
Corporación America Italia Group

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



ANNUAL FINANCIAL REPORT 2023

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Corporación America Italia S.p.A.

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R.E.A. MI-2033297 - Fully paid-up Share Capital 85.000.000,00

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Dear Shareholders,

The Report on operations of the Consolidated Financial Statements of Corporación America Italia SpA (hereinafter also "**CAI**", or the "**Parent**"), 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 2023 and after 31 December 2023.

The consolidated financial statement as at and for the year ended 31 December 2023 is 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 31 December 2023 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 consolidated financial statements figures provided as at and for the year ended 31 December 2023 include information regarding the Parent, the Subholding company Toscana Aeroporti S.p.A. (hereinafter "TA") and information regarding its subsidiaries Toscana Aeroporti Engineering S.r.l. (hereinafter "TAE"), Parcheggi Peretola S.r.l., Jet Fuel. S.r.l. and Toscana Aeroporti Costruzioni S.r.l. (hereinafter "TAC"), which have been consolidated on a line-by-line basis.

The Group's Consolidated Financial Statements and CAI's financial statements have been audited by the independent auditor KPMG S.p.A. ("KMPG").

Furthermore, we point out that Toscana Aeroporti S.p.A. voluntarily prepares and submits a separate Consolidated Non-Financial Statement (NFS), as required by Art. 5 "*Collocazione della dichiarazione e regime di pubblicità*" (Reporting and disclosure requirements) of

Legislative Decree 254/2016. The NFS is disclosed on the same dates and with the same procedures as the Annual Financial Report and is made available to the public on the Company's website.

Consistently with the requirements of the selected reporting standard - the GRI Standards - the management of the Toscana Aeroporti Group carried out a careful materiality analysis that led to the identification of material topics by ESG area (Environmental, Social, Governance). Some highlights of the material topics are presented below in this document and we refer readers to the separate NFS for more details.

FINANCIAL AND NON-FINANCIAL 2023 HIGHLIGHTS OF TOSCANA AEROPORTI SPA

	FINANCIAL RATIOS	2023	2022	Δ% vs 2022
OPERATIONS	Total Passengers (millions)	8.2	6.7	+21.8%
	Global perception of the passenger and carry-on baggage security service	99.2%	98%	+1.2%
FINANCIAL PERFORMANCE	Revenue (€/000)	123,263	90,407	+36.3%
	EBITDA (€/000)	41,729	20,909	+99.6%
	Profit attributable to the owners of the parent (€/000)	12,631	4,680	+170.2%
	Investments (€/000)	16,205	9,107	+77.9%
ENVIRONMENT	Total CO ₂ emissions (Scope 1 and 2) (tCO ₂)	8,907.2	10,041.6	-11.3%
	Self-produced energy consumption - PSA (GJ)	22,368.4	27,539.7	-18.8%
SOCIAL	Total number of employees at 31 December	391	376	+4.0%
	Average total number of FTEs (Full time equivalent ²) for the year	361.8	358.5	+0.9%
	Percentage of female employees	47%	49%	-2%
	Total training hours	10,526	8,981	+17.2%

² Part-time personnel is calculated proportionally to full-time units (1 FTE).

THE TUSCAN AIRPORT SYSTEM

Amerigo Vespucci airport - FLORENCE	Galileo Galilei airport - PISA
<ul style="list-style-type: none"> • 3,077,917 passengers • Focus on business and leisure traffic through full service carriers • About 120 ha of land, including a flight runway • 7.2 ha of paved flight runway area • Main configuration with 14 aircraft parking stands • Approximately 18,800 square metres of gross terminal surface area, including 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"> • 5,109,682 passengers • Focus on tourist traffic operated by low-cost carriers • Civil land lot of about 45 ha – Military land lot of about 500ha, with two runways for alternate use • Approximately 25.8 ha of paved runway area • 19 (14C/4D/1E) aircraft parking stands • Approximately 36,100 square metres of gross terminal surface area, including the main terminal, 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

Below we report the analysis carried out by TA on some ESG topic considered material.

ENVIRONMENT

Material topics, as identified in the Company's NFS concerning **environmental** issues, include:

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

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

In general, TA 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 accountability with SA8000, and with the UNI EN ISO 14001:2015 standard for environmental management.

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

The **main KPIs** of TA include:

- A total energy consumption of 65,778.4 GJ
- A total consumption of 8.06 (GJ/number of passengers*1,000)
- 5,938.3 tCO₂ of direct GHG emissions (Scope 1)

SOCIAL

The **material topics** identified in TA's NFS concerning social issues are:

- Personnel management and development
- Diversity and equal opportunities
- Occupational health and safety.

TA has undergone deep changes in recent years, which required a huge effort to standardise HR 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 personnel, remuneration and rewards, working hours, freedom of association, disciplinary actions, mobbing, and sexual harassment at the workplace.

With regard to TA's commitment to health and safety, it is in line with the **UNI ISO 45001:2018 standard**, whose certification has been maintained (for TA only) following three days of audit by the certification body DNV last November 2023.

The main **risks** in this area can be summarised as follows:

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

The **main KPIs** of TA include:

- A staff of 391 people at 31 December 2023
- 47% female employees
- An average of 27 hours of training per employee for Toscana Aeroporti
- A recordable occupational incident rate¹ of 7.31 caused by 3 incidents for TA;
- **The number of occupational incidents with serious consequences was zero:**
- 158 events were managed and traced by TA's PPS (Prevention and Protection Service), 6 of which were near-misses

GOVERNANCE

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

The renamed **Internal Control, Risk and Sustainability Committee** plays a proactive and advisory role, supports TA's Board of Directors in managing sustainability issues in

¹ Incident rate = number of injuries out of number of hours worked per million.

line with the initiatives aimed at strengthening **ESG factors in corporate operations and strategies**.

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

STRATEGIC SUSTAINABILITY APPROACH

TA identified **5 material topics** - Green Infrastructure, Operational Excellence, People & Innovation, Customer Experience, and Community - consistently with the topics indicated by the ultimate parent CAAP, to identify the objectives, initiatives and measures necessary to build the Integrated Sustainability Plan. In addition, for each Material Topic, TA associated the Material Topics reported in the NFS to the evidence emerged from the Public Debate for the new Florence Master Plan.

In January 2024, TA, consistently with the 5 Material Topics described above, embarked on an Integrated Plan defined as “The evolution of the programming and control model through a plan and a monitoring process that allows the combination of the objective of generating value for shareholders with that of sustainable development for the community and the territory”. The Integrated Plan thus merges the traditional business objectives that are typically reflected in a business plan with the ESG topics defined in strategic corporate sustainability plans.

REPORT ON OPERATIONS

1. THE GROUP'S ACTIVITIES

Corporación America Italia SpA was incorporated on 19 February 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 Aeroporto Toscano SpA with registered office in Pisa, hereinafter "SAT", took place for ADF in April 2014 and for SAT in July 2014. In 2015, SAT incorporated ADF and changed its name to Toscana Aeroporti SpA, as specified below. Having issued a bond traded on the Vienna stock exchange, CAI is required to prepare and file the consolidated financial statements. On 8 January 2018, a new bond of € 60 million was issued expiring on 31 December 2024 at an annual rate of 4.556% and at the same time the previous bond of € 50 million was repaid in advance and in full, the contractual maturity of which was scheduled for 31 December 2019.

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

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 19 February 2018, Corporación America Italia S.p.A. bought no. 850,235 shares of Toscana Aeroporti S.p.A. increasing its investment from 51.13% to 55.7%.

On 25 June 2018, Corporación America Italia S.p.A. bought no. 1,225,275 shares of Toscana Aeroporti S.p.A. increasing its investment 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 € 85,000,000.00, fully paid up and subscribed, represented by no. 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

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

3. NATIONAL TAX CONSOLIDATION

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

On 30 August 2016, the Revenue Agency had expressed a favourable 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 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 2019, CAI and TA renewed the option for the national tax consolidation for the three-year period 2019-2021, 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

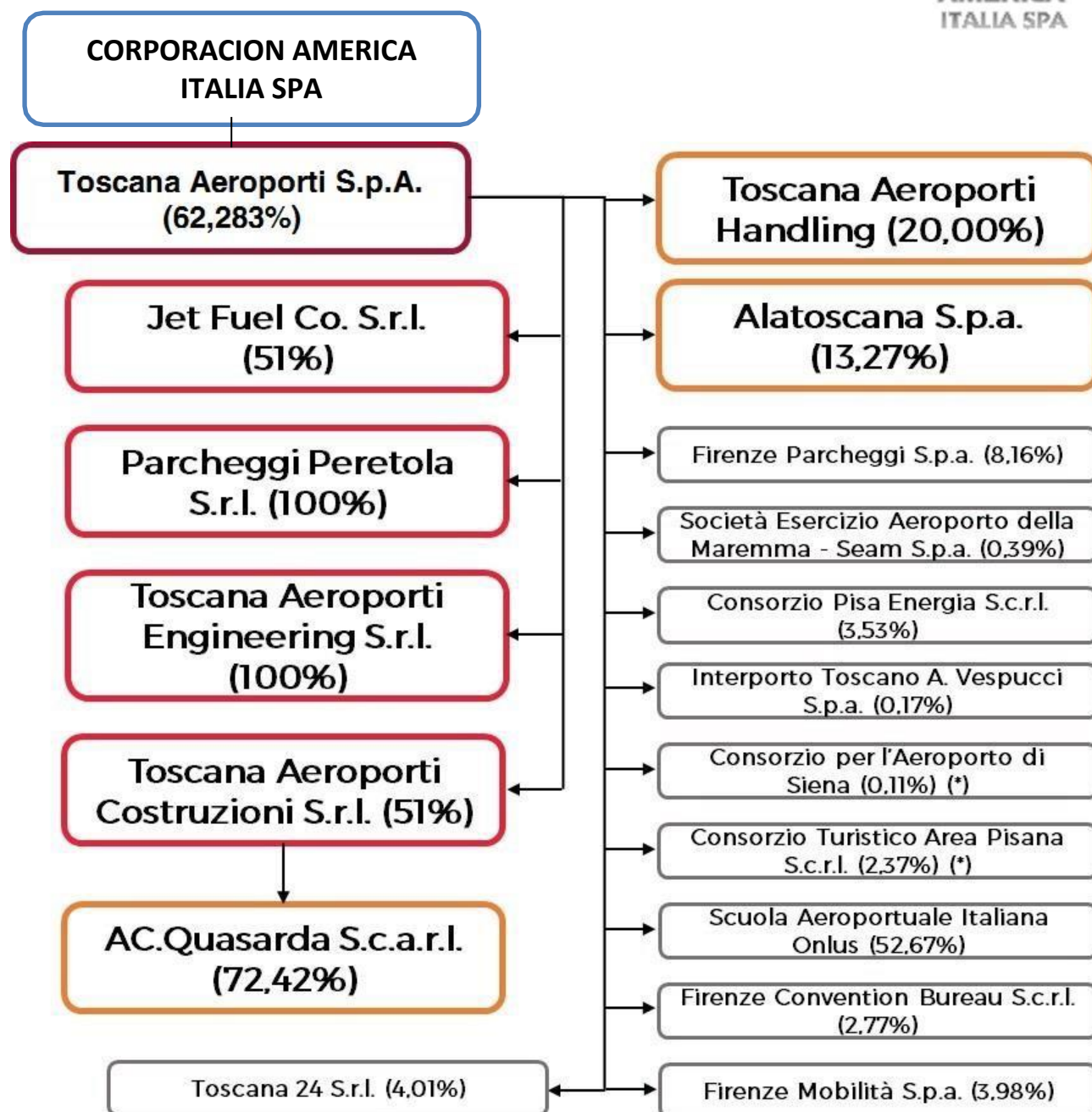


TA. The renewal of the option was not subject to communication to the Revenue Agency pursuant to art. 117 and following articles of Presidential Decree 917/86 and subsequent amendments, as the so- called tacit renewal.

In the first quarter of 2022, CAI and 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 articles 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 2023 is represented in the graph below.



Parent - Corporacion America Italia S.p.A.



Subholding company - Toscana Aeroporti S.p.A



Subsidiaries- Jet Fuel Co. S.r.l., Parcheggi Peretola S.r.l., Toscana Aeroporti Engineering 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 administrative and dividend rights and 51% of voting rights in the company Jet Fuel Co.S.r.l. For further details, see section on subsidiaries.

Other equity investments: (*) companies in liquidation



Associates and joint arrangements

Line-by-line consolidation¹

Company	Registered Office	Share/quota capital (€k)	%
Corporacion America Italia S.p.A.	Milan	113,103	Parent
Toscana Aeroporti S.p.A	Florence	30,710	Subholding company
Toscana Aeroporti Engineering S.r.l	Florence	80	100.00
Parcheggi Peretola S.r.l.	Florence	50	100.00
Jet Fuel Co. S.r.l.	Pisa	150	51.00
Toscana Aeroporti Costruzioni S.r.l.	Pisa	1,000	51.00
AC.Quasarda S.c.a.r.l.	Pisa	10	72.42

Equity-accounted investees³

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

5. HIGHLIGHTS

Performance for 2023³	<p>Revenue totals € 123,263 K, up by € 32,856 K (+36.3%) compared to € 90,407 K of the CAI Group in 2022.</p> <p>Operating revenue totals € 101,604 K, up by € 24,786 K (+32.3%) compared to € 76,819 K of the CAI Group in 2022.</p> <p>The Gross Operating Profit or EBITDA is positive for € 40,769 K, up by € 20,991 K compared to € 19,778 K for the CAI Group in 2022 (+106.13%).</p> <p>The Operating Profit or EBIT is positive for € 19,216 K, markedly up by € 19,125 K compared to the EBIT of € 91 K of the CAI Group in 2022.</p> <p>The Profit Before Tax is positive for € 9,251 K compared to a loss of € 7,175 K for the CAI Group in 2022.</p> <p>The Group's profit from continuing operations total € 5,520 K against a loss of € 6,284 K in 2022.</p> <p>The Group's profit for the year totals € 1,906 K, up by € 5,035 K compared to the 2022 loss of € 3,129 K (+160.92%).</p> <p>The Net Financial Debt totals € 134,436 K at 31 December 2023 compared to € 139,095 K at 31 December 2022.</p> <p>The Net Adjusted Financial Debt (not including commitments for deferred payments for corporate acquisitions and lease liabilities) totals €</p>
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¹ Data at 31 December 2023

² Data at 31 December 2022 were used for these companies, because no up-to-date data were available at the date of this

report.

³ Some of the items in this table reflect financial amounts not covered by IFRSs (Alternative Performance Indicators). These indicators are defined in Section 8.

	129,135 K at 31 December 2023 against € 132,596 K at 31 December 2022.
The Group's investments in 2023	During 2023, the Group's investments total approx. € 16.2 M , of which € 15.4 M relating to intangible assets and € 852 K relating to property, plant and equipment. The main investments in intangible assets have concerned the works under way to upgrade and expand the Pisa terminal (€ 2,650 K), the project for the new Florence terminal (€ 3,641 K), the update of the Master Plan and environmental impact assessment for the Florence airport (€ 1,115 K), the update of the executive design of the new runway in Florence (€ 338 K), preparatory works for the expansion of the Pisa terminal (€ 2,639 K), the requalification of the commercial outlets at the first floor of the Pisa airport (€ 909 K), the new shelter for ramp vehicles in Florence (€ 173 K), and new self-service bag drop systems in both airports (€ 145 K). Property, plant and equipment recognised in 2023 total € 852 K and include the purchase of motor vehicles (€ 194 K), hardware (€ 250 K), new metal detector portals (€ 87 K), and ETD systems (€ 50K).
Traffic	The air traffic reported by TA for 2023 is in line with the air traffic reported for 2019, with a 99.1% recovery. Globally, the Tuscan Airport System carried approximately 8.2 million passengers in 2023, with increases of 21.8% for the passenger component, 17.8% for tonnage, and 13.1% for the flight component compared to 2022. Conversely, Cargo & Mail traffic decreased by 13.2%. The criticality of the Russia-Ukraine situation remains, with the closure of the airspace to Russian airlines, who can neither land in nor take off from Italy, nor fly over the Italian national airspace. Consequently, Russia closed its airspace to airlines from 36 countries, including Italy.
Outlook	Traffic is expected to exceed 2019 pre-Covid levels in 2024, resulting in a full recovery of business operations and profitability, albeit accompanied by international tensions due to the continuing conflict between Russia and Ukraine, which could affect passenger mobility. In 2024, the Parent will focus on the continuation and finalisation of all the activities related to the approval process of the Florence Master Plan and on the preparation of its implementation, as well as on the development of the new Arrivals terminal in Pisa.

6. PROFILE OF 2023

6.1 The macroeconomic scenario and the air transport industry

Global growth, which fell to +2.9% in 2023, has further weakened compared to previous years. The future outlook shows increased risks mainly stemming from international political tensions in the Middle East and Ukraine, a slowing growth in most major economies, and tighter financial conditions. Indeed, global growth is projected to slow further in 2024, with a +2.7% growth, according to OECD published estimates.

The Eurozone economy weakened in the second half of 2023, falling by 0.1% of GDP in the third quarter and with a fourth quarter almost unchanged versus the previous quarter. This is mainly due

to tighter financing conditions, a weak manufacturing cycle, and a loss of competitiveness. According to the European Central Bank's projections, the GDP of the Eurozone was +0.6% in 2023, with growth forecasts of +0.8% and +1.5% in both 2024 and 2025-2026, respectively. Compared to previous projections released in September, estimates were revised downward for 2023 and 2024, mainly due to a weakening of the international economic cycle and more restrictive financing conditions for households and businesses. As regards provisions for recovery and resilience, the so-called €750 billion NextGenerationEU Plan created to support the relaunch the economy of the European Union at the end of December 2023, the fourth tranche of €16.5 billion was paid, reaching a total of approx. €102 billion in resources received by Italy so far.

The Italian GDP grew by +0.7% in 2023, but with a marginal increase in the third quarter, almost nil in the last months of the year, owing mainly to monetary constraint, still high energy prices, and a weak foreign demand from our main trading partners.

ACI Europe, the association advocating for over 500 airports in 55 Countries, reported a +19% increase in European passenger traffic in 2023 over 2022, and a 95% recovery compared to 2019, the last pre-Covid reference year. Aircraft flights increased by +11.8% in Europe compared to 2022, but are still down 8.1% compared to pre-Covid 2019 levels. The European cargo sector decreased by -2.9% over 2022 and -1% over 2019.

According to data released by Assaeroporti, passenger traffic in Italian airports reached a new historical record in 2023. With 197.2 million passengers, the reported growth is +19.8% over 2022 and +2.1% over the pre-Covid year, 2019. Aircraft flights increased by +9% over 2022, while they decreased by 2.6% over 2019. The Cargo business decreased in Italian airports compared to both 2022 and 2019, by 1.6% and 1.5%, respectively.

6.2 Traffic trends in the Tuscan Airport System

The table below shows 2023 traffic trends by month and compares them with 2022 and 2019 (pre-Covid period).

Toscana Aeroporti - January-December 2023 Monthly Traffic								
Airport	Month	2023	2022	2019	2023/22 DIFF.	2023/22 % DIFF.	2023/19 DIFF.	2023/19 % DIFF.
PSA-FLR	Jan	423,914	191,455	460,725	232,459	121.4%	-36,811	-8.0%
PSA-FLR	Feb	386,605	250,464	430,132	136,141	54.4%	-43,527	-10.1%
PSA-FLR	Mar	488,713	363,688	532,312	125,025	34.4%	-43,599	-8.2%
PSA-FLR	Apr	723,997	576,503	737,981	147,494	25.6%	-13,984	-1.9%
PSA-FLR	May	769,849	669,565	785,782	100,284	15.0%	-15,933	-2.0%
PSA-FLR	Jun	828,141	754,919	841,983	73,222	9.7%	-13,842	-1.6%
PSA-FLR	Jul	947,497	815,005	891,732	132,492	16.3%	55,765	6.3%
PSA-FLR	Aug	942,171	807,359	905,069	134,812	16.7%	37,102	4.1%
PSA-FLR	Sep	877,936	743,389	865,173	134,547	18.1%	12,763	1.5%
PSA-FLR	Oct	824,789	678,813	774,476	145,976	21.5%	50,313	6.5%
PSA-FLR	Nov	481,863	429,593	519,076	52,270	12.2%	-37,213	-7.2%
PSA-FLR	Dec	492,124	442,093	517,350	50,031	11.3%	-25,226	-4.9%
PSA-FLR	Total	8,187,599	6,722,846	8,261,791	1,464,753	21.8%	-74,192	-0.9%

Toscana Aeroporti reported a total of approx. 8.2 million passengers in 2023, which reflects a +21.8% growth and a +17.4% increase in commercial passenger movements compared to the same period of 2022. Compared to 2019 (2019 pre-Covid period), Toscana Aeroporti has recovered 99.1% of traffic, with a sharp closure of the gap starting from the summer months (April-June, and going back to positive figures in the high summer season).

The Toscana Aeroporti traffic at 31 December 2023, distinguished in its various components, and the related comparison with 2022 is detailed below.

The load factor of scheduled flights in the period is equal to 83.7% with a growth of 3.6 percentage points compared to 2022 (80.1%). In 2019, the load factor was 83.9%.

In 2023, freight and mail traffic recorded an overall decline of -13.2% (-2,000 tonnes) compared to 2022, which was positively influenced by the growth in online purchases driven by the health emergency. In fact, the traffic recorded during the 2023 is aligned with the pre-covid period, recording only a slight decline of 1.9%.

We also remember the suspension of Fedex operations from Pisa starting from the 2022 summer season resulting from the merger process between Fedex and TNT which led the carrier to focus on Italian airports where it already operated with large capacity aircraft (-260 tons compared to 2022 and -1,000 tons compared to 2019).

6.3. Traffic trends in the Pisa “Galileo Galilei” airport

The table below compares 2023 traffic trends against 2022, broken down into the various components:

PISA AIRPORT TRAFFIC				
	2023	2022	2023/22 DIFF.	2023/22 % DIFF.
Commercial Passengers	5,097,750	4,482,191	615,559	13.7%
Domestic (Scheduled + Charter)	1,300,755	1,418,745	-117,990	-8.3%
International (Scheduled + Charter)	3,796,995	3,063,446	733,549	23.9%
General Flight Passengers	11,932	11,656	276	2.4%
TOTAL PASSENGERS	5,109,682	4,493,847	615,835	13.7%
	2023	2022	2023/22 DIFF.	2023/22 % DIFF.
Commercial Air Transport	33,787	31,722	2,065	6.5%
Domestic (Scheduled + Charter)	8,245	9,264	-1,019	-11.0%
International (Scheduled + Charter)	24,483	20,936	3,547	16.9%
Cargo	1,059	1,522	-463	-30.4%
General Aviation	6,085	5,937	148	2.5%
TOTAL FLIGHTS	39,872	37,659	2,213	5.9%
	2023	2022	2023/22 DIFF.	2023/22 % DIFF.
Commercial Tonnage	2,459,048	2,229,969	229,079	10.3%
Domestic (Scheduled + Charter)	576,598	630,387	-53,789	-8.5%
International (Scheduled + Charter)	1,759,751	1,457,307	302,444	20.8%
Cargo	122,699	142,275	-19,576	-13.8%
General Aviation Tonnage	98,756	95,206	3,550	3.7%
TOTAL TONNAGE	2,557,804	2,325,175	232,629	10.00%

	2023	2022	2023/22 DIFF.	2023/22 % DIFF.
Air cargo (kg)	12,613,506	14,593,098	-1,979,592	-13.6%
Ground cargo (kg)	161,106	171,900	-10,794	-6.3%
Mail (kg)	27,058	1,921	25,137	1308.5%
TOTAL CARGO & MAIL	12,801,670	14,766,919	-1,965,249	-13.3%
	2023	2022	2023/22 DIFF.	2023/22 % DIFF.
TOTAL TRAFFIC UNITS	5,237,699	4,641,516	596,183	12.8%

Over 5.1 million passengers transited through the Pisa airport during 2023, up by 13.7% compared to 2022 (+615 K passengers), against an 8.4% increase in commercial passenger flights.

The load factor of flights operated in the period is 86.3%, up by 4.7 percentage points compared to 2022 (the final value is 81.6%). The load factor was 86.9% in 2019.

The table below shows 2023 traffic trends in the Pisa airport by month and compares them with 2022 and 2019, when the airport operated at full capacity (pre-Covid period).

Pisa airport - January-December 2023 Monthly Traffic								
Airport	Month	2023	2022	2019	2023/22 DIFF.	2023/22 % DIFF.	2023/19 DIFF.	2023/19 % DIFF.
PSA	Jan	276,751	133,457	288,569	143,294	107.4%	-11,818	-4.1%
PSA	Feb	241,211	182,633	275,797	58,578	32.1%	-34,586	-12.5%
PSA	Mar	301,867	256,572	329,614	45,295	17.7%	-27,747	-8.4%
PSA	Apr	457,135	383,739	485,081	73,396	19.1%	-27,946	-5.8%
PSA	May	479,065	438,466	515,094	40,599	9.3%	-36,029	-7.0%
PSA	Jun	507,332	506,684	555,404	648	0.1%	-48,072	-8.7%
PSA	Jul	607,063	550,730	607,609	56,333	10.2%	-546	-0.1%
PSA	Aug	609,396	556,018	627,066	53,378	9.6%	-17,670	-2.8%
PSA	Sep	554,590	486,115	571,407	68,475	14.1%	-16,817	-2.9%
PSA	Oct	514,180	441,448	489,048	72,732	16.5%	25,132	5.1%
PSA	Nov	274,558	264,273	313,456	10,285	3.9%	-38,898	-12.4%
PSA	Dec	286,534	293,712	329,413	-7,178	-2.4%	-42,879	-13.0%
PSA	Total	5,109,682	4,493,847	5,387,558	615,835	13.7%	-277,876	-5.2%

The carriers that operated in the Pisa Galilei airport in 2023, and the related destinations, are listed below:

- **Ryanair**: the Irish airline operated 36 destinations during the January-March winter season (new connection with Stockholm Arlanda). Seasonal routes resumed at the start of the new summer season, with new flights/from to Birmingham, Copenhagen, Kos, and the resumption of the flight to Glasgow Prestwick. This carrier operated a total of 54 destinations in the summer season, which dropped to 32 with the start of the winter season. New routes to Tirana, Porto and Amman have been opened and flights to the Canary Islands of Las Palmas and Tenerife resumed.
- The British carrier **EasyJet** operated flights to Paris Orly, London Gatwick, Manchester, and Bristol during the January-March period. Starting from the summer, it resumed connections with London Luton, Amsterdam, and Berlin, and increased the frequency of its flights to already served destinations, for a total of 7 destinations. In the winter season, it continued with 7 destinations (Berlin, Bristol, London Gatwick, Manchester, Paris Orly, and the new Paris Charles Gaulle and Porto flights).

- The Hungarian carrier **WizzAir** operated direct flights to Bucharest Otopeni and Tirana using larger capacity aircraft (passing from the 180-seat AB320 aircraft to a mix of NEO AB321 and AB321 aircraft offering 230 and 239 seats, respectively). The flight to Catania was operated until 12 February^t. Flights to Tirana were increased during the summer, passing from 7 to up to 13 flights per week. From November, this carrier continued with flights to Bucharest (up to 3 weekly flights) and Tirana (up to 16 weekly flights).
- **Air Dolomiti** continued its operations to Frankfurt (Main), with up to 8 flights per week in the January-March period, and operated up to 12 flights per week in the summer. With the closure of the summer season, the flight operated 1 daily flight only in November.
- The Czech airline **Silver Air** kept ensuring territorial continuity flights to/from Elba Island (up to 2/3 flights per week) and interrupted the service in October, while waiting for the start of the new bidding process.
- **Air Arabia Maroc** operated a weekly flight to/from Casablanca and, from early July to mid-September, increased its capacity offered at the Pisa airport passing from 1 to 2 weekly flights. It continued with 1 weekly flight in the winter.
- **Air Albania** operated up to 1 daily flight to/from Tirana. Starting from November, it operated 3 weekly flights and additional flights during the Christmas period.
- The other Albanian company, **Albawings**, operated up to 5 flights to/from Tirana every week and continued with reduced operations from November on.
- **British Airways** operated up to 4 weekly flights to/from London Heathrow during the January-March period, which increased to 2 direct flights per day in the summer. The carrier continued in November and December with up to 3 weekly flights.
- **Transavia**, the carrier that connects the Pisa airport with Amsterdam, operated 2 weekly flights in the January-March period and continued with up to 12 weekly flights in the summer. In November and December it continued with up to 3 weekly flights.
- **Norwegian Airlines** started operating seasonal bi-weekly connections with Stockholm Arlanda, Copenhagen, Helsinki and Oslo from the end of March; then the flight to Oslo passed from 2 to 3 weekly flights starting from June, while Copenhagen was reached with up to 4 flights.
- **Eurowings** connected Pisa with Cologne Bonn with up to 4 flights per week during the summer.
- The UK carrier **Jet2.com** operated seasonal flights to Manchester (up to 3 times per week), Leeds Bradford, and Birmingham once a week.
- The UAE low cost carrier **FlyDubai** continued operating its annual three-weekly flight to Dubai that started last 24 June. From 23 June to 29 September 2023, this carrier increased its flights in the Pisa airport, passing from 3 to 4 weekly flights.
- **Aer Lingus** operated up to 3 weekly flights to/from Dublin from May to September.
- The Latvian carrier **Air Baltic** operated 2 weekly flights from/to Riga in the very high season.
- From the end of June until the beginning of August, **SAS** operated flights to/from Oslo, Copenhagen and Stockholm Arlanda.
- The Iberian carrier **Volotea** operated its bi-weekly service to Nantes from the beginning of the summer and a flight to Olbia (up to 3 weekly flights) from the end of May.
- **Aeritalia** operated bi-weekly flights to Comiso since 27 July, and continued with the same frequency in the winter season.
- **Aegean Airlines** resumed its weekly flight to/from Athens during the peak season.

Scheduled passenger traffic by Country

A total of 27 markets were connected with the Pisa airport with scheduled direct flights during 2023. Italy is the largest market, with about 1.3 million passengers, accounting for 25.6% of the total number of passengers, followed by the United Kingdom, Spain, and Albania. The four largest markets account for approx. 62% of the total scheduled traffic.

Cargo & Mail Traffic

Cargo traffic decreased by 13.3% (with -2,000 tonnes of cargo & mail) compared to 2022, a year that was positively affected by the growth in online purchases driven by the health emergency. We also note the suspension of Fedex operations from summer 2022 (-260 tonnes in 2022 and approx. - 1,000 tonnes in 2019) and the presence of an all-cargo charter flight in 2022 (-139 tonnes). Net of Fedex operations, the airport would have grown by 7.2% compared to the pre-COVID period.

6.4 Traffic trends in the Florence “Amerigo Vespucci” airport

The table below compares 2023 traffic trends against 2022, broken down into the various components:

FLORENCE AIRPORT TRAFFIC				
	2023	2022	2023/22 DIFF.	2023/22 % DIFF.
Commercial Passengers	3,064,322	2,214,430	849,892	38.4%
Domestic (Scheduled + Charter)	432,686	161,285	271,401	168.3%
International (Scheduled + Charter)	2,631,636	2,053,145	578,491	28.2%
General Flight Passengers	13,595	14,569	-974	-6.7%
TOTAL PASSENGERS	3,077,917	2,228,999	848,918	38.1%
	2023	2022	2023/22 DIFF.	2023/22 % DIFF.
Commercial Air Transport	29,404	22,702	6,702	29.5%
Domestic (Scheduled + Charter)	4,375	2,051	2,324	113.3%
International (Scheduled + Charter)	25,029	20,651	4,378	21.2%
General Aviation	8,651	8,532	119	1.4%
TOTAL FLIGHTS	38,055	31,234	6,821	21.8%
	2023	2022	2023/22 DIFF.	2023/22 % DIFF.
Commercial Tonnage	1,721,295	1,285,237	436,058	33.9%
Domestic (Scheduled + Charter)	265,487	113,175	152,312	134.6%
International (Scheduled + Charter)	1,455,808	1,172,062	283,746	24.2%
General Aviation Tonnage	108,946	114,553	-5,607	-4.9%
TOTAL TONNAGE	1,830,241	1,399,790	430,451	30.75%
	2023	2022	2023/22 DIFF.	2023/22 % DIFF.
Air cargo (kg)	19,371	65,286	-45,915	-70.3%
Ground cargo (kg)	117,255	74,535	42,720	57.3%
Mail (kg)	671	442	229	51.8%
TOTAL CARGO & MAIL	137,297	140,263	-2,966	-2.1%
	2023	2022	2023/22 DIFF.	2023/22 % DIFF.
TOTAL TRAFFIC UNITS	3,079,290	2,230,402	848,888	38.1%

A total of 3.078 million passengers transited through the Florence airport in 2023, up by +38.1% compared to 2022 (+848,918 passengers), with a +29.5% increase in commercial passenger flights.

The load factor of flights operated in the year was 79.8%, up by 2.4 percentage points compared to 2022 (77.4% in 2022). The load factor was 78.8% in 2019.

The table below shows 2023 traffic trends in the Florence airport by month and compares them with 2022 and 2019, when the airport operated at full capacity (pre-Covid period). With the start of the summer season, the Florence airport exceeded 2019 pre-Covid traffic levels, showing a continuous growth trend.

Florence airport - January-December 2023 Monthly Traffic								
Airport	Month	2023	2022	2019	2023/22 DIFF.	2023/22 % DIFF.	2023/19 DIFF.	2023/19 % DIFF.
FLR	Jan	147,163	57,998	172,156	89,165	153.7%	-24,993	-14.5%
FLR	Feb	145,394	67,831	154,335	77,563	114.3%	-8,941	-5.8%
FLR	Mar	186,846	107,116	202,698	79,730	74.4%	-15,852	-7.8%
FLR	Apr	266,862	192,764	252,900	74,098	38.4%	13,962	5.5%
FLR	May	290,784	231,099	270,688	59,685	25.8%	20,096	7.4%
FLR	Jun	320,809	248,235	286,579	72,574	29.2%	34,230	11.9%
FLR	Jul	340,434	264,275	284,123	76,159	28.8%	56,311	19.8%
FLR	Aug	332,775	251,341	278,003	81,434	32.4%	54,772	19.7%
FLR	Sep	323,346	257,274	293,766	66,072	25.7%	29,580	10.1%
FLR	Oct	310,609	237,365	285,428	73,244	30.9%	25,181	8.8%
FLR	Nov	207,305	165,320	205,620	41,985	25.4%	1,685	0.8%
FLR	Dec	205,590	148,381	187,937	57,209	38.6%	17,653	9.4%
FLR	Total	3,077,917	2,228,999	2,874,233	848,918	38.1%	203,684	7.1%

The carriers that operated in the Florence Vespucci airport, and the related destinations, are listed below:

- The Dutch carrier **KLM** operated one daily flight in the January-March period and up to 4 daily flights during the summer. Starting from November, it operated 3 daily flights to Amsterdam.
- **Air France** operated up to 5 daily flights in the winter and 6 daily flights in the summer.
- **Air Dolomiti** operated up to 15-18 flights per week to/from Munich and Frankfurt during the January-March period, and up to 23 flights per week to Frankfurt and 20 to Munich during the summer. It continued with up to 17-18 weekly flights in the November-December period.
- The Italian carrier **ITA Airways** operated 2 daily flights to Rome Fiumicino, which became 4 starting from June. It continued with the same operations during the winter season.
- **Binter Canarias** operated its annual connection with Gran Canaria – Las Palmas (1 flight per week).
- **Swiss Airlines** operated the Zurich flight with up to 18-19 weekly flights during the winter and operated up to 4 daily flights (with night stop) in the summer. In peak season, it operated a bi-weekly connection with Geneva.
- **Iberia** operated 3 weekly flights to/from Madrid 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, thus covering the connection to the Spanish capital.
- **Luxair** operated 3 weekly flights to/from Luxembourg.
- The Czech airline **Silver Air** continued operating territorial continuity flights to Elba Island with 2 flights per week during the winter and up to 5 during the summer. Flights were suspended from October pending the new bidding process for the territorial continuity service.
- **British Airways** operated 12 weekly flights to London City during the winter and increased its flights to 13 per week during the summer. It also started operating a daily direct flight to London Heathrow with an A320neo aircraft from 15 April. From May to September, it also operated a seasonal flight to Edinburgh (up to 3 flights per week) with the British regional airline BA CityFlyer.
- **TAP** operated 7 direct flights to Lisbon during the winter, which became 8 in the summer.

- The Spanish carrier **Vueling Airlines** operated continuously on 7 destinations (Amsterdam, Barcelona, Catania, London Gatwick, Madrid, Palermo, Paris Orly) during the January-March period. With the summer season, the carrier resumed its flight to Bilbao and increased the frequency of already operated flights. New connections with Bari and Dusseldorf were operated from June. This carrier operated a total of 10 destinations during the summer; then it continued during the winter with 7 destinations to replace the flight to/from Palermo operated in January-March, which had been suspended at the end of the summer, with a flight to Bilbao.
- **Austrian Airlines**, the carrier that operated some flights in the January-March period, resumed the flights to Vienna in the summer with up to 2 daily flights. From November, it operated 4 weekly flights to/from Vienna.
- From the end of March, the seasonal flight to/from Brussels was re-operated by **Brussels Airlines** up to 7 times per week.
- The Swedish carrier **SAS** operated a seasonal flight to/from Copenhagen (up to 6 times per week). From the end of June, it also opened a seasonal flight to/from Oslo and, in July, also a flight to/from Stockholm Arlanda, with A320neo aircraft.
- **Albawings** operated up to 3 weekly flights to/from Tirana starting from the summer. This service was confirmed in the November-December period with 2 weekly flights.
- The Greek carrier **Aegean Airlines**, after operating several flights during the January-March period, regularly resumed its 2 flights per week to/from Athens, with the increased capacity of A320neo aircraft.
- The new carrier **Air Serbia** opened a seasonal connection with Belgrade with 2 flights per week starting from the end of May.
- The Iberian airline **Volotea** based an A319 airbus at the Florence airport since 6 April 2023 to connect the airport with 12 destinations: Bilbao, Bari, Cagliari, Catania, Palermo, Bordeaux, Lyon, Marseille, Nantes and Toulouse, and - from 19 June - Olbia. From 10 October, it started to operate a flight to/from Hamburg.
- **Widerøe** increased the frequency of its flights to Bergen in peak season and, in the same period, began a new connection with Oslo Torp.

Scheduled passenger traffic by Country

A total of 17 markets were connected with scheduled flights with the Florence airport in 2023.

The international market accounts for 85.9% of the total scheduled passenger traffic of the Vespucci airport, while domestic traffic accounts for 14.1%. France, Italy, Spain and Germany are the four largest markets, accounting for approx. 63% of the total scheduled traffic.

7. SIGNIFICANT EVENTS OF THE YEAR

On 14 February 2023, the Board of Directors of the Toscana Aeroporti S.p.A. announced that the existing Control and Risk Committee had been entrusted with specific environmental, social and governance (ESG) functions. In detail, the Committee was renamed the "Control, Risks and Sustainability Committee" and entrusted with advisory and propositional functions to support the Company's Board of Directors in its activities related to sustainability matters. This change is in line with the Company's commitment to strengthen the integration of ESG factors into its operational choices and business strategies.

With reference to the Parent's bond, CAI managed to complete the renewal of the Waiver with the U.S. Trustee Bank, on 20 February 2023, in order to obtain temporary coverage on the verifications of the obligations foreseen for 31 December 2022 and 30 June 2023. The renewal of the waiver was requested both due to the continuing effects of the Covid-19 pandemic on the system of transport and infrastructure, both in relation to the containment measures envisaged by the government as well as the effects deriving from the conflict between Russia and Ukraine. It is

specified that as of 31 December 2023 the covenants are complied with and therefore no renewal of the waiver was necessary, as better explained in the specific paragraph of the notes.

With Resolution no. 38 of 9 March 2023, the *Autorità di Regolazione dei Trasporti* (ART, Transport Regulation Authority) approved the new models for the regulation of airport fees, thus concluding the revision process started in March 2022. As stated in the Resolution, the new models are effective from 1 April 2023 and apply to the airport fee review processes commenced from that date.

On 5 April 2023, Toscana Aeroporti announced that the Director Elisabetta Fabri, appointed from the list presented by the Parent, resigned with immediate effect during the Shareholders' Meeting of 18 May 2022, due to numerous concomitant non-deferrable professional commitments.

On 3 May 2023, Toscana Aeroporti S.p.A. received a notification from the Ministry of the Economy and Finance containing the appointment of Mr Alberto Ribolla as Standing Statutory Auditor to act as Chairman of the Board of Statutory Auditors of the Company. Therefore, the new Board of Statutory Auditors for the three-year period 2023-2025 includes the following members: Alberto Ribolla (Chairman), Silvia Bresciani, Leonardo Comucci, Roberto Giacinti, and Lara Lupi as Standing Statutory Auditors, as well as Maurizio Redeghieri Baroni and Francesco Rossi as Alternate Statutory Auditors.

On 20 July 2023, TA Shareholders' Meeting approved the distribution of an extraordinary dividend of € 7 M to be partly paid out of the Extraordinary Reserve, with a unit value of € 0.3761, and also approved the appointment of Director Linda Stivala, previously co-opted by the Board of Directors on 12 May 2023 pursuant to Art. 2386 of the Civil Code. The Parent collected the dividend due to it amounting to € 4,359,811.

On 14 September, the Ministry of Infrastructure and Transport informed the Company of the positive second-instance judgement issued by the Council of State (judgement no. 04874/2023), which ruled that TA was right against the MIT concerning the claimed failure to adjust airport tariffs to the inflation rate scheduled for the 2009-2012 period. The proposed remedy, which was quantified in a total amount of € 5,388,967.81, was accepted by TA on 5 October 2023.

8. RESULTS OF OPERATIONS FOR THE CAI GROUP

In order to disclose the results of operations of the Group and analyse their financial position, some alternative performance indicators have been used that are not envisaged by the IFRS, but considered to be useful for the readers of financial statements

These indicators are presented with the purpose of allowing for a better assessment of the Group's operating performance and should not be considered as an alternative to those required by the IFRS. In addition, the criterion used to determine these alternative performance measures may differ from those adopted by other companies; therefore, the obtained balances may not be comparable with those determined by other companies.

The definition of the alternative performance indicators used in this document is given below:

- *Operating revenue: Total revenue net of Other revenue and Revenue from construction services;*
- *Operating profit (loss) (EBIT): the difference between the sum of Revenue and Other income and the sum of Costs (Consumables, Personnel costs, Service costs, Sundry operating expenses, Airport fees), Amortisation and depreciation, the Provisions for repairs and replacement and the Loss allowance;*

- *Gross Operating Profit (Loss) (EBITDA):* the operating profit before *Amortisation/depreciation, Provisions for repairs and replacement and the Loss allowance;*
- *Net financial income/expense:* the sum of *Financial income and Gains (losses) on equity investments,* net of *Financial expense;*
- *Profit before tax:* coincides with *profit (loss) before tax;*
- *Profit (loss) from continuing operations:* *Profit (loss) for the year,* before *Profit (loss) from discontinued operations;*
- *Net Working Capital (NWC):* the difference between *Current assets net of Cash and cash equivalents and Current liabilities net of Bank overdrafts (current bank loans and borrowings?);*
- *Non-current assets:* coincide with *Non-current assets;*
- *Net Invested Capital:* reflects the sum of *Non-current assets and the NWC,* net of *Non-current liabilities,* which do not include *Current financial liabilities and Current lease liabilities;*
- *Net Financial Indebtedness or Net Financial Position (NFP) or Debt:* the sum of *Cash and cash equivalents and Other current financial assets,* net of *Current financial liabilities, Current lease liabilities, Non-current financial liabilities, Non-current lease liabilities,* and the share of *Other current liabilities and Other non-current liabilities* related to the purchase of the TAC investment;
- *Adjusted Net Financial Indebtedness or Adjusted Net Financial Position:* reflects the NFP gross of *Current lease liabilities, Non-current lease liabilities,* and the share of *Other current liabilities and Other non-current liabilities* related to the purchase of the TAC investment, already mentioned in the previous section;
- *Adjusted Debt-to-Equity Ratio:* reflects the ratio of *Adjusted NFP to Equity,* that is to say the *Equity* (attributable to owners of the Parent and non-controlling interests).

8.1 Consolidated Income Statement

CAI GROUP INCOME STATEMENT				
Amounts shown in € K	2023	2022	Abs. Diff.	VAR %
REVENUE I				
Aviation revenue	78.112	59.476	18.636	31,33%
Non-aviation revenue	36.870	30.709	6.161	20,06%
Network development expense	(13.378)	(13.367)	(11)	0,08%
TOTAL OPERATING REVENUE	101.605	76.818	24.787	32,27%
Other revenue	6.661	6.182	479	7,75%
Revenue from construction services	14.998	7.407	7.591	102,48%
TOTAL REVENUE (A)	123.263	90.406	32.857	36,34%
OTHER INCOME (B)	713	666	47	7,06%
COSTS				
Consumables	1.708	1.236	472	38,19%
Cost of personnel	24.962	21.907	3.055	13,95%
Costs for services	47.518	41.254	6.264	15,18%
Sundry operating expense	1.974	1.188	786	66,16%
Airport fees	7.047	5.712	1.335	23,37%
Operating costs	83.208	71.297	11.911	16,71%
Costs for construction services	0	0	0	n.a.
TOTAL COSTS (B)	83.209	71.298	11.911	16,71%
EBITDA - GROSS OPERATING PROFIT (A-B)	40.769	19.775	20.994	106,16%
Amortisation and depreciation	16.728	16.087	641	3,98%
Provision for repairs and replacement	4.812	3.484	1.328	38,12%
Provision for risks and charges	12	115	(103)	-89,57%
EBIT - OPERATING PROFIT	19.216	88	19.128	-21859,89%
FINANCIAL INCOME AND EXPENSE				
Financial income	413	103	310	300,97%
Financial expense	(10.391)	(7.128)	(3.263)	45,78%
Gain (loss) on equity investments	13	(242)	255	-105,37%
NET FINANCIAL EXPENSE	(9.965)	(7.267)	(2.698)	-37,13%
PROFIT (LOSS) BEFORE TAX	9.251	(7.179)	16.430	228,85%
Income taxes	(3.731)	892	(4.623)	-518,48%
PROFIT (LOSS) FROM CONTINUING OPERATIONS	5.520	(6.288)	11.808	187,79%
Profit (loss) from discontinued operations	0	3.320	(3.320)	n/a
PROFIT (LOSS) FOR THE YEAR	5.520	(2.968)	8.488	285,99%
Non-controlling interests	(3.614)	(165)	(3.449)	2090,30%
PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE PARENT	1.906	(3.133)	5.039	160,84%

(*) Please note that in 2023 Costs for construction services were classified by nature as cost items (consumables, services and cost of personnel). Consequently, the comparative figure for 2022 was also reclassified accordingly.

The table below shows the main income statement results for the year.

REVENUE

Total consolidated revenue increased by 36.3%, passing from € 90.4 M in 2022 to € 123.3 M in 2023. This difference is the main result of the approx. € 24.8 M increase in operating revenue (up by +32.3%) resulting from increased traffic (+21.8% passengers, +17.8% tonnage, +13.1% flights). Please note that operating revenue was recognised net of network development costs arising from marketing support agreements under IFRS 15. In 2023, these costs substantially confirmed the 2022 figure, with approx. €13.4 M, also due to the release of certain costs accrued in previous years (contingent assets for € 1,957 K) in connection with the update of the analysis of marketing support agreements with the airlines.

OPERATING REVENUE

Consolidated operating revenue totalled € 101.6 M in 2023, up by approx. € 24.8 M, corresponding to +32.3%, compared to 2022.

Aviation revenue

Aviation revenue totalled € 78.1 M in 2023, up by 31.3% compared to 2022, when they were € 59.5 M.

In detail, revenue from airport duties, fees and taxes increased by 32.3% directly as a result of both the greater traffic handled in 2023 compared to 2022 (+21% in terms of traffic units) and the positive second-instance sentence received from the Council of State in September, which ruled that TA was right against the MIT on the claimed failure to adjust airport fees to the inflation rate planned for the 2009-2012 period.

The one-off amount of € 5,389 K paid to TA has been classified into the various original regulated duties as follows:

- € 3,681 K of passenger boarding fees;
- € 1,612 K of landing and take-off fees;
- € 95 K of parking fees.

Handling revenue totalled € 1.8 M and substantially confirm 2022 levels (+0.4%).

Non-Aviation revenue

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

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

In 2023, revenue deriving from subcontracting accounts for 63.6% of Non-Aviation operating revenue, while those deriving from directly managed activities accounts for the remaining 36.4%. In 2022, these percentages were 65.1% for indirect management and 34.9% for direct management, respectively.

Year-on-year data at 31 December 2023 for non-aviation revenue is € 36.9 M, up by 20.1% compared to 2022, when it was € 30.7 M.

In 2023, non-aviation activities were positively affected by the increased traffic, including parking lots (+ € +1,487 K, +26.2%), Food (+ € +1,311 K, +36.1%), VIP Lounges (+ € +1,224 K, +46%), Car Hires (+ € +660 K, +9.6%), and other sub-concessions (+ € +717 K, +32.7%).

Network development expense

Network development expense totalled €13.4 M in 2023, substantially in line with 2022 (+0.1%). The amount of the year's expense is positively affected by the release of previous years' costs (prior year assets for € 1,957 K) after the updated analysis of the marketing support agreements signed with the airlines

OTHER REVENUE

Other revenue mainly includes construction services provided to entities other than the Grantor and, to a lesser extent, other services provided by the Group (administrative services, consulting services, and so on).

In 2023, "Other revenue" came to € 6,661 K, a greater amount than that of 2022, when the total was € 6,182 K. The difference of approx. € 479 K (+7.8%) substantially stems from the design and manufacturing work done under the multi-year framework agreement signed with ANAS (€ 4,229 K against € 3,870 K in 2022). We also point out the greater number of utilities connected for sub-concessionaires in the two airports (€ +72 K).

REVENUE FROM CONSTRUCTION SERVICES

In 2023, revenue from construction services total approx. € 15 M, markedly up compared to 2022, with € 7,407 K (+102%), thanks to the greater investments made by the Group during the year.

OTHER INCOME

"Other income" is € 713 K at 31 December 2023, compared to 2022, when it totalled € 666 K. The item mainly consists of contributions received under several legislative measures in support of non-gas-intensive and non-energy-intensive companies in response to the increase in energy raw materials (€ 232 K), sundry compensation and reimbursements received in 2023 (€ 192 K), as well as the update of the airport Concession Price at 31 December (€ 211 K).

COSTS

In 2023, costs total € 83.2 M, up by +16.71% compared to 2022, when they were € 71.3 M. This figure is the direct consequence of the increased traffic handled during 2023 (+21% traffic units) and the simultaneous increase in construction service costs for approx. € 3.8 M as a result of the greater investments made during the year.

Consumables total € 1,708 K in 2023, up by € 472 K compared to 2022, an increase mainly due to a higher consumption of raw materials (€ +402 K) consequent to the greater internal construction activities (through Group companies) and fuel materials (€ +138 K), a direct consequence of increased operations in the two airports during the year.

The cost of the Group's personnel total € 24.9 M in 2023, up by € 3,055 K compared to 2022 (+14%). Cost of personnel has increased substantially as a result of the higher number of staff members required to meet the increased operational needs (mostly for the greater traffic handled, +21.8% of passengers) and of the consequent non-use of the unemployment benefits that had been used in 2022. 2023 costs are also affected by greater variable remuneration paid compared to 2022, consisting in performance bonuses.

Costs for services total € 47.5 M in 2023, up by 15.18% compared to 2022, when they totalled € 41.3 M. The increased costs of the year considered mainly consist of higher costs for construction services (€ +3,857 K) and operating costs (€ +3,686 K) substantially linked to the increased traffic handled in the year, and include portorage (€ +160 K), security (€ +408 K), VIP lounges (€ +590 K), cleaning (€ +278 K), assistance to passengers with reduced mobility (PRM) (€ +1,173 K), shuttle bus (€ +133 K), truck collection (€ +145 K), and emergency management services (€ +312 K).

Sundry operating expense total € 1,974 M in 2023, up by € 786 K (+66.16%) compared to 2022. This increase is mainly due to higher taxes and levies and membership fees paid to sundry entities and institutions (€ +241 K).

Airport fees total € 7,047 K in 2023, up by 23.4% compared to 2022, as a direct consequence of the increased traffic managed in 2023.

PROFIT (LOSS) FOR THE YEAR

The 2023 gross operating profit (**EBITDA**) is **positive for € 40.8 M**, a figure that reflects an increase of approximately **€ 20.9 M** compared to 2022, when the total was € 19.8 M. Please note that 2023 profit includes the one-off revenue received after the positive conclusion of the litigation on airport fees for approximately € 5.4 M, as described in the section “Significant events of the year”.

Amortisation, depreciation and provisions for risks and charges total € 21.5 M in 2023, up by € 1.9 M compared to 2022. This is mainly the consequence of greater amortisation/depreciation (€ +640 K) and greater provisions for repairs and replacement (€ +1,328 K).

The 2023 operating profit (**EBIT**) is **positive** for approximately **€ 19.2 M**, up by approx. € 19 M compared to 2022, when it a loss of approx. € 91 K.

Net financial expense passed from € 74,266 K in 2022 to € 9,965 K in 2023. The difference is mainly the consequence of higher bank interests and higher interest expense generated by the discounting of the provision for repairs and replacement (€ +277 K).

The **Profit Before Tax approximated € 9.3 M** for 2023, up by approx. € 16.4 M compared to 2022, when it totalled a loss of € 7.1 M.

Income tax for the year totals € 3.7 M.

Therefore, based on the information disclosed above, **profit from continuing operations came to approx. € 5.5 M**, up by € 11.8 M compared to 2022, when it was € - 6.3 M.

The **profit for the year** is € 5.5 M for 2023, against a loss of € 3 M for 2022, a figure that benefited from approx. € 3.3 M of profit from discontinued operations (not applicable to 2023). As described above, the profit for 2023 also benefits from some non-recurring items, the main of which is the recovery of prior year tariffs for approx. € 5.4 M.

After deducting non-controlling interests (approx. € 3,614 K in 2023), the **profit** for 2023 attributable to the owners of the Parent is approx. **€ 1.9 M** against a loss of approx. € 3.1 M in 2022.

8.2 Statement of Financial Position

The table below provides a comparison between the **Statement of Financial Position** of the CAI Group at 31 December 2023 and the same document at 31 December 2022.

Amounts shown in thousand euro (€K)	31.12.2023	31.12.2022	DIFFERENCE
Non Current Assets			
Intangible assets	337.537	336.745	792
Propert, plant and equipment	37.371	39.924	(2.553)
Rights-of-use assets	3.633	3.904	(271)
Equity investments	3.912	3.535	377
Financial Assets	6.313	5.497	816
Deferred tax assets	11.236	12.779	(1.543)
TOTAL NON CURRENT ASSETS	400.003	402.384	(2.381)
Current assets			
Trade receivables	21.190	18.125	3.065
Assets from associates	2.586	709	1.877
Tax assets	1.934	729	1.205
Other assets	9.951	8.002	1.949
Cash and cash equivalents	31.532	60.693	(29.161)
TOTAL CURRENT ASSETS	67.193	88.258	(21.065)
TOTAL ASSETS	467.196	490.641	(23.445)

The difference in total assets, which decreased by € 23 M compared to total assets at 31 December 2022, mainly stems from reduced current assets (€ -21.1 M), and the € 2.4 M increase in non-current assets.

Current assets were mainly affected by the reduction in cash (€ -29.2 M), absorbed by the investments made during the year (€ 13.8 M), the capital repayment of Group loans (€ 34.8 M), and the distribution of dividends and available reserves by TA, partially mitigated by positive cash flows from operations.

Current assets include increased trade receivables (€ +5.5 M) resulting from higher revenue earned from the greater air traffic handled by the two airports in the course of 2023.

Amounts shown in thousand euro (€K)	31.12.2023	31.12.2022	DIFFERENCE
EQUITY	164.440	161.895	2.545
Liabilities			
Non-current liabilities	68.171	69.128	(957)
of which Deferred tax provision	43.618	45.409	(1.791)
of which employees' leaving entitlement	2.194	2.344	(150)
Non-current financial liabilities	46.791	128.016	(81.225)
Total non-current liabilities	114.962	197.145	(82.183)
Current liabilities	187.793	131.602	56.191
of which lease liabilities	571	589	
Total liabilities	302.755	328.746	- 25.991
TOTAL LIABILITIES AND EQUITY	467.196	490.643	(23.447)

Equity increased by € 2.5 M as a result of the positive effect of the profit for the year.

Non-current liabilities, which decreased by € 82.2 M, were affected by the significant decrease in non-current financial liabilities (€ -23 M) and from the reclassification into current liabilities of the Parent's bond expiring in December 2024 (approximately € 59 M), therefore current liabilities increase mainly as a result of this reclassification.

INVESTED CAPITAL

The table below compares summarised information regarding the capital invested at 31 December of the two compared years and is followed by comments on the reported differences.

(Amounts in € K)	31 Dec 2023 CAI	31 Dec 2022 CAI	Diff. Abs. 2022/2021
Non current assets	400.003	402.384	(2.381)
Net Working Capital	(32.956)	(32.266)	(690)
Non-current liabilities	(68.171)	(69.128)	957
Net Invested Capital	298.876	300.989	(2.113)
	-	-	-
Net financial indebtedness	-	-	-
Net invested capital	298.876	300.989	(2.113)
Equity	(164.440)	(161.895)	(2.545)
Net financial indebtedness	134.436	139.095	(4.658)

Non current assets decreased by approx. € 2.4 M, mainly due to amortisation/depreciation for the year partially attenuated by operating investments.

The net working capital, negative for approx. € 32.9 M at 31 December 2023, increased by € 690 K compared to 31 December 2022, mainly due to the simultaneous increase in current assets (€ +8 M), partially mitigated by increased tax liabilities (€ 3.6 M) and provisions for risks (€ +3.4 M).

Non-current liabilities increased mainly due to the increase in provisions for repair and replacement and in provisions for risks and charges.

As a consequence, the Net Invested Capital of the CAI Group at 31 December 2023 is reduced by approximately € 2 M at 31 December 2022, with a balance of **€ 298.87 M**.

8.3 Statement of Cash flows

The Statement of Cash Flows provided below has been prepared by using the indirect method defined in IAS 7, which highlights the main determinants of changes in cash and cash equivalents during the year.

CONSOLIDATED STATEMENT OF CASH FLOWS (Amounts in € K)		
€/K	2023	2022
A) Cash flows from operating activities (indirect method)		
Net profit (loss) for the year	5.520	(2.964)
Income taxes	3.731	(892)
Interest expense/(income)	9.978	7.024
(Capital gains)/Capital losses resulting from the sale of assets	0	(3.320)
1) Profit (loss) for the year before income taxes, dividends and capital gains/losses from the sale of assets	19.230	(151)
Accruals to provisions	6.232	4.851
Amortisation and depreciation	16.728	16.088
Total non-monetary adjustments that did not affect net working capital		
2) Cash flows before changes in net working capital	22.960	20.939
	42.190	20.788
Increase of trade receivables	(3.066)	(2.031)
Decrease/(Increase) of trade payables	(1.139)	6.479
Other decreases/(Other increases) of net working capital	(1.224)	14.347
Total changes in net working capital	(5.429)	18.795
3) Cash flows after changes in net working capital	36.761	39.583
Interest paid	(8.782)	(5.034)
(income taxes paid)	(1.923)	(53)
(Use of provisions)	(1.185)	(8.251)
Total other adjustments	(11.890)	(13.338)
Cash flows from operating activities (A)	24.871	26.245
B) Cash flows from investing activities		
Investments in property, plant and equipment	(852)	(1.388)
Divestments of property, plant and equipment	8	142
Investments in intangible assets	(15.353)	(7.722)
Investments in financial assets	(99)	(1.075)
Divestments of financial assets	0	0
Cash flows used in investing activities (B)	(16.296)	(10.043)
C) Cash flows from financing activities		
New loans	53.500	59.500
(Reimbursement of loans)	(88.296)	(70.893)
Increase in paid share capital	0	0
Disposal/(Repurchase) of treasury shares	0	0
(Dividends and advances on dividends paid)	(2.940)	(2.640)
Cash flows used in financing activities year	(37.736)	(14.033)
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(29.161)	2.169
Opening cash and cash equivalents	60.693	58.524
Closing cash and cash equivalents	31.532	60.693
Increase (decrease) in cash and cash equivalents	(29.161)	2.169

At 31 December 2023, cash and cash equivalents total € 31.5 M, down by € 29.2 M compared to cash and cash equivalents at 31 December 2022, when they were € 60.7 M.

The items of the Statement of Cash Flows for 2023 specifically include:

- Cash flows generated by operating activities for € 24.9 M;
- Investments in airport infrastructures f_haractrox. € 13.8 M;
- A net € 34.1 M difference in TA loans resulting from the new current loans (“hot money”) taken out for € 53.5 M and from the repayment of € 87.6 M of loans, of which € 59.5 M current and € 28.1 M non-current;
- The distribution of dividends and reserves for € 2.9 M.

8.4 Net Financial Indebtedness

To complete the information above, the Net Financial Indebtedness of the Group at 31 December 2023 and at 31 December 2022.

NET FINANCIAL INDEBTEDNESS			
(values in €/000)	31.12.2023	31.12.2022	Diff.
	Consolidated	Consolidated	2022/2021
	CAI	CAI	
Cash	31.532	60.693	(29.161)
Cash equivalents Other current financial assets	-	-	-
Liquidity (A) + (B) + (C)	31.532	60.693	(29.161)
Current Financial assets	-	-	
Current financial debt	34.320	40.266	(5.946)
Current portion of non-current financial debt	84.285	30.917	53.369
Other current lease liabilities	571	589	(18)
Current financial indebtedness (F) + (G) + (H)	119.176	71.771	47.405
Net current financial indebtedness (-) - (-) - (D)	87.644	11.078	76.566
Non-current financial debt	43.525	66.515	(22.990)
Bonds issued	-	58.011	(58.011)
Other non-current debt	3.266	3.491	
Non-current financial Indebtedness (K) + (L) + (M)	46.791	128.017	(81.226)
Net financial indebtedness (J) + (N) P.F.N.	134.436	139.095	(4.658)

At 31 December 2023, “Current financial debt” (use of current credit lines) total € 34.3 M, to which we should add the item “Current portion of non-current financial debt”, which includes the portions due within the next 12 months of non-current loans (€ 23,015 K), the debt relating to the purchase of the shareholding in TAC (€ 1 million) and for the remaining part the current portion of the Parent’s bond expiring in December 2024. Other current lease liabilities amount to € 571 K.

In addition, there is non-current financial debt f_haractrox. € 43.5 M, mainly reflecting the non-current portion of outstanding loans (€ 43.5 M) and Other non-current debt that includes the non-current portion of lease liabilities (€ 3.3 M).

The Group’s liquidity is € 31.5 M at 31 December 2023.

Therefore, the **Net Financial Indebtedness** at the reporting date (31 December 2023) is **€ 134.4 M**, down by € 4.6 M compared to 31 December 2022.

Based on the above, the new **debt-to-equity ratio** at 31 December 2023 is **0.82** (against 0.86 at 31 December 2022).

The composition of the **Adjusted Net Financial Indebtedness** used by the Management for the periodic monitoring of the covenants created with the existing loan agreements is given below. Compared to the financial indebtedness described in the previous point, the item does not include the other liabilities for deferred payments for corporate acquisitions and lease liabilities.

(values in €/000)	31.12.2023		31.12.2022		Diff. 2022/2021
	Consolidated		Consolidated		
	CAI		CAI		
Net financial indebtedness	134.436	-	139.095	-	4.658
liabilities for deferred payments for company acquisitions	-	1.464	-	2.419	955
lease liabilities	-	3.837	-	4.080	243
Adjusted net financial indebtedness	129.135		132.596		3.460

Therefore, at 31 December 2023, the Group's **Adjusted Net Financial Indebtedness** is **€ 129.1 M**, down by € 3.5 M compared to 31 December 2022.

Consequently, the new **Adjusted Debt-to-Equity ratio** at 31 December 2023 is **0.79** (0.82 at 31 December 2022).

8.5 Consolidated key financial ratios

The main indicators for the consolidated financial statements are described below. We remind readers that the 2022 ratios were recalculated on the basis of the profit and loss items restated in compliance with IFRS 5 ("Non-current assets held for sale and discontinued operations").

Profitability ratios	2023 Consolidated	2022 Consolidated
ROE Profit for the year / Equity	3,36%	-1,83%
Gross ROE Profit before tax / Equity	5,63%	-4,43%
ROI Operating profit / Net invested Capital (1)	6,43%	0,03%
ROS Operating profit / Revenue (2)	17,75%	0,11%
FINANCIAL EXPENSE / REVENUE RATIO Financial expense / Revenue (2)	9,60%	8,59%
EBITDA / FINANCIAL EXPENSE RATIO EBITDA / Financial expense	3,9	2,8

Equity ratios	31.12.2023 Consolidated	31.12.2022 Consolidated
CURRENT RATIO Current assets / Current liabilities	0,36	0,67
DEBT TO EQUITY RATIO Debt (NFP) / equity	0,82	0,86
DEBT TO EBITDA RATIO Debt (NFP) / EBITDA	3,30	7,03
EQUITY TO NON-CURRENT ASSETS RATIO equity / Non-current assets	0,41	0,40

9. THE GROUP'S INVESTMENTS

At 31 December 2023, the Group's investments tot_haractrox. **€ 16.2 M**, of which € 15.4 M in intangible assets and € 852 K in property, plant and equipment.

Amounts in €K	Airport	Sub- tot	Sub-tot	Sub-tot	TOTAL
CAI Group's 2023 investments					16,205
A) Amortisation of intangible assets				15,353	
- Software				136	
DEVELOPMENT AND INTEGRATION TO THE ERP SOFTWARE	PSA/FLR	72			
UPGRADE OF IT SYSTEMS	PSA/FLR	45			
OTHER MINOR INVESTMENTS	PSA/FLR	19			
- Other intangible assets				50	
- Concession rights				4,577	
TERMINAL EXPANSION AND RESTRUCTURING (PREPARATORY WORKS)	PSA		2,639		
REDEVELOPMENT OF FIRST FLOOR RETAIL AREAS	PSA		909		
SELF BAG DROP SYSTEM	PSA/FLR		145		
NEW CANOPY FOR RAMP VEHICLES	FLR		173		
PARKING MANAGEMENT SYSTEM	PSA		153		
ENERGY SAVIN-S - NEW LIGHTING FIXTURES	FLR		115		
OTHER MINOR INVESTMENTS	PSA/FLR		442		
- Assets under development				10,421	

PISA TERMINAL EXPANSION/RESTRUCTURING	PSA	2,905		
FLORENCE TERMINAL PROJECT	FLR	3,641		
UPDATE OF GENERAL MASTERPLAN SECTION	FLR	863		
EXECUTIVE DESIGN FOR NEW 11/29 RUNWAY	FLR	338		
EXEC. DESIGN FOR AIRPORT LAND PLOT HYDRAULIC SYSTEM REQUALIFICATION	FLR	263		
PRELIMINARY ACTIVITIES FOR THE "VIA" (ENV. IMPACT ASS.)	FLR	252		
NEW CANOPY FOR RAMP VEHICLES	FLR	203		
EXEC. DESIGN FOR ENVIRONMENTAL MITIGATION WORKS	FLR	150		
REQUALIFICATION OF LIGHT TOWERS	FLR	168		
RAINWATER COLLECTION AND TREATMENT SYSTEM	FLR	137		
REPROTECTION OF DE-ICING CANOPY	FLR	118		
OTHER MINOR INVESTMENTS	PSA/FLR	1,385		
- Other assets under development				10
	PSA			
- Software development				159
	PSA			
B) Property, plant and equipment				852
- Plant and Equipment				323
METAL DETECTOR PORTALS	PSA/FLR	87		
E-D - EXPLOSIVE TRACE DETECTORS	PSA	50		
EMERGENCY MEDICAL SUPPLIES AND EQUIPMENT CART	FLR	44		
OTHER MINOR INVESTMENTS	PSA/FLR	142		
- Other assets				529
MOTOR VEHICLES	PSA/FLR	194		
ELECTRONIC MACHINES (HW)	PSA/FLR	250		
FURNITURE	PSA/FLR	80		
OTHER MINOR INVESTMENTS	PSA/FLR	4		

10. HUMAN RESOURCES

The Group's Personnel

In 2023, the average number of employees working for the CAI Group was 362.8 (FTEs), up by 3.3 FTEs (+0.9%) in absolute terms compared to 2022.

The increase is due both to the increased traffic handled in the two airports and to the hiring of n_characterized staff for new business functions or to implement new projects and fill new roles and responsibilities with respect to the pre-COVID period.

The average headcount of employees of the Parent remained unchanged, while the average headcount of TA employees is 328.8 FTEs, up by 2.8 FTEs (+0.9%) in absolute terms compared to 2022.

The number of employees of the subsidiary Jet Fuel, the company that manages the fuel storage facility in the Pisa airport, reached 12.3 FTEs, down by 0.4 FTEs (-3.2%) in absolute terms. We remind readers that Jet Fuel made use of government-sponsored lay-off schemes during the first half of 2022.

The subsidiary TAE has a total workforce of 9.4 FTEs, up by 2.7 FTEs (+40.5%) in absolute terms. We remind readers that, for the development of the infrastructure, TAE also uses technical staff (engineers, land surveyors, etc.) seconded from the Parent, TA, as well _characterized external suppliers.

The average number of TAC employees is 11.3 FTEs, down by 1.8 FTEs (-14%) in absolute terms compared to 2022. A significant increase in resources is expected during 2024 with the start of works for the construction of the new infrastructure at the Pisa airport.

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

FTE Table	FY 2023	FY 2022	Diff.	% Diff.
Corporacion America Italia	1	1	0	0%
Toscana Aeroporti	328.8	326.0	2.8	0.9%
Jet Fuel	12.3	12.7	-0.4	-3.2%
TAE	9.4	6.7	2.7	40.5%
TAC	11.3	13.1	-1.8	-14.0%
Group	362.8	359.4	3.4	0.9%

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

The cost of the Gr'up's personnel totals € 25 M in 2023, up by € 3,056 K compared to 2022 (+14%). The cost of personnel has increased substantially as a result of the higher number of staff members required to meet the increased operational needs (mostly for the greater traffic handled, +21.8% of passengers) and of the consequent non-use of the unemployment benefits that had been used in 2022. 2023 costs are also affected by the greater variable _characterizeion paid compared to 2022, consisting in performance bonuses.

Technical training and education

The Group delivered a total of 10,526 hours of training, 31% of which to women and 69% to men, compared with 9,842 hours in 2022.

For more details on training and HR management projects, please refer to the NFS attached to the Annual Report.

11. OCCUPATIONAL HEALTH & SAFETY

TA's Prevention and Protection Service (PPS) continued to monitor the main occupational health and safety issues in the Pisa and Florence airports throughout 2023.

TA and TAE share the same PPS Manager (PPSM), appointed by the Employer of the respective companies.

Therefore, both TA and the subsidiary TAE have the following positions:

- Employer
- Airport Safety Managers (only TA)
- PPSM (Prevention and Protection Service Manager, in Italian "RSPP")
- Prevention and Protection Service (PP-) - service outsourced to TA, which also provides it for its own subsidiaries
- Health surveillance unit (Company Doctor, etc.)
- Emergency management personnel

For 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 organisational chart specifying the roles and responsibilities of safety/security personnel was revised starting from the second half of 2022, especially as regards the executive role of Manager ("Director"), pursuant to Legislative Decree no. 81/2008; in addition to that, the number of staff members covering these roles was reduced and the role of the Person In Charge ("Preposto") was extended to all the staff members who directly supervise workers.

Employee Safety Representatives (in Italian "RLS", *rappresentanti dei lavoratori per la sicurezza*) operate in each site (only in Florence for TAE) and are from time to time involved by the PPSM 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.

TA's Health and Safety Board, which is set up by the Employer to supervise top managers regarding prevention, health and safety issues, met in both halves of the year.

The meetings of the H&S Board are attended by the "PPSM"/"PPS?", the CEO/Employer, Designated Officers, the Human Resource Manager, the Head of Quality Control and other persons/roles as needed and depending on the topics to be discussed (PPSMs of other companies or Handlers, the Company Doctor, RLSs, etc.). This time of discussion and exchange not only provides an important opportunity for information and decision-making, but facilitates coordination between the CEO/Employer, Managing Directors, and the functions that deal with H&S and ISO 45001 certification matters.

In 2023, the PPSM of Toscana Aeroporti S.p.A. was confirmed as Coordinator of the National Assaeroporti Health and Safety Group. This role enabled the Subholding company to take part in top level discussions about safety and security in national airports and to increase exchange and benchmarking activities on good industry practices.

Maintenance of the ISO 45001:2018 certification

In November 2023, TA received a three-day audit from the certification body “DNV”, the purpose of which was to renew the UNI ISO 45001:2018 certification. No non-conformities (NC) were raised and the audit was concluded successfully.

The UNI ISO 45001:2018 certification helps companies to be compliant with the provisions set forth in Art. 16, paragraph 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 designated officers, with significant positive implications for the administrative responsibility of companies for occupational health and safety crimes, as provided for in the Organisational Model required by Leg. Dec. no. 231/2001.

Risk Assessment and PPE

In the course of 2023, the PPS was engaged in updating the risk assessment and drafting the latest version of the **Toscana Aeroporti Risk Assessment Document (DVR, Documento di valutazione dei rischi)**, which includes risk profiling for new tasks, updating the fire, lightning and electromagnetic field risk assessments, in addition to noise, vibration and air quality sampling, for physical and chemical risk assessment.

The operating procedures or prevention and mitigation measures identified are formalised by issuing specific risk information called **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, grouped by role, also considering the simultaneous presence of third parties and the use of equipment and systems.

With regard to the management of interference risks, in addition to the usual work of drafting specific DUVRI (*Documento Unico di Valutazione dei Rischi Interferenti*, unified interference risk assessment) for procurement contracts or coordination reports for other entities operating in the airport, the PPS was involved in the management of coordinating aspects on this type of risks, also concerning handlers in support of the Airport Operator’s activities.

With a view to the high number of building yards that will be opened in the airport site and to the infrastructure expansion projects that will be implemented in both airports, the PPS, in collaboration with the “RUP” (*Responsabile Unico del Procedimento*, and Engineering Managers), held several meetings to plan the coordination of works, the technical management of the yards (as required by TA, TAE or third parties) and the monitoring of interference risks.

This confirmed the PPS as one of the main liaison persons between the Company and third parties for the management of work permits.

As regards protection measures, collective or personal protection equipment (PPE) will be adopted in line with the requirements identified with the specific assessments performed. The update of the PPE procedure (PR27) is characterized with the definition, budgeting, procurement and delivery of PPE, in view of ensuring the maximum personalisation of existing processes in Florence and Pisa and an effective collaboration with the Purchase Office.

Emergency and evacuation drills

The PEI (*Piano di Evacuazione Interna*, internal evacuation plan) for the Pisa airport was updated during 2023.

The annual emergency management and evacuation drills were organised and carried out by TA, in compliance with D.M. [Ministerial Decree] dated 1-2-3 September 2021, on 7 September 2023 for the Florence airport and on 5 September 2023 for the Pisa airport. The drills, which simulated a

starting fire in the Arrivals terminal, showed a good performance of the parties involved in the alert chain, coordination and field management of the emergency.

Occupational incidents

The Prevention and Protection Service managed and tracked 158 events during 2023, including 6 near-misses and 3 occupational injuries, as well as 1 in progress. Following these events, specific inspections, investigations and meetings were carried out with the workers involved and, since the near-miss turned into an injury, the need arose to draft a new water treatment procedure for the Pisa maintenance staff.

For further details, please consult the 2023 Consolidated Non-Financial Statement (NFS).

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 specifically eliminating the requirement to draw up a safety plan. However, this did 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 Subholding company, Toscana Aeroporti, 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 CAI 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 IT service and ensure the highest safety standards thanks to the considerable efforts made by both the ICT staff and our subcontractors (first-level help desk support).

The technological investments, process improvements, standardisation, 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 capitalise 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 2023 the Group:

- Finalised agreements for the 24/7 SOC (Security Operation Centre) service, with the purpose of identifying, classifying and notifying the presence of ongoing and potential cyber-threats in our networks and information systems. This service had been definitively implemented in the first part of 2022 after a careful analysis of the technological solutions available, thus taking the Group's capacity to identify cyber attacks to a higher level already at an earlier stage.
- Completed the corporate firewall replacement project (technical security improvement for Internet access from airport workstations by using perimeter security devices) 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
- Expanded the use of the private mobile network via private APN on a WindTre infrastructure to manage the data traffic of corporate mobile phones that need to access TA's private resources on the go, thus making communications more accessible and secure, and avoiding public exposure of particularly sensitive services.
- Implemented the provision of the Airport Operator's terminal services.
- Continued the 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.
- Finalized the corporate mobile device management system (MDM) for a more effective control of configurations.
- Developed and/or improved video analysis methods to assess risk situations in connection with airport site fencing.

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

At 31 December 2023, revenue, costs, assets and liabilities from/to parents, subsidiaries, associates and other related parties concern the sale of goods or services that are part of routine group operations. Transactions are performed at an arm's length, based on the characteristics of the goods sold and the services delivered.

At 31 December 2023, CAI holds 62.283% of the shareholding in Toscana Aeroporti S.p.A. It should be noted that since 2016 the Group has joined the National Tax Consolidation pursuant to articles 117 to 129 of the Consolidated Text on Income Taxation (T.U.I.R) whose consolidating company is Corporación America Italia S.p.A. During the first quarter of 2022, CAI and the subsidiary TA renewed the option for the national tax consolidation for the three-year period 2022-2024.

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

The consolidating company recognizes an asset due from the consolidated company equal to the IRES tax to be paid on the positive taxable income transferred by the latter. Instead, towards companies that make tax losses, the consolidating company records a liability due equal to the IRES tax to be paid on the loss actually used in determining the total aggregate income. Furthermore, as a result of participation in the National Tax Consolidation, companies can confer, pursuant to art. 96 of the Presidential Decree 917/86, the surplus interest expense that has become non-deductible for one of them so that, up to the amount of the surplus Gross Operating Income (i.e. ROL) produced in the same tax period by other entities participating in the consolidation, it can be reduced the total aggregate group income.

At 31 December 2023, the asset due to the Parent from TA as a result of the tax consolidation, net of the income due to TA, amounts to €408,907.

At 31 December 2023, TA held interests in the following other **associates and joint arrangements**:

- 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 conducting additional activities related to the handling business. Handling activities include airport ground aircraft, passenger and cargo handling services.

The Company, which was fully (100%) controlled by TA in the past, changed its ownership structure on 30 December 2022 by selling the majority of its quotas (80%). Starting from 1 January 2025, TA will have the right to exercise an option right to sell the remaining 20% share of the quota capital of TAH. In addition to this, when certain performance targets set in TAH's Business Plan are achieved, TA will be entitled to an additional earn-out price.

In 2023, TAH, in continuity with previous years, had sub-concessions for areas worth approximately € 233 K, utilities for € 109 K, parking lots for € 81 K, staff service activities for € 76 K, and airport servic_haract approx. € 146 K. TAH provided handling services to TA for an aggregate_haracamou_haract approx. € 500 K.

- **Alatoscana S.p.A.**

This is the company that manages the Elba'Island's airport. TA owns a 13.27% share in the share capital of this company (13.27% at 31 Dec. 2022), while the controlling interests are in the hands of Regione Toscana (51.05%) and the Maremma and Tirreno Chamber of Commerce (34.36%). Staff service activities for € 11 K were in place in 2023.

- **AC. Quasarda S.c.a.r.l.** This consortium was created in 2022 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.

TAC owns a 72.42% share in AC Quasarda, which was incorporated by the two partners as a special-purpose entity for the execution of specific contracts.

According to the by-laws of the consortium, TAC and Cemes jointly control AC. Quasarda.

In 2023, the CAI_haracteriognised € 4,019 K of costs for services based on the progress of contracted works. It also _haracteriognised € 2 K as recovered costs.

The main transactions with the other **related parties** at 31 December 2023 are:

- **ACI Engineering Uruguay S.A.**

This company is related to TA 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.

In 2023, a final amount of € 1,330 K ha_haracteriognised among Costs for services for the design services relating to the new Florence terminal.

- **Cedidor S.A.**

This company is a related party of TA because it belongs to the Corporación America Group and is responsible for the implementation of the new SAP 4/Hana management system to all the Group companies.

At 31 December 2023, TA had a € 400 K agreement in place with this related company, € 64 K of _haracteriognised as Costs for services for the year.

- **Pitti Immagine S.r.l.**

TA's Director Mansi is the Deputy Chairman of this company.

In 2023, TA _haractrecognised approximately € 13 K as non-aviation revenue for the purchase of an exhibition space in the Florence airport.

- **Sol S.p.A.**

TA's Director Mansi is a Director of this company.

In 2023, TA recognised approximately. € 3 K as cost for the rental of oxygen cylinders for the airport emergency service.

- Firenze Fiera S.'A.

TA's Statutory Auditor Giacinti is an Alternate Statutory Auditor of this company.

In 2023, TA recognised € 2 K as non-aviation revenue for the purchase of an exhibition space in the Florence airport.

- Servizi alla Strada S.'A.

TA's Statutory Auditor Giacinti is a Statutory Auditor of this company.

In 2023, TA recognised € 510 K as costs for services for the purchase of vehicle transit permits for limited traffic areas ("ZTL).

- Unione Industriale Pisa

TA's Director Pacini is the Deputy Chairman of this company.

In 2023, TA recognised € 80 K as sundry operating expense for the annual membership fee.

- Industria Servizi S.r.l.

TA's Director Pacini is the Chairman of the Board of Directors of this company.

In 2023, TA recognised approximately € 76 K as costs for services for the annual payroll management service, and approximately € 25 K as sundry operating expense for the purchase of other personnel management services.

- Talento all'Opera Onlus

TA's Director Pacini is the Deputy Chairman of this company.

In 2023, TA recognised € 10 K as sundry operating expense for the annual membership fee.

- Industria Servizi Formazione S.r.l.

TA's Director Pacini is the Chairman of the Board of Directors of this company.

In 2023, TA recognised € 12 K as costs for services for the purchase of personnel training courses.

- Firenze Mobilità S.p.A.

TA's Statutory Auditor Bresciani is the Chairman of the Board of Statutory Auditors of this company. In 2023, TA recognised approximately € 234 K as costs for services for the lease of car rental offices in dedicated premises (Palagio degli Spini) at the Florence airport.

- Alha Airlines Handling Agents S.'A.

TA's Statutory Auditor Bresciani is an Alternate Statutory Auditor of this company.

In 2023, TA recognised approximately € 7 K as non-aviation revenue for the lease of airport spaces.

- Firenze Parcheggio S.p.A.

TA's Aviation Sales Manager Stivala is a Director of this company.

In 2023, TA recognised € 204 K as costs for services for the lease of car rental offices in dedicated premises (Palagio degli Spini) at the Florence airport. It also recognised approximately € 2 K under other revenue for the recovery of costs.

We inform readers that no atypical related-party transactions took place in 2023 and transactions with related parties were all on an arm's length basis.

As to the disclosure required by Art. 40, paragraph 2, letter d), of Legislative Decree no. 127/91, we specify that Toscana Aeroporti S.p.A. did not own and did not buy or sell treasury shares or shares of parents during 2023, including through trustees or nominees.

Shareholdings of the members of the Board of Directors and of the Board of Statutory Auditors

At the date of these financial statements, TA is owned with the following shares:

- 9,684 shares owned by Statutory Auditor Roberto Giacinti;
- 2,403 shares owned by Director Saverio Panerai.

15. MAIN INFORMATION ON THE SUBHOLDING COMPANY, SUBSIDIARIES, AND THEIR TRANSACTIONS

15.1 Toscana Aeroporti S.p.A.

Toscana Aeroporti S.p.A. manages the Pisa Galileo Galilei airport and the Florence Amerigo Vespucci airport, managing their development both in terms of passenger and cargo traffic, and infrastructure, which is managed under a concession agreement with ENAC under the Airport Development Plans drawn up for the two airports.

The air traffic reported by TA for 2023 is in line with the air traffic reported for 2019, with a 99.1% recovery. Globally, the Tuscan Airport System carried approximately **8.2 million passengers** in 2023, with increases of 21.8% for the passenger component, 17.8% for tonnage, and 13.1% for the flight component compared to 2022. Conversely, Cargo & Mail traffic decreased by 13.2%.

The statements shown below are extracted from the financial statements as at and for the year ended 31 December 2023 published on the Toscana Aeroporti website to which reference is made, drawn up 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 Income Statement, Statement of Financial Position and Net Financial Position as at and for the year ended 31 December 2023 compared with the figures of 2022. In any case, for a detail of the 2018? income statement figures, please refer to what is described in the Notes to the Financial statements.

No comments 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.

INCOME STATEMENT

Amounts in €K	Note s	FY 2023	of which Related Parties	FY 2022 (*)	of which Related Parties
REVENUE					
Operating revenue		101,604	339	76,819	1,368
Other revenue		6,661	351	6,182	99
Revenue from construction services		14,998		7,407	
TOTAL REVENUE (A)	6.1	123,263	690	90,407	1,467
OTHER INCOME (B)	6.2	657		666	
COSTS	6.3				
Consumables	6.3.1	1,708		1,236	
Cost of personnel	6.3.2	24,916		21,859	
Costs for services	6.3.3	46,565	6,378	40,203	4,588
Sundry operating expense	6.3.4	1,957	115	1,153	0
Airport fees	6.3.5	7,047		5,712	
TOTAL COSTS (C)		82,192	6,493	70,164	4,588
GROSS OPERATING PROFIT (A+B-C)		41,729		20,909	
Amortisation, depreciation and impairment losses	6.4	10,754		10,113	
Provisions for repairs and replacement	6.5	4,812		3,484	
Impairment losses on trade receivables and other assets	6.6	12		115	
OPERATING PROFIT		26,151		7,197	
FINANCIAL INCOME AND EXPENSE					
Financial income	6.7	413		94	
Financial expense	6.8	(7,207)		(3,983)	
Gain (losses) on equity investments	6.9	13		(242)	
NET FINANCIAL EXPENSE		(6,781)		(4,131)	
PROFIT BEFORE TAX (PBT)		19,370		3,066	
Income taxes	6.10	(6,291)	103	(1,712)	103
PROFIT FROM CONTINUING OPERATIONS		13,079		1,354	
Profit (loss) from discontinued operations	6.11	0		3,320	
PROFIT FOR THE YEAR		13,079		4,674	
Non-controlling interest	6.12	(448)		1	
PROFIT FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE PARENT		12,631		4,675	
Earnings per share (€) attributable to the owners of the Parent		0.679		0.251	
Diluted earnings per share (€) from continuing operations	6.13	0.679		0.073	
Diluted earnings per share (€) from discontinued operations		0.000		0.178	

(*) Please note that costs for construction services have been classified by nature in the related cost items (costs for consumables, service costs and cost of personnel) in 2023. Consequently, the comparative figure for 2022 was also reclassified accordingly.

STATEMENT OF FINANCIAL POSITION (amounts in €K)

ASSETS	Notes	31 Dec. 2023 (*)	31 Dec. 2022
NON-CURRENT ASSETS			
Intangible assets	7.1	196,956	188,339
Property, plant and equipment	7.2	23,839	26,391
Right-of-use assets	7.3	3,633	3,904
Equity investments in other entities	7.4	3,340	2,962
Equity investments in associates and joint arrangements	7.5	572	572
Other financial assets	7.6	5,518	5,876
Non-current trade receivables	7.7	805	1,482
<i>of which, with Related Parties</i>		671	1,342
Deferred tax assets	7.8	7,480	9,883
TOTAL NON-CURRENT ASSETS		242,144	239,410
CURRENT ASSETS			
Contract assets	7.9	1,347	1,924
Trade receivables	7.10	22,430	16,909
<i>of which, with Related Parties</i>		1,917	1,026
Current tax assets	7.11	25	270
Other tax assets	7.12	1,909	669
Other current assets	7.13	9,471	7,696
<i>of which, with Related Parties</i>		53	417
Other current financial assets	7.14	393	294
Cash and cash equivalents	7.15	26,143	55,772
TOTAL CURRENT ASSETS		61,716	83,534
TOTAL ASSETS		303,860	322,943
EQUITY AND LIABILITIES			
SHARE CAPITAL AND RESERVES			
Share capital		30,710	30,710
Equity reserves		61,843	66,788
FTA reserve		(3,229)	(3,229)
Retained earnings		3,219	642
Profit for the year attributable to the owners of the parent		12,631	4,675
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		105,174	99,586
Non-controlling interests		1,326	1,170
TOTAL EQUITY	7.16	106,500	100,756
NON-CURRENT LIABILITIES			
Provisions for risks and charges	7.17	1,800	1,237
Provisions for repair and replacement	7.18	19,334	17,887
Post-employment benefits	7.19	2,193	2,307
Non-current financial liabilities	7.20	43,525	66,515
Non-current lease liabilities	7.21	3,266	3,491
Other non-current liabilities	7.22	1,226	2,251

TOTAL NON-CURRENT LIABILITIES		71,343	93,688
CURRENT LIABILITIES			
Current financial liabilities	7.20	57,333	68,447
Current lease liabilities	7.21	571	589
Current tax liabilities	7.23	2,544	673
<i>of which, with Related Parties</i>		409	0
Other tax liabilities	7.24	8,813	7,387
Trade payables	7.25	35,595	36,703
<i>of which, with Related Parties</i>		2,570	3,456
Social security institutions	7.26	1,563	1,170
Other current liabilities	7.27	11,025	9,934
Provisions for risks and charges (current portion)	7.17	3,434	0
Provisions for repair and replacement (current portion)	7.18	5,139	3,596
TOTAL CURRENT LIABILITIES		126,016	128,499
TOTAL LIABILITIES		197,360	222,187
TOTAL LIABILITIES AND EQUITY		303,860	322,943

(*) Please note that the so-called "Concession Price" at 31 December 2023 has been reclassified from Intangible assets to Other (non-current) financial assets. As a result, the comparative figure for 31 December 2022 was also reclassified accordingly.

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 quotas. The prevalent activity of this company is the management of a 640-slot paid long-term parking lot for the public in front of the Departures terminal of the Florence airport.

This subsidiary prepares its financial statements in compliance with the applicable legislation (Italian OIC standard). The main items of its financial statement are summarised below. For the sole purpose of consolidation, the financial statements of the subsidiary have been adjusted to take into account the impact of the application of the international financial reporting standards.

2023 profit and loss include revenue of € 2,306 K, up by € 772 K (+50%) compared to 2022, mainly due to the higher number of passengers that transited through the Florence airport (+38%).

Costs total € 273 K in 2023, up by 7% compared to € 255 K in 2022, and the most important component is the parking lot management and maintenance service (€ 102 K), professional services (€ 39 K), and utilities (€ 18 K).

The 2023 EBITDA is positive for € 2,033 K, up by € 753 K compared to 2022, and the profit for the year is € 1,432 K, up by approx. € 535 K compared to the profit for 2022 of € 897 K.

Parcheggi Peretola had a net financial position of € 1,876 K at 31 December 2023 (€ 679 K at 31 December 2022).

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. Technical/engineering staff seconded from TA (10 units at 31 December 2023);
2. in-house staff (9 employees at 31 December 2023);
3. Specialised service contractors.

In continuity with 2022, the design activities carried out by TAE on behalf of TA during 2023 mainly concerned the expansion of the Pisa passenger terminal and the related preparatory works, the design of the new Florence terminal and the design review, with technical details of the individual works, of the Florence Master Plan, including specialised studies relating to the ongoing VIA-VAS process. With regard to the current infrastructure, TAE provided its technical support in the preparation of the two Airport Use Plans, as well as in the analysis and design related to the fire protection issues of the two existing terminals.

As part of its activities, TAE took care of preliminary and specific studies for the works of theorence 16. A. Vespucci airport 2035 Master Plan and the studies/design for the upgrade of internal areas in both terminals within the framework of the Florence and Pisa PUA 23-24.

TAE continued managing the yard for the development of the first functional section of the preparatory works for the expansion and upgrade of the Pisa passenger terminal.

We remind readers that, to date, TAE has already completed most of the design regarding the major works required for the implementation of the Master Plan approved by ENAC.

At 31 December 2023, the company had 9 direct employees and, consistently with 2022, staff-related activities have been carried out by the Parent under a servicing agreement signed between the parties.

This subsidiary prepares its financial statement in compliance with the applicable legislation (Italian OIC standard). For the sole purpose of consolidation, the financial statements of the subsidiary has been adjusted to take into account the impact of the adoption of the international financial reporting standards.

Revenue total € 9,194 K in 2023, reflecting the year's portion of the projects commissioned by TA, as better described above.

Costs total € 6,906 K in 2023 and mainly include € 661 K for in-house staff, € 5,280 K for outsourced surveys and design, and € 600 K for TA seconded staff costs.

The EBITDA for the year is € 2,288 K and the profit for the year is € 1,593 K.

TAE has a Net Financial Position of € 279 K at 31 December 2023 (€ 239 K at 31 December 2022).

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 TA corresponds to 51.0% of voting rights, while administrative and dividend rights are exercised in equal portions with the other quotaholders, Refuelling S.r.l. and Air BP Italy S.p.A.. Therefore, for consolidation purposes, said equity and results have been considered at 33% for the CAI Group.

A total of 102,416 cubic metres of jet fuel passed through the storage facility during 2023, with a 16.5% volume increase compared to the 87,911 cubic metres of 2022. The company provided into-plane services for 102,416 cubic metres of fuel, with a 16.5% increase compared to the 87,911 cubic metres of 2022. In addition, the Company handled 18,580 supplies, corresponding to +5.7%,

against 17,581 flights in 2022; as a result of this, the average uplift increased by +10.2%, passing from 5,000 litres per flight to around 5,500 litres.

At 31 December 2023, Jet Fuel had a sub-licensing agreement in place with TA for the management of the centralised fuel storage facility, for an overall amount of € 584 K (JF's airport fee) in 2023, administrative service (€ 20 K), rental of operating pre_haractfor approx. € 14 K, and other services (airport permits, parking lots, utilities, etc.) for approximately € 10 K.

This subsidiary prepares its financial statements in compliance with the applicable legislation (Italian OIC standard). The main items of its financial state_haracterisummarised below. For the sole purpose of consolidation, the financial statements of the subsidiary have been adjusted to take into account the impact of the adoption of the international financial reporting standards.

Jet Fuel's total revenue reached € 3,151 K in 2023 (€ 2,864 K in 2022) and mainly includes the fuel storage service for € 1,452 K and the into-plane service for € 1,245 K.

The main costs of 2023, a total of € 2,135 K (€ 1,809 K in 2022), include the cost for personnel (€ 921 K), airport subconcession fee (€ 584 K), tank truck maintenance and fuel costs (€ 181 K), storage area servicing (€ 57 K), professional services (€ 142 K), and industrial insurance (€ 76 K).

Consequently, EBITDA is positive for € 1,023 K (€ 1,105 K in 2022) and the profit for the year is € 635 K, compared with € 682 K reported in 2022.

Jet Fuel's Net Financial Position was € 922 K at 31 December 2023 (€ 527 K at 31 December 2022).

15.5 Toscana Aeroporti Costruzioni S.r.l.

On 26 January 2021, 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 to 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 2023, this company completed works for the relocation of the sub-service network as a preparatory work for the connection of the sewerage network, as part of the preliminary works for the expansion of the Pisa airport passenger terminal (sewage bypass).

In addition, the demolition of the buildings in the area of the new Arrivals terminal at the Pisa airport, the requalification of the first floor of the Pisa airport for the addition of a new food retail operation, and the finalisation of the redevelopment of commercial spaces at the Florence air terminal for the opening of new food retail operations have also been completed.

As in the previous year, the company managed all the maintenance of constructions and metalwork, runways/aprons and vertical/horizontal signs of the two Tuscan airport infrastructures.

Finally, through its subsidiary AC Quasarda, TAC is carrying out the planned works of the ANAS job order for the "Superstrada Carlo Felice" (highway) in Sardinia.

This subsidiary prepares its financial statements in compliance with the applicable legislation (Italian OIC standard). The main items of its financial state_haracterisummarised below. For the purposes of consolidation, the financial statements of the subsidiary have been appropriately adjusted to take into account the impact of the application of the international financial reporting standards.

The main revenue of 2023 includes approximately € 4.9 M for the portion of works completed in the projects commissioned by TA and € 4.2 M for work done for third parties. The most significant job orders have been: the progress of the external work order managed by AC Quasarda and

commissioned by ANAS (€ 4.2 M), the preparation of the area for the construction of the new temporary Arrivals Terminal in_haractfor approx. € 3.2 M (sewer bypass, demolitions) and the requalification of the first floor of the Pisa airport for the addition of new retail operations (€ 855 K).

Costs total approximately € 9 M in 2023 (€ 6.9 M in 2022) and include raw materials (€ 598 K), the cost of personnel (€ 820 K) and the most important component, that is the cost of ser_haractfor approx. € 7.6 M, which includes, *inter alia*, AC Quasarda consortium expenses for approximately € 4 M, subcontractors for approximately € 2.1 M, professional services for € 241 K, seconded staff for € 266 K, and industrial insurance for € 238 K.

Consequently, the 2023 EBITDA is positive for € 290 K (it was negative for € 789 K in 2022) and the loss for tyearyera is € 1,027 K (a loss of € 2,046 K in 2022).

At 31 December 2023, the subsidiary has a current loan of approximately € 703 K in place with TA and a Net Financial Position of € 164 K (Net Financial Debt of € 686 K at 31 December 2022).

In any case, 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

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, 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 and Israel and Palestine, one cannot exclude that the situation may lead to a continued negative impact on the economic and financial situation of the Group. In addition, these conflicts, combined with post-lockdown demand peaks and disruptions in the global supply chain, have led to higher prices of raw materials, with significant impacts on energy costs and on the procurement 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.

For further information and insights, see the “Liquidity risk” section in the Notes to the Consolidated Financial Statements.

- RISKS ASSOCIATED WITH CLIMATE CHANGE

As regards risks related to climate change (to be considered an exogenous risk for the Group), theSubholding company, 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 their materiality. For each impact, both the associated risks and the activities implemented to minimise them are identified, and both short- and long-term improvement projects are defined.

The monitoring of climate change risks also include 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. Again concerning global warming, which is strongly affected by emissions of climate-altering gases into the atmosphere, Toscana Aeroporti started planning and implementing a number of synergistic actions to reduce CO2 emissions, with the objective to obtain the Airport Carbon Accreditation (ACA) and the development of renewable power generation systems, and is planning to develop power production plants using renewable sources.

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 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 cyber attacks globally, 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. Toscana Aeroporti pays great attention to the protection of its corporate information systems and infraz_harakterizem unauthorised access and cyber attacks, which may also cause the temporary suspension of operational services, the potential loss of sensitive/confidential information, and 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, operate'. The 'Group's results are affected by developments in the regulatory framework, particularly as regards the regulation of airport service tariffs.

With Resolution no. 38 of 9 March 2023, the *Autorità di Regolazione dei Trasporti* (ART, Transport Regulation Authority) approved the new models for the regulation of airport fees, thus concluding the revision process started in March 2022. As stated in the Resolution, the new models are effective from 1 April 2023 and apply to the airport fee review processes commenced from that date.

- RISKS ASSOCIATED WITH 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, _harakterized authorisation process or execution of

works, legal disputes and appeals, may generate higher investment expenses or require a greater use of financial resources, and end up by negatively impacting applicable tariffs and consequently the Group's financial position and results of operations. The action plans of the Florence and Pisa airports have been prepared on the basis of the existing Master Plans according to a modularity criterion linked to air traffic trends, in order to be able to adequately respond to new traffic requirements and obtain an adequate remuneration 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 organisations might adversely impact the bottom line and traffic goals of the TA Group.

During 2023, the Tuscan airport system carried approximately 8.2 million passengers, with an overall difference of +21.8% for the Passengers component, +13.1% for the Flights component, +17.8% for the Tonnage component, and -13.2% for the Cargo & Mail component compared to aggregate 2022 data regarding Passengers, Flights, Tonnage, and Cargo & Mail in the Pisa and Florence airports. The total incidence of the first three carriers is 59.8%. More specifically, the incidence of the first carrier is 42.7%, while the second and third carriers account for 10.3% and 6.8%, 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 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 open to civil air traffic, civil aviation could be significantly limited or even suspended in case of a war or extraordinary 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 Group maintains a continuous dialogue with trade unions. Furthermore, during this year of post-Covid restart, wh_characterized characterised 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 Notes to the Consolidated Financial Statements.

17. EVENTS AFTER THE REPORTING PERIOD

New operations in the Florence airport

KLM: starting from the winter season onwards, this airline will continue to fly to Amsterdam with 5 daily flights rather than the usual 4.

Volotea: this carrier has already opened sales of its new bi-weekly connection with Prague for the next summer season. This will increase the number of destinations served in this airport to 13.

British Airways: this carrier will operate the London Stansted flight with BA cityflyer during the summer.

SAS: is going to increase its flights for the CPH connection up to one daily flight.

New operations in the Pisa airport

EasyJet: this carrier has already opened ticket sales for the new flights to Barcelona that will be operated twice a week starting from 26 June.

Ryanair: the carrier announced and opened sales of tickets for the new flights that will be operated starting from the summer 2024 to Zagreb (2 weekly flights), Oslo Torp (up to 3 weekly flights) and Kaunas (2 weekly flights).

Other events

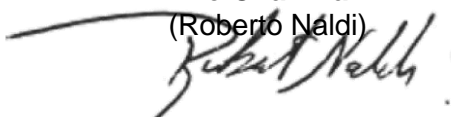
By notarial deed dated 12 February 2024, Toscana Aeroporti sold its investment in Firenze Parcheggi S.p.A. (8.16%) to Parcheggi Italia S.p.A.

18. OUTLOOK

Traffic levels approached pre-Covid levels in 2023, resulting in a full recovery of business operations and profitability, albeit accompanied by international tensions due to the ongoing conflicts between Russia and Ukraine, and between Israel and Palestine, which could affect passenger mobility in 2024.

In 2024, the Group will focus on the continuation and finalization of all the activities related to the approval process of the Florence Master Plan and on the preparation of its implementation, as well as on the development of the new Arrivals terminal in Pisa.

For the Board of Directors
The Chairman
(Roberto Naldi)



**CONSOLIDATED FINANCIAL STATEMENTS -
CORPORACIÓN
AMERICA ITALIA GROUP**

[MANCANO DATI SOCIALI]

Consolidated Financial Statement as at and for the year ended 31/12/2023

(Amounts in €K)

ASSETS	Notes	31/12/2023	31/12/2022
NON-CURRENT ASSETS			
INTANGIBLE ASSETS	1	337.537	336.745
Concession rights		292.996	300.956
Industrial patent and intellectual property rights.		550	422
Other intangible assets		247	262
Work in progress and payments on account		35.394	26.754
Goodwill		8.350	8.350
PROPERTY, PLANT AND EQUIPMENT	2	37.371	39.924
Land and Buildings		30.120	30.364
Owned property, plant and equipment		7.251	9.560
RIGHT-OF-USE ASSETS	3	3.633	3.905
Vehicles		458	349
Parking		3.175	3.556
EQUITY INVESTMENTS		3.912	3.534
Investments in AssociateS	5	572	572
Investments in Other Companies	4	3.340	2.962
FINANCIAL ASSETS	6	6.313	5.497
Guarantee deposits		174	742
Financial instruments		63	63
Other non-current assets		6.076	4.692
NON-CURRENT FINANCIAL ASSETS	7	11.236	12.779
TOTAL NON-CURRENT ASSETS		400.003	402.384

CURRENT ASSETS			
TRADE RECEIVABLES AND OTHER ASSETS		35.660	27.564
Trade receivables	9	19.843	16.201
Contract assets	8	1.347	1.924
Assets due from associates	8	2.586	709
Tax assets	10	1.934	729
Other current assets	11	9.951	8.002
CASH AND CASH EQUIVALENTS		31.532	60.693
Cash and cash equivalents	12	31.532	60.693
TOTAL CURRENT ASSETS		67.193	88.258
TOTAL ASSETS		467.196	490.642

LIABILITIES	Notes	31/12/2023	31/12/2022
EQUITY AND LIABILITIES			
EQUITY			
	13		
Share capital		85.000	85.000
Other reserves		-2.244	1.820
Losses carried forward		-979	-1.888
Profit (loss) of the year		1.906	-3.129
EQUITY ATTRIBUTABLE TO THE OWNERS OF THE PARENT		83.682	81.803
Non-controlling interests		80.758	80.092
NET EQUITY		164.440	161.895
NON-CURRENT LIABILITIES			
Provisions for risks and charges	14	1.800	1.237
Provisions for repair and replacement	15	19.334	17.887
Termination benefits and other personnel-related provisions?	16	2.193	2.344
Deferred tax liabilities		43.618	45.409
Financial liabilities	17	43.525	124.526
Lease liabilities	18	3.266	3.491
Other non-current liabilities	19	1.226	2.251
TOTAL NON-CURRENT LIABILITIES		114.962	197.145

CURRENT LIABILITIES

Loans and borrowings		118.603	71.280
Financial lease liabilities	18	571	589
Tax liabilities	20	11.797	8.157
Trade payables	21	35.648	36.858
Payable to social security institutions	22	1.564	1.172
Other current liabilities	23	10.721	9.706
Provisions for repair and replacement	15	8.573	3.596
Payments on account	23	316	244
TOTAL CURRENT LIABILITIES		187.793	131.602
TOTAL CURRENT AND NON CURRENT LIABILITIES		302.755	328.746
TOTAL NET EQUITY AND LIABILITIES		467.196	490.642

Consolidated Income Statement

(Amounts in €K)

		31/12/2023	31/12/2022
REVENUE	24	123.262	90.407
Operating revenue		101.604	76.819
Revenue from construction services	29	14.998	7.407
Other revenue	28	6.661	6.182
OTHER INCOME	30	713	666
COSTS	31	83.208	71.296
Consumables	32	1.708	1.236
Cost of personnel	33	24.962	21.906
Cost for services	34	47.518	41.254
Sundry operating expense	35	1.974	1.188
Airport fees	36	7.047	5.712
GROSS OPERATING PROFIT		40.769	19.778

Amortisation, depreciation and impairment losses	37	16.728	16.087
Provisions for repair and replacement	38	4.812	3.484
Loss allowance	39	12	115
PROFIT FROM CONTINUING OPERATIONS		19.216	91
Financial income	39	413	103
Financial expense	40	-10.391	-7.128
Gain (losses) on equity investments	41	13	-242
NET FINANCIAL EXPENSE		-9.965	-7.266
PROFIT (LOSS) BEFORE TAX		9.251	-7.175
Income taxes	43	-3.731	892
Profit (loss) from discontinued operations	44		3.320
PROFIT (LOSS) FOR THE YEAR		5.520	-2.964
Non-controlling interests	45	-3.614	-165
PROFIT (LOSS) FOR THE YEAR ATTRIBUTABLE TO THE OWNERS OF THE PARENT		1.906	-3.129

STATEMENT OF COMPREHENSIVE INCOME	2023	2022
Profit (loss) for the year	5.520	(2.964)
Other income	0	0
Other comprehensive income that will not be subsequently reclassified to profit or loss	0	0
Actuarial gain (loss) , net of related tax	(35)	284
Total	(35)	284
Actuarial gain (loss) from discontinued operations, net of related tax	0	174
Cash Flow hedging reserve	0	0
Total other income	(35)	458
Total comprehensive income (expense)	5.485	(2.506)
ATTRIBUTABLE TO THE OWNERS OF THE PARENT	456	18
ATTRIBUTABLE TO NON-CONTROLLING INTERESTS	5.029	(2.488)

STATEMENT OF CASH FLOWS (Amounts in € K)		
€/000	2023	2022
A) Cash flows from operating activities (indirect method)		
Net profit (loss) for the year	5.520	(2.964)
Income taxes	3.731	(892)
Interest expense/(income)	9.978	7.024
(Capital gains)/capital losses resulting from the sale of asset 0	(3.320)	
16) 1) Profit (loss) for the year before income taxes, dividends and capital gains/losses from the sale of assets	19.230	(151)
Accruals to provisions	6.232	4.851
Amortisation and depreciation	16.728	16.088
Total non-monetary adjustments that did not affect net working capital	22.960	20.939
2) Cash flows before changes in net working capital	42.190	20.788
Increase in trade receivables	(3.066)	(2.031)
Decrease in trade payables	(1.139)	6.479
Other decreases/(Other increases) of net working capital	(1.224)	14.347
Total changes in net working capital	(5.429)	18.795
3) Cash flows after changes in net working capital	36.761	39.583
Interest paid	(8.782)	(5.034)
(income taxes paid)	(1.923)	(53)
(Use of provisions)	(1.185)	(8.251)
Total other adjustments	(11.890)	(13.338)
Cash flows from operating activities (A)	24.871	26.245
B) Cash flows from investing activities		
Investments in property, plant and equipment	(852)	(1.388)
Divestments of property, plant and equipment	8	142
Investments in intangible assets	(15.353)	(7.722)
Investments in financial assets	(99)	(1.075)
Divestments of financial assets	0	0
Cash flows used in investing activities (B)	(16.296)	(10.043)
C) Cash flows from financing activities		
New loans	53.500	59.500
(Reimbursement of loans)	(88.296)	(70.893)
Increase in paid share capital	0	0
Disposal/(repurchase) of treasury shares	0	0
(Dividends and advances on dividends paid)	(2.940)	(2.640)
Cash flows used in financing activities (C)	(37.736)	(14.033)
Increase (decrease) in cash and cash equivalents (A ± B ± C)	(29.161)	2.169
Opening cash and cash equivalents	60.693	58.524
Closing cash and cash equivalents	31.532	60.693
Increase (decrease) in cash and cash equivalents	(29.161)	2.169

STATEMENT OF CHANGES IN EQUITY

	Equity of the CAI Group						Non-controlling interests	Total equity	
	Share capital	Freely distributable reserves	Legal reserve	Translation reserves	Other reserves	Profit (loss) for the year			Total
Balance at 31 December 2021	85.000.000		298.571	0	8.690.321	(9.330.587)	84.658.305	82.382.949	167.041.254
Shareholder contributions									
Loss for the year						(3.128.810)	(3.128.810)	165.133	(2.963.677)
Other comprehensive income									
Distributions					273.666		273.666	184.337	458.003
Changes in other reserves					(9.330.587)	9.330.587		(2.640.189)	(2.640.189)
Other Third Party Movements									
Balance at 31 December 2022	85.000.000		298.571		(366.600)	(3.128.810)	81.803.161	80.092.229	161.895.391
Shareholder contributions									
Profit for the year						1.905.818	1.905.818	3.614.472	5.520.290
Other comprehensive income (expenses)					(26.819)		(26.819)	(8.223)	(35.042)
Distributions								(2.940.189)	(2.940.189)
Movements in other reserves			47.847		(3.176.657)	3.128.810			
Other Third Party Movements									
Balance at 31 December 2023	85.000.000		346.418		(3.570.076)	1.905.818	83.682.160	80.758.290	164.440.449

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS AT 31 DECEMBER 2023

1. General information

The Corporación America Italia Group (hereinafter also “Group” or “CAI Group”) is formed by the Parent Corporación America Italia S.p.A. with registered office in P.le Martesana 10, Milan, (hereinafter also “Parent” or “CAI”), by its subsidiary Toscana Aeroporti S.p.A. (hereinafter also the “Subholding company” or “TA”), a joint-stock company with registered office at the Company Registry Office of Florence, and its subsidiaries, Toscana Aeroporti Engineering S.r.l. (hereinafter “TAE”), Parcheggi Peretola S.r.l., Jet Fuel Co. S.r.l., and Toscana Aeroporti Costruzioni S.r.l. (hereinafter “TAC”), consolidated using the line-by-line method.

Corporación America Italia S.p.A. was established on 19 February 2014. The Parent's main purpose is the management of corporate shareholdings. Corporación America Italia S.p.A. was entirely held by DICASA Spain SAU based in Madrid, until 12 September 2018, the date on which DICASA Spain SAU sold 25% of CAI to Matar Holdings 2 B.V. In December 2014 CAI issued a bond of € 50 million, listed on the Vienna Stock Exchange. On 8 January 2018, a new bond of € 60 million was issued expiring on 31 December 2024 at an annual rate of 4.556% and at the same time the previous bond of € 50 million whose contractual maturity was scheduled for 31 December 2019. The new bond has been fully subscribed and is listed on the Vienna Stock Exchange. Having issued a bond traded on the Vienna Stock Exchange, as better specified below, the Parent 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 MATAAR HOLDINGS 2 B.V.

The 2023 consolidated financial statements of the CAI Group were audited by the independent auditor KPMG S.p.A..

This consolidated financial statements of the CAI Group are expressed in Euros (€) as this is the currency in which most of the operations of CAI and its subsidiaries are conducted. The international financial reporting standards have been applied consistently for all Group companies. The financial statements of the subsidiaries, used for consolidation, have been appropriately adjusted and reclassified, where necessary, to bring them into line with the international financial reporting standards and homogeneous classification criteria.

Consolidation area.

The subsidiaries, considering as such those in which the Parent holds control, have been fully consolidated: Toscana Aeroporti S.p.A., Toscana Aeroporti Engineering S.r.l., Parcheggi Peretola S.r.l., Jet Fuel Co. S.r.l., and Toscana Aeroporti Costruzioni S.r.l.. For the structure of CAI at 31 December 2023, please refer to the specific paragraph of the Report on operations.

Basis of preparation

The 2023 consolidated financial statements of the CAI Group were prepared in accordance with the International Accounting Standards (IAS/IFRS), in force at the reporting date, issued by the International Accounting Standards Board and approved by the European Union. Account was also taken of the interpretations issued by the International Financial Reporting Interpretations Committee (“IFRIC”), previously called the Standing Interpretations Committee (“SIC”).

Basis of presentation

As regards the format of the consolidated financial statements, the Group decided to present the following statements: Statement of Financial Position, Income Statement, Statement of Comprehensive Income, Statement of Changes in Equity, Statement of Cash Flows and the Notes thereto. In turn, Assets and Liabilities are recognised as current or non-current.

Statement of Financial Position

The financial position is presented by classifying assets and liabilities as current or non-current. Furthermore, the statement of financial position, breaks down all the relevant asset and liability items referred to transactions with related parties.

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 Group's performance. Furthermore, the Income Statement, breaks down all the relevant cost and revenue items referred to related party transactions.

Statement of Comprehensive Income

In order to present additional information on its performance, the Group chose to prepare two separate statements: the "Income Statement", which includes the profit (loss) for the year, and the "Statement of Comprehensive Income", which includes both the profit (loss) for the year and changes in Equity relating to profit or loss items, which, as specified in international financial reporting standards, are recognised under Equity. The Statement of Comprehensive Income is presented with details of Other Comprehensive Income to distinguish between income and expense that will be reclassified to profit or loss in the future, and income and expense that will never be reclassified to profit or loss.

Statement of Cash Flows

The Statement of Cash Flows is presented subdivided into cash flows formation areas. It has been adopted by the CAI Group and prepared using the indirect method. Cash and cash equivalents included in the statement of cash flows include the amount of said items at the reporting date. Income and expense concerning interest, dividends received and income taxes are included under cash flows from operating activities.

We specify that the statement of cash flows does not show the cash flows regarding related party transactions, because they are not deemed material.

Statement of Changes in Equity

The statement of Changes in Equity is presented as required by the international financial reporting standards, with separated items for the year's profit and each revenue, income, charge and expense item not recognised in the income statement or in the statement of comprehensive income, but directly recognised in Equity based on specific IFRS.

2. Consolidation area and criteria

The consolidation area includes the Parent, the subholding company TA and the companies directly or indirectly controlled by Toscana Aeroporti. 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 on a line-by-line basis and are listed in section 1 of these Notes.

Companies are included in the consolidation area from the date on which the Group gains control over them, while they are excluded from the date on which the Group loses control over them, as defined above.

The main consolidation criteria used in preparing the financial statements for the year, in compliance with IFRS at 31 December 2023, are described below:

- a. The carrying amount of the investments made in subsidiaries is eliminated against the related 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 recognised 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 recognised at their fair value at the acquisition date. The positive difference between the fair value of the consideration, plus any non-controlling interest in the acquiree (In the event of 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 recognised as an intangible asset. Instead, any negative difference (“negative goodwill”) is expensed at the acquisition date. Non-controlling interests are recognised proportionally to the net assets that can be identified at the acquisition date. If the control of a company is acquired, in which a non-controlling interest was already held, the previously held investment is measured at fair value and the effects of this adjustment is recognised in the Income Statement.
- c. Once control has been acquired over the acquiree, any acquisition of further investments is accounted for by recognising the difference between the price paid and the corresponding amount of Equity of the acquiree as a direct reduction of Equity. Similarly, in the event of a transfer of shares that does not involve a loss of control, the capital gain or loss is recognised directly in Equity and subsequently transferred to the Income Statement only at the time of the transfer of the control of the acquiree.
- d. The profit or loss of the subsidiaries acquired or transferred during the year are included in the Income Statement from the effective acquisition date until the effective transfer date.
- e. Investments in Associates are measured using the equity method: if TA’s share of the losses of the associate exceeds the carrying amount of the investment, then the investment is fully impaired and any further loss is recognised to the extent that TA is responsible for it.
- f. Significant transactions between consolidated entities are eliminated, together with the assets and liabilities, costs and revenue, and unrealized profits deriving from transactions between companies of the Group, after deducting any tax.
- g. Non-controlling interests in the net assets of the consolidated subsidiaries are identified separately from the Group's Equity. Said interests are determined based on the percentage held in the assets and liabilities identified at the acquisition date and in the changes in Equity

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.

3. Accounting policies

The accounting policies for the preparation of the consolidated financial statements as at and for the year ended 31 December 2023 are described below. The basic measurement criterion adopted is the historical cost method, except for those accounting items for which a fair value measurement method is used, as specified below.

These consolidated financial statements have been prepared on a going-concern basis, assuming that the Group will be able to settle its liabilities. In detail, pursuant to Art. 2423 – bis, paragraph 1, no. 1, of the Italian Civil Code, the financial statements items were measured assuming the Group will continue as a going-concern and considering the Group as a functioning economic entity managed with the purpose of generating income.

TTA is completing a negotiation process initiated in the past year with a pool of banks to redefine its financing. The finalisation of this process will make it possible to repay existing credit lines and ensure greater consistency to the capital structure of the Company and Group.

In addition, as indicated in these notes, the authorisation process for the approval of the new Florence Airport Master Plan is ongoing and will lead to significant developments in traffic and in all the operational indicators as a result of significant investments.

The positive economic and financial trends expected in the coming years are also supported by the forecasts set forth in the Business Plan prepared for the period until the end of the concession periods, which show a gradual improvement in gross operating profit and the generation of cash flows from operating activities that will allow TA and the Group to conduct their business activities in a balanced manner and consistently with the dynamics of the reference market.

In their assessment, the Directors of TA and the CAI Group also considered the possible outcome of the ongoing legal disputes, particularly the litigation with NIT (described in section 9.7). On 1 May 2024, the ruling of the Court of Milan relating to the NIT dispute was filed, in favor of TA. The Court rejected NIT's requests and condemned NIT to repay the sums paid by TA - at the signing of the preliminary purchase and sale contracts, as a confirmatory deposit, and therefore of the overall sum of € 3,669,000, increased by interest moratoriums. The Court also ordered NIT to pay legal costs.

Finally, when analysing potential negative scenarios, the Directors considered the possibility to ask, if necessary, the support of the CAAP Group, which has expressed and continues to express its interest in supporting the development of the CAI Group, also in the development perspectives of the new Florence Master Plan.

With reference to the bond, expiring on 31 December 2024, the possibility of obtaining funding from credit institutions to refinance the company's debt, the renewal of the bond or the capital contribution by the shareholders for the repayment of the bond, is being evaluated, even with direct interactions with shareholders. For the purposes of the prospective evaluation of the ability of the Parent and the Group to operate as a going concern, the intention and commitment by the Shareholders to finance and financially support the Parent, if necessary, are confirmed, in order to ensure both the fulfillment of its obligations, and considered the Parent as a going concern, without any uncertainties in its ability to operate regularly, at least in respect of these financial statements and those immediately following and therefore at least for the 12 months following the approval of these financial statements as at and for the year ended 31 December 2023.

In view of the circumstances outlined above and taking the Business Plan forecasts into account, no significant uncertainties have been identified which could raise doubts about the Group's ability to operate as a going concern; therefore, the consolidated financial statements have been prepared under the going concern assumption.

Goodwill

In the event that business entities are purchased, the assets, liabilities and potential liabilities acquired and identifiable are recognised at their fair value at the acquisition date. The positive difference between the fair value of the consideration, plus any non-controlling interests in the acquiree (in the event of 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 recognised as an intangible asset. Instead, any negative difference ("negative goodwill") is expensed at the acquisition date. Non-controlling interests are recognised proportionally to the net assets that can be identified at the acquisition date.

If the control of a company is acquired, in which a non-controlling interest was already held, the previously held investment is measured at fair value and the effects of this adjustment is expensed. The costs of the business combination transaction are expensed.

The potential considerations, i.e. the obligation of the acquirer to transfer additional assets or shares to the seller in the event that certain future events or conditions occur, are recognised at fair value at the acquisition date as part of the consideration transferred in exchange for the same acquisition. Any subsequent change in the fair value of such arrangements is expensed.

Goodwill is not amortised, but tested each year - or more frequently, if specific events or changed circumstances indicate the possibility of an impairment - to identify any impairment according to the criteria laid down by IAS 36 "Impairment of assets". After initial recognition, goodwill is measured at cost, less any accumulated impairment losses.

Concession rights and provisions for repair and replacement (IFRIC 12)

The CAI group, like all entities operating under concession arrangements, recognises "Concession rights" for "Service concession arrangements", as required by IFRIC12, i.e. the amount attributed to the right to use the assets (infrastructure, facilities, etc.) held under the concession. A concession contract falls under the IFRIC 12 definition of "Service concession arrangements" when the public entity who is the grantor still "controls" the infrastructure or a portion thereof. The grantor is considered to be in "control" when it: (i) controls or determines which services are to be provided by the operator, who those services should be provided to and for what price; and controls, through ownership, the entitlement to the benefit or otherwise, any residual interest in the infrastructure at the termination of the contract.

IFRIC 12 requires concession rights to be recognised as intangible assets when the operator is entitled/has the right to charge a fee to the users of the public service that is provided through the use of the infrastructure; or else, to be recognised as financial assets to the extent that the operator has an unconditional contractual right to receive cash or another financial asset from, or on the instruction of, the grantor for construction services. The CAI Group recognises as intangible assets the concession rights that, according to regulatory accounting principles, will be completely amortised before the expiration of the concession and will be remunerated through the right to charge tariffs to the users of the public service. Conversely, the share of concession rights for which the regulatory amortisation exceeds the duration of the concession reflects the value that the incoming operator will be obliged to pay to the outgoing operator at the natural expiry of the concession, which will be determined in compliance with regulatory accounting principles. This amount is classified as a non-current financial asset called "Concession Price".

Considering that the Pisa airport is a military airport that has been opened to civil traffic, “Concession rights” also include the investments made by TA in the flight infrastructure belonging to the *Aeronautica Militare* (Air Force, Ministry of Defence), as provided for in the Programme Agreements signed with ENAC.

Concession rights are recognised at the fair value (estimated on the basis of the cost incurred for activities carried out outside the Group and of the market value for those carried out internally) of the construction and upgrade of assets covered by IFRIC 12.

As a balancing entry to the recognition of concession rights, the CAI Group recognises Revenue from construction services.

Concession rights recognised as intangible assets are amortised over the duration of the individual concessions (expiring in December 2048 for the Pisa airport, February 2045 for the Florence airport), taking the residual amount of transferred assets into account; this method reflects how the future economic benefits of the asset are expected to be used by the concessionaire.

The concession contract also obliges the operator to ensure that the assets granted under the concession are kept in good and safe operating conditions for the entire duration of the concession. The maintenance of the infrastructure may differ depending on their nature. More specifically, they are distinguished into two categories:

- routine maintenance of the infrastructure; or
- replacement, scheduled maintenance and repair of the infrastructure at a future date.

The former category refers to the routine maintenance of the infrastructure, the expense for which is recognised in the income statement when incurred. The latter category is recognised according to IAS 37 “Provisions, Contingent Liabilities and Contingent Assets”, which requires:

- on the one hand, the accrual in 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 provisions for repair and replacement in the statement of financial position. This provision, consistently with the obligations established by the individual concession agreements, includes the best estimate of the present value of the expense accrued at year- end for maintenance scheduled in subsequent years, aimed to ensure the required functioning, operation and safety of all the assets granted under the concession based on the information available at the reporting date.

The estimation of this expense is made on the basis of multiple assumptions, described in the section “Use of estimates”.

Intangible assets

An intangible asset purchased or produced internally is recognised under 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 a finite useful life are carried at purchase or production cost, after deducting accumulated amortisation and impairment losses. As described in the previous section, concession rights are recognised at fair value (estimated on the basis of the cost incurred for activities performed outside the Group and of the market value for activities performed internally).

Amortisation is determined by making reference to the period of its estimated useful life and starts when the asset is available for use. The amortisation criteria adopted for the various intangible asset items are the following:

- Industrial patent and intellectual property rights: 2 years;
- Deferred charges: 5 years or the useful life, if lower;
- concession rights: over the duration of the concession, as described above.

Assets under development are carried at fair value, based on the progress reports defined by the contract with the supplier, and are amortised starting from the year when they start being used.

If, regardless of the amortisation already accounted for, an impairment is observed, the asset is impaired accordingly; if, in subsequent years, the assumption for the impairment loss no longer exists, the original amount will be restored, adjusted solely by amortisation.

Development costs can be capitalised 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 expensed in the period they are incurred.

No intangible assets with an indefinite useful life other than goodwill have been recognised.

Property, Plant and Equipment

Property, plant and equipment are recognised at their purchase cost (more specifically, according to this principle, the amount of land is separated from the amount 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 capitalisation, the cost also includes the financial expense that is directly attributable to the acquisition, construction or production of asset itself.

If the individual components of a complex item of property, plant and equipment have different useful lives, they are recognised separately so as to be depreciated consistently with their relative useful lives (so-called “component approach”).

The costs incurred after the purchase are capitalised only if they increase the future economic benefits implied in the asset to which they refer. All the other costs are expensed when they are incurred. Assets under construction are measured at cost and depreciated starting from the year when they start being used.

Property, plant and equipment are systematically depreciated in each 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 Equipment:	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 freely transferable 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 expenses. Incremental maintenance costs are attributed to the assets to which they refer and depreciated in connection with their residual possibility of use.

Gains and losses deriving from the sale or divestment of assets are determined as the difference between the sales revenue and the net carrying amount of the asset and are expensed.

Impairment losses

At each reporting date, the CAI Group reviews the carrying amount of its assets to detect any impairment losses. Whenever any such indication exists, the recoverable amount of said assets is estimated to determine the amount of the impairment (impairment test). Where it is impossible to estimate the recoverable amount of each individual asset, the CAI Group estimates the recoverable amount of the cash-generating unit (CGU) to which the asset belongs.

Intangible assets with an indefinite useful life (goodwill) and assets not yet available for use (assets under development) are tested for impairment every year to determine any loss, regardless of whether or not any indicators of impairment have been identified.

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 to their present value by using a pre-tax rate that reflects the market's current assessment of the cost of money and the specific risks of the asset.

If the recoverable amount of an asset or CGU is estimated to be lower than the relative carrying amount, the carrying amount of the asset is reduced to the lesser recoverable amount. An impairment loss is immediately recognised in the Income Statement for the year.

A CGU is defined in IAS 36 as the smallest identifiable group of assets that generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets. The CAI Group, following an analysis of its cash flows, identified the airports of Florence and Pisa as CGUs, since the two airports generate cash inflows that are largely independent of each other. The Group also assessed whether these cash flows could be further broken down by type of service - Aviation / Non-Aviation - and concluded that the cash flows generated by those services are not largely independent of each other, mainly in view of the significant dependence of the inflows of the Non-Aviation sector on traffic volumes, and therefore of the Aviation sector.

When the circumstances for the impairment loss 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 carrying amount the asset would have had if the impairment had not been recognised. The reversal is recognised immediately in the income statement for the year.

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 recognises a right-of-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 recognised as costs in the income statement on a straight-line basis over the term of the lease.

Right-of-use assets are measured at cost, net of accumulated depreciation and impairment losses, and adjusted as a result of each remeasurement of lease liabilities. The amount of right-of-use assets corresponds to the lease liabilities recognised, in addition to the initial direct costs incurred, lease liabilities adjusted at the commencement date or earlier, and restoration costs, net of any lease incentives received. The discounted amount of the liability so determined increases the right-of-use asset of the underlying asset, with a balancing entry recognised 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, right-of-use assets are depreciated on a straight-line basis on the basis of the estimated useful life or term of the lease, if lower.

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 recognised at the commencement date of the arrangement for an overall amount equal to the present 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 are expensed as a cost of the year.

IFRS 16 requires Management to develop estimates and assumptions which may affect the measurement of the right-of-use asset and of the 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.

The Group, at the date of these consolidated financial statements, has only operating leases.

For operating lease agreements, the Group must also recognise lease payments due as income on a straight-line basis or using another systematic criterion.

The costs incurred for the realisation of the income, including amortisation, are recognised as costs.

Disclosure of transactions between continuing operations and discontinued operations

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

Equity investments in associates and joint arrangements

Associates and joint arrangements are recognised starting from the date on which the significant influence or joint control commences and until the time this situation ceases to exist. Associates are those entities over which the Group exercises a considerable influence, but not control over their financial and operating policies. Joint arrangements are when the parties having joint control have rights over the net assets of the arrangement.

According to the equity method, an investment in an associate or joint arrangement is initially recognised at cost and the carrying amount is increased or decreased to reflect the Group's share of the profits or losses realised by the investee after acquisition. The Group's share of the investee's profit (loss) for the period is recognised in the consolidated income statement. Any dividends received by an investee will reduce the carrying amount of the investment. Changes in the carrying amount of the investment may also be the result of changes in the investee's other comprehensive income. The Group recognises its share of said changes under other 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 fully impairing the investment, any further loss is accrued and recognised as a liability only to the extent that the Group has a legal or implicit obligation 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 equalled its share of unrecognised losses.

The Directors believe that the Group has a significant influence over Alatoscana S.p.A. (the Elba Island's airport operator), even though its investment is lower than 20%. More specifically, that influence is due to the power they have to influence the commercial, financial and operating policies of the company.

Financial assets (including equity investments in other entities)

The classification and measurement of financial assets is done by considering both the related management model and the contractual characteristics of the cash flows that can be obtained from 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 at amortised cost;
- (ii) financial assets at fair value through other comprehensive income (FVTOCI);
- (iii) financial assets at fair value through profit or loss (FVTPL).

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

- the financial asset management 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 amortised cost method, the original carrying amount is subsequently adjusted to take into account principal repayments, any impairment losses and amortisation of the difference between the repayment amount and the original carrying amount.

Amortisation is calculated 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 original carrying amount equal at the time of initial recognition.

Assets and other financial assets measured at amortised cost are recognised net of the related loss allowance.

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

In this case, any changes in the fair value of the instrument are recognised in equity through other comprehensive income. The aggregate amount of fair value changes recognised in the equity reserve, which also includes other comprehensive income, is reversed to the Income Statement when the instrument is derecognised. The income statement also includes any interest income determined by using the effective interest rate, exchange differences and impairment losses.

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

Financial instruments are derecognised 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 measured; 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 measurement methods for the estimation of fair value: these methods maximise 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 measurement date;
- f. Inclusion of non-performance risk in the measurement 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 measurement adjustment), the own credit risk of the entity (DVA, debit measurement adjustment).

Based on the data used for fair value measurement, 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 measured;
- 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 measurement reflect the assumptions market participants would assume in price fixing for the assets and liabilities to be measured.

Trade receivables and other assets

Trade receivables and other assets are initially recognised at fair value and subsequently measured using the amortised cost method, less the loss allowance.

The Group measures any impairment losses of the assets by adopting an expected loss approach. For trade receivables, the Group has adopted a 'simplified approach' to measurement 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 assets. 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 historical 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 loss allowance and the amount of the loss is recognised in profit or loss.

When collection is deferred beyond the normal commercial terms agreed with customers, the assets are discontinued.

Cash and cash equivalents

Cash and cash equivalents include liquidity, 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 bank facilities repayable on demand.

Financial liabilities

Financial liabilities include liabilities for advances on the assignment of receivables, as well as other financial liabilities that include derivative financial instruments and liabilities for assets recognised under finance leases.

Financial liabilities are recognised at fair value, net of any ancillary transaction costs. After this initial recognition, these liabilities are recognised with the amortised cost method, determined 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 expensed.

Provisions for risks and charges

The CAI Group recognises Provisions for risks and charges 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 future estimated cash flows at a discount rate that also includes taxes, so as to reflect current market valuations of the time value of money and specific risks connected with liabilities.

Post-employment 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 reporting date (so-called "Projected Unit Credit Method"). The liability, carried net of any assets at the service of the plan, is recognised on an accruals basis throughout the period of accrual of the right. Liabilities are valued by independent actuaries.

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

- service costs are recognised in the income statement among cost of personnel;
- net financial expense on defined benefits liabilities or assets is recognised in the income statement as financial income/(expense) and determined by multiplying the amount of the net liability/(asset) by the rate used to discount the obligations, taking into account the contributions and benefits paid during the year;
- the items reflecting the re-measurement of the net liability, which include actuarial gains and losses, the return on the assets (not including interest income, which is recognised in the income statement), and any change in the limit of the assets are recognised immediately in other comprehensive income. Said components must not be reclassified to 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 amount of assets and liabilities and their tax base. Deferred tax assets are recognised only to the extent that it is probable that sufficient taxable profit will be available in the future against which they can be used. 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 tax liabilities are determined on the basis of the taxable rates expected to be used during the year in which said deferrals will be realised, considering the applicable or future known applicable tax rates. Deferred taxes are directly recognised 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 Group operates, in the years in which the temporary differences will be realized or settled.

Revenue recognition

Based on the five-step model described in IFRS 15 “Revenue from Contracts with Customers”, the Group recognises revenue 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 recognises revenue 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 revenue is recognised 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. Subconcession (sublease) contracts, recognised under IFRS 16, are not covered by IFRS 15.

Aviation revenue

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

Revenue from the performance of the services described above is recognised 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 revenue

- Revenue from commercial and non-commercial subconcession/leases consists 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.). Revenue deriving from this category is recognised 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”.

- Revenue from parking lots consists 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 performance obligations in connection with this service by making parking spaces available to its customers. Revenue deriving from the performance obligations in question is recognised 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).

Revenue is shown net of discounts, including, but not limited to, sales incentive programs and customer bonuses, network development expense (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 provision of services.

Revenue from construction services

Revenue from construction services refers 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 recognised on the basis of their fair value. The fair value of the price of the construction and expansion services provided by the Group for concession assets is determined on the basis of the fair value of the price of the construction and expansion services provided directly or by third parties for the planning and coordination of works by a special internal facility. This revenue is recognised in line with the progress of the related works, considering that the Grantor simultaneously receives and uses the benefits deriving from the performance of the entity, as the entity performs it.

Other revenue

Revenue from other services provided by the Group (administrative services, consulting, etc.) is recognised when they are provided.

Revenue from construction services recognised as “Other revenue” concerns the construction services provided to entities other than the Grantor, and are recognised when the control of goods and services is transferred to the client, for an amount that reflects the consideration the Group is likely to obtain in exchange for those goods or services. For said services, the CAI Group fulfils its performance obligations over time by developing the job orders of its portfolio that concern complex and integrated design and civil engineering works. The price the Group is likely to obtain is measured on the basis of an assessment of progress towards the complete fulfilment of the obligation. This assessment shall be based on output, and particularly on the progress of works that is certified by the client. In this respect, we specify that the CAI Group recognises the unconditional right to receive remuneration for the work performed (invoices issued and to be issued) as trade receivables, while the amount owed by the clients for job order work is recognised as contract work performed as “Contract assets”, after deducting any payment on account made and received.

Network development expense

The main objective of the CAI 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 Operator and meet the demand of the territory for better accessibility. TA pursues said objectives through an incentive plan based on marketing contributions, i.e., network development expenses, the extent of which changes with the scope of the air services carriers provide in the airports and based on the level of strategic interest of the operation for the reference airport and territory, in terms of free entrepreneurship. Network development expense is recognised as a reduction of revenue because it reflects the prices to be paid to carriers as a reduction of the price of services provided to them.

Grants

Grants related to assets are recognised when there is reasonable certainty that the conditions for their disbursement are met and that the company is entitled to collect them; they are recognised in the income statement based on the useful life of the asset for which they are disbursed.

Grants related to income are recognised when there is reasonable certainty that the conditions for their disbursement are met and that the company is entitled to collect them, and are recognized in the income statement in connection with the costs against which they are disbursed.

Financial expense

Financial expense is recorded on an accruals basis and includes interest expense on financial liabilities determined using the effective interest rate method and exchange losses. Financial expense also includes the financial component of the annual accrual to the provision for repair and replacement.

Financial expense incurred for investments in assets for which a given period of time normally elapses to make the asset ready for use is capitalised and amortised along the useful life of the related class of assets.

Financial income

Financial income is recognised on an accruals basis. It includes interest income on invested funds, exchange gains and income from financial instruments, when not offset within the framework of hedging transactions. The actual amount of interest income is recognised in the income statement when received.

Dividends

Dividends from non-controlling investments are recognised in the income statement on an accruals basis, i.e. when the related right to receive them has arisen after the passing of the related resolution by the investee.

Income taxes

Taxes are the sum of current and deferred taxes.

Taxes are recognised based on the estimate of the taxable income determined in compliance with the applicable national legislation at the reporting date, taking into account any applicable exemption and tax credit. Income taxes are recognised in the income statement, except for those regarding items recognized directly in Equity, in which cases taxation is directly recognised in the Equity.

We remind readers that the companies adopted the Tax Consolidation option provided for by Articles 117 to 129 of the Consolidated Text on Income Taxation ("Testo Unico delle Imposte sui Redditi" - T.U.I.R), where the Consolidating Entity is Corporación America Italia S.p.A.. The consolidating entity calculates a single global income equalling the sum of the taxable bases (income or loss) realised by the individual entities that adopted this group taxation option.

The Parent recognises an asset from the consolidated entity that equals the IRES tax to be paid on the positive taxable base transferred by the latter. Instead, the consolidating entity records a liability to the companies that contribute tax losses equalling the IRES tax to be paid on the loss actually used in the determination of the global aggregate income.

Foreign currency translation criteria

Assets, liabilities and any current provisions denominated in foreign currency are initially recognised by using the exchange rates ruling at the date of their inception and, if existing at 31 December, they are stated in the financial statements at the exchange rate ruling at the reporting date, recognising the exchange gains/losses in the income statement.

Exchange 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, after the transaction has been concluded.

Use of estimates

We are now going to summarise the critical measurement processes and key assumptions used by TA in the application of IFRS or for which there is a risk that significant differences may arise compared to the carrying amounts of future assets and liabilities.

Recoverable amount 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 carrying amount of its held-for-use non-current assets and of the assets held for sale when events and circumstances so require. When the carrying amount of a non-current asset has been impaired, the Group recognises an impairment loss corresponding to the excess between the carrying amount of the asset and the amount that can be recovered through its use or sale, determined by making reference to the cash flows of the most recent business 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 estimate of the provision is made on the basis of multiple assumptions, e.g. the estimate of the nature and frequency of the maintenance work to be completed, the determination of the charges to be incurred for its implementation, and the discount rate to be used to estimate the present value of said expenses as a function of the time required for maintenance.

The CAI Group estimates the nature and frequency of the maintenance to be performed, as well as the determination of the related costs, on the basis of historical analyses and with the help of external specialists who assist the Management in defining future maintenance plans.

The discount rate is estimated on the basis of the time value of the money and the specific risk of the liability. In detail, the CAI group discounts future expenses on the basis of the risk-free rates that are considered to reflect the estimate of the useful life of the assets to be maintained.

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 amount, the Group took into account the results of the business plan, in line with those used for the impairment tests. The net deferred tax assets 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.

Pension schemes and other post-employment benefits

Post-employment benefits and net financial expense are measured using an actuarial method that requires the use of estimates and assumptions for the determination of the net amount 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 measurements are detailed in the section "Post-employment benefits".

Loss allowance

The loss allowance reflects 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 recognises expected losses on all trade receivables based on the residual term and defines the allocation based on the historical credit losses, 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 characterised 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 amount 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 counsel and tax advisors.

RECENTLY-ISSUED STANDARDS

New accounting standards, amendments and interpretations effective since 2023

The following IFRS standards, amendments and interpretations have been adopted by the Group since 1 January 2023:

Amendments to IAS 1– Presentation of financial statements and IFRS Practice Statement 2: Presentation of accounting standards

The IASB Board, in its Disclosure of Accounting Policies (Amendments to IAS 1 and IFRS Practice Statement 2), published on 12 February 2022, set out the criteria to be adopted in the disclosure on accounting policies, namely:

Material accounting policies should be disclosed in the notes to the financial statements rather than significant accounting policies;

Information regarding accounting policies is considered 'material' if users need it to understand other material information;

Immaterial accounting policy information should not obscure material accounting policy information. The implementation of this amendment had no significant impact on either values or financial statements.

Amendments to IAS 8 - Accounting policies, changes in accounting estimates and errors: definition of accounting estimates

With the document "Definition of Accounting Estimates (Amendments to IAS 8)" published on 12 February 2022, the IASB clarified the following: (i) accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty"; (ii) accounting estimates are made if accounting policies require financial statement items to be measured in a way that implies measurement uncertainty; (iii) a change in the accounting estimate resulting from new information or developments is not the correction of an error. In addition, the effects of a change in an input or measurement method used to produce an accounting estimate are changes in accounting estimates if they do not result from the correction of errors of previous periods; (iv) a change in an accounting estimate may affect only the profit or loss of the current period, or the profit or loss of both the current

and future periods. The effect of the change for the current period should be recognised as income or expense in the current period. Any effect on future periods should be recognised as income or expense in those future periods.

The implementation of this amendment also had no significant impact on either amounts or financial statements disclosures.

Amendments to IAS 12 - Income taxes: deferred taxes on assets and liabilities arising from a single transaction

With the amendments to IAS 12 made through the document “Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IAS 12)” published by the IASB on 7 May 2022, it was clarified that the exemption (provided in IAS 12.15(b) and IAS 12.24(c)) for the initial recognition of deferred tax assets and liabilities does not apply where a single transaction generates the recognition in the financial statements of an asset and a liability giving rise to taxable and deductible temporary differences of equal amount. Some examples are the recognition of deferred taxes on leases and dismantling obligations. The Group considered the exemption applicable to the initial recognition of deferred tax assets and liabilities relating to leases. Following the application of that amendment, the Group did not find any significant impact on the recognition of deferred taxes at 31 December 2023.

Accounting standards, amendments and interpretations not yet applicable

Document title	IASB Board publication	EU type-approval Regulation (EUOJ publication)	Effectiveness
Lease liability in a sale and leaseback transaction (Amendments to IFRS 16)	22 Sept. 2022	20 Nov. 2023	01 Jan. 2024
Classification of liabilities as current or non-current (Amendments to IAS 1)	23 Jan. 2020	19 Dec. 2023	01 Jan. 2024
Non-current liabilities with covenants (Amendments to IAS 1)	31 Oct. 2022	Ongoing	01 Jan. 2024
Supplier finance arrangements (Amendments to IAS 7 and IFRS 7)	25 May 2023	Ongoing	01 Jan. 2024

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

4. Concessions

The core business of the Group is the operation of the Concession given to the Subholding 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 modernisation works in the airports under concession, and maintain and manage the airport plot of land under concession.

Concessions are not automatically renewed upon their expiration, but are awarded again through a public call for tenders, as required by the applicable legislation. All the airport infrastructure developed by the concessionaire, classified as “freely-transferable assets”, must be transferred to the grantor in a good state of maintenance and the incoming concessionaire will pay the residual carrying amount of freely-transferable assets, i.e., the “*concession price*”, as defined by Art. 703 of the *Codice della Navigazione* (Air Navigation Code).

NOTES TO THE MAIN CONSOLIDATED FINANCIAL STATEMENT ITEMS 31 DECEMBER 2023: STATEMENT OF FINANCIAL POSITION

The items of the Statement of Financial Position at 31 December 2023 are commented below, indicating the comparison with balances at 31 December 2022.

NON-CURRENT ASSETS

The composition of non-current assets at 31 December 2023 and a comparison against 31 December 2022 are given below.

amounts in euro/000	31.12.2023	31.12.2022	VAR.
NON CURRENT ASSETS	400.003	402.384	(2.381)

Intangible assets

amounts in euro/000	31.12.2023	31.12.2022	VAR.
INTANGIBLE ASSETS	337.537	336.745	792

In aggregate, investments in intangible assets for € 15.4 M were made in 2023, namely:

<i>(amounts in €K)</i>	2023
Concession rights	4,577
Assets under development (Concession rights)	10,421
Assets under development (Software)	159
Other minor	60
Software	136
Total	15,353

The amount of the investments made during the year is € 2.4 million higher than the corresponding cash flows presented in the statement of cash flows, because the investment made in Concession rights (including assets under development) is recognised at fair value, and for internally developed investments fair value is determined on the basis of the market value of those investments rather than of the cost incurred.

During 2023, an impairment loss of € 861 K has been recognised particularly in connection with the impairment of the amount of the design of apron 400 in the Florence airport, which will be redefined within the broader framework of the Florence development Master Plan.

Details of changes in intangible assets are provided in Annex A, while information on the various categories of intangible assets is given below.

a. Goodwill

The amount of goodwill at 31 December 2023 is € 8.3 M (€ 8.3 at 31 December 2022). The amount changed in 2021 after the acquisition of 51% of Cemes Aeroporti S.r.l. (a company operating since July 2020 in the construction sector), which simultaneously took the name of Toscana Aeroporti Costruzioni S.r.l. ("TAC"). The business purpose of TAC is to build airports, roads, railways; execute river and maritime works; develop noise mitigation systems and prefabricate concrete elements for road, airport and railway facilities. The acquisition is part of TA's investment strategy aimed at the development of infrastructures for the Florence and Pisa airports through a subsidiary.

The goodwill refers to the experience in the industry of the acquired company and to the possibility to streamline the infrastructure development strategy of the Florence and Pisa airports through the subsidiary.

Goodwill is tested annually for impairment using the method described in the dedicated section below.

b. Concession rights

The amount of this item at 31 December 2023 was € 293 M (€ 301 M at 31 December 2022), down by € 124 K compared to 31 December 2022 as a result of the amortisation for the period, partly offset by the infrastructure investments (€ +4.6 M) made during the year and by the rights that have been put into use (€ +1.8 M).

c. Industrial patent rights

This item totals € 550 K at 31 December 2023 (€ 422 K at 31 December 2022), up by € 127 K as a result of the greater amortisation with respect to the year's investments.

d. Assets under development

At 31 December 2023, this item includes almost exclusively concession rights for € 35.4 M (€ 26.8 M at 31 December 2022), up by € 8.6 M due to the effect of new ongoing investments for € 10.6 M, a difference that is partially offset by the item "Concession rights" for € 1.1 K after the conclusion of the related projects and a reclassification of € 920 K from property, plant and equipment.

Please note that assets under development include approx. € 19.3 M relating to the investment made in the development of the Florence airport Master Plan and approx. € 8 M relating to the investment made in 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 2023, the Parent continued to cooperate with ENAC in order to restart 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 authorisation timeframe.

Impairment testing

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

In addition to concession rights (which, for the Florence airport, also include the Master Plan assets under development), these CGUs include the goodwill of all the other assets that make up the net invested capital of the respective airports, identified by the Directors and dedicated to the development of the airports, both as regards air traffic, the infrastructure and passenger services.

The recoverable amount of each CGU is based on its value in use, estimated on the basis of expected discounted cash flows. The cash flows of the two airports have been estimated and discounted for the remaining duration of the respective concessions (2048 for Pisa and 2045 for Florence, defined at 2044 as agreed due to the expiry date of the concession set in February 2045). The amount obtained (recoverable amount) for each CGU was then compared with the related carrying amount.

The objectives and assumptions of the Plan have been determined by taking into account the historical results of operations and have been calculated on the basis of accurate estimates of passenger traffic and the related revenue, including by using growth factors consistent with those expected for the industry.

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 leading operators of the industry.

As to the discounting of cash flows, the Group adopted a WACC (weighted average cost of capital) that reflects the current market measurement of the cost of money and takes into account the specific risks of the business activity in which the CGUs operate, therefore establishing a WACC of 8.81% (against a WACC of 8.12% in 2022).

The Group also performed sensitivity analyses on the test results against the change in the basic assumptions that affect the value in use of the CGUs, with a particular focus on the discount rate used. Even in case of a 1% increase in the WACC used, the analyses would not show an impairment loss.

In estimating future cash flows, the CAI Group considered the sustainability objectives and related investments that will be necessary to achieve them. The definition of sustainability objectives is a path the Group started in 2022 with the approval of the strategic guidelines and the first Sustainability Plan, which resulted in short-term projects spanning the 2023-2024 period. Therefore, in its 2024 cash flow estimates, the Group included in its operating and investment costs the cash outflows expected for the achievement of the short-term goals outlined in the Sustainability Plan. In this regard, we should remember that Toscana Aeroporti started to plan and implement a number of synergistic actions to reduce its CO2 emissions, as well as plans for the development of renewable power generation systems. The business plan will include the cash outflows associated with the realisation of those investments.

As regards the effects of projects that are still in their early stages to date, the Group has generally maintained a conservative approach, estimating cash outflows that are considered to be conservative or not foreseeing the benefits that could potentially derive from future strategies and investments (for example, a reduction in fuel consumption).

In all cases, the present value of expected cash flows generated by the CGUs is higher than the net carrying amount tested for impairment.

Considering that the recoverable amount is determined based on estimates, the Group cannot exclude impairment losses in future periods. In the current market context, the various factors used for the calculation of the estimates could be reviewed. The Group will constantly monitor these factors and any possible impairment.

e. Other

The amount of this item at 31 December 2023 is € 247 K (€ 262 K at 31 December 2022), and refers to investments in third-party assets, particularly on the municipal road "Via del Termine" in the vicinity of the Florence airport.

Property, plant and equipment

amounts in euro/000	31.12.2023	31.12.2022	VAR.
PROPERTY, PLANT AND EQUIPMENT	37.371	39.924	(2.553)

On aggregate, investments for € 852 M were made during 2023 for:

(amounts in €K)	FY 2023
Plant and Equipment	323
Motor vehicles	194
Furniture and fittings	80
Hardware	250
Assets under construction	4
Total	852

For a detailed analysis of the main investments made in 2023, see section 10 of the Report on Operations.

Assets were sold for € 379 K during 2023.

Details of changes in Property, Plant and Equipment are given in Annex B.

Right-of-use assets

At 31 December 2023, right-of-use assets total € 3.6 M, including:

1. Right-of-use assets for land and buildings and leasehold improvements for € 3.2 M, relating to long-term contracts signed for the concession of car parking lots, with terms ranging from 9 to 20 years;
2. Right-of-use assets for vehicles, furniture and fittings for € 458 K, relating to long-term contracts signed for corporate cars, with terms ranging from 3 to 4 years.

The details of the year's changes are given below.

amounts in euro/000	31.12.2023	31.12.2022
RIGHT-OF-USE ASSETS	3.904	4.583
Acquisitions	403	120
Disposals	(24)	0
Depreciation	<u>(650)</u>	<u>(798)</u>
Total	3.633	3.904

Equity investments in other entities

At 31 December 2023, the CAI Group has investments in other entities for € 3,340 K (€ 2,962 K at 31 Dec. 2022), which refer to the investments held by TA:

- Firenze Parcheggi S.p.A. (8.16 % of the share capital): € 3.2 M
- 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 consortium fund): € 420
- Toscana 24 S.r.l. (3.95% of the quota capital): € 30 K
- Consorzio Pisa Energia S.c.r.l. (5.26 % of the consortium fund): € 831
- Consorzio per l'Aeroporto di Siena (0.11% of the consortium fund): € 8.5 K
- Firenze Convention Bureau S.c.r.l. (2.87 % of the consortium fund): € 6.6 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
- AC. Quasarda S.c.a.r.l. (72.42 % of the consortium fund): € 7.2 K

The investment in Firenze Parcheggi S.p.A. has been written up to the sales price established by the notarial deed drawn up on 12 February 2024 to Parcheggi Italia S.p.A.

At 31 December 2023, no indicators of potential impairment losses of investments in other companies were identified.

Equity investments in associates and joint arrangements

At 31 December 2023, the value of TA's equity investments in associates and joint ventures is € 572 K (€ 572 K at 31 December 2022), as shown in the table below.

- Alatoscana S.p.A. for € 378 K (€ 376 K at 31 December 2022);
- Toscana Aeroporti Handling S.r.l. for € 188 K (€ 188 K at 31 December 2022);
- AC. Quasarda for € 7.2 K (€ 7.2 K at 31 December 2022).

Alatoscana S.p.A. and Toscana Aeroporti Handling S.r.l. are classified as associates, while AC.Quasarda S.c.a.r.l. is classified as a joint venture.

For further considerations on the characteristics of the entities in question, see the section “Transactions with associates, joint arrangements and related parties” of the Report on Operations. No impairment indicator applies to Equity Investments in associates.

Other financial assets

amounts in euro/000	31.12.2023	31.12.2022	VAR.
Guarantee deposits	174	742	- 568
Financial instruments	63	63	-
Other non-current assets	6.076	4.692	1.384
Total	6.313	5.497	816

Guarantee deposits

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

Financial instruments

For an amount of approximately € 63 K at 31 December 2023, the item refers to the fair value of the option claimed by TA for the sale of the residual 20% currently held by TA in the quota capital of TAH as provided for in the sale contract.

Other non-current assets

This caption mainly consists in the confirmatory deposit paid on the € 3 M price in June 2018 upon signing the preliminary agreement for the purchase from NIT – Nuove Iniziative Toscane S.r.l. (a real estate subsidiary of the Unipol Group) of the “Piana di Castello” area in the vicinity of the Florence airport for Master Plan development purposes.

The amount also includes the earn-out component to be received for the disposal of TAH for € 193 K, a financial asset measured at fair value (FVTPL). The concession price, approximately amounting to € 2.1 M, recognised in accordance with the provisions of Art. 703 of the “Codice della Navigazione” (Air Navigation Code), i.e., the price the incoming concessionaire has to pay to the outgoing concessionaire upon expiry of the concession, which is determined according to regulatory analytical accounting criteria and non-current trade receivables relating to contractualised repayment plans for approximately € 805 K.

Deferred tax assets

Deferred tax assets and liabilities are stated at their net amount when they can be offset in the same jurisdiction. At 31 December 2023, the Group has deferred tax assets for € 11,236 K (€ 12,779 K at 31 December 2022). The amount mainly consists of the recognition of deferred tax assets on tax losses of the Parent and TA in previous years and temporary differences calculated on provisions (for repairs, loss allowance, etc.).

Deferred tax assets and liabilities have been determined using the applicable tax rate of the year when the temporary differences will reverse.

The difference in deferred tax assets compared to 31 December 2022 mainly results from:

- Use of past tax losses against a positive tax base in 2023;
- Changes in taxed provisions and other minor changes.

The recoverability of deferred tax assets relating to tax losses is reflected in the capacity to produce taxable profits in future years, as can be inferred from the multi-year plan approved by the Board of Directors of TA on 10 March 2023.

CURRENT ASSETS

The composition of current assets at 31 December 2023 and a comparison against 31 December 2019 are given below.

amounts in euro/000	31.12.2023	31.12.2022	VAR.
CURRENT ASSETS	67.193	88.258	(21.065)

8 Contract assets

The balance at 31 December 2023, € 1,347 K, down by € 578 K compared to 31 December 2022, reflects the amount due by the client ANAS to the subsidiary TAC for the work carried out during the year, net of payments on account and advances received, within the framework of the work order to be completed in 2025.

9 Trade receivables

The item includes current receivables from customers that, at 31 December 2023, total € 22,430 K (€ 16,909 K at 31 December 2022), net of the loss allowance, as detailed in the table below:

Trade receivables

amounts in euro/000	31.12.2023	31.12.2022	VAR.
Gross trade receivables	27.459	21.958	5.500
Loss allowance	(5.029)	(5.049)	20,0
Total trade receivables	22.430	16.909	5.520

The loss allowance on trade receivables was increased during the year with the addition of € 12 K and decreased € 32 K for use.

The composition of trade receivables by due date? is detailed in the table below.

Data in €K	Total	Falling due	Overdue				
			0-30 days	30-60 days	60-90 days	90-180 days	> 180 days
Current trade receivables	27,459	10,759	5,543	3,831	391	1,280	5,654
Expected loss rate		0.0%	-0.1%	-1.3%	-2.1%	-4.3%	-86.8%
Loss allowance	(5,029)	(2)	(4)	(51)	(8)	(55)	(4,908)
Total at 31 December 2023	22,430	10,757	5,539	3,780	383	1,225	746

Data in €K	Total	Falling due	Overdue				
			0-30 days	30-60 days	60-90 days	90-180 days	> 180 days
Current trade receivables	21,958	10,556	4,123	820	483	220	5,756
Expected loss rate		-0.1%	-0.2%	-4.9%	-8.8%	-27.4%	-85.0%
Loss allowance	(5,049)	(8)	(8)	(40)	(43)	(60)	(4,891)
Total at 31 Dec. 2022	16,909	10,549	4,116	780	440	160	865

Trade receivables also include receivables from associates and joint arrangements shown in the following table:

Data in €K	31 Dec. 2023	31 Dec. 2022	DIFFERENCE
Toscana Aeroporti Handling	2,561	686	1,875
AC. Quasarada	25	23	2
Receivables from Associates and joint arrangements	2,586	709	1,877

10 Current tax assets

This item equal to € 1,934 K at 31 December 2023 (729 K at 31 December 2022) is mainly composed of:

- tax assets for current taxes for € 25 K;
- a € 834 K VAT credit of TA;
- a € 899 K VAT credit of the subsidiaries;
- a € 73 K VAT credit of Vola S.r.l. (former subsidiary, closed in December 2021);
- a € 21 K credit on investments in operating assets made by TA;
- € 79 K of ART bonus of TA;
- € 3 K of minor tax assets of AC. Quasarada.

11 Other current assets

Other current assets

amounts in euro/000	31.12.2023	31.12.2022	VAR.
Public subsidies (State, Region)	71	191	(120)
Due from carriers for add. municipal tax on pass. board. fees	6.873	4.864	2.009
Payments on account to suppliers	995	1.035	(40)
Monopoly products assets	74	52	22
Other assets	1.939	1.861	78
Total	9.951	8.003	1.949

The "Public subsidies" item includes the aid received from the State and Region.

12 Cash and cash equivalents

This item totals € 31,532 K at 31 December 2023 (€ 60,693 K at 31 December 2022) and almost exclusively includes cash held in bank current accounts, plus a residual portion of cash on hand. The difference in cash mainly reflects:

- cash flows generated by operating activities for € 26.4 M;
- investments in airport infrastructures for approx. € 13.8 M;
- the net change in TA loans for € 34.8 M.

The cash flows from investments in intangible assets is € 2.4 M lower than the investments made during the period considered, because they are recognised at fair value, determined on the basis of the market value of the investments rather than of the cost incurred.

13 EQUITY

Equity increased by approximately € 1.9 M as a result of the positive effect of the profit for the year.

Share Capital

At 31 December 2023, the fully paid-up share capital of € 85 M is made up of no. 130,000 ordinary shares without par value (130,000 at 31 December 2022).

Other reserves

Capital reserves are made up of:

Description	31.12.2023	31.12.2022
Legal Reserve	346	299
Consolidation Reserve	(30.291)	(26.178)
Extraordinary Reserve	27.700	27.700
Other reserves	(53)	0
Totale	(2.245)	1.821

The consolidation reserve derives from the positive effect of the dividends distributed by TA and received by CAI for approximately € 4.4 M, from the negative change in the share capital of the TA for approximately € -8.4 M and from the consolidation difference attributed in previous years which refers to the adaptation to IAS of the CAI financial statements and the effects of the amortisation of the greater value of the concessions and the reversal of the related deferred taxes for approximately € -26.2 M.

Retained earnings (losses carried forward)

Losses carried forward of € 979 K (retained earnings of € 1,888 K in 2022). The change mainly derives from the allocation of the 2022 profit.

Other Comprehensive Income

The taxation of other comprehensive income is as follows:

2023	Gross amount	Tax (expense)/benefit	Carrying amount
- Actuarial loss, net of related tax	(46)	11	(35)
2022	Gross amount	Tax (expense)/benefit	Carrying amount
- Actuarial gain, net of related tax	603	(145)	458

Profit for the year attributable to the owners of the parent

This item includes the profit for the year attributable to the owners of the parent of € 1,906 K (- € 3,129 K in 2022).

Non-controlling interests

Based on the existing equity in 2023, Non-Controlling Interests total € 80,758 K (€ 80,092 K at 31 December 2022).

14 Provisions for risks and charges

The Provisions for risks and charges total € 5,235 K (€ 1,237 K at 31 December 2022). The details of the year's changes are given below.

	Data in €K
Provisions for risks and charges at 1 Jan. 2023	1,237
Addition	766
Use	(203)
Reclassification of trade payables	3,434
Provisions for risks and charges at 31 Dec. 2023	5,235

At 31 December 2023, the provision mainly includes the following amounts:

- 1) € 351 K relating to the provision for the Fire Brigade Protection Service dispute, the situation of which is described in detail in the section "Information on the main items of Provisions for risks and charges";
- 2) € 440 K relating to provisions set aside for potential labour dispute risks, better described in the "Additional information" section;
- 3) € 215 K relating to a dispute in which 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) € 717 K relating to disputes on local taxes concerning the different classification of airport areas for IMU (municipal property tax) determination purposes;
- 5) € 3,434 K relating to a reclassification from trade payables of past years' provisions for traffic development costs after the updating of the analysis of marketing support agreements with airlines.

For further information, see the section entitled "Information on the main items of Provisions for risks and charges".

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

15 Provisions for repair and replacement

The aggregate amount of this item at 31 December 2023 is € 24,472 K, up by € 2,989 K with respect to 31 December 2022, as a result of the year's addition, partly offset by the uses made during 2023, mainly in connection with redevelopment works performed on the infrastructure of the two Tuscan airports. Details are given below:

	Data in €K
Provisions for repair and replacement at 1 Jan. 2023	21,483
Addition	4,046
Use	(1,969)
Financial expense	<u>912</u>
Provisions for repair and replacement at 31 December 2023	24,472

Please note that the increase in the 2023 addition to these provisions, compared to the previous year, is due to a revision of the future repair plans, which increased construction costs (mainly caused by inflation), the expansion of certain newly built corporate assets, and the discount rate used.

Based on its estimated time of use, this provision has been recognised among non-current liabilities for € 19,334 K and current liabilities for € 5,139 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 € 487 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 € 465 K.

16 Post-employment benefits

The item includes the amount of the post-employment benefits, which is considered a defined benefit obligation to be recognised as recommended by IAS 19 “Employee Benefits”.

The parameters used for the measurement of the Pisa and Florence airport personnel at 31 December 2023? are:

- Annual technical discount rate: 3.17%
- Annual inflation rate: 2.00%
- Annual post-employment benefit increase rate: 3.00%

As far as the discount rate is concerned, the Corporate AA iBoxx 10+ index has been selected as criterion for the measurement 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 Group.

The liability is € 2,193 K (€ 2,307 K at 31 December 2022). This provision is recognised net of payments on account and settlements paid during the year, and shows a € 114 K reduction compared to 31 December 2022, as detailed below:

	31.12.2022	Actuarial (gain)/ loss	IAS fin. expense	use	31.12.2023
Post-employment benefit	2.343	46	113	(309)	2.193

The difference recognised in the Statement of Comprehensive Income (€ -35 K) corresponds to the actuarial loss of € 43 K, after taxation of € 8 K.

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

Sensitivity Analysis

CAI Group						
	Annual discount rate		Annual inflation rate		Annual turnover rate	
	+ 0.50 %	- 0.50 %	+ 0.25 %	- 0.25 %	+ 2.50 %	- 2.50 %
Provision (data in €K)	2,106	2,286	2,219	2,168	2,198	2,189

17 Financial liabilities

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

FINANCIAL LIABILITIES

amounts in euro/000

	31.12.2022	new loans	payments	Other chang.	31.12.2023
Non-current financial liabilities	128.017	-	-	(58.397)	46.790
Current financial liabilities					
<i>Bank overdrafts (current credit facilities)</i>	40.264	53.500 -	59.500	53	34.317
<i>Current portion of non-current indebtedness</i>	31.605	- -	28.056	58.477	84.856
Current financial liabilities	71.871	53.500 -	87.556	58.531	119.174
Total Financial Liabilities	199.888	53.500 -	87.556	133	165.964

Other changes mainly include the effect of the recognition of the bond maturing on 31 December 2024 and of the interest not yet settled for the year.

The amount of the current financial liabilities existing at 31 December 2023, refers to the current portion of non-current indebtedness relating to the loans of TA described below in this Note for € 23,015 K and to current credit facilities (“hot money”) for € 34.3 M.

The decrease in non-current financial liabilities refers to the reclassification of principal amounts due in the subsequent year to current financial liabilities and from the Parent 's bond expiring in December 2024.

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

- 1) the loan agreement signed on 30 October 2020 with a pool of leading financial institutions consisting of Intesa Sanpaolo and BNL-BNP Paribas Group for a total amount of € 85 M secured by a SACE guarantee in compliance with the provisions of the “Liquidity Decree” for an amount equal to 90% of the sums paid in principal, plus interest and ancillary costs (hereinafter also the “SACE loan”). The outstanding principal at 31 December 2023 is € 54,747 K. This SACE loan was disbursed on 6 November 2020 and has a term of 6 years, with a pre-amortisation period of 24 months (first instalment paid in December 2022), and requires the Group to comply with a financial covenant, to be measured at the time of the annual consolidated financial statement, which consists of a consolidated net financial position/indebtedness?, as conventionally defined in the same agreement, not exceeding € 100 M. This financial covenant was complied with at 31 December 2023. 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 cost of personnel, rents or leases of business activities, investments and working capital, with an interest rate indexed to the Euribor plus a spread. 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 Notes;
- 2) A non-current loan obtained from “Banca Infrastrutture Innovazione Sviluppo” (BIIS - Intesa San Paolo Group) to support infrastructure investments, with an original amount of € 40 M. This loan has a variable interest rate indexed to the 6-month Euribor 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 2023 is € 11.7 M (of which € 2.9 M to be repaid over the next 12 months).
- 3) The three loans obtained in 2017, 2018, and 2021 by the subsidiary Jet Fuel have an outstanding debt of € 52 K at 31 December 2023 to be repaid within the next 12 months.

The financial liability arising from the loans granted to TA by BIIS - Intesa San Paolo Group requires compliance with predefined financial ratios that are defined in the related agreement, such as the NFP/EBITDA and the NFP/Equity ratios, according to the definitions agreed with the lending counterparties and measured on the carrying amounts of TA. These measurements were made at the end of the reporting period, at 31 December 2023, and they were all met.

Failure to comply with the covenants and the other agreements in place for the loan in question may lead to the early repayment of the outstanding debt and/or to restrictions on the distribution of dividends if the default is not remedied within the agreed terms.

During 2023, TA also initiated procedures to obtain the renegotiation of its total indebtedness from a large pool of banks and support the continuation of the planned investments. As part of the same transaction, TA started negotiations with the same banks for the financing of the significant investments required under the Florence airport Master Plan after the related progress of the approval procedure.

Finally, in line with market practices, the aforesaid loans include: negative pledge commitments under which the Group cannot create collateral 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 controlling interest loses control over TA; limitations to the non-recurring transactions TAmay perform.

Details of the loans of the Group existing at 31 December 2023 are shown below.

Data in thousands of euros	Principal	interest	total
Within one year	117.119	5.072	122.191
Between 1 and 2 years	22.778	2.093	24.871
Between 2 and 3 years	17.800	677	18.477
Between 3 and 4 years	2.868	118	2.986
After 4 years	-	-	-
Total	160.565	7.960	168.525

Details of the credit facilities existing at 31 December 2023 are shown below.

Data in €K	31 Dec. 2023	31 Dec. 2022	Diff.
Credit lines granted	49,250	49,650	(400)
<i>of which TA</i>	<i>48,950</i>	<i>49,250</i>	<i>(300)</i>
<i>of which subsidiaries</i>	<i>300</i>	<i>400</i>	<i>(100)</i>
Credit lines used	34,000	40,000	(6,000)
<i>% used</i>	<i>69%</i>	<i>78%</i>	
Residual facilities	15,250	9,650	5,600

The lines of credit used at 31 December 2023 refer to the hot-money line for € 34 M, while residual lines of credit at that date include non-revolving credit lines for € 15,250 K.

Residual credit facilities at 31 December 2023 totally refer to non-revolving credit lines.

Financial liabilities of TA outstanding at 31 December 2023 are reported below, distinguished into fixed and variable interest rate categories.

Banking institution	Expiry	type of interest	Interest rate	Debt at 31 December 2023 (in €K)
INTESA SAN PAOLO - 1 st tranche	September 2027	variable	6-Month Euribor + 96 bp	5,076
INTESA SAN PAOLO - 2 nd tranche	September 2027	variable	6-Month Euribor + 180 bp	6,664
BPM - II Jet Fuel loan	June 2024	variable	3-Month Euribor + 110 bp	52
ISP-SACE	September 2026	variable	3-Month Euribor + 115 bp	54,747
a) Total non-current loans				66,540
BPM	January 2023	Variable	3M/360 Euribor + 1.25	12
BPM	August 2023	Variable	3M/360 Euribor + 1.25	73
BPM	February 2024	Variable	3M/360 Euribor + 1.25	3,575
Bank Intesa San Paolo	January 2024	Fixed	6.10%	11,017
UniCredit	March 2024	Variable	3M/360 Euribor + 1.90	3,502
UniCredit	March 2024	Variable	3M/360 Euribor + 1.90	2,501
UniCredit	March 2024	Variable	3M/360 Euribor + 1.90	2,501
MPS	March 2024	Variable	6M/360 Euribor + 0.35	11,137
b) Total liabilities for non-revolving credit lines ("hot money")				34,318
a) + b) Total Financial Liabilities				100,858

Bank loans at 31 December 2023 are shown below at their carrying amount and at fair value.

F.V. BANK LOANS	31.12.2023	
	notional	fair value
amounts in euro/000		
TA - INTESA SAN PAOLO	11.472	11.713
JET FUEL - BPM	52	52
TA - INTESA SAN PAOLO SACE	54.753	55.133
TA - CURRENT CREDIT FACILITIES	34.000	34.318
CAI - BOND	61.053	60.071
	161.330	161.287

The **Net Financial Indebtedness** at 31 December 2023, as shown in the Report on Operations, is specified in the following table:

NET CONSOLIDATED FINANCIAL INDEBTEDNESS

(values in €/000)	31.12.2023 Consolidated CAI	31.12.2022 Consolidated CAI	Diff. 2022/2021
Cash on hand and at banks	31.532	60.693	(29.161)
Other cash and cash equivalents	-	-	-
Securities held for trading	-	-	-
Liquid assets (A) + (B) + (C)	31.532	60.693	(29.161)
Current Financial receivables	-	-	
Current bank payables	34.320	40.266	(5.946)
Current portion of non-current indebtedness	84.285	30.917	53.369
Other current financial payables due to leasing companies	571	589	(18)
Current financial indebtedness (F) + (G) + (H)	119.176	71.771	47.405
Net current financial indebtedness (I) - (E) - (D)	87.644	11.078	76.566
Non-current bank payables	43.525	66.515	(22.990)
Bonds issued	-	58.011	(58.011)
Other non-current payables due to leasing companies	3.266	3.491	
Non-current financial Indebtedness (K) + (L) + (M)	46.791	128.017	(81.226)
Net financial indebtedness (J) + (N) P.F.N.	134.436	139.095	(4.658)

See comments in the Report on Operations paragraph 8.4 and to the “Statement of Cash Flows” for a more in-depth analysis of this item.

18 Lease liabilities

At 31 December 2023, lease liabilities, determined by discounting the amount of the lease liabilities due, total € 3.8 M, of which € 3.3 M is classified as non-current liabilities and € 571 K as current liabilities.

LEASE LIABILITIES

amounts in euro/000	31.12.2023	31.12.2022
Lease Liab. Due after one year	3.266	3.491
Lease Liab. due wh. one year	571	589
Tot. lease Liab.	3.837	4.080

The details of the year's changes are given below.

LEASE LIABILITIES

amounts in euro/000	31.12.2023	31.12.2022
Values at 01 January	4.080	4.720
Acquisitions	403	120
Disposals	- 24	-
Payments	118 -	887
Financial expense	- 740	126
Tot. Lease Liab.	3.837	4.080

The lease agreements contain no covenants.

The due date of the financial liability is shown below.

	Principal	Interest	€K
< 1 year	638	72	710
1-2 years	535	57	592
2-3 years	459	84	543
3-4 years	291	72	364
4-5 years	207	65	272
5-6 years	201	58	259
After 6 years	1,358	196	1,554
Total	3,689	604	4,293

The incremental borrowing rates defined by the Group are reviewed on an ongoing 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 Subholding company, appropriately adjusted to simulate a theoretical incremental borrowing rate, consistent with the contracts to be recognised. 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 2023 are:

- 3.50% for 48-month car hire contracts;
- 3.84% for current lease agreements

The rates used for contracts signed in 2022 are:

- 3.85% for car hire agreements
- 3.71% for non-current lease agreements
- 3.65% for current lease agreements

19 Other current liabilities

Other current liabilities (entirely of TA) total € 1,226 K (€ 2,251 K at 31 December 2022), and refer to:

- 1) the non-current component of the amount payable to Cemes for the acquisition of 51% of the quotas of Cemes Aeroporti (today Toscana Aeroporti Costruzioni) for € 464 K;
- 2) guarantee deposits received from customers for the services provided to them for € 762 K.

TA has no outstanding financial liabilities with a maturity of over 5 years.

20 Current tax liabilities

The amount of this item is € 11,797 K (€ 8,157 K at 31 December 2022), and includes:

TAX LIABILITIES

amounts in euro/000

	31.12.2023	31.12.2022	
Municipal tax for passenger boarding	7.962	6.499	1.463
IRPEF due for employees and self- Employed professionals	743	548	195
Higher fees due for private flights	11	9	2
Local taxes	113	105	8
VAT due	30	231 -	201
Other minor	2.938	765	2.173
Total	11.797	8.157	3.640

In detail, the amount due to the Revenue Agency for the additional municipal tax on boarding fees increased for the year by virtue of the growth in the traffic handled in the two airports.

21 Trade payables

Trade payables total € 35.6 M (€ 36.8 M at 31 December 2022), up by € 1.2 M.

22 Liabilities to social security institutions

This item includes liabilities to social security and pension institutions (INPS, INAIL) for a total of € 1,564 K (€ 1,172 K at 31 December 2022).

23 Other current liabilities

Other current liabilities total approximately € 11 M (€ 9.9 M at 31 December 2022) and include the following items:

OTHER CURRENT PAYABLES

amounts in euro/000

	31.12.2023	31.12.2022	VAR.
Employees' / contractors' fees	2.853	1.969	884
Concession fees	3.423	3.575 -	152
Deferred income	497	612 -	115
Fire protection service	1.207	1.270 -	63
Air/bus/train ticket office receipts	466	468 -	2
Institutional bodies fees	447	111	336
Payable to Cem for TAC quotas	1.000	1.000	-
Advances from customers	316	245	71
Other minor	828	701	127
Total	11.037	9.952	1.086

In detail:

- the Fire Protection Service is the amount due to the Revenue Agency introduced by the 2007 Finance Law. For further considerations, see details in the annex "Provisions for risks and charges".
- The amount due to Cemes for the purchase of TAC quotas is the liability due within the next twelve months, arising as a result of the related business combination;

NOTES TO THE MAIN CONSOLIDATED FINANCIAL STATEMENT ITEMS 31 DECEMBER 2023: INCOME STATEMENT

The analysis of the main items of the Income Statement is given below. For details of the Consolidated Income Statement items resulting from transactions with related parties, see Annex C to these Notes.

24 REVENUE

Total revenue increased by 36.3%, from € 90.4 M in 2022 to € 123.3 M in 2023. This difference results from the € 24.8 M increase in operating revenue, the € 479 K increase in other revenue, and the simultaneous € 7.6 M increase in revenue from construction services.

Amounts in €K	2023	2022	2023/2022 Abs. Diff.	% Diff.
REVENUE				
Operating revenue				
Aviation revenue	78,112	59,476	18,636	31.3%
Non-Aviation revenue	36,870	30,709	6,160	20.1%
Network development expense	(13,378)	(13,367)	(11)	0.1%
Total operating revenue	101,604	76,819	24,786	32.3%
Other revenue	6,661	6,182	479	7.8%
Revenue from construction services	14,998	7,407	7,591	102.5%
TOTAL REVENUE (A)	123,263	90,407	32,856	36.3%
OTHER INCOME (B)	713	666	(47)	6.8%

Operating revenue totals € 101.6 M in 2023, up by 32.3% compared to 2022. The analysis of the Group's operating revenue trends for the two business units - Aviation and Non- Aviation - is given below.

25 Aviation revenue

Aviation revenue totals € 78.1 M in 2023, up by 31.3% compared to 2022, when it totalled € 59.5 M. The table below breaks down 2023 aviation revenue items and the related differences, both in absolute and percentage terms, compared to 2022:

Amounts in €K	2023	2022	2023/2022 Abs. Diff.	% Diff.
AVIATION REVENUE				
Passenger boarding fees	36,145	25,734	10,411	40.5%
Landing/departure fees	19,494	14,662	4,832	33.0%
Stopover fees	1,214	1,100	114	10.4%
PRM assistance fees	5,158	4,258	900	21.1%
Cargo fees	294	322	(28)	-8.6%
Passenger security fees	8,336	6,913	1,423	20.6%
Baggage security fees	3,363	2,717	646	23.8%
Handling	1,829	1,821	8	0.4%
Centralised infrastructures	2,278	1,949	329	16.9%
TOTAL AVIATION REVENUE	78,112	59,476	18,636	31.3%

In detail, revenue from airport duties, fees and taxes increased by 32.3% directly as a result of both the greater traffic handled in 2023 compared to 2022 (+21% in terms of traffic units) and the positive second-instance judgement received from the Council of State in September, which ruled that TA was right against the MIT concerning the claimed failure to adjust airport tariffs to the inflation rate scheduled for the 2009-2012 period.

The one-off amount of € 5,389 K paid to TA has been classified into the various original regulated fees, as follows:

- € 3,681 K of passenger boarding fees;
- € 1,612 K of landing and departure fees;
- € 95 K of parking fees.

For the analysis of the main changes of the two years, see section 8.1 of the Report on Operations.

26 Non-Aviation revenue

Non-Aviation revenue totals € 36.9 M in 2023, up by 20.1% compared to 2022, when it totaled € 30.7 M.

The table below provides details on non-aviation operating revenues of the two periods considered:

Amounts in €K	2023	2022	2023/2022 Abs. Diff.	% Diff.
NON-AVIATION REVENUE				
Parking lots	7,158	5,671	1,487	26.2%
Food	4,945	3,634	1,311	36.1%
Retail	5,983	5,588	395	7.1%
Advertising	1,956	1,823	133	7.3%
Real Estate	2,096	1,727	369	21.4%
Car rentals	7,507	6,847	660	9.6%
Other subconcessions	2,914	2,197	717	32.7%
VIP Lounges	3,883	2,659	1,224	46.0%
Air tickets	0	156	(156)	-100.0%
Cargo agency	428	408	20	4.9%
TOTAL NON-AVIATION REVENUE	36,870	30,709	6,160	20.1%

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

27 Network development expense

Network development expense total €13.4 M in 2023, substantially in line with 2022 (+0.1%). The amount of the year's expense is positively affected by the release of previous years' costs (prior year assets for € 1,957 K) after the updated analysis of the marketing support agreements signed with the airlines.

28 Other revenue

The table below provides details on the “Other revenue” of 2023 against those of 2022:

Amounts in €K	2023	2022	2023/2022 Abs. Diff.	% Diff.
OTHER REVENUE				
Revenue from construction services	4,229	3,870	359	9.3%
Utilities and others	2,131	2,059	72	3.5%
Services and consulting	154	98	56	57.1%
Minor items	146	155	(8)	-5.4%
TOTAL OTHER REVENUE	6,661	6,182	479	7.8%

At 31 December 2023, the “Other revenue” item came to € 6,661 K, a greater amount than that of 2022, when the total was € 6,182 K. The difference of approximately € 479 K substantially derives from the design and manufacturing activities carried out by the CAI Group through its subsidiary TAC under the multi-year framework agreement signed with ANAS (€ 4,229 K; € 3,870 K, in 2022).

We also point out the greater number of utilities connected for sub-concessionaires in the two airports (€ +72 K) .

29 Revenue from construction services

Revenue from construction services totals € 15 M in 2023, against € 7.4 M in 2022 (+102.5%). For further details, see section 9 “The Group’s investments” in the Report on Operations.

Additional information on revenue

The distinction between revenue within the scope of IFRS 15 and revenue within the scope of other standards is explained below:

Amounts in €K	2023	2022	2023/2022 Abs. Diff.	% Diff.
Revenue not included within the scope of IFRS 15 (*)	24,811	21,569	3,242	15.0%
Revenue included within the scope of IFRS 15	98,453	68,839	29,614	43.0%
TOTAL REVENUE	123,263	90,407	32,856	36.3%

(*) This is revenue from operating leases (subconcessions) where the Group plays the role of lessor, recognised according to IFRS 16.

For revenue not included within the scope of IFRS 15, the distinction between the fixed revenue component determined by the contract and the variable revenue component related to indices and rates or other variables, is explained below.

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 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	2023	2022	2023/2022 Abs. Diff.	% Diff.
Fixed	3,056	2,619	437	16.7%
Variable depending on an index or rate	20,816	18,103	2,713	15.0%
Variable not depending on an index or rate	939	846	93	11.0%
Total revenue not included within the scope of IFRS 15	24,811	21,569	3,242	15.0%

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

Amounts in €K	2023	FY 2022
Within one year	6,477	11,592
Between 1 and 2 years	4,276	3,664
Between 2 and 3 years	1,825	2,905
Between 3 and 4 years	1,305	1,168
Between 4 and 5 years	530	717
After 5 years	966	85
Total	15,380	20,132

30 OTHER INCOME

The table below details the “Other income” of 2023 against the same item of 2022:

OTHER REVENUE AND INCOME				
amounts in euro/000	2023	2022	VAR.	VAR.%
Grants	232	315	(83)	-26,3%
Capital gains on the sale of non-current asset	23	52	(29)	-55,8%
Compensation and reimbursements	192	193	(1)	-0,5%
Proceeds from Concession Price	211	105	106	101,0%
Other income	53	-	53	n.a.
TOTAL OTHER INCOME	713	665	46	-1,2%

The item mainly consists of contributions received under several legislative measures in support of non-gas-intensive and non-energy-intensive companies in response to the increase in energy raw materials (€ 232 K), sundry compensation and reimbursement amounts received in 2023 (€ 192 K),

as well as the update at 31 December of the Concession Price of the airport concessions (€ 211 K). Proceeds from concession price of approx. € 211 K received have been recognised as required by the provisions of Art. 703 of the “Codice della Navigazione” (Air Navigation Code), i.e., the amount the incoming concessionaire has to pay the outgoing concessionaire, on the expiry of the concession, which is determined by using regulatory analytical accounting rules. In detail, the amount in question, recognised as a balancing entry to financial assets (non-current assets), refers to the share of scheduled maintenance completed during the year, which, for regulatory analytical accounting purposes, reflect assets that will not be fully depreciated at the expiry date of the concession.

31 COSTS

In 2023, costs total € 83.2 M, up by 16.7% compared to 2022, when they were € 71.3 M. Below is a comparison of the main cost items categorised by nature for the two years.

COSTS

amounts in euro/000

	2023	2022	VAR.	VAR.%
Consumables	1.708	1.236	472	38,2%
Cost of personnel	24.962	21.907	3.055	13,9%
Costs for services	47.518	41.254	6.264	15,2%
Sundry operating expense	1.974	1.188	786	66,2%
Airport fees	7.047	5.712	1.335	23,4%
Total operating costs	83.208	71.296	11.912	16,7%
Cost for construction services	0	0	0	0,0%
TOTAL COSTS (B)	83.208	71.296	11.912	16,7%

32 Consumables

This item refers to the cost of consumables, a total of € 1,708 K (€ 1,236 K in 2022), and includes:

Amounts in €K	2023	2022	2023/2022 Abs. Diff.	% Diff.
CONSUMABLES				
Stationery	21	27	(6)	-23.5%
Fuels, lubricants	831	692	138	20.0%
Materials for car parking lots	18	8	10	127.0%
Security control services (materials)	99	81	18	22.7%
Clothing	113	92	21	23.0%
Materials for operating services	90	201	(111)	-55.5%
Raw materials for construction services	537	134	402	299.6%
TOTAL CONSUMABLES	1,708	1,236	472	38.2%

The increase is mainly due to the increased purchases of raw materials by the subsidiary TAC for the execution of construction job orders during 2023.

Furthermore, fuel costs increased, mainly due to the increased operations of the two airports and to increases in fuel unit prices.

33 Cost of personnel

The cost of the Group's personnel totals approx € 25 M in 2023, up by € 3,055 K compared to 2022 (+13.9%). The cost of labour has increased substantially as a result of a greater number of people required to meet the increased operational needs (mostly for the greater traffic handled: +21.8% of passengers), and consequently the non-use of temporary unemployment benefits, unlike in 2022. These costs have also been affected by greater variable fees in 2023 compared to 2022.

This cost item is broken down below:

COST OF PERSONNEL

amounts in euro/000

	2023	2022	VAR.	VAR.%
Remuneration	24.729	21.628	3.101	14,3%
of wich:				
Wages	16.033	13.584	2.449	18,0%
Salaries	2.046	2.035	11	0,5%
Social security contributions	5.231	4.642	589	12,7%
Post-employment benefits	1.419	1.367	52	3,8%
Other personnel costs	232	280	- 48	-17,1%
of wich:				
Contribution to CRAL	3	4	- 1	-25,0%
Benefits to personnel	147	274	- 127	-46,4%
Temporary personnel and sundry	82	2	80	4000,0%
TOTAL COSTS OF PERSONNEL	24.962	21.907	3.051	13,9%

The table below provides details on the average annual personnel (expressed in Full-Time Equivalents, FTEs) in 2023 and any difference compared to 2022:

FTE Table	2023	2022	Diff.	% Diff.
Corporación America Italia	1.0	1.0	0.0	0.0%
Toscana Aeroporti	328.8	326.0	2.8	0.9%
Jet Fuel	12.3	12.7	(0.4)	(3.2)%
TAE	9.4	6.7	2.7	40.5%
TAC	11.3	13.1	(1.8)	-14.0%
Cai Group	362.8	359.5	3.3	0.9%

The table below provides details on the personnel at 31 December 2023 and any difference compared to 2022.

No. of employees	31 Dec. 23	31 Dec. 22	Diff.	% Diff.
Corporación America Italia	1	1	0	0.0%
Toscana Aeroporti	356	347	9	2.6%
Jet Fuel	13	12	1	8.3%
TAE	9	8	1	12.5%
TAC	13	9	4	44.4%
Group	391	376	15	4.0%

34 Costs for services

On the whole, costs for services in 2023 and 2022 consist of:

COSTS FOR SERVICES

amounts in euro/000

	2023	2022	VAR.	VAR.%
Commercial services	230	126	104	82,5%
Institutional expense	2.047	1.630	417	25,6%
Other services	19.571	11.334	8.237	72,7%
Personnel services	1.139	964	175	18,2%
Maintenance services	5.911	5.237	674	12,9%
Utilities	5.470	8.823	(3.353)	-38,0%
Operating services	13.150	13.140	10	0,1%
TOTAL COSTS FOR SERVICES	47.518	41.254	6.264	15,2%

35 Sundry operating expense

Sundry operating expense totals approximately € 2 M (€ 1.2 M in 2022) and mainly includes taxes and levies, membership fees, sundry administrative costs, non-recurring costs, and other minor costs.

SUNDRY OPERATING EXPENSE

amounts in euro/000

	2023	2022	VAR.	VAR.%
Publications	3	14	(11)	-78,6%
Membership fees	458	217	241	111,1%
Taxes and levies	1.079	583	496	85,1%
Entertainment	83	64	19	29,7%
Rebates and allowances	282	249	33	13,3%
Other minor	68	62	6	9,7%
SUNDRY OPERATING EXPENSE	1.974	1.188	784	66,0%

In detail, we point out that, in 2023, compared to 2022, the item “Other” includes higher membership fees (€ +241 K) and a greater burden of taxes and levies.

36 Airport fees

Airport fees total € 7 M (€ 5.7 M in 2022) and include concession fees and the contribution paid to the Fire Protection Fund.

Amounts in €K	2023	2022	2023/2022 Abs. Diff.	% Diff.
AIRPORT FEES				
Concession and security fees	5,843	4,531	1,312	29.0%
Fire Brigade fee	1,203	1,181	22	1.9%
TOTAL AIRPORT FEES	7,047	5,712	1,334	23.4%

The increase is due to the higher traffic reported for 2023 compared to 2022 (+21.8% in terms of passengers).

37 Amortisation, depreciation and impairment losses

This item totals € 16.7 M in 2023 (€ 16 M in 2022) and includes the amortisation of intangible assets for € 13.6 M (€ 12.6 M in 2022), the depreciation of property, plant and equipment for € 2.5 M (€ 2.8 M in 2022), and the depreciation of right-of-use assets for € 650 K (€ 662 K in 2022). The item also contains € 861 K of impairment losses (€ 107 K in 2022).

38 Accruals to the provisions for risks and charges and repair and replacement

This item, which totals approx. € 4.8 M (€ 3.5 M in 2022), includes the accruals for the year to the provisions for risk and charges (€ 766 K) and to the provisions for repair and replacement (€ 4 M) for future maintenance expenses relating to the repair work and replacements necessary to keep the assets obtained under the two ENAC concessions in good and safe operating conditions.

39 Impairment losses on trade receivables and other assets

This item totals € 12 K (€ 115 K in 2022) and consists of the accrual to the loss allowance.

Amounts in €K	2023	2022	2023/2022 Abs. Diff.	% Diff.
Accrual to the loss allowance	12	99	(87)	-87.5%
Credit losses	0	15	(15)	N/S
Use of the loss allowance	0	0	0	
TOTAL	12	115	(102)	-89.2%

40 Financial income

This item totals approx. € 413 K (€ 103 K in 2022) and mainly includes financial appreciation for € 377 K, interest income accrued on non-bank loans for € 13 K, and bank interest for € 12 K.

41 Financial expense

This item totals € 10,391 K (€ 7,128 K in 2022) and mainly includes interest payable and commissions on bank current accounts for € 5,9 M (€ 3 M in 2022), financial expense on employees' defined-benefit liabilities for € 113 K (€ 119 K in 2022), discounting of the provisions for repair and replacement for € 912 K (€ 635 K in 2022), lease liabilities for € 118 K (€ 126 K in 2022), and bond interest on the Parent's loan for € 3,160 K (€ 3,126 K in 2022).

42 Gains (losses) on equity investments

This item shows a gain of € 13 K (against a loss of € -242 K in 2022), which stems from the recognition in the Equity of equity investments in associates (Alatoscana S.p.A. and Toscana Aeroporti Handling S.r.l.) and in joint arrangements (AC. Quasarda Scarl).

43 Income taxes

The balance for 2023, a total of € - 3,731 K (€ 892 K in 2022), mainly includes the registration of deferred tax assets and liabilities relating to concessions and deferred tax assets relating to tax liabilities recorded during the year by the Group, recognised having assessed the recoverability of the related tax assets in light of the future taxable income resulting from the economic-financial plans of the Group.

	2023	2022
profit before tax	9.251	(3.855)
income taxes	(3.731)	892
tax rate	-40,3%	-23,1%

44 Profit (loss) from discontinued operations

The profit (loss) from discontinued operations is zero. The item showed € 3.3 M in 2022, reflecting the profit obtained by selling the subsidiary Toscana Aeroporti Handling S.r.l..

45 Non-controlling interests

The loss for the year of Toscana Aeroporti attributable to non-controlling interests is equal to € -3,167 K (€-166 K in 2022). While the profit for the year of Jet Fuel and TAC attributable to non-controlling interests is equal to € 448 (€ 832 K in 2022).

Management of financial risks

The main risk factors that may affect the Group's operations are described below.

Credit risk

The Group believes it has suitably mitigated this risk by constantly monitoring its amounts receivable, also sometimes by promptly initiating legal actions to protect said amounts, which are reflected in the allocation of a specific loss allowance in the financial statements, which is deemed to be adequate for the amounts of the existing assets. Also with the purpose of managing the credit risk, TA usually asks for sureties as guarantee (e.g. from subconcessionaires) or pre- payments (e.g. from unknown airlines).

TA hired a company for its long-term debt collection activities. See also section "Trade receivables and other assets".

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 loss allowance, which has been determined also in connection with the individual solvency positions 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.

However, no specific criticality has been detected to date.

Liquidity risk

Liquidity risk is the risk that the Group may have insufficient financial resources to meet its commitments as they fall due. The main factors influencing the liquidity of the Group are the need to repay expiring amounts of outstanding loans and to comply with the covenants agreed with said contracts, any dividend distributions, as well as the resources generated or used by current operations and investments.

The Group responds to this risk through constant monitoring of its current and non-current bonds and through the use of bank loans.

At 31 December 2023, the Group's Net Financial Indebtedness came to approx € 134 M (€ 139 M at 31 December 2022). It is the result of current net financial indebtedness of € 119.2 M (€ 71.7 M at 31 December 2022) and of non-current net financial indebtedness of approx € 47 M (approx € 128 M at 31 December 2022). The non-current indebtedness mainly includes the loan granted to TA by the bank Infrastrutture Innovazione e Sviluppo (BIIS - Intesa San Paolo Group", with maturity in 2027) and the SACE loan (with maturity in 2026) signed in October 2020.

The loan TA obtained from BIIS has interest rates based on the three- and six-month EURIBOR, and several commitments, such as financial covenants, namely NFP/gross operating profit and NFP/Equity, according to the definitions agreed with the lending counterparties and measured at 31 December of each year.

In addition, another loan was obtained on 30 October 2020 from a pool of leading financial institutions consisting of Intesa Sanpaolo and BNL-BNP Paribas Group for a total amount of € 85 M, secured by a SACE guarantee as required by the Italian "Liquidity Decree", for an amount equal to 90% of the sums disbursed as principal, plus interest and ancillary costs.

The SACE loan was disbursed on 6 November 2020 and has a term of 6 years, with a pre-amortisation period of 24 months (first instalment due in December 2022). The loan agreement requires compliance with a financial covenant, to be measured at the time of presentation of the annual consolidated financial statements, consisting in the amount of the consolidated net financial position (NFP), as agreed in the loan agreement, not exceeding € 100 M.

According to the provisions of the SACE loan agreement and of the Liquidity Decree, this facility can be used to support the Group's cash requirements arising from the obligation to pay cost of personnel, rents or leases of business units, investments and working capital; the interest rate applied is indexed to the EURIBOR plus a spread. In addition, the agreement requires the calculation of annual commissions related to the SACE guaranteed component of the loan on the share of principal paid out and not repaid, with a fixed increasing percentage for the entire term of the loan.

For the sake of completeness, we point out three non-current credit facilities for a nominal amount of € 1,200 K each, disbursed by the banking group "Banco Popolare di Milano" in 2017, 2018, and 2021 to the subsidiary Jet Fuel to support the purchase of eight (8) new aviation fuel supply trucks required for into-plane activities in the Pisa airport.

In addition to that, the Group also uses fixed-rate current bank facilities to meet short-term requirements.

In addition, the amount of the Group's non-revolving lines of credit available at 31 December 2023 is approximately € 15.3 M and the bank loans and borrowings? item accommodates a minimum amount of € 10 M available and deposited into a dedicated current account, as required by the banks, to allow the distribution of dividends that took place in July 2023.

In 2023, TA and the Group complied with the financial covenants set out in the signed agreements, with an outstanding debt of approximately € 68.1 M at 31 December 2023 (of which € 24.6 M to be repaid within the next 12 months). There is no covenant to be complied with for the hot money debt of € 34.3 M due to banks at 31 December 2023.

During 2023, TA also initiated a process to obtain, from a large pool of banks, the restructuring of its total indebtedness, which also originated from the pandemic, as well as to allow the planned investments to continue and ensure the full operation of the two airports. As part of the same

transaction, TA started negotiations with the same banks for the financing of the significant investments required under the Florence airport Master Plan after the related progress of the approval procedure.

While current debt includes the Parent's bond expiring in December 2024, for further details please refer to paragraph 8.4 "Consolidated net financial indebtedness" of the report on operations.

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 results, thereby indirectly influencing the costs and returns of loans and investments.

At 31 December 2023, the consolidated net financial indebtedness is approx € 134 M and the debt-to-equity ratio (NFP/Equity) is 0.82 (vs 0.86 at 31 December 2022), which confirms the financial soundness of the Group.

Based on the consolidated net financial indebtedness at 31 December 2023, the potential impact in terms of annual growth/reduction in interest expense connected with interest rate trends, as a result of a hypothetical increase/decrease of 100 bp, would be approximately +/- € -1,003 K.

In addition, the potential increase in the Provision for repair and replacement, as a consequence of a hypothetical annual reduction of 50 bp in interest rates, would be € +487 K. Conversely, the potential decrease in the Provision, as a consequence of a hypothetical annual growth of 50 bp in interest rates would be approx. € -465 K.

No further sensitivity analysis is provided, as it is considered immaterial.

Currency 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.

9. Additional information

9.1 Segment reporting

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 operating segments related to completely independent activities in terms of market/customer combinations. Currently, the traffic component affects the results of all corporate operations.

The Group has analytical accounting data that allow the Chief Operating Decision-Maker to monitor economic and financial performance from two different perspectives: by airport (Florence/Pisa) or by service type (Aviation/Non-Aviation). Both perspectives are relevant for the Group, as both the airport and the service type perspectives are used by top decision-making executives to assess its performance and make resource allocation decisions.

For easy comparability between operating segments and other industry players, the CAI Group has identified Aviation and Non-Aviation as operating segments, according to IFRS 8:

- the **Aviation Segment** identifies air-side operations (activities carried out after the security gate), which are the core business of an airport. They include: passenger and aircraft ground handling, landing, aircraft departure and parking, security and safety activities, passenger boarding and disembarkation, cargo loading and unloading.

Revenue for the Aviation segment is represented by the prices paid for airline assistance services and are generated by airport fees such as: landing, departure and parking fees, freight revenue taxes, passenger boarding fees, passenger and baggage security fees.

- the **Non-Aviation Segment** identifies land-side operations (activities carried out before the security gate), which are not directly associated with the core business (Aviation). They include retail activities, catering, car parking, car hire, advertising, ticket office, VIP Lounge.

Revenue from the Non-Aviation segment consists in the royalties earned from the assets operated under the concession arrangement, in the direct management of certain activities (car parking, ticket office, advertising) and in the amounts paid by the subconcessionaires.

The table below provides the main information regarding the operating segments described above by highlighting, in unallocated items, (corporate) revenue, costs, assets and investments not directly attributable to the two operating segments. When allocating the various financial statements items to operating segments, the Group allocated revenue items on the basis of data derived from cost accounting, while as regards cost items, the allocation was made on the basis of the incidence percentage of the costs allocated to each segment over total costs, as determined in the reporting statements at 31 December 2022 under CIPE Resolution no. 38/2007¹ (CIPE = Comitato Interministeriale per la Programmazione Economica, Interministerial Economic Planning Committee). In detail, the main types of unallocated costs refer to the cost of personnel, professional services provided, insurance and industry association membership fees, pro-rata portions of utilities, maintenance and amortisation/depreciation, administrative costs, provisions for risks, Directors' and Statutory Auditors' fees.

Key information by airport, and therefore by geographical area within the operating segments identified above, is provided below.

¹ The reporting rules set forth in CIPE Resolution no. 38/2007 distinguish between "relevant" and "non-relevant" costs, which cannot be directly attributed to the Aviation (i.e., regulated activities) and Non-Aviation (i.e., non-regulated activities) operating segments. Although in regulatory accounting non-relevant costs are also allocated to the two operating segments, based on allocation rules defined in the aforesaid Resolution, these costs have not been allocated to the two operating segments in the disclosure by operating segments, since they were not considered to be attributable to them.

(amounts in €/000)	Aviation		Non Aviation		Unallocated assets (Corporate)		Total	
	2023	2022	2023	2022	2023	2022	2023	2022
<i>CAI Group - Income statement</i>								
Operating revenue	78.091	58.370	26.431	19.099	4.457	6.197	108.979	83.666
of which Pisa	37.755	33.075	10.288	7.552	2.471	3.414	50.514	44.041
of which Florence	40.336	25.295	16.143	11.547	1.930	2.783	58.409	39.625
of which parents Revenue	-	-	-	-	56	-	56	-
from constr. ser of which	10.794	6.239	3.995	1.147	208	20	14.997	7.406
Pisa	4.971	1.031	2.437	51	19	1	7.427	1.083
of which Florence	5.823	5.208	1.559	1.096	190	19	7.572	6.323
of which parents	-	-	-	-	-	-	-	-
Total Segment revenue	88.885	64.609	30.426	20.246	4.664	6.217	123.976	91.072
Operating Costs (*) - (**)	42.020	36.092	7.106	5.440	24.866	23.958	73.991	65.490
of which Pisa	25.349	22.356	3.455	2.725	13.158	11.631	41.962	36.712
of which Florence	16.670	13.736	3.651	2.715	10.691	11.196	31.012	27.647
of which parents companies	-	-	-	-	1.017	1.131	1.017	1.131
Cost of constr. serv.	6.470	4.937	2.554	849	193	20	9.219	5.805
of which Pisa	2.634	957	1.566	50	16	1	4.217	1.008
of which Florence	3.836	3.979	989	799	177	19	5.002	4.797
of which parents	-	-	-	-	-	-	-	-
Amortisation, depreciation and provisio	13.312	12.939	1.486	1.461	6.752	5.287	21.550	19.687
of which Pisa	6.023	5.942	781	914	3.732	2.607	10.536	9.463
of which Florence	7.289	6.997	705	547	3.020	2.678	11.014	10.222
of which parents	-	-	-	-	-	2	-	2
Operating profit (loss)	27.083	10.643	19.279	12.496	- 27.202	- 23.047	19.216	91
of which Pisa	11.109	7.240	6.923	3.914	- 10.824	- 10.824	1.226	- 2.059
of which Florence	21.947	9.376	12.357	8.582	- 11.090	- 11.090	18.953	3.282
of which parents	-	-	-	-	-	1.133	- 961	- 1.133
of which parents Net financial income	-	-	-	-	- 9.965	- 7.266	- 9.965	- 7.266
(expense) Profit before tax	27.083	10.643	19.279	12.496	- 40.899	- 29.422	5.520	- 6.285
Income taxes	-	3.320	-	-	-	-	-	3.320
Profit (loss) from continuing operations	27.083	13.963	19.279	12.496	- 40.899	- 29.422	5.520	- 2.964
Profit (loss) from discontinued operations	-	-	-	-	- 3.614	- 165	- 3.614	- 165
Profit (loss) for the year	27.084	13.963	19.279	12.496	- 44.513	- 29.587	1.906	- 3.129
Non-controlling interests	-	-	-	-	-	-	-	-
Profit (loss) for the year attributable to the owners of the parent	27.083	13.963	19.279	12.496	- 44.513	- 29.587	1.906	- 3.129
<i>CAI Group - Statement of financial position</i>								
Current assets	18.163	18.163	5.499	5.499	64.598	64.598	88.258	88.260
Non-current assets	291.415	299.182	32.697	32.697	75.891	70.505	400.003	402.384
<i>CAI Group - Additional information</i>								
	2023	2022	2023	2022	2023	2022	2023	2022

Equity investments	11.507	6.767	4.048	1.939	650	404	16.205	9.107
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Information on the Group's main customers

During 2023, the Group recorded approx. 8.2 million passengers. The total incidence of the first three carriers is 59.8%. More specifically, the incidence of the first carrier (Ryanair) is 42.7%, while those of the second (Vueling) and third (easyJet) carriers are 10.3% and 6.8%, respectively.

Commitments and guarantees

At 31 December 2023, commitments and guarantees consist of € 10,502 K of third party sureties in favour of the CAI Group and € 11,298 K of sureties given by third parties on behalf of the TA Group.

Data in €K	31 Dec. 2023	31 Dec. 2022	DIFFERENCE
Third-party guarantees in favour of Group	10,502	9,310	1,192
Guarantees given to third parties on behalf of Group	11,298	12,868	(1,570)

Sureties given by third parties in favour of the CAI Group mainly consist of performance bonds on work contracted by TA as a guarantee of subconcessionaires' compliance with the agreements in place, as well as of airport taxes and fees accrued on air carriers' operations.

Sureties given to third parties on behalf of the companies of the CAI Group mainly consist of performance bonds in favour of ENAC to guarantee the full and exact fulfilment of the obligations established in the two 40-year arrangements signed with the Municipalities of Pisa and Florence, as a guarantee of TA's compliance with municipal regulations regarding the works for the expansion of the airport infrastructure. The € 11.3 M amount includes approx. € 1.7 M of guarantees in favour of ANAS (the national road construction agency) for works managed by the subsidiary TAC.

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

Remuneration of Directors, Statutory Auditors and Executives with strategic responsibilities

Below is the amount in thousands of euros of the gross compensation of the directors, statutory auditors and independent auditors of the CAI group:

amounts in euro/000	CAI	TA
Directors' fees	345	862
Board of statutory auditors	47	214
Independent auditors	43	332

Transactions with related parties

Among the main transactions with related parties during the year, other than those with related companies, there are mainly costs for the design activities carried out by ACI Engineering Uruguay SA relating to the new Florence terminal.

Allocation of financial instruments by measurement category applied

<u>31 December 2023 (amounts in €K)</u>	Assets measured at fair value	Assets measured at amortised cost	Total
Assets			
Trade receivables	-	23,234	23,234
Other financial assets	3,732	-	3,732
Other assets	-	11,727	11,727
Derivative financial instruments	63	-	63
Cash and cash equivalents	-	26,143	26,143
Total	3,795	61,104	64,899
<u>31 December 2023 (amounts in €K)</u>	Liabilities measured at fair value	Assets measured at amortised cost	Total
Liabilities			
Financial liabilities	-	162,128	162,128
Lease liabilities	-	3,837	3,837
Trade payables and other liabilities	-	44,496	44,496
Total	-	210,461	210,461

As regards the classification of financial instruments according to the hierarchy levels that reflect the significance of the inputs used for the determination of fair value, we point out that the “Assets measured at fair value” in the table above belong to Level 3, which uses inputs that are not based on observable market data. This category includes investments in other companies (€ 3,340 K) and securities held (€ 393 K).

Disclosure on public grants and subsidies, and other economic benefits received (under Law 142/2020, Art. 1, paragraph 125)

Pursuant to the aforementioned law, during 2023, the CAI Group recognised the following grant proceeds only related to TA:

Regulatory framework	AMOUNT IN €
TAX CREDIT IN FAVOUR OF BUSINESSES THAT DO NOT HAVE HIGH NATURAL GAS CONSUMPTION LEVELS (DECEMBER 2022) ART. 1 OF LAW DECREE NO. 176 OF 18 NOVEMBER 2022	24,646.00
TAX CREDIT IN FAVOUR OF NON-ENERGY INTENSIVE BUSINESSES (DECEMBER 2022) ART. 1 OF LAW DECREE NO. 176 OF 18 NOVEMBER 2022	59,879.00
TAX CREDIT FOR NON-ENERGY-INTENSIVE BUSINESSES (FIRST QUARTER 2023) ART. 1, PAR. 3, OF LAW NO. 197 OF 29 DECEMBER 2022	101,728.26
TAX CREDIT IN FAVOUR OF FREE DONATIONS IN SUPPORT OF CULTURE “ART BONUS” UNDER ART. 1 OF LAW DECREE NO. 83 OF 31 MAY 2014	65,000.00
TAX CREDIT IN FAVOUR OF BUSINESSES THAT DO NOT HAVE HIGH NATURAL GAS CONSUMPTION LEVELS (FIRST QUARTER 2023) UNDER ART. 1, PAR. 5, OF LAW NO. 197 OF 29 DECEMBER 2022	45,962.45
Total	297,215.71

Information on the main items of Provisions for risks and charges

a) Provision for risks connected with the dispute on the Fire Brigade airport service (€ 351 K)

In order to reduce the cost for the State to organise and provide the fire protection service at Italian airports (*Fondo Antincendi*), the 2007 Budget Law (“Legge Finanziaria”) introduced an annual contribution of € 30 M to be paid by all Italian airports proportionally to their stated traffic units.

In 2012, TA (then called AdF) brought a specific legal action before the Civil Court of Rome, essentially asking the court to ascertain and declare the termination of the obligation to pay that contribution when the purpose of that fund changed, i.e. as 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 Protection 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 were pronounced in favour of TA in the first half

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 *Commissione Tributaria Provinciale di Roma* [Rome Provincial Tax Commission] became final on 10 May 2020, admitting and approving the entire defence raised by TA 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 TA.

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 decision no. 7164/2019 of 20 December 2019 made by CTR (Carta Tecnica Regionale, *Regional Technical Charter*) of the Lazio Region.

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 fall under the Tax Judge jurisdiction;
- the Administrations were sentenced to pay half litigation fees.

Therefore, Toscana Aeroporti intends to continue the dispute initiated in 2012 and bring it before the Rome Tax Commission, i.e. the judge that was eventually confirmed to have jurisdiction, in order to:

- request the cancellation of ENAC's Assessment Note relating to the year 2012 and the simultaneous reimbursement of the annual contributions paid for the years already cancelled;
- point out that the nine annual contributions 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 contributions and a second-instance decision that cancelled 2007, 2008 and 2010 annual fees, 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 annual fees, Toscana Aeroporti instituted the appropriate negative assessment actions before the Civil Judge (i.e. the Judge has been asked to ascertain that those annual fees 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 annual fees for which the same legal decision applies. Moreover, the Court of Cassation itself established the rule of law of the validity of external judgement in connection with all the annual fees 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, TA 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 accrued at 31 December 2023, also measured with the help of external independent professionals, is appropriate, if we also take into account all the updates of the year.

In December 2023 and January 2024, two judgements were pronounced by the Court of Tax Justice and the Court of Cassation on the subject of the Fire Protection Fund with unfavourable terms for airport operators.

In detail, the Court of Cassation ruled on the annual contributions for the years 2007, 2008, 2009 and 2010 (which had been cancelled both in the first-instance judgement of the Court of Justice and in the second-instance judgement by the Regional Tax Commission) and established that the airport operators should have paid the annual contributions for the fire protection fund.

However, the legal impasse remains, because the Court of Cassation failed to express an opinion on the conflict between the law that regulated the creation of the Airport Fire Protection Fund (Art. 1, paragraph 1328, of Law no. 296/2006) and the new amendment of 2009 (Law no. 2/2009), which allowed for a different use of the resources collected with that contribution.

Therefore, considering that the Airport Fire Protection Fund is a bound fund (aimed at reducing the cost for the airport fire service to be paid by the State), it is precisely the new 2009 law that does not legally allow this use constraint to be complied with, particularly at the stage of usage of the collected revenue.

As to Toscana Aeroporti, specifically, since this company has always paid the contributions requested for the Fund since its signature of the Programme Agreements with ENAC relating to Pisa and Florence airports (in 2009 and 2015, respectively), the total amount of the contributions TA could hypothetically be asked to pay, for the annual contributions before the signing of the Program Contracts, is approximately € 2 M.

Considering the overall situation, in the opinion of the legal counsel of Toscana Aeroporti, with the exception of limited circumstances, the risk of an unfavourable outcome in the whole of the litigations relating to the Fire Protection Fund can be classified between remote and possible, so the provision for risks allocated in the financial statements at 31 December 2023, also assessed with the help of independent experts, is considered to be appropriate in view of all the updates made during the year.

b) Provision for risks and charges for potential labour dispute liabilities (€ 441 K)

At 31 December 2023, TA recognised a Provision for risks and charges of € 441 K because of the continuing likelihood of liabilities deriving from labour law disputes with employees that might be unsuccessful for the company or from the completion of the collective labour agreement (CCNL) renewal process, still going on today.

c) Additional liabilities with a potentially unfavourable outcome

We finally report risks for potential liabilities, also defined as “possible” by independent experts, concerning the following disputes:

- a) Dispute initiated by NIT - Nuove Iniziative Toscane with a writ of summons on 10 September 2022, 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. The dispute is about whether or not the conditions precedent attached to the final purchase of the area concerned have been fulfilled.

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. The hearing of 22 May 2023 was postponed to 14 September 2023, with 11 September 2023 as deadline for the submission of written notes. Written notes were lodged on 11 September 2023, and then conclusions and replies were also lodged on 7 and 29 December 2023, respectively. We are now waiting for the lodging of the final decision. The maximum risk for TA is that of being obliged to purchase the disputed plot of land for the amount agreed in the contract (€ 72 M), plus any increased value, interest, legal fees and any compensation. The risk of an unsuccessful outcome has been assessed by the TA counsel as possible.

On 1 May 2024, the ruling of the Court of Milan relating to the NIT dispute was filed, in favor of

TA. The Court rejected NIT's requests and condemned NIT to repay the sums paid by TA - upon signing the preliminary sales contracts - as a confirmation deposit, and therefore the total sum of € 3,669,000, increased by interest moratoriums. The Court also ordered NIT to pay legal costs.

- b) On 30 April 2020, the action brought by Alitalia SAI against TA before the Court of Civitavecchia to ask for a revocation of all the payments received by TA between November 2016 and April 2017. TA has already provided exhaustive evidence that said payments are excluded from the revocation pursuant to Art. 67(3)(a) of the Bankruptcy Law because they are 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 "terms of use" with methods and timelines consistent with those of all the payments made in past years. During 2023, Alitalia's receivers expressed their willingness to settle the case with TA, but then a first meeting organised for the purpose was not followed by further contacts. The subsequent hearing was held on 24 April 2023 and proceedings were postponed until 2 July 2024 for the clarification of the conclusions.
- c) Dispute (case with General Index no. 69546/2018) concerning the return of the higher charges linked to refueling (applicable legislation Law 248/2005, particularly Art. 11-*terdecies* concerning fuel royalties) for the 1997-2005 period, which were levied by some airlines on oil companies, where TA was summoned as a third party. The Court requested an expert witness and, after collecting all the information on the matter and meeting the expert witnesses of the airport operators concerned (including TA), lodged its final report in July 2023. Based on the information collected, TA believes that the amount of the potential contingent liability implied in this dispute cannot be determined yet. Written notes were lodged on 21 September 2023 pursuant to Art. 127-*ter* of the Italian Civil Procedure Code and then the Court, considering the case was ready for a final decision, set the date of 18 April 2024 for the hearing of clarification of conclusions. TA's counsel defined the risk of an unsuccessful outcome as 'possible'. Please note that there are further disputes on similar matters for which TA's counsel has defined a remote-to-possible risk of adverse outcome and the contingent liability for the Group not yet definable, because the Court, at the time of the judgement, will establish any amount due from TA.

Atypical or unusual transactions

No atypical or unusual transaction was performed during 2023.

Significant events and non-recurring transactions

It should be noted that in 2023, the CAI Group benefited from the positive second- instance judgement issued by the Council of State in September, which ruled that TA was right against the Ministry of Infrastructure and Transport (MIT) concerning the claimed failure to adjust airport tariffs to the inflation rate scheduled for the 2009-2012 period. The one-off amount of € 5,389 K paid to TA has been appropriately reclassified among the various original regulated fees.

Authorisation for publication

This document was approved by the Board of Directors on 27 May 2024 and made available to the public upon the Chairman's authorisation.

**ANNEXES TO THE CONSOLIDATED FINANCIAL STATEMENTS
AT 31 DECEMBER 2023**

ANNEX “A”
CHANGES IN INTANGIBLE ASSETS IN 2023
(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	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
Year's differences						
Acquisitions	4.577	136	10.590		50	15.353
Devaluations / Disinvestments		0	-851		-7	(858)
Reclassifications	1.761	287	(1.099)		-29	920
Other movements	(1.000)	-29				(1.029)
Depreciation	(13.296)	(267)			(37)	(13.600)
Reversal of administrative funds previous years		0			-7	(7)
Historical cost	431.584	14.746	42.850	8.350	732	498.260
Accumulated depreciation	(138.586)	(14.196)	(7.456)		(485)	(160.723)
Value as at 31.12.2023	292.998	550	35.394	8.350	247	337.537

ANNEX “B”
CHANGES IN PROPERTY, PLANT AND EQUIPMENT IN 2023
(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	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
Year's differences						
Acquisition of new business					529	529
Acquisitions		323				323
Reclassifications		(867)		(89)	36	(920)
Disinvestments/decreases		(21)			(358)	(379)
Controlled disposal						
Depreciation	-244	(1.361)	(130)		(743)	(2.478)
Other movements		0	0		0	0
Reversal of depreciation fund from previous years + Controlled decommissioning		(21)	0		(350)	(371)
Historical cost	47.248	24.072	1.801	195	19.438	92.748
Accumulated depreciation	(17.127)	(18.974)	(1.198)	(72)	(18.011)	(55.377)
Value as at 31.12.2023	30.120	5.098	603	123	1.427	37.371

**ANNEX “C”
TRANSACTIONS WITH RELATED PARTIES**

RELATIONSHIPS WITH RELATED PARTIES (12.31.2023)				Annex C
Financial statements item	amounts in €	% incidence on financial statements item	Balance (€) at 31/12/2022	
Aviation Revenue	3	0,00%	78.112	
	-		-	
Non-aviation Revenue	335	0,91%	36.870	
	-		-	
Other revenue	352	5,28%	6.661	
	-		-	
Trade receivables	2.589	12,22%	21.190	
	-		-	
Other current assets	53	0,86%	6.139	



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

Independent auditors' report pursuant to article 14 of Legislative decree no. 39 of 27 January 2010

*To the shareholders of
Corporacion America Italia S.p.A.*

Report on the audit of the consolidated financial statements

Opinion

We have audited the consolidated financial statements of the Corporacion America Italia Group (the "group"), which comprise the statement of financial position as at 31 December 2023, the income statement, the statements of comprehensive income, changes in equity and cash flows for the year then ended and notes thereto, which include material information on the accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Corporacion America Italia Group as at 31 December 2023 and of its financial performance and cash flows for the year then ended in accordance with the Italian regulations governing their preparation.

Basis for opinion

We conducted our audit in accordance with the International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the "*Auditors' responsibilities for the audit of the consolidated financial statements*" section of our report. We are independent of Corporacion America Italia S.p.A. (the "parent") in accordance with the ethics and independence rules and standards applicable in Italy to audits of financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Other matters

The group's 2022 consolidated financial statements were audited by other auditors, who expressed their unqualified opinion thereon on 27 June 2023.



Corporacion America Italia Group

Independent auditors' report

31 December 2023

Responsibilities of the parent's directors and board of statutory auditors ("Collegio Sindacale") 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 the International Financial Reporting Standards endorsed by the European Union and, within the terms established by the Italian law, for such internal control as they determine is necessary to enable the preparation of 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 for the appropriate use of the going concern basis in the preparation of the consolidated financial statements and for the adequacy of the related disclosures. The use of this basis of accounting is appropriate unless the directors believe that the conditions for liquidating the parent or ceasing operations exist, or have no realistic alternative but to do so.

The *Collegio Sindacale* is responsible for overseeing, within the terms established by the Italian law, the group's financial reporting process.

Auditors' 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 auditors' 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 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 these consolidated financial statements.

As part of an audit in accordance with ISA Italia, we exercise professional judgement and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain 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;
- obtain 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;
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors;
- conclude 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 auditors' 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 auditors' report. However, future events or conditions may cause the group to cease to continue as a going concern;



Corporacion America Italia Group

Independent auditors' report

31 December 2023

- evaluate 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;
- obtain 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.

We communicate with those charged with governance, identified at the appropriate level 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 identify during our audit.

Report on other legal and regulatory requirements

Opinion pursuant to article 14.2.e) of Legislative decree no. 39/10

The parent's directors are responsible for the preparation of the group's report on operations at 31 December 2023 and for the consistency of such report with the related consolidated financial statements and its compliance with the applicable law.

We have performed the procedures required by Standard on Auditing (SA Italia) 720B in order to express an opinion on the consistency of the report on operations with the group's consolidated financial statements at 31 December 2023 and its compliance with the applicable law and to state whether we have identified material misstatements.

In our opinion, the report on operations is consistent with the group's consolidated financial statements at 31 December 2023 and has been prepared in compliance with the applicable law.

With reference to the above statement required by article 14.2.e) of Legislative decree no. 39/10, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have nothing to report.

Florence, 12 June 2024

KPMG S.p.A.

(signed on the original)

Alberto Mazzeschi
Director of Audit

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**REPORT OF THE BOARD OF STATUTORY AUDITORS ON THE 2023 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 financial year ended 31 December 2023, our activity was inspired by the legal provisions 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.

We inform you of this activity and the results achieved with this report.

The financial statements of Corporacion America Italia S.p.A. have been submitted for your examination. as of 31.12.2023, drawn up in compliance with the Italian regulations governing its drafting, which highlights an operating result of €1,036,243.42. The budget was made available to us within the legal deadline.

The directors, pursuant to art. 25 Legislative Decree no. 127/1991, have drawn up the consolidated financial statements of the Group.

The Board of Statutory Auditors in office was appointed by the Shareholders' Meeting on 06/30/2021 until the approval of the financial statements as of 31 December 2023. The task of statutory audit of the accounts was assigned on 06/29/2023 to KPMG Spa until the financial year ending 31 December 2031.

The Board verified, at the time of acceptance of the assignment and subsequently during the same, the possession by its members of the requirements of honorability and professionalism, the absence of causes of ineligibility, incompatibility and forfeiture provided for by current legislation and possession of the independence requirements in accordance with the articles. 2382 and 2399 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.

The Board of Statutory Auditors, not being in charge of the statutory audit, carried out the supervisory activities provided for in Rule 3.8 on the financial statements. of the "Rules of conduct of the board of statutory

auditors of unlisted companies" consisting of an overall summary check aimed at verifying that the financial statements have been correctly drawn up. The verification of compliance with the accounting data is, in fact, the responsibility of the person in charge of the legal audit.

The Board of Statutory Auditors, not being responsible for the statutory audit, carried out the supervisory activities required by Rule 3.9 on the consolidated financial statements. of the "Rules of conduct of the board of statutory auditors of unlisted companies". The verification of compliance with the accounting data is, in fact, the responsibility of the person in charge of the legal audit.

The entity in charge of the statutory audit of the accounts KPMG SpA has given us its report on the financial statements and the consolidated financial statements dated 12 June 2024 containing an unchanged opinion.

From what is reported in the aforementioned reports, the financial statements and the consolidated financial statements as of 31.12.2023 represent in a truthful and correct manner the equity and financial situation, the economic result and the cash flows of your Company and have been drawn up in compliance with the legislation that regulates its drafting.

The administrative body has made available the following documents approved on 05/27/2024, relating to the financial year ended 31 December 2023:

- draft separate budget, complete with explanatory notes, financial statement and management report;
- draft consolidated financial statements, complete with explanatory notes, financial statement and management report.

Supervisory activities pursuant to art. 2403 and ss. c.c.

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 monitored compliance with the law and the statute, compliance with the principles of correct administration and, in particular, the adequacy of the organisational, administrative and accounting structure adopted by the company and its concrete functioning.

We participated in the shareholders' and bondholders' meetings and in the meetings of the board of directors and, based on the information available, we have no particular findings to report.

We have obtained, also through participation in the meetings of the board of directors, information on the composition of the Group and on the participation relationships as defined by the art. 2359 c.c. and by the art. 26 of Legislative Decree no. 127/1991

We have acquired from the Chairman of the Board of Directors adequately in advance and also during the meetings held, information on the general performance of the management and its foreseeable evolution, as well as on the most important operations, due to their size or characteristics, carried out by the company and its controlled and, based on the information acquired, we have no particular observations to report.

On the basis of the information flows acquired, there are no transactions with related parties that can be defined as atypical or unusual, nor the completion of intragroup or related party transactions carried out in conflict with the interests of the Company. We promptly exchanged data and information relevant to carrying out our supervisory activity with the person in charge of the statutory audit.

We have acquired knowledge and monitored the adequacy of the organisational, administrative and accounting structure and its concrete functioning also through the collection of information from the managers of the functions and in this regard we have no particular observations to report.

We monitored, in agreement with the person in charge of the legal audit, the methods adopted by the Company for identifying the consolidation area and for calculating the parameters required for the preparation of the consolidated financial statements.

We have acquired knowledge and monitored, to the extent of our competence, the adequacy and functioning of the administrative-accounting system as well as the reliability of the latter in correctly representing management facts, by obtaining information from the managers of the functions and the examination of company documents, and in this regard, we have no particular observations to report.

During 2023, the Board of Statutory Auditors met a total of 5 times, participated in 3 Boards of Directors, 1 Bondholders' Meeting and 1 Shareholders' Meeting.

No complaints were received from members pursuant to art. 2408 c.c. or pursuant to art. 2409 c.c.

We have not filed a complaint with the Court pursuant to art. 2409 c.c.

We have not made any reports to the administrative body pursuant to and for the purposes of art. 25-octies Legislative Decree 12 January 2019, n. 14.

We have not received reports from public creditors pursuant to and for the purposes of art. 25-novies legislative decree 12 January 2019, n. 14.

During the financial year, no opinions required by law were issued by the board of auditors, as the conditions for this were not met.

During the financial year, the Board released the reasoned proposal for the assignment of the statutory audit assignment for the financial years 2023-2031.

During the supervisory activity, as described above, no other significant facts emerged that would require mention in this report.

Observations regarding the financial statements

From what is reported in the report of the person in charge of the statutory audit, "the financial statements provide a true and correct representation of the equity and financial situation of the Company as of 31.12.2023, of the economic result and cash flows for the financial year ended this date in compliance with the Italian regulations governing the drafting criteria".

To the best of our knowledge, the Directors, in drafting the financial statements, did not derogate from the legal provisions pursuant to art. 2423, paragraph 5, c.c.

In consideration of the express provision of the statute, the ordinary meeting for the approval of the financial statements was convened within the longer term of 180 days from the end of the financial year.

Observations and proposals regarding the approval of the budget

Considering the results of the activity carried out by us and the opinion expressed in the audit report issued by the person in charge of the statutory audit of the accounts, we find no impediments to the approval by the shareholders of the financial statements for the year ended 31 December 2023 , as drawn up by the administrators.

The Board of Statutory Auditors agrees with the proposal for the allocation of the operating result formulated by the directors in the explanatory notes.

This report was approved collectively.

Milan June 12, 2024

The Board of Statutory Auditors

Signed by

Silvia Bresciani, President of the Board of Statutory Auditors

Mario Ferrol, Statutory Auditor

Giuseppe Nicosia, Statutory Auditor