the extent of the air services provided by the carriers in the airports and on the extent of the strategic interest of the operation for the reference airport and territory, in consideration of free business initiative. Network development expenses totalled € 13.4 M in 2022, up by € 6.7 M (+100.7%) compared to 2021, when they totalled € 6.7 M. The difference is substantially in line with the increased traffic managed during the year and with aviation revenue trends.

27 Other revenues

The table below provides details on the “Other revenues” of 2022 against those of 2021:

| Amounts in €K | 2022 | 2021 | Diff. Abs. 2022/2021 | Diff. % |
|-----------------------------------|--------------|--------------|-------------------------|---------------|
| OTHER REVENUES | | | | |
| Design and manufacturing services | 3,870 | 0 | 3,870 | N/S |
| Utilities and others | 2,059 | 1,643 | 416 | 25.3% |
| Services and consulting | 98 | 101 | (3) | -2.9% |
| Minors | 155 | 119 | 36 | 29.9% |
| TOTAL OTHER REVENUES | 6,182 | 1,863 | 4,319 | 231.8% |

Year-on-year data for “Other revenues” show € 6,182 K at 31 December 2022, a greater amount compared to 2021, when the total was € 1,863 K. The difference of approximately € 4,319 K substantially derives from the design and manufacturing activities carried out by the Group through its subsidiary TAC under the multi-year framework agreement signed with ANAS (€ 3,870 K, zero at 31 December 2022). In addition, we point out that a higher number of utility connections were recovered by sub-concessionaires in the two airports (+ € 416 K).

28 Revenues from construction services

Revenues from construction services totalled € 7.4 M in 2022, against € 11.5 M in 2021 (-35.7%).
For further details, see section 9 “The Group’s investments” in the Report on Operations.

Additional information on revenues

Revenues are recognized below based on whether the services have been provided at a given Point In Time or Over Time.

| Amounts in €K | 2022 | 2021 | Diff. Abs. 2022/2021 | Diff. % |
|---|---------------|---------------|-------------------------|--------------|
| Revenues not included in the scope of IFRS 15 (*) | 21,569 | 11,110 | 10,459 | 94.1% |
| “Over time” revenues | 68,839 | 37,422 | 31,417 | 84.0% |
| “Point in time” revenues | - | - | - | N/S |
| TOTAL REVENUES | 90,407 | 48,531 | 41,876 | 86.3% |

(*) These are revenues from operating leases (sub-concessions) where the Group is the lessor.

Details of revenues not included within the scope of IFRS 15 are given below, distinguished between the fixed revenue component related to the agreement and the variable revenue component related to indices and rates or other variables.

The revenue details given below mainly refer to subconcessions for retail spaces (food, shops), advertising spaces and areas used for car rental. These are multi-year agreements, for which, upon renewal, the Group defines provisions considering any possible changes occurred in the airport infrastructure. Payments can be made on a monthly or quarterly basis and some agreements also include annual adjustments based on the customer's turnover. Where deemed necessary to reduce the credit risk, bank/insurance guarantees are required for the term of the lease.

| Amounts in €K | 2022 | 2021 | Diff. Abs. 2022/2021 | Diff. % |
|--|---------------|---------------|-------------------------|--------------|
| Fixed | 2,619 | 1,638 | 981 | 59.9% |
| Variable depending on an index or rate | 18,103 | 8,599 | 9,505 | 110.5% |
| Variable not depending on an index or rate | 846 | 873 | (27) | -3.1% |
| Total revenues not included in the scope of IFRS 15 | 21,569 | 11,110 | 10,459 | 94.1% |

An estimate of the minimum payments expected from subconcessions (operating leases in which the Group is the lessor) for the coming financial years is given below.

| Amounts in €K | 31 DEC 2022 | 31 DEC 2021 |
|--------------------------------|-------------|-------------|
| Within the year | 11,592 | 9,348 |
| Included between 1 and 2 years | 3,664 | 6,730 |
| Included between 2 and 3 years | 2,905 | 3,081 |
| Included between 3 and 4 years | 1,168 | 2,289 |
| Included between 4 and 5 years | 717 | 733 |
| Beyond 5 years | 85 | 446 |

| | | |
|--------------|---------------|---------------|
| Total | 20,132 | 22,627 |
|--------------|---------------|---------------|

29 OTHER INCOME

The table below details the “Other income” of 2022 against the same item of 2021:

| Amounts in €K | 2022 | 2021 | Diff. Abs. 2022/2021 | Diff. % |
|---|------------|--------------|-------------------------|---------------|
| OTHER INCOME | | | | |
| Grants | 315 | 7,665 | (7,349) | -95.9% |
| Capital gains from disposal of fixed assets | 52 | 98 | (46) | -46.9% |
| Compensation and reimbursements | 193 | 242 | (49) | -20.3% |
| Proceeds from concession value | 105 | 1,756 | (1,651) | -94.0% |
| TOTAL OTHER INCOME | 666 | 9,761 | (9,096) | -93.2% |

This difference essentially derives from Government grants (approx. € 7.7 M) recognized by the parent company throughout 2021 with the succession of decrees issued by the Government to support enterprises during the pandemic (“Decreto Sostegni” [Support Decree], Equalization Aid, etc.). The main contribution received in 2021, consisting of € 7.3 M, has been the one received under the equalization fund established by the 2021 Budget Law and implemented with a Decree of the Ministry of Sustainable Infrastructure and Mobility on 25 November 2021, in agreement with the Ministry of the Economy and Finance, to support airport operators (€ 735 M) and airport handlers (€ 65 M).

Income from the residual value of approx. € 1.8 M received has been recognized as required by the provisions of Art. 703 of the “Codice della Navigazione” (Navigation Code), in terms of the value that the incoming concessionaire has to pay to the outgoing concessionaire, which is determined by using regulatory analytical accounting rules. In detail, the amount in question, recognized as a contraentry to concession rights, refers to the share of scheduled maintenance work that has been recognized in the accounts within the framework of the provision for repair, but which, in regulatory analytical accounting, reflects assets that will not be completely amortized at the concession expiry date.

30 COSTS

Costs totalled € 71.3 M in 2022, up by 34% compared to 2021, when they totalled € 53.3 M. This is the result of the simultaneous +51% increase in operating costs (which passed from € 43.5 M in 2021 to € 65.5 M in 2022) and of the reduction of costs for construction services, which passed from € 9.8 M in 2021 to € 5.8 M in 2022 (-40.9%).

COSTS

| amounts in euro/000 | 2022 | 2021 | VAR. | VAR.% |
|--------------------------------|---------------|---------------|---------------|--------------|
| Consumables | 1.101 | 708 | 393 | 55,5% |
| Cost of personnel | 21.906 | 17.732 | 4.174 | 23,5% |
| Costs for services | 35.583 | 20.790 | 14.793 | 71,2% |
| Sundry operating expenses | 1.188 | 1.576 | -388 | -24,6% |
| Airport leases | 5.712 | 2.669 | 3.043 | 114,0% |
| Total operating costs | 65.490 | 43.476 | 22.014 | 50,6% |
| Cost for construction services | 5.805 | 9.822 | (4.017) | -40,9% |
| TOTAL COSTS (B) | 71.295 | 53.298 | 17.997 | 33,8% |

OPERATING COSTS

Operating costs totalled € 65.5 M, up by 51% compared to the € 43.5 M reported at the end of 2021.

31 Cost of personnel

The Group's cost of personnel totalled € 21.9 M in 2022, up by € 4.2 M compared to 2021 (+23.54%). In spite of the moderate increase in the Group's workforce compared to the same period of 2021 (+0.8%) and the greater traffic handled (+137% passengers), labour costs increased as a result of a greater presence of personnel required by the increased operating requirements (reduced use of "social shock absorbers") and the need to replace absent personnel due to Covid-19. Please note that the Florence Amerigo Vespucci airport temporarily suspended its operations in the February to April 2021 period to execute runway requalification works. The 2022 cost was also affected by increased variable compensation compared to the same period of 2021.

This cost item is broken down below:

COST OF PERSONNEL

| amounts in euro/000 | 2022 | 2021 | VAR. | VAR.% |
|---------------------------------|---------------|---------------|--------------|--------------|
| Remuneration | 21.627 | 17.565 | 4.062 | 23,1% |
| of wich: | | | | |
| Wages | 13.584 | 10.733 | 2.851 | 26,6% |
| Salaries | 2.035 | 1.916 | 119 | 6,2% |
| Social security contributions | 4.642 | 3.885 | 757 | 19,5% |
| Term. Benef. | 1.367 | 1.031 | 336 | 32,6% |
| Other labour costs | 280 | 168 | 112 | 66,7% |
| TOTAL COSTS OF PERSONNEL | 21.906 | 17.732 | 4.173 | 23,5% |
| Incid. % on operating costs | 34,0% | 42,0% | | |

The table below provides details on the average annual staff (expressed in Full-Time Equivalents, FTEs) existing in 2022 and any difference compared to 2021:

| | 2022 | 2021 | VAR. | VAR. % |
|--|--------------|--------------|-------------|---------------|
| Corporacion America Italia | 1 | 1 | - | 0% |
| Toscana Aeroporti | 326,0 | 323,4 | 2,6 | 0,8% |
| Jet Fuel | 12,7 | 11,3 | 1,5 | 13,2% |
| TAE | 6,7 | 6,5 | 0,2 | 2,5% |
| Gruppo Corporacion America Italia | 359,5 | 356,7 | 2,8 | 0,8% |

Please, note that in the table above 2 part-time units are considered as 1 full-time unit.

The table below provides details on the staff existing at 31 December 2022 and any difference compared to 2021.

| No. of employees | 31 Dec. 22 | 31 Dec. 21 | Diff. | % Diff. |
|----------------------------|-------------------|-------------------|--------------|----------------|
| Corporacion America Italia | 1 | 1 | 0 | 0 % |
| Toscana Aeroporti | 347 | 353 | (6) | (1.7%) |
| Jet Fuel | 12 | 13 | (1) | (7.7%) |
| TAE | 8 | 7 | 1 | 14.3% |
| TAC | 12 | 14 | (5) | (35.7%) |
| Group | 380 | 388 | (8) | (2.1%) |

32 Costs for services

On the whole, costs for services in 2022 and 2021 consist of:

COSTS FOR SERVICES

amounts in euro/000

| | 2022 | 2021 | VAR. | VAR.% |
|---------------------------------|---------------|---------------|---------------|--------------|
| Commercial services | 126 | 159 | (33) | -20,8% |
| Institutional expenses | 1.630 | 1.375 | 255 | 18,5% |
| Other services | 5.663 | 4.703 | 960 | 20,4% |
| Services for the personnel | 964 | 670 | 294 | 43,9% |
| Maintenance services | 5.237 | 4.809 | 428 | 8,9% |
| Utilities | 8.823 | 2.845 | 5.978 | 210,1% |
| Operating services | 13.140 | 6.229 | 6.911 | 110,9% |
| TOTAL COSTS FOR SERVICES | 35.583 | 20.790 | 14.793 | 71,2% |

33 Sundry operating expenses

Sundry operating expenses totalled € 1.2 M (€ 1.5 M in 2021) and mainly include taxes and levies, membership fees, sundry administrative costs, non-recurring costs, and other minor costs.

SUNDRY OPERATING EXPENSES

amounts in euro/000

| | 2022 | 2021 | VAR. | VAR.% |
|---------------------------------------|--------------|--------------|--------------|---------------|
| Publications | 14 | 10 | 4 | 40,0% |
| Ins. Entities and sundry institutions | 217 | 287 | (70) | -24,4% |
| Taxes and levies | 583 | 728 | (145) | -19,9% |
| Entertainment | 64 | 36 | 28 | 77,8% |
| Rebates and allowances | 249 | 173 | 76 | 43,9% |
| Other minors | 62 | 343 | (281) | -81,9% |
| SUNDRY OPERATING EXPENSES | 1.188 | 1.576 | (388) | -24,6% |

In particular, we point out that, in 2022, compared to 2021, the item “Others” includes lower non-recurring costs (- € 278 K) and a lower burden of taxes and duties (-146 K).

34 Airport fees

Airport fees, which totalled € 5.7 M (€ 2.7 M in 2021), include concession fees and the fee paid to the Fire Protection Fund.

| Amounts in €K | 2022 | 2021 | 2022/2021 Abs. Diff. | 2022/2021 % Diff. |
|-------------------------------|--------------|--------------|-------------------------|----------------------|
| AIRPORT FEES | | | | |
| Concession and security fees | 4,531 | 1,696 | 2,835 | 167.2% |
| Fire Brigade fee | 1,181 | 973 | 208 | 21.3% |
| TOTAL AIRPORT FEES | 5,712 | 2,669 | 3,043 | 114.0% |
| % incid. over Operating Costs | 8.9% | 6.3% | | |

The increase is due to the higher traffic reported at the end of 2022 compared to 2021 (+137% in terms of passengers, equal to + € 2.835 K in fees).

35 Costs for construction services

Costs for construction services, which totalled € 5.8 M (€ 9.8 M in 2021), reflect the investments made in the airport infrastructure under concession in 2022.

The lower costs of € 4 M are explained by the same reasons indicated in the comments to the corresponding revenue item.

36 Depreciation/amortization and impairment

This item totalled € 16 M in 2022 (€ 16 M in 2021) and includes amortization of intangible assets for € 12.6 M (€ 12.5 M in 2021), amortization of tangible assets for € 2.8 M (€ 3 M in 2021) and amortization of rights of use for € 662 K (€ 643 K in 2021).

37 Provision for liabilities and repair

This item, which totalled approx. € 3.5 M (€ 4.3 M in 2021), it consists of the provision for risks (€ 237 K) and the provision for the restoration fund (€ 3.2 M) which constitutes the accrual of the year necessary for future maintenance costs relating to restoration activities and replacement of the assets covered by the two concessions by ENAC in order to ensure the due functionality, operation and safety of the body of assets under concession. The total of the item also contains € 107 K of write-downs (€ 315 K) in 2021..

38 Net revaluation (impairment) of trade and other receivables

This item amounts to € 115 K (€ 1,115 K in 2021) and consists of the addition made to the provision for bad debt.

| Amounts in €K | 31 DEC 2022 | 31 DEC 2021 | 2022/2021 Abs. Diff. | 2022/2021 % Diff. |
|-------------------------------|----------------|----------------|-------------------------|----------------------|
| Provision for bad debt | 99 | 1,115 | (1,015) | -91.1% |
| Credit loss | 15 | 1 | 15 | N/S |
| Use of provision for bad debt | - | - | - | |
| TOTAL | 115 | 1,115 | (1,001) | -89.7% |

The addition made to the provision in 2021 was affected by the deterioration of receivables due to ongoing insolvency procedures for some customers and to the general lack of liquidity linked to the collapse of the tourism sector as a result of the global health emergency.

39 Financial income

This item totalled approx. € 103 K (€ 19 K in 2021) and mainly includes financial revaluation (write-up) for € 62 K, interests receivable accrued on non-bank loans for € 26 K), exchange gains (€ 9 K) and bank interest for € 4 K).

40 Financial expenses

This item totalled € 7,128 K (€ 5,611 K in 2021) and mainly includes interests payable and commissions on bank current accounts for € 3,016 K (€ 2,062 K in 2021); financial expenses on employees' defined-benefit liabilities for € 119 K (€ 43 K in 2021); financial expenses relating to the discounting of the provision for repair and replacements for € 635 K (€ 260 K in 2021); financial expenses on financial liabilities for rights of use for € 126 K (€ 131 K in 2021) and bond interest on the Parent Company loan for € 3,126 K (€ 2,013 K in 2021)..

41 Profit (loss) from equity investments

This item shows a negative balance of € 242 K (against a positive value of € 76 K in 2021) and derives from the recognition in the Shareholders' Equity of equity investments in associated companies (Alatoscana S.p.A., Toscana Aeroporti Handling S.r.l.) and in jointly controlled companies (A.C. Quasarda Scarl), as well as the negative result of the sale of the Immobili Careggi investment to the majority shareholder Azienda Ospedaliera Universitaria di Careggi.

42 Year's income taxes

The positive balance shown by the item in 2022 for a total of € 892 K (positive for € 9,476 K in 2021) mainly includes the recognition of prepaid and deferred taxes relating to concessions and prepaid taxes relating to tax losses recognized in the year from Group, recognized having assessed the recoverability of the related tax assets in the light of the future taxable income resulting from the economic-financial plans of the Group.

43 Net income from assets sold or held for sale

As pointed out in the introduction, the net income from assets sold or held for sale, a total of € 3.3 M, includes both the net year's income from sold assets (negative for € 682 K) and the income from the sale (positive for € 4 M). The same data for 2021, € 53 K, represents the net income obtained with the sale of the assets.

44 Minority Interest's loss (profit) for the period

The result of the Subholding Toscana Aeroporti pertaining to Terzi is equal to € -166 K (€ -3,580 K in 2021). While the result of the subsidiaries Jet Fuel and TAC pertaining to third parties is equal to € 832 K (€ 396.2 K euro in 2021).

Additional financial information

Management of financial risks

The main risk factors that may affect the Group's operations are described below.

1) Credit risk

The effects of the Covid-19 crisis and the consequent economic recession produced in the main industrialized Countries may negatively impact the financial statements of the airlines, which are the main clients of the Group. Hence, the risk of a partial non-collection of receivables accrued from airlines. The impact of the reduction air traffic may produce on sub-concessionaires should be added to this.

The Group believes it has suitably mitigated said risk through its constant monitoring of accounts receivable, also sometimes promptly initiating legal actions to protect said receivables, which are reflected in the allocation of a specific provision for bad debt in the balance sheet, which is deemed to be adequate for the amounts of the existing receivables. Always with the purpose of facing the credit risk, the Holding usually asks for sureties as guarantee (e.g. from sub-licensees) or pre-payments (e.g. from unknown airlines).

The Subholding hired a company for its long-term debt collection activities. See also section "Trade and sundry receivables".

The ongoing economic and financial crisis caused by the reduction in traffic increased the credit risk due to the general shortage of cash for the businesses of the industry. To tackle these challenges, the Group appropriately took into account the increased risk in the provision for doubtful debt, which has been determined also in connection with the specific solvency situations of the counterparties. The Group will continue to monitor the situation and adjust its assessments of customers' performances also in the light of trends of the coming months and the timing of the recovery.

The Group has no exposure to Russian or Ukrainian customers.

However, no specific criticality has been detected to date.

2) Liquidity risk

With reference to liquidity risk, due to the persistent spread of variants of the COVID-19 virus and the conflict between Ukraine and Russia ignited at the end of February 2022, the Parent Company managed to finalize the renewal of the waiver with the representatives of the bondholders and their lawyers on December 29, 2022, in order to obtain temporary coverage of the verifications of the obligations envisaged as at December 31, 2022 and June 30, 2023. The Waiver currently in place provides for a series of conditions aimed at guaranteeing bondholders the satisfaction of the Company's financial commitments, by maintaining minimum liquidity thresholds; in addition it provides for the preparation and making available to bondholders of further current and prospective documentation of a quantitative and qualitative nature not only by the Company, but also by the subsidiary Toscana Aeroporti.

To date, all the obligations associated with the bond loan, both the original ones and those envisaged in said Waiver, have been duly complied with by the Company and deemed satisfactory by the bondholders. As at 31 December 2022, the Group has a negative Net Financial Position (NFP) of approximately € 139 M (€ 154 M as at 31 December 2021), for further details please refer to paragraph 8.4 "Consolidated net financial position" of the Report on management.

Non-current debt mainly includes the loan granted to the Subholding by Infrastrutture Innovazione e Sviluppo (BIIS - Intesa San Paolo Group maturing in 2027) and the SACE loan (maturing in 2026) signed in October 2020.

The loan agreement between the Subholding and Banca Infrastrutture Innovazione e Sviluppo provides for interest rates based on the three-month and six-month EURIBOR and certain commitments, including compliance with financial covenants, such as the Net Financial Position/EBITDA and the Net Financial Position /Net Equity, according to the definitions agreed with the financing counterparties and measured as at 31 December of each financial year.

Added to the aforementioned loan is the loan signed on 30 October 2020 with a pool of leading financial institutions consisting of Intesa Sanpaolo and BNL-Gruppo BNP Paribas for a total amount of 85 million euros assisted by SACE guarantees based on the provisions of the Decree Liquidity for an amount equal to 90% of the sums disbursed in principal, plus interest and ancillary charges.

The SACE loan was disbursed on 6 November 2020 and has a duration of 6 years with a 24-month grace period (first installment due in December 2022); this contract also provides for compliance with a financial parameter, to be measured on the occasion of the annual consolidated financial statements, represented by the value of the Consolidated Net Financial Position, as conventionally defined in the contract itself, not exceeding € 100 M. As at 31 December 2022, this financial parameter was respected.

According to the provisions of the SACE loan agreement and the Liquidity Decree, this line of credit can be used to support the Group's liquidity needs in relation to the payment of personnel costs, lease or business unit rental fees, investment and working capital; the interest rate applied is based on the EURIBOR plus a margin. Furthermore, the contract provides for annual commissions calculated in relation to the SACE guaranteed loan component on the principal amount disbursed and not repaid, with a fixed percentage that increases over the duration of the loan.

For the sake of completeness, we report three medium/long-term loans with a nominal value of €1,200 K disbursed by the Banco Popolare di Milano group in 2017, 2018 and 2021 to the subsidiary Jet Fuel to support the purchase of eight refuelers needed for the into-plane at Pisa airport.

Furthermore, the Group has recourse to short-term bank loans at a fixed rate aimed at satisfying short-term needs.

It should also be noted that the amount of the Group's revocable credit lines available at 31 December 2022 is approximately € 9.7 M.

With specific reference to the effects of the spread of the Coronavirus, being able to count on the gradual recovery of the operations of the two airports, it is reasonable to assume that in the short term the negative effects of the pandemic will be significantly reduced compared to what was finalized in 2020 and 2021, estimating that in the year 2023, the net cash flow generated by operating activities can continue to be positive, as it was in 2022, the year in which the cash flow generated by these activities amounted to approximately 30 M. This flow enabled the Group to make investments of approximately € 9.1 M, as well as to repay loans (net of short-term loans) for € 10.6 M and distribute reserves for € 7 M.

In any case, the Management of TA will continue to monitor the evolution of the pandemic scenario, together with any other negative external phenomena deriving, for example, from the Russian-Ukrainian conflict and from the general macroeconomic scenario, in order to adjust the cost structure and financial commitments to traffic demand trends, using, where necessary, the tools that have already been used in the health emergency plan, such as the institute of the Redundancy Fund and the rationalization of non-strategic service contracts. The Management of TA updated the economic and financial forecasts expected for the next few years, included in the multi-year plan approved by the Board of Directors of TA, held on 10 March 2023; these forecasts are based on an expected traffic level for 2023 which will recover further compared to that recorded in 2020, 2021 and 2022, even if still partially lower than the situation "before Covid-19", in any case estimating a full recovery of volumes in 2024.

Furthermore, the TA Management, also taking into account the amount and composition of current assets and liabilities as at 31 December 2022, and in anticipation of the significant investments in the Florence airport and the Pisa airport envisaged in the medium term by the aforementioned plan multi-year plan, has activated the appropriate discussions with leading banks in order to restructure the existing medium/long-term debt according to the most suitable financial structure, both in terms of maturities and amounts, for carrying out the works envisaged in the multi-year plan.

In the light of the aforementioned hypotheses and also taking into account the refinancing of the current financial debt expected by 2023, the TA Management has assessed that the continuation of the positive

recovery trend in traffic volumes will allow for the consolidation of the margin levels observed in 2022, which, accompanied by existing liquidity, available revocable credit lines and cost efficiency measures consistent with the volumes to be managed, will allow the Group to fulfill its obligations in the short term and to continue to operate as a going concern in the foreseeable future.

In any case, the Management of TA has carried out sensitivity analyzes assuming that the debt refinancing is not finalized in 2023, finding that the cash flows generated by the operating activity and the available revocable credit lines will make it possible to make the investments envisaged for the 2023 from the multi-year plan, and to repay the maturing installments of the outstanding loans, however encountering a significant increase in the Net Current Financial Debt compared to 31 December 2022. In the scenario in which the refinancing is not finalized in 2023, the levels of margins envisaged by the multi-year plan in 2023 would in any case allow compliance with the financial parameters envisaged by the loan agreement signed with BIIS - Intesa Sanpaolo Group expiring in 2027 and residual debt at 31 December 2022 equal to € 14.5 M (of which € 3M within the next twelve months) and the SACE loan maturing in 2026 and residual debt at 31 December 2022 equal to € 79.8 M (of which 25 within the next twelve months).

3) Interest rate risk

Exposure to the interest rate risk arises from the need to finance both industrial and financial operations, as well as use the available cash. Changes in market interest rates may have a negative or positive impact on the Group's EBIT, thereby indirectly influencing the costs and returns of loans and investments.

The Net Financial Position at 31 December 2022 is € 85.4 M and the debt-to-equity ratio (NFP/Shareholders' Equity) at 30 June 2021 is 0.85 (vs 0.96 at 31 December 2021), thus confirming the financial soundness of the Group.

Based on the consolidated NFP at 31 December 2022, the potential impact in terms of annual growth/reduction in interest expense connected with interest rate trends, as a result of a hypothetical growth/reduction of 100 bp, would be approximately +/- € -1,343 K.

In addition, the potential impact on the Provision for repairs in terms of growth, as a consequence of a hypothetical annual reduction of 50 bp in interest rates, would be + € 508 K. Conversely, the potential impact on the Provision in terms of reduction as a consequence of a hypothetical annual growth of 50 bp in interest rates would be approx. - € 483 K.

No further sensitivity analysis is provided, as it is considered immaterial.

4) Exchange rate risk

The CAI Group is not subject to risks linked to fluctuations in exchange rates because it prevalently operates in a European context where transactions are made in Euro.

Additional information

Information by geographical area and operating sector

Information regarding the main operating sectors of the Group is given below as required by IFRS 8. First of all, it is important to highlight that the type of business activity carried out by CAI Group does not allow for the identification of business segments related to completely independent activities in terms of market/customer combinations. Currently, the "traffic" component affects the results of all the company's operations.

However, we may identify two significant operating segments characterized by the independent nature of their products/services and production processes, for which - for the aforesaid reasons - we propose a

disclosure relating to the information directly made available by the company's analytical accounting system used by Chief Operating Decision Makers (as defined in IFRS 8).

The currently available information regarding the main operating segments identified are provided below: Aviation, Non-Aviation and Corporate.

- **Aviation Business:** this business includes air-side operations (after security gates), which are the core business of an airport. They include: passenger and aircraft ground handling, landing, aircraft departure and stopover, security and safety activities, passenger boarding and disembarkation, cargo loading and unloading.

Revenues for the Aviation segment are represented by the prices paid for airline assistance services and are generated by airport fees such as: landing, take-off and stopover fees, freight revenue taxes, passenger boarding fees, passenger and baggage security fees.

- **Non-Aviation business:** this segment includes operations normally carried out in the landside area (before security gates), which are not directly associated with the core business (Aviation). They include retail activities, catering, car parking, car hire, advertising, ticket office, VIP Lounge.

Non-Aviation Business revenues consist in the royalties earned from activities conducted under a sub-concession, in the direct management of certain activities (i.e. car parking, ticket office and advertising) and in the rents paid by sub-concessionaires.

The table below provides the main information regarding the operating segments described above by highlighting, in unallocated items, (corporate) revenues, costs, assets and investments not directly attributable to the two segments. More specifically, the main types of unallocated costs refer to the cost of labour/staff (staff), professional services rendered, insurance and industry association membership fees, pro-rata portion of utilities, maintenance and depreciation, administrative costs, provisions for liabilities, Directors' and Auditors' fees.

- **Corporate business:** the values indicated in unallocated items mainly refer to revenues and costs not directly attributable to the two business segments, such as, for example, other revenues and income, the cost of labour, professional services rendered for the Management, general insurance and industry association membership fees, pro-rata portion of utilities, general maintenance and unallocated depreciation of infrastructure, administrative costs, provisions for liabilities, Directors' and Auditors' fees, etc.

Operating segment reporting : CONSOLIDATED FINANCIAL STATEMENT

| (values in €/000) | Aviation | | Non Aviation | | Unallocated assets (Corporate) | | Total | |
|---|---------------|---------------|---------------|---------------|-----------------------------------|---------------|---------------|---------------|
| | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 | 2022 | 2021 |
| <i>CAI Group - Income statement</i> | | | | | | | | |
| Operating income | 58.370 | 26.409 | 19.099 | 11.454 | 6.197 | 8.908 | 83.666 | 46.771 |
| of which Pisa | 33.075 | 16.452 | 7.552 | 3.515 | 3.414 | 5.364 | 44.041 | 25.331 |
| of which Florence | 25.295 | 9.957 | 11.547 | 7.939 | 2.783 | 3.544 | 39.625 | 21.440 |
| of which parent companies | - | - | - | - | - | - | - | - |
| Revenues from constr. ser | 6.239 | 11.202 | 1.147 | 193 | 20 | 126 | 7.406 | 11.521 |
| of which Pisa | 1.031 | 4.238 | 51 | 11 | 1 | 4 | 1.083 | 4.253 |
| of which Florence | 5.208 | 6.964 | 1.096 | 182 | 19 | 122 | 6.323 | 7.268 |
| of which parent companies | - | - | - | - | - | - | - | - |
| Total Segment Income | 64.609 | 37.611 | 20.246 | 11.647 | 6.216 | 9.034 | 91.075 | 58.292 |
| Operating Costs (*) - (**) | 36.092 | 23.518 | 5.440 | 3.407 | 23.958 | 16.550 | 65.490 | 43.475 |
| of which Pisa | 22.356 | 14.588 | 2.725 | 1.777 | 11.631 | 7.479 | 36.712 | 23.844 |
| of which Florence | 13.736 | 8.930 | 2.715 | 1.630 | 11.196 | 7.742 | 27.647 | 18.302 |
| of which parent companies | - | - | - | - | 1.131 | 1.329 | 1.131 | 1.329 |
| Cost of constr. serv. | 4.936 | 8.815 | 849 | 2 | 20 | 1.004 | 5.806 | 9.821 |
| of which Pisa | 957 | 3.750 | 50 | 2 | 1 | 42 | 1.009 | 3.794 |
| of which Florence | 3.979 | 5.065 | 799 | - | 19 | 962 | 4.797 | 6.027 |
| of which parent companies | - | - | - | - | - | - | - | - |
| Amortization and provisio | 12.939 | 12.731 | 1.461 | 1.329 | 5.287 | 7.460 | 19.687 | 21.520 |
| of which Pisa | 5.942 | 5.823 | 914 | 944 | 2.607 | 3.232 | 9.463 | 9.999 |
| of which Florence | 6.997 | 6.908 | 547 | 385 | 2.678 | 4.219 | 10.222 | 11.512 |
| of which parent companies | - | - | - | - | 2 | 9 | 2 | 9 |
| Operating Earnings | 10.643 | 7.454 | 12.496 | 6.909 | 23.047 | 15.980 | 91 | 16.526 |
| of which Pisa | 7.240 | 1.412 | 3.914 | 802 | 10.824 | 5.385 | 2.060 | 8.053 |
| of which Florence | 9.376 | 620 | 8.582 | 6.106 | 11.090 | 9.257 | 3.282 | 7.133 |
| of which parent companies | - | - | - | - | 1.133 | 1.338 | 1.133 | 1.338 |
| Asset management | - | - | - | - | 7.266 | 5.516 | 7.266 | 5.516 |
| Profit before tax | 10.643 | 7.454 | 12.496 | 6.909 | 30.313 | 21.496 | 7.175 | 22.042 |
| Year's taxes | - | - | - | - | 892 | 9.476 | 892 | 9.476 |
| Net year's result | 10.643 | 7.454 | 12.496 | 6.909 | 29.422 | 12.020 | 6.284 | 12.568 |
| Net income from assets sold or held for sale | 3.320 | 53 | | | | | 3.320 | 53 |
| Net year's result | 13.963 | 7.401 | 12.496 | 6.909 | 29.422 | 12.020 | 2.964 | 12.514 |
| Loss (profit) of min. intere | - | - | - | - | 165 | 3.183 | 165 | 3.183 |
| Net Group result | 13.964 | 7.401 | 12.496 | 6.909 | 29.587 | 8.837 | 3.129 | 9.331 |
| <i>CAI Group -Statement of financial position</i> | | | | | | | | |
| Current assets | 18.163 | 16.903 | 5.499 | 6.441 | 64.598 | 70.131 | 88.258 | 93.475 |
| Non-current assets | 299.182 | 300.088 | 32.697 | 40.535 | 70.505 | 70.181 | 402.384 | 410.804 |
| <i>CAI Group - Additional information</i> | | | | | | | | |
| Investments | 6.767 | 14.231 | 1.939 | 497 | 404 | 347 | 9.110 | 15.075 |

(*) Following the sale of the Handling business, the comparative figures for 2021 were re-disclosed in compliance with IFRS 5 "Non-current assets held for sale and discontinued operations".

(**) includes airport fees for € 5,712 K in 2022 (€ 2,669 K in 2021).

Information on the main customers

During 2022, the Tuscan airport system recorded approximately approx. 6.7 million passengers. The total incidence of the first three carriers is 63.1%. More specifically, the incidence of the first carrier (Ryanair) is 47%, while the incidences of the second (Vueling) and third (Air France) carriers are 9.7% and 6.4%, respectively.

Commitments and guarantees

At 31 December 2022, commitments and guarantees included € 9,310 K of third-party suretyships in favour of the Group and € 12,698 K of suretyships given by third parties on behalf of the Group.

| Data in €K | 31 Dec. 2022 | 31 Dec. 2021 | DIFFERENCE |
|--|---------------------|---------------------|-------------------|
| Third-party guarantees in favour of Group | 9,310 | 7,821 | 1,489 |
| Guarantees given to third-parties on behalf of Group | 12,868 | 9,946 | 2,922 |

Suretyships provided by third parties in the favour of the Group mainly refer to performance bonds for contract works, for compliance with agreements by sub-concessionaires, air carriers and other customers.

The suretyships provided to third parties on behalf of the Group mainly refer to performance bonds in favour of ENAC to ensure full and exact fulfilment of the obligations established with the two 40-year Conventions signed with the Municipalities of Pisa and Florence as a guarantee of the Subholding TA's compliance with municipal regulations in the expansion works for the airport infrastructures. The € 13 M amount includes approximately € 1.7 M in guarantees in favour of ANAS (the national road construction agency) for works managed by the subsidiary TAC.

Remuneration of Directors, Auditors and Executives with strategic responsibilities

Below is the amount in thousands of euros of the gross fees of the CAI group's directors, statutory auditors and independent auditors:

| amounts in euro/000 | CAI | TA |
|-----------------------------|-----|-----|
| Directors' fees | 345 | 790 |
| Board of statutory auditors | 47 | 197 |
| Auditing firm | 34 | 253 |

Relationships with related parties

See the specific section in the Report and Annex C to this financial statement at 31 December 2022 for a summary of the main effects of transactions with related parties on the financial statement.

Disclosure on public grants and subsidies, and other economic benefits received (under Law 142/2020, Art. 1, paragraph 125)

Pursuant to the aforesaid law, the TA Group recognized the following grant proceeds received in 2021:

| Regulatory framework | AMOUNT |
|--|-------------------|
| Art. 1, par. 2 - 3, Law Decree no. 144/2022 (“Aiuti-ter” Decree) | 119,814.59 |
| Art. 3 - 4 Law Decree no. 21/2022 (“Ukraine” Decree) | 120,883.15 |
| Art. 6, par. 3 - 4, Law Decree no. 115/2022 (“Aiuti-bis” Decree) | 324,428.63 |
| Aggregate Total | 565,126.37 |

Information on the main items of the Provision for risk and charges

1. Provision for potential liabilities connected with the dispute on the Fire Brigade airport service (€ 351 K)

As regards the contribution to be paid for the Fund created by the 2007 Finance Law to reduce the cost for the State of the organization and implementation of the Fire Protection Service in Italian airports (“Fondo Antincendi”), the Subholding TA (then AdF) in 2012 brought a specific legal action before the Civil Court of Rome to ask the Judge to ascertain and declare the termination of the obligation to pay said contribution after a change in the purposes of said Fund, starting from 1 January 2009. In fact, since that date, the resources contributed to the Fund had been used to provide general public rescue and civil defence services, as well as to finance the national collective labour agreements of the Fire Brigades.

A harsh legal dispute arose on the issue, with confirmed decisions expressed by the finance and civil courts, with a specific legislative instrument, and lastly with specific judgements issued by our highest jurisdictional bodies, the Constitutional Court and the Court of Cassation, with united sections.

In this context, we remind readers that the lawmaker (with paragraph 478 of Art. 1 of Law no. 208/2015, the so-called “Stability Law” - *Legge di Stabilità 2016*) had retroactively amended the regulation of the Fire-Prevention Fund in order to affect all the ongoing disputes in favour of the Administrations, thus imposing the nature of a fee and the jurisdiction of the Ordinary Court. After the legislative amendment introduced by the Stability Law 2016 on the matter, a specific petition had been filed to raise the question of the constitutional legitimacy of the provision at issue. The Constitutional Court, with judgement no. 167/2018, deposited on 20 July 2018, confirmed TA’s thesis and declares the lack of constitutional legitimacy for Art. 1, paragraph 478, of Law no. 208 of 28 December 2015.

This having been said, several positive decisions have been pronounced in favour of TA in the first semester of 2020, which established that the Fire-Prevention Fund was a purpose tax, therefore no longer due, which allowed the Company to assess the liability associated with this dispute with a different attitude.

More specifically, decision no. 2517/19 issued by the Rome Provincial Tax Commission [Commissione Tributaria Provinciale di Roma] became final on 10 May 2020, admitting and approving the entire defence raised by the Company over the last few years concerning the Fire Protection Fund and, together with the other recent judgements of the Constitutional Court and Court of Cassation, overturned the outcome of all the ongoing disputes in favour of the Company.

More positive decisions were pronounced in 2020, including the decision of the Court of Cassation (Joint Chambers) no. 3162/19 of 1 February 2020; the decision of the Provincial Tax Commission of Rome no. 4874/8/19 of 2 April 2020, and the decision of the Court of Appeal of Florence of 23 June 2020, which rejected the appeal of the Administrations against first degree decision no. 2975/2015, which had been favourable for TA.

For the sake of completeness, we should highlight that, on 19 February 2020, the *Avvocatura Generale dello Stato* (Attorney General), acting in the name and on behalf of the Administrations, notified TA with the appeal to the Court of Cassation against CTR Lazio’s decision no. 7164/2019 of 20 December 2019.

Under the civil law, on 8 February 2022, the Court of Rome finally published the much-awaited final decision on the trial that had started in 2012, with which, according to all the valid arguments put forward since 2012:

- the dispute was confirmed to belong to the Tax Judge jurisdiction;
- the Administrations have been sentenced to pay half litigation fees.

Therefore, Toscana Aeroporti intends to continue the dispute initiated in 2012 and bring it before the Tax Commission of Rome, i.e. the judge that was eventually confirmed to have jurisdiction, in order to:

- request the cancellation of ENAC's Assessment Note relating to 2012 and the simultaneous reimbursement of the annual fees paid for the years already cancelled;
- point out that the 9 annual fees that have never been formally requested by the Administrations to date are to be considered firmly challenged and not due, also pursuant to all the judgements directly achieved, in order to avoid all forms of acquiescence in view of the limitations of the tax trial, which does not allow for negative assessment actions, unlike civil trials, but only permits appeals against specific orders.

In general, Toscana Aeroporti has already obtained two final decisions that cancelled 2009 and 2014 annuities and a second-instance decision that cancelled 2007, 2008 and 2010 annuities, in respect of which the aforementioned appeal to the Court of Cassation instituted by the Administrations is pending. Moreover, the appeal for the 2012 annuity can be validly brought forward. As regards the other eight annuities, Toscana Aeroporti instituted the appropriate negative assessment actions before the Civil Judge (i.e. the Judge has been asked to ascertain that those annuities and other sums never formally requested are not due).

Pursuant to the positive judgements obtained to date, Toscana Aeroporti can enforce these final decisions externally also concerning the additional annuities for which the same legal decision applies. On the other hand, the Court of Cassation itself established the rule of law of the validity of external judgement in connection with all the annuities of the Fire Protection Fund after 1 January 2009.

In summary, Toscana Aeroporti remains validly entitled to assert the final decision in the merits reached to date, which rule that the amounts of the Fire Protection Fund (including any future such amount) are not due for as long as the related funds are diverted from the original purposes of their collection, as laid down by the law. Moreover, in the event of a future and initial claim for such sums (the nine annual fees that were never determined) by the Administrations, the Company will still be entitled to promptly challenge any new assessment notes in due time before the Tax Judge, within the applicable legal terms. In this global framework, the Provision for risks and liabilities booked in the balance sheet at 31 December 2022, also measured with the help of external independent professionals, is consistent, if we also take into account all the updated of the period.

Provision for potential labour dispute liabilities (€ 221 K)

At 31 December 2022, the Subholding, TA, booked a provision for potential liabilities of € 221 K in view of the probable persistence of the risk of liabilities arising from disputes with employees and labour disputes with a potentially unfavourable outcome.

The amounts set aside by the company, including with the support of independent advisors, are consistent with the predictable outcome of the dispute.

Additional liabilities with a potentially unfavourable outcome

We finally report risks for potential liabilities, also assessed as “possible” with the support of independent professionals, concerning the following disputes:

- a) Litigation initiated by NIT - Nuove Iniziative Toscane with a writ of summons on 10 September 2021 relating to the obligations laid down in the preliminary agreement signed for the acquisition of a plot of land called “Piana di Castello” in the metropolitan area of Florence. TA entered an appearance on 20 January 2022. At the hearing of 9 February 2022, the Judge adjourned the hearing to 20 June 2022 and, after observing that the witness evidence produced by NIT is partly related to the content of the

contract and partly of an assessment nature, rejected those preliminary requests and adjourned the case to 22 May 2023 for conclusions.

- b) On 30 April 2020, the Alitalia SAI procedure brought a revocation action against TA before the Court of Civitavecchia concerning all the payments received by the Company between November 2016 and April 2017. The Company provided exhaustive evidence that said payments are not included in the revocation action pursuant to Art. 67(3)(a) of the Finance Law, because they were useful and indispensable for the continuity of the public air transport service provided by the then Alitalia SAI *in bonis* to and from the Florence and Pisa airports, and were paid to operate business activities and under the “Terms of use”, according to methods and timelines consistent with those of all the payments made in past years. During 2022, Alitalia’s receivers expressed their willingness to settle the transaction case with TA, but then a first meeting organized for the purpose was not followed by further contacts. The Judge fixed a hearing for 24 April 2023.

Atypical or unusual transactions

No atypical or unusual transaction was performed during 2022.

Significant events and non-recurring transactions

Pursuant to the CONSOB's Notice dated 28 July 2006, it should be noted that, in the financial year 2022, the Group completed - as disclosed to the market on 1 December 2022 - the sale of 80% of the share capital of Toscana Aeroporti Handling (TAH) to Alisud S.p.A. for a price of € 750 K. The transaction includes an option for TA to exercise, starting from 1 January 2025, a sell option for the remaining 20% share of TAH’s share capital to Alisud for a price of € 250 K. In addition, when the performance targets set by TAH’s Business Plan are achieved, Alisud will pay an additional earn-out price of at least € 200 K to TA. The effects of this disposal recognized in the consolidated financial statements are detailed in section 6.2 of these Explanatory Notes.

Events occurred after 31 December 2022

No major events occurred after 31 December 2022.

ANNEXES CONSOLIDATED FINANCIAL STATEMENTS AT 31 DEC. 2022

ANNEX “A”
TABLE OF CHANGES IN INTANGIBLE ASSETS OCCURRED IN 2022
(amounts shown in €K)

TABLE OF CHANGES IN INTANGIBLE ASSET AS OF 31.12.2022 (Amounts shown in €K)

| | Annex A | | | | | |
|---|----------------------|---|--|--------------|--|------------------|
| | Concession Rights | Patent and intellectual property rights | Work in progress and advance payments | Godwill | Other intangible Fixed assets | Total |
| Historical cost | 420.190 | 14.365 | 32.701 | 8.350 | 640 | 476.246 |
| Accumulated depreciation | (113.046) | (13.692) | (7.456) | | (415) | (134.609) |
| Value as at 31.12.2021 | 307.144 | 673 | 25.245 | 8.350 | 225 | 341.637 |
| Year's differences | | | | | | |
| Purchases | 1.723 | 61 | 5.861 | | 77 | 7.722 |
| Previous year work in progress | | (91) | | | | (91) |
| Reclassification | 4.233 | 16 | (4.352) | | | (103) |
| Other Movements | 100 | | | | | 100 |
| Amortization | (12.244) | (296) | | | (40) | (12.580) |
| Reversal of past years accumulated depreciation | | (59) | | | | (59) |
| Historical cost | 426.246 | 14.351 | 34.210 | 8.350 | 717 | 483.874 |
| Accumulated depreciation | (125.290) | (13.929) | (7.456) | | (455) | (147.130) |
| Value as at 31.12.2022 | 300.956 | 422 | 26.754 | 8.350 | 262 | 336.744 |

ANNEX “B”
TABLE OF CHANGES IN TANGIBLE ASSETS OCCURRED IN 2022
(amounts shown in €K)

TABLE OF CHANGE IN TANGIBLE ASSETS AS OF 31.12.2022 (Amounts shown in €K)
Annex B

| | Land, buildings and runway installation that can be freely assigned | Plant and machinery | Other assets | Industrial and commercial equipment | Work in progress intangible assets and deposit | Total |
|---|--|--------------------------------|-------------------------|--|---|-----------------|
| Historical cost | 47.248 | 34.859 | 1.918 | 365 | 19.374 | 103.761 |
| Accumulated depreciation | (16.637) | (26.419) | (944) | (72) | (17.138) | (61.207) |
| Value as at 31.12.2021 | 30.610 | 8.440 | 974 | 293 | 2.236 | 42.554 |
| Year's differences | | | | | | |
| Purchases | | | | | | |
| Reclassification | | 977 | | 79 | 331 | 1.387 |
| Other Movements | | 139 | | (161) | 22 | 0 |
| Disinvestment/ Decreases | | (147) | (117) | | (36) | (300) |
| Amortization | (246) | (1.781) | (131) | | (929) | (3.086) |
| Other Movements | | 12 | | | (12) | 0 |
| Reversal of past years accumulated depreciation | | (10.554) | (7) | | (461) | (11.022) |
| Historical cost | 47.248 | 24.637 | 1.801 | 283 | 19.231 | 93.194 |
| Accumulated depreciation | (16.883) | (17.634) | (1.068) | (72) | (17.618) | (53.270) |
| Value as at 31.12.2022 | 30.364 | 7.003 | 733 | 211 | 1.613 | 39.924 |

**ANNEX “C”
RELATIONSHIPS WITH RELATED PARTIES**

| RELATIONSHIPS WITH RELATED PARTIES (12.31.2022) | | | | Annex C |
|--|-------------|---|------------------------------|----------------|
| Financial statement item | values in € | % incidence on balance sheet item | Balance (€) at 12/31/2022 | |
| Aviation Revenues | 1.057 | 1,78% | 59.476 | |
| | - | | - | |
| Non-aviation Revenues | 310 | 1,01% | 30.709 | |
| | - | | - | |
| Other revenues and income | 100 | 1,62% | 6.182 | |
| | - | | - | |
| Receivables from customers | 1.025 | 6,06% | 16.909 | |
| | - | | - | |
| Receivables from others, due beyond the year | 1.969 | 132,86% | 1.482 | |



Independent auditor's report

in accordance with article 14 of legislative decree No. 39 of 27 January 2010

Corporación America Italia SpA

***Consolidated Financial Statements
as of 31 December 2022***



Independent auditor's report

in accordance with article 14 of Legislative Decree No. 39 of 27 January 2010

To the shareholders of Corporaciòn America Italia SpA

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Corporaciòn America Italia Group (the Group), which comprise the consolidated statement of financial position as of 31 December 2022, the consolidated income statement, statement of comprehensive income, statement of changes in equity, statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as of 31 December 2022, and of the result of its operations and cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of this report. We are independent of Corporaciòn America Italia SpA (the Company) pursuant to the regulations and standards on ethics and independence applicable to audits of financial statements under Italian law. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Responsibilities of the Directors and the Board of Statutory Auditors for the Consolidated Financial Statements

The directors are responsible for the preparation of consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and, in the terms prescribed by law, for such internal control as they determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

The directors are responsible for assessing the Group's ability to continue as a going concern and, in preparing the consolidated financial statements, for the appropriate application of the going concern basis of accounting, and for disclosing matters related to going concern. In preparing the consolidated

PricewaterhouseCoopers SpA

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financial statements, the directors use the going concern basis of accounting unless they either intend to liquidate Corporación America Italia SpA or to cease operations, or have no realistic alternative but to do so.

The board of statutory auditors is responsible for overseeing, in the terms prescribed by law, the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

As part of our audit conducted in accordance with International Standards on Auditing (ISA Italia), we exercised professional judgement and maintained professional scepticism throughout the audit. Furthermore:

- We identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error; we designed and performed audit procedures responsive to those risks; we obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- We obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- We evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- We concluded on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- We evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;



- We obtained sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion on the consolidated financial statements.

We communicated with those charged with governance, identified at an appropriate level as required by ISA Italia regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during our audit.

Report on Compliance with other Laws and Regulations

Opinion in accordance with Article 14, paragraph 2, letter e), of Legislative Decree No. 39/10

The directors of Corporazione America Italia SpA are responsible for preparing a report on operations of the Corporazione America Italia Group as of 31 December 2022, including its consistency with the relevant consolidated financial statements and its compliance with the law.

We have performed the procedures required under auditing standard (SA Italia) No. 720B in order to express an opinion on the consistency of the report on operations with the consolidated financial statements of the Corporazione America Italia Group as of 31 December 2022 and on its compliance with the law, as well as to issue a statement on material misstatements, if any.

In our opinion, the report on operations is consistent with the consolidated financial statements of Corporazione America Italia Group as of 31 December 2022 and is prepared in compliance with the law. With reference to the statement referred to in article 14, paragraph 2, letter e), of Legislative Decree No. 39/10, issued on the basis of our knowledge and understanding of the Company and its environment obtained in the course of the audit, we have nothing to report.

Florence, 27 June 2023

PricewaterhouseCoopers SpA

Signed by

Francesco Forzoni
(Partner)

This report has been translated into English from the Italian original solely for the convenience of international readers. We have not examined the translation of the financial statements referred to in this report.

CORPORACION AMERICA ITALIA S.P.A.
Piazzale Martesana, 10 - Milano
R.E.A. MI-2033297 Share Capital 85.000.000,00 fully paid up
VAT: 08555440968

**REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE 2022 SEPARATE
FINANCIAL STATEMENTS AT THE SHAREHOLDERS 'MEETING
(pursuant to article 2429, paragraph 2, of the c.c.)**

To the Shareholders' Meeting of Corporación America Italia SpA.

Dear Shareholders,

during the year ended December 31, 2022, our activity was carried out in compliance with the provisions of the law and the rules of conduct of the Board of Statutory Auditors of unlisted companies issued by the National Council of Chartered Accountants and Accounting Experts, published in December 2020 and in force since January 1, 2021, in compliance with which we have also carried out the self-assessment, with positive results, for each member of the board of statutory auditors.

The Board of Statutory Auditors in office was appointed by the Shareholders' Meeting on 30/06/2021 until the approval of the financial statements at 31 December 2023. The task of Statutory Audit was assigned on 24/09/2014 to PricewaterhouseCoopers Spa up to the financial year ending December 31, 2022.

The Board verified, at the time of acceptance of the appointment and subsequently during the same, the possession by its members of the requisites of integrity and professionalism, the non-existence of causes of ineligibility, incompatibility and forfeiture provided for by current legislation and possession of the independence requirements in accordance with the provisions of art. 2382 and 2399 of the Civil Code in order to be able to carry out their duties with objectivity, integrity and in the absence of interests, not only economic, which compromise their independence.

This report was approved collectively and the board of statutory auditors waived the terms set out in art. 2429 of the Italian Civil Code

The Audit Company PwC has delivered its report dated 27/06/2023 containing an opinion without modification.

As reported in the aforementioned report, the financial statements give a true and fair view of the financial position of the Company as of 31 December 2022, and of the result of its operations and cash flows for the year then ended in compliance with the Italian laws governing the criteria for their preparation.

The management body has made available the following documents approved on 30/05/2023, relating to the year ended 31 December 2022:

- separate draft financial statements, complete with explanatory notes, cash flow statement and management report;
- draft consolidated financial statements, complete with explanatory notes, cash flow statement and management report.

Supervisory activities pursuant to art. 2403 and ss. c.c.

We monitored compliance with the law, the statute, the principles of proper administration and, in particular, the adequacy of the administrative and accounting organizational structure adopted by the Company and its concrete functioning.

We participated in the shareholders' meetings and the meetings of the board of directors and on the basis of the information available, we have no particular findings to report.

We acquired from the Chairman of the Board of Directors, during the meetings held, information on the general management trend and its foreseeable evolution with particular reference to the problems connected to the Covid-19 health emergency, to the ongoing conflict in Ukraine as well as on the factors of risk and significant uncertainties relating to business continuity. The Chairman of the Board of Directors also provided adequate information on the business plans prepared by the Group to deal with these risks and uncertainties as well as on the most significant transactions, due to their size or characteristics, carried out by the company and, based on the information acquired, we have no particular observations to report.

The planning of the supervisory activity was implemented considering the type of activity carried out by Corporación America Italia, the size and problems of the Company as well as its organizational and accounting structure.

We have acquired knowledge and supervised, as far as we are concerned, the adequacy of the organizational, administrative and accounting structure and its concrete functioning also through the collection of information from the heads of the functions and in this regard we have no particular observations to report.

We have acquired knowledge and monitored, as far as we are concerned, the adequacy and functioning of the administrative-accounting system, as well as on the reliability of the latter to correctly represent management events, by obtaining information from the heads of the functions and examining company documents, and in this regard, we have no particular observations to report.

In 2022, the Board of Statutory Auditors met a total of 5 times, participated in 3 Boards of Directors, 3 Bondholders 'Meetings and 1 Shareholders' Meetings.

Given the extreme simplicity of the management organization chart, the information required by art. 2381, paragraph 5, of the Italian Civil Code, were provided by the CEO even more than the minimum set of six months.

The Board has acquired knowledge and supervised, as far as it is concerned, on compliance with the principles of correct administration, first of all through participation in the meetings of the Board of Directors and also through the mutual exchange of relevant data and information with the Independent Auditors. From the information received from the Directors and from the interviews with the representatives of the Independent Auditors, the existence of atypical or unusual transactions carried out during the year 2022 did not emerge.

No complaints have been received from the shareholders pursuant to art. 2408 of the Italian Civil Code

During the year, the board of statutory auditors did not issue any opinions required by law, as the conditions were not met.

During the supervisory activity, as described above, no other significant facts emerged such as to require mention in this report.

Comments regarding the financial statements

The draft financial statements for the year ended 31 December 2022 were approved by the Board of Directors on May 30, 2023 and consisted of the balance sheet, the income statement, the cash flow statement and the explanatory note.

The directors have also prepared:

- the management report pursuant to art. 2428 of the Italian Civil Code;
- the consolidated financial statements of the group consisting of a balance sheet, income statement, cash flow statement, explanatory note and management report.

To the best of our knowledge, the Directors, in preparing the financial statements, did not derogate from the law pursuant to art. 2423, paragraph 5, of the Italian Civil Code

In consideration of the express statutory provision, the ordinary Shareholders' Meeting for the approval of the financial statements was convened within the maximum term of 180 days from the end of the financial year. The shareholders have expressly waived the terms provided for by art. 2429 of the Italian Civil Code for the filing of this report, relieving us of any dispute.

The Auditing Company today issued its report without remarks and without any references to information. In this report he declared that in his opinion the financial statements provide a true and fair view of the equity, financial and economic situation of the Company, that the management report is consistent with the financial statements at 31/12/2022 and which is drawn up in compliance with the law.

With regard to the proposal of the Board of Directors regarding the allocation of the net result for the year, the Board has nothing to observe or objections to formulate.

Result of the year

The net result for the year ended December 31, 2022, as shown in the financial statements prepared by the directors, is positive for € 956,935.51.

Observations and proposals regarding the approval of the financial statements

Considering the results of the activity carried out by us, the Board acknowledges the correctness of the formation of the documents that make up the financial statements as well as the procedure with which they were prepared and presented to the Shareholders' Meeting.

For the profiles within its competence, the Board declares that there are no impediments to the approval of the financial statements and the proposal for the allocation of the operating result as formulated by the Board of Directors in the Explanatory Notes.

Milan June 27, 2023

The Board of Statutory Auditors

Signed by

Silvia Bresciani, President of the Board of Statutory Auditors

Mario Ferrol, Statutory Auditor

Giuseppe Nicosia, Statutory Auditor