ANNUAL REPORT 2023

ANNUAL REPORT
AT DECEMBER 31, 2023

SEA MilanAirports

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KEY FIGURES AND GENERAL INFORMATION

Key figures and general information

THE SEA GROUP

The SEA Group manages the Malpensa and Linate airports under an agreement signed by SEA and the Italian Civil Aviation Authority in 2001 and valid until 2043. The Milan airport system consists of the following airports:

MILAN MALPENSA

Milan's intercontinental airport, consisting of two terminals. Terminal 1 serves a wide range of domestic, international and intercontinental destinations and offers a diverse assortment of services to meet the needs of all of the airport's passengers.

Terminal 2 was reopened on May 31, 2023, after being closed in 2020 due to the decline of air traffic as a result of the pandemic. The Terminal is entirely dedicated to easyJet, and the redesign it has undergone was designed to improve the passenger travel experience, from check-in and security to boarding. Both terminals can be reached by train.

MILAN MALPENSA CARGO

is the nerve centre of inbound and outbound cargo distribution in Italy. After covering a fundamental role in 2020 due to the increase in cargo flights tied to the significant influx of anti-Covid medical devices and the development of e-commerce, it also established itself as a primary hub for cargo in the following years.

MILAN LINATE

primarily serves frequent-flyers travelling to destinations in Italy and Europe. Just 8 KM from Milan city centre (to which it has also been connected via the city's metro network since July 2023) Linate is truly a city airport, with structures and areas dedicated to business and shopping.

MILANO LINATE PRIME AND MILANO MALPENSA PRIME

airports managed by SEA Prime S.p.A., a subsidiary of SEA S.p.A.. Dedicated to general aviation, their services and facilities provide significant added value.

SEA GROUP STRUCTURE AND INVESTMENTS IN OTHER COMPANIES

INVESTMENTS OF SOCIETÀ PER AZIONI ESERCIZI AEROPORTUALI S.E.A. AT DECEMBER 31, 2023

SEA SpA

Airport Management
- **99.91%** SEA Prime SpA
- **30.98%** S.A.C.B.O. SpA Società Aeroporto Civile di Bergamo Orio al Serio

Utilities
- **18.75%** Disma SpA

Commercial Activities
- **40%** Dufrital SpA
- **40%** Areas Food Services Srl

Other Activities
- **100%** Airport ICT Services Srl
- **0.23%** Romairport Srl

Handling
- **30%** Airport Handling SpA

Controlling shareholding
Associate
Investment in other companies

** Please note that the holding in Malpensa Logistica Europa S.p.A was sold on July 4, 2023.*

SHARE CAPITAL STRUCTURE

The share capital of SEA S.p.A. amounts to Euro 27,500,000, comprising 250 million shares of a par value of Euro 0.11, of which 137,023,805 Class A shares, 74,375,102 Class B shares and 38,601,093 other shares.

The Class A shareholders upon divestment resulting in the loss of control must guarantee Class B shareholders a right to co-sale. Class A shareholders have a pre-emption right on the sale of Class B shares.

At December 31, 2023, SEA does not hold treasury shares. The ownership structure is as follows:

Public Shareholders

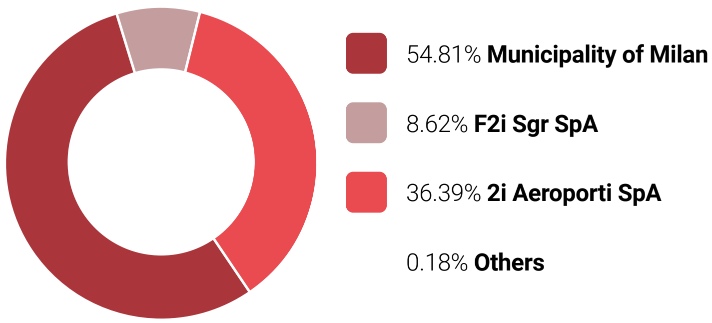
8 entities/companies	
Municipality of Milan (*)	54.81%
Municipality of Busto Arsizio	0.06%
Other public shareholders	0.08%
Total	**54.95%**

Private Shareholders

2i Aeroporti SpA	36.39%
F2i Sgr SpA (**)	8.62%
Other private shareholders	0.04%
Total	**45.05%**

(*) Holder of Class A shares

(**) On behalf of F2i - second Italian Fund for infrastructure



Following the issuance of the bond designated "SEA 3 1/8 2014-2021" (repaid in 2021) on April 17, 2014 and the admission to listing of the notes on the regulated market organised and managed by the Irish Stock Exchange, the Company qualified as a Public Interest Entity (PIE) as defined in Article 16, paragraph 1, letter a) of Legislative Decree No. 39/2010. This status was maintained through a new Euro 300 million bond issue completed in October 2020 and listed on the regulated market of the Irish Stock Exchange (Euronext Dublin).

CORPORATE BOARDS

BOARD OF DIRECTORS

(three-year period 2022/2024, appointed by the Shareholders' Meeting of May 3, 2022)

Chairperson	Michaela Castelli [4]
Chief Executive Officer and General Manager	Armando Brunini
Directors	Pierfrancesco Barletta [1] [2] Franco Maria Antonio D'Alfonso [3] [4] Daniela Mainini [2] [5] Luciana Sara Rovelli [2] [3] Rosario Mazza [3]

BOARD OF STATUTORY AUDITORS

(three-year period 2022/2024, appointed by the Shareholders' Meeting of May 3, 2022)

Chairperson	Paola Noce
Statutory Auditors	Stefania Chiaruttini Daniele Angelo Contessi Luigi Di Marco Stefano Giuseppe Giussani
Alternate Auditors	Federica Mantini Giacomo Alberto Bermone*

INDEPENDENT AUDIT FIRM

EY SpA **

(1) *Non-Executive Vice Chairperson*

(2) *Member of the Control, Risks and Sustainability Committee*

(3) *Member of the Remuneration and Appointments Committee*

(4) *Member of the Ethics Committee*

(5) *Member of the Supervisory Board*

* *Appointed by the Shareholders' Meeting of April 28, 2023 to replace Mr. Daniele Angelo Contessi, who assumed the position of Statutory Auditor as of November 9, 2022.*

** *Appointed by the Shareholders' Meeting of April 28, 2023 for fiscal years 2023-2031.*

2023 KEY FINANCIAL HIGHLIGHTS & OTHER INDICATORS

The key consolidated highlights from the financial statements are illustrated below.

Operating results

(Euro thousands)	2023	2022	Change
Revenues	801,105	767,516	33,589
EBITDA [1]	335,284	290,249	45,035
EBIT	206,210	199,500	6,710
Pre-tax result	223,240	197,639	25,601
Net result from assets held-for-sale	775	(2,027)	2,802
Group Net Result	156,207	182,460	(26,253)

[1] EBITDA is calculated as the difference between total revenues and total operating costs, not including provisions and write-downs, restoration and replacement provisions and amortisation & depreciation.

Financial data

(Euro thousands)	December 31, 2023	December 31, 2022	Change
Fixed assets (A)	1,277,219	1,354,637	(77,418)
Net Working Capital (B)	(268,687)	(356,944)	88,257
Provisions for risks and charges (C)	(195,156)	(229,124)	33,968
Employee provisions (D)	(27,406)	(30,942)	3,536
Other non-current payables (E)	(1,821)	(6,590)	4,769
Net capital employed (A+B+C+D+E)	**784,149**	**731,037**	**53,112**
Group Shareholders' equity	499,017	342,836	156,181
Minority interest Shareholders' equity	31	31	0
Net financial debt [2]	285,101	388,170	(103,069)
Total sources of financing	**784,149**	**731,037**	**53,112**

(A) Fixed assets, including those falling under IFRIC 12, are expressed net of State and European Union contributions. At December 31, 2023, they amounted to Euro 511,873 thousand and Euro 7,019 thousand respectively (Euro 511,873 thousand and Euro 7,019 thousand respectively at December 31, 2022).

[2] Net financial debt or Net financial position (NFP) is the sum of liquidity, financial receivables and current securities, net of financial payables (current and non-current) and the fair value of financial debt hedging derivatives.

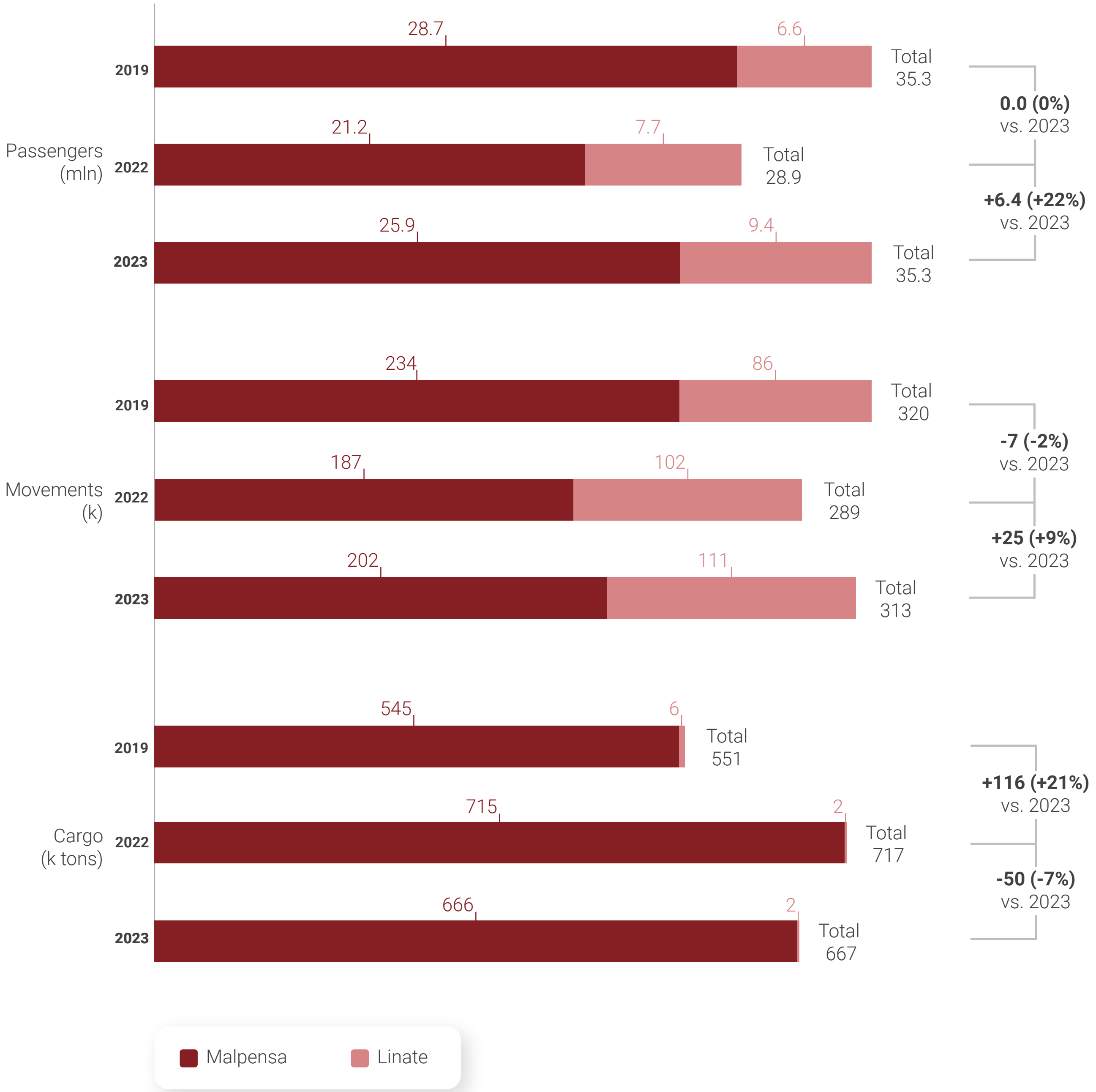
Investments

(Euro thousands)	December 31, 2023	December 31, 2022	Change
Tangible and intangible asset investments	114,242	76,819	37,423

Other Indicators

	December 31, 2023	December 31, 2022
HDC Employees (at year end)	2,550	2,570

Traffic 2023 (Commercial and General Aviation)



The traffic figures for 2023 are compared with 2022 and 2019 to highlight progress with respect to the preceding year and evaluate the tangible recovery observed in comparison to the last year unaffected by the COVID-19 pandemic.

DIRECTORS' REPORT 2023

Directors' Report 2023

SIGNIFICANT EVENTS IN 2023

COVID-19 pandemic

On May 5, 2023, the World Health Organization officially declared the health emergency over. This had begun on March 11, 2020, when it was first declared a pandemic.

Linate Airport District

On July 31, 2023, an agreement was signed between SEA and Costim for the Linate Airport District project. The project focuses on regenerating the urban areas between the Linate terminal and the Idroscalo, introducing three new office buildings (including one designated for SEA personnel at Linate) and a 4-star hotel catering to the airport and its surrounding area, in line with the airport masterplan.

Russia-Ukraine conflict

Although the impact of the conflict and restriction measures have had a marginal impact on its business, the Company continues to monitor the conflict as it progresses.

Israel-Palestine conflict

The war that began on October 7, 2023, did not impact the activities managed by the Company. However, possible developments in the conflict are constantly monitored as part of the Enterprise Risk Management process.

Awarding of the tender for the sale of Airport ICT Services S.r.l.

The competitive dialogue procedure concluded on November 16, 2023, resulting in Lutech S.p.A. winning the tender for maintenance and monitoring services of non-business-specific ICT activities currently overseen by Airport ICT Services S.r.l. (AIS), a subsidiary wholly-owned by SEA. The winning bidder will acquire 100% ownership of AIS.

The acquisition is subject to the usual conditions, in line with market practices, which include securing approvals from the relevant authorities.

Strengthening of the financial structure

In line with its financial strategy, on August 4, 2022, new revolving credit lines of Euro 250 million, usable until 2027, were signed with a syndicate of leading Italian and international banks. The revolving credit lines include an ESG option, which allows the SEA Group to transform credit lines into a Sustainability-Linked format during their first year of subscription; in 2023, SEA exercised this option.

- two KPIs were defined with the banking system to measure the SEA Group's sustainability performance against specific pre-set environmental targets.
- SEA shall then verify if the above targets have been met on an annual basis, reporting to the banks at the end of the reporting year (first testing date in December 2023);
- based on whether or not these targets are reached, a contractual mechanism is in place to reduce or increase the line's interest rate by 5 BPs.

By exercising the ESG option, the SEA Group took a further step towards integrating its ESG commitment into its financial strategy, ensuring that all financial operations concluded since June 2021 are structured in a sustainable format. Following this transaction, 31% of the SEA Group's medium/long-term loans are structured in a sustainability-linked format.

ECONOMIC OVERVIEW

In Q4 2023, the global economy slowed. The favourable conditions that had driven consumption earlier in the year began to fade due to labour market tensions. Additionally, the tightening of monetary policy continued to impact the economy, influencing consumption growth.

In the USA, after a significant expansion in consumption in Q3, economic activity slowed towards the end of the year. Meanwhile, in China, growth was strongly impacted by the property sector crisis, recording levels below those seen before the pandemic. As for crude oil and natural gas prices, after a period of significant volatility at the start of October, they progressively decreased in the subsequent months, remaining relatively stable, despite the tensions in the Red Sea. The most recent OCSE outlook predicts a slowdown of global GDP in 2024 to +2.7% (compared to +2.9% in 2023), with the risk of potential downward revisions if international political tensions rise, especially in the Middle East.

In the Eurozone, the ECB maintained the benchmark rates unchanged throughout the year to meet the pre-established medium-term inflation levels of 2%. In Q4, core inflation continued to decline. However, the ECB noted that future improvements might be limited due to consistently high wages compared to the long-term average. In the meantime, oil prices increased due to the geopolitical tensions in the Middle East, while gas prices in Europe dropped due to limited demand and abundant storage reserves. During the same period, the Council of the European Union approved amendments to the National Recovery and Resilience Plans, including the European REPowerEU initiative, releasing new funds totalling approximately Euro 46 billion, with Euro 16.5 billion earmarked for Italy.

In Italy, growth in Q4 2023 was notably contained, primarily due to monetary tightening, energy prices - which are still high - and weak foreign demand. With regard to the first point, in 2023, loans disbursed to businesses and households exhibited a negative trend, largely attributable to the restrictive monetary policy. The cost of credit extended to both sectors increased further, with the impact of high interest rates more keenly felt by corporate financing than previously observed.

In Q3 2023, there was an increase in the level of employment and hours worked, despite the trend being more contained than the first half of the year. The growth of permanent jobs and self-employment continued, albeit to a lesser extent, while the number of fixed-term workers decreased. Wage trends strengthened, thanks in part to the adjustment of labour contracts to inflation. In 2024, we expect wage trends to increase, particularly due to expected renewals in the manufacturing and private sectors (e.g. commerce and tourism contracts).

At the end of November, the European Commission approved payment of the fourth instalment of the NRRP following the achievement of the pre-set targets. The Government subsequently requested payment of the fifth instalment, totalling Euro 10.6 billion. Finally, in December the Council of the European Union finalised its approval of the proposed amendments to the NRRP presented by the Government last August.

AIR TRANSPORT AND AIRPORTS

In 2023, passenger traffic in the European airport system steadily recovered to pre-pandemic levels, surpassing figures recorded in 2019 [1] in the second half of the year. No wave of the pandemic or related travel restrictions have negatively impacted growth trends since 2022.

The following paragraph describes the key phenomena impacting transport demand, in addition to airline offerings.

Regarding the health situation, the latest measure introduced by the Italian Ministry of Health in December 2022 - i.e. the requirement that travellers entering from China provide a negative molecular or antigen test - was halted at the end of February 2023 (orders of December 28, 2022 and January 30, 2023 [2]). In 2023, China also resumed international flights, which had been forcibly halted due to the pandemic, authorising group travel for tourism purposes by Chinese citizens to foreign countries, and vice versa. These initiatives can be considered a result of the global health situation.

Although the pandemic no longer represents an obstacle to international travel, the ongoing geopolitical instability continued to disrupt air traffic in 2023. Following the outbreak of the conflict between Ukraine and Russia on February 24, 2022, the European Commission and major allies introduced restrictive measures against Russian airlines (and operators). Consequently, the Russian government imposed limitations on access to and overflight of its airspace. These measures have disrupted traffic from these two countries in conflict and have reduced the possibility of overflying the affected areas, forcing airlines to adopt longer routes and incur higher operating costs. This has particularly affected European carriers operating routes to the Far East.

Further exacerbating the international geopolitical situation were the events of October 7, 2023 involving Israel, which reignited the conflict between Israel and Hamas. However, despite the European Aviation Safety Agency (EASA) classifying Israel as a war zone and its US counterpart (FAA) advising against travel to such areas due to acts of terrorism and civil disorder, no State or Agency imposed actual flight restrictions to and from Israel. Since the state of war was declared, there haven't been any specific penalties concerning overflight activities conducted by airlines operating flights to the Middle East (Persian Gulf area) and East Asia.

Despite certain geopolitical instabilities, the strong recovery in demand for air travel (specifically to intercontinental destinations) allowed airlines to restructure their networks. This included expanding the destinations served and increasing the number of flights operated on existing routes. For instance, [3] there was an increase in flights to destinations in East Asia (China, South Korea, Japan, and Thailand), South America (Argentina and Brazil), and the Persian Gulf (Saudi Arabia, United Arab Emirates, and Oman).

Again driven by the strong recovery in demand, carriers have begun or resumed major capacity development investment plans, thereby strengthening the market's medium-term growth prospects: numerous aircraft fleet renewal and expansion initiatives are underway which seek to achieve the dual objectives of increasing operational efficiency (reducing at the same time the environment impact in terms of emissions and noise) and improving the passenger travel experience. For example, the Paris Air Show in June 2023 saw Air India make one of the largest aircraft orders (for 540 aircraft), while its direct competitor IndiGo ordered 500 aircraft. Other orders were placed by Qantas (nine narrow body aircraft), Philippine Airlines (nine long-haul aircraft) and China Airlines (eight long-haul aircraft).

The air transport sector's renewed prospects also spurred merger and acquisition activities: in February, the agreement finalising Air Europa's entry into the IAG Group was completed (pending approval from the European competition authority); in October, the Air France-KLM Group acquired shares in the Scandinavian airline SAS. Additionally, in 2023, the same Franco-Dutch Group expressed interest in acquiring the controlling stake in TAP currently held by the Portuguese government; in May 2023, an agreement was signed for the sale of a stake in ITA Airways to the Lufthansa Group (also awaiting approval from the European competition authority).

Despite the positive aspects of 2023, it is important to note the specific technical, commercial, and operational challenges that hindered the market's recovery.

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[1] *Source | Assaeroporti and ACI Europe: traffic data updated to November 2023*

[2] *Source | Ministry of Health*

[3] *Source IATA Airport IS: Information is provided on the principal states with a greater than 15% increase in connection frequencies to Europe in 2023 compared to 2022*

From a technical standpoint, carriers and manufacturers had to remedy structural defects found in specific aircraft models. The US company Boeing detected technical anomalies in its B737 Max and 787 Dreamliner aircraft, causing delays in order deliveries. Additional issues arose concerning Pratt & Whitney engines installed in Airbus aircraft (A220 and A320 Neo), leading to the need for unplanned maintenance activities and subsequent challenges in spare parts logistics and availability of slots for necessary interventions. Several global companies were impacted by these critical issues, resulting in the temporary grounding of affected aircraft.

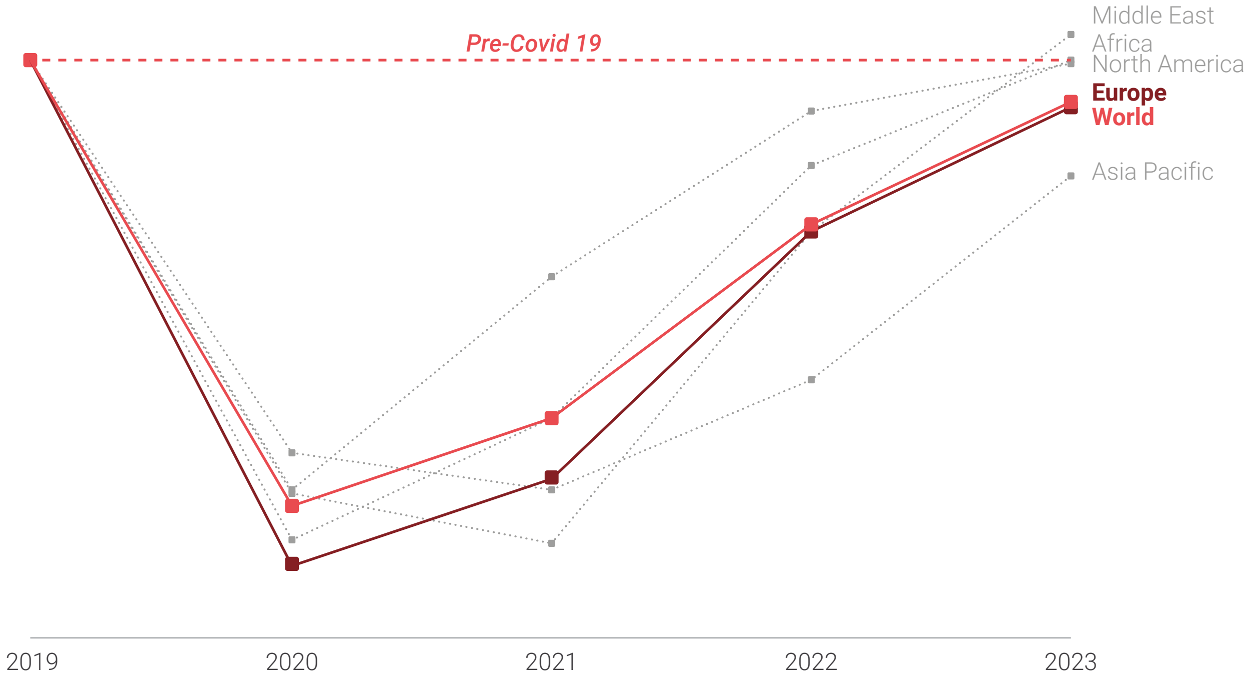
From a commercial profile, the year 2023 was accompanied by significant increase in ticket prices, which in some cases rose by more than 40% on 2022 [4]. Given the potentially irregular price dynamics, despite an economic environment marked by high inflation, Italy introduced the "Asset Decree" to identify anti-competitive conduct or the abuse of dominant market positions by carriers, effectively granting new powers to the regulatory authorities. Against this backdrop, the European Commission also conducted an investigation into unusual airfare dynamics.

Finally, with regard to operational aspects, several strikes were organised in 2023 by trade unions representing aviation workers, including those in airports and related sectors. These protests, which were also recently announced for the beginning of 2024, led to frequent flight cancellations, delays, and missed connections, thereby affecting airport operations. Among the reasons cited in Italy were the request for renewal of the relevant national collective bargaining agreement (which did not take place until October 2023 for handling workers). Meanwhile, the revision of working conditions resulted in strikes in other European countries (as in the case of French air traffic control).

Generally speaking, 2023 was marked by positive elements that benefited the international airport system: the sample of 1,225 ACI World member airports reported 7.0 billion passengers in 2023, up 27% on the same period of 2022 and down 6% on 2019. Analysis of traffic by region shows various recovery dynamics: passengers in the Middle East increased by +28% on 2022 (+3% vs. 2019), by +21% in Africa (in line with 2019), by +12% in North America (-1% vs. 2019), by +18% in Europe (-6% vs. 2019) and by +72% in Asia (-16% vs. 2019). In Europe, Italy reported +20% increase on 2022 (+2% on 2019).

[4] *Source | Ministry of Enterprise and Made in Italy: a) Price Oversight Commissioner seeks airline explanation for expensive flights (July 4, 2023); b) Expensive flights, at the MIMIT roundtable with Urso and Bignami (November 20, 2023)*

Traffic recovery by geographical area [passengers]



99 million tonnes of cargo were handled by air globally in 2023. The airports with the most cargo traffic are located in Asia and North America: these include Hong Kong (4.3 million tonnes) and Memphis (3.9 million tonnes), followed by Shanghai (3.4 million tonnes). The volumes reported in 2023 represent a change of +3% and -4% respectively when compared with 2022 and 2019. The air cargo sector was negatively affected by the readjustment of supply chains, after the pandemic and the gradual return to normal sea freight dynamics where there was reduced congestion at seaports and a decrease in the rental price of containers. In October 2023, the cost of a 40-foot container between Shanghai and Genoa was around USD 1.3 thousand, rising to USD 2 thousand in December, in comparison to a cost of over USD 10 thousand in 2021, when companies were restocking their warehouses.

The Business and General Aviation segment reported 740 thousand movements in Europe in 2023, down 6.5% on 2022. The top European nations by volumes generated are France, with 253 thousand movements (-7% vs. 2022), the United Kingdom, with 208 thousand movements (-7% vs. 2022), Germany, with 177 thousand movements (-8% vs. 2022) and finally Italy, with 152 thousand movements (-4% vs. 2022) [5].

[5] *Source: EBAA: Business Aviation traffic tracker Europe - December 2023*

REGULATORY FRAMEWORK

Publication of new Airport Fee Regulation Models

With Resolution No. 38/2023 of March 9, 2023 ("*Conclusion of the procedure begun with Resolution No. 42/2022. Approval of airport fee regulation models*") the Transport Regulation Authority (ART) published the new "*Airport Fee Regulation Models.*"

The new Models will enter into force on April 1, 2023 and will apply to procedures to review airport fees from that date onwards. At the same time, the previous templates as per Resolution No. 136/2020 were repealed.

With Resolution No. 39/2023 of March 9, 2023, the ART also published the rate of return on invested capital to be used when developing proposed revisions to airport fees (5.83% real pre-tax rate, 7.50% nominal pre-tax rate). The new values are the same for all Italian airports and will apply to operators from the new tariff period until the next update (due by May 31 each year) and will be valid for the entire tariff period.

New 2024-2028 tariff period

Following the publication of the new Regulation Model, SEA has begun activities to prepare for the start of consultations for the new 2024-28 tariff period, in particular:

- it asked the TRA for and received the annual potential productivity recovery value for both Milan Linate and Milan Malpensa airports. This figure is necessary for formulating the proposal to revise airport fees, which will be presented to users at the start of the consultation process.
- In a note dated September 27, 2023, SEA sent ENAC its Action Plan, comprising (i) traffic forecasts, (ii) the Investment Plan, (iii) the Economic and Financial Plan, and the Quality and Environmental Protection Plan, for technical approval by the Authority. In a communication dated March 13, 2024, ENAC expressed a favourable opinion on investment planning for the five-year period from 2024 to 2028 within the Quality and Environmental Protection Plan.

Regarding the Framework Agreements outlined in Article 17, paragraph 34-*bis* of Legislative Decree No. 78/2009 (which includes SEA's agreement), the updated Regulation Models stipulate that SEA's adherence to the Regulatory Authority's powers will occur through an additional act or conventional agreement to be signed between the grantor and concessionaire.

SEA is currently waiting to finalise signing the Conventional Agreement with ENAC. Once formalised, this agreement will enable the start of activities outlined by the Transport Authority's directives, which seek to organise consultations with users to discuss the 2024-2028 tariff proposal.

Annual consultation with the Users Committee for 2024 tariffs

On September 27, 2023, the Authority informed airport managers that following the release of new airport fee regulation models per Resolution No. 38/2023, the option to extend airport fees as set out in Resolution No. 68/2021 would no longer be available. In the same note, the Authority specified that if the approval of the Action Plan remains pending due to reasons beyond the operator's control, the Authority's offices would consider requests to apply the 2023 tariffs until ENAC provides the expected technical clearance.

In light of the above, while awaiting technical approval of its Action Plan and the signing of the Conventional Agreement with ENAC, SEA submitted a request to ART on October 25, 2023, proposing temporary application of the unchanged 2023 tariffs in 2024, which have remained in place at both Milan Malpensa and Milan Linate airports since 2020. These tariffs would be adopted for the length of time required to apply the new tariff structure.

On November 21, 2023, in response to this request, the Authority asked SEA to fulfil its information and transparency obligations towards users during the annual consultation.

On December 14, 2023, a hearing was held with users of Milan Malpensa and Milan Linate airports, where SEA proposed that current regulatory fee levels be "frozen" and extended to apply to 2024. Since there were no opinions to the contrary, this proposal was forwarded to the Authority for formal approval.

Upon the conclusion of the procedure in question, by communication of January 9, 2024, the Transport Regulation Authority approved the application of the tariff level applied to 2024 for the time strictly required to obtain technical approval from ENAC on the ENAC plans for the 2024-2028 regulatory period. This decision was made for the purpose of commencing the airport fee revision procedure as provided for by the Models set out in Resolution No. 38/2023.

New fees for assisting passengers with reduced mobility (PRM)

The fee for assisting passengers with reduced mobility (PRM) is subject to regulation and supervision by the Italian Civil Aviation Authority (ENAC), which is responsible for enforcing EU Regulations as well as defining and routinely monitoring the fees applied at domestic airports. The annual definition of these fees can be found in the ENAC Guidelines ("Methods for the annual definition of PRM fees and the consultation procedure between the airport manager and users") published in 2018.

On October 18, 2023, SEA submitted a proposed revision of the 2024 PRM service fees for consultation with airport users of Milano Malpensa. The revision was prepared in line with the provisions of the aforementioned ENAC Guidelines.

At the hearing, SEA and Malpensa airport users reached an agreement on the fee submitted for consultation. The fee for 2024 has been set at Euro 0.96 per departing passenger, down 20% on the 2023 fee (Euro 1.20). The new value approved by ENAC on January 24, 2024 will be payable as of March 24, 2024.

On the contrary, for Linate Airport, users involved in the consultation process on October 19, 2023 voted against the proposed update to the tariff, which triggered the procedure envisaged by the ENAC Guidelines mentioned above in the event of a failure to reach an agreement.

SEA thus submitted a request to ENAC to start preliminary investigations to define the fees in question. We are still waiting for the investigation to conclude and the new value to be applied to Linate airport.

New de-icing service fees

Pursuant to Legislative Decree No. 18/99, de-icing is a handling activity that must be carried out under free competition rules. As no operators were found willing to provide the service, SEA has taken on the exclusive responsibility for handling it at both airports by virtue of the ENAC orders dated January 14, 2021 and September 4, 2023, which stipulated that the centralisation of the service in question would be handled by SEA at Milan Malpensa and Milan Linate airports.

With regard to handling services, Article 19 of Legislative Decree No. 18/99 states that, "in the event that airport ground handling services are performed by a single provider, the relative tariffs are approved by the Ministry for Transport and Navigation, upon proposal of ENAC and in accordance with the provisions of Article 1 of Law No. 316 of October 2, 1991".

In light of this requirement, ENAC must carry out dedicated preliminary activities to formulate a proposal for submission to the supervising Ministry. The proposal must also take into account information from the airport users consultation.

On October 21, 2022, ENAC authorised SEA to submit a proposal for the new fees in question for consultation with the Users Committees of the Milan airports. The consultation with users of Malpensa and Linate was held on October 25, 2022, after which SEA forwarded the results to ENAC so that it could reach its conclusions.

On August 4, 2023, ENAC notified SEA of the initiation of the tariff supervision procedure concerning the de-icing service charge to be applied at Milan Linate and Malpensa airports, which concluded on November 17, 2023.

Ministerial Decree No. 21 of January 30, 2024 implementing approval of the de-icing service tariffs applicable at airports in Milan's airport system was published on the Ministry of Transport portal on January 31, 2024. The new tariffs for this service, up 39% at Linate and 26% at Malpensa, came into force on February 1, 2024.

New significant domestic and EU regulations

Decree Law No. 121 of September 12, 2023

The provision outlined in Article 1-*ter* of Decree-Law No. 121 dated September 12, 2023 and containing urgent measures concerning air quality planning and road traffic restrictions, provides for the acknowledgment of the adoption of cargo traffic at Milan-Malpensa Airport as a strategic project of national interest, as identified in the planning document for upgrading and enhancing the airport, submitted by the National Civil Aviation Authority (ENAC) to the Ministry of Environment and Energy Security on June 30, 2020, for environmental impact assessment purposes. To grant approval for the project's adoption, the relevant administrations and authorities will assess the measures taken in relation to the project and revisit its previous decisions, evaluating them in light of the project's strategic and national interest within thirty days of the decree-law coming into force, and in compliance with the binding constraints of EU membership. We are currently waiting for the competent authorities to carry out the provisions mandated by the regulation.

CLIMATE CHANGE

The activities carried out at the airports managed by the Group are inherently influenced by weather conditions and seasonal changes, both of which can hinder aviation operations and make the planning of activities, the allocation of resources, and the design of infrastructure somewhat difficult.

In recent years there has been an increase in extreme weather events such as cloudbursts, heat waves, and very severe storms, which cause disruptions due to the temporary suspension of activities, the additional emergency management costs incurred, and the damage caused to airport infrastructure and assets. It was therefore necessary to establish strategies for mitigating the potential impacts of climate change on airport infrastructure and activities. As part of efforts to improve the resilience of airport infrastructures, in 2023, SEA continued the Re-MXP initiative co-financed by the European Union (Resilience improvement of the Milan MXP Airport against natural hazards by implementing infrastructure upgrades and a smart monitoring system in a multi-risk framework), which seeks to carry out a series of interventions on Malpensa's infrastructure to mitigate earthquake risks and address extreme weather events such as floods. A "smart monitoring" system (earthquake monitoring of the T1 and drainage system) is also being adopted, which will provide real-time insight into how the infrastructure behaves under normal operating conditions and in exceptional scenarios.

To combat climate change and as part of its environmental sustainability initiatives, SEA has undertaken various actions that are also recognised by international certifications. During 2021, both Malpensa and Linate airports obtained an Airport Carbon Accreditation (ACA) 4+[6] certification for their efforts to reduce direct and indirect CO_2 emissions. SEA's commitment is to reduce its Scope 1 and 2 emissions by 66% by 2030, compared to 2010. As part of the process of renewing its three-year certification in June 2024, SEA will provide an update on its progress towards achieving the "Net Zero" target by 2030. To this end, the Board of Directors defined and approved an energy strategy in October 2023.

"Net Zero Emissions" is the most relevant sustainability goal for SEA. To achieve this objective, SEA has drafted a plan that is largely inspired the best practices of leading European players in the sector. Scope 1 and 2 emissions reduced from 106,277 tonnes of CO2 in 2022 to 66,557 in 2023. Airports must primarily aim to reduce their absolute emissions and neutralise residual emissions by investing in CO_2 removal and storage. Residual emissions are offset through the acquisition of Carbon Credits accredited by the ACA programme, thus ensuring climate neutrality while in the process of meeting reduction targets. In 2023, the costs incurred for the purchase of Carbon Credits amounted to Euro 463 thousand.

In 2023, efforts were made to adopt and expedite the initiatives outlined in the Carbon Management Plan. This included transitioning the vehicle fleet to electric or low-emission fuel-powered vehicles, in addition to energy saving and efficiency interventions. Regarding initiatives to guide and influence the activities of stakeholders accountable for Scope 3 CO_2 emissions

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[6] In November 2020 the Airport Carbon Accreditation programme added an additional level of accreditation to expand the opportunities for airport operators to demonstrate their commitment to reducing absolute greenhouse gas emissions. The current levels of accreditation are:

- ***1 Mapping** - Mapping of emission sources under the direct control of the airport operator and calculation of resulting CO_2 emissions.*
- ***2 Reduction** - In addition to the level 1 (Mapping) requirement, creation of an emissions reduction plan focused on the ongoing rationalisation of emission levels (scope 1 and scope 2)..*
- ***3 Optimisation** - in addition to level 1 (Mapping) and 2 (Reduction) requirements, the calculation of the airport emissions of the stakeholders and their involvement in the drawing up of an action plan (scope 3).*
- ***3+ Neutrality** - In addition to levels 1, 2 and 3, achievement of the CO_2 neutrality goal for emissions under the direct control of the airport operator (scope 1 and scope 2) with the purchase of carbon offsets.*
- ***4 Transformation** - The additional level has been introduced to commit member airports to the absolute reduction of scope 1 and 2 emissions according to a trajectory that must still achieve the "net zero" objective by 2050. Commitments relating to scope 3 have also been strengthened through the adoption of a specific Stakeholder Partnership Plan.*
- ***4+ Transition** - As with level 3+, this level is achieved by neutralising residual emissions through the purchase of carbon offsets.*

within the ACA4+ certification framework, a Stakeholder Partnership Plan was devised and is based on forging collaboration commitments with significant airport operators and other relevant entities.

Specifically, several initiatives were finalised during 2023, the main ones being:

- continued commitment to encourage a modal shift for passenger and operator accessibility by supporting the T2-Gallarate rail connection project to Malpensa and completion of the Milan Metro Line 4 to Linate (in addition to opening the route to San Babila, a project to extend it to the Segrate AV railway station was launched);
- definition and adoption of a financial support programme for the use of Sustainable Aviation Fuel (SAF) at Malpensa and Linate airports. The programme envisages SEA's ability to grant a contribution of Euro 500 for each tonne of "pure SAF" purchased by commercial and cargo aviation carriers and disbursed at Linate and Malpensa airports during 2023. The total fund made available by SEA in 2023 amounted to a total of Euro 450,000, of which 66% was utilised. The SAF supplied at the Milan airports complies with the quality characteristics required by European legislation (RED II Directive), guaranteeing a 74% reduction in CO_2 emissions per unit.

In 2023, the Net Zero Team continued its efforts which began in 2022, sharing and coordinating all of the initiatives mentioned above.

The "Net Zero Team" is a multidisciplinary working group comprising representatives from six company departments, and ensures:

- defining and communicating a clear, shared roadmap of initiatives, some of which are already underway based on the Sustainability Committee guidelines and SEA's sustainability plan;
- the programme management of initiatives (planning and execution), in addition to the appropriate systematisation of related information assets;
- uniformly supervising matters relating to Net Zero 2030 initiatives, including those of a financial, supply, legal or risk management nature.

OPERATING AND FINANCIAL OVERVIEW

Milan Airport System key traffic figures

In 2023, the Milan Airport System, managed by the SEA Group, served over 35.3 million passengers, up 22% on 2022 and in line with 2019.

In 2023, cargo activity processed 667 thousand tonnes of cargo between Linate and Malpensa, a 7% decrease on the previous year, despite volumes remaining 21% higher than those recorded in 2019.

General aviation, with 34 thousand movements managed in 2023 between Linate and Malpensa, grew 4% on 2022 and 38% on 2019.

Commercial aviation

	2023	2022	Δ%	2019	Δ%
Passengers [k]	**35,264**	**28,883**	**+22%**	**35,243**	**+0%**
Linate	9,372	7,669	+22%	6,537	+43%
Malpensa	25,891	21,214	+22%	28,706	-10%
Cargo [k ton]	**667.2**	**717.2**	**-7%**	**551.4**	**+21%**
Linate	1.5	1.7	-8%	6.4	-76%
Malpensa	665.7	715.5	-7%	545.0	+22%
Movements [k]	**279.4**	**256.0**	**+9%**	**295.3**	**-5%**
Linate	83.8	75.4	+11%	69.8	+20%
Malpensa	195.6	180.6	+8%	225.5	-13%
of which passengers	168.6	148.9	+13%	213.2	-21%
of which cargo	27.0	31.7	-15%	12.3	+119%

General aviation

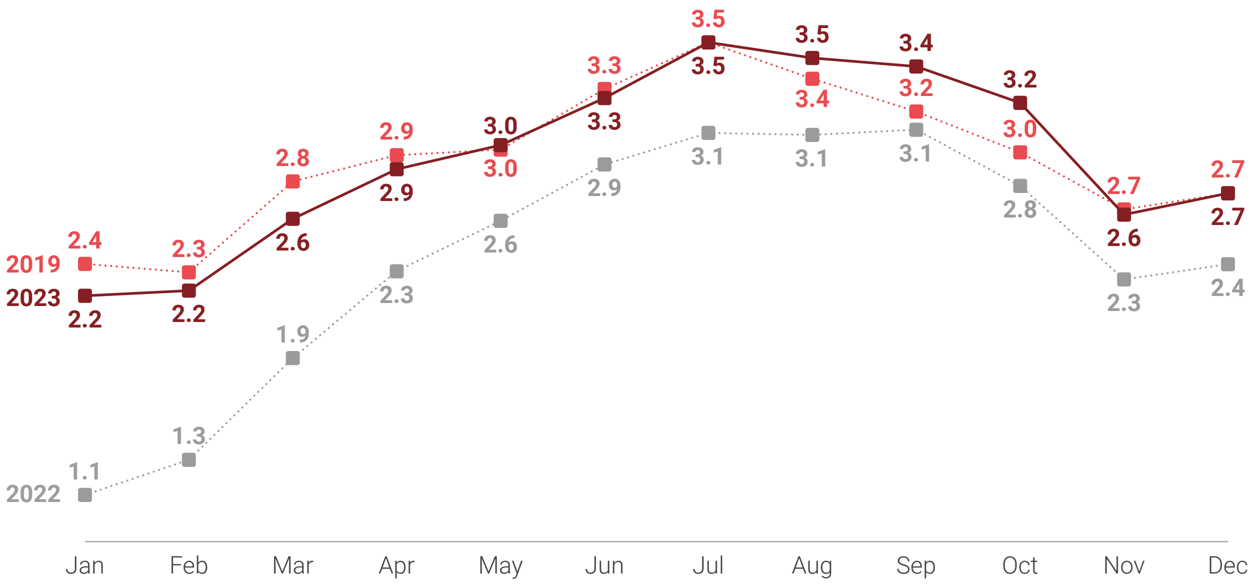
	2023	2022	Δ%	2019	Δ%
Movements [k]	**33.9**	**32.6**	**+4%**	**24.5**	**+38%**
Linate	27.5	26.6	+4%	16.0	+72%
Malpensa	6.4	6.1	+5%	8.6	-26%

Arriving and departing passengers

Imported and exported cargo

2023 witnessed a progressive recovery in traffic compared to the year before the pandemic, with improved performance in May and during the latter part of the IATA summer season (July-October), outperforming the figures from the corresponding months in 2019. The graph below shows passenger traffic in the Milan system by month, comparing 2023 with the previous year and FY 2019.

Passengers by month [million] January - December



% recovery 2023 vs. 2019

Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec
93%	96%	93%	98%	101%	98%	100%	103%	107%	109%	99%	100%

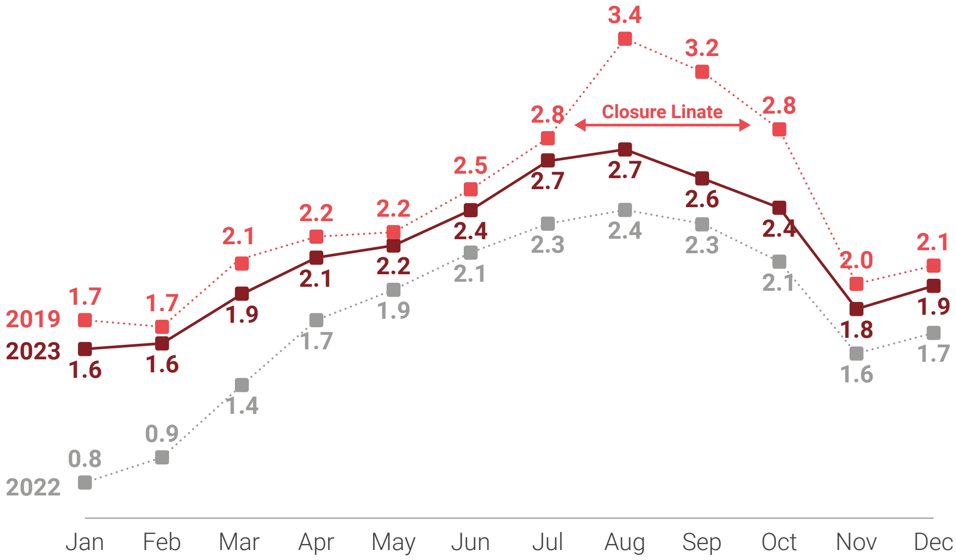
COMMERCIAL AVIATION

Malpensa

In 2023, 25.9 million passengers transited through Malpensa airport, up 22% on 2022 and down 10% on 2019 - the year in which, between July 27 and October 26, Malpensa airport received most of Linate's traffic, the latter being closed for works on its terminal and flight infrastructure. The recovery in passenger traffic compared to the previous year is mainly attributable to the launch of new routes, the expansion of existing ones, and the higher load factor (average load factor in 2023 of 80%, compared to 75% in 2022 and 77% in 2019). This is even more significant when considering the concomitant increase in average aircraft size. This was 194 seats/aircraft in 2023, compared to 192 seats/aircraft in 2022 and 176 seats/aircraft in 2019. The use of larger aircraft (in terms of seating capacity), coupled with higher occupancy rates, resulted in a decrease in pollutant emissions. This reduction is primarily attributed to the operational cycles of take-off, flight, and landing, rather than solely to the total passenger count.

Overall, the 169 thousand passenger movements was a +13% rise on 2022 (-21% vs 2019).

Passengers by month [mln] January - December

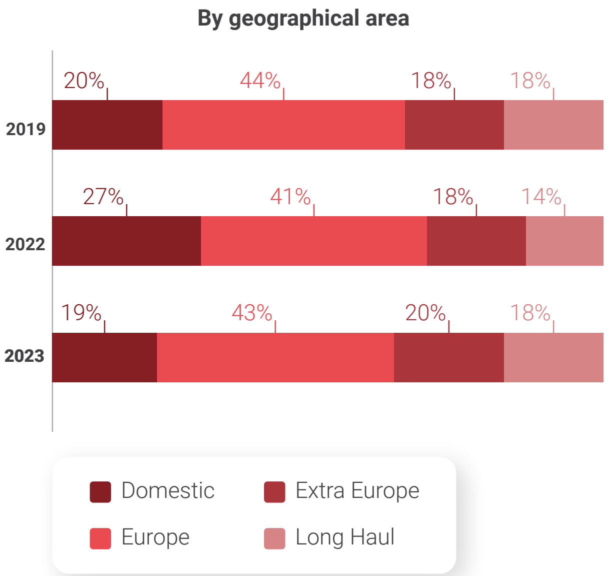


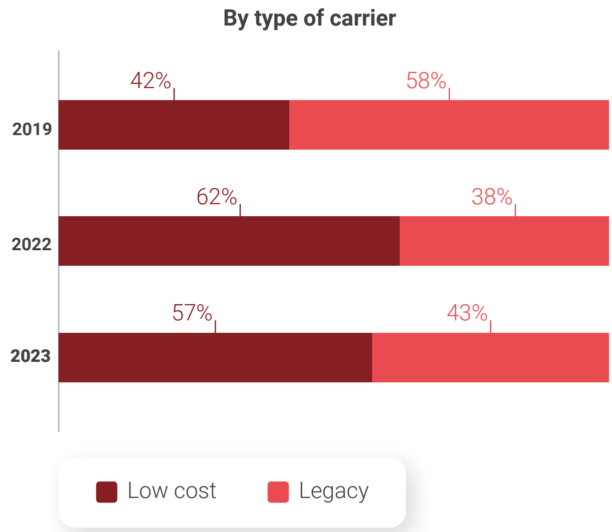
	Seats for travel	Load Factor
2019	176	77%
2022	192	75%
2023	194	80%

Traffic was predominantly international, with a market share in line with the pre-COVID year (81% vs. 80% in 2019) and 8% higher than 2022. The increase in traffic on the previous year was therefore generated by the European (43% of traffic managed at Malpensa, +2% vs. 2022), non-European (20% of traffic, +2% vs. 2022), and long-haul intercontinental (18% of traffic, +4% vs. 2022) segments.

Long-haul connections, which was the market segment most severely impacted by the travel restrictions imposed due to the pandemic, continued to recover in 2023. Major new routes include Air India's connections to Delhi, Air China to Shanghai, Neos to Toronto, Hainan Airlines to Shenzhen, and Juneyao Air to Zhengzhou. In addition, the frequency of several intercontinental flights increased, including Hong Kong (operated by Cathay Pacific), Wenzhou and Beijing (Air China), Atlanta and New York (Delta Airlines), Taipei (EVA Air), Seoul (Korean Air), Doha (Qatar Airways), and Abu Dhabi (Etihad).

Market share [% passengers] January-December





for comparability, 2019 traffic to the UK is reclassified as extra Europe

Traffic growth and changes in service offerings are also reflected in the distribution of passengers by carrier type: low-cost carriers' market share decreased from 62% in 2022 to 57% in 2023, to the benefit of legacy carriers which, with 43% of passengers handled, recorded an increase of 5% compared to 2022 and a decrease of 15% compared to 2019.

Linate

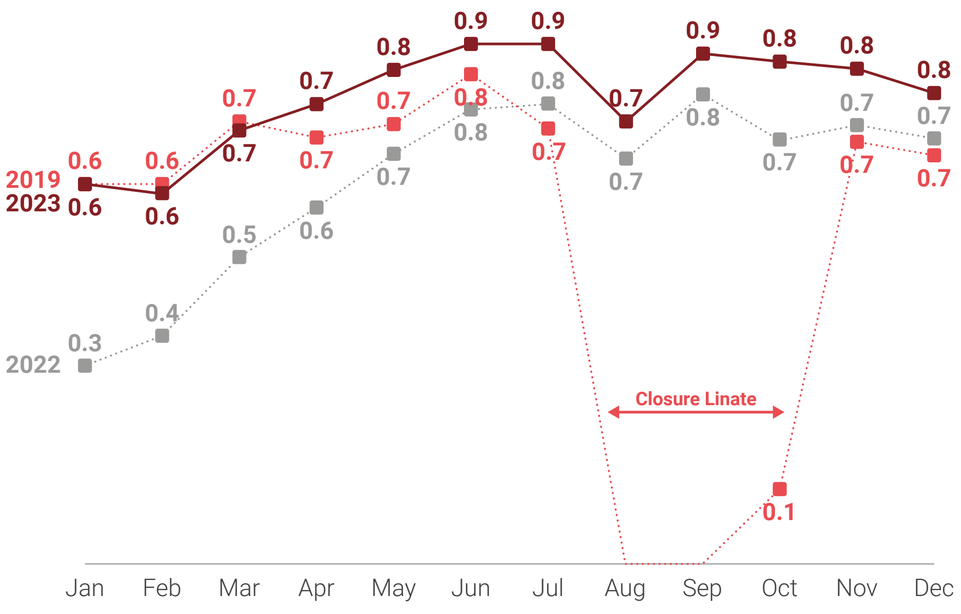
In 2023, Linate airport carried 9.4 million passengers, an increase of 22% compared to the previous year and 43% compared to 2019, when the airport was closed for terminal and runway refurbishment from July 27 to October 26. Movements totalled 84 thousand, increasing +11% on 2022 and +20% on 2019.

The average size of the aircraft (expressed in terms of seats offered per craft) that operated in 2023 remained the same as the previous year (156 seats per flight), an increase of 13% on 2019.

The growth in aircraft occupancy, equal to 72% (+6% on 2022 and +4% on 2019), resulted in an increase in passengers per flight: in 2023, there were 113 passengers per flight, marking a 10% increase on 2022 (with the average aircraft size unchanged) and a 19% increase on 2019 (due to both a higher load factor and larger average aircraft size).

The increase in aircraft capacity from 2019 to 2023 is largely attributable to ITA Airways, British Airways and Iberia choosing to operate larger aircraft (in 2019, Embraer aircraft with an average size of under 100 seats per movement were operating at Linate airport) and the use of some slots, released by Alitalia and Air Italy, by low-cost carriers, who use larger-than-average aircraft at the airport.

Passengers by month [mln] January - December



	Seats for travel	Load Factor
2019	138	68%
2022	156	66%
2023	156	72%

In 2023, ITA Airways operated at Linate with 175 available slots,[7] approximately 15% fewer than those held by Alitalia in 2019 and released during 2022 at the European Commission's request. The reallocation of slots previously held by Alitalia, in addition to those made available by Air Italy (which ceased operations in the early months of 2020), allowed market

[7] *The number of available slots was calculated based on weekdays*

shares to be redistributed among the leading airlines. In the new configuration, ITA achieved a market share (in terms of passengers transported) of 58%, compared to the share held by Alitalia in 2019, which was 63%: the reduction in share is less proportional to the number of slots released, indicating the better use of slots by ITA (larger aircraft and higher load factors).

As regards the application of European regulations that link the maintenance of allocated slots to the actual use of slots above a threshold limit ("grandfather rights"), 2023 saw two different situations: during the 2022-2023 winter season, the minimum percentage for the maintenance of slots was set at 75%, while from summer 2023 the minimum threshold was restored to the level in force before the pandemic period (80%).

Regional continuity agreement flights (to/from Sardinia), subject to public service charges, were an additional difference from the past. These connections (managed between 2013 and 2019 by Alitalia and Air Italy [formerly Meridiana]), were managed in synergy between Volotea and ITA until February 16, 2023. Since February 17, 2023, connections with Cagliari have been operated by ITA, connections with Olbia by Aeroitalia, and connections with Alghero by ITA in the summer season and AeroItalia in the 2023-2024 winter season. The portfolio of destinations offered under the PSO (Public Service Obligation) regime was expanded in September with ITA's flights to/from Trieste and in October with Aeroitalia's routes to/from Ancona.

In addition, 2023 represented the first full year the provisions introduced by the new Giovannini Decree were enacted. These are effective as of September 2022, and at Linate Airport provide for:

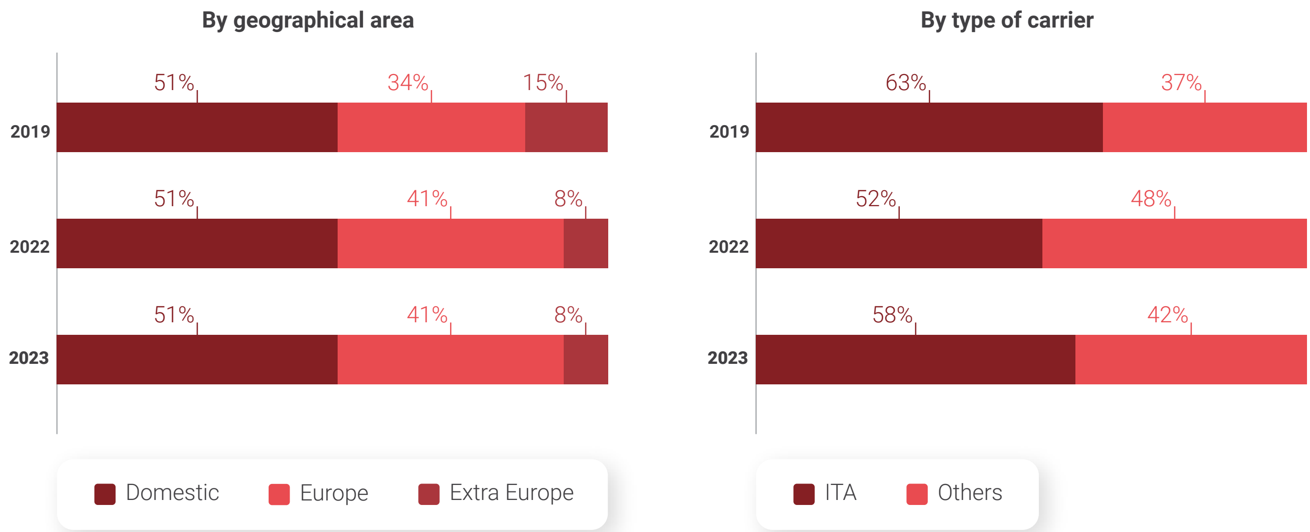
a. expansion of the destinations served to routes within 1,500 km from Linate, including non-EU destinations (including the UK);

b. maintenance of the maximum capacity of 18 movements/hour, operated by EU airlines (or from another nation specified in vertical agreements with the European Union) with narrow-body aircraft;

c. the restriction of flights exclusively to point-to-point connections.

The breakdown of traffic by region in 2023 is fully in line with the pre-pandemic and 2022 figures, with 51% domestic traffic and 49% international traffic (European destinations, with the exception of the United Kingdom, which was served from Linate as an exemption until the Giovannini Decree entered into force).

Market share [% passengers] January-December



*For comparability, traffic to the UKis reclassified as extra Europe

Cargo

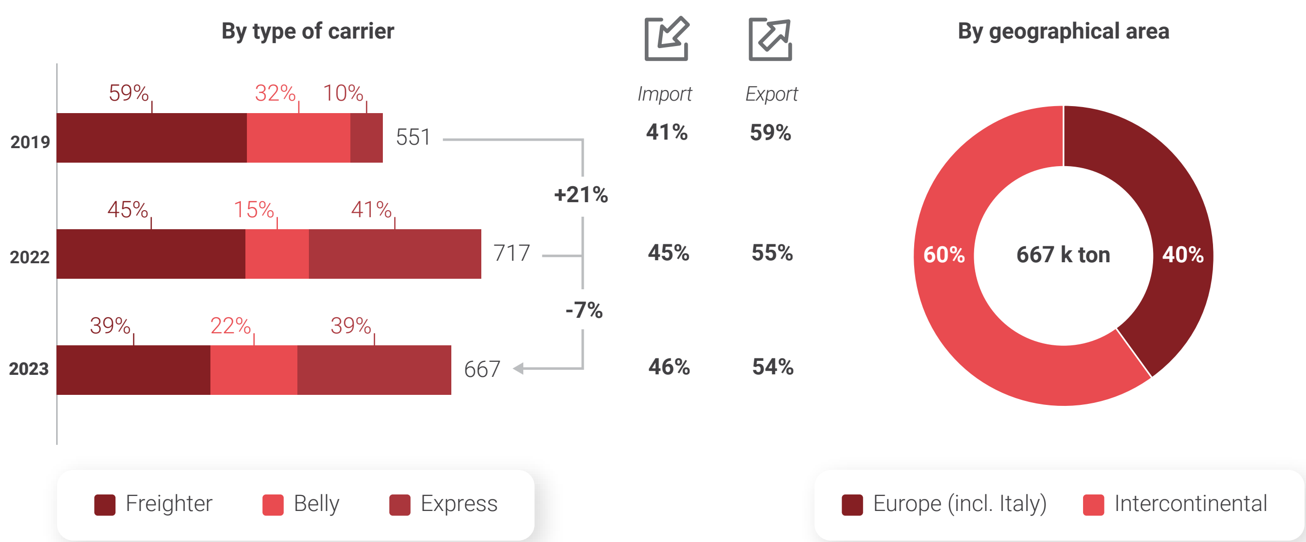
The Cargo segment managed 667 thousand tonnes in 2023 (carried on all- cargo flights and in the hold of passenger flights), down 7% on 2022 and up 21% on 2019. The number of movements of all-cargo flights at Malpensa (27.0 thousand in 2023) was down 15% on 2022, but up 119% on 2019. Compared to the pre-crisis period, the increase in movements was more than proportional to the rise in the amount of cargo transported: this is explained by the increased presence of express carriers, which typically transport goods in smaller packages and with a lower weight. As evidence of this, the average load per movement of all-cargo carriers (belly excluded) decreased by 36% compared to 2019, and remained stable compared to 2022.

Analysis of cargo performance by type of traffic (see graphic below) highlights notable growth in the express segment between 2019 and 2023, driven partly by the new DHL base (completed in Q4 2020) and the new Amazon warehouses (from October 2021). Although the express segment had a market share of 39% in 2023, up by 29% on 2019, 261 thousand tonnes of cargo was handled, down by 10% compared to 2022 (share -2%).

The gradual restoration of passenger connections to medium- and long-haul destinations resulted in some recovery for cargo traffic on mixed configuration (belly) aircraft. However, despite the 38% improvement on 2022, cargo carried in the hold (146 thousand tonnes) was still 16% below 2019 levels.

The freighter segment, however, did not follow the same trend: 260 thousand tonnes of cargo transported in 2023 constituted respective decreases of 19% (-60 thousand tonnes vs. 2022) and 20% (-63 thousand tonnes vs. 2019). To fully understand the fall from the previous year's figures, it should be recalled that 2022 was affected by a number of general phenomena: the use of "preighter" flights and the limited offer in long-haul connections from other Italian airports. On the first point, a number of passenger aircraft were used to transport cargo during the pandemic period, as companies took advantage of cabin space in addition to their hold capacity (these are known as "preighter" flights). This was regulated during the pandemic period but when it was discontinued in July 2022 the effect was only partially compensated by the other segments (freighter and belly). On the second point, 2022 continued to experience a sharp decrease in direct long-haul connections from across the country (-47% on 2019) which reduced available hold capacity. The unmet demand from the belly segment in the pandemic years represented an opportunity for the development of the freighter sector at Malpensa, which progressively faded with the resumption of intercontinental flights in 2023.

Cargo [k tonnes] January - December



Despite the decrease on 2022, the 2023 results confirm the role of Malpensa's Cargo City as a key Italian hub for cargo imports and exports in Italy, respectively representing 46% and 54% of total cargo volume carried. Nationally, the market share [8] of cargo handled to/from Linate and Malpensa is 65%.

GENERAL AVIATION

In 2023, SEA Prime managed 33.9 thousand general aviation movements (between Linate and Malpensa), up +4% on 2022 and +38% on 2019; at 586 thousand tonnes, total aircraft tonnage is up +8% on 2022 and +44% on 2019.

The numbers presented above show growth in average aircraft size (17.3 tonnes), both compared to 2022 (16.7 tonnes) and 2019 (16.6 tonnes); this increase is attributable to the recovery of international traffic and the development of activities by Linate-based operators (Sirio, which opened a new maintenance base at Linate, and VistaJet and Servizi Aerei). In-person events also contributed positively to traffic in 2023, namely Design Week in April, the Monza Grand Prix, and Fashion Week in September.

Finally, the 65 thousand passengers transiting through Linate and Malpensa represent increases of +6% and +30% on 2022 and 2019 respectively.

General Aviation

	2023	2022	Δ%	2019	Δ%
Movements [k]	**33.9**	**32.6**	**+4%**	**24.5**	**+38%**
Linate	27.5	26.6	+4%	16.0	+72%
Malpensa	6.4	6.1	+5%	8.6	-26%
Cargo [k ton]	**586.2**	**545.0**	**+8%**	**406.7**	**+44%**
Linate	460.2	437.4	+5%	261.4	+76%
Malpensa	125.9	107.6	+17%	145.3	-13%
Passengers [k]	**65.4**	**61.7**	**+6%**	**50.4**	**+30%**
Linate	52.4	50.1	+5%	31.9	+65%
Malpensa	12.9	11.5	+12%	18.5	-30%

[8] *Source | Airports 2030: Market share calculated based on current data for the first eleven months of 2023*

Income Statement

The consolidation scope at December 31, 2023 changed compared to December 31, 2022 following the sale in July of SEA S.p.A.'s 25% holding in Malpensa Logistica Europa S.p.A.. The revalued equity investment was reclassified to the line Discontinued operations profit/(loss) based on the agreed price. As required by IFRS 5, the income statement for the comparative period has also been similarly reclassified.

In addition, after the conclusion of the competitive dialogue procedure in November 2023, resulting in Lutech S.p.A. securing the contract for maintenance and monitoring services of non-business-specific ICT activities managed by Airport ICT Services S.r.l. (AIS), a subsidiary wholly-owned by SEA, AIS is now included among the assets earmarked for sale, as the winning bidder will acquire its entire share capital. However, the Company's income statement is not included in the line Discontinued operations profit/loss due to its immateriality.

(Euro thousands)	**2023**	**2022**	**Change**	**C.ge % 2023/2022**
Operating revenues	762,732	734,840	27,892	3.8%
Revenue for works on assets under concession	38,373	32,676	5,697	17.4%
Total revenues	**801,105**	**767,516**	**33,589**	**4.4%**
Operating costs				
Personnel costs	178,583	192,527	(13,944)	(7.2%)
Other operating costs	251,034	253,908	(2,874)	(1.1%)
Total operating costs	**429,617**	**446,435**	**(16,818)**	**(3.8%)**
Costs for works on assets under concession	36,204	30,832	5,372	17.4%
Total costs	**465,821**	**477,267**	**(11,446)**	**(2.4%)**
Gross Operating Margin / EBITDA [1]	**335,284**	**290,249**	**45,035**	**15.5%**
Provisions & write-downs	6,164	(4,745)	10,909	229.9%
Restoration and replacement provision	52,521	30,671	21,850	71.2%
Amortisation & Depreciation	70,389	64,823	5,566	8.6%
EBIT	**206,210**	**199,500**	**6,710**	**3.4%**
Investment income/(charges)	12,756	15,530	(2,774)	(17.9%)
Net financial charges	(4,274)	17,391	(21,665)	124.6%
Pre-tax Result	**223,240**	**197,639**	**25,601**	**13.0%**
Income taxes	67,804	13,149	54,655	415.7%
Continuing Operations result	**155,436**	**184,490**	**(29,054)**	**(15.7%)**
Net result from Discontinued operations	**775**	**(2,027)**	**2,802**	**138.2%**
Minority interest profit	4	3	1	33.3%
Group Net Result	**156,207**	**182,460**	**(26,253)**	**(14.4%)**

[1] EBITDA is calculated as the difference between total revenues and total operating costs, not including provisions and write-downs, restoration and replacement provisions and amortisation & depreciation.

The 2023 results, as in 2022, featured the recognition of extraordinary items: these results in fact include the benefit from the judgement upon airport fees for a total of Euro 50,609 thousand (Euro 38,884 thousand to operating revenues, Euro 227 thousand as a reduction of operating costs, as concerning the reimbursement of legal expenses incurred by SEA, and Euro 11,498 thousand to financial income), in addition to a grant of Euro 2,287 thousand to partially offset the higher energy costs[9]

The 2022 results included, however, revenues of Euro 144,101 thousand from public grants (from the State and Lombardy Region), partially offsetting the pandemic-related losses, and the grant of Euro 6,099 thousand to cover a portion of the higher energy costs1. In addition, personnel costs include Euro 26,351 thousand for the new early retirement plan launched in October 2022.

EBITDA in 2023 amounted to Euro 335,284 thousand, up Euro 45,035 thousand on 2022. EBITDA, net of the above-mentioned extraordinary items, would amount to Euro 293,886 thousand, increasing Euro 127,486 thousand on the previous year (Euro 166,400 thousand net of the extraordinary items). This strong performance is due to the growth in operating revenues (+Euro 133,109 thousand), as a result of the increased traffic volumes, in part offset by higher operating costs (+Euro 5,949 thousand). Breaking down these costs, energy costs decreased significantly, entirely offset by the higher costs for the management of the increased traffic volumes, the conclusion of the social security schemes and the reopening of Malpensa's Terminal 2.

Operating EBITDA in the year of Euro 293,886 thousand was also higher than the 2019 figure (last year not affected by the COVID-19 pandemic) of Euro 271,146 thousand [10]. Despite the lower number of movements managed, traffic volumes in line with 2019 (although featuring a lesser number of international passengers), and the significant increase in energy costs, the improved performance stemmed from the managerial actions introduced in the 2019-2023 five-year period. These actions concerned, in particular, the renegotiation of the financial conditions of the main retail contracts, the expansion of the commercial area at Linate airport (following the terminal's restyling),the review of the conditions of a number of supplier contracts and the reduction of the workforce as a result of the early retirement plan.

EBIT amounted to Euro 206,210 thousand (+Euro 6,710 thousand on 2022). 2023 saw increased accruals to the restoration provision and higher amortisation and depreciation, also due to the accelerated depreciation of a number of properties which shall be disposed of over the coming years.

EBIT, net of non-recurring items in FY 2023 and FY 2022, would respectively amount to Euro 164,812 thousand and Euro 75,651 thousand, an increase therefore of Euro 89,161 thousand.

Income taxes of Euro 67,804 thousand reflect, in the comparison with FY 2022, the presence in that year of extraordinary items subject to tax relief in accordance with law (Restoration provision, energy grant) and the tax relief under the PEX system of the gain from the sale of the investment in SEA Energia.

The net profit/loss for discontinued operations concerns the adjustment of the value of the investment in the company Malpensa Logistica Europa to the sales price.

Based on the results outlined above, the Group's net profit amounted to Euro 156,207 thousand (Euro 182,460 thousand in 2022).

The main income statement accounts are broken down as follows:

[9] the regulatory provisions issued in 2022, and confirmed also for H1 2023, grant a tax credit to non-energy-intensive companies with electricity metres with a minimum capacity of 16.5 kWh and which have experienced a significant increase in cost per kWh compared to 2019.

[10] 2019's statutory EBITDA of Euro 274,659 thousand, adjusted for non-recurring items of Euro 4,161 thousand and excluding SEA Energia from the consolidation scope (-Euro 7,674 thousand).

Revenues

Operating revenues in 2023 amounted to Euro 762,732 thousand (Euro 734,840 thousand in 2022). Net of the extraordinary items (Euro 38,884 thousand above-mentioned), revenues amounted to Euro 723,848 thousand, compared with Euro 590,739 thousand in 2022, which were in turn reduced by supports and amounting to Euro 144,101 thousand.

Revenues, net of extraordinary items, increased Euro 133,109 thousand. The main factors underlying this performance are presented below.

- **Aviation revenues** of Euro 412,773 thousand rose Euro 69,331 thousand on the preceding year, due to the growth in business passengers, resulting from the combination of additional capacity made available by carriers and the improved average aircraft load. The cargo performance however deteriorated on the previous year due to the lower number of movements managed, also due to the introduction of additional intercontinental flights.
- **Non-Aviation revenues** of Euro 293,610 thousand were up Euro 61,628 thousand on the previous year, as a result of the recovery in passenger traffic and the greater number of international passengers. All sectors reported growth on 2022. The increase in revenues from shops was particularly significant, both at Linate and also at Malpensa, supported by the resumption of long-haul international flights. In addition, parking business revenue growth was significant, benefiting also from the parking managed at Bergamo airport. Finally, we note the growth in premium services (VIP lounges and fast track services) which benefited from, in addition to the increased traffic volumes, the opening of the new Premium lounge to complete Malpensa's offer and an increased use of these services by passengers.
- **General Aviation Revenues** (Euro 17,465 thousand), increasing Euro 2,150 thousand on the previous year as a result of the greater number of movements and improved commercial revenues, also due to the entry into service of the new Hangar ("Hangar X") at Linate.

Revenues for works on assets under concession rose from Euro 32,676 thousand in 2022 to Euro 38,373 thousand in 2023, marking an increase of 17.4%. These revenues refer to construction work on assets under concession increased by a mark-up representing the best estimate of the remuneration of the internal cost for the management of the works and design activities undertaken, which corresponds to a mark-up which a third-party general constructor would request to undertake such activities. This account is strictly related to investment activities on assets under concession.

Operating costs

Operating costs in 2023 amounted to Euro 429,617 thousand, down Euro 16,818 thousand on 2022. Net of the non-recurring items indicated above (Euro 2,514 thousand), they amounted to Euro 432,131 thousand and compared to 2022 operating costs adjusted for non-recurring items (Euro 26,351 thousand of leaving incentives and Euro 6,099 thousand of energy grants which reduced costs) of Euro 426,183 thousand.

Costs, net of extraordinary items, rose Euro 5,949 thousand. The main cost items are illustrated below.

- Personnel costs of Euro 178,583 thousand, increasing Euro 12,407 thousand on the previous year due to the conclusion of the social support schemes and higher salaries under the National Collective Bargaining Agreement, in addition to the increased headcount due to the greater traffic managed, partly offset by the reduction in the workforce as a result of the early retirement plan introduced in October 2022.

  The workforce, comprising 2,510 Full Time Equivalent (FTE) staff, reduced by 116 (-4%) compared to 2022.
- Other operating costs of Euro 253,548 thousand decreased Euro 6,459 thousand on the previous year, due to the reduced energy costs, which in line with methane price movements, decreased 44%. This reduction was in part offset by increased costs related to traffic volumes, the costs arising from the reopening of Malpensa's Terminal 2, the increased recourse to outside contracts against the reduction of the workforce and the updating of a number of contractual fees.

Costs for works on assets under concession

Costs for works on assets under concession increased from Euro 30,832 thousand in 2022 to Euro 36,204 thousand in 2023. These costs refer to the costs for the works undertaken on assets under concession. This movement is strictly related to investment activities.

Provisions and write-downs

In 2023, provisions and write-downs report net provisions of Euro 6,164 thousand (net release of Euro 4,745 thousand in 2022), based on Euro 6,983 thousand of net releases to the future charges provision (net provisions of Euro 943 thousand in 2022), net provisions of Euro 13,147 thousand (release of Euro 5,688 thousand in 2022) to the doubtful debt provision, which includes also the adjustment of the estimated value of the Indemnification Right, i.e. the value of assets to be recognised to the manager on conclusion of the concession, in accordance with Article 703 of the Navigation Code. The receivables are valued on the basis of receipts to date, the improved rating of a number of customers and the redetermination of counterparty risks.

The net release of the provision for future charges mainly relates to the redefinition of the noise provision following the studies undertaken which enabled a timely identification of the noise mitigation measures that would be mandatory under the current regulations.

In contrast, it should be noted that in 2022 the positive effect was attributable to a major release following the conclusion of the transaction with a carrier.

Further information is available in Note 9.7 of the Consolidated Financial Statements.

Restoration and replacement provision

In 2023, the net accrual to the restoration and replacement provision came to Euro 52,521 thousand (Euro 30,671 thousand in 2022). The significant increase in the provision is related to a revision of the investment plan and its schedule.

Amortisation and depreciation

In 2023, amortisation and depreciation increased Euro 5,566 thousand on 2022, from Euro 64,823 thousand to Euro 70,389 thousand, mainly due to the reduction in the useful life of a number of company assets. The depreciation of the residual value of these assets was therefore remodelled on the basis of the demolition/disposal date.

Investment income and charges

In 2023, net income from investments decreased slightly by Euro 2,774 thousand, from Euro 15,530 thousand in 2022 to Euro 12,756 thousand in 2023 and include investments measured under the Equity method and other revenues and income. The decrease is substantially due to the reduction in the results of a number of associates, due to the fact in 2022 income from state and regional grants was recognised against the damage caused by the COVID-19 emergency.

Financial income and charges

Financial income and charges increased from net financial charges of Euro 17,391 thousand in 2022 to net financial income of Euro 4,274 thousand in 2023.

This follows, in addition to "ordinary" financial management (interest income on bank current accounts or restricted accounts, interest charges and commissions on loans and interest charges on bonds), in relation to which no significant movement between the two years are noted, two non-recurring events: the receipt of the interest portion following the Order of the Court of Cassation ("Fees case") of Euro 11,498 thousand and the net effect from the discounting of the assets and liability items classified as non-current. The items were discounted as per IFRS 9.

Income taxes

The increase in income taxes on the comparative year of Euro 54,655 thousand relates to the presence in FY 2022 of:

- extraordinary items subject to tax relief in accordance with law (i.e. Restoration Provision provided by Law No. 178/2020 collected in 2022 to partially offset losses attributable to the COVID-19 pandemic);
- the "Participation Exemption" tax relief of the capital gain from the sale of Sea Energia and the recognition, again in fiscal year 2022;

- of an increased subsidy, in the form of a tax-free tax credit, related to electricity costs for "non-energy-intensive enterprises" (recognised in order to mitigate the higher charges incurred for the purchase of electricity).

In 2023 in addition, the IRES and IRAP assessable base increased, net of non-recurring items.

Discontinued Operations profit/(loss)

The Discontinued operations net profit/(loss), relating to the Malpensa Logistica Europa S.p.A holding, reported a net profit of Euro 775 thousand. The item includes, as previously indicated, the adjustment of the value of the investment in the company Malpensa Logistica Europa to the sales price. The comparative year, in addition to the valuation of the investment in Malpensa Logistica Europa, restated to this line as per IFRS 5, includes also the result of SEA Energia Spa for a profit of Euro 127 thousand, recognised for the first 9 months of 2022, when the company belonged to the SEA Group. It also includes the loss of Euro 4,087 thousand at the consolidated level on the sale of the equity investment and calculated on equity at the time of the sale, adjusted in accordance with IAS/IFRS.

Group Net Profit

As a result of the dynamics outlined above, the Group's net profit was Euro 156,207 thousand, down Euro 26,253 thousand on 2022 (net profit of Euro 182,460 thousand).

Reclassified statement of financial position

(Euro thousands)	December 31, 2023	December 31, 2022[2]	Change
Intangible assets	993,513	991,309	2,204
Property, plant & equipment	99,615	91,478	8,137
Leased assets right-of-use	13,002	14,008	(1,006)
Investment property	3,398	3,399	(1)
Investments in associates	84,560	82,178	2,382
Other investments	1	1	0
Deferred tax assets	68,209	111,768	(43,559)
Other non-current receivables	14,921	60,496	(45,575)
Fixed assets (A)	**1,277,219**	**1,354,637**	**(77,418)**
Inventories	2,730	1,558	1,172
Trade receivables	153,058	122,628	30,430
Tax receivables	459	4,769	(4,310)
Other receivables	5,089	6,853	(1,764)
Current assets	**161,336**	**135,808**	**25,528**
Assets held-for-sale and discontinued operations	**8,751**	**0**	**8,751**
Trade payables	185,322	190,558	(5,236)
Other payables	228,559	290,727	(62,168)
Income tax payables	21,009	11,467	9,542
Current liabilities	**434,890**	**492,752**	**(57,862)**
Liabilities related to assets held-for-sale and discontinued operations	**3,884**	**0**	**3,884**
Net Working Capital (B)	**(268,687)**	**(356,944)**	**88,257**
Provisions for risks and charges (C)	(195,156)	(229,124)	33,968
Employee provisions (D)	(27,406)	(30,942)	3,536
Other non-current payables (E)	(1,821)	(6,590)	4,769
Net capital employed (A+B+C+D+E)	**784,149**	**731,037**	**53,112**
Group Shareholders' equity	(499,017)	(342,836)	(156,181)
Minority interest Shareholders' equity	(31)	(31)	0
Net financial debt [1]	(285,101)	(388,170)	103,069
Total sources of financing	**(784,149)**	**(731,037)**	**(53,112)**

All fixed assets, including those falling under IFRIC 12, are expressed net of those funded by State and European Union contributions. At December 31, 2023, they amounted to Euro 511,873 thousand and Euro 7,019 thousand respectively (at December 31, 2022, Euro 511,873 thousand and Euro 7,019 thousand respectively).

[1] Net financial debt or Net financial position (NFP) is the sum of liquidity, financial receivables and current securities, net of financial payables (current and non-current) and the fair value of financial debt hedging derivatives. The net financial debt, similar to the other items of the Statement of financial position, do not include the financial debt of the discontinued operations.

[2] For a better comparison between the two years, the comparative year of 2022 reflects the reclassification of the assets identified as concession rights under intangible assets.

Fixed assets of Euro 1,277,219 thousand decreased by Euro 77,418 thousand over December 31, 2022, mainly due to: *i)* the amount of investments and amortisation and depreciation in the period, respectively of Euro 80,853 thousand (net of restoration provision utilisations) and Euro 67,902 thousand (amortisation and depreciation stated net of the effect of IFRS 16); *ii)* the decrease in the right-of-use assets, for an amount of Euro 1,006 thousand compared to December 31, 2022; *iii)* the increase in the value of investment in associates (Euro 2,382 thousand), which reflects the measurement at equity of investments in associates; *iv)* the decrease in net deferred tax assets of Euro 43,559 thousand; *v)* the decrease in Other non-current receivables of Euro 45,575 thousand mainly due to the adjustment of the indemnification rights related to the sub-entry as per Article 703 (paragraph 5) of the Aviation Code..

Net working capital of -Euro 268,687 thousand, increased by Euro 88,257 thousand over December 31, 2022.

This movement is based on a range of factors. Current assets increased due to the increase in trade receivables, mainly as a result of higher turnover, partially offset by the reduction in tax and other receivables.

Short-term liabilities negatively impacted working capital movements, with both trade payables and other payables reducing. The reduction in other payables is mainly due to the payment in June 2023 of the second tranche of the extraordinary dividend approved by shareholders on September 30, 2019, in the amount of Euro 84,728 thousand. Other payables however increased in terms of the airport fire prevention service fees, tax payables and the surtax payable.

Following the closing in November 2023 of the competitive dialogue procedure through which Lutech S.p.A. was awarded the tender for the maintenance and monitoring services of the non-business-specific ICT activities currently managed by Airport ICT Services S.r.l. (AIS), a wholly-owned subsidiary of SEA, of which the successful bidder will acquire the entire share capital, the assets and liabilities of AIS were reclassified respectively to assets held-for-sale, for an amount of Euro 8,751 thousand, and liabilities related to assets held-for-sale for Euro 3,884 thousand.

Net capital employed at December 31, 2023 amounted to Euro 784,149 thousand, an increase of Euro 53,112 thousand over December 31, 2022.

The following table illustrates the principal components of Net Working Capital.

(Euro thousands)	December 31, 2023	December 31, 2022	Change
Inventories	2,730	1,558	1,172
Trade receivables	153,058	122,628	30,430
Trade payables	(185,322)	(190,558)	5,236
Other receivables/(payables)	(244,020)	(290,572)	46,552
Assets held-for-sale and discontinued operations	8,751	0	8,751
Liabilities related to assets held-for-sale and discontinued operations	(3,884)	0	(3,884)
Total net working capital	**(268,687)**	**(356,944)**	**88,257**

Other non-current payables refer solely to the long-term portion of payables to employees and associated social security contributions, recorded as a result of the mobility procedure's commencement on September 28, 2022. Through the mobility procedure, early retirement incentive payments were established for a pre-determined number of workers who will qualify for (early retirement or retirement age) pension benefits by 2025. The decrease from the previous year is due to the aforementioned reclassification of the payable to shareholders.

Net financial debt

The net financial debt, including discontinued operations, of Euro 282,333 thousand, reduced by Euro 105,837 thousand compared to December 31, 2022 (Euro 388,170 thousand). The improvement in the net financial debt concerns, in addition to cash flows from operating activities of Euro 269,485 thousand, the collection of Euro 50,609 thousand following the definitive closure of all pending litigation with the Ministry for Infrastructure and Transport for the non-adjustment of airport fees for the 2000-2005 period. Investment activities absorbed cash of Euro 124,090 thousand and for the payment of the second tranche of the extraordinary dividends approved by the Shareholders' Meeting of 2019, whose settlement was suspended until 2022 due to the losses incurred as a result of the pandemic. The net financial debt excluding discontinued operations as per IFRS 5 totalled Euro 285,101 thousand.

Reconciliation between equity of the Parent and consolidated equity

The reconciliation between the net equity of the Parent Company SEA S.p.A. and the consolidated net equity is shown below.

(Euro thousand)	Net Equity at December 31, 2022	Equity movements	OCI Reserve	Net profit /(loss)	Net Equity at December 31, 2023
Parent Company Financial Statements	**276,971**		**(26)**	**153,017**	**429,962**
Share of net equity and net profit of the consolidated subsidiaries attributable to the Group, net of the carrying amount of the relative investments	7,818	(4)		866	8,680
Adjustments for measurement at equity of associates	63,042			2,095	65,137
Other consolidation adjustments	(4,964)			233	(4,731)
Consolidated Financial Statements	**342,867**	**(4)**	**(26)**	**156,211**	**499,048**

ALTERNATIVE PERFORMANCE MEASURES

The SEA Group uses alternative performance measures (APM's) in order to provide information on the profitability of the business in which it operates and its financial situation more effectively. In accordance with the guidelines published on October 5, 2015 by the European Securities and Markets Authority (ESMA/2015/1415), and pursuant to Consob communication 92543 of December 3, 2015, the content and criteria for determining the APM's used in the present financial statements are set out below:

- EBITDA, gross operating margin or gross operating result is calculated as the difference between total revenues and total operating costs, not including provisions and write-downs, restoration and replacement provisions and amortisation and depreciation.
- EBIT or operating result is calculated as the difference between total revenues and total costs, including provisions and write-downs, restoration and replacement provisions and amortisation & depreciation.
- "Net financial debt" or "Net financial position" means liquidity, financial receivables and current securities, net of financial payables (current and non-current).
- "Net working capital" means the sum of inventories, trade receivables, other current receivables, other current financial receivables, tax receivables, other payables, trade payables and tax payables.
- "Net capital employed" means the sum of working capital, as defined above, and fixed assets, net of the personnel provisions, other non-current payables and provision for contingencies and charges.
- "Investments in property, plant and equipment and intangible assets" refers to investments net of the 6% remuneration as per IFRIC 12, the share of financial charges and other items of an exclusively monetary nature. Total investments do not include increases for the recognition of fixed assets IFRS 16.
- "Non-recurring components" means items arising from non-recurring transactions. Such items, in the management's opinion and where specified, may be excluded in the interest of better comparability and assessment of financial performance results. In this Directors' Report, some of the measures listed above are presented and described net of non-recurring components.

Finally, it should be noted that APM's have been calculated uniformly across all periods and are not to be considered as replacing the conventional measures prescribed in IASs/IFRSs.

SEA GROUP INVESTMENTS

The SEA Group in 2023 made investments of Euro 114,242 thousand.

The following table shows the investments made in 2023. It should be noted that no research and development activities were carried out.

(Euro thousands)	**2023**
Flight infrastructure	16,843
Airports (including BHS)	31,417
Cargo	13,335
Misc. buildings	7,759
Roadways and parking	21,720
Networks and plant	13,549
ICT Systems/Projects	5,554
Various equipment	4,065
Total investments	**114,242**

The amounts are reported net of the 6% remuneration based on IFRIC 12 (Euro 2.2 million), the portion of financial charges (Euro 0.05 million) and other components of an exclusively monetary nature. Total investments do not include increases for the recognition of fixed assets IFRS 16.

The main achievements in 2023 concern the infrastructure interventions required to reopen Terminal 2 at Malpensa, which began on May 31, 2023. Key interventions included: upgrading the baggage sorting system to meet the ECAC 3 standard, with the installation of new EDS machines and conveyor belts and adoption of a new line for automated return of rejected baggage; the complete refurbishment of the security control area for departing passengers with new baggage screening lines; the comprehensive makeover of the "Arrivals" corridor to improve climate comfort, reduce energy consumption, and elevate interior aesthetics; the installation of new barriers to safeguard passenger boarding and disembarking routes; and the adoption of preparatory measures for the reopening of commercial activities.

A series of interventions of limited unit value were carried out at Malpensa Terminal 1 to increase functionality, safety, and the level of comfort offered to passengers. Specifically, we note: the re-opening of 13 check-in desks at Island 10, measures for flexible use (Schengen/non-Schengen) of the central satellite, the adoption of a Border Control-Entry Exit system (a European border control system for registering extra-Schengen passengers arriving and departing); the introduction of smart security lanes at departure filters; ongoing earthquake retrofitting efforts, and the refurbishment of select VIP lounges, public toilets, and the Sala Amica on the departure floor.

At Malpensa, work was completed on the power supply network to provide charging stations for passengers' electric cars and on new networks to charge the electric vehicle fleet.

At Malpensa cargo city, work began on repairing the waterproofing on some building roofs and upgrading the rainwater drainage network in the airside warehouse area.

At Linate, the main investments in the terminal included: the continued renovation and standardisation of public toilets, the creation of new commercial spaces, the completion of the installation of new EDS radiogenic equipment, and the completion of renovation works in the arrival and departure areas to allow for the installation of equipment and kiosks necessary for the Border Control - Entry Exit System.

At Linate, work continued on the installation of 400 HZ systems to supply power to the aircraft, and on new networks to charge the electric vehicle fleet.

Within the scope of infrastructure projects, in 2023, the construction of a new hangar for maintenance activities (referred to as Hangar X) for general aviation was completed.

Meanwhile, investments in Information and Communication Technology comprise the purchase of software components for the Company's various systems.

Finally, we note that an area near Linate airport, partly used for passenger parking, was acquired in 2023.

SUBSEQUENT EVENTS

Updates on ongoing disputes

For updates on ongoing disputes that occurred after the end of the financial year, please refer to the section titled "Main disputes outstanding at December 31, 2023".

Annual consultation with the Users Committee for 2024 tariffs

With a communication dated January 9, 2024, the Transport Regulation Authority approved the application of the tariff level applied to 2024 for the time strictly required to obtain technical approval from ENAC on the ENAC plans for the 2024-2028 regulatory period. This decision was made for the purpose of commencing the airport fee revision procedure as provided for by the Models set out in Resolution No. 38/2023.

OUTLOOK

The passenger traffic numbers for the initial months of 2024 at Linate and Malpensa confirm the growth trajectory seen in 2023. At airport system level in fact, the figures for the first two months of the year beat both the comparable figures for the previous year and for 2019[11].

This result is particularly due to Linate which, although on a similar number of movements as 2019, benefited in the initial months of 2024 from the larger size of aircraft (in terms of seats per movements) used by carriers. Extending the comparison to 2023, the first few months of 2024 saw higher traffic volumes, particularly due to the increased number of flights offered by carriers. The retention of allocated slots is currently subject to their use at a minimum of 80%, a constraint reduced to 75% until the end of the IATA 2022-2023 winter season.

At Malpensa Airport, traffic over the first few months of 2024 was moderately higher compared to 2019, due to the use of larger aircraft, with more seats and a higher load factor, compensating for the still partial recovery of legacy carrier movements. In comparison with 2023, however, there was an increase in traffic due to the development of further legacy carrier connectivity, particularly on the European and long-haul segments. Furthermore, we note a shift in the offerings of low-cost carriers from the domestic to the international market.

In this respect, a strengthening of the demand for international transport is expected in 2024, with the increase in connections to destinations already in the portfolio, and the launch of new activities. According to planning for the first few months of the year, the activities of low-cost carriers will focus on short and medium-range destinations, with an increase in connections to European and non-European areas.

Regarding cargo, the first few months of 2024 have, overall, shown a positive scenario, with volumes significantly higher than in 2019. In comparison with 2023, greater quantities of cargo are being transported by belly freight (on passenger flights) and by freighters, while the express segment appears to be contracting.

In light of the growing commercial aviation traffic, in terms of goods and passengers, compared with 2023, several factors of uncertainty may affect the evolution of the air transport sector over the short term.

In terms of geopolitics, ongoing conflicts may further affect the passenger traffic flows to and from certain European and Middle Eastern regions. While, on the one hand, no particular changes are expected as a consequence of the war between Ukraine and Russia, on the other, the effects of the fighting between Israel and Hamas are more uncertain: several airlines have announced the gradual resumption of summer connections with Tel Aviv (including EasyJet and Wizz Air from Malpensa, and ITA Airways from Rome), in the case of the absence of an escalation of the conflict. Cargo traffic will similarly be affected by the evolution of the tense situation in the Red Sea. If the upward trend in maritime cargo rates on routes passing through the Suez Canal continues, the demand for air transport between the eastern markets and Europe will certainly rise, to the benefit of the cargo sector at Malpensa.

Operationally speaking, again in 2024, we expect that the air transport sector may be affected by strikes called by several trade union categories, both in Italy and other European countries, with negative effects for airport activities, and, therefore, the total number of passengers that can be handled. However, no critical issues are expected other than those already observed in the past.

Finally, among the various factors of uncertainty, we consider certain economic factors, particularly the movements of the energy markets and inflation, which could directly or indirectly affect the Company's performance.

While traffic and operating results have consolidated, with strong results also confirmed for 2024, management continues to closely monitor developments, periodically updating traffic projections, the prices of commodities and the costs of construction materials.

[11] *Updated figures at March 15, 2024*

OPERATING PERFORMANCE - SECTOR ANALYSIS

Commercial Aviation

The Commercial Aviation business includes Aviation and Non Aviation operations: the former regards the management, development and maintenance of airport infrastructure and plant and the offer to SEA Group customers of services and activities related to the arrival and departure of aircraft, in addition to airport safety services.

The revenues generated by these activities are established by a regulated tariff system and comprise airport fees, fees for the use of centralised infrastructure, in addition to security fees and tariffs for the use of check-in desks and spaces by airlines and handlers.

The Non-Aviation business however provides a wide and segregated offer, managed both directly and under license to third parties, of commercial services for passengers, operators and visitors to the Airports, in addition to the real estate segment. The revenues from this area consist of the market fees for activities directly carried out by the Group and from activities carried out by third parties under license and of royalties based on a percentage of revenues generated by the licensee, usually with the provision of a guaranteed minimum.

This segment includes also income from warehouse, space and office rental to Cargo business operators, such as cargo handlers, transport companies and couriers.

General Aviation

The General Aviation business includes the full range of services relating to business traffic at the western apron of Linate and at Malpensa airport.

The results of each of the above businesses are presented below.

	Commercial Aviation		General Aviation		Consolidated	
(Euro thousands)	**2023**	**2022**	**2023**	**2022**	**2023**	**2022**
OPERATING REVENUES	745,267	718,032	17,465	16,808	762,732	734,840
OPERATING COSTS	(423,687)	(440,926)	(5,930)	(5,509)	(429,617)	(446,435)
EBITDA	323,749	278,950	11,535	11,299	335,284	290,249
EBIT	197,642	190,333	8,568	9,167	206,210	199,500

Revenues, costs and margins include public grants from the State and the Lombardy Region (in 2022), the costs for the early retirement plan (in 2022), the grants as partial compensation for the rising electricity costs (in 2022 and 2023) and the collection of airport fees in view of the favourable judgment in 2023. For further details, reference should be made to the previous comments to the "Income statement".

The EBITDA shown above includes the IFRIC margin.

Commercial Aviation

Revenues

Commercial Aviation revenues in 2023 totalled Euro 745,267 thousand and include Euro 38,884 thousand concerning the outcome of the airport fees judgement. Revenues in 2022, amounting to Euro 718,032 thousand, included state and regional pubic grants of Euro 142,608 thousand, received in partial compensation of the losses incurred during the COVID-19 pandemic in financial years 2020 and 2021.

Comparing the amounts net of the extraordinary items, 2023 revenues increased Euro 130,959 thousand, from Euro 575,424 thousand in 2022 to Euro 706,383 thousand in 2023. The Aviation and Non-Aviation segments contributed to this increase, as described below.

Aviation revenues increased overall by Euro 69,331 thousand. This growth is tied to business passenger traffic, the greater number of movements, and increased aircraft load factors. The cargo business, conversely, posted a poorer performance than that of the previous year due to the decrease in available capacity as a result of the "preighter" flights.

Non-Aviation revenues overall grew by Euro 61,628 thousand, as a result of the increased passenger traffic. Specifically:

- The Retail segment (Stores, Catering, Car rentals and Banks) reports revenues of Euro 126,054 thousand, up Euro 31,695 thousand (+34%). This increase is due to the improved traffic and, in particular, of the intercontinental segments, in addition to the revenue management actions introduced in the year.
- The Parking business reported revenues of Euro 81,454 thousand, increasing Euro 15,664 thousand on the previous year (+24%). This increase is proportional to traffic movements.
- Premium Services segment revenues of Euro 26,255 thousand increased Euro 6,392 thousand (+32%) on 2022 due to the increase in traffic, in addition to the greater proportion of passengers using these services and the opening of the new Premium Lounge at Malpensa.

Operating costs

Operating costs for the **Commercial Aviation** business decreased from Euro 440,926 thousand in 2022 to Euro 423,687 thousand in 2023 (down Euro 17,239 thousand).

Net of non-recurring items, these costs amounted to Euro 426,180 thousand, an increase of Euro 5,419 thousand on the previous year.

This movement was based on:

- **personnel costs** increased from Euro 163,822 thousand in 2022 to Euro 175,950 thousand in 2023 (+Euro 12,128 thousand), due to the conclusion of the use of the social security schemes, the salary increases under the National Collective Bargaining Agreement and the increase in traffic managed, partly offset by the reduction in the workforce following the introduction (in October 2022) of the early retirement plan;
- **external costs** of Euro 250,231 thousand decreased Euro 6,709 thousand on the previous year, due to the lower energy costs. This reduction was in part offset by increased costs related to traffic volumes, the costs from the reopening of Malpensa's Terminal 2, the increased recourse to outside contracts against the reduction of the workforce and the updating of a number of contractual fees.

EBITDA and EBIT

As a result of the developments outlined above, EBITDA came to Euro 323,749 thousand (Euro 282,371 thousand net of non-recurring components).

Amortisation and depreciation amounted to Euro 67,749 thousand, while accruals to the restoration provision amounted to Euro 52,452 thousand, while accruals to the risks and charges provision totalled Euro 5,906 thousand.

Commercial Aviation business EBIT totalled Euro 197,642 thousand (Euro 156,265 thousand net of the non-recurring components).

Investments

The main investments of the Commercial Aviation business concerned:

- work to reopen Malpensa Terminal 2;
- the purchase of an area partly for use as a car park, located near to Linate Airport;
- interventions for the redevelopment, strengthening and regulatory adaptation of airside infrastructures at Linate and Malpensa, including, for example: the redevelopment and construction of a new equipment depot in Area 700 of the Malpensa apron; the construction of 400Hz systems on the northern

apron of Linate; and interventions to adapt the runway end safety areas (RESA) and strip areas of the Linate and Malpensa runways;

- extraordinary maintenance interventions on buildings at the Malpensa Cargo City.

Other information

Retail development

2023 saw a growth in passenger traffic, with a recovery to pre-pandemic levels at Milan Airport, and a significant return of Chinese passengers in the second half-year. This contributed to good retail performance results, confirming Milan's leadership in duty-free shopping volumes in the Italian market.

Again in 2023, significant attention was paid to expanding commercial catering offerings, to better satisfy a market characterised by strong and growing demand. This strategic vision was applied, in particular, at Malpensa Terminal 1, with new openings including both fast casual and starred-chef outlets, and at Malpensa Terminal 2, with the launch of a new, large and well-assorted duty-free shopping walk-through area, adding to the ample and diversified Food & Beverage offering.

In line with travel retail market trend in which luxury has proven to be a particularly resilient segment, Malpensa has further expanded its luxury retail offerings over the last year.

Bilateral Agreements

In May, a bilateral agreement was signed with Uruguay for 14 weekly passenger flights and unlimited cargo flights.

In July, consultations were held with Angola with a view to updating and expanding the existing agreement to include a higher operations capacity, more connections, and more designated airlines.

Furthermore, important results were achieved in bilateral aeronautical negotiations that the Italian authorities concluded at the **ICAN** (ICAO Air Services Negotiation) event held in Riyadh at the beginning of December.

Agreements with Saudi Arabia, Brazil and Kuwait, which are priorities for Malpensa in terms of capacity, have been further liberalised.

Destination management and co-marketing activity

Collaboration between SEA and the Lombardy Region, the Municipality of Milan, Sacbo and Enit continued in 2023, with participation: at Routes Asia, in Chiang Mai, Thailand, in February; at Routes Europe, in Lodz, Poland, in May; at Routes World, in Istanbul, in October; and in territorial marketing campaigns focused on the target markets.

The continuing target market territorial marketing campaigns led to a significant improvement in Malpensa's positioning in the city. Indeed, Milan Malpensa confirmed itself as the fastest growing gateway in Europe for traffic from China. Among initiatives carried out in collaboration with the Italy China Council Foundation (ICCF) was the Welcome to Italy Access Point project. Launched at Milan Malpensa in October, this is the first information desk dedicated to providing information, services and assistance to travellers coming from China.

Finally, in the last quarter of 2023, Vietnam was the focus of the Discover Vietnam marketing campaign, organized by the Embassy of the Republic of Vietnam in Italy in collaboration with the Italy Vietnam Chamber of Commerce - Phòng Thương mại Italia Việt Nam. A sister campaign was also developed to promote Milan and Lombardy in Vietnam.

General Aviation

Revenues and Operating Costs

General Aviation revenues in 2023 amounted to Euro 17,465 thousand. The led to an increase, excluding state contributions received in 2022 (Euro 1,493 thousand), of Euro 2,150 thousand.

This increase was the result of the growth in traffic and the entry into operation of the new "Hangar X" at Linate.

Operating costs totalled Euro 5,930 thousand, increasing on 2022 (increase of Euro 421 thousand).

Net of non-recurring items, these costs amounted to Euro 5,951 thousand, an increase of Euro 530 thousand on the previous year. The increase was generated by the costs related to the greater traffic managed, the incremental costs related to the entry into service of the new hanger and the salary increases under the National Collective Bargaining agreement.

EBITDA and EBIT

As a result of the developments outlined above, General Aviation business EBITDA was Euro 11,535 thousand (Euro 11,514 thousand net of non-recurring components). Amortisation and depreciation amounted to Euro 2,640 thousand, while accruals to provisions in the year totalled Euro 258 thousand.

The EBIT was Euro 8,568 thousand (Euro 8,547 thousand net of non-recurring components).

Investments

In 2023, the primary investment concerned the completion of the new Hangar X at Linate.

RISK MANAGEMENT FRAMEWORK

The creation of sustainable value for stakeholders cannot exclude taking risks, which is a fundamental component of doing business.

The SEA Group, in its capacity of airport operator, is exposed to a broad spectrum of potential risks impacting on the achievement of the business objectives.

In order to reduce exposure to such events, the Group adopted specific processes and procedures to safeguard airport safety and the quality of services offered, for the protection of tangible and intangible assets of interest to stakeholders and to ensure the long-term creation of value.

The SEA Group has introduced an Enterprise Risk Management (ERM) model, which takes inspiration from the main national and international best practice (e.g. the Self-Governance Code for Listed Companies, the CoSO ERM - Integrating with Strategy and Performance). The objective of this model is to identify and assess homogeneously and transversally the risks linked to the development of corporate activity, and those which may have a significant impact on the medium-long-term sustainability of the business. It also ensures the constant monitoring of these risks, in order to support management strategic choices, decision-making processes and stakeholder assurances.

The Board of Directors approved the Enterprise Risk Management Policy in 2017.

Methodological approach

The adopted risk governance model is based on:

- a strategic approach, providing Management and the Board of Directors with important information on risk factors, uncertainties and opportunities, in order to support informed decision-taking while defining objectives, strategies and performance monitoring;
- an enterprise-wide approach, or an approach extended to all types of risks and opportunities that are potentially significant for the Group;
- a value-driven approach centred on risks and opportunities with the greatest impact on corporate strategic objectives and value drivers.

The SEA Group Risk Model is a list of all the potential risks to the Company, and consists of four categories: external risks, operational and business risks, financial risks and legal and compliance risks, including specific environmental, social and governance risks.

Identified events are assessed and subsequently "prioritised" on quali-quantitative metrics in terms of impact, probability of occurrence and maturity of the risk management system.

Risk Management Governance

The governance model for the SEA Group's Enterprise Risk Management system, as recommended by the Self-Governance Code, is organised into three control levels (see the graphic below) which are integrated into the Company's organisational structure.

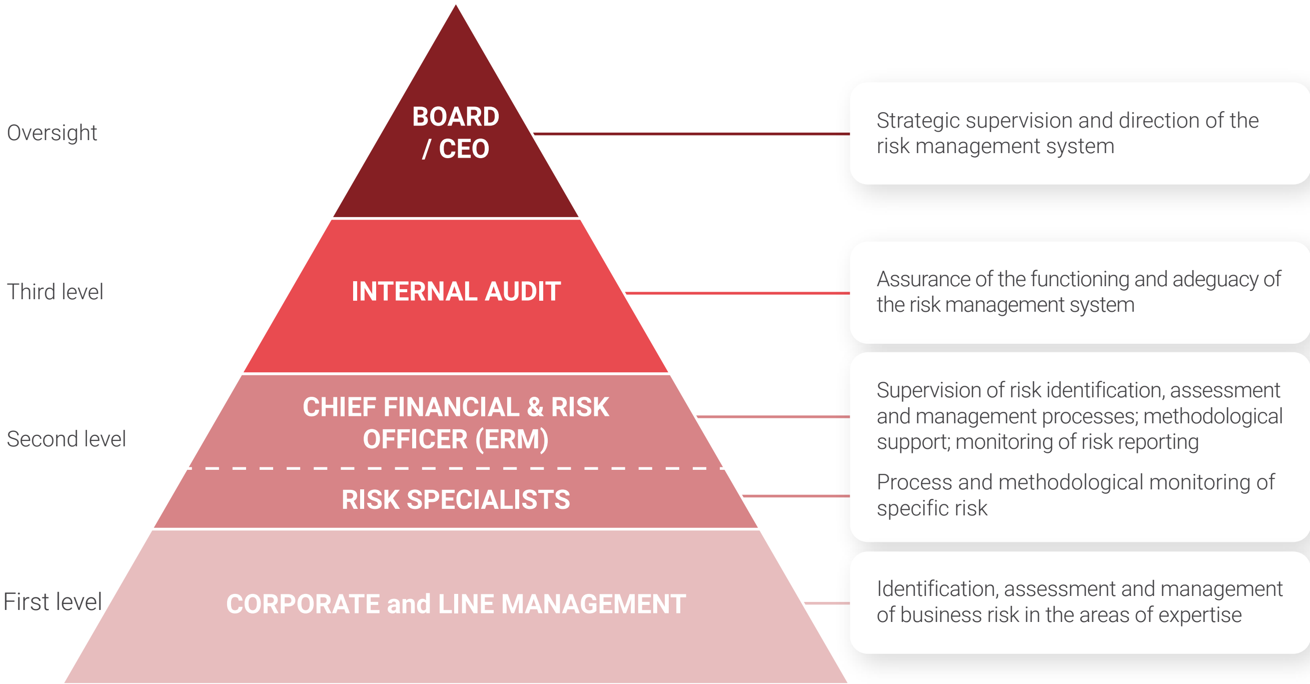
This defines a second level of risk management control in the ERM division, with the aim of supporting corporate structures in the identification and management of corporate risks and at the same time guaranteeing periodic reporting to top management on the risk profile's evolution.

The model is based on the principle that the management of risks involves the organisation at all levels and that management is the primary owner of risks, since it manages risks and opportunities on a daily basis in line with business propensity and is responsible for the definition and implementation of identified mitigation plans.

Corporate and line management are supported by Risk Specialists and the ERM division.

Top management periodically reviews the company risk profile and orients the management of the main emerging risks, approving proposed response plans in line with the strategic objectives and corporate risk propensity defined by the Board of Directors.

Finally, the Internal Audit team independently verifies the effectiveness and effective implementation of the complete risk management system.



SEA Group Main Risk Factors

The periodic Risk Assessment to update the Risk Heat Map, which identifies the most significant risk factors for the Group, was performed during the last quarter of 2023. This activity involved senior management and the ERM division. The meetings were focused on updating the assessments and mitigation plans of previously identified risks. The plan has a five-year timeline, but risks that could potentially extend beyond this time period (e.g., ESG risks) have also been included in the scope of analysis.

The most significant risks for the Group, as included in the Risk Heat Map, are summarised below.

1. External risks

Risks arising from changes to the market environment in which the company operates. This change could occur due to several factors:

- socio-political, macroeconomic, and competitive developments;
- airline strategies;
- changes to sector legislation or the regulatory framework;
- technological developments;
- climate change and extreme events (earthquakes, pandemics, volcanic eruptions).

In this context, the main risks to which the Group is exposed are the following.

The escalation of geopolitical tensions

On February 24, 2022, Russian troops invaded Ukraine, escalating military relations between the two countries. This led to the immediate closure of Russian, Belarusian and Ukrainian airspace, an extremely strong shock to energy markets, and increased pressure on global supply chains. The conflict continued, albeit with less intensity, throughout 2022 and 2023.

Adding to geopolitical tensions context was the escalation of the Israeli-Palestinian conflict with the large-scale attack by Hamas on Israel on October 7, 2023, which led to the closure of certain portions of airspace, and the worsening of tensions in the entire Middle Eastern region, with significant impacts on global maritime trade routes, such as the intensification of piracy off the Yemeni coast.

It is currently not possible to exclude the hypothesis of a continuation of the aforementioned conflicts in 2024 and beyond, with potentially more serious impacts if military escalations extend to other areas, or involve other actors in the region.

Air traffic development

Pandemics

The Coronavirus disease (COVID-19), formally declared a "pandemic" by the World Health Organization (WHO) on March 11, 2020, led to the greatest downturn in history of the civil aviation sector, essentially wiping out passenger traffic in the majority of airports around the world.

The profound crisis of the two-year period from 2020 to 2021 gradually receded from 2022 onwards, and the 2023 financial year even exceeded traffic expectations in the airports managed by SEA.

At present, it is also not possible to exclude the possibility of another illness with an impact on the air transport industry similar to that of COVID-19.

Airline strategies

The review of airline strategies, such as, for example, changes to the network of routes operated or capacity reduction - also stemming from general economic issues - may lead to changes in traffic levels at SEA Group airports.

The volume of passenger traffic and cargo in transit at the Linate and Malpensa airports represents a key factor in the results achieved by the SEA Group. Any reduction or interruption to flights by one or more airlines may have an impact on Group operations and results.

Furthermore, in May 2023, an agreement was ratified to bring Lufthansa into the ITA shareholding structure with a 41% share, through a capital increase transaction worth approximately Euro 325 million. To go through, the transaction requires approval from the European Commission's Directorate-General for Competition. The dossier has been submitted to the European Commission and is still pending evaluation. If the European Commission were to express a favourable opinion on the acquisition, Lufthansa's management of slots released by ITA and specific network strategies might led to negative impacts for the traffic of the SEA-managed airports.

Development of the regulatory framework and applicable rules

SEA Group activities, as is the case for all Italian Airport Managers, are subject to a high level of regulation which impacts in particular the establishment of fees concerning services offered (airport fees, security control fees, fees for the use of common use assets and centralised infrastructure for handling services), the allocation of slots and the control of air traffic.

The development of SEA's specific regulatory framework with reference, for example, to the tariff profile and concession rules, may impact Group results.

SEA constantly monitors the activities of national and European aviation authorities and actively participates in technical industrial association roundtables in order to promptly act to ensure compliance with all legislative and regulatory changes.

The Group's activities are also subject to a wide range of environmental, emission, health, noise, safety, and planning laws. Any new law and/or regulation, at European or Italian level, could have an impact on costs for the Group or its customers. On this front, in particular, the Regulatory Authorities are paying increasing attention to ESG and environmental topics, which could result in higher operating costs for the air transport sector in the future.

New tariff models

With Resolution No. 38/2023 of March 9, 2023 ("*Conclusion of the procedure begun with Resolution No. 42/2022. Approval of airport fee regulation models*") the Transport Regulation Authority (ART) published the new "*Airport Fee Regulation Models.*"

The new Models will enter into force on April 1, 2023 and will apply to procedures to review airport fees from that date onwards.

The process for signing the 2024-2028 Regulatory Agreement has begun, and consultations with users on the new fees are expected to be carried out within the first half of 2024.

To date, there is still uncertainty surrounding the methods of implementation of the models, particularly the calculation of some parameters, which could generate future economic impacts for the Group.

Climate change

The activities carried out at the airports managed by the Group are inherently influenced by weather conditions and seasonal changes, both of which can hinder aviation operations and make the planning of activities, the allocation of resources, and the design of infrastructure somewhat difficult.

In recent years there has been an increase in extreme weather events such as cloudbursts, heat waves, very severe storms and lightening strikes which cause disruptions due to the temporary suspension of activities, the additional emergency management costs incurred, and the damage caused to airport infrastructure and assets. If the trend were to continue in the same way, impacts on the Group's activities would be further exacerbated, despite recently adopted mitigation measures, such as under the Climate Change Adaptation Plan.

We note that the SEA Group takes out adequate annual insurance policies to cover material and immaterial damages, such as from natural disasters and catastrophic events, including those due to "extreme" meteorological phenomena.

Group decarbonisation targets

In 2021, both Malpensa and Linate airports achieved Airport Carbon Accreditation (ACA) Level 4+ thanks to their efforts to combat climate change and to actively manage emissions.

SEA has also joined other European airports in committing to the Net-Zero 2030 target of zero CO_2 emissions by 2030, ahead of the 2050 deadline.

In 2023, SEA approved its Decarbonisation Strategy, formalising its road map to zero emissions in terms of planned interventions, the allocation of resources, and effects on the emissions reduction curve.

The main obstacles to achieving these targets are inflationary dynamics and global supply chain disruptions, which can affect the prices and availability of tools and resources to reduce emissions.

Failure to meet targets exposes the Company to reputational risks with all stakeholders, including the financial community.

Fit for 55

On July 14, 2021, the European Commission presented a comprehensive package of proposals called "Fit for 55". Its objective is to align existing climate and energy legislation with the new target of reducing net greenhouse gas emissions by at least 55% by 2030 compared to 1990 levels, with a view to achieving climate neutrality by 2050.

Regarding the air transport sector, the regulatory package proposes modifications to the current regulatory framework (e.g. reform of the Emissions Trading System) and new obligations (e.g. increased Sustainable Aviation Fuel quotas).

Potential impacts on the air transport sector include airline ticket price rises due to increased costs, incurred by airlines particular, and the risk of negative repercussions on the demand for air transport.

Eurozone recession

In the last few months of 2023, GDP growth estimates for Italy were revised downwards, in light of the fact that the interest rate rises ordered by central banks (including the ECB, FED and BoE) were unable to contain inflationary dynamics.

A recession in the Eurozone caused by ongoing inflation, additional interest rate rises and worsening geopolitical tensions, could affect demand for air transport. The Group is therefore exposed to the risk of a decrease in passenger numbers as a result of falling demand.

2. Operating and business risks

Operating and business risk factors are strictly related to the performance of airport activities. These relate to the design and implementation of airport infrastructure maintenance and construction investments, to the interruption of business processes, due, for example, to strikes, natural events, malfunctions, safety and security events affecting assets and worker health and safety events, to impacts on the quality of offered services, and to IT issues, organisational and environmental issues.

Activity and Service Interruptions

Interruptions in activities and services may be generated by a wide range of events of more or less prolonged duration, giving rise to various impacts on airport operations and Group economics. Critical impacts on the Group's business may be caused by long-lasting exceptional events, such as pandemics, wars, volcanic eruptions, that may lead to a more or less extensive collapse in the demand for air transport, also due to consequent regulatory changes.

Company activities could also be interrupted by a strike by third-party employees working at the airport, by personnel dedicated to air traffic control services, or by public emergency service operators; the incorrect and non-punctual provision of services by third parties; adverse weather conditions (snow, fog etc.).

Safety & security

Passenger and employee safety is a central concern to which the Group pays utmost attention in its day-to-day operational and management activities. It does this through effective preventive measures aimed at continuous improvement and the promotion of goals, responsibility and results awareness throughout the company and among all parties operating at its airports.

In terms of aviation safety, the Group's Safety Management System, which is also validated and controlled by the Italian Civil Aviation Authority (ENAC) and by the European Union Aviation Safety Agency (EASA), maintains the highest levels of safety and service quality, acting in line with the fundamental principles of the SEA Airport safety policy.

Information Technology

Airport information and technological systems and new Digital Transformation technology initiatives involving the SEA Group have remained vulnerable throughout the pandemic due to the increasing aggressiveness and pervasiveness of cyber attacks on a global level against managers of strategic infrastructures, in light of an increase in geopolitical tensions over the past two years.

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

In particular, SEA carries out periodic system vulnerability and penetration testing using cutting-edge technologies and methodologies, periodic audits to maintain the ISO 27001 certification for core business areas, and has defined a Cyber Risk procedure to monitor all corporate technical and behavioural security issues. Compliance activities also continued in 2023 to ensure the SEA Group is included in Italy's National Cyber Security Perimeter.

Supplier Reliability

Any bankruptcy or operational difficulties of individual or difficult-to-replace suppliers may have an impact on the Group in operational and economic-financial terms.

The Group has a structured supplier qualification and performance monitoring system in place, set out in a specific policy, which allows for the ongoing monitoring of the financial buoyancy of suppliers and minimises the related risk exposure.

People shortage

The outbreak of the pandemic highlighted the sector's vulnerability to external factors.

Airlines, in particular, were forced to reduce their workforce to cope with the steep drop in flying activities. In the difficult situation created by the pandemic and the global economic crisis, many skilled personnel transferred to other sectors.

With the recovery of traffic exceeding expectations, airports and airlines have had to guarantee business continuity despite personnel shortages both internally and in third-party companies. Airlines have had to reduce capacity and make mass cancellations, while airports have had to deal with operational disruptions and long passenger queues at check-in desks and security.

The SEA Group's airports have managed to cope with the disruption while minimising its impact on operations. Nonetheless, the phenomenon of personnel shortages may continue into 2024, and will require targeted interventions by the Group in light of the significant traffic levels expected.

3. Financial Risks

Financial risks are associated with various factors, such as interest rate changes, the conditions of capital market loans affecting planned investments, the availability of financial resources, counter-party financial defaults, non-fulfilment of obligations assumed by commercial counter-parties and fluctuations in commodity prices.

The management of financial risks is carried out by the Parent Company which identifies, evaluates and implements actions to prevent and limit the consequences of the occurrence of the aforementioned risk factors.

Credit risk

Credit risk represents the exposure of the SEA Group to potential losses deriving from the non-compliance of obligations by trading partners. This exposure is largely related to the deterioration of a financial nature of the main airlines which incur on the one hand the effects of the seasonality related to aviation operations, and on the other consequences of geopolitical events which impact upon the air transport sector (wars, epidemics, atmospheric events, rise in oil prices and economic/financial crises).

In order to monitor this risk, the SEA Group has implemented procedures and actions to monitor the expected cash flows and recovery actions.

Trade receivables are reported in the financial statements net of any write-downs which are prudently made with differentiated rates on the basis of the risk ratio assigned to each client using a classification based on the rating class and credit expiry class (for the calculation method of doubtful debt provision, reference should be made to paragraph 4.1 of the explanatory notes to the consolidated financial statements).

Market risks

Market risks to which the SEA Group is exposed comprises all types of risks directly and indirectly related to market price trends. In 2023, the market risks to which the SEA Group were subject were:

a) Interest rate risk

The SEA Group is exposed to the risk of changes in interest rates in relation to the necessity to finance its operating activities and the use of available liquidity. The changes in interest rates may impact positively or negatively on the results of the SEA Group, modifying the costs and returns on financial and investment operations.

The SEA Group manages this risk through an appropriate mix of fixed rate and variable rate loans, to mitigate interest rate volatility effects on financing, and through a cautious policy of liquidity management, negotiating favourable remuneration conditions in light of bank balances and using stock temporarily in excess of treasury needs on short-term monetary instruments with high financial flexibility.

Variable interest loans exposes the SEA Group to a risk originating from the volatility of the interest rates (cash flow risk). We indicate that at December 31, 2023 (i) the gross financial debt of the SEA Group exposed to a variable rate is 32%, and that (ii) no derivative contracts are in place which convert the variable rate into a fixed rate or limit the fluctuations of the variable rate within a range of rates.

At December 31, 2023, the gross financial debt of the SEA Group exclusively comprised medium/long-term loans, partly maturing beyond 12 months (medium/long-term portion of the loans) and partly maturing withing 12 months (short-term portion of the medium/long-term loans). At this date, the SEA Group did not make recourse to short-term debt.

b) Currency risk

The SEA Group, with the exception of the currency risk related to the commodity risk, is subject to a low currency fluctuation risk as, although operating in an international environment, the transactions are principally in Euro. Therefore, the SEA Group does not consider it necessary to implement specific hedging against this risk as the amounts in currencies other than the Euro are insignificant and the relative receipts and payments generally offset one another.

c) Commodity risk

SEA is exposed to changes in prices and of the relative exchange rates for energy commodities, i.e.:

i. gas, electricity and thermal energy, and environmental certificates related to the operational management of the power plant that supply SEA with its energy needs, whose pricing variability impacts SEA indirectly through the formulas and indexing used in the pricing structures adopted in the purchase agreements (this impact was direct prior to the SEA Energia sale transaction of September 2022);

ii. CO_2 cancellation and offsetting tools, purchased by SEA directly as part of its decarbonisation strategy.

Despite the uncertain global economic environment and the geopolitical situation, the significant volatility in energy commodity prices during 2022 partially abated in 2023, but continued to expose the Company to high procurement costs and an erosion of its margins in the short term.

In 2023, SEA did not undertake any hedging of this risk, also in view of the general decline of commodity prices in the period, although it does have the possibility to do so in the future. Some of its commercial supply contracts provide the opportunity to pre-fix prices for heat and electricity purchases, even if this only represents a partial solution.

Liquidity risk

The liquidity risk for the SEA Group may arise where the financial resources available are not sufficient to meet the financial and commercial commitments within the agreed terms and conditions. The liquidity, cash flows and financial needs of the SEA Group are managed through policies and processes with the objective to minimise the risk.

More specifically, the SEA Group monitors and manages its available financial resources centrally, under the control of the Group Treasury, to ensure the efficient management of these resources, also in forward budgeting terms; it maintains liquidity and has obtained committed credit lines (revolving and non), which cover the financial commitments of the Group deriving from its investment plans, operating requirements, and contractual debt repayments due within the next 12 months, and lastly, it monitors its liquidity position, in relation to business planning, to guarantee sufficient coverage of the SEA Group's requirements.

At December 31, 2023, the SEA Group may rely on Euro 217 million of liquidity, in addition to (i) irrevocable unutilised credit lines for Euro 320 million, of which Euro 250 million concerning new revolving lines underwritten in August 2022 and fully available and maturing in August 2027, and Euro 70 million concerning a line on EIB funds, whose usability by February 2023 has been extended to February 2025, and (ii) Euro 123 million uncommitted lines utilisable for immediate cash needs.

This liquidity allows the Group to guarantee current operational needs and future financial needs.

For further information, see paragraph 4 "Risk management" of the Explanatory Notes to the Consolidated Financial Statements.

4. Legal and compliance risks

Legal and compliance risks are related to compliance with internal policies and regulations (e.g. personnel conduct not in line with the company's ethical values, failure to respect delegated powers), with the SEA regulatory context (e.g. failure to comply with concession or environmental regulations), and applicable general laws and regulations (e.g. failure to comply with privacy and data protection legislation). Such risks may generate penalties that have an impact on the Group's reputation.

The internal checks and corporate procedures in place make the likelihood of non-compliance with the aforementioned regulatory framework minimal.

MAIN DISPUTES OUTSTANDING AT DECEMBER 31, 2023

Action brought by ATA Handling

In May 2015, ATA Handling in liquidation and subject to administration notified SEA SpA and the Municipality of Milan of a citation, by which ATA Handling, referring to the decision of the European Commission of December 19, 2012 concerning alleged State Aid in favour of SEA Handling, requested compensation for damages suffered as a result of the above-stated aid, issued in the form of share capital increases, alleging that such gravely affected ATA Handling's operations: it was alleged in fact that SEA Handling through the systematic coverage of losses applied significantly lower tariffs than those which would have been applied in the absence of such aid. It was put forward that ATA Handling was forced also to apply lower tariffs than would have been applied in an undistorted market and on the other that ATA Handling was prevented from acquiring a greater market share.

This situation, it was alleged, restricted ATA Handling from operating under balanced conditions and led to its liquidation. In September 2013 and, for a second time in July 2014, ATA Handling requested compensation for damages due to alleged State Aid, although both these requests did not receive a response and therefore ATA Handling notified the citation, quantifying damages, through a differential analysis of two situations (SEA Handling with share capital increases and SEA Handling without share capital increases), as Euro 93.1 million. SEA has already produced the documentary evidence disproving the charge of predatory pricing. ATA Handling then challenged jurisdiction before the Supreme Court of Appeal, asking the latter to rule on whether jurisdiction for damages pertained to the regular courts or to the administrative courts. The Supreme Court of Appeal ruled that the regular courts had jurisdiction, and the case was then referred to the regular courts for a decision on the merits.

Once jurisdiction of the regular courts had been ruled, ATA Handling moved for resumption of the trial before the court which, as it still had no decision from the Court of the European Union, firstly adjourned the case until April 2018 and subsequently to July 2018, and then further moved the hearing to January 22, 2019.

During this hearing, the Court noted the filing of the EU Court's decision and then set deadlines for the filing of submissions pursuant to Art. 183, paragraph VI of the Code of Civil Procedure, deferring the case for the discussion on the preliminary motions to the hearing of May 22, 2019, whereupon it withdrew to decide the case on the basis of the preliminary motions. Following the dissolution of the reserve, the Judge scheduled conclusions on preliminary objections for the hearing on May 6, 2020 and then, following an *ex officio* deferral, to September 9, 2020. The parties proceeded to file their closing briefs on November 30, 2020 and the Judge withheld the case for decision.

In light of the content of the EU Court's ruling, which rejected the Municipality's complaint with regard to the Commission's decision on the existence of State Aid, the automatic application of this investigation within the framework of our law remains in any case contentious, as is, above all, the existence of a casual link between the circumstances ascertained by the Commission and the damage alleged by the plaintiff company, as well as the quantification of said damages.

With a Court Order dated November 30, 2021, the Judge appointed an expert witness to reconstruct the ground services sector in operation at the Milan airports between 2002 and 2011, verifying the entities operating there, the nature of the services provided, and any other relevant factors in order to determine their influence on the formation of service prices. The expert witness was also tasked with analysing the feasibility of the arguments put forth by ATA and the plaintiffs in support of their claims for damages, formulating conclusions on the existence and extent of the damage.

At the hearing held on January 18, 2022 to swear in the expert witness, the deadlines for filing appeals were also defined, and the deadline for filing the final report was set for July 25, 2022. The hearing for the discussion of the report filed by the expert witness was held on September 20, 2022. After the expert witness provided an opinion that was favourable to SEA, the plaintiff requested that the witness either revise their findings or provide additional information regarding alternative scenarios or a specific method for assessing damages. SEA objected, as did the Municipality, stating that the expert witness had correctly answered the Judge's questions, since the burden of proof as to whether and how much (is due) and the causal link lay with the plaintiff. The Judge reserved their decision. Partial dissolving the reservation, they then set deadlines to file closing arguments and the parties did so in June 2023. We are currently awaiting the publication of the judgement.

No specific provisions were accrued in view of the above observations. Related negative developments are currently unforeseeable or indeterminable, and therefore the setting aside of provisions will be evaluated only once the first instance judgement has been issued.

Ruling on fees for fire-fighting services

The law of 27/12/2006 no. 296 (2007 Finance Act) article 1, paragraph 1328, established a fire-fighting fund financed by airport companies in proportion to the traffic generated by each, in the amount of Euro 30 million a year, in order to reduce the State's expenses for the fire-fighting service provided at airports by the National Fire-Fighting Service. However, as a result of the entry into force of the provisions of paragraph 3 bis of article 4 of Legislative Decree 185 of 29.11.2008, introduced with the Conversion Act of 28/1/2009 no. 2, the resources of the fund were also allocated to purposes completely unrelated to those initially envisaged by the 2007 Budget.

SEA objected, alleging unlawfulness, and challenged the law both before the Regional Administrative Court and before the regular Court of Rome.

Over the years considerable case law has accumulated, some of which has become final. All judgments have found that "the tax was instituted by the law as a tax earmarked for a specific purpose". Until now the courts have also observed that ever since law no. 2/2009 entered into force, all monies in the fire-fighting fund have been allocated to cover costs and purposes totally unrelated to those initially intended, namely that of reducing the costs incurred by the State for fire fighting services at airports.

It should be noted that the following provision was added to the Stability Act of 2016, which came into force on January 1, 2016:

"Article 39-bis, paragraph 1, of the Decree-Law of October 1, 2007, no. 159, as converted with amendments by the law of November 29, 2007, no. 222, after the words: 'of the law of December 24, 2003, no. 350' the following words are inserted: 'and of fees charged to airport operating companies for fire-fighting services at airports, pursuant to article 1, paragraph 1328, of the Law of December 25, 2006, no. 296'."

The amended law redefines the contribution to be paid to the fund as consideration for the service rendered by the fire brigade, in order to eliminate the objections concerning the nature of the tax that were raised by airport operators and to return the matter to the jurisdiction of the regular courts, notwithstanding the judgments previously entered on this issue. By a judgment published on January 26, 2018, the Court of Rome ruled that the regular courts have no jurisdiction and that the case must revert to the Tax Commission.

The Supreme Court of Appeal, by order 27074/16, applied to the Constitutional Court for review of the constitutionality of this provision.

On July 20, 2018, the judgement of the Constitutional Court of July 3, 2018 was published declaring the unconstitutionality of Article 1, paragraph 478 of Law No. 208 of December 28, 2015 implementing "Provisions for the drawing up of annual and multi-year budgets of the State (2016 Stability Law)".

The aforementioned provision established that the fees charged to airport management companies for fire-fighting services at airports, as per Art. 1, Paragraph 1328, of Law 296 of 2006, are not subject to taxation.

The established taxation status of the fire-fighting fund and the condition of exclusive tax jurisdiction were subsequently confirmed by the Court of Cassation on January 15, 2019.

In relation to appeals by various management companies, the Tax Judge has, on several occasions, ruled that, in consideration of the regulatory assumption establishing the Fire-fighting Fund, with a view to reducing airport fire-fighting service costs borne by the State, the applicant companies are not required to pay anything for purposes other than the activation and use of the fire brigade service for the sole benefit of protecting airports.

In its latest judgement, No. 2517 of February 20, 2019, the Tax Commission recognised the external and ultra-annual effectiveness of the judgement in relation to other companies not directly referenced in the judgment.

In SEA's appeal to the Lazio Regional Administrative Court, the Administrative Judge also ruled in favour of the jurisdiction of the Tax Judge in the judgement issued in December 2019. SEA served the notice of resumption of the proceedings before the Tax Judge in order to assert the validity of the aforementioned rulings against it.

On May 24, 2022, judgement No. 6230/2022, issued by the Rome Provincial Tax Commission, was filed, settling the appeal brought by SEA concerning the contributions it made to the Fire-Fighting Fund at its airports. The judgement fully upheld SEA's defending arguments and annulled ENAC's provision, which had previously been communicated to the Ministry for Infrastructure and Transport and determined the contributions to be made to the fire-fighting service, established pursuant to Article 1, Paragraph 1328 of Law No. 296 of December 27, 2006. After having identified the tax in question as being "earmarked for a certain purpose", the Judicial Panel ruled that pursuant to Article 4, Paragraph 3 of Legislative Decree No. 185/2008, the purpose constraints legitimising the original tax and obliging airport companies to pay some of the costs owed to firefighters had been broken, resulting in the improper use of resources that had originally been earmarked for other purposes, specifically the payment of general firefighter allowances". Considering the above, the contested ENAC provision - which put the burden to pay the costs on airport management companies - was ruled unlawful and thus annulled.

With a claim filed on August 30, 2022, the Public Bodies appealed this judgement. SEA subsequently filed its counterclaims on October 28, 2022. We are still awaiting the judgement.

With regard to the civil case pending in the Court of Appeal, the hearing for closing arguments set for May 19, 2023 was rescheduled for November 8, 2023. A court order issued on November 20, 2023 postponed the decision, setting legal deadlines for filing final briefs and replies, which SEA complied with on 12/12/2023.

On January 10, 2024, the Court of Appeal of Rome issued Judgement No. 46/2024, rejecting the appeal of the Public Bodies against the sentence of the Court of Rome No. 1870/2018, and therefore confirming the jurisdiction of the Tax Judge.

On the same date, however, the Court of Cassation issued Judgment No. 990/2024, as part of the proceedings brought by the Public Bodies against separate airport management companies, stating that "*The obligation that Article 1, Paragraph 1328, of Law No. 296/2006 places on airport companies to contribute to the fire prevention fund in proportion to the traffic generated, and has the nature of a tax tied to the need to 'reduce the cost borne by the state for the fire prevention service at airports', limiting the allocation constraint to the phase of use of the revenue, with the consequence that the subsequent provision referred to in Article 4, Paragraph 3-bis of Legislative Decree No. 185/2008, incorporated, upon conversion, by Law No. 2/2009, according to which 'the resources of the fund established by Article 1, Paragraph 1328, Second Sentence, of the Law of December 27, 2006, No. 296, provided by the airport companies in proportion to the traffic generated, and allocated to the Department of Fire-fighters, Public Aid and Civil Defence of the Ministry of the Interior, are to be used, from January 1, 2009, in the share of 40 percent for the implementation of agreements for public aid to be stipulated, year on year, between the government and the trade union organisations of the National Fire-fighters Corps to ensure improvement in the quality of the emergency service provided by the personnel of the same National Fire-fighters Corps, and in the share of 60% to ensure a more effective public aid activity from the National Fire-fighters Corps, providing for particular emoluments to be allocated to the establishment of a special operational allowance for urgent technical rescue service work carried out externally', does not affect the persistence of the subjective legal tax relationship between the state and the companies themselves*".

This ruling does not influence the accounting of the item in question, as the Company has always allocated the cost, and consequently the debt, of the fee for the services provided by the fire-fighters on an annual basis.

Update on judgement 7241/2015 of the Civil Court of Milan concerning airport fees

On January 26, 2017, the Milan Court of Appeal upheld trial court ruling 7241/2015 of the Court of Milan ordering the Ministry of Transport to compensate SEA for Euro 31,618 thousand in addition to revaluations according to the ISTAT [cost of living] indices and interest at the legal rate. An enforceable copy of the judgement was served on the Ministry and the Prosecutor's Office in February 2017. On April 14, 2017, the Ministry of Transport appealed to the Supreme Court of Appeal, reiterating the grounds stated in the appeal without any substantial change.

By Order No. 9406/2023 of the Supreme Court of Appeal published on April 5, 2023, the Court declared the Ministry for Infrastructure and Transport's appeal inadmissible, making the above judgement of the Milan Court of Appeal of January 26, 2017 final.

To close matters pending, on December 20, 2023, the Ministry of Infrastructure and Transport made the transfer to SEA of the total amount of Euro 50,609,187.73, equal to the amount established in the final ruling, and relating to the capital sum requested by SEA for the failure to adjust airport charges for the period from 2000 to 2005, in addition to interest, monetary revaluation, and the reimbursement of legal expenses incurred and paid during the proceedings.

Fuel royalties dispute

In 2013, in separate cases, Alitalia S.p.A. in administration and Volare sued Exxonmobil, Tamoil Italia Spa, KAI, Q8, and Total, claiming to have paid sums that were not due to the companies summoned, by way of airport fees.

The defendants appeared in court and contested the plaintiff's request. They also asked and received approval to hold harmless SEA and other airport operators as alleged recipients, albeit indirectly, of the fees that are the subject of the dispute in relation to the sums paid by the plaintiff to the oil companies, which the latter then paid to SEA.

SEA entered an appearance in the proceedings and contested the claims on various bases of a preliminary nature (invalidity of the summons, absence of the defendants' active legitimacy to bring the claim, lapse of time) and based on their merits. In particular, SEA's defence against the defendants' claims, with specific reference to the post-2005 period, were primarily based on having correctly applied a specific ENAC note issued in 2009 concerning the refuelling fees.

However, more recently, it has emerged that in a case unrelated to those in question, i) the aforementioned ENAC measure, on which a large part of SEA's defence was based, was annulled by the competent court, and ii) SEA's sentencing at first instance was announced with a ruling in December 2021, whereby the judge partially accepted Exxon's request to be held harmless against SEA for Euro 3,730 thousand, in relation to the initial request for around Euro 13 million, against which SEA has filed an appeal.

In this regard, we note that this ruling is in line with the partial sentences already issued by the Court of Milan, but contradicts the conclusions reached by the judge in the proceedings between SEA and Q8. In those proceedings, (i) Alitalia's claims for supplies up to August 12, 2013 were declared time-barred; (ii) the claims for the remaining portion were rejected; and (iii) Alitalia was ordered to cover the costs of the proceedings and all of the costs of the expert witness. An appeal is also pending in this case.

It should be noted that in March 2022, the Milan Court of Appeal rejected Alitalia's claim against Tamoil, Total, and KAI, with which SEA had been ordered to indemnify its share of the judgement. Alitalia was also ordered to pay the legal expenses for first instance and appeal, in addition to the costs of the expert witness.

Since the risk is still assessed to be probable, the company has maintained an appropriate provision in its balance sheet.

Dispute regarding the transfer of employment contracts

Following the transfer of the business unit engaged in "non-business specific" Information and Communication Technology activities to the company Airport ICT Services S.r.l., a number of the transferred personnel challenged the contract transfer as lacking the necessary individual consent. SEA appeared in court and argued the genuine nature of the business unit and the consequent transfer of the employee contracts to the new Group company, which does not require a declaration of acceptance by the personnel. At the same time, SEA, pursuing a conciliatory approach, has set aside an appropriate amount in its financial statements. The dispute hearing, involving ten appellants, was held on October 25.

The Judge, with Judgement 3562/2023, accepted the appeal. The workers were formally reinstated in SEA and simultaneously seconded to AIS.

The Judge, also in Judgement 131/2024 of January 16, 2024, upheld a second appeal, for which the employment relationship with SEA was reinstated for another twenty-three workers, and, with the ruling of February 14, 2024, the same appeal presented by another worker was accepted.

Tax Agency – VAT assessment notices

The local customs office at Linate and Malpensa airports audited SEA to ascertain whether excise duty had been correctly paid on the electricity used to operate Linate and Malpensa airports. As a result of this audit and of the notes, on November 16, 2016 and August 9, 2017, SEA received service of five assessment notices for the years between 2011 and 2015 concerning the VAT profiles in the matter. An appeal against these notices was lodged with the Milan Provincial Tax Commission, which ruled in favour of the Tax Agency and, subsequently, another appeal was lodged with the Lombardy Regional Tax Commission. This, by contrast, ruled in the Company's favour, accepting the defence put forward and simultaneously annulling all tax measures. The Regional Tax Commission's rulings were further challenged by the Tax Agency, which, on January 30, 2020 and May 3, 2021, through the Attorney General's Office notified the company of its filings with the Supreme Court of Appeal. The Company promptly presented itself to court, and is currently waiting for the hearings to be scheduled at the Supreme Court.

Tax Agency - Notice of assessment for registration tax

Several assessments were received for registration tax relating to the application of the tax on the refund of sums as ordered in the judgements entered by the regular Court of Milan. The Company objected to the Tax Agency that the tax had been mistakenly applied as a proportional tax instead of at a flat rate. The tax assessment notices served to date have resulted in a drawn-out tax dispute that has so far seen the court rule in the Company's favour in both the first and second instance, as well as in the Supreme Court of Appeal, and the underlying case closed on fourteen occasions. Two liquidation notices are still in litigation, for which the appeal ruling and discussion at the first instance hearing are pending.

The set of situations described above and relating to ongoing disputes with the Tax Agency is accounted for in the specific funding allocation for tax risks.

Other disputes

Extraordinary Administration Procedure of Alitalia SAI S.p.A. pursuant to Article 2, paragraph 2 of Decree-Law No. 347/2003

The decree of the Ministry of Economic Development of May 2, 2017 declared the opening of Alitalia SAI S.p.A.'s extraordinary administration procedure pursuant to Article 2, paragraph 2 of Decree-Law No. 347/2003 ("Alitalia in Extraordinary Administration Procedure 2017").

On December 5, 2017, SEA filed a claim in the amount of Euro 41,050,979.58, of which Euro 9,622,397.82 to be allocated as a pre-deduction.

On December 4, 2019, the Administrators filed the partial statement of liabilities, according to which, after ascertaining the payment by Alitalia of most of the receivables lodged under pre-deduction, they formulated a proposal to admit the liability of the SEA receivable for an amount equal to Euro 30,789,279.36, with the exclusion of the amount of Euro 731,454.80, of which Euro 660,227.50 relating to surcharges and Euro 71,227.30 relating to various invoices, subject to dispute; SEA did not consider it necessary to file observations on this proposal.

With a court order dated November 30, 2020, the delegated Judge ordered the appointment of an expert to determine the exact amount of senior debt abstractly imposed on each aircraft owned by Alitalia at the date the case was opened, assigning creditors a term to appoint an expert witness.

On June 17, 2021, the Experts' Report was filed which defines the exact amount of senior debt for SEA as Euro 126,263.43. The report also includes a series of observations and objections by the various expert witnesses (CTPs) (including SEA's CTP) regarding the criterion used to identify the aircraft owned by Alitalia. On February 6, 2023, the Appointed Judge confirmed the draft state of the liabilities was declared executive.

After reaching a settlement with Alitalia in administration in July 2022, a second application for the submission of claims related to further claims in pre-deduction (after May 2, 2017) was submitted on November 29, 2022. The claim amount is Euro 5,617,156.56 (of which Euro 5,190,705.50 pertains to additional fees). However, a date for the hearing to examine the claim has not yet been scheduled.

It should be noted that lodged claims include surtaxes on boarding fees amounting to Euro 11,363 thousand for which SEA acts as a withholding agent. These have a corresponding debt entered as a liability toward Institutions (INPS and Ministry of the Interior) for which the carrier is the debtor. No specific doubtful debt provision has been set up. The remaining receivables related to the procedure were fully written-down.

OTHER INFORMATION

Consolidated Non-Financial Report

The consolidated non-financial report ("Consolidated NFR") of Società per Azioni Esercizi Aeroportuali - SEA S.p.A., drawn up as per Legislative Decree 254/16, is a separate report (Sustainability Report) to this Directors' Report, pursuant to art. 5, paragraph 3(b) of Legislative Decree 254/16 and is available at www.seamilano.eu, in the "Sustainability" section.

Customer Care

The SEA Group has identified service quality and passenger satisfaction as strategic priorities for its growth and business success, and has therefore set itself the objective of achieving excellence with regard to passenger experience by adopting an approach geared towards the continuous improvement of service quality. For this purpose, SEA is committed to constantly enhancing, knowing and anticipating the ever-evolving needs and expectations of passengers, to improve every aspect of their experience at the Milan airports, in line with the best service standards offered by the main European airports.

The aim is to offer passengers and operators a safe environment and a modern, dynamic, hi-tech and pleasurable experience, distinctive features of Milan and the Lombardy Region as a whole, to which the city's airports are a gateway.

In line with this passenger-centric approach, SEA defined a specific Quality Management System some time ago. The system contributes to ensuring high process standards and the implementation of actions that have a positive effect on the performance levels provided both by SEA and the other operators.

Specifically, the SEA Quality Management System enables it to guide company decisions relating to the optimisation of the services provided and the implementation of new services. It also covers, among other matters:

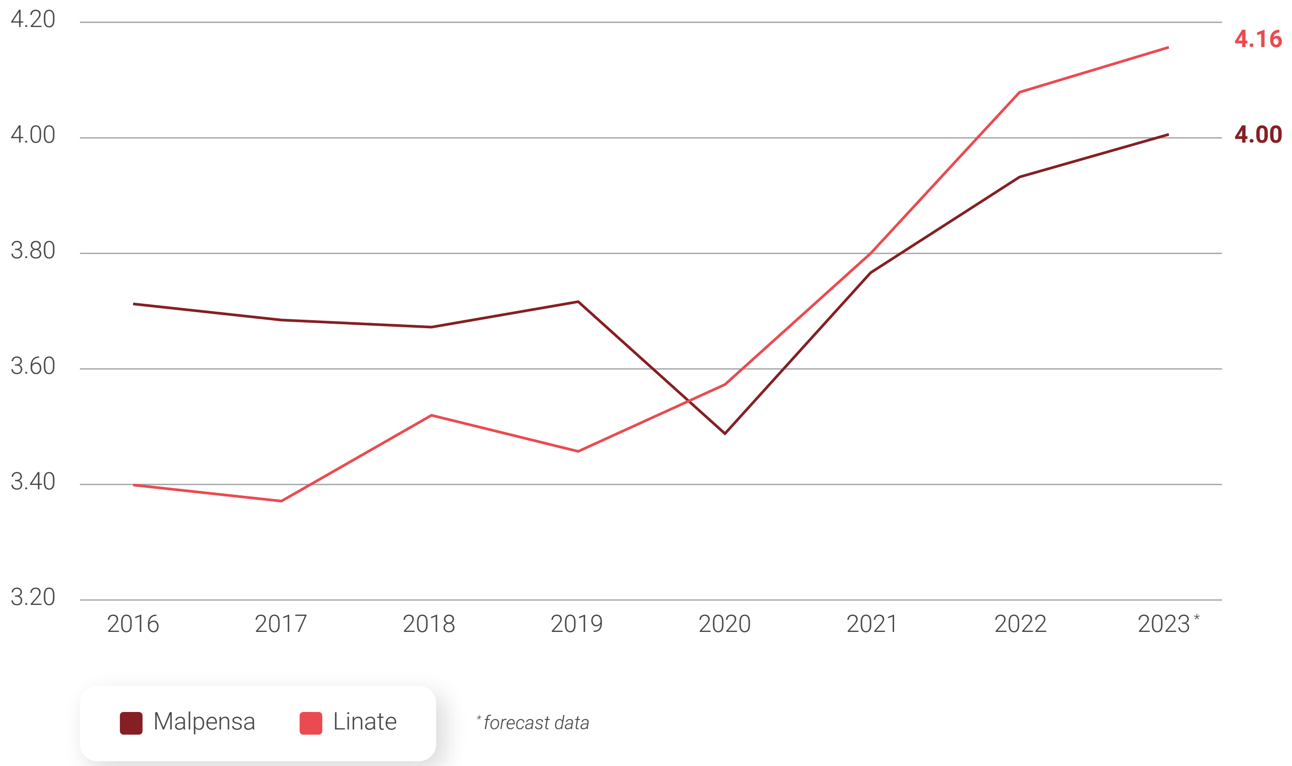
- The measurement of perceived quality, through interviews with a statistically significant sample of passengers and through specific qualitative research methods, including online research, shadowing and eye-tracking methods;
- The measurement of the quality provided, through the objective measurement of specific indicators observed and monitored directly in the field or by means of automated services. The indicators relate to primary operational services that have a strong impact on the passenger experience;
- Benchmarking, which enables comparison with and access to a network of leading international airports through the international ACI ASQ programme promoted by the World Association of Airports (of which SEA is a member);
- Service certifications and audit plans;
- An ongoing improvement plan that ensures the collection, monitoring and implementation of improvement initiatives identified with the involvement of passengers and stakeholders.

With the aid of the Quality Management System, in 2023, SEA ensured the achievement of high standards of quality and effectively managed the reopening of Malpensa Terminal 2 in May 2023, enabling an adequate response to the needs of SEA passengers.

SEA also renewed its membership of the ACI ASQ programme for 2023. Internationally, this has reported a gradual increase in the number of participating airports after a fall during the pandemic.

The programme enables a comparison with the world's leading airports, particularly those in Europe and Italy. Passenger satisfaction at Malpensa and Linate airports have improved steadily over the years. 2023 confirms the trend of improvement at Milan's airports, which are at average European levels, with Linate recording especially positive performance.

ACI ASQ Overall Satisfaction



Passengers particularly appreciated:

- The security services provided, with the support of the new EDSCB machines that do not require passengers to remove liquids and electronic devices from their hand baggage. EDSCB machines had already been installed in Linate (the first airport in Europe) and in 2023 were also rolled out to Malpensa Terminal 1. SEA has installed the latest machines which use CT technology to detect explosives in hand luggage, eliminating the need for passengers to remove liquids and electronic devices from their bags. The system significantly reduces waiting times and ensures an excellent passenger service by making security checks safer and faster.
- FaceBoarding, available at Linate as of May 15, 2023, for ITA Airways passengers to Rome Fiumicino was then extended to include SAS - Scandinavian Airlines passengers travelling to Stockholm Arlanda until the end of the planned trial in December 2023. FaceBoarding is a Biometric Passenger Journey (BPJ) system which, by detecting a passenger's face, means they do not need to show paper documentation at any point of their airport journey, from security screening procedures to boarding.
- The Entry Exit System (EES) project, which electronically registers the entry and exit of third-country nationals in the Schengen area, automatically calculating the length of their stay. By digitising certain processes, this European Commission project enables modernised and automated border management, increased security and more efficient border controls. SEA is preparing to facilitate new activities at border control before the system goes live, installing kiosks at Linate and Malpensa where passengers will register with the Central European System.

Also the restyling of the toilets, which continued in 2023, has resulted in aesthetic and functional improvements and was also very positively received by passengers. Further improvements were made to the **WIFI service** with fast, open, free access and with **charging points** for mobile devices.

Further technical and infrastructural work was performed in 2023 to support the customer experience at Malpensa Terminal 2:

- 21 self-bag-drop stations were introduced at **check-in**, allowing travellers to drop off their checked baggage independently.
- the entire **security control** area has been completely renovated with a more functional layout.
- There was a particular focus on improving the **commercial offer** for passengers with a completely new duty free with an area of more than 1,500 m^2 and a host of food and beverage outlets with innovative formulas and some seen for the very first time in Italy.

Confirming its commitment to disability issues, SEA has also launched a collaboration with trade associations for the rights of disabled people in order to create the conditions to also improve the passenger experience of this type of user. The collaboration will be supported by experts with extensive and proven experience and people with disabilities, who can verify the effectiveness of services.

European project

SEA is involved in international research and innovation projects, co-financed by the European Union, mainly focussed on environmental, sustainable transport and safety/security issues. Activities related to the following projects are ongoing under the Horizon 2020 and CEF (Connecting Europe facilities) programme:

- PASS4CORE: work began on April 1, 2020, and will be completed by June 2024. The context for this proposed action is the development and improvement of a safe and protected parking network for HGVs along Italy's primary road network. The initiative involves several public and private stakeholders. For SEA, the aim is to create a new area designed to satisfy the various requests expressed by road hauliers at Cargo City Malpensa. Specifically, there are plans for a "safe" and well-equipped car park with protection systems, an adequate service offer for the drivers and technical services for the vehicles.
- MXP-NLINE: Work began in April 2020, and will be completed by June 2024. The project, in a partnership with FERROVIENORD, involves the construction of a rail connection between Terminal 2 at Milan Malpensa Intercontinental Airport and the Sempione train station.
- RE-MXP: this project involves improving the drainage system to reduce flood risks, interventions to mitigate earthquake risk and the development of a smart monitoring system as part of the multi-risk framework. Project completion is scheduled in 2026. For further details, see the Climate Change section of this report.
- U-ELCOME: U-space European COMmon dEpLoyment. The project, coordinated by EUROCONTROL, seeks to integrate air traffic management (ATC) and eVTOL-based services/systems (U-Space) for the transport of goods and people. The project began in November 2022 and is expected to last 36 months.
- eMAGO (electrification of Milan Airports' Ground Operations): this project was launched in November 2022 and relates to the implementation of sustainable and innovative solutions, offering two key solutions to supply energy to both Linate and Malpensa airports.
- MEGA 2(Milan East hub GAte): Work began in March 2020, and was completed in December 2022. The aim of the initiative, developed in partnership with the Municipality of Milan, the Municipality of Segrate, and RFI, is to design the multimodal infrastructure of the "Milano Porta Est Hub", including the Segrate Port Est High-Speed Station and the station link with Milan Linate Airport. The previous phase (preliminary design) was completed in December 2022.
- OLGA: hOListic & Green Airport. The project started in October 2020 and will last 60 months. The OLGA project seeks to minimise the carbon footprint in the aviation sector resulting from the 2024 (Paris) and 2026 (Milan-Cortina) Olympic Games, which have the potential to harm biodiversity and exacerbate air pollution. To accomplish this, the project intends to develop environmental innovations for green airports, which can be adapted and replicated in other airports and settings. SEA is overseeing the most relevant workpackage (WP5) as the WP leader, which requires significant investment and personnel resources. The workpackage focuses on energy, with a particular emphasis on hydrogen. SEA has agreed to design, install, and trial a "green H2 hub".

- ORCHESTRA: Coordinating and synchronising multimodal transport improving road, rail, water and air transport through increased automation and user involvement.

  The three-year project began in May 2021 and will conclude in April 2024. The project seeks to create a multi-modal traffic management ecosystem (MTME) which will enhance the coordination and synchronisation of operations within and between different modes of transport, and will help to improve safety, increase accessibility, and reduce emissions.

Human resources

	HEADCOUNT at December 31			FTE* January/December		
Category	**2023**	**2022**	**Change**	**2023**	**2022**	**Change**
Executives	48	46	2	46	45	1
Senior Managers	257	260	(3)	256	272	(16)
White-collar	1,515	1,507	8	1,501	1,591	(90)
Blue-collar	529	549	(20)	525	593	(68)
Temporary	201	208	(7)	182	126	56
Total	**2,550**	**2,570**	**(20)**	**2,510**	**2,627**	**(117)**

** Full time equivalent.*

At December 31, 2023, SEA Group employees numbered 2,550, decreasing by 20 on the end of 2022 (-0.8%). The number of Full time equivalent employees in 2023 compared to the previous year decreased 117 from 2,627 to 2,510 (-4.5%).

Females at the SEA Group represented 34% of the Headcount at December 31, 2023, equally distributed across classifications.

Organisation and management of personnel

In FY 2023, an update of the Whistleblowing procedure for reporting improper conduct was released, in order to incorporate the regulatory updates, set out in Legislative Decree 24/2023. As part of the initiatives implemented to obtain the gender equality certification, the "Gender Equality Policy" was drawn up and the "Gender Equality, Fairness and Inclusion Committee" established.

Organisational measures were adopted, with particular reference to the operating areas, to match skill sets and coordinate airport area specialisations.

Training

As regards training, the main activities ensured that the company met its training obligations in line with European and national regulations, particularly in terms of **EU Regulation 139 EASA**. According to this regulation, a special focus must be placed on deadlines for introductory and recurrent courses to comply with the regulation itself, identifying new channels and methods of running Airside Safety, Aeronautical Emergency Plan, Safety Net, Recurrent Licence and Operating Procedures courses. The Assessor and Instructor on Job qualification remains in place operating by means of the strict checking of deadlines and teaching ad hoc sessions. There was specialist top and middle management training on the compliance issues of Change Management at Aerodromes, Safety Investigation, Aviation Auditor and Emergency Response Planning. The refresher courses for all staff involved in **Winter Operations** also fall within the safety obligations.

As regards the **National Security Plan**, in addition to adapting the A13, A15 and Cybersecurity category **Security** courses, special training courses have been developed in association with Security Compliance to hire new Qualified Security Guards.

Regarding **Workplace Safety**, there was a strong commitment to ensuring the five-year staff update deadline was met. In application of the DM 2-9-2021 regulations, the programmes and courses dedicated to **Emergency Management Personnel** training were updated. Exam sessions for the certification of new Personnel were conducted in association with the Varese

Provincial Command of Firefighters. Numerous sessions were planned of courses dedicated to Equipment to ensure the use of vehicles in line with the **2012 State-Regions Agreement**. In compliance with the ENAC GEN02B and CE1107/06 provisions regarding **Reduced Mobility Passengers**, a dedicated training course was organised to provide an annual update for all support staff.

Lastly, there was a particular focus on the subject of "safe conduct" as SEA participated in the training break initiative promoted by Confindustria. On the same theme, a training course was launched in association with Istituto Piepoli, dedicated to operations management personnel.

People engagement, employer branding and competences management

In line with previous efforts, training activities focused on initiatives to improve employee skills in 2023.

The techniques used to manage the airport system's full recovery have led to a renewed focus on the "blended model", which includes a combination of classroom, e-learning, and distance learning. By providing incentives for the use of the GoodHabitz platform, introduced in 2021, the right mix has been created between training courses that support the platform courses with classroom sessions managed by experts to consolidate the skills learned.

The development of cross-departmental and managerial skills played a central role in the "SEA People Manifesto" for training all SEA People Managers.

SEAAcademy has strengthened its role as a benchmark for training by consolidating the first team of teachers (66 people) who have completed their training course and initiated their classroom activity.

Welfare

FY 2023 featured numerous welfare initiatives, benefitting SEA personnel, some of which were also linked to participation in the WHP program (in 2023 SEA committed to supporting the conscious adoption of an active lifestyle and creating a smoke-free environment, encouraging its personnel to stop smoking). SEA's Welfare Pillars are: Health, Children's Education and Well-being.

Specifically, as regards Health, a BLSD course was held, there was a skin cancer prevention campaign, and a Telemedicine project was implemented. There was also an anti-flu jab campaign in line with previous years. As regards Education, a total of 493 merit-based scholarships were provided for secondary and university education. In terms of Well-being, a functional portal was implemented to promote mental and physical well-being.

Across the initiatives described above, SEA granted a "Welfare Award" to benefit all employees, to be spent through a flexible benefits portal.

There was continued appreciation for the numerous existing initiatives, including the mobility initiative (50% company contribution to the cost of annual ATM and Trenord annual tickets).

Labour/management relations

In 2023, there were ongoing discussions with the Trade Unions on both operational issues and new company projects (e.g. reorganisation of workshops and maintenance areas, reopening of Terminal 2, training projects, employment of outsourced staff to handle the summer season increase in traffic).

On January 12, 2023, two separate agreements were signed to streamline maintenance processes and to identify possible solutions to cover the operational need for specialist drivers. The first agreement introduced two professional figures. The second agreement, meanwhile, established internal selection criteria to seek specialist drivers, including through specific training courses.

On September 20, 2023, a new agreement was signed to regulate participation in the Snow Emergency Programme, defining:

- new personnel selection criteria;
- new hiring methods and new compensation for related activities.

Given the recovery of air traffic, the results achieved in terms of quality of service and the company's reputation, but also with a view to providing practical support for the increase in the cost of living owing to inflation, on October 12, 2023, an agreement was signed to introduce a financial contribution of Euro 1,000 to welfare credit for each employee.

Also in 2023, nine agreements were signed to access the training plans funded by Fondimpresa.

Occupational health and safety

Taking into account full recovery of pre-Covid traffic volumes, the SEA accident and injury rate performance was good, remaining well below the values preceding the pandemic period.

In 2023, SEA successfully passed the surveillance audit conducted by the external accredited body (RINA), necessary to retain the SGSSL (Workplace Health and Safety Management System) certification, in line with the relevant standard ISO 45001:2018. The SGSSL has been constantly monitored by means of internal audits, follow-ups, audits of contractors/subcontractors and retail/non-retail concessionaires, in order to assess the adequacy of the prevention and protection measures implemented. The Safety Walk (on-site operations monitoring) activity continued, performed by HSW, with the involvement and contribution of other departments (Maintenance, Infrastructures Development and Operations).

As regards the Fire Prevention and Emergency Management activity, the emergency and evacuation drills were successfully completed, in line with the established plan. All the improvements were managed and reported in the Fire Fighting Register, where the analysis of the causes and the identification of improvement and/or corrective actions, if necessary, are also entered. The emergency plan review process continued, particularly the plan for Terminal 2, which reopened on May 31, 2023, with the inclusion of a specific annex for coordinated emergency management with the company that manages the duty free.

Certain Risk Assessment Documents were also updated, including the risk assessments for work-related stress, chemical, biological and legionella risk, smart working, pregnant workers, assault, violence and harassment in the workplace, electrocution, high-frequency electromagnetic fields and of some of the buildings and workplaces. Radioprotection experts duly performed the periodic monitoring activities, and instrumental testing of the x-ray equipment present and in use by SEA personnel. The standard employee risk assessment was also prepared.

Relations continue with the public entities on issues of occupational health and safety (ATS (Health and Safety Authority), INAIL, (National Institute for the prevention of workplace accidents), and from time to time they support the corporate functions involved.

CORPORATE GOVERNANCE SYSTEM

SEA has already since June 27, 2001 complied with the Self-Governance Code for listed companies issued by the Corporate Governance Committee of Borsa Italiana S.p.A., renamed the Corporate Governance Code, edition January 2020 (the "Code").

The Company therefore annually prepares the Corporate Governance and ownership structure report, which outlines the Corporate Governance structure adopted by SEA and provides information on the means for the implementation of the recommendations of the Code. The report is available on the website www.seamilano.eu.

In 2023, SEA implemented a comprehensive process for the update and review of the Corporate Governance Report text in order to better represent the existing measures and those recommended in the Code more effectively, according to the best practices in the field and with a view to constant improvement, also in relation to the current sustainability topics.

Reference should be made to the aforementioned report, approved by the Company Board of Directors, which contains the information required by Article 123-bis, paragraph 3 of Legislative Decree No. 58 of February 24, 1998 ("CFA").

The company is not subject to management and co-ordination pursuant to Article 2497 and subsequent of the Italian Civil Code.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Introduction

The Internal Control and Risk Management System consists of a set of rules, procedures and organisational structures aimed at the effective and efficient identification, measurement, management and monitoring of the main risks, in order to contribute to sustainable success. Within the framework of a corporate strategy geared towards the integration of business objectives with those of sustainability, this system is aligned with the recommendations of the Corporate Governance Code and best practices in the field. The Chief Executive Officer was appointed by the Board of Directors to oversee the Internal Control and Risk Management System features, a description of which is included the Corporate Governance and Ownership Structure Report.

Main features of the risk management and internal control systems in relation to the financial reporting process contained in the financial statements and in the half-year report

SEA's Internal Control System on financial reporting ensures the exchange of data and information with its subsidiary companies and implements its coordination. In particular, this activity is carried out through the dissemination, by the SEA parent company, of regulations on the application of the accounting policies for the preparation of the SEA Group consolidated financial statements and the procedures regulating the drafting of the separate and consolidated financial statements and half-year financial statements and reports. The setting of controls occurs at the end of a process carried out by the SEA parent company according to a targeted approach to identify the individual organisational entities' typical critical issues that could have significant impacts on financial reporting.

Description of the risk management and internal control systems' main features in relation to the financial reporting process

As regards the financial reporting process, the risk management system should not be considered as distinct from the internal control system. The System is intended to ensure the trustworthiness, accuracy, reliability and timeliness of financial reporting.

The Risk Management and Internal Control System's monitoring process over financial reporting is divided into the following phases:

1. Identification of risks on financial reporting: the activity is carried out with reference to the SEA separate financial statements and the SEA Group consolidated financial statements, taking qualitative and quantitative aspects into account primarily for the selection of the relevant companies to be included in the analysis and, thereafter, of significant transactions.

2. Assessment of risks on financial reporting: risks are assessed in terms of the potential qualitative and quantitative impact. Risk assessment is carried out at both the individual company and specific process levels.

3. Identification of controls implemented to mitigate previously-identified risks, both at the individual company and process levels.

The Internal Control and Risk Management System's components described in the Corporate Governance and Ownership Structure Report are mutually coordinated and interdependent and the System as a whole involves - with different roles and according to a rationale of collaboration and coordination - administrative bodies, supervisory and control bodies, and the company and SEA Group management.

Control, Risks and Sustainability Committee

The Control, Risks and Sustainability Committee (CRSC), appointed by the Board of Directors on May 31, 2022, and in office at December 31, 2022, was composed of three Non-Executive Independent Directors and performed advisory and recommendation functions to the Board of Directors on internal control and risk and sustainability management. The CRSC supports the Board of Directors with the definition of the guidelines of the Internal Control and Risk Management System, so that the principal company risks are correctly identified, adequately measured, managed and monitored. It also implements the Board's guidelines by defining, managing and monitoring the internal control system. The Committee examines the Annual Audit Plan approved by the Board of Directors.

The Committee also fulfils the functions of Related Parties Committee (except for transactions concerning matters that are the exclusive prerogative of the Remuneration and Appointments Committee) and the sustainability topic functions.

Internal Audit Manager

The audit on the suitability and adequacy of the Internal Control and Risk Management System is entrusted to the Internal Audit Department. The Internal Audit Manager and the entire department report hierarchically to the Board of Directors, and thus to the Chairperson. The independence of the department is assured by the fact that it is impossible for the Internal Audit Manager or any Auditing personnel to take on operating roles of any kind within the Group. The Internal Audit Manager has autonomy in expenditure and extends his/her activities to all the companies in the SEA Group through specific service contracts. The Auditing Department is entrusted with auditing the effectiveness, suitability and upkeep of the Organisation and Management Model pursuant to Legislative Decree No. 231/2001, on the instructions of the SEA Supervisory Boards and the subsidiary companies. The Auditing Department was also assigned, with Board of Directors' motion of February 22, 2018, the responsibility to check the adequacy and effective implementation of SEA's Corruption Management and Prevention System, certified as per the UNI ISO 37001:2016 standard.

Independent Audit Firm

EY SpA is the Independent Audit Firm appointed to audit the separate and consolidated annual financial report, to periodically verify corporate accounting practices and to carry out the limited audit of the SEA consolidated half-year financial report. The appointment was made by the Shareholders' Meeting on April 28, 2023 for the fiscal years 2023-2031. The Board of Statutory Auditors and the Independent Audit Firm regularly exchange information and data in relation to the controls carried out.

Supervisory Board as per Legislative Decree 231/2001

The Supervisory Board, appointed by the Board of Directors on May 31, 2022 and in office at December 31, 2023, is composed of four members: two external independent members, one Non-Executive Independent director, and the Head of Auditing.

The Supervisory Board regularly reports to the Board of Directors on the Model's effectiveness, its suitability and upkeep. It sends a written report to the Board of Directors every six months and annually on the 231/01 Model's implementation status and, in particular, on controls and audits performed and on any critical issues that emerged.

The Supervisory Board has autonomous powers of initiative, control and expenditure.

Organisation, Management and Control Model pursuant to Legislative Decree 231/2001

SEA has adopted an Organisation and Management Model pursuant to Legislative Decree 231/2001 - which lays down the "*Rules on the administrative liability of legal persons, companies and associations, including those without legal status*" (the "Decree") to prevent the offences envisaged by the Decree. The Model was adopted by the SEA Board of Directors by motion of December 18, 2003 and more recently amended and supplemented by the Board of Directors motion of May 31, 2022, and includes all the offences listed by the Decree at that date. The Model consists of a "General Section", a "Special Section" and individual "Components". SEA's subsidiary companies have adopted their own Organisation and Management Model pursuant to Legislative Decree 231/2001.

Whistleblowing - Managing reports

In line with international best practices and in full compliance with applicable regulations, SEA has adopted a process for collecting and managing reports (whistleblowing).

To enable reports to be submitted, SEA has launched an online whistleblowing platform that allows anyone (employees, collaborators, suppliers, and other individuals) to submit reports, including anonymously if they so wish. Individuals can also submit reports by regular mail.

The reporting management process is defined in a specific procedure applicable to SEA S.p.A. and adopted by its subsidiaries, in line with their organisational structures. The procedure specifically lists the reporting channels, receiving bodies, and verification process. It also defines the safeguards put in place for whistleblowers and the confidentiality obligations, in line with the regulations in force.

The Whistleblowing platform and the reporting Policy were updated in July 2023 in accordance with provisions of Legislative Decree No. 24 of March 10, 2023, "*Implementation of Directive (EU) 2019/1937 of the European Parliament and of the Council of October 23, 2019, on the protection of persons who report breaches of EU law and on provisions concerning the protection of persons who report breaches of national laws*".

Anti-Corruption Focal Point

Since 2014, the company has an appointed anti-corruption officer, currently the Legal Affairs Manager - Staff Services and Legal compliance, tasked with all internal and external anti-corruption communications, and currently identified in the Corporate Affairs and Compliance Legal Counselling Manager. The role, prerogatives and responsibilities of the anti-corruption officer are not comparable to those envisaged by the reference legislation regarding the figure of the Corruption Prevention Officer, as per Law 190/2012, which SEA is not required to appoint on the basis of current legislation.

Anti-corruption Measures

In confirmation of its commitment to preventing and combating illegal practices, SEA has adopted on a voluntary basis, in the absence of any regulatory obligation, specific anti-corruption measures as per the objectives of Law No. 190/2012, which support the Organisation and Management Model pursuant to Legislative Decree 231/2001. The anti-corruption measures were approved by the Board of Directors on February 6, 2020. The document includes the prevention measures set out in the Anti-Bribery Management System, approved by the Board of Directors on February 22, 2018 and certified on March 8, 2018 according to the UNI ISO 37001:2016 "Anti-bribery Management System" standard. The certification was renewed until March 2027 following an external audit.

On March 24, 2023, SEA's Board of Directors approved the document "Bribery Prevention Policy UNI ISO 37001:2016", which replaces the similar document approved by the Board of Directors on February 22, 2018.

Related Parties Transactions Policy

The company has adopted a Related Parties Transactions Policy (the "RPT Policy"), in effect since February 2, 2015. The Policy was updated by Board of Directors' motion of December 20, 2023.

The RPT Policy is also available on the company's website www.Seamilano.eu.

In assessing the substantial and procedural correctness of transactions with related parties, the Board of Directors is assisted by the Related Parties Committee which is identical to the Control, Risks and Sustainability Committee or the Remuneration and Appointments Committee, depending on the matters dealt with from time to time. For further information on the Related Party Transactions Policy reference should be made to the Corporate Governance and Ownership Report.

Code of Ethics

The Code of Ethics, approved by the Board of Directors on December 21, 2020, published on the Company's website, reflects the Group's value system and ethical vision. It also dictates the rules of conduct recipients are required to follow and the conduct behaviour to be adopted with regard to stakeholders. The Code of Ethics is a component of the Organisation and Management

Model as per Legislative Decree No. 231/2001.

The Ethics Committee, appointed by the Board of Directors on May 31, 2022, is chaired by the Chairperson of the Board of Directors, Michaela Castelli, and includes as, members the Non-Executive Director of SEA Franco D'Alfonso, and the heads of the Human Resources, Health & Safety at Work, and Auditing departments, Massimiliano Crespi and Rossella De Bartolomeo respectively. The main duties of the Ethics Committee are to promote the dissemination of the Code of Ethics and to monitor compliance with it.

SEA's subsidiaries have adopted the Parent Company's Ethics Committee as their own Ethics Committees, which also performs functions on their behalf.

Diversity policies

The obligations of article 123*bis*, paragraph 2 of Legislative Decree No. 58/1998 require a description of the Company's policies on the composition of the administrative, management and governing bodies taking into account aspects such as age, gender, professional and educational background. For cases where no policy has been adopted, there is a requirement to explain this decision. Reference should be made to the Corporate Governance and Ownership Report.

BOARD OF DIRECTORS' PROPOSALS TO THE SHAREHOLDERS' MEETING

The Board of Directors approves the 2023 Financial Statements of SEA S.p.A., prepared in accordance with IFRS, which report a net profit of Euro 153,016,747.19.

The Board of Directors proposes to allocate the profit for 2023 amounting to Euro 153,016,747.19 as follows:

1. Euro 153,000,000.00 as dividend to Shareholders, of Euro 0.6120 per share;
2. Euro 16,747.19 to the Extraordinary Reserve.

It also proposes the distribution to shareholders of available reserves for Euro 40,000,000.00, corresponding to Euro 0.16 per share.

This proposal is consistent with SEA's development plans and is based on SEA's FY 2023 results, the Company's strong balance sheet and also its strong future prospects.

The Chairperson of the Board of Directors
Michaela Castelli

SHAREHOLDERS' MEETING MOTIONS

The Shareholders' Meeting of SOCIETA' PER AZIONI ESERCIZI AEROPORTUALI S.E.A., held on May 6, 2024, approved:

1. the 2023 financial statements of SEA, prepared in accordance with IFRS, which report a net profit of Euro 153,016,747.19;
2. the allocation of the net profit for 2023 of Euro 153,016,747.19 as follows:
   - Euro 153,000,000.00 as dividend, for Euro 0.6120 per share;
   - Euro 16,747.19 to the Extraordinary Reserve;
3. to establish the date for the settlement of the dividend as from June 5, 2024, with any rounding on payment allocated to the extraordinary reserve.

The Shareholders' Meeting also approved:

- the distribution of available reserves for Euro 40,000,000.00, corresponding to Euro 0.16 per share;
- the establishment of the payment of the aforementioned reserves as from June 5, 2024, with any rounding on payment allocated to the extraordinary reserve.

The Chairperson of the Board of Directors
Michaela Castelli

SEA GROUP CONSOLIDATED FINANCIAL STATEMENTS

SEA Group Consolidat Financial Statement

FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

(Euro thousands)	Note	December 31, 2023 Total	December 31, 2023 of which related parties	December 31, 2022 Total	December 31, 2022 of which related parties
Intangible assets	8.1	993,513		991,309	
Property, plant & equipment	8.2	99,615		91,478	
Leased assets right-of-use	8.3	13,002		14,008	
Investment property	8.4	3,398		3,399	
Investments in associates	8.5	84,560		82,178	
Other investments	8.6	1		1	
Deferred tax assets	8.7	68,209		111,768	
Other non-current receivables	8.8	14,921	175	60,496	
Total non-current assets (A)		**1,277,219**	**175**	**1,354,637**	**0**
Inventories	8.9	2,730		1,558	
Trade receivables	8.10	153,058	18,997	122,628	13,026
Tax receivables	8.11	459		4,769	
Other current receivables	8.11	5,089		6,853	442
Current financial receivables	8.12	125,168			
Cash and cash equivalents	8.13	91,123		160,341	
Total current assets (B)		**377,627**	**18,997**	**296,149**	**13,468**
Assets held-for-sale and discontinued operations (C)	**6.1**	**8,751**			
TOTAL ASSETS (A+B+C)		**1,663,597**	**19,172**	**1,650,786**	**13,468**
Share capital	8.14	27,500		27,500	
Other reserves	8.14	315,310		132,876	
Group Net Result	8.14	156,207		182,460	
Group shareholders' equity		**499,017**		**342,836**	
Minority interest shareholders' equity		**31**		**31**	
Group & Minority int. share. equity (D)	**8.14**	**499,048**		**342,867**	
Provision for risks and charges	8.15	195,156		229,124	
Employee provisions	8.16	27,406		30,942	
Non-current financial liabilities	8.17	473,896		519,516	
Other non-current payables	8.18	1,821		6,590	
Total non-current liabilities (E)		**698,279**		**786,172**	
Trade payables	8.19	185,322	9,954	190,558	8,641
Income tax payables	8.20	21,009		11,467	
Other payables	8.21	228,559		290,727	
Current financial liabilities	8.17	27,496		28,995	
Total current liabilities (F)		**462,386**	**9,954**	**521,747**	**8,641**
Liabilities related to assets held-for-sale and discontinued operations (G)	**6.1**	**3,884**			
TOTAL LIABILITIES (E+F+G)		**1,164,549**	**9,954**	**1,307,919**	**8,641**
TOTAL LIAIBILITIES & SHAREHOLDERS' EQUITY (D+E+F+G)		**1,663,597**	**9,954**	**1,650,786**	**8,641**

CONSOLIDATED INCOME STATEMENT

(Euro thousands)	Note	2023 Total	2023 of which related parties	2022 restated Total	2022 restated of which related parties
Operating revenues	9.1	762,732	74,511	734,840	53,075
Revenue for works on assets under concession	9.2	38,373		32,676	
Total revenues		**801,105**	**74,511**	**767,516**	**53,075**
Operating costs					
Personnel costs	9.3	(178,583)		(192,527)	
Consumable materials	9.4	(9,228)		(10,505)	
Other operating costs	9.5	(241,806)		(243,403)	
Costs for works on assets under concession	9.6	(36,204)		(30,832)	
Total operating costs		**(465,821)**	**(37,606)**	**(477,267)**	**(98,181)**
Gross Operating Margin		**335,284**	**36,905**	**290,249**	**(45,106)**
Provisions & write-downs	9.7	(6,164)		4,745	
Restoration and replacement provision	9.8	(52,521)		(30,671)	
Amortisation & Depreciation	9.9	(70,389)		(64,823)	
Operating result		**206,210**	**36,905**	**199,500**	**(45,106)**
Investment income/(charges)	9.10	12,756	12,756	15,530	17,463
Financial income/(charges)	9.11	4,274		(17,391)	607
Pre-tax result		**223,240**	**49,661**	**197,639**	**(27,036)**
Income taxes	9.12	(67,804)		(13,149)	
Continuing Operations result (A)		**155,436**	**49,661**	**184,490**	**(27,036)**
Net result from assets held for sale (B)	**6.1 / 9.13**	**775**		**(2,027)**	
Minority interest profit (C)		**4**		**3**	
Group Net Result (A+B-C)		**156,207**	**49,661**	**182,460**	**(27,036)**
Basic net result per share (in Euro)	9.14	0.62		0.73	
Diluted net result per share (in Euro)	9.14	0.62		0.73	

In accordance with IFRS 5, the 2022 figures were reclassified.

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(Euro thousands)	2023 Total	2023 of which related parties	2022 Total	2022 of which related parties
Group Net Result	**156,207**	**49,661**	**182,460**	**(27,036)**
- Items not reclassifiable in future periods to the net result:				
Actuarial gains/(losses) on post-employment benefits	(34)		5,881	
Tax effect on actuarial gains/(losses) on post-employment benefits	8		(1,411)	
Total items not reclassifiable, net of tax effect	**(26)**		**4,470**	
Total other comprehensive income items	**(26)**		**4,470**	
Total comprehensive result	**156,181**		**186,930**	
Attributable to:				
- Parent company shareholders	156,177		186,927	
- Minority interest	4		3	

CONSOLIDATED CASH FLOW STATEMENT

	2023		2022 restated	
(Euro thousands)	Total	of which related parties	Total	of which related parties
Cash flow from operating activities				
Pre-tax result	223,240		197,639	
Adjustments:				
Amortisation, depreciation and write-downs	70,389		64,823	
Net change in provisions (excl. employee provision)	22,431		7,925	
Changes in employee provisions	(3,709)		(7,844)	
Net changes in doubtful debt provision	(5,714)		(5,687)	
Net financial charges	(4,274)		17,391	
Investment (income)/charges	(12,756)		(15,530)	
Cash-in from the Ministry of Infrastructure and Transport (excluding interest)	(39,112)			
Other non-cash changes	(6,633)		13,582	
Cash flow from operating activities before changes in working capital	**243,862**		**272,299**	
Change in inventories	(826)		35	
Change in trade and other receivables	(21,547)	(5,529)	(26,028)	(1,280)
Variazione altre attività non correnti	(9)			
Change in trade and other payables	11,058	1,313	64,124	(13,236)
Cash flow from changes in working capital	**(11,324)**	**(4,216)**	**38,131**	**(14,516)**
Income taxes paid	(9,975)		(2,115)	
Cash-in from the Ministry of Infrastructure and Transport (including interest)	50,609			
Cash flow generated /(absorbed) from operating activities	**273,172**	**(4,216)**	**308,315**	**(14,516)**
Investments in fixed assets:				
- intangible assets (*)	(43,922)		(40,033)	
- tangible assets and property	(32,718)		(12,338)	
- investments in associates	(1,960)	(1,960)	(1,169)	(1,169)
Divestments from fixed assets:				
- tangible assets and intangible	2			
- in associates	7,400			
Cash-in from the sale of SEA Energia			31,261	
Dividends received	6,151	6,151	1,757	1,757
Cash flow generated /(absorbed) from investing activities	**(65,047)**	**4,191**	**(20,522)**	**588**
Change in gross financial debt:				
- increase/(decrease) of short & medium-term debt	(47,939)		(264,045)	
Changes in other financial assets/liabilities	(127,050)		18,389	20,542
Dividends distributed	(84,710)	(84,710)	(2)	
Interest and commissions paid	(18,571)		(16,102)	
Interest received	927		135	
Cash flow generated /(absorbed) from financing activities	**(277,343)**	**(84,710)**	**(261,625)**	**20,542**
Increase/(decrease) in cash and cash equivalents	**(69,218)**	**(84,735)**	**26,168**	**6,614**
Opening cash and cash equivalents	160,341		134,173	
-Closing cash and cash equivalents	91,123		160,341	

In accordance with IFRS 5, the 2022 figures were reclassified.

(*) The investments in intangible assets are net of the utilisation of the restoration provision, which in 2023 amounted to Euro 32,831 thousand (Euro 21,804 thousand in 2022).

STATEMENT OF CHANGES IN CONSOLIDATED SHAREHOLDERS' EQUITY

(Euro thousands)	Share capital	Legal reserve	Retained losses L.178 December 30, 2020	Other reserves and retained earnings	Actuarial gains/(losses) reserve	Derivative contracts hedge accounting reserve	Net result	Consolidated shareholders' equity	Minority interest capital & reserves	Group & Minority int. share. equity
Balance at December 31, 2021	**27,500**	**5,500**	**(120,367)**	**322,908**	**(4,516)**	**0**	**(75,119)**	**155,906**	**31**	**155,937**
Transactions with shareholders										
Allocation of 2021 net result				(75,119)			75,119	0	(3)	(3)
Other movements										
Other comprehensive income statement items result					4,470	0		4,470		4,470
Net result							182,460	182,460	3	182,463
Balance at December 31, 2022	**27,500**	**5,500**	**(120,367)**	**247,789**	**(46)**	**0**	**182,460**	**342,836**	**31**	**342,867**
Transactions with shareholders										
Allocation of 2022 net result			120,367	62,093			(182,460)	0	(4)	(4)
Other movements										
Other comprehensive income statement items result					(26)	0		(26)		(26)
Net result							156,207	156,207	4	156,211
Balance at December 31, 2023	**27,500**	**5,500**	**0**	**309,882**	**(72)**	**0**	**156,207**	**499,017**	**31**	**499,048**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Società per Azioni Esercizi Aeroportuali SEA is a limited liability company, incorporated and domiciled in Italy according to Italian Law (the "Company").

The Company's headquarters are located at Milan Linate Airport in Segrate (Milan).

The Company and its subsidiaries (jointly the "**Group**" or the "**SEA Group**") manages Milan Malpensa Airport and Milan Linate Airport under the 2001 Agreement signed between SEA and ENAC with a forty year duration (renewing the previous agreement of May 7, 1962).

With the conversion into law of Legislative Decree No. 34 of May 19, 2020 ("Relaunch Decree"), the extension of the existing airport concessions for a further two years was approved, so the duration of the concession has been extended to 2043.

SEA and the Group companies, in the running of the airports, are involved in the management, development and maintenance of the infrastructure and plant at the airports and offer customers all flight related services and activities, such as the landing and departure of aircraft and the airport security services (Aviation business); these companies in addition provide a wide and specialised range of commercial services for passengers, operators and visitors, both managed directly and outsourced (Non-Aviation business).

SEA decided in 2021 to divest of the energy business line. On September 29, 2023, SEA S.p.A. completed the sale of the entire stake in SEA Energia SpA to the company A2A Calore & Servizi S.r.l.. In 2022, the "Discontinued operations profit/(loss)" includes the income statement of SEA Energia, with the appropriate IAS/IFRS adjustments.

On July 4, 2023, SEA S.p.A. and BCUBE Air Cargo SpA signed the agreement for the sale of the minority holding in the company Malpensa Logistica Europa SpA, held until that date by SEA SpA. Therefore, IFRS 5 was applied to the Group's consolidated financial statements.

The SEA Group, through the company SEA Prime, manages the general aviation activities, offering high added-value services and facilities.

The SEA Group, through the company Airport ICT Services, manages the provision and design of information systems and provides support for their use. On November 16, 2023, a public tender procedure for the sale by SEA of all the company's shares in Airport ICT Services and for the assignment of the ICT services provided by Airport ICT Services to SEO, selecting Lutech S.p.A. as the company awarded the contract, was concluded. Following the awarding of the contract, the transaction, which is subject to the usual conditions in line with market practices, including securing approvals from the anti-trust authority and as per the Golden Power rules, is expected to be completed within Q1 2024. Therefore, IFRS 5 was applied to the Group's consolidated financial statements for the subsidiary Airport ICT Services.

The Group holds at December 31, 2023 the following investments in associates, which are measured under the equity method: (i) Dufrital (held 40%) which undertakes commercial activities at various Italian airports, including Milan, Bergamo, Florence, Genoa and Verona; (ii) Area Food Services (held 40%) which operates in the catering sector for the Milan airports; (iii) Disma (held 18.75%) which manages a plant for the storage and distribution of aviation fuel at Milan Malpensa Airport; (iv) SACBO (held 30.98%) which manages the airport of Bergamo, Orio al Serio, and (v) Airport Handling SpA (held 30%), which provides passenger, cargo and aircraft and crew support services to a number of airlines.

The activities carried out by the SEA Group, as outlined above, are therefore structured into the business units Commercial Aviation and General Aviation, with the Group sourcing revenues as illustrated in paragraph 7 "Operating segments".

2. SUMMARY OF ACCOUNTING PRINCIPLES ADOPTED

The main accounting principles applied for the preparation of the 2023 financial statements are reported below, in accordance with the amendment to IAS 1.

The Consolidated Financial Statements at December 31, 2023, and the tables included in the explanatory notes are prepared in thousands of Euro.

2.1 Basis of preparation

The Consolidated Financial Statements includes the Consolidated Statement of Financial Position, the Consolidated Income Statement, the Consolidated Comprehensive Income Statement, the Consolidated Cash Flow Statement, the Statement of Changes in Consolidated Shareholders' Equity and the relative Explanatory Notes.

The consolidated financial statements at December 31, 2023, were prepared in accordance with IFRS in force at the approval date of the financial statements and the provisions enacted as per Article 9 of Legs. Decree No. 38/2005. The term IFRS includes all of the International Financial Reporting Standards, all of the International Accounting Standards and all of the interpretations of the International Financial Reporting Interpretations Committee (IFRIC) previously called the Standing Interpretations Committee (SIC) approved and adopted by the European Union.

In relation to the presentation method of the financial statements "the current/non-current" criterion was adopted for the Statement of Financial Position while the classification by nature was utilised for the Income Statement and Comprehensive Income Statement and the indirect method for the Cash Flow Statement. Where present the balances and transactions with related parties are reported.

The consolidated financial statements were prepared in accordance with the historical cost convention, except for the measurement of financial assets and liabilities, where the obligatory application of IFRS 9 is required.

As indicated in the Directors' Report, in view of the sale of the holding in Malpensa Logistica Europa, the accounting standard IFRS 5 stipulates that the income statement effect of the sale of the holding is presented in a separate line of the income statement "Discontinued operations result)".

Finally, it should be noted that, within the context of the described sale of the investment in Airport ICT Services, IFRS 5 was applied for the statement of financial position, but was not applied for the income statement, given the immaterial impact it would have had at the consolidated level for the Group.

A specific paragraph of the present Explanatory Notes, to which reference should be made (Paragraph 6.1 "*Discontinued Operations result*), illustrates the discontinued operations' accounts presented in the consolidated financial statements.

Presentation of transactions between Continuing Operations and Discontinued Operations

As the reader may be aware, neither IFRS 5 nor IAS 1 provide guidance on the presentation of transactions between continuing and discontinued operations. The approach selected has led to the presentation of such transactions as if the assets held for sale had already been deconsolidated from the SEA Group and, therefore, as if the transaction had already taken place at the reporting date. Therefore, on the consolidated financial statements: (i) the individual items on the income statement and statement of financial position related to continuing operations are shown without taking account of the offsets of intercompany transactions with discontinued operations; and (ii) the items related to discontinued operations also include the effect of consolidated offsets of transactions between the two types of operations. The carrying amounts of these items of the income statement and statement of financial position are shown in the tables below. This approach has made it possible, in particular, to present the performance and margins of continuing operations in a manner that is comparable with the performance and margins that the Group will have after the disposal of discontinued operations.

2023 Budget Law (No. 197/2022) and the Utilities Billing Decree-Law (DL No. 34/2023)

The above-outlined regulatory framework set, also for 2023, an extraordinary contribution, in the form of a tax credit, to partially offset the higher charges effectively incurred for the purchase of the energy component. The contribution is 35% of the expenditure incurred on the purchase of the energy component in Q1 and of 10% of the expenditure incurred in Q2.

The above contributions are reserved for companies who have electricity metres with a minimum capacity of 4.5 kWh, who have incurred a cost increase per kWh of over 30% in the first and second quarters compared to the average price recorded in those quarters in 2019, supported by relevant invoices.

With the SEA Group having verified that it meets the requirements of the legislature to qualify for the benefit and having made the calculations based on the invoices received, proving the increase in the cost of the energy component as required by the rules, the benefit from the contribution was recognised in 2023. As the latter seeks to support enterprises in the purchase of electricity effectively used in Q1 and Q2 2023, the accounting adopted is to directly reduce the electricity purchase costs of FY 2023. For further details, reference should be made to Note 19.

Going concern and presentation of the financial statements

The Consolidated Financial Statements were prepared in accordance with the going concern concept, therefore utilising the accounting policies of a operating enterprise. Company management has assessed that, in view of the operating performances and the traffic figures for 2023, in addition to the positive outlook for future years, there are no significant uncertainties concerning the capacity of the Group to meet its obligations in the foreseeable future, and in particular in the 12 months subsequent to approval of this report. In this regard, please refer to the observations in the Directors' Report. In the preparation of the Consolidated Financial Statements at December 31, 2023, the same accounting principles were adopted as in the preparation of the Consolidated Financial Statements at December 31, 2022. Following the issue on a regulated market of the "SEA 3 1/8 2014-2021" bond (repaid in 2022) and the SEA 10/2025 bond issue, IFRS 8 and IAS 33 concerning segment reporting and earnings per share were utilised.

For a better presentation of the financial statements, the income statement was presented in two separate statements: *a)* the consolidated income statement and *b)* the consolidated comprehensive income statement.

A change in accounting principles is applied retroactively in accordance with paragraph 19, letters a) or b), of IAS 8, adjusting the opening balance of each component of equity involved for the most distant financial year presented as well as the other comparative figures indicated for each previous year presented as if the new accounting principle had always been applied. When it is not feasible to determine the specific impact on the year as a result of a change in an accounting principle on the comparative figures for one or more previous years, it is necessary to apply the new principle to the carrying value of assets and liabilities at the beginning of the most distant financial year for retroactive application is feasible, which may also be the year under review, and an adjustment must be made equal to the opening balance of each component of equity concerned for this year.

In particular, for a better comparison between the two years, the comparative year of 2022 reflects the reclassification of the assets identified as concession rights under intangible assets.

The Consolidated Financial Statements were audited by the audit firm EY SpA, the auditor appointed by the Company and the Group.

In accordance with IFRS 9 and IAS 37, the Group has calculated the present value of non-current assets and liabilities beginning in 2023. The effects of this discounting are described in the section on financial income and charges.

2.2 IFRS accounting standards, amendments and interpretations applied from January 1, 2023

The International Accounting Standards and amendments which must be obligatory applied from January 1, 2023, following completion of the relative approval process by the relevant authorities, are illustrated below.

Description	Date approved	Publication in the Official Gazette	Effective date as per the standard	Effective date applied by SEA
IFRS 17 Insurance Contracts	Nov 19, 2021	Nov 23, 2021	Periods which begin from Jan 1, 2023	Jan 1, 2023
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: *Definition of Accounting Estimates*	March 2, 2022	March 3, 2022	Periods which begin from Jan 1, 2023	Jan 1, 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: *Disclosure of Accounting policies*	March 2, 2022	March 3, 2022	Periods which begin from Jan 1, 2023	Jan 1, 2023
Amendments to IAS 12 Income Taxes: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	Aug 11, 2022	Aug 12, 2022	Periods which begin from Jan 1, 2023	Jan 1, 2023
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information	Sep 8, 2022	Sep 9, 2022	Periods which begin from Jan 1, 2023	Jan 1, 2023

The adoption of these amendments and interpretations, where applicable, has not had any significant impact on the balance sheet or on the result of the Group.

2.3 Accounting standards, amendments and interpretations not yet applicable and not adopted in advance by the Company

Below we report the international accounting standards, interpretations and amendments to existing accounting standards and interpretations, or specific provisions within the standards and interpretations approved by the IASB which have not yet been approved for adoption in Europe, or where adopted in Europe, at the approval date of the present document were not adopted in advance by the Group:

Description	Approved at the date of the present document	Effective date as per the standard
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	YES	Periods which begin from Jan 1, 2024
Amendments to IAS 1 Presentation of Financial Statements: - Classification of Liabilities as Current or Non-current Date; - Classification of Liabilities as Current or Non-current - Deferral of Effective Date and; - Non-current Liabilities with Covenants	YES	Periods which begin from Jan 1, 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	NO	Periods which begin from Jan 1, 2024
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	NO	Periods which begin from Jan 1, 2025

No accounting standards and/or interpretations were applied in advance whose application is obligatory for periods commencing after December 31, 2023, and the directors no not expect any material effects.

Italian Legislative Decree No. 209 of December 27, 2023, transposed Directive no. 2022/EU/2523 on the Global Minimum Tax (commonly known as “Pillar II”) with the specific aim of ensuring a minimum level of taxation for national or multinational groups effective as of January 1, 2024.

This new legislation affects enterprises located in Italy that are part of a national or multinational group generating annual revenue of greater than or equal to Euro 750 million, a threshold that must be reached in at least one of the four financial years prior to the year under review.

In accordance with paragraph 88C of IAS 12, as of the financial statements at December 31, 2023, the Group must already report known or reasonably estimated information to help readers of the financial report to understand our exposure to the Global Minimum Tax under Pillar II.

The SEA Group's exposure to Pillar II taxation at the end of the year is not deemed to be significant.

Based on analyses conducted, all consolidated companies (and companies under joint control) are located in jurisdictions that meet at least one of the three tests for transitional safe harbours; therefore, taking account of the known or reasonably estimated information available at the end of the year, the Group does not currently appear to be subject to Pillar II taxation.

2.4 Consolidation method and principles

The financial statements of the companies included in the consolidation scope were prepared as at December 31, 2023, and were appropriately adjusted, where necessary, in line with Group accounting principles.

The consolidation scope includes the financial statements at December 31, 2023, of SEA, of its subsidiaries, and of those subsidiaries upon which it exercises a significant influence.

In accordance with IFRS 10, companies are considered subsidiaries when the Group simultaneously holds the following three elements:

a. power over the entity;

b. exposure, or rights, to variable returns deriving from involvement with the same;

c. the capacity to utilise its power to influence the amount of these variable returns.

The subsidiary companies are consolidated using the line-by-line method. The criteria adopted for the line-by-line consolidation were as follows:

- the assets and liabilities and the charges and income of the companies fully consolidated are recorded line-by-line, attributing to the minority shareholders, where applicable, the share of net equity and net result for the period pertaining to them; this share is recorded separately in the net equity and in the consolidated income statement;
- business combinations are recognised according to the acquisition method. According to this method, the amount transferred in a business combination is valued at fair value, calculated as the sum of the fair value of the assets transferred and the liabilities assumed by the Group at the acquisition date and of the equity instruments issued in exchange for control of the company acquired. Accessory charges to the transaction are generally recorded to the income statement at the moment in which they are incurred. At the acquisition date, the identifiable assets acquired and the liabilities assumed are recorded at fair value at the acquisition date; the following items form an exception, which are instead valued according to the applicable standard:
  - deferred tax assets and liabilities;
  - employee benefit assets and liabilities;
  - liability or equity instruments relating to share-based payments of the company acquired or share-based payments relating to the Group issued in substitution of contracts of the entity acquired;
  - assets held-for-sale and discontinued operations;
- the acquisition of minority shareholdings relating to entities in which control already exists are not considered as such, but rather operations with shareholders; the Group records under equity any difference between the acquisition cost and the relative share of the net equity acquired;
- the significant gains and losses, with the relative fiscal effect, deriving from operations between fully consolidated companies and not yet realised with third parties, are eliminated, except for the losses not realised and which are not eliminated, where the transaction indicates a reduction in the value of the asset transferred. The effects deriving from reciprocal payables and receivables, costs and revenues, as well as financial income and charges are also eliminated if significant;
- the gains and losses deriving from the sale of a share of the investment in a consolidated company which results in the loss of control are recorded in the income statement for the amount corresponding to the difference between the sales price and the corresponding fraction of the consolidated net equity sold.

Associated Companies

Associated companies are companies in which the Group has a significant influence, which is alleged to exist when the percentage held is between 20% and 50% of the voting rights.

The investments in associated companies are measured under the equity method. The equity method is as described below:

- the book value of these investments are in line with the adjusted net equity, where necessary, to reflect the application of IFRS and includes the recording of the higher value attributed to the assets and liabilities and to any goodwill identified at the moment of the acquisition;
- the Group gains and losses are recorded at the date in which the significant influence begins and until the significant influence terminates; in the case where, due to losses, the company valued under this method indicates a negative net equity, the carrying value of the investment is written down and any excess pertaining to the Group, where this latter is committed to comply with legal or implicit obligations of the investee, or in any case to cover the losses, is recorded in a specific provision; the equity changes of the companies valued under the equity method not recognised through the income statement are recorded directly as an adjustment to equity reserves;
- the significant gains and losses not realised generated on operations between the Parent Company and subsidiary companies and investments valued under the equity method are eliminated based on the share pertaining to the Group in the investee; the losses not realised are eliminated, except when they represent a reduction in value.

2.5 Consolidation scope and changes in the year

The registered office and the share capital (at December 31, 2023, and December 31, 2022) of the companies included in the consolidation scope under the full consolidation method and equity method are reported below:

Company	Registered office	Share capital at December 31, 2023 (Euro)	Share capital at December 31, 2022 (Euro)
SEA Prime S.p.A.	Viale dell'Aviazione, 65 - Milan	2,976,000	2,976,000
Airport ICT Services S.r.l.	Milan Linate Airport - Segrate (MI)	600,000	600,000
Dufrital S.p.A.	Via Lancetti, 43 - Milan	466,250	466,250
SACBO S.p.A.	Via Orio Al Serio, 49/51 - Grassobbio (BG)	17,010,000	17,010,000
Areas Food Services S.r.l.	Via Caldera, 21 - Milan	1,500,000	746,700
Disma S.p.A.	Milan Linate Airport - Segrate (MI)	2,600,000	2,600,000
Airport Handling S.p.A.	Malpensa Airport - Terminal 2 - Somma Lombardo (VA)	5,000,000	5,000,000

The companies included in the consolidation scope at December 31, 2023, and the respective consolidation methods are reported below:

Company	Consolidation Method at December 31, 2023	Group % holding at December 31, 2023	Group % holding at December 31, 2022
SEA Prime S.p.A.	Line-by-line	99.91%	99.91%
Airport ICT Services S.r.l.	IFRS 5	100%	100%
Dufrital S.p.A.	Net Equity	40%	40%
SACBO S.p.A.	Net Equity	30.979%	30.979%
Areas Food Services S.r.l.	Net Equity	40%	40%
Malpensa Logistica Europa S.p.A.	IFRS 5		25%
Disma S.p.A.	Net Equity	18.75%	18.75%
Airport Handling S.p.A.	Net Equity	30%	30%

The decision to dispose of Airport ICT Services resulted in the application of IFRS 5 to the discontinued operations; reference should be made to the previous paragraphs 1 - General Information and 2.1 "Basis of preparation" for the impact of the application of IFRS 5.

2.6 Translation of foreign currency transactions

The transactions in currencies other than the operational currency of the company are converted into Euro using the exchange rate at the transaction date.

The foreign currency gains and losses generated from the closure of the transaction or from the translation at the balance sheet date of the assets and liabilities in foreign currencies are recognised in the income statement.

2.7 Accounting policies

Intangible assets

An intangible asset is a non-monetary asset, identifiable and without physical substance, controllable and capable of generating future economic benefits. These assets are recorded at purchase and/or production cost, including the costs of bringing the asset to its current use, net of accumulated amortisation, and any loss in value. The intangible assets are as follows:

(a) Rights on assets under concession

The "Rights on assets under concession" represent the right of the Lessee to utilise the asset under concession (so-called intangible asset method) in consideration of the costs incurred for the design and construction of the asset with the obligation to return the asset at the end of the concession. The value corresponds to the "fair value" of the design and construction assets increased by the financial charges capitalised, in accordance with IAS 23, during the construction phase. The fair value of the construction work is based on the costs actually incurred increased by a mark-up of 6% representing the best estimate of the remuneration of the internal costs for the management of the works and design activities undertaken by the group which is a mark-up a third party general contractor would request for undertaking the same activities, in accordance with *IFRIC 12*.

The lessee must recognise and measure service revenues in accordance with IFRS 15. If the fair value of the services received (specifically the usage right of the asset) cannot be determined reliably, the revenue is calculated based on the fair value of the construction work undertaken. The subsequent accounting of the amount received as financial asset and as intangible asset is described in detail in paragraphs 23-26 of IFRIC 12.

The construction work in progress at the balance sheet date is measured based on the state of advancement of the work in accordance with IFRS 15 and this amount is reported in the income statement line "Revenues for works on assets under concession".

Restoration or replacement works are not capitalised and are included in the estimate of the restoration and replacement provision as outlined below.

Assets under concession are amortised over the duration of the concession on a straight-line basis in accordance with the expiry of the concession.

The accumulated amortisation provision and the restoration and replacement provision ensure the adequate coverage of the costs of restoration and replacement of the components subject to wear and tear of the assets under concession.

Where events arise which indicate a reduction in the value of these intangible assets, the difference between the present value and the recovery value is recognised in the income statement.

The provisions of Article 703(5) of the Navigation Code, introduced by way of Decree-Law No. 148 of October 16, 2017, and Law No. 205 of December 27, 2017 (the 2018 Budget Law), establish that SEA, as an airport manager, shall, on conclusion of the concession, receive from the succeeding party a payment (the "Terminal Value") equal to the value of the works on the date of succession, net of amortisation and depreciation and any public grants, calculated according to the regulatory accounting rules, and of the investments made on the concession areas.

Therefore, the Group has recognised a receivable for this Terminal Value, which represents the value of the succession upon conclusion of the concession (in 2043), calculated according to the regulatory accounting rules, related to the investments that will have a residual value upon conclusion of the concession. This receivable is discounted to present value and is recognised as non-current.

Conversely, the value of the works already recognised among non-current assets at the date of first-time application of the new provision, and limited to those assets that will have a terminal value at 2043, remains among non-current assets and is not subject to depreciation or amortisation, so that the value will coincide with the residual carrying amount at the end of the concession.

The provisions on Terminal Value also apply to works that call for the use of the restoration and replacement provision. Recognised among non-current assets and measured in accordance with regulatory accounting rules, this value represents a supplement to the performance obligation, in accordance with IFRS 15, related to the concession agreement and is recognised among other revenue and income.

(b) Industrial patents and intellectual property rights

Patents, concessions, licenses, brands and similar rights

Trademarks and licenses are amortised on a straight-line basis over the estimated useful life.

Computer software

Software costs are amortised on a straight-line basis over three years, while software programme maintenance costs are charged to the income statement when incurred.

Intangible assets with definite useful life are annually tested for losses in value or where there is an indication that the asset may have incurred a loss in value. Reference should be made to the paragraph below "Impairments".

Property, plant & equipment

Tangible fixed assets includes both property and plant and equipment.

Property

Property, in part financed by the State, relates to tangible assets acquired by the Group in accordance with the 2001 Agreement (which renewed the previous concession of May 7, 1962). The 2001 Agreement provides for the obligation of SEA to maintain and manage airport assets for the undertaking of such activities and the right to undertake structural airport works, which remain the property of SEA until the expiry of the 2001 Agreement, i.e. May 4, 2043. The fixed assets in the financial statements are reported net of State grants.

Depreciation of property is charged based on the number of months held on a straight-line basis, which depreciates the asset over its estimated useful life. Where this latter is beyond the date of the end of the concession, the amount is amortised on a straight-line basis until the expiry of the concession. Applying the principle of the component approach, when the asset to be depreciated is composed of separately identifiable elements whose useful life differs significantly from the other parts of the asset, the depreciation is calculated separately for each part of the asset.

For land, a distinction is made between land owned by the Group, classified under property, plant and equipment and not subject to depreciation and expropriated areas necessary for the extension of the Malpensa Terminal, classified under "Assets under concession" and amortised over the duration of the concession.

The free granting of assets is recognised at market value, according to independent technical expert opinions.

Plant & Equipment

These are represented by tangible fixed assets acquired by the Group which are not subject to the obligation of return.

Plant and equipment are recorded at purchase or production cost and, only with reference to owned assets, net of accumulated depreciation and any loss in value. The cost includes charges directly incurred for bringing the asset to their condition for use, as well as dismantling and removal charges which will be incurred consequent of contractual obligations, which require the asset to be returned to its original condition.

The expenses incurred for the maintenance and repairs of an ordinary and/or cyclical nature are directly charged to the income statement when they are incurred. The capitalisation of the costs relating to the expansion, modernisation or improvement of owned tangible assets or of those held in leasing, is made only when they satisfy the requirements to be separately classified as an asset or part of an asset in accordance with the component approach, in which case the useful life and the relative value of each component is measured separately.

Depreciation is charged to the income statement based on the number of months held on a straight-line basis, which depreciates the asset over its estimated useful life. Where this latter is beyond the date of the end of the concession, the amount is depreciated on a straight-line basis until the expiry of the concession. Applying the principle of the component approach, when the asset to be depreciated is composed of separately identifiable elements whose useful life differs significantly from the other parts of the asset, the depreciation is calculated separately for each part of the asset.

The depreciation rates for owned assets, where no separate specific components are identified are reported below:

Category	% depreciation
Loading and unloading vehicles	10.0%
Runway equipment	31.5%
Various equipment	25.0%
Furniture and fittings	12.0%
Transport vehicles	20.0%
Motor vehicles	25.0%
EDP	20.0%

The useful life of property, plant and equipment and their residual value are reviewed and updated, where necessary, at least at the end of each year.

Leased assets right-of-use

This account includes the recognition and measurement of lease contracts, accounted for in accordance with IFRS 16. This accounting treatment involves recognising an asset representative of the right-of-use of the leased asset and a current and non-current financial liability representative of the obligation to be discharged.

Depreciation of such assets is charged to the income statement on a straight-line, monthly basis, according to rates that allow the right to be amortised over the term of the lease contract. The interest charges accrued on the financial liability are taken monthly to the account of the income statement "Financial charges".

The IFRS 16 contracts entered into by SEA essentially concern equipment, electronic machines and lease contracts for motor vehicles and apron vehicles. Lease contracts with short terms or values of less than Euro 5 thousand are expensed directly to the account of the income statement "Other operating costs"; cost is represented by the rentals provided for in the contract.

Investment property

This account includes owned buildings not for operational use. Investment property is initially recognised at cost and subsequently measured utilising the amortised cost criteria, net of accumulated depreciation and losses in value.

Depreciation is calculated on a straight-line basis over the useful life of the building.

Impairments

At each balance sheet date, the property, plant and machinery, intangible assets and investments in subsidiaries and associated companies are analysed in order to identify any indications of a reduction in value. Where these indications exist, an estimate of the recoverable value of the above-mentioned assets is made, recording any write down compared to the relative book value in the income statement. The recoverable value of an asset is the higher between the fair value less costs to sell and its value in use, where this latter is the fair value of the estimated future cash flows for this asset. For an asset that does not generate sufficient independent cash flows, the realisable value is determined in relation to the cash-generating unit to which the asset belongs. In determining the fair value consideration is taken of the purchase cost of a specific asset which takes into account a depreciation coefficient (this coefficient takes into account the effective conditions of the asset). In defining the value in use, the expected future cash flows are discounted utilising a discount rate that reflects the current market assessment of the time value of money, and the specific risks of the activity. A reduction in value is recognised to the income statement when the carrying value of the asset is higher than the recoverable amount. When the reasons for the write-down no longer exist, the book value of the asset (or of the cash-generating unit) is restated through the income statement, up to the value at which the asset would be recorded if no write-down had taken place and amortisation and depreciation had been recorded.

Impairment test

On the preparation of the 2021 annual financial statements, despite the improving market environment and SEA Group operating performance, a number of indicators were present (stemming from the impacts of the COVID-19 pandemic) which may have resulted in impairments to property, plant and equipment, intangible assets, right-of-use and investment property. An impairment test was therefore carried out on these amounts, with no impairments recognised to the financial statements. For further details, reference should be made to the 2021 annual financial report.

At December 31, 2022, the Company again checked for indicators of impairment, particularly with regards to passenger traffic, energy costs, operating performance, and the discount rate on future cash flows. Given the significant difference between the carrying amount and the value in use of the assets resulting from the 2021 impairment test, as well as traffic performance for 2022 and the revised medium/long-term forecasts, there are no indications of impairment, so no impairment testing was conducted.

At December 31, 2023, although there remained no indication of impairment, given that:

- passenger traffic for the year was greater than budget forecasts;
- financial performance was also greater than budget forecasts as a result of the increased traffic volumes and lower energy costs;
- the latest mid-range forecasts, as approved by the Board of Directors on February 8, 2024, call for passenger traffic to be in line with previous forecasts and for improved financial performance;

the SEA Group nonetheless conducted impairment testing on the assets. No impairment losses resulted from these tests, as the value in use was found to be amply above the value of the assets.

With regard to investments in associates, after comparing the carrying amounts of the equity investments recognised by SEA S.p.A. with their respective statutory equity values, and also given the financial performance of the companies for 2023, there are no apparent indicators of impairment.

Financial assets

On initial recognition, the financial assets are classified, in accordance with IFRS 9, in one of the following categories based on the business model of the Company for the management of the financial assets and the characteristics relating to the contractual cash flows of the financial assets:

Category	Business Model	Characteristics of the cash flows
Amortised cost	The financial asset is held in order to collect the contractual cash flows.	The cash flows are exclusively represented by payments of interest and the repayment of principal.
Fair value through other comprehensive income (also "FVOCI")	The financial asset is held to collect the contractual cash flows, both deriving from sale and operating activities.	The cash flows are exclusively represented by payments of interest and the repayment of principal.
Fair value through profit or loss (also "FVTPL")	Differing from that under amortised cost and FVOCI.	Differing from that under amortised cost and FVOCI.

The financial assets represented by equity instruments of other entities (i.e. investments in companies other than subsidiaries, associates and joint-control companies), not held for trading purposes, may be classified in the category FVOCI. This choice, made instrument by instrument, requires that the fair value changes are recognised under "Other items of the comprehensive income statement" and are not subsequently recognised through profit or loss either on sale or on its impairment.

Despite that reported above, on initial recognition it is possible to irrevocably designate the financial asset as measured at fair value recognised through profit or loss if this eliminates or significantly reduces an incoherence in the measurement or in the recognition (sometimes defined as "accounting asymmetry") which would otherwise result in a measurement on another basis.

Trade receivables and other current assets

The trade and other receivables which do not have a significant financing component (determined in accordance with IFRS 15) are initially recognised at transaction price, adjusted to take into account expected losses over the duration of the receivable. The transaction price is the amount of the payment which the entity considers it is entitled to in exchange for transferring the promised goods or services to the client, excluding payments on behalf of third parties. The payment promised in the contract with the client may include fixed amounts, variable amounts or both.

The reduction in value for the recognition and measurement of the doubtful debt provision follows the criteria indicated in paragraph 5.5 of IFRS 9. The objective is to recognise the expected losses over the entire duration of the receivable considering all reasonable and demonstrable information, including indications of expected developments.

Receivables are therefore reported net of the provision for doubtful debts. If in subsequent periods the reduction in the value of the asset is confirmed, the doubtful debt provision is utilised; otherwise, where the reasons for the previous write-down no longer exist, the value of the asset is reversed up to the transaction price. For further information, reference should be made to Note 4.1.

Inventories

Inventories are measured at the lower of average weighted purchase and/or production cost and net realisable value or replacement cost. The valuation of inventories does not include financial charges.

Inventories are shown net of the obsolescence provision to adjust inventories to their realisable or replacement value.

Cash and cash equivalents

Cash and cash equivalents includes cash, bank deposits, and other short-term forms of investment, due within three months. At the balance sheet date, bank overdrafts are classified as financial payables under current liabilities in the statement of statement position. Cash and cash equivalents are recorded at fair value.

Provisions for risks and charges

The provisions for risks and charges are recorded to cover known or likely losses or liabilities, the timing and extent of which are not known with certainty at the balance sheet date. They are recorded only when there exists a current obligation (legal or implicit) for a future payment resulting from past events and it is probable that the obligation will be settled. This amount represents the best estimate less the expenses required to settle the obligation.

Possible risks that may result in a liability are disclosed in the notes under the section on commitments and risks without any provision.

Restoration and replacement provision of assets under concession

The accounting treatment of the works undertaken by the lessee on the assets under concession, as per IFRIC 12, varies depending on the nature of the work: normal maintenance on the asset is considered ordinary maintenance and therefore recognised in the income statement; replacement work and programmed maintenance of the asset at a future date, considering that IFRIC 12 does not provide for the recognition of a physical asset but a right, must be recognised in accordance with IAS 37 - “Provisions and potential liabilities” - which establishes recognition to the income statement of a provision and the recording of a provision for charges in the balance sheet.

The restoration and replacement provision of the assets under concession include, therefore, the best estimate of the present value of the charges matured at the balance sheet date for the programmed maintenance in the coming years and undertaken in order to ensure the functionality, operations and security of the assets under concession.

It should be noted that the restoration and replacement provision of the assets refers only to fixed assets within the scope of IFRIC 12 (assets under concession classified to intangible assets).

Employee provisions

Pension provisions

The companies of the Group have both defined contribution plans (National Health Service contributions and INPS pension plan contributions) and defined benefit plans (Post-Employment Benefits).

A defined contribution plan is a plan in which the Group participates through fixed payments to third party fund operators, and in relation to which there are no legal or other obligation to pay further contributions where the fund does not have sufficient assets to meet the obligations of the employees for the period in course and previous periods. For the defined contribution plans, the Group pays contributions, voluntary or established contractually, to public and private pension funds. The contributions are recorded as personnel expense in accordance with the accruals principle. The advanced contributions are recorded as an asset which will be repaid or offset against future payments where due.

A defined benefit plan is a plan not classified as a contribution plan. In the defined benefit programmes, the amount of the benefit to be paid to the employee is quantifiable only after the termination of the employment service period, and is related to one or more factors such as age, years of service and remuneration; therefore the relative charge is recognised to the income statement based on actuarial calculations. The liability recorded in the accounts for defined benefit plans corresponds to the present value of the obligation at the balance sheet date, net, where applicable, of the fair value of the plan assets. The obligations for the defined benefit plans are determined annually by an independent actuary utilising the projected unit credit method. The present value of the defined benefit plan is determined discounting the future cash flows at an interest rate equal to the obligations (high-quality corporate) issued in the currency in which the liabilities will be settled and takes into account the duration of the relative pension plan.

The actuarial gains and losses, in accordance with IAS 19R, are recorded directly under equity in a specific reserve account "Reserve for actuarial gains/loss".

We report that, following amendments made to the leaving indemnity regulations by Law No. 296 of December 27, 2006 and subsequent Decrees and Regulations issued in the first half of 2007, the leaving indemnity provision due to employees in accordance with Article 2120 Civil Code is classified as defined benefit plans for the part matured before application of the new legislation and as defined contribution plans for the part matured after the application of the new regulation.

Post-employment benefits

Post-employment benefits are paid to employees when the employee terminates his employment service before the normal pension date, or when an employee accepts voluntary termination of the contract. The Group records post-employment benefits when it is demonstrated that the termination of the employment contract is in line with a formal plan which determines the termination of the employment service, or when the provision of the benefit is a result of a leaving indemnity programme.

Financial liabilities

Financial liabilities and other commitments to be paid, with the exclusion of the categories indicated in paragraph 4.2 of IFRS 9, are initially measured at amortised cost, using the effective interest rate. When there is a change in the expected cash flows and it is possible to estimate them reliably, the value of the payables are recalculated to reflect this change, based on the new present value of the expected cash flows and on the internal yield initially determined. The financial liabilities are classified under current liabilities, except when the Group has an unconditional right to defer their payment for at least 12 months after the balance sheet date.

Purchases and sales of financial liabilities are recognised at the valuation date of the relative transaction.

Financial liabilities are derecognised from the balance sheet when they are settled and the Group has transferred all the risks and rewards relating to the instrument.

As a result of the application of IFRS 16, with effect from January 1, 2019, the balance sheet includes current and non-current financial liabilities ("lease liabilities") representative of the obligation to make the payments provided for in the contract. As permitted by the Standard, the lease liability is not taken to a separate account but included amongst "Current financial liabilities" and "Non-current financial liabilities".

Trade and other payables

Trade and other payables are initially recognised at amortised cost.

Reverse factoring transactions - indirect factoring

In order to ensure easy access to credit for its suppliers, the Group has entered into reverse factoring or indirect factoring agreements (with recourse). Based on the contractual structures in place, the supplier has the possibility to assign the receivables claimed from the Group at its own discretion to a lending institution and cash in the amount before maturity.

Invoice payment terms are non-interest bearing as they do not involve further extensions agreed upon between the supplier and the Group.

In this context, the relationships for which the primary obligation is maintained with the supplier and any extension, where granted, do not involve a change in payment terms, retain their nature and therefore remain classified as commercial liabilities.

Revenue recognition

Revenues are recognised when the transfer to the client of the goods or services promised is expressed in an amount (expressed net of value added taxes and discounts) which reflects the expected consideration to be received in exchange for the goods or services.

Recognition occurs when (or over time) the Group complies with the obligation to transfer to the client the goods or service (or the asset) promised. The asset is transferred when (or over time) the client acquires control. Control of the asset is the capacity to decide upon the use of the asset and to obtain substantially all the remaining benefits. Control includes the capacity to prevent other entities to use the asset and obtain benefits.

The benefits of the assets are the potential cash flows (cash inflows or savings on outflows) which may be obtained directly or indirectly.

For each obligation to be complied with over time, the revenues are recognised over the time period, evaluating the progression towards complete compliance with the obligation.

Handling activity revenues are recognised on an accruals basis, according to the number of passengers in the year.

The revenues generated by the Group refer to the sale of services during the period and principally refer to the business lines illustrated in the "Operating segments" section and in the income statement. As per IFRS 15, paragraph 114, the Group aggregates the revenues recorded deriving from contracts with customers into categories which illustrate how the economic factors impact upon the nature, the amount, the timing and the level of uncertainty of the revenues and of the cash flows.

The revenues are recorded net of the incentives granted to airlines, based on the number of passengers transported and invoiced by the airlines to the Company for *(i)* the maintenance of traffic at the airport or *(ii)* the development of traffic through increasing existing routes or launching new routes.

Revenue for works on assets under concession

Revenues on construction work are recognised in relation to the state of advancement of works in accordance with the percentage of completion method and on the basis of the costs incurred for these activities increased by a mark-up of 6% representing the remuneration of the internal costs of the management of the works and design activities undertaken by the SEA Group, the mark-up which would be applied by a general contractor (as established by IFRIC 12).

Public grants

Public grants, in the presence of a formal resolution, are recorded on an accrual basis in direct correlation to the costs incurred (IAS 20). Public grants, including non-monetary grants measured at fair value, do not need to be recognised until there is reasonable certainty that:

a. the entity will respect the established conditions;
b. the grants will actually be received.

A public grant received to offset costs or losses that have already been incurred or to provide immediate financial support to the entity without related future costs must be recognised in profit or loss in the year in which it is collectable.

Capital grants

Capital public grants relating to property, plant and equipment are recorded as a reduction in the acquisition value of the assets to which they refer.

Operating grants

Operating grants are recorded in the income statement in the account "Operating income".

Recognition of costs

Costs are recognised when relating to assets or services acquired or consumed in the year or by systematic allocation.

Financial income

Financial income is recognised on an accruals basis and includes interest income on funds invested, foreign currency gains and income deriving from financial instruments, when not offset by hedging operations. Interest income is recorded in the income statement at the moment of maturity, considering the effective yield.

Financial charges

Financial charges are recorded on an accrual basis and include interest on financial payables calculated using the effective interest method and currency losses. The financial charges incurred on investments in assets for which a significant period of time is usually needed to render the assets available for use or sale (qualifying assets) are capitalised and amortised over the useful life of the class of the assets to which they refer in accordance with the provisions of IAS 23.

Income taxes

Current income taxes are calculated based on the assessable income for the year, applying the current tax rates at the balance sheet date.

Deferred taxes are calculated on all differences between the assessable income of an asset or liability and the relative book value, with the exception of goodwill. Deferred tax assets for the portion not compensated by deferred tax liabilities are recognised only for those amounts for which it is probable there will be future assessable income to recover the amounts. The deferred taxes are calculated utilising the tax rates which are expected to be applied in the years when the temporary differences will be realised or settled. Deferred tax assets are recorded when their recovery is considered probable.

Current and deferred income taxes are recorded in the income statement, except those relating to accounts directly credited or debited to equity, in which case the fiscal effect is recognised directly to equity and to the Comprehensive Income Statement. Income taxes are offset when applied by the same fiscal authority, there is a legal right for offsetting and the payment of the net balance is expected.

Other taxes not related to income, such as taxes on property, are included under "Other operating expenses".

Dividends

Payables for dividends to shareholders are recorded in the year in which the distribution is approved by the Shareholders' Meeting.

The dividends distributed between Group companies are eliminated in the income statement.

3. ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements require the directors to apply accounting principles and methods that, in some circumstances, are based on difficulties and subjective valuations and estimates based on the historical experience and assumptions which are from time to time considered reasonable and realistic under the relative circumstances. The application of these estimates and assumptions impact upon the amounts reported in the financial statements, such as the balance sheet, the income statement and the cash flow statement, and on the disclosures in the notes to the accounts.

The financial statement items/estimates which, relating to the Group, require greater subjectivity by the Directors in the preparation of the estimates and for which a change in the underlying conditions or the assumptions may have a significant impact on the consolidated financial statements are briefly described below.

(a) Impairments

The tangible and intangible assets and investments in associated companies and property investments are verified to ascertain if there has been a loss in value which is recorded by means of a write-down, when it is considered there will be difficulties in the recovery of the relative net book value through use. The verification of the existence of the above-mentioned indicators requires the Directors to make valuations based on the information available within the Group and from the market, as well as historical experience. In addition, when it is determined that there may be a potential impairment loss, the Group determines this through using the most appropriate technical valuation methods available. The correct identification of the indicators of the existence of a potential reduction in value, as well as the estimates for their determination, depends on factors which may vary over time impacting upon the valuations and estimates made by the Directors. The Company prepared impairment tests that take account of separate scenarios and specific sensitivity analyses, and no indicators of impairment emerged. Reference should be made in addition to the paragraph below "Impairments".

Also the Indemnification Right receivable, classified to non-current receivables, is subject to an annual impairment test.

(b) Amortisation & depreciation

Depreciation represents a significant cost for the Group. The cost of property, plant and equipment is depreciated on a straight-line basis over the estimated useful life of the relative assets and components. The useful life of the fixed assets of the Group is determined by the Directors when the fixed assets are purchased. This is based on the historical experiences for similar fixed assets, market conditions and considerations relating to future events which could have an impact on the useful life, such as changes in technology. Therefore, the effective useful life may be different from the estimated useful life. The Group periodically evaluates technological and sector changes to update the residual useful life. Any change of residual useful life could result in a change in the depreciation period and therefore in the depreciation charge in future years. In application of the new accounting standard IFRS 16, the income statement also includes the recognition of the depreciation of "Leased assets right-of-use".

(c) Provisions for risks and charges

The Group companies may be subject to legal disputes, in relation to taxation or employment issues, based on particularly complex circumstances of varying degrees of uncertainty, according to the facts and circumstances, jurisdiction and laws applicable to each case.

Considering the inexact nature of these issues, it is difficult to predict with certainty any future payments required.

Therefore Management, having consulted with its legal and tax advisers, recognises a liability against these disputes when a financial payment is considered probable and the amount of the losses arising may be reasonably estimated. In the case in which a payment is considered possible, but is not yet determinable, such is reported in the explanatory notes.

Provisions are recorded against risks of a legal and tax nature and employee disputes. The amount of the provisions recorded in the financial statements relating to these risks therefore represents the best estimate at that date made by the Directors. This estimate results in the adoption of assumptions concerning factors which may change over time and which may, therefore, have significant effects compared to the present estimates made by the Directors for the preparation of the financial statements. In addition, the restoration and replacement provision of the assets under concession, recorded in accordance with IFRIC 12, includes the best estimate of the charges matured at the balance sheet date for scheduled maintenance in future years in order to ensure the functionality, operations and security of the assets under concession.

(d) Trade receivables

The Group evaluates the expected losses on trade receivables in order to reflect, through a specific doubtful debt provision, the realisable value utilising reasonable and demonstrable information available, without excessive costs or effort at the reporting date on past events, current conditions and future economic conditions. The doubtful debt provision represents the best estimate at the reporting date made by the Directors. This estimate is based on facts and expectations which may change over time and which may, therefore, have significant effects compared to the present estimates made by the Directives for the preparation of the Group consolidated financial statements.

(e) Leases

The transition to IFRS 16 introduced certain elements of professional judgment that entail the definition of certain accounting policies and the use of assumptions and estimates with regard to the lease term and the definition of the incremental borrowing rate. The main ones are summarised below:

- The Group has decided not to apply IFRS 16 for contracts containing a lease where the underlying asset is of low value (less than Euro 5 thousand);
- *Lease term*: the Group has analysed all of its lease contract and has identified the lease term for each of them - this is the non-cancellable period together with the effects of any extension or early termination options whose exercise is considered reasonably certain;
- Definition of the incremental borrowing rate: since most rental contracts entered into by the Group do not include an implied interest rate, the discount rate to be applied to future rental payments has been taken as the average cost of medium/long term debt.

4. RISK MANAGEMENT

The risk management strategy of the Group is based on minimising potential negative effects related to the financial and operating performance.

The management of the above-mentioned risks is undertaken by the parent company which identifies, evaluates and undertakes hedging of financial risks, in close collaboration with other entities of the Group.

4.1 Credit risk

Credit risk represents the exposure of the SEA Group to potential losses deriving from the non-compliance of obligations by trading and financial partners.

This risk is primarily of an economic/financial nature, or rather the possibility of the default of a counterparty, and also factors of a technical/commercial or administrative/legal nature.

For the SEA Group, credit risk exposure is largely related to the deterioration of a financial nature of the principle airline companies which incur on the one hand the effects of the seasonality related to aviation operations, and on the other consequences of geopolitical events which impact upon the air transport sector.

The SEA Group has implemented procedures and actions to monitor the expected cash flows and recovery actions.

In application of internal credit policies, clients are requested to procure the release of guarantees: this typically relates to first-demand bank guarantees issued by primary credit institutions or guarantee deposits.

In 2023, total receivables increased compared to 2022 following the increase in revenues.

In relation to the payment terms applied for the majority of the clients, credit terms are largely concentrated within 30 days from the relative invoicing.

Trade receivables are reported in the financial statements net of doubtful debt provisions, which are prudently made based on the rating grade and disputes at the reporting date.

A summary of the trade receivables and the relative doubtful debt provisions is reported below:

Trade receivables

(Euro thousands)	December 31, 2023	December 31, 2022
Trade receivables - customers	231,340	212,816
- of which overdue	143,028	135,839
Doubtful debt provision - customers	(97,013)	(103,215)
Trade receivables - associates	18,742	13,226
Doubtful debt provision - associates	(11)	(199)
Total net trade receivables	**153,058**	**122,628**

The aging of the overdue receivables is as follows:

Trade receivables

(Euro thousands)	December 31, 2023	December 31, 2022
less than 180 days	39,504	32,763
more than 180 days	103,524	103,076
Total trade receivables overdue	**143,028**	**135,839**

Past-due receivables increased from December 31, 2023, due both to the increase in revenue and to the fact that a number of carriers postponed payment to January 2024. The decrease in the doubtful debt provision compared to 2023 is the result of the increase in rating in 2023.

The doubtful debt provision was determined based on the indications of IFRS 9. A key element of the standard is the transition from the previous concept of 'Incurred Loss' to that of 'Expected Loss'. The doubtful debt provision is determined by taking into account the risks of non-collection related not only to past-due receivables but also on those falling due. A 'risk ratio' is determined, representative of the riskiness of commercial counterparties, which varies according to the status of the receivable (performing or past due, with differing bands depending on days past due). A provision matrix is then constructed, on whose basis the amounts of the provision are calculated. This matrix provides rating classes in rows and the different bands of past-due or falling due in columns. The calculated risk ratio represents the probability that the client does not honour its debt and the percentage of credit, obtained from a historical analysis, with the possibility of the client being in default. Forward looking elements were also utilised, such as the possibility of management undertaking further provisions, notwithstanding the indications taken from the matrix. The estimates concerning applicable risk and general economic developments are included in the definition of the rating model and therefore are constantly updated to reflect the effective risk, in order to ensure a complete coverage of the credit risk encountered by the SEA Group.

Trade receivables

(Euro thousands)	December 31, 2023	December 31, 2022
Customer receivables	250,082	226,042
(i) receivables from parties in administration	78,558	78,899
(ii) disputed receivables	18,820	18,820
Total trade receivables net of receivables at (i) and (ii)	**152,704**	**128,323**
Receivables due other than receivables at (i) and (ii)	45,650	38,120
Sureties and guarantee deposits	105,404	86,022
Percentage of receivables guaranteed by sureties and guarantee deposits compared to the total trade receivables net of receivables at (i) and (ii)	69%	67%

4.2 Market risks

The market risk to which the SEA Group is exposed comprises all types of risks directly and indirectly related to market prices. In 2023, the market risks to which the SEA Group were subject were:

a) interest rate risk;

b) currency risk;

c) commodity risk, related to the volatility of the energy commodity prices.

a) Interest rate risk

The SEA Group is exposed to the risk of changes in interest rates in relation to the necessity to finance its operating activities and the use of available liquidity. The changes in interest rates may impact positively or negatively on the results of the SEA Group, modifying the costs and returns on financial and investment operations.

The SEA Group manages this risk through an appropriate mix of fixed rate and variable rate loans, to mitigate interest rate volatility effects on financing, and through a cautious policy of liquidity management, negotiating favourable remuneration conditions in light of bank balances and using stock temporarily in excess of treasury needs on short-term monetary instruments with high financial flexibility.

Variable interest loans exposes the SEA Group to a risk originating from the volatility of the interest rates (cash flow risk). We indicate that at December 31, 2023 (i) the gross financial debt of the SEA Group exposed to a variable rate is 32%, and that (ii) no derivative contracts are in place which convert the variable rate into a fixed rate or limit the fluctuations of the variable rate within a range of rates.

At December 31, 2023, the gross financial debt of the SEA Group exclusively comprised medium/long-term loans, partly maturing beyond 12 months (medium/long-term portion of the loans) and partly maturing withing 12 months (short-term portion of the medium/long-term loans). At this date, the SEA Group did not make recourse to short-term debt.

The medium/long term debt at December 31, 2023 is reported in the following table, which shows each loan at the nominal value (which includes a spread of between 0.25% and 1.62%, and not considering any accessory guarantees established for EIB loans).

Medium/long term loans:

Medium/long term loans

	December 31, 2023			December 31, 2022		
(Euro thousands)	Maturity	Amount	Average rate	Maturity	Amount	Average rate
Bonds	**2025**	**300,000**	**3.500%**	**2025**	**300,000**	**3.500%**
Bank loans - EIB funding	**from 2027 to 2040**	**184,744**	**4.18%**	**from 2023 to 2037**	**207,683**	**2.19%**
o/w at Fixed Rate		*30,622*	*1.97%*		*35,963*	*2.25%*
o/w at Variable Rate(*)		*154,122*	*4.62%*		*171,720*	*2.18%*
Other bank loans				**2024**	**25,000**	**2.87%**
o/w at Fixed Rate						
o/w at Variable Rate					25,000	*2.87%*
Medium/long-term gross financial debt		**484,744**	**3.76%**		**532,683**	**2.96%**

(*) *Euro 62,5 million of EIB loans with specific bank guarantee*

The total gross value of medium/long-term loans at December 31, 2023 is Euro 484,744 thousand, a reduction of Euro 47,939 thousand compared to December 31, 2022. This movement followed (i) the repayment of the residual amount of the variable rate term loans agreed in 2021 to deal with the COVID-19 pandemic, in advance of the June 2024 maturity so as to optimise the SEA Group's financial structure within a market featuring rising rates, (ii) the continued repayment of the EIB funding in place.

The average cost of medium/long-term debt at December 31, 2023 was 3.76%, increasing 80 bps on the end of December 2022, having been impacted by the rising rates linked to the ECB's restrictive monetary policies, partially offset by the process to optimise the SEA Group's financial structure. Considering the cost of bank guarantees on a number of EIB loans, the average cost of debt is 3.91%, increasing 81 bps compared to the end of 2022.

At December 31, 2023, SEA Group cash and cash equivalents, amounting to Euro 217 million, earned an average return of 3.86% and was: (i) invested in monetary instruments for Euro 175 million, with maturities ranging from 3 to 6 months; and (ii) in freely available current accounts for Euro 42 million.

At December 31, 2023, the Group has the following bond issue with a total nominal value of Euro 300 million.

Description	Issuer	Listing market	ISIN Code	Terms (years)	Maturity	Par value (in million of Euro)	Coupon	Annual rate
SEASPA 3 1/2 10/09/25	SEA S.p.A.	Irish Stock Exchange	XS2238279181	5	09/10/25	300	Fixed annual	3.50%

The fair value of the overall bank and bond medium/long-term Group debt at December 31, 2023 amounts to Euro 483,849 thousand (reduction on Euro 516,529 thousand at December 31, 2022). This value was calculated as follows:

- for the loans at fixed interest rates, the capital portion and interest were discounted utilising the spot rates for each contractual maturity, extrapolated from the market rates;
- for the bond listed on a regulated market, reference was made to the market value at December 31, 2023;
- for the loans at variable interest rates, the interest portion was calculated utilising the estimate of the expected rates at the end of each contractual maturity, increased by the spread defined contractually. The interest portion defined as outlined above and the capital on maturity was discounted utilising the spot rate for each contractual maturity, extrapolated from the market rate.

It should be noted that, for some loans, non-compliance of the covenant terms results in, for the following half-year period, the application of a correlated predetermined spread (in accordance with a contractually defined pricing grid).

b) Currency risk

The SEA Group, with the exception of the currency risk related to the commodity risk, is subject to a low currency fluctuation risk as, although operating in an international environment, the transactions are principally in Euro. Therefore, the SEA Group does not consider it necessary to implement specific hedging against this risk as the amounts in currencies other than the Euro are insignificant and the relative receipts and payments generally offset one another.

c) Commodity risk

SEA is exposed to changes in prices and of the relative exchange rates for energy commodities, i.e.:

i. gas, electricity and thermal energy, and environmental certificates related to the operational management of the power plant that supply SEA with its energy needs, whose pricing variability impacts SEA indirectly through the formulas and indexing used in the pricing structures adopted in the purchase agreements (this impact was direct prior to the SEA Energia sale transaction of September 2022);

ii. CO_2 cancellation and offsetting tools, purchased by SEA directly as part of its decarbonisation strategy.

Despite the uncertain global economic environment and the geopolitical situation, the significant volatility in energy commodity prices during 2022 partially abated in 2023, but continued to expose the Company to high procurement costs and an erosion of its margins in the short term.

In 2023, SEA did not undertake any hedging of this risk, also in view of the general decline of commodity prices in the period, although it does have the possibility to do so in the future. Some of its commercial supply contracts provide the opportunity to pre-fix prices for heat and electricity purchases, even if this only represents a partial solution.

4.3 Liquidity risk

The liquidity risk for the SEA Group may arise where the financial resources available are not sufficient to meet the financial and commercial commitments within the agreed terms and conditions.

The liquidity, cash flows and financial needs of the SEA Group are managed through policies and processes with the objective to minimise the risk.

More specifically, the SEA Group monitors and manages its available financial resources centrally, under the control of the Group Treasury, to ensure the efficient management of these resources, also in forward budgeting terms; it maintains liquidity and has obtained committed credit lines (revolving and non), which cover the financial commitments of the Group deriving from its investment plans, operating requirements, and contractual debt repayments due within the next 12 months, and lastly, it monitors its liquidity position, in relation to business planning, to guarantee sufficient coverage of the SEA Group's requirements.

At December 31, 2023, the SEA Group may rely on Euro 217 million of liquidity, in addition to (i) irrevocable unutilised credit lines for Euro 320 million, of which Euro 250 million concerning new revolving lines underwritten in August 2022 and fully available and maturing in August 2027, and Euro 70 million concerning a line on EIB funds, whose usability by February 2023 has been extended to February 2025, and (ii) Euro 123 million uncommitted lines utilisable for immediate cash needs.

This liquidity allows the SEA Group to guarantee current operational needs and future financial needs.

Trade payables are guaranteed by the SEA Group through careful working capital management which largely concerns trade receivables and the relative contractual conditions established, in addition to the possibility of indirect factoring transactions which do not change the payment conditions contractually agreed between the parties, although better balancing outflows and requirements. The tables below illustrate for the SEA Group the breakdown and maturity of the financial debt (capital, medium/long-term interest and leasing) and trade payables at December 31, 2023, and December 31, 2022:

Liabilities at December 31, 2023

(in Euro millions)	< 1 year	>1 year < 3 years	>3 years < 5 years	> 5 years	Total
Gross financial debt	39.0	366.9	37.8	97.9	541.6
Lease liabilities (Financial Payables)	2.1	4.2	3.9	3.0	13.2
Trade payables	185.3				185.3
Total payables	**226.4**	**371.1**	**41.7**	**100.9**	**740.1**

Liabilities at December 31, 2022

(in Euro millions)	< 1 year	>1 year < 3 years	>3 years < 5 years	> 5 years	Total
Gross financial debt	41.0	404.2	51.7	119.4	616.3
Lease liabilities (Financial Payables)	2.0	3.5	3.6	4.7	13.8
Trade payables	190.6				190.6
Total payables	**233.6**	**407.7**	**55.3**	**124.1**	**820.7**

At December 31, 2023, loans due within one year relate to the capital portion falling due on the EIB loans, and interest due on the total debt. The financial resources available ensure coverage of the SEA Group's financial debt maturities, also ensuring coverage of the medium/long-term requirements.

4.4 Sensitivity

In consideration of the fact that for the SEA Group the currency risk is almost non-existent, the sensitivity analysis refers to balance sheet accounts which could incur changes in value due to changes in interest rates.

In particular, the analysis considered:

- bank deposits;
- loans.

It is underlined that, differing from previous years, the sensitivity analysis currently does not consider the interest rate hedging instruments concluding on maturity in H2 2021.

The assumptions and calculation methods utilised in the sensitivity analysis undertaken by the SEA Group were as follows:

a. Assumptions: the effect was analysed on the SEA Group income statement for 2023 and 2022 of a change in market rates of +50 or of -50 basis points;

b. Calculation method:

- the remuneration of the bank deposits is related to the interbank rates. In order to estimate the increase/decrease of interest income to changes in market conditions, the change was assumed as per point a) on the average annual balance of bank deposits of the SEA Group;
- the loans measured were those at variable interest rates, which incur interest payable linked to the Euribor at 6/3 months. The increase/decrease of the interest payable to changes in market conditions was estimated applying the changes assumed as per point a) on the capital portion of the loans held during the year.

The results of the sensitivity analysis are reported below:

	December 31, 2023		December 31, 2022	
(Euro thousands)	**-50 bp**	**+50 bp**	**-50 bp**	**+50 bp**
Current accounts (interest income)(1)	-739,89	739,89	-134,59	717,87
Loans (interest charges)(2)	603,58	-677,05	634,20	-970,39

(1) *+ = higher interest charges; - = lower interest charges*

(2) *+ = lower interest charges; - = higher interest charges*

The results of the sensitivity analysis undertaken on some accounts of the previous tables are impacted by the low level of the market interest rates in 2022. By applying a variation of -50 basis points to the market interest rate curve, the cash flow corresponding to current accounts and loans would be opposite to those provided for by the related types of contracts; in these cases, these cash flows are set at zero.

5. CLASSIFICATION OF THE FINANCIAL INSTRUMENTS

The following tables provide a breakdown of the financial assets and liabilities by category at December 31, 2023, and at December 31, 2022, of the Group.

The values resulting from the utilisation of the amortised cost method approximates the fair value of the category. The data have been classified according to the categories provided for by IFRS 9 - *Financial Instruments*.

(Euro thousands)	Financial assets measured at Fair Value to the Income Statement	Financial assets measured at amortised cost	Financial assets and liabilities at fair value to the other comprehensive income items	Financial liabilities measured at amortised cost	Total
	December 31, 2023				
Other investments	1				1
Other non-current receivables		14,921			14,921
Trade receivables		153,058			153,058
Tax receivables		459			459
Other current receivables		5,089			5,089
Current financial receivables		125,168			125,168
Cash and cash equivalents		91,123			91,123
Total	**1**	**389,818**			**389,819**
Non-current financial liabilities exc. leasing				462,739	462,739
- of which payables to bondholders				299,363	299,363
Non-current financial payables for leasing				11,157	11,157
Other non-current payables				1,821	1,821
Trade payables				185,322	185,322
Tax payables				21,009	21,009
Other current payables				228,559	228,559
Current financial liabilities excl. leasing				25,425	25,425
Current financial liabilities for leasing				2,071	2,071
Total				**938,103**	**938,103**

(Euro thousands)	Financial assets measured at Fair Value to the Income Statement	Financial assets measured at amortised cost	Financial assets and liabilities at fair value to the other comprehensive income items	Financial liabilities measured at amortised cost	Total
	December 31, 2022				
Other investments	1				1
Other non-current receivables		60,496			60,496
Trade receivables		122,628			122,628
Tax receivables		4,769			4,769
Other current receivables		6,853			6,853
Cash and cash equivalents		160,341			160,341
Total	**1**	**355,087**			**355,088**
Non-current financial liabilities exc. leasing				507,721	507,721
- of which payables to bondholders				*299,026*	*299,026*
Non-current financial payables for leasing				11,795	11,795
Other non-current payables				6,590	6,590
Trade payables				190,558	190,558
Tax payables				11,467	11,467
Other current payables				290,727	290,727
Current financial liabilities excl. leasing				26,951	26,951
Current financial liabilities for leasing				*2,044*	*2,044*
Total				**1,047,853**	**1,047,853**

The values resulting from the utilisation of the amortised cost method approximates the fair value of the category.

6. DISCLOSURE ON FAIR VALUE

In relation to the derivative instruments measured at fair value, the methods applied are broken down into the following levels, based on the information available, as follows:

- level 1: prices practiced on active markets;
- level 2: valuation techniques based on observable market information, both directly and indirectly;
- level 3: other information.

"Other equity investments" are measured at "level 3" fair value.

6.1 Assets and liabilities held-for-sale and Discontinued Operations result

The present section provides a breakdown of the Discontinued operations accounts, as presented in the SEA Group's consolidated financial statements.

In terms of methodology utilised, *Discontinued Operations* under IFRS 5 are included in the consolidation scope of the SEA Group and therefore the aggregate balances for the entire Group are calculated with the elimination of transactions between *Continuing* and *Discontinued Operations*.

Specifically, this occurred as follows:

- The individual income statement items included among Discontinued operations in 2023 concern the income statement effect of the adjustment to fair value of the value of the holding in Malpensa Logistica Europa. As mentioned, the Group considered the effects on the income statement of application of IFRS 5 for the subsidiary Airport ICT Services to be immaterial.
- The individual income statement items included among Discontinued operations in 2022 concern (i) the income statement of SEA Energia S.p.A. with the appropriate IAS/IFRS adjustments; in addition to the loss from the disposal of the energy business of Euro 4,087 thousand; (ii) the economic effect of adjusting the equity investment in Malpensa Logistics Europe.
- The individual income statement accounts relating to *Continuing Operations* are presented without eliminating inter-company transactions between *Continuing Operations* and *Discontinued Operations*, while the account *Discontinued Operations result* includes the effects of the eliminations of these transactions.
- The statement of financial position at December 31, 2023 includes the *Assets held-for-sale and Liabilities related to assets held-for-sale* accounts and relates to Airport ICT Services.
- On the balance sheet, the consolidation of the *Continuing Operations* and *Discontinued Operations* at December 31, 2023 implies, as previously described, the elimination of the intercompany transactions between them, in order that the amounts recorded under *Continuing Operations* and *Discontinued Operations* represent the balance of the assets and liabilities from transactions with third parties external to the Group. Consequently, these balances may not be representative of the SEA Group balance sheet post-discontinuation of Airport ICT Services. The offsets of these transactions are included among *Assets held for sale* and *Liabilities related to discontinued operations* in order to properly present the total assets and liabilities of the Group as a whole.
- In relation to the cash flow statement, all cash flows at December 31, 2023 concerning *Discontinued Operations* are presented under the operating activities, investing activities and financing activities of the cash flow statement. These accounts represent cash flows from transactions with third parties external to the Group. Consequently, the cash flows from *Continuing Operations* and *Discontinued Operations* may not be representative of the SEA Group cash flows post-discontinuation of Airport ICT Services. In the consolidated cash flow statement, the effects of the cash flows related to Discontinued Operations are shown separately in each section of the cash flow statement.

The breakdown of the *Discontinued Operations* results is presented below:

Assets held-for-sale and discontinued operations Income Statement

(Euro thousands)	2023	2022
Net result for energy business		127
Capital loss from the sale of the energy business		(4,087)
Investment income from Malpensa Logistica Europa	775	1,933
Net result from assets held for sale	**775**	**(2,027)**

"Income from the valuation of Malpensa Logistica Europa" reflects the income statement effects deriving from the adjustment to fair value of the above company.

The statement of financial position at December 31, 2023 includes the "Assets held-for-sale" and "Liabilities related to assets held-for-sale" accounts and relates to the subsidiary Airport ICT Services.

Discontinued Operations Financial Statement

(Euro thousands)	December 31, 2023	December 31, 2022
Intangible assets	181	
Property, plant & equipment	5,394	
Trade receivables	1,175	
Other current receivables	850	
Cash and cash equivalents	2,768	
Elimination of discontinued receivables and payables	(1,617)	
TOTAL ASSETS HELD-FOR-SALE AND DISCONTINUED OPERATIONS	**8,751**	**-**
Total equity held-for-sale and Discontinued Operations	4,867	
Employee provisions	724	
Trade payables	4,006	
Income tax payables	186	
Other payables	410	
Other non-current payables	175	
Elimination of discontinued receivables and payables	(1,617)	
TOTAL LIABILITIES RELATED TO ASSETS HELD-FOR-SALE AND DISCONTINUED OPERATIONS AND SHAREHOLDERS' EQUITY	**8,751**	**-**

7. DISCLOSURE BY OPERATING SEGMENT

The SEA Group in 2022 disposed of the Energy business line and has identified two operating segments, as further described in the Directors' Report and specifically: *(i) Commercial Aviation*, *(ii) General Aviation*. This representation may differ at individual legal entity level.

Commercial Aviation: includes Aviation and Non Aviation operations - the former regards the management, development and maintenance of airport infrastructure and plant and the offer to SEA Group customers of services and activities related to the arrival and departure of aircraft, in addition to airport safety services. The revenues generated by these activities are established by a regulated tariff system and comprise airport fees, fees for the use of centralised infrastructure, in addition to security fees and tariffs for the use of check-in desks and spaces by airlines and handlers. The Non-Aviation business however provides a wide and segregated offer, mainly under license to third parties, of commercial services for passengers, operators and visitors to the Airports, in addition to the real estate segment. The revenues from this area consist of the market fees for activities directly carried out by the Group and from activities carried out by third parties under license and of royalties based on a percentage of revenues generated by the licensee, usually with the provision of a guaranteed minimum.

General Aviation: the business includes the full range of services relating to business traffic at the western apron of Linate and at Malpensa airport.

The segment information illustrated below refers only to continuing operations.

The following tables present the segment income statements and balance sheets, reconciled with the figures presented in the Directors' Report.

Segment disclosure: Income statement & balance sheet at December 31, 2023

(Euro thousands)	Commercial Aviation	General Aviation	IC Eliminations	Consolidated Financial Statements
Revenues	773,344	24,351	(34,963)	762,732
of which Intercompany	(28,077)	(6,886)	34,963	
Total operating revenues (third parties)	**745,267**	**17,465**	**0**	**762,732**
EBITDA	**323,749**	**11,535**		**335,284**
EBIT	**197,642**	**8,568**		**206,210**
Investment income/(charges)				12,756
Financial income/(charges)				4,274
Pre-tax result				**223,240**
Fixed asset investments	**78,058**	**4,835**	**(2,040)**	**80,853**
Tangible assets	27,885	4,835		32,720
Intangible assets	50,173		(2,040)	48,133

Segment disclosure: Income statement restated & balance sheet at December 31, 2022

(Euro thousands)	Commercial Aviation	General Aviation	IC Eliminations	Consolidated Financial Statements
Revenues	742,425	23,143	(30,728)	734,840
of which Intercompany	(24,393)	(6,335)	30,728	
Total operating revenues (third parties)	**718,032**	**16,808**	**0**	**734,840**
EBITDA	**278,950**	**11,299**		**290,249**
EBIT	**190,333**	**9,167**		**199,500**
Investment income/(charges)				15,530
Financial income/(charges)				(17,391)
Pre-tax result				**197,639**
Fixed asset investments	**47,896**	**6,655**		**54,551**
Tangible assets	5,829	6,510		12,339
Intangible assets	42,067	145		42,212

More information on operating business activities is available in the "*Operating Performance - Sector Analysis*" section in the Directors' Report.

8. NOTES TO THE STATEMENT OF FINANCIAL POSITION

8.1 Intangible assets

The table below reports the changes in intangible assets in 2023.

Intangible assets

(Euro thousands)	December 31, 2022	Reclassi-fications from IAS to IFRIC	December 31, 2022 reclassified	IFRS 5 reclassi-fication (*)	Increases in the year	Reclassi-fications /transfers	Destruct. /sales	Amortisa-tion /wri-te-downs	December 31, 2023
Gross value									
Rights on assets under concession	1,647,927	108,775	1,756,702		2,935	49,807	(292)		1,809,152
Rights on assets under concess. in prog. & advances	35,450	3,628	39,078		40,385	(38,442)			41,021
Patents and right to use intellectual property & others	99,852		99,852			5,712		(84)	105,480
Assets in progress and advances	4,566		4,566		4,813	(5,712)			3,667
Other	18,464		18,464	(100)				(143)	18,221
Total Gross Value	**1,806,259**	**112,403**	**1,918,662**	**(100)**	**48,133**	**11,365**	**(292)**	**(227)**	**1,977,541**
Accumulated amortisation									
Rights on assets under concession	(754,366)	(60,887)	(815,253)			218	175	(54,725)	(869,585)
Rights on assets under concess. in prog. & advances									
Patents and right to use intellectual property & others	(96,772)		(96,772)					(2,343)	(99,115)
Assets in progress and advances									
Other	(15,328)		(15,328)						(15,328)
Total accumulated amortisation	**(866,466)**	**(60,887)**	**(927,353)**	**0**	**0**	**218**	**175**	**(57,068)**	**(984,028)**
Net value									
Rights on assets under concession	893,561	47,888	941,449		2,935	50,025	(117)	(54,725)	939,567
Rights on assets under concess. in prog. & advances	35,450	3,628	39,078		40,385	(38,442)			41,021
Patents and right to use intellectual property & others	3,080		3,080			5,712		(2,427)	6,365
Assets in progress and advances	4,566		4,566		4,813	(5,712)			3,667
Other	3,136		3,136	(100)				(143)	2,893
Total net value	**939,793**	**51,516**	**991,309**	**(100)**	**48,133**	**11,583**	**(117)**	**(57,295)**	**993,513**

(*) Balance at December 31, 2022 of Airport ICT Services, whose balances were reclassified to the account "Assets held-for-sale" in accordance with IFRS 5.

As per IFRIC 12, rights on assets under concession, net of accumulated amortisation, amount to Euro 939,567 thousand at December 31, 2023 and Euro 893,561 thousand at December 31, 2022. These assets are amortised on a straight-line basis over the duration of the concession. The amortisation for the year 2023 amounts to Euro 54,725 thousand. The increases in the year derive mainly for Euro 38,442 thousand from the entry into use of investments made in previous years and recorded under "Assets under concession in progress and advances" and for Euro 2,981 thousand the purchase of new explosive detection system equipment for checked baggage control and x-ray equipment to screen carry-on baggage.

In May 2023, work was completed on the construction of the new hangar - Hangar X - of approx. 4,700 square meters, used for the shelter and maintenance of general aviation aircraft, on the western apron of Linate Prime.

For assets within the concession right, SEA has the obligation to record a restoration and replacement provision, in relation to which reference should be made to Note 8.15.

The account "Assets under concession in progress and advances", amounting to Euro 41,021 thousand, refers to the work in progress on concession assets, not yet completed at December 31, 2023.

It should be noted that, following the revision to the assets included within the scope of "concession rights", the Group reclassified as intangibles assets that were previously recognised as property, plant and equipment. As shown in the table in the column "IAS to IFRIC reclassifications", this reclassification mainly concerned the Linate and Malpensa airports, which were partially recognised as property during the previous year. For a better comparison between the two years, the comparative year at December 31, 2022, reflects the reclassification of the assets between intangible assets and property, plant and equipment.

In 2023, SEA continued its commitment to the infrastructural development of the Malpensa and Linate airports.

The works at Malpensa airport were mainly those for the reopening of Terminal 2 and related infrastructure, following the substantial recovery in traffic demand. Terminal 2 reopened on May 31, 2023.

The main works carried out during the year at Malpensa principally concern i) at Terminal 1, the upgrading of 13 check-in desks at island 10, the works for Schengen/non-Schengen flexibility of the central satellite, with the aim of having a "dynamic" architectural layout, so as to make it possible to use the spaces according to 3 different configurations (non-Schengen traffic only; Schengen traffic only; traffic divided into 4 non-Schengen gates and 6 Schengen gates), the adoption of a Border Control-Entry Exit system (arrivals and departures), the introduction of smart security lanes at departure filters, ongoing earthquake retrofitting efforts, and the refurbishment of select VIP lounges, public toilets, and the Sala Amica on the departure floor. Work was also completed for implementation of the electrical system for the Free to X charging points (for passengers) and to install new charging points for airport vehicles; ii) at Terminal 2, upgrading the baggage sorting system to meet the ECAC 3 standard, with the installation of new EDS machines and conveyor belts and adoption of a new line for automated return of rejected baggage; the complete refurbishment of the security control area with the installation of 10 next-generation baggage screening lines (which provide greater capacity to screen carry-on baggage); the comprehensive makeover of the "Arrivals" corridor to improve climate comfort, reduce energy consumption, and improve passenger mobility; the installation of certified A-Safe barriers to safeguard passenger boarding and disembarking routes; and construction and systems work to prepare for the reopening of commercial activities. In 2024, the following works will be completed: the revamping and upgrading of refrigeration systems and cooling towers; the restructuring of spaces for the implementation of the Entry-Exit System at arrivals and departures; the transfer of the pharmacy from the "Departures" area to the new spaces identified in the "Arrivals" area, and further preparatory work for the reopening of shops and cafés; iii) regarding the cargo area, the construction and systems work to renew the Cargo fire prevention certification of the ALHA-MLE cargo building are almost complete, as are the works for restoring the waterproofing of the roofs of the ALHAMLE cargo buildings and the upgrading of the rainwater drainage network in front of the air-side warehouses. In addition to this, major work is underway for the enhancement of perimeter intrusion prevention to improve airport security, and works have begun for the redevelopment of the Terminal 1 departures overpass and the reconfiguration of apron 700 in the cargo area.

At Linate, the main works included the continued renovation and standardisation of toilet services for passengers, the creation of new commercial spaces, the completion of installation of new EDS x-ray equipment (the particular feature of which is to allow for the examination of liquids and/or electronic devices without the need to remove them from hand luggage, excluding the Family Line), and completion of renovation works in the arrival and departure areas to allow for the installation of equipment and kiosks necessary for the Border Control - Entry-Exit System (European border control system for the registration of extra-Schengen passengers arriving and departing). The most significant works on the air-side infrastructures at Linate concerned the upgrading works of the perimeter anti-intrusion systems by covering additional sections with sensors and cameras and the continuation of redevelopment work for flight infrastructures. Finally, we highlight the ongoing works to install 400 HZ systems to supply power to the aircraft, replacing diesel-powered trolley units, and on new networks to charge the electric vehicle fleet.

The reclassifications to assets under concession principally related to the gradual entry into service of the restyling and modernisation works at the Linate and Malpensa Terminals.

Industrial patents and intellectual property rights and other intangible assets, amounting to Euro 6,365 thousand at December 31, 2023 (Euro 3,080 thousand at December 31, 2022), relate to the purchase of software components for the airport and operating IT systems. Specifically, the increases for Euro 5,712 thousand principally related to the development and implementation of the administrative and airport management systems, relating to investments in previous years and recorded in the account “Assets in progress and advances” which at December 31, 2023 record a residual amount of Euro 3,667 thousand, relating to software developments in progress.

In view of the results of the impairment test at December 31, 2023, described in Note 2, it was not necessary to write-down the non-financial assets.

The changes in intangible assets during 2022 were as follows:

Intangible assets

(Euro thousands)	December 31, 2021	Increases in the year	Reclassifications /transfers	Destruct. /sales	Amortisation /write-downs	December 31, 2022
Gross value						
Rights on assets under concession	1,610,837	5,772	31,341	(23)		1,647,927
Rights on assets under concess. in prog. & advances	33,693	32,753	(30,996)			35,450
Patents and right to use intellectual property & others	99,454		481		(83)	99,852
Assets in progress and advances	1,772	3,543	(749)			4,566
Other	18,264	144	268		(212)	18,464
Total Gross Value	**1,764,020**	**42,212**	**345**	**(23)**	**(295)**	**1,806,259**
Accumulated amortisation						
Rights on assets under concession	(711,000)			8	(43,374)	(754,366)
Rights on assets under concess. in prog. & advances						
Patents and right to use intellectual property & others	(92,033)				(4,739)	(96,772)
Assets in progress and advances						
Other	(15,328)					(15,328)
Total accumulated amortisation	**(818,361)**	**0**	**0**	**8**	**(48,113)**	**(866,466)**
Net value						
Rights on assets under concession	899,837	5,772	31,341	(15)	(43,374)	893,561
Rights on assets under concess. in prog. & advances	33,693	32,753	(30,996)			35,450
Patents and right to use intellectual property & others	7,421		481		(4,822)	3,080
Assets in progress and advances	1,772	3,543	(749)			4,566
Other	2,936	144	268		(212)	3,136
Total net value	**945,659**	**42,212**	**345**	**(15)**	**(48,408)**	**939,793**

8.2 Property, plant and equipment

The following tables summarises the movements in property, plant and equipment in 2023.

Property, plant and equipment

(Euro thousands)	December 31, 2022	Reclassi-fications from IAS to IFRIC	December 31, 2022 reclassified	IFRS 5 reclassi-fication (*)	Increases in the year	Reclassifi-cations /transfers	Destruct./ sales	Deprecia-tion /wri-te-downs	December 31, 2023
Gross value									
Property	228,740	(112,240)	116,500		16,995	1,478	(50)		134,923
Plant and machinery	7,139		7,139		186	1,156	(169)		8,312
Industrial and commercial equipment	46,756		46,756		1,220		(30)		47,946
Other assets	94,699		94,699	(18,720)	2,316	2,773	(719)		80,349
Assets in progress and advances	20,060	(3,628)	16,432		12,003	(16,772)			11,663
Total Gross Value	**397,394**	**(115,868)**	**281,526**	**(18,720)**	**32,720**	**(11,365)**	**(968)**	**0**	**283,193**
Accumulated depreciation & write-downs									
Property	(121,439)	64,352	(57,087)			(56)	50	(3,335)	(60,428)
Plant and machinery	(5,477)		(5,477)			(162)	167	(403)	(5,875)
Industrial and commercial equipment	(46,285)		(46,285)				30	(377)	(46,632)
Other assets	(81,201)		(81,201)	13,849			719	(4,012)	(70,645)
Assets in progress and advances									
Total accumulated depreciation & write-downs	**(254,402)**	**64,352**	**(190,050)**	**13,849**	**0**	**(218)**	**966**	**(8,128)**	**(183,581)**
Net value									
Property	107,302	(47,888)	59,414		16,995	1,422		(3,335)	74,496
Plant and machinery	1,663		1,663		186	994	(2)	(403)	2,438
Industrial and commercial equipment	471		471		1,220			(377)	1,314
Other assets	13,498		13,498	(4,871)	2,316	2,773		(4,012)	9,704
Assets in progress and advances	20,060	(3,628)	16,432		12,003	(16,772)			11,663
Total net value	**142,994**	**(51,516)**	**91,478**	**(4,871)**	**32,720**	**(11,583)**	**(2)**	**(8,128)**	**99,615**

(*) Balance at December 31, 2022 of Airport ICT Services, whose balances were reclassified to the account "Assets held-for-sale" in accordance with IFRS 5.

The increase in property of Euro 16,995 thousand concerns the investment, completed on June 19, at the area owned by Gezzo S.r.l. near Linate airport, on which parking and adjoining land is located.

Increases in "Property, plant and equipment" include, in addition, the purchase by the parent company SEA of furniture and furnishings (counters, benches, seats, etc.) for Euro 693 thousand, smart security equipment for Euro 2,773 thousand and of new video terminals, security systems and personal computers for Euro 1,474 thousand.

It should be noted that, following the revision to the assets included within the scope of "concession rights", the Group reclassified as intangibles assets those previously recognised as property, plant and equipment. As shown in the table in the column "IAS to IFRIC reclassifications", this reclassification mainly concerned the Linate and Malpensa airports, which were partially recognised as property during the previous year. For a better comparison between the two years, the comparative year at December 31, 2022, reflects the reclassification of the assets between intangible assets and property, plant and equipment.

In view of the results of the impairment test at December 31, 2023, described in Note 2, it was not necessary to write-down the non-financial assets.

All fixed assets, including those falling under IFRIC 12, are expressed net of those funded by State and European Union contributions. These latter at December 31, 2023, amounted to Euro 511,873 thousand and Euro 7,019 thousand respectively.

The changes in property, plant and equipment during 2022 were as follows:

Property, plant and equipment

(Euro thousands)	December 31, 2021	Increases in the year	Reclassifications/ transfers	Destruct./ sales	Depreciation /write-downs	December 31, 2022
Gross value						
Property	230,867		1,184	(3,311)		228,740
Plant and machinery	7,038	101				7,139
Industrial and commercial equipment	46,521	243		(8)		46,756
Other assets	92,720	538	1,799	(358)		94,699
Assets in progress and advances	11,931	11,457	(3,328)			20,060
Total Gross Value	**389,077**	**12,339**	**(345)**	**(3,677)**	**0**	**397,394**
Accumulated depreciation & write-downs						
Property	(116,649)			1,630	(6,420)	(121,439)
Plant and machinery	(5,145)				(332)	(5,477)
Industrial and commercial equipment	(45,625)			2	(662)	(46,285)
Other assets	(75,104)			361	(6,458)	(81,201)
Assets in progress and advances						
Total accumulated depreciation & write-downs	**(242,523)**	**0**	**0**	**1,993**	**(13,872)**	**(254,402)**
Net value						
Property	114,219		1,184	(1,681)	(6,420)	107,302
Plant and machinery	1,894	101			(332)	1,663
Industrial and commercial equipment	896	243		(6)	(662)	471
Other assets	17,616	538	1,799	3	(6,458)	13,498
Assets in progress and advances	11,931	11,457	(3,328)			20,060
Total net value	**146,556**	**12,339**	**(345)**	**(1,684)**	**(13,872)**	**142,994**

8.3 Leased assets rights-of-use

“Leased asset rights-of-use” concern rights-of-use recognised as per IFRS 16. As a lessee, the SEA Group identified the relevant issues, principally industrial equipment, land and the long-term hire of vehicles, with the consequent recognition of a usage right to non-current assets equal to the present value of the outstanding instalments and with the counter-entry of a finance lease payable. The net value of leased assets right-of-use at December 31, 2023, is Euro 13,002 thousand (Euro 14,008 thousand at December 31, 2022), with depreciation in the year amounting to Euro 2,486 thousand (Euro 2,541 thousand in 2022). For the calculation of these amounts, the Group availed of an exemption permitted under IFRS 16 and which resulted in a single discount rate for each leasing portfolio.

The following tables summarises the movements between December 31, 2022, and December 31, 2023:

Leased assets rights-of-use

(Euro thousands)	December 31, 2022	Increases in the year	Destruct./ sales	Depreciation /write-downs	December 31, 2023
Gross value					
Miscellaneous & minor equipment	4,249	432	(1,472)		3,209
Transport vehicles	11,939	849	(303)		12,485
Loading and Unloading Machines		245			245
Land	4,443				4,443
Total Gross Value	**20,631**	**1,526**	**(1,775)**	**0**	**20,382**
Accumulated depreciation & write-downs					
Miscellaneous & minor equipment	(2,734)		1,441	(572)	(1,865)
Transport vehicles	(2,652)		288	(1,506)	(3,870)
Loading and Unloading Machines				(11)	(11)
Land	(1,238)			(397)	(1,635)
Total accumulated depreciation & write-downs	**(6,624)**	**0**	**1,729**	**(2,486)**	**(7,381)**
Net value					
Miscellaneous & minor equipment	1,515	432	(31)	(572)	1,344
Transport vehicles	9,287	849	(15)	(1,506)	8,615
Loading and Unloading Machines		245		(11)	234
Land	3,205			(397)	2,808
Total net value	**14,008**	**1,526**	**(46)**	**(2,486)**	**13,002**

The main increases concerned the hire of vehicles, ambulifts, and x-ray machines.

The changes in leased assets rights-of-use during 2022 were as follows:

Leased assets rights-of-use

(Euro thousands)	December 31, 2021	Increases in the year	Destruct./ sales	Depreciation /write-downs	December 31, 2022
Gross value					
Miscellaneous & minor equipment	4,101	148			4,249
Complex equipment	188		(188)		0
Transport vehicles	8,688	3,581	(330)		11,939
EDP	862		(862)		0
Land	4,348	203	(108)		4,443
Total Gross Value	**18,187**	**3,932**	**(1,488)**	**0**	**20,631**
Accumulated depreciation & write-downs					
Miscellaneous & minor equipment	(1,925)			(809)	(2,734)
Complex equipment	(162)		188	(26)	0
Transport vehicles	(1,669)		330	(1,313)	(2,652)
EDP	(470)		483	(13)	0
Land	(966)		108	(380)	(1,238)
Total accumulated depreciation & write-downs	**(5,192)**	**0**	**1,109**	**(2,541)**	**(6,624)**
Net value					
Miscellaneous & minor equipment	2,176	148		(809)	1,515
Complex equipment	26			(26)	(0)
Transport vehicles	7,019	3,581		(1,313)	9,287
EDP	392		(379)	(13)	0
Land	3,382	203		(380)	3,205
Total net value	**12,996**	**3,932**	**(379)**	**(2,541)**	**14,008**

8.4 Investment property

Information on investment property is provided below:

Investment property

(Euro thousands)	December 31, 2023	December 31, 2022
Gross value	4,134	4,134
Accumulated depreciation	(736)	(735)
Net total investment property	**3,398**	**3,399**

Movement Accumulated Depreciation

(Euro thousands)	December 31, 2023	December 31, 2022
Opening balance	(735)	(733)
Depreciation	(1)	(2)
Closing balance	**(736)**	**(735)**

The account includes buildings not utilised in the operating activities of the Group (apartments and garages) and areas adjacent to the airport.

8.5 Investments in associated companies

The changes in the account "investments in associated companies" at December 31, 2023 and December 31, 2022 are shown below.

Investments in associates

(Euro thousands)	December 31, 2022	Movements IFRS 5 reclassification	Movements Increases / (decreases)	Movements Dividends distributed	Movements Capital increase	December 31, 2023
SACBO SpA	45,420		5,724	(966)		50,178
Dufrital SpA	13,486		5,106	(3,213)		15,379
Disma SpA	2,922		193			3,115
Malpensa Logistica Europa SpA *	6,626	(6,626)				0
Areas Food Services Srl	3,194		1,306		1,961	6,461
Airport Handling SpA	10,530		397	(1,500)		9,427
Total	**82,178**	**(6,626)**	**12,726**	**(5,679)**	**1,961**	**84,560**

** On 4 July 2023 SEA SpA sold the entire 25% of share capital to the company BCUBE Air Cargo SpA.*

The companies held are all resident in Italy.

The net equity of the associated companies was adjusted to take account of the Group accounting principles and the measurement of investments as per IAS 28.

The share capital of Areas Food Services Srl was increased from Euro 746,700 to Euro 1,500,000 (SEA's holding remained unchanged at 40%). The transaction forms part of SEA's broader strategy of improving the food and beverage sector while also directly overseeing the quality of services provided in the hope of improving passenger experience.

On July 4, 2023, SEA S.p.A. completed the transfer of the entire equity investment held in Malpensa Logistica Europa S.p.A. (MLE), a 25% interest in the company, to BCUBE Air Cargo S.p.A.

The SEA Group share of adjusted net equity at December 31, 2023 amounts to Euro 84,560 thousand (Euro 82,178 thousand at December 31, 2022).

8.6 Other investments

The list of "Other investments" is presented below:

Company	% Holding December 31, 2023	% Holding December 31, 2022
Consorzio Milano Sistema in liquidation	10%	10%
Romairport Srl	0.227%	0.227%

The tables below report the changes in other investments in 2023:

Other investments

(Euro thousands)	December 31, 2022	Movements Increases /revaluations	Movements Decreases /write-downs	December 31, 2023
Consorzio Milano Sistema in liquidation	0			0
Romairport Srl	1			1
Total	**1**	**-**	**-**	**1**

8.7 Deferred tax assets

The changes in the net deferred tax assets for the year 2023 are shown below:

Deferred tax assets

(Euro thousands)	December 31, 2022	(Released) / allocated to P&L	(Released) / allocated to Equity	December 31, 2023
Restoration prov. as per IFRIC 12	44,251	3,131		47,382
Write-downs assets	592	1,941		2,533
Provisions for risks and charges	11,947	(4,695)		7,252
Non-deductible doubtful debt provision	8,617	(1,658)		6,959
Inventory obsolescence provision	371	(97)		274
Post-em. bens. prov. discounting (IAS 19)	(465)	160	8	(297)
Ord. main. on assets under concession	5,638	157		5,795
Other	2,087	(244)		1,844
SEA tax losses	45,053	(44,021)		1,032
Total deferred tax assets	**118,092**	**(45,326)**	**8**	**72,774**
Amortisation & Depreciation	(2,294)	1,540		(754)
Allocation gain acquisition SEA Prime	(4,029)	218		(3,811)
Total deferred tax liabilities	**(6,323)**	**1,758**	**0**	**(4,565)**
Total deferred tax assets, net of liabilities	**111,768**	**(43,568)**	**8**	**68,209**

The movement in "Deferred tax assets" mainly includes the effect related to the use of the tax loss in previous years, partially offsetting the net profit for the year.

8.8 Other non-current receivables

"Other non-current receivables" amount to Euro 14,921 thousand at December 31, 2023 (Euro 60,496 thousand at December 31, 2022).

The account concerns mainly the assets relating to the indemnification right, connected with the sub-entry value and resulting from Article 703 (paragraph 5) of the Navigation Code. The change from the previous year is mainly related to the present-value measurement, in accordance with IFRS 9, and to updated estimates.

Other residual receivables, finally, refer mainly to guarantee deposits.

8.9 Inventories

The following table reports the breakdown of the account "Inventories":

Inventories

(Euro thousands)	December 31, 2023	December 31, 2022
Raw material, ancillary and consumables	3,701	2,874
Inventory obsolescence provision	(971)	(1,316)
Total Inventories	**2,730**	**1,558**

The account comprises consumable goods held for airport activities. No goods held in inventories comprised guarantees on loans or concerning other commitments.

The comparison of inventories with the realisable value or replacement necessitated an obsolescence inventory provision amounting to Euro 971 thousand at December 31, 2023 (Euro 1,316 thousand at December 31, 2022).

Utilisation of the inventory obsolescence provision amounted to Euro 345 thousand in 2023.

8.10 Trade receivables

The breakdown of the trade receivables is reported in the table below:

Trade receivables

(Euro thousands)	December 31, 2023	December 31, 2022
Trade receivables - customers	134,327	109,402
Trade receivables - associates	18,731	13,226
Total net trade receivables	**153,058**	**122,628**

Trade receivables, shown net of the doubtful debt provision, mainly include receivables from clients and provisions for invoices and credit notes to be issued.

For an analysis of trade receivables in 2023, reference should be made to the Directors' Report.

The criteria for the adjustment of receivables to their realisable value takes account of valuations regarding the state of the dispute and are subject to estimates which are described in the previous Notes, to which reference should be made.

The changes in the doubtful debt provision were as follows:

Doubtful debt provision

(Euro thousands)	December 31, 2023	December 31, 2022
Opening provision	(103,414)	(124,331)
(Increases)/releases	5,714	5,688
Utilisations	676	15,229
Total doubtful debt provision	**(97,024)**	**(103,414)**

The decrease in the doubtful debt provision compared to 2023 is the result of the rating upgrade in 2023. The doubtful debt provision was calculated to take into account the risk in deterioration of the financial positions of the principle operators with which disputes exist and write-downs for trade receivables under administration, and of the risk assessed by the Group which reflects the expected loss on each receivable, as per IFRS 9.

The utilisations relating to the year 2023, amounting to Euro 676 thousand, refer to the closure during the year of disputes in which the provisions were accrued to cover such risks in previous years.

8.11 Tax receivables and other current receivables

The following table provides the breakdown of tax receivables and other current receivables:

Tax receivables and other current receivables

(Euro thousands)	December 31, 2023	December 31, 2022
Tax receivables	459	4,769
Other current receivables	5,089	6,853
Total tax receivables and other current receivables	**5,548**	**11,622**

Tax receivables of Euro 459 thousand as at December 31, 2023 refer to VAT receivables of Euro 124 thousand (Euro 1,813 thousand as at December 31, 2022) and other tax receivables of Euro 335 thousand (Euro 499 thousand as at December 31, 2022). At December 31, 2022, tax receivables included Euro 2,388 thousand for the tax credit recognised to non-energy intensive enterprises.

The Group in 2023 benefited from the contribution of Euro 2,287 thousand, recognised by the Government in the form of a tax credit for non-energy intensive enterprises, to partially offset the increased charges effectively incurred to purchase electricity during Q1 and Q2 2023.

The account “other current receivables” is broken down as follows:

Other current receivables

(Euro thousands)	December 31, 2023	December 31, 2022
Other receivables	2,919	3,683
Employee & soc. sec. receivables	483	897
Receivables from insurance companies	961	865
Miscellaneous receivables	726	966
Receivables for dividends		442
Total other current receivables	**5,089**	**6,853**

“Other current receivables” amount to Euro 5,089 thousand at December 31, 2023 (Euro 6,853 thousand at December 31, 2022) and is comprised of the accounts outlined below.

“Other receivables” of Euro 2,919 thousand principally concerns accrued income related to revenues accrued in the year and costs relating to future years. The account also includes supplier advances, operating grants and other minor positions.

Receivables from employees and social security entities, amounting to Euro 483 thousand at December 31, 2023 (Euro 897 thousand at December 31, 2022), mainly refer to the receivables from employees related to the advanced payment of meal vouchers not yet accrued and INPS and INAIL receivables.

Receivables from insurance companies, amounting to Euro 961 thousand at December 31, 2023 (Euro 865 thousand at December 31, 2022) relate to amounts paid on insurance policies in advance of the period to which the cost refers.

Miscellaneous receivables amounting to Euro 726 thousand at December 31, 2023 mainly refer to receivables from payments by Telepass, credit card and POS which have not yet been credited in the bank account.

The receivables for dividends to be received of Euro 442 thousand at December 31, 2022, relating to Airport Handling, were received in February 2023.

8.12 Current financial receivables

Current financial receivables, of Euro 125,168 thousand at December 31, 2023, include the cash invested by SEA in monetary instruments with maturities of longer than 3 months, but maturing by May 2024, which offer a high degree of flexibility given that they include the option for early redemption.

8.13 Cash and cash equivalents

The breakdown of the account "cash and cash equivalents" is shown in the table below.

Cash and cash equivalents

(Euro thousands)	December 31, 2023	December 31, 2022
Bank and postal deposits	91,064	160,269
Cash in hand and similar	59	72
Total	**91,123**	**160,341**

Cash and cash equivalents at December 31, 2023 decreased Euro 69,218 thousand compared to the previous year.

The favourable operating cash flow movements funded investments and serviced the debt and the settlement in June 2023 of the payable for the second tranche of the extraordinary dividend approved by the Shareholders' Meeting of September 30, 2019 and amounting to Euro 84.7 million, whose cash out was suspended during the pandemic. However, the trend in liquidity was impacted by: (i) the early repayment of Euro 25 million relating to the residual portion of the variable-rate term loans agreed in 2021 to deal with the COVID-19 pandemic; and (ii) cash of Euro 125 million invested in monetary instruments with maturities of greater than 3 months, as described in relation to current financial receivables.

The breakdown of cash and cash equivalents at December 31, 2023, refers to:

i. bank and postal deposits of Euro 91,064 thousand, Euro 50,000 thousand of which in monetary instruments with maturities of less than 3 months (maturing in January 2024);

ii. cash in hand and similar of Euro 59 thousand.

For further information on the movements, reference should be made to the Consolidated Cash Flow Statement.

8.14 Shareholders' Equity

At December 31, 2023, the share capital of the Company amounted to Euro 27,500 thousand.

The par value of each share was Euro 0.11.

The changes in shareholders' equity in the year are shown in the statement of financial position.

The reconciliation between the net equity of the Parent Company SEA S.p.A. and the consolidated net equity is shown below.

(Euro thousands)	Net Equity at December 31, 2022	Equity movements	OCI Reserve	Net profit /(loss)	Net Equity at December 31, 2023
Parent Company Financial Statements	**276,971**		**(26)**	**153,017**	**429,962**
Share of net equity and net profit of the consolidated subsidiaries attributable to the Group, net of the carrying amount of the relative investments	7,818	(4)		866	8,680
Adjustments for measurement at equity of associates	63,042			2,095	65,137
Other consolidation adjustments	(4,964)			233	(4,731)
Consolidated Financial Statements	**342,867**	**(4)**	**(26)**	**156,211**	**499,048**

On April 28, 2023, the Shareholders' Meeting of the parent company approved the separate financial statements at December 31, 2022 of SEA S.p.A., drawn up as per IFRS, allocating the 2022 net profit of Euro 194,918,804.50 as follows:

- Euro 120,366,865.50 to fully cover the loss for 2020;
- Euro 74,551,939.00 to the Extraordinary Reserve.

8.15 Provisions for risks and charges

The breakdown of the account "provisions for risks and charges" is shown in the table below:

Provision for risks and charges

(Euro thousands)	December 31, 2022	Provisions/ Increases	(Utilisation)/ (Decreases)	(Releases)	December 31, 2023
Restoration and replacement provision	200,676	52,521	(76,973)		176,224
Provision for future charges	28,448	2,878	(2,534)	(9,860)	18,932
Total provision for risks and charges	**229,124**	**55,399**	**(79,507)**	**(9,860)**	**195,156**

The restoration and replacement provision on assets under concession, created in accordance with IFRIC 12, refers to the estimate of the amount matured relating to the maintenance on assets under concession from the State which will be undertaken in future years. The provision for the year takes into account the updated long-term scheduled maintenance and replacement plans on these assets, while the utilisations in the year refer to the restoration works carried out covered by the provisions made in previous years. The utilisation for the year is mainly due to the restoration works dedicated to the reopening of Terminal 2 at Malpensa, which took place on May 31, 2023, and its related infrastructures, as well as to work carried out on the flight infrastructures at Linate, including the paving of sections of apron and/or taxiway and the upgrading of the sections adjacent to the runway renamed 17/35. Utilisations and releases also include the present value measurement of the restoration and replacement provision.

The movements of the future charges provision were as follows:

Provision for future charges

(Euro thousands)	December 31, 2022	Provisions/ Increases	(Utilisation)/ (Decreases)	(Releases)	December 31, 2023
Labour provisions	7,654	2,570	(1,334)	(936)	7,954
Tax risks	1,735				1,735
Other provisions	19,059	308	(1,200)	(8,924)	9,243
Total provision for future charges	**28,448**	**2,878**	**(2,534)**	**(9,860)**	**18,932**

The employee provisions relate to the expected streamlining actions to be undertaken on the Group's operations. The utilisations in the year are related to the incentivised departures for which a specific provision was made in the accounts in 2022.

The "Tax risks" account refers to:

- Euro 1,500 thousand for the amount allocated by SEA Prime SpA, to cover liabilities related to the non-payment of Group VAT by the former Parent Company for the years 2011 and 2012;
- Euro 235 thousand for the amount provisioned by the parent SEA in relation to the VAT assessment (for further information, reference should be made to the Directors' Report).

The account "other provisions" for Euro 9,243 thousand at December 31, 2023 is composed of the following items:

- Euro 7,277 thousand for legal disputes related to the operational management of the airports; For further information, reference should be made to the Directors' Report;
- Euro 1,000 thousand relating to charges from the acoustic zoning of the peripheral areas to the Milan Airports. For further information, reference should be made to the Directors' Report;
- Euro 666 thousand relating to insurance disputes for compensation requests damage;
- Euro 300 thousand (Euro 3,000 thousand at December 31, 2022) for various legal disputes.

The utilisations mainly concern the payment of amounts for the resolution of disputes by a judgment unfavourable to Group companies.

Based on the updated state of advancement of disputes at the preparation date of the present interim report, and also based on the opinion of the consultants representing the Group in the disputes, the provisions are considered sufficient to cover potential liabilities that may emerge.

8.16 Employee provisions

The changes in the employee provisions are shown below:

Employee provisions

(Euro thousands)	December 31, 2023	December 31, 2022
Opening provision	30,942	44,036
IFRS 5 reclassification (*)	(841)	
Financial (income)/charges	980	631
Transfer of employees	127	
Utilisations	(3,835)	(7,844)
Actuarial losses/(profits)	33	(5,881)
Total employee provisions	**27,406**	**30,942**

(*) Balance at December 31, 2022 of Airport ICT Services, whose balances were reclassified to the account "Liabilities related to assets held-for-sale" in accordance with IFRS 5.

The actuarial calculation of the employee leaving indemnity takes into account the effects of the reform of Law No. 296 of December 27, 2006 and subsequent decrees and regulations.

The principal actuarial assumptions, utilised for the determination of the pension obligations, are reported below:

Economic-financial technical parameters

	December 31, 2023	December 31, 2022
Annual discount rate	3.08%	3.51%
Annual inflation rate	2.00%	2.30%
Annual increase in employee leaving indemnity	3.00%	3.23%

The annual discount rate, utilised for the present value of the bond, was based on the Iboxx Eurozone Corporate A index.

The sensitivity analysis for each of the significant assumptions at December 31, 2023 is shown below, indicating the effects that would arise on the post-employment benefit provision for the Parent Company SEA.

Change

(Euro thousands)	December 31, 2023	December 31, 2022
+ 1 % on turnover rate	26,583	29,654
- 1 % on turnover rate	26,430	29,416
+ 1/4 % on annual inflation rate	26,834	29,895
- 1/4 % on annual inflation rate	26,190	29,191
+ 1/4 % on annual discount rate	26,004	28,898
- 1/4 % on annual discount rate	27,030	30,107

The average duration of the financial obligation and scheduled payments of the benefits are reported in the following tables:

Average duration of the obligation

(in years)	December 31, 2023	December 31, 2022
Duration	8.5	8.4

Expected disbursements

(Euro thousands)	December 31, 2023	December 31, 2022
Year 1	1,965	2,653
Year 2	1,308	1,548
Year 3	1,448	1,855
Year 4	1,154	2,016
Year 5	2,040	1,230

8.17 Current and non-current financial liabilities

The table below provides a breakdown of current and non-current financial liabilities at December 31, 2023 and December 31, 2022.

	December 31, 2023		December 31, 2022	
(Euro thousands)	Current portion	Non-current portion	Current portion	Non-current portion
Long-term loans	20,485	163,376	22,929	208,695
Loan charges payable	2,559		1,634	
Bank payables	**23,044**	**163,376**	**24,563**	**208,695**
Payables to bondholders		299,363		299,026
Payables for charges on bonds	2,381		2,388	
Lease liabilities (Financial Payables)	2,071	11,157	2,044	11,795
Payables to other lenders	**4,452**	**310,520**	**4,432**	**310,821**
Total current and non-current liabilities	**27,496**	**473,896**	**28,995**	**519,516**

The financial debt of the Group at December 31, 2023, as illustrated in the table below, is exclusively comprised of medium/long-term debt - concerning the SEA Bond 10/2025 bond issue (expressed at amortised cost) and the EIB loans (of which 46% with maturity beyond 5 years and only 11% maturing within 12 months).

It should be noted that, after exercising the ESG option included in the contracts of the revolving lines and their transformation into sustainability-linked format, 31% of the SEA Group's medium/long-term financing was structured in a sustainability-linked format at December 31, 2023.

The breakdown of the Group net debt at December 31, 2023 and December 31, 2022 is reported below:

Net financial debt

(Euro thousands)		December 31, 2023	December 31, 2022
A.	Cash	(91,123)	(160,341)
B.	Cash equivalents		
C.	Other current financial assets	(125,168)	
D.	**Liquidity (A)+(B)+(C)**	**(216,291)**	**(160,341)**
E.	Current financial debt	7,011	6,066
F.	Current portion of non-current financial debt	20,485	22,928
G.	**Current financial indebtness (E + F)**	**27,496**	**28,994**
H.	**Net current financial indebtedness (G - D)**	**(188,795)**	**(131,347)**
I.	Non-current financial debt	174,533	220,491
J.	Debt instruments	299,363	299,026
K.	Non-current trade and other payables		
L.	**Non-current financial indebtedness (I+J+K)**	**473,896**	**519,517**
M.	**Total financial indebtedness from continuing operation (H+L)**	**285,101**	**388,170**
N.	Net financial debt from assets held-for-sale and discontinued operation	(2,768)	
O.	**Total financial indebtedness (M+N)**	**282,333**	**388,170**

At the end of December 2023, the net debt of Euro 282,333 thousand decreased Euro 105,837 thousand on the end of 2022 (Euro 388,170 thousand).

The net debt of continuing operations (in accordance with IFRS 5) at the end of 2023 does not include the cash of Euro 2,768 thousand of Airport ICT Services, the investment in which is in the process of being sold.

The net debt was affected by:

- **a.** the trend in liquidity for the strong financial performance posted in 2023, considering both cash and cash equivalents and current financial receivables;
- **b.** the continuation of the repayment of part of the EIB loans (principal repaid in 2023 totalling Euro 22,939 thousand);
- **c.** The early repayment of Euro 25,000 thousand, relating to the residual portion of the variable rate term loans agreed in 2021 to deal with the COVID-19 pandemic, so as to optimise the SEA Group's financial structure amid rising interest rates;
- **d.** lower leasing payables for Euro 611 thousand, following the settlement of outstanding contracts.

"Current financial payables" and "Non-current financial payables" include the lease liabilities, as per IFRS 16 and representing the obligation to make contractually established payments. As per the table presented below, the current financial liabilities (maturity within 12 months) and non-current liabilities (maturity beyond 12 months) for leasing amount at December 31, 2023 respectively to Euro 2,070 thousand and Euro 11,157 thousand:

Lease liabilities (Financial Payables)

	December 31, 2023		December 31, 2022	
(Euro thousands)	current	non-current	current	non-current
Miscellaneous & minor equipment	438	1,239	630	1,310
Transport vehicles	1,483	7,558	1,379	8,264
Loading and Unloading Machines	115	130		
Land	35	2,230	35	2,221
Total	**2,071**	**11,157**	**2,044**	**11,795**

For further details, reference should be made to note 8.3 "Leased assets right-of-use".

Indirect and conditional debt

In line with Recommendations ESMA/32-382-1138, a breakdown of the Group's indirect and conditional debt as at December 31, 2023 is presented below in order to provide an overview of any material debt that is not reflected in the debt statement and which represents an obligation that the Group may have to meet:

i. the main provisions recognised in the financial statements relate to:

- the restoration and replacement provision, which represents a contractual obligation to maintain the infrastructure at a specified level of functionality or to restore it to a specified condition before handing it back to the grantor upon expiration of the service agreement. At December 31, 2023, the provision totals Euro 176,224 thousand. Further details are provided in paragraph 8.15;
- charges arising from acoustic zoning to meet the Plan of noise containment actions. At December 31, 2023, the provision totals Euro 1 million. Further details are provided in paragraph 8.15;
- the employee leaving indemnity fund, which amounted to Euro 27,406 thousand at December 31, 2023. For further details, see paragraph 8.16;

ii. there are no long-term trade payables nor are there any overdue amounts that are not attributable to normal business operations. Any Withholding Taxes are in any case provided for contractually.

iii. trade payables include sums ceded under factoring contracts for Euro 843 thousand (Euro 342 thousand at December 31, 2022). Invoice payment terms are non-interest bearing as they do not involve further extensions agreed upon between the supplier and the Group. For further details, see paragraph 8.19;

iv. the guarantees and commitments entered into by the Group at December 31, 2023 are described in paragraph 14.

The following is a breakdown of the variations of current and non-current financial assets and liabilities, with a separate indication of cash flows recorded in the year 2023 and other variations.

(Euro thousands)	Loans	Bond loans	Payables for charges on loans and bonds	Lease payables	Financial receivables for time deposit	Total
December 31, 2022	**231,625**	**299,026**	**4,022**	**13,839**	**0**	**548,512**
Cash flows:						
-Reimbursement	(47,940)					(47,940)
-Payment of interest expense on bank loans and bond loans relating to 2022			(4,022)			(4,022)
-Reimbursement of capital and interest expense for IFRS16 financial leasing				(2,352)		(2,352)
-New time deposits					(125,000)	(125,000)
Total cash flows	**(47,940)**	**0**	**(4,022)**	**(2,352)**	**(125,000)**	**(179,314)**
Other movements:						
-Amortised cost effect	176	337				513
-Accrued interest on loans and bonds			4,940			4,940
-Change in finance lease obligations IFRS16				1,741		1,741
-Accrued income on time deposits					(168)	(168)
Total Other movements	**176**	**337**	**4,940**	**1,741**	**(168)**	**7,026**
December 31, 2023	**183,861**	**299,363**	**4,940**	**13,228**	**(125,168)**	**376,224**

8.18 Other non-current payables

The table below reports the breakdown of the account "other non-current payables".

Other non-current payables

(Euro thousands)	December 31, 2023	December 31, 2022
Employee payables	1,412	5,099
Social security institutions	409	1,491
Total	**1,821**	**6,590**

The balance at December 31, 2023 therefore entirely concerns the non-current portion of payables to employees and the associated social security contributions, recorded as a result of the mobility procedure's commencement on September 28, 2022. Through the mobility procedure, early retirement incentive payments were established for a pre-determined number of workers who will qualify for (early or ordinary retirement age) pension benefits by 2025. The agreement with Trade Unions covering this procedure has been signed.

8.19 Trade payables

The breakdown of trade payables is follows.

Trade payables

(Euro thousands)	December 31, 2023	December 31, 2022
Supplier payables	174,686	179,760
Advances	1,857	2,157
Payables to associates	8,779	8,641
Total trade payables	**185,322**	**190,558**

Trade payables refer to the purchase of goods and services relating to operations and Group investments.

The payables for advances at December 31, 2023 amounted to Euro 1,857 thousand (Euro 2,157 thousand at December 31, 2022).

In order to optimise operations with suppliers, trade payables at December 31, 2023 include sums ceded under indirect factoring contracts for Euro 843 thousand (Euro 342 thousand at December 31, 2022).

For payables from associated companies reference should be made to Note 10, relating to transactions with related parties.

8.20 Income tax payables

Income tax payables include:

Income tax payables

(Euro thousands)	December 31, 2023	December 31, 2022
IRPEF payables on employees and sub-contractors	3,955	3,755
Direct income taxes	15,371	6,434
VAT payables	1,664	1,274
Other tax payables	19	4
Total income tax payables	**21,009**	**11,467**

The change is mainly attributable to current taxes.

8.21 Other payables

The table below reports the breakdown of the account "other payables".

Other payables

(Euro thousands)	December 31, 2023	December 31, 2022
Payables to shareholders for dividends	126	84,832
Airport fire service	97,809	91,591
Payables for additional landing rights	44,114	41,703
Other items	28,154	18,851
Employee payables for amounts matured	20,118	17,474
Payables to the state for concession fee	18,747	18,684
Payables to social security institutions	12,701	12,394
Employee payables for vacations not taken	2,587	2,701
Third party guarantee deposits	3,899	2,176
Payables to others post-employee benefits	146	164
Payables to BoD & Boards of Statutory Auditors	62	73
Payables to the state for concession fee security service	96	84
Total	**228,559**	**290,727**

"Other payables" decreased by Euro 62,168 thousand, from Euro 290,727 thousand at December 31, 2022 to Euro 228,559 thousand at December 31, 2023. The change is mainly attributable to the reduction in payables to shareholders for dividends, following the payments made in 2023.

Relating to the payables to the State for airport fire services, on July 20, 2018 the constitutional court notice of July 3, 2018 was published in the Official Gazette which declared the unconstitutionality of Article 1, paragraph 478 of Law No. 208 of December 28, 2015 implementing "Provisions for the drawing up of annual and multi-year budgets of the State (2016 Stability Law)". The established taxation status of the Fire-fighting fund and the condition of exclusive tax jurisdiction were subsequently confirmed by the Court of Cassation on January 15, 2019. In the Company's appeal to the Rome Regional Administrative Court, the Administrative Judge also ruled in favour of the jurisdiction of the Tax Judge in the judgement issued in December 2019. The Company served the notice of resumption of the proceedings before the Tax Judge in order to assert the validity of the aforementioned rulings against it. On May 24, 2022, judgement No. 6230/2022, issued by the Rome Provincial Tax Commission, was filed, by which SEA's defences were upheld in their entirety and the ENAC measure was annulled. With a claim filed on August 30, 2022, the Public Bodies appealed this judgement. A court order issued on November 20, 2023 postponed the decision, setting legal deadlines for filing final briefs and replies, which SEA complied with on 12/12/2023. On January 10, 2024, the Court of Appeal of Rome issued Judgement No. 46/2024, rejecting the appeal of the Public Bodies against the sentence of the Court of Rome No. 1870/2018, and therefore confirming the jurisdiction of the Tax Judge. On the same date, however, the Court of Cassation issued Judgement No. 990/2024, as part of the proceedings brought by the Public Bodies against separate airport management companies, stating that "The obligation that Article 1, Paragraph 1328, of Law No. 296/2006 places on airport companies to contribute to the fire prevention fund in proportion to the traffic generated, and has the nature of a tax tied to the need to 'reduce the cost borne by the state for the fire prevention service at airports', limiting the allocation constraint to the phase of use of the revenue, with the consequence that the subsequent provision referred to in Article 4, Paragraph 3-bis of Legislative Decree No. 185/2008, incorporated, upon conversion, by Law No. 2/2009".

The item "Payables for additional landing rights" represent the additional charges created by Laws No. 350/2003, No. 43/2005, No. 296/2006, No. 166/2008, No. 92/2012 and No. 357/2015.

The account "Other payables", amounting to Euro 28,154 thousand at December 31, 2023 (Euro 18,851 thousand at December 31, 2022), concerns for Euro 18,716 thousand (Euro 13,068 thousand at December 31, 2022) deferred income for future periods and other minor payables.

The increase in "Employee payables for amounts matured" is mainly attributable to the allocations related to the national collective bargaining agreement that concluded in December 2022.

9. INCOME STATEMENT

9.1 Operating revenues

The table below shows the breakdown of operating revenues for the years 2023 and 2022. These data, as shown in Note No. 7 "Disclosure by operating segment" reflect the operational and managerial view of the businesses in which the Group operates. Therefore, these data differ with respect to those presented at the level of the individual legal entity.

Operating revenues for 2023 include Euro 38,884 thousand received in 2023 related to judgement No. 7241/2015 of the Court of Milan, as upheld by subsequent instances in relation to airport charges.

2022 Operating revenues include the public grants received from the State and the Lombardy Region totalling Euro 144,101 thousand, in partial compensation for the losses incurred due to the pandemic, of which Euro 142,608 thousand concerning the Commercial Aviation segment and Euro 1,493 thousand the General Aviation segment. This allocation was constructed based on the data in the grant application document prepared by the Group SEA and sworn by an independent third party.

The revenues below are shown net of non-recurring items amounting to Euro 38,884 thousand in 2023 and Euro 144,101 thousand in 2022.

Operating revenues

(Euro thousands)	2023	2023 excl. Reimbursement concerning airport fees	2022	2022 excl. Contribution by State and Lombardy Region
Commercial Aviation Operating Revenues	745,267	706,383	718,032	575,424
General Aviation Operating Revenues	17,465	17,465	16,808	15,315
Total operating revenues	**762,732**	**723,848**	**734,840**	**590,739**

Commercial Aviation Operating Revenues

The breakdown of aviation operating revenues is reported below.

Aviation operating revenues

(Euro thousands)	2023	2022
Fees and centralised infrastructure	358,794	298,563
Security management revenues	42,315	34,913
Use of regulated spaces	11,664	9,966
Total Aviation Operating Revenues	**412,773**	**343,442**

The movement in Aviation revenues is described in detail in the Directors' Report, to which reference should be made.

Aviation revenue in 2023 increased Euro 69,331 thousand compared to the previous year. This increase is strictly related to traffic volumes, which recovered in the second half of 2022 thanks to the loosening of travel restrictions in Italy and Europe.

The breakdown of Non-Aviation operating revenues is reported below.

Non Aviation operating revenues

(Euro thousands)	2023	2022
Retail	126,054	94,358
Parking	81,454	65,789
Cargo	20,695	18,192
Advertising	9,177	6,997
Premium services	26,255	19,863
Real estate	7,131	5,601
Services and other revenues	22,844	21,182
Total Non Aviation operating revenues	**293,610**	**231,982**

The breakdown of retail revenues is reported below.

Retail Revenues

(Euro thousands)	2023	2022
Shops	64,769	45,719
Food & Beverage	29,562	23,251
Car Rental	22,548	18,743
Bank services	9,175	6,645
Total Retail	**126,054**	**94,358**

General Aviation Operating Revenues

The General Aviation business includes, as stated, the full range of services relating to business traffic at the western apron of Linate and at Malpensa airport. Revenues from the General Aviation business amounting to Euro 17,465 thousand increased 14% over the previous year. Reference should be made to the Directors' Report for further details.

9.2 Revenue for works on assets under concession

Revenue for works on assets under concession increased from Euro 32,676 thousand in 2022 to Euro 38,373 thousand in 2023.

These revenues, as per IFRIC 12, refer to construction work on assets under concession increased by a mark-up of 6% representing the best estimate of the remuneration of the internal cost for the management of the works and design activities undertaken by the Parent Company, which corresponds to a mark-up which a general constructor would request to undertake such activities.

This account is strictly related to investment and infrastructure upgrading activities. For further information on the principal investments, reference should be made to Note 8.1.

9.3 Personnel costs

The breakdown of personnel costs is as follows:

Personnel costs

(Euro thousands)	2023	2022
Wages, salaries & social security charges	165,046	154,282
Post-employment benefits	7,690	7,724
Other personnel costs	5,847	30,521
Total	**178,583**	**192,527**

Group personnel costs in 2023 decreased Euro 13,944 thousand (-7.2%) compared to 2022, from Euro 192,527 thousand to Euro 178,583 thousand.

The reduction is largely due to the extraordinary provision in 2022 of costs deriving from the signing of the early retirement agreement as part of the 2022-2025 personnel restructuring business plan, whose effect was partly reduced by the conclusion of the economic benefits of the Extraordinary Temporary Lay-off Scheme as passenger traffic recovers.

The average number of full-time equivalent employees decreased from 2,627 in 2022 to 2,510 in 2023 (-4.5%).

The following table outlines the average FTE by category in the periods January-December 2023 and January-December 2022:

Average Full Time Equivalent

	January - December 2023	%	January - December 2022	%
Executives	46	1.8%	45	1.7%
Managers	256	10.2%	272	10.4%
White-collar	1,501	59.8%	1,591	60.6%
Blue-collar	525	20.9%	593	22.6%
Total full-time employees	**2,328**	**92.7%**	**2,501**	**95.2%**
Temporary workers	182	7.3%	126	4.8%
Total employees	**2,510**	**100.0%**	**2,627**	**100.0%**

9.4 Consumable materials

The breakdown of the account "consumable materials" is as follows:

Consumable materials

(Euro thousands)	2023	2022
Raw materials, ancillaries, consumables and goods	10,400	10,325
Change in inventories	(1,172)	180
Total	**9,228**	**10,505**

Consumable materials decreased from Euro 10,505 thousand in 2022 to Euro 9,228 thousand in 2023, a reduction of Euro 1,277 thousand.

9.5 Other operating costs

The breakdown of "Other operating costs" is as follows:

Other operating costs

(Euro thousands)	2023	2022
Infrastructure management costs	74,397	100,808
Public fees	40,867	34,470
Ordinary maintenance costs	34,934	27,338
Costs for passenger services	28,109	23,673
Cleaning	15,987	14,773
Emoluments & costs of Board of Statutory Auditors & BoD	984	954
Other costs	46,528	41,387
Total other operating costs	**241,806**	**243,403**

"Other operating costs" decreased by Euro 1,597 thousand from 2022 to 2023, despite the increase in costs in relation to the greater volumes of traffic, the costs arising from the reopening of Terminal 2 at Malpensa, and the updating of a number of contractual fees, due to the significant reduction in the cost of energy.

Costs in 2023 benefitted from the contribution of Euro 2,287 thousand (Euro 6,099 thousand in 2022) from the Government for non-energy intensive enterprises to partially offset the increased charges effectively incurred to purchase electricity, in the form of a tax credit on energy expenses incurred in the year. The Group recognised this contribution as a direct reduction of the cost to which the contribution is linked. In 2023, the tax credit was used in its entirety as an offset to other taxes payable.

Other costs mainly include the fees related to hardware and software licences, property taxes and other duties, costs for professional services, and insurance and commercial costs.

9.6 Costs for works on assets under concession

Costs for works on assets under concession increased from Euro 30,832 thousand in 2022 to Euro 36,204 thousand in 2023. This movement is strictly related to investment activities, for which reference should be made to Notes 8.1 and 8.2.

These costs refer to the costs for the works undertaken on assets under concession. The margin for work on assets under concession are included in the Commercial Aviation business.

9.7 Provisions and write-downs

The breakdown of provisions and write-downs is as follows:

Provisions and write-downs

(Euro thousands)	2023	2022
Write-downs / (releases) of receivables	13,147	(5,688)
Provisions/(releases) to provisions for future charges	(6,983)	943
Total provisions and write-downs	**6,164**	**(4,745)**

In 2023, the provisions and write-downs amount to a charge to the income statement of Euro 6,164 thousand (income in 2022 of Euro 4,745 thousand). This includes the net provisions for trade and other receivables and the net allocations to provisions for future charges.

The doubtful debt provisions amounted to Euro 13,147 thousand and were recorded in line with IFRS 9.

This also includes the adjustment to the estimated value of the indemnification right.

The net releases for future risks and charges, amounting to Euro 6,983 thousand at December 31, 2023 (Euro 943 thousand at December 31, 2022), principally refers to adjustments on valuations related to the coverage of probable charges in terms of provisions for risks in the area of acoustic zoning, partially offset by provisions for employees. For further information reference should be made to Note 8.15.

9.8 Restoration and replacement provision

The breakdown of the restoration and replacement provision is as follows:

Restoration and replacement provision

(Euro thousands)	2023	2022
Restoration and replacement provision	52,521	30,671

This account includes the provision for the year, totalling Euro 52,521 thousand, relating to the scheduled replacement and maintenance of the assets within the so-called "Concession Right".

The Group annually undertakes a multi-year update to the scheduled replacement and maintenance plan for assets covered by the "Concession right".

9.9 Amortisation and depreciation

The account "amortisation and depreciation" comprises:

Amortisation & Depreciation

(Euro thousands)	2023	2022
Amortisation of intangible assets	57,406	48,408
Depreciation of tangible assets & investment property	10,497	13,874
Depreciation Leased assets right-of-use	2,486	2,541
Total amortisation & depreciation	**70,389**	**64,823**

Amortisation and depreciation in the period relates to tangible and intangible assets held based on the estimated useful life by the Group, which however does not exceed the duration of the concession and the depreciation of new assets entering into service in the year.

9.10 Investment income (charges)

The breakdown of investment income and charges is as follows:

Investment income (charges)

(Euro thousands)	2023	2022 restated	2022 approved
SACBO SpA	5,724	8,050	8,050
Dufrital SpA	5,106	3,818	3,818
Disma SpA	193	355	355
Malpensa Logistica Europa SpA *			1,933
Areas Food Services Srl	1,306	914	914
Airport Handling SpA	397	2,393	2,393
Equity valuation	**12,726**	**15,530**	**17,463**
Other income	**30**		
Total income (charges) from investments	**12,756**	**15,530**	**17,463**

** On July 4, 2023, SEA S.p.A. completed the transfer of the entire equity investment held in MLE, a 25% interest in the company, to BCUBE Air Cargo S.p.A.*

Net investment income show a balance of Euro 12,756 thousand and include investments carried at equity and other income and charges. The results of the associated companies were adjusted to take account of the Group international accounting principles and the measurement of investments as per IAS 28.

In the comparison with the previous year, we underline that the 2022 result of the associated companies SACBO and Airport Handling partly related to the recognition of the receipts of the funds under both the "2021 Budget Law" and from the Lombardy Region.

9.11 Financial income (charges)

The breakdown of the account "financial income (charges)" is as follows:

Financial income (charges)

(Euro thousands)	2023	2022
Exchange gains	13	8
Bank account financial income	3,288	135
Other financial income	11,725	654
Total financial income	**15,026**	**797**
Interest on medium/long term loans	(17,657)	(13,858)
Commissions on loans	(1,754)	(2,684)
Exchange losses	(14)	(15)
Financial charges on post-employee benefits	(980)	(631)
Financial charges on leasing	(270)	(269)
Other	(718)	(731)
Total financial charges	**(21,393)**	**(18,188)**
Net discounting effect	10,641	
Total financial income (charges)	**4,274**	**(17,391)**

Net financial income for 2023 amounts to Euro 4,274 thousand, while 2022 showed a net charge of Euro 17,391 thousand.

This movement was mainly due to:

- higher interest charges on medium to long-term loans of Euro 3,799 thousand, impacted by (i) the increase in the average cost of debt caused by the rising interest rates, partially offset by (ii) the lower amount of average gross debt for the period, which is affected by the total repayments, including early repayments, of the bank term loans entered into between 2020 and 2021 to deal with the COVID-19 pandemic;
- lower commissions on loans of Euro 930 thousand, which is affected by the lower outstanding debt and the redefinition of the RCF lines in 2022;
- higher financial income, of which (i) Euro 11,498 thousand for legally-due interest related to compensation following the execution of judgment No. 9406/2023 of the Court of Cassation and (ii) Euro 3,515 thousand related to income obtained following the negotiation of favourable remuneration conditions on demand current accounts, in line with the rising trend in interest rates, and to the use of temporary excess cash compared to treasury needs on short-term monetary instruments that offer high flexibility;
- the net effect of the present value measurement of assets and liabilities in accordance with IFRS 9, which resulted in the recognition of net financial income of Euro 10,641 thousand.

9.12 Income taxes

The breakdown of the account is as follows:

Income taxes

(Euro thousands)	2023	2022
Current income taxes	24,236	8,197
Deferred income taxes	43,568	4,952
Total	**67,804**	**13,149**

The IRES rate for all Group companies is 24%. The IRAP tax rate for the Parent Company SEA SpA is equivalent to 4.2%, while for the other companies fully consolidated by the Group this is 3.9%.

Reconciliation between theoretical income tax rate and effective income tax rate is shown in the table below.

(Euro thousands)	2023	%	2022 restated	%	2022 approved	%
Profit/(Loss) before taxes	**223,240**		**197,639**		**199,572**	
Theoretical income taxes	53,578	24.0%	47,433	24.0%	47,897	24.0%
Permanent tax differences effect	3,356	1.5%	(38,443)	-19.5%	(38,443)	-19.3%
IRAP	10,192	4.6%	2,656	1.3%	2,656	1.3%
Other	678	0.3%	1,503	0.8%	1,039	0.5%
Total	**67,804**	**30.4%**	**13,149**	**6.7%**	**13,149**	**6.6%**

Income taxes in 2023 amounted to Euro 67,804 thousand (Euro 13,149 thousand in 2022).

The Tax Rate in 2023 indicates a normalisation close to nominal value, while in 2022 featured “non-recurring” items, in particular the “COVID-19 Contribution” that, while contributing to the profit for the period, was completely tax-free.

See Note 8.7 for further details.

9.13 Discontinued Operations result

The discontinued operations result was a profit of Euro 775 thousand. For further information, reference should be made to paragraph 6.1.

9.14 Earnings/(loss) per share

The basic earnings/(loss) per share is calculated by dividing the Group net result by the weighted average number of ordinary shares outstanding in the year. For the diluted earnings/(loss) per share, as no equity instruments were issued by the parent company, the weighted average of the shares in circulation is the same as that utilised for the establishment of the basic earnings or loss per share.

Therefore, the basic earnings per share in 2023 was Euro 0.62 (net profit for the year of Euro 156,207 thousand /number of shares in circulation 250,000,000).

The basic earnings per share in 2022 was Euro 0.73 (net profit for the year of Euro 182,460 thousand/number of shares in circulation 250,000,000).

10. RELATED PARTY TRANSACTIONS

The related party transactions are not atypical or unusual and form part of the ordinary business activities of the companies of the Group.

They are regulated at market conditions and take account of the characteristics of the goods and services provided.

The following tables show the balances with related parties at December 31, 2023 and at December 31, 2022 and the income statement amounts for the years 2023 and 2022, with indication of the percentage of the relative account.

Group transactions with related parties

	December 31, 2023				
(Euro thousands)	Trade receivables	Other non current receivables	Trade payables	Operating revenues	Net operating costs (excl. costs for works on assets under concession)
Investments in associates					
SACBO [(*)]	1,146		424	2,411	12,665
Dufrital	7,912		187	40,577	(2)
Areas Food Services	6,582		2,455	16,553	5,626
Disma	138		117	253	(5)
Airport Handling	2,953		5,596	11,475	19,332
Total associates	18,731	-	8,779	71,269	37,616
Other related parties					
Malpensa Logistica Europa (as of September 30, 2023)	n.d.	n.d.	n.d.	3,242	(10)
Airport ICT Services [(**)]	266	175	1,175	n.d.	n.d.
Total related parties	**18,997**	**175**	**9,954**	**74,511**	**37,606**
Total book value	153,058	14,921	185,322	762,732	429,617
% on total book value	**12.41%**	**1.17%**	**5.37%**	**9.77%**	**8.75%**

[(*)] *The account "Operating costs" relating to transactions with SACBO, does not include that invoiced by SEA to the final clients and transferred to the associate.*

[(**)] *Investment held for sale reclassified as of December 31, 2023 among "Assets held-for-sale and discontinued operations" according to IFRS 5.*

	December 31, 2022					
(Euro thousands)	Trade receivables	Current financial receivables	Trade payables	Operating revenues	Net operating costs (excl. costs for works on assets under concession)	Financial income
Subsidiary						
SEA Energia (as of September 29, 2022)	n.d.		n.d.	1,755	65,000	607
Investments in associates						
SACBO[(*)]	737		513	1,261	11,713	
Dufrital	6,421		116	29,333	2	
Malpensa Logistica Europa	1,087		1,247	4,619	(20)	
SEA Services	871		1,633	4,346	4,004	
Disma	130		115	222	(7)	
Airport Handling	3,780	442	5,017	11,539	17,489	
Total associates	13,026	442	8,641	51,320	33,181	
Total related parties	**13,026**	**442**	**8,641**	**53,075**	**98,181**	**607**
Total book value	122,628	6,853	190,558	734,840	446,435	797
% on total book value	**10.62%**	**6.45%**	**4.53%**	**7.22%**	**21.99%**	**76.16%**

[(*)] *The account "Operating costs" relating to transactions with SACBO, does not include that invoiced by SEA to the final clients and transferred to the associate.*

The table below shows the cash flows from the transactions of the Group with related parties for the years ended December 31, 2023 and December 31, 2022, with indication of the percentage of the relative account:

Group cash flows with related parties

	at December 31, 2023				
(Euro thousands)	Investments in associates	Shareholders for dividends	Total transactions with related entities	Consolidated balance	%
A) Cash flow from operating activities	(4,216)		(4,216)	273,172	-1.5%
B) Cash flow from investing activities	4,191		4,191	(65,047)	-6.4%
C) Cash flow from financing activities		(84,710)	(84,710)	(277,343)	30.5%

Group cash flows with related parties

	at December 31, 2022				
(Euro thousands)	Investments in associates	Investments in other companies	Total transactions with related entities	Consolidated balance	%
A) Cash flow from operating activities	(14,516)		(14,516)	308,315	-4.7%
B) Cash flow from investing activities	588		588	(20,522)	-2.9%
C) Cash flow from financing activities		20,542	20,542	(261,625)	-7.9%

The transactions between the Group and related parties for the year ended December 31, 2023 mainly related to:

- parking management transactions at Orio al Serio-Bergamo (SACBO) airport;
- commercial transactions with reference to the recognition to SEA of royalties on sales (Dufrital and Areas Food Services);
- rental of premises (Malpensa Logistica Europa);
- supply to SEA of catering services (Areas Food Services);
- commercial transactions deriving from the concession for the distribution of fuel (Disma);
- revenue for administration services and handling activity costs (Airport Handling).

With regard to relations between SEA and Airport ICE Services, transactions concern the supply to the Milan Airports of the non-business specific ICT services of SEA, as well as an agreement for the provision by SEA to Airport ICT Services of administrative services (among which supply chain, financial and insurance services, and corporate affairs).

The above-mentioned transactions were within the ordinary activities of the Group and undertaken at market values.

10.1 Other transactions with related parties

SACBO SpA

In 2023, SACBO distributed dividends to SEA for Euro 966 thousand;

Dufrital SpA

In 2023, Dufrital distributed dividends to SEA for Euro 3,213 thousand;

Airport Handling SpA

In 2023, Airport Handling distributed dividends to SEA for Euro 1,500 thousand.

11. DIRECTORS' FEES

In 2023, the remuneration for the Board of Directors, including social security and accessory charges, amounted to Euro 716 thousand (Euro 694 thousand in 2022).

12. STATUTORY AUDITORS' FEES

In 2023, the remuneration for the Board of Statutory Auditors, including social security and accessory charges, amounted to Euro 268 thousand (Euro 261 thousand in 2022).

13. INDEPENDENT AUDIT FIRM FEES

The audit fees recognised by the company SEA SpA and its subsidiaries for 2023 to the audit firm EY SpA amounted to Euro 181 thousand for audit services and Euro 15 thousand for other services.

The Fees of the Audit Firm are net of Consob contributions.

The Fees paid in 2023 to other EY SpA network companies amounted to Euro 37 thousand.

14. COMMITMENTS AND GUARANTEES

14.1 Investment commitments

The Group has investment contract commitments of Euro 83,227 thousand at December 31, 2023 (Euro 44,766 thousand at December 31, 2022), which are reported net of the works already realised and invoiced to the Group, as follows.

Breakdown project commitments

(Euro thousands)	December 31, 2023	December 31, 2022
Design and extraordinary maintenance civil works and plant at Linate & Malpensa	60,294	31,338
Realization of reconfiguration works of the Malpensa cargo apron	12,263	
Works relating to the construction of a new hangar at the Linate Prime airport		4,243
Design and extraordinary maintenance of Linate & Malpensa AVL plant	3,679	4,755
Design and extraordinary maintenance flight infrastructure and roadways at Linate and Malpensa	1,735	1,966
Works on electrical automation and control systems at Linate and Malpensa	3,760	1,169
Extraordinary maintenance for civil works and general aviation plant	1,496	1,295
Total project commitments	**83,227**	**44,766**

14.2 Guarantees

At December 31, 2023, the sureties in favour of third parties were as follows:

- two bank sureties, each equal to Euro 32,813 thousand, as guarantee on funds drawn down in June 2015 and June 2017 on the EIB line subscribed in December 2014;
- surety of Euro 31,000 thousand in favour of ENAC, as guarantee of the concession fee;
- two sureties for a total of 2,268 thousand, in favour of the European Climate Infrastructure and Environment Executive Agency (CINEA) for projects co-funded by the European Union;
- surety of Euro 2,000 thousand in favour of SACBO as guarantee for the parking management at Bergamo airport;
- surety of Euro 2,000 thousand in favour of the Ministry of Defence as guarantee of the obligations pursuant to the technical agreement of June 4, 2009 following the advance delivery of the "Cascina Malpensa" area;
- surety of Euro 2,200 thousand in favour of the Ministry of Defence as guarantee of the obligations pursuant to the technical agreement of June 4, 2009 following the advance delivery of the "E.I. training area" at Lonate Pozzolo;
- Euro 534 thousand for other minor sureties.

15. SEASONALITY

The Group business is characterised by revenue seasonality, which are normally higher in the periods of August and December due to increased flights by the airlines at its airports. It should be noted that the airports of Milan Malpensa and Milan Linate are to a certain degree complementary from a seasonality viewpoint, in view of the different profile of the indirect customers (i.e. leisure vs. business). This feature limits the seasonal peaks from an overall consolidated operational and financial viewpoint.

16. CONTINGENT LIABILITIES

Reference should be made to the explanatory notes in relation to receivables (Note 8.10) and operating risks (Note 8.15).

17. CONTINGENT ASSETS

For further details, reference should be made to the Directors' Report to the chapter "Main disputes outstanding at December 31, 2023".

18. TRANSACTIONS RELATING TO ATYPICAL OR UNUSUAL OPERATIONS

In accordance with Consob Communication of July 28, 2006, in 2023 the Company did not undertake any transactions deriving from atypical or unusual operations, as set out in the communication.

19. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Pursuant to CONSOB Communication of July 28, 2006, in the view of Directors, in 2023, the Group undertook the following non-recurring significant operations:

- Following judgment No. 9406/2023 of the Court of Cassation, published on April 5, 2023, which confirmed the previous levels of judgment, the Parent Company received Euro 50,609 thousand (including the portion of interest and settlement of legal expenses) as compensation for failure to annually adjust airport fees to the extent of the programmed inflation rate. The Ministry for Infrastructure and Transport issued payment in December. This income was recognised to the income statement in FY2023;
- Following the legislative measures Law No. 197/2022 and Decree Law No. 34/2023, the Group benefited from a contribution in the form of a tax credit, of Euro 2,287 thousand, recognised by the Government to non-energy intensive enterprises, in partial compensation of the increased charges effectively incurred in 2023 to purchase electricity. This contribution was recognised to "Other operating costs" as a direct reduction of the cost to which the benefit is connected. For further information, reference should be made to Notes 8.11 and 9.5;
- On July 4, 2023, SEA S.p.A. completed the transfer of the entire equity investment held in Malpensa Logistica Europa S.p.A. (MLE), a 25% interest in the company, to BCUBE Air Cargo S.p.A.

20. PUBLIC GRANTS (ARTICLE 1, PARAGRAPHS 125-129 OF LAW 124/2017)

Pursuant to Law No. 124/2017 and subsequent supplements, we communicate that the Group received the following public grants during the year.

Beneficiary	Provider	Purpose	Amount (Euro thousands)
SEA Spa	State	Contribution in partial mitigation of the increased costs incurred in 2023 for the purchase of the energy component (L. 197/2022, DL. n. 34/2023)	2,266
SEA Prime Spa	State	Contribution in partial mitigation of the increased costs incurred in 2023 for the purchase of the energy component (L. 197/2022, DL. n. 34/2023)	21

As required by Article 1 Law No. 124/2017, paragraph 126, the grants received over an amount of Euro 10 thousand are listed below.

Beneficiary	Provider	Purpose	Amount (Euro thousands)
Teatro alla Scala	SEA SpA	Donation year 2023	600
Associazione Noi SEA	SEA SpA	Founding shareholder 2023 annual quota	240
Comune di Milano	SEA SpA	Liberal contribution for the mutual aid fund "Milan for trees"	40
Curia Arcivescovile di Milano	SEA SpA	Contribution for the Catholic religious service offered by the Chaplaincies at Linate and Malpensa Airports	33

21. SUBSEQUENT EVENTS TO DECEMBER 31, 2023

Reference should be made to the Directors' Report.

Chairperson of the Board of Directors
Michaela Castelli

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Società per Azioni Esercizi Aeroportuali S.E.A.

Consolidated financial statements as at December 31, 2023

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010, and article 10 of EU Regulation n. 537/2014

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Società per Azioni Esercizi Aeroportuali S.E.A.

Report on the Audit of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Società per Azioni Esercizi Aeroportuali S.E.A. (the Group), which comprise the Consolidated Statement of financial position as at December 31, 2023, the Consolidated Income Statement, the Consolidated Comprehensive Income Statement, the Consolidated Cash Flow Statement and the statement of changes in Consolidated Shareholders' Equity for the year then ended, and notes to the consolidated financial statements, including material accounting policy information.

In our opinion, the consolidated financial statements give a true and fair view of the financial position of the Group as at December 31, 2023 of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Consolidated Financial Statements* section of our report. We are independent of Società per Azioni Esercizi Aeroportuali S.E.A. in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The consolidated financial statements of Società per Azioni Esercizi Aeroportuali S.E.A. for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on April 12, 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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We identified the following key audit matter:

Key Audit Matter	Audit Responses
Estimate of the restoration and replacement provision	
The Restoration and replacement provision (the "Provision"), recorded in the consolidated financial statements as of 31 December 2023 amounts to Euro 176.2 million and includes the estimated present value of the costs relating to extraordinary maintenance, restoration and replacement of assets under concession that the Group estimates it will have to bear in line with existing contractual obligations. The processes and methods for evaluating and determining this estimate are based on sometimes complex assumptions which, by their nature, involve recourse to the judgment of the directors, in particular, with reference the nature of the interventions to be carried out, the expected timing of the same, the quantification of the related costs and the financial component, to be applied according to the timing of the intervention. In consideration of the judgment requested of the directors to assess the nature of interventions, the timing of the same and the quantification of the related costs, we considered that this issue represents a key audit matter. The paragraph "Restoration and replacement provision of assets under concession" of note 2.7 "Accounting policies" and note 8.15 "Provision for risks and charges" of the explanatory notes to the consolidated financial statements illustrate, respectively, the accounting policies applied and the changes of the aforementioned provision during the year.	Our audit procedures in response to this key audit matter included, among others: • understanding the concession agreement from which the obligation arises; • understanding the process used by the Group to determine the Provision; • the critical analysis of the reasonableness of the assumptions underlying the calculation of the Provision, by verifying their consistency with the 2024-2028 business plan approved by the Directors and the 2029-2043 projections prepared by the Group; • an analysis of the main changes t in the Provision compared to the previous year; • the execution of validity procedures on a sample of utilizations of the Provision during the 2023 financial year; • verifying the reasonableness of the discount rate used and the accuracy of the Provision's' present value calculation. Lastly, we assessed the adequacy of the disclosures provided in the explanatory notes to the consolidated financial statements in relation to the key matter.

Responsibilities of Directors and Those Charged with Governance for the Consolidated Financial Statements

The Directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005, and, within the terms provided by the 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.

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The Directors are responsible for assessing the Group's ability to continue as a going concern and, when preparing the consolidated financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the consolidated financial statements on a going concern basis unless they either intend to liquidate the Parent Company Società per Azioni Esercizi Aeroportuali S.E.A. or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Group's financial reporting process.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation;

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- we have obtained sufficient appropriate audit evidence regarding the financial information of the entities 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 have communicated with those charged with governance, identified at an appropriate level as required by International Standards on Auditing (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.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate the relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Società per Azioni Esercizi Aeroportuali S.E.A., in the general meeting held on April 28, 2023, appointed us to perform the audits of the separate and consolidated financial statements of the Company for each of the years ending December 31, 2023 to December 31, 2031.

We declare that we have not provided prohibited non-audit services, referred to article 5, paragraph 1, of EU Regulation n. 537/2014, and that we have remained independent of the Group in conducting the audit.

We confirm that the opinion on the consolidated financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated January 27, 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998

The Directors of Società per Azioni Esercizi Aeroportuali S.E.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of the Group as at December 31, 2023, including their consistency with the related consolidated financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, with the consolidated financial statements of the Group as at December 31, 2023 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

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In our opinion, the Report on Operations and the above-mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the consolidated financial statements of the Group as at December 31, 2023 and comply with the applicable laws and regulations.

With reference to the statement required by article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated January 27, 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated December 30, 2016

The Directors of Società per Azioni Esercizi Aeroportuali S.E.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated December 30, 2016. We have verified that non-financial information has been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated December 30, 2016, such non-financial information is subject to a separate compliance report signed by us.

Milan, April 11, 2024

EY S.p.A.
Signed by: Paolo Zocchi, Auditor

As disclosed by the Directors, the accompanying consolidated financial statements of Società per Azioni Esercizi Aeroportuali S.E.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

SEA SPA

SEPARATE FINANCIAL STATEMENTS

SEA SpA Separate Financial Statements

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL POSITION

		December 31, 2023		December 31, 2022	
(in Euro)	Note	Total	of which related parties	Total	of which related parties
Intangible assets	6.1	959,819,254		965,209,803	
Property, plant & equipment	6.2	97,280,013		77,383,634	
Leased assets right-of-use	6.3	12,971,422		13,996,808	
Investment property	6.4	3,397,837		3,399,336	
Investments in subsidiaries and associates	6.5	44,875,151		49,170,249	
Other investments	6.6	1,133		1,133	
Deferred tax assets	6.7	69,582,862		113,282,679	
Other non-current receivables	6.8	14,916,248	174,889	60,490,066	
Total non-current assets		**1,202,843,920**	**174,889**	**1,282,933,708**	**0**
Inventories	6.9	2,729,614		1,557,928	
Trade receivables	6.10	154,465,917	23,109,326	126,152,774	18,794,060
Current financial receivables	6.11	125,168,029			
Tax receivables	6.12	457,284		2,984,963	
Other current receivables	6.13	5,068,966		6,455,127	441,898
Cash and cash equivalents	6.14	91,102,358		160,023,851	
Total current assets		**378,992,168**	**23,109,326**	**297,174,643**	**19,235,958**
Assets held-for-sale and discontinued operations	**6.15**	**4,581,874**			
TOTAL ASSETS		**1,586,417,962**	**23,284,215**	**1,580,108,351**	**19,235,958**
Share capital	6.16	27,500,000		27,500,000	
Other reserves	6.16	249,446,237		54,552,889	
Net Result	6.16	153,016,747		194,918,805	
SHAREHOLDERS' EQUITY		**429,962,984**	**0**	**276,971,694**	**0**
Provision for risks and charges	6.17	192,858,233		227,012,676	
Employee provisions	6.18	26,509,502		29,539,826	
Other non-current payables	6.22	3,861,340	2,040,531	6,589,610	
Non-current financial liabilities	6.19	473,874,833		519,508,653	
Total non-current liabilities		**697,103,908**	**2,040,531**	**782,650,765**	**0**
Trade payables	6.20	192,614,801	11,049,129	190,144,038	11,600,217
Income tax payables	6.21	19,825,237		11,102,450	
Other current payables	6.22	214,758,167		279,795,361	
Current financial liabilities	6.19	32,152,865	4,668,553	39,444,043	10,454,494
Total current liabilities		**459,351,070**	**15,717,682**	**520,485,892**	**22,054,711**
TOTAL LIABILITIES		**1,156,454,978**	**17,758,213**	**1,303,136,657**	**22,054,711**
TOTAL LIABILITIES & SHAREHOLDERS' EQUITY		**1,586,417,962**	**17,758,213**	**1,580,108,351**	**22,054,711**

INCOME STATEMENT

(in Euro)	Note	2023 Total	2023 of which related parties	2022 Total	2022 of which related parties
Operating revenues	7.1	754,929,276	88,484,337	728,558,985	65,932,119
Revenue for works on assets under concession	7.2	38,372,733		32,675,743	
Total revenues		**793,302,009**	**88,484,337**	**761,234,728**	**65,932,119**
Personnel costs	7.3	(171,760,363)	1,028,278	(185,129,424)	788,872
Consumable materials	7.4	(9,102,488)		(10,435,178)	(89,728)
Other operating costs	7.5	(253,317,826)	(58,612,888)	(254,296,854)	(117,506,004)
Costs for works on assets under concession	7.6	(36,203,835)		(30,832,467)	
Total operating costs		**(470,384,512)**	**(57,584,610)**	**(480,693,923)**	**(116,806,860)**
Gross Operating Margin		**322,917,497**	**30,899,727**	**280,540,805**	**(50,874,741)**
Provisions & write-downs	7.7	(6,063,674)		4,772,911	
Restoration and replacement provision	7.8	(52,343,794)		(30,581,926)	
Amortisation & depreciation	7.9	(65,913,734)		(61,082,681)	
Operating Result		**198,596,295**	**30,899,727**	**193,649,109**	**(50,874,741)**
Investment income/(charges)	7.10	16,024,709	16,024,709	29,936,141	29,936,141
Financial income / (charges)	7.11	4,076,807	(198,775)	(17,405,821)	591,212
Pre-tax Profit/(Loss)		**218,697,811**	**46,725,661**	**206,179,429**	**(20,347,388)**
Income taxes	7.12	(65,681,064)		(11,260,624)	
Net Profit/(Loss)		**153,016,747**	**46,725,661**	**194,918,805**	**(20,347,388)**

STATEMENT OF COMPREHENSIVE INCOME

(in Euro)	2023	2022
Net Profit/(Loss)	**153,016,747**	**194,918,805**
Other comprehensive income statement items		
- Items not reclassifiable in future periods to the net result:		
Actuarial gains/(losses) on post-employment benefits	(33,496)	5,882,464
Tax effect relating to actuarial gains/(losses) on post-employment benefits	8,039	(1,411,791)
Total items not reclassifiable, net of tax effect	**(25,457)**	**4,470,673**
Total other comprehensive income statement items	**(25,457)**	**4,470,673**
Total comprehensive Profit /(Loss)	**152,991,290**	**199,389,478**

CASH FLOW STATEMENT

(in Euro)	2023	2022
Pre-tax Profit/(Loss)	218,697,811	206,179,429
Adjustments:		
Amortisation, depreciation and write-downs	65,913,734	61,082,681
Net accruals to provisions & write-downs (including personnel provision)	14,515,610	(5,208,980)
Net financial charges	(4,076,807)	17,405,821
Investment charges (income)	(16,024,709)	(29,936,141)
Repay Ministero delle Infrastrutture e dei Trasporti (exc. interest portion)	(39,111,632)	
Other non-monetary changes	(2,399,857)	13,582,453
Cash flow from operating activities before changes in working capital	**237,514,150**	**263,105,263**
Change in inventories	(826,349)	34,902
Change in trade and other receivables	(19,658,360)	(25,311,890)
Change in trade and other payables	13,261,840	59,904,096
Cash flow from changes in working capital	**(7,222,869)**	**34,627,108**
Income taxes paid	(8,567,440)	
Repay Ministero delle Infrastrutture e dei Trasporti (incl. interest portion)	50,609,188	
Cash flow from operating activities	**272,333,029**	**297,732,371**
Investments in fixed assets:		
- intangible assets (*)	(45,961,364)	(39,743,595)
- tangible assets	(27,884,570)	(5,592,375)
- financial assets	(1,960,702)	(1,168,677)
Divestments from fixed assets:		
- tangible assets and property	2,000	569,891
Dividends received	10,740,534	5,535,007
Cash received from disposal Malpensa Logistica Europa	7,400,000	
Cash received from disposal SEA Energia		31,260,761
Cash flow from investing activities	**(57,664,102)**	**(9,138,988)**
Change in gross financial debt:		
- net increase short & medium-long term debt	(47,939,960)	(264,045,003)
Net increase / (decrease) in other financial assets and liabilities	(133,296,155)	17,289,082
Dividends distributed	(84,710,193)	(2,021)
Interest and commissions paid	(18,570,906)	(15,941,569)
Interest received	926,794	
Cash flow from financing activities	**(283,590,420)**	**(262,699,511)**
Increase/(decrease) in cash and cash equivalents	**(68,921,493)**	**25,893,872**
Opening cash and cash equivalents	160,023,851	134,129,979
Closing cash and cash equivalents	91,102,358	160,023,851

(*) The investments in intangible assets are net of the utilisation of the restoration provision

STATEMENT OF CHANGES IN SHAREHOLDERS' EQUITY

(in euro)	Share capital	IFRS initial conversion reserve (exc. OCI)	Actuarial gains/(losses) reserve	Extraordinary reserve	Retained losses L.178 December 30, 2020	Legal reserve	Other reserves	Total reserves	Net Profit/ (Loss)	Total shareholders' equity
January 1, 2022	**27,500,000**	**14,813,951**	**(4,514,472)**	**174,649,041**	**(120,366,865)**	**5,500,000**	**60,288,176**	**130,369,831**	**(80,287,615)**	**77,582,216**
Transactions with shareholders										
Allocation of 2021 net result				(80,287,615)				(80,287,615)	80,287,615	0
Other movements										
Other comprehensive income statement items result			4,470,673					4,470,673		4,470,673
Net Profit/(Loss)									194,918,805	194,918,805
December 31, 2022	**27,500,000**	**14,813,951**	**(43,799)**	**94,361,426**	**(120,366,865)**	**5,500,000**	**60,288,176**	**54,552,889**	**194,918,805**	**276,971,694**
Transactions with shareholders										
Allocation of 2022 net result				74,551,940	120,366,865			194,918,805	(194,918,805)	0
Other movements										
Other comprehensive income statement items result			(25,457)					(25,457)		(25,457)
Net Profit/(Loss)									153,016,747	153,016,747
December 31, 2023	**27,500,000**	**14,813,951**	**(69,256)**	**168,913,366**	**0**	**5,500,000**	**60,288,176**	**249,446,237**	**153,016,747**	**429,962,984**

NOTES TO THE SEPARATE FINANCIAL STATEMENTS

1. GENERAL INFORMATION

Società per Azioni Esercizi Aeroportuali SEA (the "**Company**" or "**SEA**") is a limited liability company, incorporated and domiciled in Italy according to Italian Law.

The Company's headquarters are located at Milan Linate Airport in Segrate (Milan).

The Company manages Milan Malpensa Airport and Milan Linate Airport under the 2001 Agreement signed between SEA and ENAC in 2021 with a forty year duration (renewing the previous agreement of May 7, 1962). This concession extended by an additional two years the conversion into law of Legislative Decree No. 34 of May 19, 2020 ("Relaunch Decree"), Law No. 77 of July 17, 2020, published in Official Gazette No. 180 of July 18, 2020, S.O. No. 25.

At December 31, 2023, SEA does not hold treasury shares and the ownership is presented in the following table:

	Holding
Municipality of Milan	54.81%
Municipality of Busto Arsizio	0.06%
Other public shareholders	0.08%
Total public shareholders	**54.95%**
2i-Aeroporti SpA	36.39%
F2i Sgr SpA	8.62%
Other private shareholders	0.04%
Total private shareholders	**45.05%**
Total	**100.00%**

Following the issuance of the bond designated "SEA 3 1/2 2020-2025" and the admission to listing of the notes on the regulated market organised and managed by the Irish Stock Exchange, the Company maintained its classification as a Public Interest Entity (PIE) as defined in Article 16, paragraph 1, letter a) of Legislative Decree No. 39/2010.

The operating performances and traffic data for 2023, both beating expectations, confirm the recovery emerging in 2022. The Company constantly monitors the general economic and geopolitical conditions which may impact upon its results. For further information, reference should be made to the Directors' Report.

2. SUMMARY OF ACCOUNTING PRINCIPLES ADOPTED

The main accounting principles applied for the preparation of the 2023 financial statements are reported below, in accordance with the amendment to IAS 1.

The financial statements are presented in Euro while the tables included in the explanatory notes are presented in thousands of Euro.

2.1 Basis of preparation

European Regulation (EU) No. 1606/2002 of July 19, 2002 introduced the obligation, from the year 2005, to apply International Financial Reporting Standards ("IFRS") issued by the International Accounting Standards Board ("IASB") and adopted by the European Union for the preparation of the consolidated financial statements of companies listed on regulated European markets. Following the above-mentioned European Regulation, Legislative Decree No. 38 was enacted on February 28, 2005 which governs the option to apply IFRS for the preparation of the consolidated financial statements of non-listed companies.

SEA decided to apply this option for the preparation of the consolidated financial statements for the year end December 31, 2006. The same Legislative Decree (fourth paragraph of Article 4) also governs the option to apply IFRS for the preparation of standalone statutory financial statements included in the consolidated financial statements in accordance with IFRS. SEA decided to apply this option from the financial statements for the year ended December 31, 2011. For these separate financial statements the transition date to IFRS was identified as January 1, 2010.

"IFRS" refers to the International Accounting Standards ("IAS") in force, as well as those of the IFRS Interpretation Committee, previously known as the International Financial Reporting Interpretations Committee ("IFRIC"), and before that the Standing Interpretations Committee ("SIC").

The financial statements were prepared in accordance with IFRS in force at the approval date of the financial statements and the provisions enacted as per Article 9 of Leg. Decree No. 38/2005.

In particular the IFRS were applied in a consistent manner for the periods presented in the document. The financial statements were prepared on the basis of the best information on the IFRS and taking into account best practice; any further orientations and interpretative updates will be reflected in subsequent years, in accordance with the provisions of the accounting standards, as detailed below.

The Financial Statements were prepared in accordance with the going concern concept, therefore utilising the accounting policies of a operating enterprise. Company management has assessed that, in view of the operating performances and the traffic figures for 2023, in addition to the positive outlook for future years, there are no significant uncertainties concerning the capacity of the Company to meet its obligations in the foreseeable future, and in particular in the 12 months subsequent to approval of this report. In this regard, please refer to the observations in the Directors' Report.

2023 Budget Law (No. 197/2022) and the Utilities Billing Decree-Law (DL No. 34/2023)

The above-outlined regulatory framework set, also for 2023, an extraordinary contribution, in the form of a tax credit, to partially offset the higher charges effectively incurred for the purchase of the energy component. The contribution is 35% of the expenditure incurred on the purchase of the energy component in Q1 and of 10% of the expenditure incurred in Q2.

The above contributions are reserved for companies who have electricity metres with a minimum capacity of 4.5 kWh, who have incurred a cost increase per kWh of over 30% in the first and second quarters compared to the average price recorded in those quarters in 2019, supported by relevant invoices.

With the SEA Group having verified that it meets the requirements of the legislature to qualify for the benefit and having made the calculations based on the invoices received, proving the increase in the cost of the energy component as required by the rules, the benefit from the contribution was recognised in 2023. As the latter seeks to support enterprises in the purchase of electricity effectively used in Q1 and Q2 2023, the accounting adopted is to directly reduce the electricity purchase costs of FY 2023. For further details, reference should be made to Note 17.

Presentation of the financial statements

In relation to the presentation method of the financial statements "the current/non-current" criterion was adopted for the statement of financial position while the classification by nature was utilised for the income statement and the indirect method for the cash flow statement. Where present the balances and transactions with related parties are reported.

The financial statement presentations utilised, as outlined above, are those which best represent the equity and financial position of the company.

For a better presentation of the financial statements, the income statement was presented in two separate statements: *a)* the income statement and *b)* the comprehensive income statement.

The financial statements were prepared in accordance with the historical cost convention, except for the measurement of financial assets and liabilities, including derivative instruments, where the obligatory application of IFRS 9 is required.

The Company, following the "SEA 3 1/8 2014-2021" (repaid in 2021) and "SEA 3 1/2 2020-2025" bond issue on the regulated market, adopted the accounting standards IFRS 8 "Operating Segments" and IAS 33 "Earnings per share", to which reference should be made to the Consolidated Financial Statements Notes 7 and 9.14.

A change in accounting principles is applied retroactively in accordance with paragraph 19, letters a) or b), of IAS 8, adjusting the opening balance of each component of equity involved for the most distant financial year presented as well as the other comparative figures indicated for each previous year presented as if the new accounting principle had always been applied. When it is not feasible to determine the specific impact on the year as a result of a change in an accounting principle on the comparative figures for one or more previous years, it is necessary to apply the new principle to the carrying value of assets and liabilities at the beginning of the most distant financial year for retroactive application is feasible, which may also be the year under review, and an adjustment must be made equal to the opening balance of each component of equity concerned for this year.

In particular, for a better comparison between the two years, the comparative year of 2022 reflects the reclassification of the assets identified as concession rights under intangible assets.

These financial statements were audited by the independent audit firm EY S.p.A..

In accordance with IFRS 9 and IAS 37, the Company has calculated the present value of non-current assets and liabilities beginning in 2023. The effects of this discounting are described in the section on financial income and charges.

2.2 Accounting standards, amendments and interpretations adopted from January 1, 2023

The International Accounting Standards and amendments which must be obligatory applied from January 1, 2023, following completion of the relative approval process by the relevant authorities, are illustrated below.

Description	Date approved	Publication in the Official Gazette	Effective date as per the standard	Effective date applied by SEA
IFRS 17 Insurance Contracts	Nov 19, 2021	Nov 23, 2021	Periods which begin from Jan 1, 2023	Jan 1, 2023
Amendments to IAS 8 Accounting policies, Changes in Accounting Estimates and Errors: *Definition of Accounting Estimates*	March 2, 2022	March 3, 2022	Periods which begin from Jan 1, 2023	Jan 1, 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: *Disclosure of Accounting policies*	March 2, 2022	March 3, 2022	Periods which begin from Jan 1, 2023	Jan 1, 2023
Amendments to IAS 12 Income Taxes: *Deferred Tax related to Assets and Liabilities arising from a Single Transaction*	Aug 11, 2022	Aug 12, 2022	Periods which begin from Jan 1, 2023	Jan 1, 2023
Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 - Comparative Information	Sep 8, 2022	Sep 9, 2022	Periods which begin from Jan 1, 2023	Jan 1, 2023

The adoption of these amendments and interpretations, where applicable, has not had any significant impact on the balance sheet or on the result of the Company.

2.3 Accounting standards, amendments and interpretations not yet applicable and not adopted in advance by the Company

Below we report the International Accounting Standards, interpretations and amendments to existing accounting standards and interpretations, or specific provisions within the standards and interpretations approved by the IASB which have not yet been approved for adoption in Europe, or where adopted in Europe, at the approval date of the present document were not adopted in advance by the Company:

Description	Approved at the date of the present document	Effective date as per the standard
Amendments to IFRS 16 Leases: Lease Liability in a Sale and Leaseback	YES	Periods which begin from Jan 1, 2024
Amendments to IAS 1 Presentation of Financial Statements: - Classification of Liabilities as Current or Non-current Date; - Classification of Liabilities as Current or Non-current - Deferral of Effective Date and; - Non-current Liabilities with Covenants	YES	Periods which begin from Jan 1, 2024
Amendments to IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures: Supplier Finance Arrangements	NO	Periods which begin from Jan 1, 2024
Amendments to IAS 21 The Effects of Changes in Foreign Exchange Rates: Lack of Exchangeability	NO	Periods which begin from Jan 1, 2025

No accounting standards and/or interpretations were applied in advance whose application is obligatory for periods commencing after December 31, 2023, and the directors no not expect any material effects.

Italian Legislative Decree No. 209 of December 27, 2023, transposed Directive no. 2022/EU/2523 on the Global Minimum Tax (commonly known as “Pillar II”) with the specific aim of ensuring a minimum level of taxation for national or multinational groups effective as of January 1, 2024.

This new legislation affects enterprises located in Italy that are part of a national or multinational group generating annual revenue of greater than or equal to Euro 750 million, a threshold that must be reached in at least one of the four financial years prior to the year under review. In accordance with paragraph 88C of IAS 12, as of the financial statements at December 31, 2023, the Company must already report known or reasonably estimated information to help readers of the financial report to understand our exposure to the Global Minimum Tax under Pillar II. SEA’s exposure to Pillar II taxation at the end of the year is not deemed to be significant.

Based on analyses conducted, all consolidated companies (and companies under joint control) are located in jurisdictions that meet at least one of the three tests for transitional safe harbours; therefore, taking account of the known or reasonably estimated information available at the end of the year, the Group does not currently appear to be subject to Pillar II taxation.

2.4 Accounting policies

Business combinations and goodwill

In the case of the acquisition from third parties of businesses or business combinations, the assets, the liabilities and the contingent liabilities acquired and identifiable are recorded at their fair value at the date of acquisition.

The positive difference between the acquisition cost and the present value of these assets and liabilities are recognised as goodwill and classified in the financial statements as an intangible asset with indefinite life.

Any negative difference ("badwill") is recognised in the income statement at the date of acquisition.

The costs related to business combinations are recognised in the income statement.

Goodwill is initially recorded at cost and subsequently reduced only for loss in value.

Annually, or more frequently if specific events or circumstances indicate the possibility of having incurred a loss in value, the goodwill is subject to an impairment test to identify any loss in value, in accordance with IAS 36 (Impairments); the original value is however not restored if the reasons for the write-down no longer exist.

The goodwill is not revalued, even in application of specific legislation.

Any liabilities related to business combinations for payments subject to conditions are recognised at the acquisition date of the businesses and business units relating to the business combination.

Where all or part of a previously acquired company (whose acquisition produced goodwill) is sold, the corresponding residual value of goodwill is considered when calculating the capital gains or losses generated by such sale.

Intangible assets

An intangible asset is a non-monetary asset, identifiable and without physical substance, controllable and capable of generating future economic benefits. With the exception of "Rights on assets under concession", intangible assets are recorded at purchase and/or production cost, including the costs of bringing the asset to its current use, net of accumulated amortisation, and any loss in value. The intangible assets are as follows:

(a) Rights on assets under concession

The "Rights on assets under concession" represent the right of the Lessee to utilise the asset under concession (so-called intangible asset method) in consideration of the costs incurred for the design and construction of the asset with the obligation to return the asset at the end of the concession. The value corresponds to the "fair value" of the design and construction assets increased by the financial charges capitalised, in accordance with IAS 23, during the construction phase. The fair value of the construction work is based on the costs actually incurred increased by 6%, representing the remuneration of the internal costs for the management of the works and design activities undertaken by the Company which is a mark-up a third party general contractor would request for undertaking the same activities, in accordance with IFRIC 12. The lessee must recognise and measure service revenues in accordance with IFRS 15. If the fair value of the services received (specifically the usage right of the asset) cannot be determined reliably, the revenue is calculated based on the fair value of the construction work undertaken. The subsequent accounting of the amount received as financial asset and as intangible asset is described in detail in paragraphs 23-26 of IFRIC 12.

The construction work in progress at the balance sheet date is measured based on the state of advancement of the work in accordance with IFRS 15 and this amount is reported in the income statement line "Revenues for works on assets under concession'.

Restoration or replacement works are not capitalised and are included in the estimate of the restoration and replacement provision as outlined below.

Assets under concession are amortised over the duration of the concession on a straight-line basis in accordance with the expiry of the concession. Amortisation begins where the rights in question begin to produce the relative economic benefits.

The accumulated amortisation provision and the restoration and replacement provision ensure the adequate coverage of the costs of restoration and replacement of the components subject to wear and tear of the assets under concession.

Reference should be made to the subsequent paragraph "Provision for risks and charges - Restoration and replacement provision of assets under concession".

Where events arise which indicate a reduction in the value of these intangible assets, the difference between the present value and the recovery value is recognised in the income statement.

The provisions of Article 703(5) of the Navigation Code, introduced by way of Decree-Law No. 148 of October 16, 2017, and Law No. 205 of December 27, 2017 (the 2018 Budget Law), establish that SEA, as an airport manager, shall, on conclusion of the concession, receive from the succeeding party a payment (the "Terminal Value") equal to the value of the works on the date of succession, net of amortisation and depreciation and any public grants, calculated according to the regulatory accounting rules, and of the investments made on the concession areas.

Therefore, the Company has recognised a receivable for this Terminal Value, which represents the value of the succession upon conclusion of the concession (in 2043), calculated according to the regulatory accounting rules, related to the investments that will have a residual value upon conclusion of the concession. This receivable is discounted to present value and is recognised as non-current.

Conversely, the value of the works already recognised among non-current assets at the date of first-time application of the new provision, and limited to those assets that will have a terminal value at 2043, remains among non-current assets and is not subject to depreciation or amortisation, so that the value will coincide with the residual carrying amount at the end of the concession.

The provisions on Terminal Value also apply to works that call for the use of the restoration and replacement provision. Recognised among non-current assets and measured in accordance with regulatory accounting rules, this value represents a supplement to the performance obligation, in accordance with IFRS 15, related to the concession agreement and is recognised among other revenue and income.

(b) Industrial patents and intellectual property rights

Patents, concessions, licenses, brands and similar rights

Trademarks and licenses are amortised on a straight-line basis over the estimated useful life.

Computer software

Software costs are amortised on a straight-line basis over three years, while software programme maintenance costs are charged to the income statement when incurred.

Intangible assets with definite useful life are annually tested for losses in value or where there is an indication that the asset may have incurred a loss in value. Reference should be made to the paragraph below "Impairments".

Property, plant & equipment

Tangible fixed assets includes both property and plant and equipment.

Property

Property, in part financed by the State, relates to tangible assets acquired by the Company in accordance with the 2001 Agreement (which renewed the previous concession of May 7, 1962). The 2001 Agreement provides for the obligation of SEA to maintain and manage airport assets for the undertaking of such activities and the right to undertake structural airport works, which remain the property of SEA until the expiry of the 2001 Agreement, i.e. May 4, 2043. The fixed assets in the financial statements are reported net of State grants.

Depreciation of property is charged based on the number of months held on a straight-line basis, which depreciates the asset over its estimated useful life. Where this latter is beyond the date of the end of the concession, the amount is amortised on a straight-line basis until the expiry of the concession. Applying the principle of the component approach, when the asset to be depreciated is composed of separately identifiable elements whose useful life differs significantly from the other parts of the asset, the depreciation is calculated separately for each part of the asset.

For land, a distinction is made between land owned by the Company, classified under property, plant and equipment and not subject to depreciation and expropriated areas necessary for the extension of the Malpensa Terminal, classified under "Assets under concession" and amortised over the duration of the concession.

The free granting of assets is recognised at market value, according to independent technical expert opinions.

Plant & Equipment

These are represented by tangible fixed assets acquired by the Company which are not subject to the obligation of return.

Plant and equipment are recorded at purchase or production cost and, only with reference to owned assets, net of accumulated depreciation and any loss in value. The cost includes charges directly incurred for bringing the asset to their condition for use, as well as dismantling and removal charges which will be incurred consequent of contractual obligations, which require the asset to be returned to its original condition.

The expenses incurred for the maintenance and repairs of an ordinary and/or cyclical nature are directly charged to the income statement when they are incurred. The capitalisation of the costs relating to the expansion, modernisation or improvement of owned tangible assets or of those held in leasing, is made only when they satisfy the requirements to be separately classified as an asset or part of an asset in accordance with the component approach, in which case the useful life and the relative value of each component is measured separately.

Depreciation is charged to the income statement based on the number of months held on a straight-line basis, which depreciates the asset over its estimated useful life. Where this latter is beyond the date of the end of the concession, the amount is amortised on a straight-line basis until the expiry of the concession. Applying the principle of the component approach, when the asset to be depreciated is composed of separately identifiable elements whose useful life differs significantly from the other parts of the asset, the depreciation is calculated separately for each part of the asset.

The depreciation rates for owned assets, where no separate specific components are identified are reported below:

Category	% depreciation
Loading and unloading vehicles	10.0%
Runway equipment	31.5%
Minor equipment	25.0%
Furniture and fittings	12.0%
Transport vehicles	20.0%
Motor vehicles	25.0%
EDP	20.0%

The useful life of property, plant and equipment and their residual value are reviewed and updated, where necessary, at least at the end of each year.

Tangible assets are annually tested for losses in value or where there is an indication that the asset may have incurred a loss in value. Reference should be made to the paragraph below "Impairments".

Leased assets right-of-use

This account includes the recognition and measurement of lease contracts, accounted for in accordance with IFRS 16. This accounting treatment involves recognising an asset representative of the right-of-use of the leased asset and a current and non-current financial liability representative of the obligation to be discharged.

Depreciation of such assets is charged to the income statement on a straight-line, monthly basis, according to rates that allow the right to be amortised over the term of the lease contract.

The interest charges accrued on the financial liability are taken monthly to the account of the income statement "Financial charges".

The IFRS 16 contracts entered into by SEA essentially concern equipment, electronic machines and lease contracts for motor vehicles and apron vehicles.

Lease contracts with short terms or values of less than Euro 5 thousand are expensed directly to the account of the income statement "Other operating costs"; cost is represented by the rentals provided for in the contract.

Investment property

This account includes owned buildings not for operational use. Investment property is initially recognised at cost and subsequently measured utilising the amortised cost criteria, net of accumulated depreciation and losses in value.

Depreciation is calculated on a straight-line basis over the useful life of the building.

Investments in subsidiaries and associates

The investments in subsidiaries and associated companies are measured at purchase cost (including any direct accessory costs), reduced for impairments in accordance with IAS 36.

Any positive difference, arising on acquisition from third parties, between the purchase cost and fair value of net assets acquired in an investee company is included in the carrying amount of the investment.

Investments in subsidiaries and associates are tested annually for impairment or more frequently if evidence of impairment exists. Where an impairment loss exists, it is recognised immediately through the income statement. Where the share of losses pertaining to the company in the investment exceeds the carrying value of the investment, and the company has an obligation to cover such losses, the investment is written down and the share of further losses is recorded as a provision for risks and charges under liabilities in the balance sheet. If an impairment loss is subsequently reversed, the increase in carrying amount (up to a maximum of purchase cost) is recognised through the income statement.

Impairments

At each balance sheet date, the property, plant and machinery, intangible assets and investments in subsidiaries and associated companies are analysed in order to identify any indications of a reduction in value. Where these indications exist, an estimate of the recoverable value of the above-mentioned assets is made, recording any write down compared to the relative book value in the income statement. The recoverable value of an asset is the higher between the fair value less costs to sell and its value in use, where this latter is the fair value of the estimated future cash flows for this asset. For an asset that does not generate sufficient independent cash flows, the realisable value is determined in relation to the cash-generating unit to which the asset belongs. In determining the fair value consideration is taken of the purchase cost of a specific asset which takes into account a depreciation coefficient (this coefficient takes into account the effective conditions of the asset). In defining the value in use, the expected future cash flows are discounted utilising a discount rate that reflects the current market assessment of the time value of money, and the specific risks of the activity. A reduction in value is recognised to the income statement when the carrying value of the asset is higher than the recoverable amount. When the reasons for the write-down no longer exist, the book value of the asset (or of the cash-generating unit) is restated through the income statement, up to the value at which the asset would be recorded if no write-down had taken place and amortisation and depreciation had been recorded.

Impairment test

On the preparation of the 2021 annual financial statements, despite the improving market environment and SEA operating performance, a number of indicators were present (stemming from the impacts of the COVID-19 pandemic) which may have resulted in impairments to property, plant and equipment, intangible assets, right-of-use and investment property. An impairment test was therefore carried out on these amounts, with no impairments recognised to the financial statements. For further details, reference should be made to the 2021 annual financial report.

At December 31, 2022, the Company again checked for indicators of impairment, particularly with regards to passenger traffic, energy costs, operating performance, and the discount rate on future cash flows. Given the significant difference between the carrying amount and the value in use of the assets resulting from the 2021 impairment test, as well as traffic performance for 2022 and the revised medium/long-term forecasts, there are no indications of impairment, so no impairment testing was conducted.

At December 31, 2023, although there remained no indication of impairment, given that:

- passenger traffic for the year was greater than budget forecasts;
- financial performance was also greater than budget forecasts as a result of the increased traffic volumes and lower energy costs;
- the latest mid-range forecasts, as approved by the Board of Directors on February 8, 2024, call for passenger traffic to be in line with previous forecasts and for improved financial performance.

SEA nonetheless conducted impairment testing on the assets. No impairment losses resulted from these tests, as the value in use was found to be amply above the value of the assets.

With regard to investments in associates, after comparing the carrying amounts of the equity investments recognised by SEA S.p.A. with their respective statutory equity values, and also given the financial performance of the companies for 2023, there are no apparent indicators of impairment.

Financial assets

On initial recognition, the financial assets are classified, in accordance with IFRS 9, in one of the following categories based on the business model of the Company for the management of the financial assets and the characteristics relating to the contractual cash flows of the financial assets.

Category	Business Model	Characteristics of the cash flows
Amortised cost	The financial asset is held in order to collect the contractual cash flows.	The cash flows are exclusively represented by payments of interest and the repayment of principal.
Fair value through other comprehensive income (also "FVOCI")	The financial asset is held to collect the contractual cash flows, both deriving from sale and operating activities.	The cash flows are exclusively represented by payments of interest and the repayment of principal.
Fair value through profit or loss (also "FVTPL")	Differing from that under amortised cost and FVOCI.	Differing from that under amortised cost and FVOCI.

The financial assets represented by equity instruments of other entities (i.e. investments in companies other than subsidiaries, associates and joint control companies), not held for trading purposes, may be classified in the category FVOCI. This choice, made instrument by instrument, requires that the fair value changes are recognised under "Other items of the comprehensive income statement" and are not subsequently recognised through profit or loss either on sale or on its impairment.

Despite that reported above, on initial recognition it is possible to irrevocably designate the financial asset as measured at fair value recognised through profit or loss if this eliminates or significantly reduces an incoherence in the measurement or in the recognition (sometimes defined as "accounting asymmetry") which would otherwise result in a measurement on another basis.

Trade receivables and other current assets

The trade and other receivables which do not have a significant financing component (determined in accordance with IFRS 15) are initially recognised at transaction price, adjusted to take into account expected losses over the duration of the receivable. The transaction price is the amount of the payment which the entity considers it is entitled to in exchange for transferring the promised goods or services to the client, excluding payments on behalf of third parties. The payment promised in the contract with the client may include fixed amounts, variable amounts or both.

The reduction in value for the recognition and measurement of the doubtful debt provision follows the criteria indicated in paragraph 5.5 of IFRS 9. The objective is to recognise the expected losses over the entire duration of the receivable considering all reasonable and demonstrable information, including indications of expected developments.

Receivables are therefore reported net of the provision for doubtful debts. If in subsequent periods the reduction in the value of the asset is confirmed, the doubtful debt provision is utilised against charges; otherwise, where the reasons for the previous write-down no longer exist, the value of the asset is reversed up to the transaction price. For further information, reference should be made to Note 4.1.

Inventories

Inventories are measured at the lower of average weighted purchase and/or production cost and net realisable value or replacement cost. The valuation of inventories does not include financial charges.

Inventories are shown net of the obsolescence provision to adjust inventories to their realisable or replacement value.

Cash and cash equivalents

Cash and cash equivalents includes cash, bank deposits, and other short-term forms of investment readily available, due within three months. At the reporting date, bank overdrafts are classified as financial payables under current liabilities. Cash and cash equivalents are recorded at fair value.

Provisions for risks and charges

The provisions for risks and charges are recorded to cover known or likely losses or liabilities, the timing and extent of which are not known with certainty at the balance sheet date. They are recorded only when there exists a current obligation (legal or implicit) for a future payment resulting from past events and it is probable that the obligation will be settled. This amount represents the best estimate less the expenses required to settle the obligation.

Possible risks that may result in a liability are disclosed in the notes under the section on commitments and risks without any provision.

Restoration and replacement provision of assets under concession

The accounting treatment of the works undertaken by the lessee on the assets under concession, as per IFRIC 12, varies depending on the nature of the work: normal maintenance on the asset is considered ordinary maintenance and therefore recognised in the income statement; replacement work and programmed maintenance of the asset at a future date, considering that IFRIC 12 does not provide for the recognition of a physical asset but a right, must be recognised in accordance with IAS 37 - "Provisions and potential liabilities" - which establishes recognition to the income statement of a provision and the recording of a provision for charges in the balance sheet.

The restoration and replacement provision of the assets under concession include, therefore, the best estimate of the present value of the charges matured at the balance sheet date for the programmed maintenance in the coming years and until the end of the concession and undertaken in order to ensure the functionality, operations and security of the assets under concession.

It should be noted that the restoration and replacement provision of the assets refers only to fixed assets within the scope of IFRIC 12 (assets under concession classified to intangible assets).

Employee provisions

Pension provisions

The company has both defined contribution plans (National Health Service Contributions and INPS pension plan contributions) and defined benefit plans.

A defined contribution plan is a plan in which SEA participates through fixed payments to third party fund operators, and in relation to which there are no legal or other obligation to pay further contributions where the fund does not have sufficient assets to meet the obligations of the employees for the period in course and previous periods. For the defined contribution plans, SEA pays contributions, voluntary or established contractually, to public and private pension funds. The contributions are recorded as personnel costs in accordance with the accruals principle. The advanced contributions are recorded as an asset which will be repaid or offset against future payments where due.

A defined benefit plan is a plan not classified as a contribution plan. In the defined benefit programmes, the amount of the benefit to be paid to the employee is quantifiable only after the termination of the employment service period, and is related to one or more factors such as age, years of service and remuneration; therefore the relative charge is recognised to the income statement based on actuarial calculations. The liability recorded in the accounts for defined benefit plans corresponds to the present value of the obligation at the balance sheet date, net, where applicable, of the fair value of the plan assets. The obligations for the defined benefit plans are determined annually by an independent actuary utilising the projected unit credit method. The present value of the defined benefit plan is determined discounting the future cash flows at an interest rate equal to the obligations (high-quality corporate) issued in the currency in which the liabilities will be settled and takes into account the duration of the relative pension plan.

The actuarial gains and losses, in accordance with IAS 19R, are recorded directly under equity in a specific reserve account "Reserve for actuarial gains/loss".

We report that, following amendments made to the leaving indemnity regulations by Law No. 296 of December 27, 2006 and subsequent Decrees and Regulations issued in the first half of 2007, the leaving indemnity provision due to employees in accordance with Article 2120 Civil Code is classified as defined benefit plans for the part matured before application of the new legislation and as defined contribution plans for the part matured after the application of the new regulation.

Post-employment benefits

Post-employment benefits are paid to employees when the employee terminates his employment service before the normal pension date, or when an employee accepts voluntary termination of the contract. The Company records post-employment benefits when it is demonstrated that the termination of the employment contract is in line with a formal plan which determines the termination of the employment service, or when the provision of the benefit is a result of a leaving indemnity programme.

Financial liabilities

Financial liabilities and other commitments to be paid, with the exclusion of the categories indicated in paragraph 4.2 of IFRS 9, are initially measured at amortised cost, using the effective interest rate. When there is a change in the expected cash flows and it is possible to estimate them reliably, the value of the payables are recalculated to reflect this change, based on the new present value of the expected cash flows and on the internal yield initially determined. The financial liabilities are classified under current liabilities, except when the Company has an unconditional right to defer their payment for at least 12 months after the balance sheet date.

Purchases and sales of financial liabilities are recognised at the valuation date of the relative transaction.

Financial liabilities are derecognised from the balance sheet when they expire and the Company has transferred all the risks and rewards relating to the instrument.

As a result of the application of IFRS 16, with effect from January 1, 2019, the balance sheet includes current and non-current financial liabilities ("lease liabilities") representative of the obligation to make the payments provided for in the contract. As permitted by the Standard, the lease liability is not taken to a separate account but included amongst "Current financial liabilities" and "Non-current financial liabilities".

Trade and other payables

Trade and other payables are initially recognised at amortised cost.

Reverse factoring transactions - indirect factoring

In order to ensure easy access to credit for its suppliers, the Company has entered into reverse factoring or indirect factoring agreements (with recourse). Based on the contractual structures in place, the supplier has the possibility to assign the receivables claimed from the Company at its own discretion to a lending institution and cash in the amount before maturity.

Invoice payment terms are non-interest bearing as they do not involve further extensions agreed upon between the supplier and the Company.

In this context, the relationships for which the primary obligation is maintained with the supplier and any extension, where granted, do not involve a change in payment terms, retain their nature and therefore remain classified as commercial liabilities.

Revenue recognition

Revenues are recognised when the transfer to the client of the services promised is expressed in an amount (expressed net of value added taxes and discounts) which reflects the expected consideration to be received in exchange for the goods or services.

Recognition occurs when (or over time) the Company complies with the obligation to transfer to the client the goods or service (or the asset) promised. The asset is transferred when (or over time) the client acquires control. Control of the asset is the capacity to decide upon the use of the asset and to obtain substantially all the remaining benefits. Control includes the capacity to prevent other entities to use the asset and obtain benefits. The benefits of the assets are the potential cash flows (cash inflows or savings on outflows) which may be obtained directly or indirectly.

For each obligation to be complied with over time, the revenues are recognised over the time period, evaluating the progression towards complete compliance with the obligation.

The revenues generated by the company concern the sale of goods and services during the period, for which reference should be made to Note 7.1; as per IFRS 15, paragraph 114, the company aggregates the revenues recorded deriving from contracts with customers into categories which illustrate how the economic factors impact upon the nature, the amount, the timing and the level of uncertainty of the revenues and of the cash flows.

The revenues are recorded net of the incentives granted to airlines, based on the number of passengers transported and invoiced by the airlines to the Company for i) the maintenance of traffic at the airport or ii) the development of traffic through increasing existing routes or launching new routes.

Revenue for works on assets under concession

Revenues on construction work are recognised in relation to the state of advancement of works in accordance with the percentage of completion method and on the basis of the costs incurred for these activities increased by a mark-up of 6% representing the best estimate of the remuneration of the internal costs of the management of the works and design activities undertaken by SEA, the mark-up which would be applied by a general contractor (as established by IFRIC 12).

Public grants

Public grants, in the presence of a formal resolution from the issuer, are recorded on an accrual basis in direct correlation to the costs incurred (IAS 20). Public grants, including non-monetary grants measured at fair value, do not need to be recognised until there is reasonable certainty that: (a) the entity will comply with the conditions; and (b) the contributions will be received.

A public grant received to offset costs or losses that have already been incurred or to provide immediate financial support to the entity without related future costs must be recognised in profit or loss in the year in which it is collectable.

Capital grants

Capital public grants relating to property, plant and equipment are recorded as a reduction in the acquisition value of the assets to which they refer.

Operating grants

Operating grants are recorded in the income statement in the account “Operating income”.

Recognition of costs

Costs are recognised when relating to assets or services acquired or consumed in the year or by systematic allocation.

Financial income

Financial income is recognised on an accruals basis and includes interest income on funds invested, foreign currency gains and income deriving from financial instruments, when not offset by hedging operations. Interest income is recorded in the income statement at the moment of maturity, considering the effective yield.

Financial charges

Financial charges are recorded on an accrual basis and include interest on financial payables calculated using the effective interest method and currency losses. The financial charges incurred on investments in assets for which a significant period of time is usually needed to render the assets available for use or sale (qualifying assets) are capitalised and amortised over the useful life of the class of the assets to which they refer in accordance with the provisions of the new version of IAS 23.

Income taxes

Current IRES and IRAP income taxes are calculated based on the assessable income for the year, applying the current tax rates at the balance sheet date.

Deferred taxes are calculated on all differences between the assessable income of an asset or liability and the relative book value, with the exception of goodwill. Deferred tax assets for the portion not compensated by deferred tax liabilities are recognised only for those amounts for which it is probable there will be future assessable income to recover the amounts. The deferred taxes are calculated utilising the tax rates which are expected to be applied in the years when the temporary differences will be realised or settled. Deferred tax assets are recorded when their recovery is considered probable. These assets and liabilities are not recognised if the temporary differences deriving from the goodwill or the initial recognition (not in business combination) of other assets or liabilities in operations do not have an impact on the accounting result or on the assessable fiscal result.

The carrying value of deferred tax assets is revised at the end of the year and reduced to the extent that it is no longer likely that there will be sufficient taxable income against which to recover all or part of the assets.

Current and deferred income taxes are recorded in the income statement, except those relating to accounts directly credited or debited to equity, in which case the fiscal effect is recognised directly to equity and to the Comprehensive Income Statement. Income taxes are offset when applied by the same fiscal authority, there is a legal right for offsetting and the payment of the net balance is expected.

Other taxes not related to income, such as taxes on property, are included under “Other operating expenses”.

Dividends

Payables for dividends to shareholders are recorded in the year in which the distribution is approved by the Shareholders’ Meeting.

Translation of foreign currency transactions

The transactions in currencies other than the operational currency of the company are converted into Euro using the exchange rate at the transaction date.

The foreign currency gains and losses generated from the closure of the transaction or from the translation at the balance sheet date of the assets and liabilities in foreign currencies are recognised in the income statement.

3. ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements require the Directors to apply accounting principles and methods that, in some circumstances, are based on difficulties and subjective valuations and estimates based on the historical experience and assumptions which are from time to time considered reasonable and realistic under the relative circumstances. The application of these estimates and assumptions impact upon the amounts reported in the financial statements, such as the balance sheet, the income statement and the cash flow statement, and on the disclosures in the notes to the accounts.

The financial statement items/estimates which, relating to the Company, require greater subjectivity by the Directors in the preparation of the estimates and for which a change in the underlying conditions or the assumptions may have a significant impact on the financial statements are briefly described below.

(a) Impairments

The tangible and intangible assets and investments in subsidiaries and associated companies and property investments are verified to ascertain if there has been a loss in value which is recorded by means of a write-down, when it is considered there will be difficulties in the recovery of the relative net book value through use. The verification of the existence of the above-mentioned indicators requires the Directors to make valuations based on the information available internally and from the market, as well as historical experience. In addition, when it is determined that there may be a potential impairment loss, the Company determines this through using the most appropriate technical valuation methods available. The correct identification of the indicators of the existence of a potential reduction in value as well as the estimates for their determination depends on factors which may vary over time impacting upon the valuations and estimates made by the Directors. The Company prepared impairment tests that take account of separate scenarios and specific sensitivity analyses, and no indicators of impairment emerged. Reference should be made in addition to the paragraph below "Impairments".

Also the Indemnification Right receivable, classified to non-current receivables, is subject to an annual impairment test.

(b) Amortisation & depreciation

Depreciation represents a significant cost for the Company. The cost of property, plant and equipment is depreciated on a straight-line basis over the estimated useful life of the relative assets and components. The useful life of the fixed assets is determined by the Directors when the fixed assets are purchased. This is based on the historical experiences for similar fixed assets, market conditions and considerations relating to future events which could have an impact on the useful life, such as changes in technology. Therefore, the effective useful life may be different from the estimated useful life. The Company periodically evaluates technological and sector changes to update the residual useful life. This periodic update could result in a change in the depreciation period and therefore in the depreciation charge in future years. In application of the new accounting standard IFRS 16, the income statement also includes the recognition of the depreciation of "Leased assets right-of-use".

(c) Provisions for risks and charges

The Company may be subject to legal disputes, in relation to taxation or employment issues, based on particularly complex circumstances of varying degrees of uncertainty, according to the facts and circumstances, jurisdiction and laws applicable to each case.

Considering the inexact nature of these issues, it is difficult to predict with certainty any future payments required.

Therefore, Management, having consulted with its legal and tax advisers, recognises a liability against these disputes when a financial payment is considered probable and the amount of the losses arising may be reasonably estimated. In the case in which a payment is considered possible, but is not yet determinable, such is reported in the explanatory notes.

Provisions are recorded against risks of a legal and tax nature and employee disputes. The amount of the provisions recorded in the financial statements relating to these risks therefore represents the best estimate at that date made by the Directors. This estimate results in the adoption of assumptions concerning factors which may change over time and which may, therefore, have significant effects compared to the present estimates made by the Directors for the preparation of the financial statements. In addition, the restoration and replacement provision of the assets under concession, recorded in accordance with IFRIC 12, includes the best estimate of the charges matured at the balance sheet date for scheduled maintenance in future years in order to ensure the functionality, operations and security of the assets under concession.

(d) Trade receivables

Company evaluates the expected losses on trade receivables in order to reflect, through a specific doubtful debt provision, the realisable value utilising reasonable and demonstrable information available, without excessive costs or effort at the reporting date on past events, current conditions and future economic conditions.

The doubtful debt provision represents the best estimate at the reporting date made by the Directors. This estimate is based on facts and expectations which may change over time and which may, therefore, have significant effects compared to the present estimates made by the Directives for the preparation of the separate financial statements.

(e) Leases

IFRS 16 introduced certain elements of professional judgment that entail the definition of certain accounting policies and the use of assumptions and estimates with regard to the lease term and the definition of the incremental borrowing rate. The main ones are summarised below:

- The Company has decided not to apply IFRS 16 for contracts containing a lease where the underlying asset is of low value (less than Euro 5 thousand);
- Lease term: the Company has analysed all of its lease contracts and has identified the lease term for each of them - this is the non-cancellable period together with the effects of any extension or early termination options whose exercise is considered reasonably certain;
- Definition of the incremental borrowing rate: since most rental contracts entered into by the Company do not include an implied interest rate, the discount rate to be applied to future rental payments has been taken as the average cost of medium/long term debt.

4. RISK MANAGEMENT

The risk management strategy of the Company is based on minimising potential negative effects related to the financial and operating performance.

The management of the above-mentioned risks is undertaken through identifying, evaluating and undertaking the hedging of financial risks.

4.1 Credit risk

The credit risks represent the exposure of SEA to potential losses deriving from the non-compliance of obligations by trading and financial partners.

This risk is primarily of an economic/financial nature, or rather the possibility of the default of a counterparty, and also factors of a technical/commercial or administrative/legal nature.

For SEA, credit risk exposure is largely related to the deterioration of a financial nature of the principle airline companies which incur on the one hand the effects of the seasonality related to aviation operations, and on the other consequences of geopolitical events which impact upon the air transport sector.

In order to control this risk, SEA has implemented procedures and actions to monitor the expected cash flows and recovery actions.

In application of internal credit policies, clients are requested to procure the release of guarantees: this typically relates to first-demand bank guarantees issued by primary credit institutions or guarantee deposits.

In 2023, total receivables increased compared to 2022 following the increase in revenues.

In relation to the payment terms applied for the majority of the clients, credit terms are largely concentrated within 30 days from the relative invoicing.

Trade receivables are reported in the financial statements net of doubtful debt provisions, which are prudently made based on the rating grade and underlying disputes at the reporting sheet date. The doubtful debt provision necessary to adjust the nominal value to the realisable value is determined analysing all receivables and utilising all available information on the debtor.

A summary of trade receivables with third parties and the relative doubtful debt provisions is reported below.

(Euro thousands)	December 31, 2023	December 31, 2022
Trade receivables - customers, gross of doubtful debt provision	227,909	209,927
- of which overdue	141,931	134,038
Doubtful debt provision - customers	(96,552)	(102,568)
Trade trade receivables - customers	**131,357**	**107,359**

Receivables transferred following factoring operations are eliminated from the balance sheet only when the related risks and benefits of ownership have been substantially transferred. Non-recourse receivables which do not satisfy these requisites remain on the balance sheet of the company, even if legally transferred. In this case a financial liability of a similar amount is recorded under liabilities against advances received.

The breakdown of overdue receivables at December 31, 2023 and the previous year is shown below:

Trade receivables - customers

(Euro thousands)	December 31, 2023	December 31, 2022
Trade receivables - customers	227,909	209,927
Of which overdue	141,931	134,038
less than 180 days	38,882	31,609
over 180 days	103,049	102,429
% overdue receivables	62.3%	63.8%
% overdue receivables of less than 180 days	17.1%	15.1%
% overdue receivables of more than 180 days	45.2%	48.8%

Past-due receivables increased from December 31, 2023, due both to the increase in revenue and to the fact that a number of carriers postponed payment to January 2024.

The table below illustrates the gross trade receivables at December 31, 2023 and for the comparative year, as well as the breakdown of receivables from counterparties under administration and in dispute, with indication of the bank and insurance sureties and deposit guarantees provided.

Trade receivables - customers

(Euro thousands)	December 31, 2023	December 31, 2022
Trade receivables - customers	227,909	209,927
(i) receivables from parties subject to administration procedures	78,368	78,512
(ii) receivables subject to dispute	18,763	18,763
Total trade receivables, net of the receivables at points (i) and (ii)	**130,778**	**112,652**
Overdue receivables, other than at points (i) and (ii)	44,800	36,763
Sureties and deposits	93,540	66,230
% of receivables guaranteed by sureties and deposits vs total trade receivables, net of the receivables at points (i) and (ii)	71.5%	58.8%

The doubtful debt provision was determined based on the indications of IFRS 9. A key element of the standard is the transition from the previous concept of 'Incurred Loss' to that of 'Expected Loss'. The doubtful debt provision is determined by taking into account the risks of non-collection related not only to past-due receivables but also on those falling due. A 'risk ratio' is determined, representative of the riskiness of commercial counterparties, which varies according to the status of the receivable (performing or past due, with differing bands depending on days past due). A provision matrix is then constructed, on whose basis the amounts of the provision are calculated. This matrix provides rating classes in rows and the different bands of past-due or falling due in columns. The calculated risk ratio represents the probability that the client does not honour its debt and the percentage of credit, obtained from a historical analysis, with the possibility of the client being in default. Forward looking elements were also utilised, such as the possibility of management undertaking further provisions, notwithstanding the indications taken from the matrix. The estimates concerning applicable risk and general economic developments are included in the definition of the rating model and therefore are constantly updated to reflect the effective risk, in order to ensure a complete coverage of the credit risk encountered by the Company.

4.2 Market risks

The market risk to which SEA is exposed comprises all types of risks directly and indirectly related to market prices. In 2023, the market risks to which SEA were subject were:

a) interest rate risk;
b) currency risk;
c) commodity risk, related to the volatility of the energy commodity prices.

a) Interest rate risk

SEA is exposed to the risk of changes in interest rates in relation to the necessity to finance its operating activities and the use of available liquidity. The changes in interest rates may impact positively or negatively on the results of the Company, modifying the costs and returns on financial and investment operations.

SEA manages this risk through an appropriate mix of fixed rate and variable rate loans, to mitigate interest rate volatility effects on financing, and through a cautious policy of liquidity management, negotiating favourable remuneration conditions in light of bank balances and using stock temporarily in excess of treasury needs on short-term monetary instruments with high financial flexibility.

Variable interest loans expose the Company to a risk originating from the volatility of the interest rates (cash flow risk). We indicate that at December 31, 2023 (i) the gross financial debt of SEA exposed to a variable rate is 32%, and that (ii) no derivative contracts are in place which convert the variable rate into a fixed rate or limit the fluctuations of the variable rate within a range of rates.

At December 31, 2023, the gross financial debt of SEA exclusively comprised medium/long-term loans, partly maturing beyond 12 months (medium/long-term portion of the loans) and partly maturing withing 12 months (short-term portion of the medium/long-term loans). At this date, the Company did not make recourse to short-term debt.

The medium/long term debt at December 31, 2023 is reported in the following table, which shows each loan at the nominal value (which includes a spread of between 0.25% and 1.62%, and not considering any accessory guarantees established for EIB loans).

Medium/long-term loans at December 31, 2023 and 2022

	December 31, 2023			December 31, 2022		
(Euro thousands)	Maturity	Amount	Average rate	Maturity	Amount	Average rate
Bonds	**2025**	**300,000**	**3.500%**	**2025**	**300,000**	**3.500%**
Bank loans - EIB funding	**from 2027 to 2040**	**184,744**	**4.18%**	**from 2023 to 2037**	**207,683**	**2.19%**
o/w at Fixed Rate		30,622	1.97%		35,963	2.25%
o/w at Variable Rate(*)		154,122	4.62%		171,720	2.18%
Other bank loans				**2024**	**25,000**	**2.87%**
o/w at Fixed Rate						
o/w at Variable Rate					25,000	2.87%
Medium/long-term gross financial debt		**484,744**	**3.76%**		**532,683**	**2.96%**

(*) Includes: Euro 62,5 million of EIB loans with specific bank guarantee.

The total gross value of medium/long-term loans at December 31, 2023 is Euro 484,744 thousand, a reduction of Euro 47,939 thousand compared to December 31, 2022. This movement followed (i) the repayment of the residual amount of the variable rate term loans agreed in 2021 to deal with the COVID-19 pandemic, in advance of the June 2024 maturity so as to optimise the Company's financial structure within a market featuring rising rates, (ii) the continued repayment of the EIB funding in place.

The average cost of medium/long-term debt at December 31, 2023 was 3.76%, increasing 80 bps on the end of December 2022, having been impacted by the rising rates linked to the ECB's restrictive monetary policies, partially offset by the process to optimise the Company's financial structure. Considering the cost of bank guarantees on a number of EIB loans, the average cost of debt is 3.91%, increasing 81 bps compared to the end of 2022.

At December 31, 2023, Company cash and cash equivalents, amounting to Euro 216 million, earned an average return of 3.86% and was: (i) invested in monetary instruments for Euro 175 million, with maturities ranging from 3 to 6 months; and (ii) in freely available current accounts for Euro 41 million.

At December 31, 2023, SEA has the following bond issue with a total nominal value of Euro 300 million.

Description	Issuer	Listing market	ISIN Code	Terms (years)	Maturity	Par value (in million of Euro)	Coupon	Annual rate
SEASPA 3 1/2 10/09/25	SEA S.p.A.	Irish Stock Exchange	XS2238279181	5	09/10/25	300	Fixed annual	3.50%

The fair value of the overall SEA bank and bond medium/long-term debt at December 31, 2023 amounts to Euro 483,849 thousand (reduction on Euro 516,529 thousand at December 31, 2022). This value was calculated as follows:

- for the loans at fixed interest rates, the capital portion and interest were discounted utilising the spot rates for each contractual maturity, extrapolated from the market rates;
- for the bond listed on a regulated market, reference was made to the market value at December 31, 2023;
- for the loans at variable interest rates, the interest portion was calculated utilising the estimate of the expected rates at the end of each contractual maturity, increased by the spread defined contractually. The interest portion defined as outlined above and the capital on maturity was discounted utilising the spot rate for each contractual maturity, extrapolated from the market rate.

It should be noted that, for some loans, non-compliance of the covenant terms results in, for the following half-year period, the application of a correlated predetermined spread (in accordance with a contractually defined pricing grid).

b) Currency risk

SEA, with the exception of the currency risk related to the commodity risk, is subject to a low currency fluctuation risk as, although operating in an international environment, the transactions are principally in Euro. Therefore, SEA does not consider it necessary to implement specific hedging against this risk as the amounts in currencies other than the Euro are insignificant and the relative receipts and payments generally offset one another.

c) Commodity risk

SEA is exposed to changes in prices and of the relative exchange rates for energy commodities, i.e.:

i. gas, electricity and thermal energy, and environmental certificates related to the operational management of the power plant that supply SEA with its energy needs, whose pricing variability impacts SEA indirectly through the formulas and indexing used in the pricing structures adopted in the purchase agreements (this impact was direct prior to the SEA Energia sale transaction of September 2022);

ii. CO_2 cancellation and offsetting tools, purchased by SEA directly as part of its decarbonisation strategy.

Despite the uncertain global economic environment and the geopolitical situation, the significant volatility in energy commodity prices during 2022 partially abated in 2023, but continued to expose the Company to high procurement costs and an erosion of its margins in the short term.

In 2023, SEA did not undertake any hedging of this risk, also in view of the general decline of commodity prices in the period, although it does have the possibility to do so in the future. Some of its commercial supply contracts provide the opportunity to pre-fix prices for heat and electricity purchases, even if this only represents a partial solution.

4.3 Liquidity risk

The liquidity risk for SEA may arise where the financial resources available are not sufficient to meet the financial and commercial commitments within the agreed terms and conditions.

The liquidity, cash flows and financial needs of SEA are managed through policies and processes with the objective to minimise the risk.

More specifically, SEA monitors and manages its available financial resources centrally, under the control of the Group Treasury, to ensure the efficient management of these resources, also in forward budgeting terms; it maintains liquidity and has obtained committed credit lines (revolving and non), which cover the financial commitments of the Company deriving from its investment plans, operating requirements, and contractual debt repayments over the subsequent 12 months, and lastly, it monitors its liquidity position, in relation to business planning, to guarantee sufficient coverage of the SEA Group's requirements.

At December 31, 2023, SEA may rely on Euro 216 million of liquidity, in addition to (i) irrevocable unutilised credit lines for Euro 320 million, of which Euro 250 million concerning new revolving lines underwritten in August 2022 and fully available and maturing in August 2027, and Euro 70 million concerning a line on EIB funds, whose usability by February 2023 has been extended to February 2025, and (ii) Euro 123 million uncommitted lines utilisable for immediate cash needs.

This liquidity allows the Company to guarantee current operational needs and future financial needs.

Trade payables are guaranteed by SEA through careful working capital management which largely concerns trade receivables and the relative contractual conditions established, in addition to the possibility of indirect factoring transactions which do not change the payment conditions contractually agreed between the parties, although better balancing outflows and requirements.

The tables below illustrate for SEA the breakdown and maturity of the financial debt (capital, medium/long-term interest and leasing) and trade payables at December 31, 2023 and December 31, 2022.

Liabilities at December 31, 2023

(Euro millions)	< 1 year	>1 year < 3 years	>3 years < 5 years	> 5 years	Total
Gross financial debt	39.0	366.9	37.8	97.9	541.6
Leasing	2.1	4.2	3.9	3.0	13.2
Trade payables	192.7				192.7
Total payables	**233.8**	**371.1**	**41.7**	**100.9**	**747.5**

Liabilities at December 31, 2022

(Euro millions)	< 1 year	>1 year < 3 years	>3 years < 5 years	> 5 years	Total
Gross financial debt	41.0	404.2	51.7	119.4	616.3
Leasing	2.0	3.5	3.6	4.7	13.8
Trade payables	190.1				190.1
Total payables	**233.1**	**407.7**	**55.3**	**124.1**	**820.2**

The table does not include the short-term Group cash pooling debt, amounting to Euro 4.7 million at the end of 2023 (Euro 10.5 million at the end of 2022).

At December 31, 2023, loans due within one year relate to the capital portion falling due on the EIB loans, and interest due on the total debt. The financial resources available ensure coverage of the Company's financial debt maturities, also ensuring coverage of the medium/long-term requirements.

4.4 Sensitivity

In consideration of the fact that for the Company the currency risk is almost non-existent, the sensitivity analysis refers to balance sheet accounts which could incur changes in value due to changes in interest rates.

In particular, the analysis considered:

- bank debt and cash pooling position;
- loans.

The assumptions and calculation methods utilised in the sensitivity analysis undertaken by SEA were as follows:

a) Assumptions: the effect was analysed on the SEA income statement for the years 2023 and 2022 of a change in market rates of +50 or of -50 basis points.

b) Calculation method:

- the remuneration of the bank deposits and the cash pooling positions is related to the interbank rates. In order to estimate the increase/decrease of interest income to changes in market conditions, the change was assumed as per point a) on the average annual balance of bank deposits of SEA;
- the loans measured were those at variable interest rates, which incur interest payable linked to the Euribor at 3 and 6 months. The increase/decrease of the interest payable to changes in market conditions was estimated applying the changes assumed as per point a) on the capital portion of the loans held during the year.

The results of the sensitivity analysis are reported below:

	December 31, 2023		December 31, 2022	
(Euro thousands)	**-50 bp**	**+50 bp**	**-50 bp**	**+50 bp**
Current accounts (interest income) (1)	-674.40	674.40	-134.59	636.13
Cash pooling position (interest income) (1)			-111.80	111.80
Loans (interest charges) (2)	603.57	-677.05	634.20	-970.39
Cash pooling position (interest charges) (2)	40.56	-40.56		-70.00

(1) + = higher interest charges; - = lower interest charges

(2) + = lower interest charges; - = higher interest charges

The results of the sensitivity analysis undertaken on some accounts of the previous tables are impacted by the low level of the market interest rates in 2022. By applying a variation of -50 basis points to the market interest rate curve, the cash flow corresponding to current accounts and loans would be opposite to those provided for by the related types of contracts; in these cases, these cash flows are set at zero.

5. CLASSIFICATION OF THE FINANCIAL INSTRUMENTS

The following table provides a breakdown of the financial assets and liabilities by category at December 31, 2023 and at December 31, 2022.

The values resulting from the utilisation of the amortised cost method approximates the fair value of the category. The figures were reclassified in accordance with the categories of IFRS 9 - Financial Instruments applied by SEA from January 1, 2018.

	December 31, 2023				
(Euro thousands)	**Financial assets and liabilities measured at Fair Value to the Income Statement**	**Financial assets measured at amortised cost**	**Financial assets and liabilities measured at Fair Value to the Comprehensive Income Statement**	**Financial liabilities measured at amortised cost**	**Total**
Other investments	1				1
Other non-current receivables		14,916			14,916
Trade receivables		154,466			154,466
Current financial receivables		125,168			125,168
Tax receivables		457			457
Other current receivables		5,069			5,069
Cash and cash equivalents		91,102			91,102
Total	**1**	**391,178**	**0**	**0**	**391,179**
Non-current financial liabilities exc. leasing				462,739	462,739
- of which payables to bondholders				*299,363*	*299,363*
Non-current financial payables for leasing				11,136	11,136
Trade payables				192,615	192,615
Tax payables				19,825	19,825
Other current and non-current payables				218,619	218,619
Current financial liabilities excl. leasing				30,094	30,094
Current financial liabilities for leasing				2,059	2,059
Total	**0**	**0**	**0**	**937,087**	**937,087**

	December 31, 2022				
(Euro thousands)	**Financial assets and liabilities measured at Fair Value to the Income Statement**	**Financial assets measured at amortised cost**	**Financial assets and liabilities measured at Fair Value to the Comprehensive Income Statement**	**Financial liabilities measured at amortised cost**	**Total**
Other investments	1				1
Other non-current receivables		60,490			60,490
Trade receivables		126,153			126,153
Current financial receivables					-
Tax receivables		2,985			2,985
Other current receivables		6,455			6,455
Cash and cash equivalents		160,024			160,024
Total	**1**	**356,107**	**0**	**0**	**356,108**
Non-current financial liabilities exc. leasing				507,722	507,722
- of which payables to bondholders				*299,026*	*299,026*
Non-current financial payables for leasing				11,787	11,787
Trade payables				190,144	190,144
Tax payables				11,102	11,102
Other current and non-current payables				286,385	286,385
Current financial liabilities excl. leasing				37,405	37,405
Current financial liabilities for leasing				2,039	2,039
Total	**0**	**0**	**0**	**1,046,584**	**1,046,584**

5.1 Disclosure on fair value

In relation to financial instruments measured at fair value, the table below reports information on the method chosen to measure the fair value. The methods applied are broken down into the following levels, based on the information available, as follows:

- level 1: prices practiced on active markets;
- level 2: valuation techniques based on observable market information, both directly and indirectly;
- level 3: other information.

"Other equity investments" are measured at "level 3" fair value.

6. NOTES TO THE STATEMENT OF FINANCIAL POSITION

6.1 Intangible assets

The table below reports the changes in intangible assets in 2023:

Intangible assets

(Euro thousands)	December 31, 2022	Reclassi-fications IAS/IFRIC	December 31, 2022 reclassified	Increases in the year	Reclassi-fications/ transfers	Destruct./ sales	Amortisa-tion	December 31, 2023
Gross value								
Rights on assets under concession	1,609,550	108,775	1,718,325	4,975	38,442	(291)		1,761,451
Rights on assets under concess. in prog. & advances	35,450	3,628	39,078	40,385	(38,442)			41,021
Patents and right to use intellectual property & others	96,705		96,705		5,712			102,417
Assets in progress and advances	3,890		3,890	4,813	(5,712)			2,991
Total Gross Value	**1,745,595**	**112,403**	**1,857,998**	**50,173**	**0**	**(291)**	**0**	**1,907,880**
Accumulated amortisation								
Rights on assets under concession	(736,745)	(60,887)	(797,632)			175	(53,104)	(850,561)
Rights on assets under concess. in prog. & advances								
Patents and right to use intellectual property & others	(95,157)		(95,157)				(2,343)	(97,500)
Assets in progress and advances								
Total accumulated amortisation	**(831,902)**	**(60,887)**	**(892,789)**	**0**	**0**	**175**	**(55,447)**	**(948,061)**
Net value								
Rights on assets under concession	872,805	47,888	920,693	4,975	38,442	(116)	(53,104)	910,890
Rights on assets under concess. in prog. & advances	35,450	3,628	39,078	40,385	(38,442)			41,021
Patents and right to use intellectual property & others	1,548		1,548		5,712		(2,343)	4,917
Assets in progress and advances	3,890		3,890	4,813	(5,712)			2,991
Total net value	**913,693**	**51,516**	**965,209**	**50,173**	**0**	**(116)**	**(55,447)**	**959,819**

As per IFRIC 12, rights on assets under concession, net of accumulated amortisation, amount to Euro 910,890 thousand at December 31, 2023 and Euro 872,805 thousand at December 31, 2022. These assets are amortised on a straight-line basis over the duration of the concession. The amortisation for the year 2023 amounts to Euro 53,104 thousand. The increases in the year of Euro 45,360 thousand derive mainly for Euro 38,442 thousand from the entry into use of investments made in previous years and recorded under "Assets under concession in progress and advances" and for Euro 2,981 thousand the purchase of new explosive detection system equipment for checked baggage control and x-ray equipment to screen carry-on baggage.

For assets within the concession right, SEA has the obligation to record a restoration and replacement provision, in relation to which reference should be made to Note 6.17.

The account “Assets under concession in progress and advances”, amounting to Euro 41,021 thousand, refers to the work in progress on concession assets, not yet completed at December 31, 2023.

It should be noted that, following the revision to the assets included within the scope of “concession rights”, the Company reclassified as intangibles assets those previously recognised as property, plant and equipment. As shown in the table in the column “IAS to IFRIC reclassifications”, this reclassification mainly concerned the Linate and Malpensa airports, which were partially recognised as property during the previous year. For a better comparison between the two years, the comparative year at December 31, 2022, reflects the reclassification of the assets between intangible assets and property, plant and equipment.

In 2023, SEA continued its commitment to the infrastructural development of the Malpensa and Linate airports.

The works at Malpensa airport were mainly those for the reopening of Terminal 2 and related infrastructure, following the substantial recovery in traffic demand. Terminal 2 reopened on May 31, 2023.

The main works carried out during the year at Malpensa principally concern i) at Terminal 1, the upgrading of 13 check-in desks at island 10, the works for Schengen/non-Schengen flexibility of the central satellite, with the aim of having a “dynamic” architectural layout, so as to make it possible to use the spaces according to 3 different configurations (non-Schengen traffic only; Schengen traffic only; traffic divided into 4 non-Schengen gates and 6 Schengen gates), the adoption of a Border Control-Entry Exit system (arrivals and departures), the introduction of smart security lanes at departure filters, ongoing earthquake retrofitting efforts, and the refurbishment of select VIP lounges, public toilets, and the Sala Amica on the departure floor. Work was also completed for implementation of the electrical system for the Free to X charging points (for passengers) and to install new charging points for airport vehicles; ii) at Terminal 2, upgrading the baggage sorting system to meet the ECAC 3 standard, with the installation of new EDS machines and conveyor belts and adoption of a new line for automated return of rejected baggage; the complete refurbishment of the security control area with the installation of 10 next-generation baggage screening lines (which provide greater capacity to screen carry-on baggage); the comprehensive makeover of the “Arrivals” corridor to improve climate comfort, reduce energy consumption, and improve passenger mobility; the installation of certified A-Safe barriers to safeguard passenger boarding and disembarking routes; and construction and systems work to prepare for the reopening of commercial activities. In 2024, the following works will be completed: the revamping and upgrading of refrigeration systems and cooling towers; the restructuring of spaces for the implementation of the Entry-Exit System at arrivals and departures; the transfer of the pharmacy from the “Departures” area to the new spaces identified in the “Arrivals” area, and further preparatory work for the reopening of shops and cafés; iii) regarding the cargo area, the construction and systems work to renew the Cargo fire prevention certification of the ALHA-MLE cargo building are almost complete, as are the works for restoring the waterproofing of the roofs of the ALHA-MLE cargo buildings and the upgrading of the rainwater drainage network in front of the air-side warehouses. In addition to this, major work is underway for the enhancement of perimeter intrusion prevention to improve airport security, and works have begun for the redevelopment of the Terminal 1 departures overpass and the reconfiguration of apron 700 in the cargo area.

At Linate, the main works included the continued renovation and standardisation of toilet services for passengers, the creation of new commercial spaces, the completion of installation of new EDS x-ray equipment (the particular feature of which is to allow for the examination of liquids and/or electronic devices without the need to remove them from hand luggage, excluding the Family Line), and completion of renovation works in the arrival and departure areas to allow for the installation of equipment and kiosks necessary for the Border Control - Entry-Exit System (European border control system for the registration of extra-Schengen passengers arriving and departing). The most significant works on the air-side infrastructures at Linate concerned the upgrading works of the perimeter anti-intrusion systems by covering additional sections with sensors and cameras and the continuation of redevelopment work for flight infrastructures. Finally, we highlight the ongoing works to install 400 HZ systems to supply power to the aircraft, replacing diesel-powered trolley units, and on new networks to charge the electric vehicle fleet.

The reclassifications to assets under concession principally related to the gradual entry into service of the restyling and modernisation works at the Linate and Malpensa Terminals.

Industrial patents and intellectual property rights and other intangible assets, amounting to Euro 4,917 thousand at December 31, 2023 (Euro 1,548 thousand at December 31, 2022), relate to the purchase of software components for the airport and operating IT systems. Specifically, the increases for Euro 5,712 thousand principally related to the development and implementation in 2023 of the administrative and airport management systems, relating to investments in previous years and recorded in the account "Assets in progress and advances" which at December 31, 2023 record a residual amount of Euro 2,991 thousand, relating to software developments in progress. The amortisation for the year 2023 amounts to Euro 2,343 thousand.

In view of the results of the impairment test at December 31, 2023, described in Note 2, it was not necessary to write-down the non-financial assets.

The changes in intangible assets during 2022 were as follows:

Intangible assets

(Euro thousands)	December 31, 2021	Increases in the year	Reclassifications/ transfers	Destruct./ sales	Amortisation	December 31, 2022
Gross value						
Rights on assets under concession	1,572,806	5,771	30,996	(23)		1,609,550
Rights on assets under concess. in prog. & advances	33,693	32,753	(30,996)			35,450
Patents and right to use intellectual property & others	96,223		482			96,705
Assets in progress and advances	974	3,398	(482)			3,890
Total Gross Value	**1,703,696**	**41,922**	**0**	**(23)**	**0**	**1,745,595**
Accumulated amortisation						
Rights on assets under concession	(694,749)			8	(42,004)	(736,745)
Rights on assets under concess. in prog. & advances						
Patents and right to use intellectual property & others	(90,417)				(4,740)	(95,157)
Assets in progress and advances						
Total accumulated amortisation	**(785,166)**	**0**	**0**	**8**	**(46,744)**	**(831,902)**
Net value						
Rights on assets under concession	878,057	5,771	30,996	(15)	(42,004)	872,805
Rights on assets under concess. in prog. & advances	33,693	32,753	(30,996)			35,450
Patents and right to use intellectual property & others	5,806		482		(4,740)	1,548
Assets in progress and advances	974	3,398	(482)			3,890
Total net value	**918,530**	**41,922**	**0**	**(15)**	**(46,744)**	**913,693**

6.2 Property, plant and equipment

The following tables summarises the movements in property, plant and equipment in 2023.

Property, plant and equipment

(Euro thousands)	December 31, 2022	Reclassifi-cations IAS/ IFRIC	December 31, 2022 reclassified	Increases in the year	Reclassi-fications/ transfers	Destruct./ sales	Amortisation	December 31, 2023
Gross value								
Property	227,874	(112,240)	115,634	16,995	1,401			134,030
Plant and machinery	6,646		6,646	186				6,832
Industrial and commercial equipment	46,662		46,662	1,179		(30)		47,811
Other assets	75,277		75,277	2,306	2,773	(719)		79,637
Assets in progress and advances	11,525	(3,628)	7,897	7,219	(4,174)			10,942
Total Gross Value	**367,984**	**(115,868)**	**252,116**	**27,885**	**0**	**(749)**	**0**	**279,252**
Depreciation provision and write-downs								
Property	(120,981)	64,352	(56,629)				(3,311)	(59,940)
Plant and machinery	(5,143)		(5,143)				(321)	(5,464)
Industrial and commercial equipment	(46,213)		(46,213)			30	(369)	(46,552)
Other assets	(66,747)		(66,747)			719	(3,988)	(70,016)
Assets in progress and advances								
Total accum. deprec. & write-downs	**(239,084)**	**64,352**	**(174,732)**	**0**	**0**	**749**	**(7,989)**	**(181,972)**
Net value								
Property	106,893	(47,888)	59,005	16,995	1,401		(3,311)	74,090
Plant and machinery	1,503		1,503	186			(321)	1,368
Industrial and commercial equipment	449		449	1,179			(369)	1,259
Other assets	8,530		8,530	2,306	2,773		(3,988)	9,621
Assets in progress and advances	11,525	(3,628)	7,897	7,219	(4,174)			10,942
Total net value	**128,900**	**(51,516)**	**77,384**	**27,885**	**0**	**0**	**(7,989)**	**97,280**

The increase in property of Euro 16,995 thousand concerns the investment, completed on June 19, at the area owned by Gezzo S.r.l. near Linate airport, on which parking and adjoining land is located.

Increases in "Property, plant and equipment" include, in addition, the purchase of furniture and furnishings (counters, benches, seats, etc.) for Euro 693 thousand, smart security equipment for Euro 2,773 thousand and of new video terminals, security systems and personal computers for Euro 1,474 thousand.

It should be noted that, following the revision to the assets included within the scope of "concession rights", the Company reclassified as intangibles assets those previously recognised as property, plant and equipment. As shown in the table in the column "IAS to IFRIC reclassifications", this reclassification mainly concerned the Linate and Malpensa airports, which were partially recognised as property during the previous year. For a better comparison between the two years, the comparative year at December 31, 2022, reflects the reclassification of the assets between intangible assets and property, plant and equipment.

In view of the results of the impairment test at December 31, 2023, described in Note 2, it was not necessary to write-down the non-financial assets.

All fixed assets, including those falling under IFRIC 12, are expressed net of those funded by State and European Union contributions. These latter at December 31, 2023, amounted to Euro 509,660 thousand and Euro 7,019 thousand respectively.

The changes in property, plant and equipment during 2022 were as follows:

Property, plant and equipment

(Euro thousands)	December 31, 2021	Increases in the year	Reclassifications/transfers	Destruct./ sales	Transfers to Newco	Amortisation	December 31, 2022
Gross value							
Property	230,001		1,185	(3,312)			227,874
Plant and machinery	6,544	102					6,646
Industrial and commercial equipment	46,426	244		(8)			46,662
Other assets	92,019	300	1,800	(919)	(17,923)		75,277
Assets in progress and advances	9,563	4,947	(2,985)				11,525
Total Gross Value	**384,553**	**5,593**	**0**	**(4,239)**	**(17,923)**	**0**	**367,984**
Depreciation provision and write-downs							
Property	(116,215)			1,630		(6,396)	(120,981)
Plant and machinery	(4,837)					(306)	(5,143)
Industrial and commercial equipment	(45,558)			2		(657)	(46,213)
Other assets	(74,542)			355	11,884	(4,444)	(66,747)
Assets in progress and advances							
Total accum. deprec. & write-downs	**(241,152)**	**0**	**0**	**1,987**	**11,884**	**(11,803)**	**(239,084)**
Net value							
Property	113,786		1,185	(1,682)		(6,396)	106,893
Plant and machinery	1,707	102				(306)	1,503
Industrial and commercial equipment	868	244		(6)		(657)	449
Other assets	17,477	300	1,800	(564)	(6,039)	(4,444)	8,530
Assets in progress and advances	9,563	4,947	(2,985)				11,525
Total net value	**143,401**	**5,593**	**0**	**(2,252)**	**(6,039)**	**(11,803)**	**128,900**

6.3 Leased assets right-of-use

The following table presents the movement in 2023 for leased assets right-of-use:

Leased assets right-of-use

(Euro thousands)	December 31, 2022	Increases in the year	Destruct./sales	Depreciation /write-downs	December 31, 2023
Gross value					
Miscellaneous and minor equipment	4,248	432	(1,472)		3,208
Transport vehicles	11,919	820	(299)		12,440
Loading and unloading vehicles		245			245
Land	4,443				4,443
Total Gross Value	**20,610**	**1,497**	**(1,771)**	**0**	**20,336**
Accumulated depreciation & write-downs					
Miscellaneous and minor equipment	(2,736)		1,440	(572)	(1,868)
Transport vehicles	(2,641)		284	(1,496)	(3,853)
Loading and unloading vehicles				(11)	(11)
Land	(1,236)			(397)	(1,633)
Total accum. deprec. & write-downs	**(6,613)**	**0**	**1,724**	**(2,476)**	**(7,365)**
Net value					
Miscellaneous and minor equipment	1,512	432	(32)	(572)	1,340
Transport vehicles	9,278	820	(15)	(1,496)	8,587
Loading and unloading vehicles		245		(11)	234
Land	3,207			(397)	2,810
Total net value	**13,997**	**1,497**	**(47)**	**(2,476)**	**12,971**

“Leased asset rights-of-use” concern rights-of-use recognised as per IFRS 16. As a lessee, the Company identified the relevant issues, principally industrial equipment, land and the long-term hire of vehicles, with the consequent recognition of a usage right to non-current assets equal to the present value of the outstanding instalments and with the counter-entry of a finance lease payable. The net value of leased assets right-of-use at December 31, 2023, is Euro 12,971 thousand, with depreciation in the year of Euro 2,476 thousand. For the calculation of these amounts, the Company availed of an exemption permitted under IFRS 16 and which resulted in a single discount rate for each leasing portfolio.

The main increases in the year concerned the hire of vehicles, ambulifts, and x-ray machines.

The changes in leased assets rights-of-use during 2022 were as follows:

Leased assets right-of-use

(Euro thousands)	December 31, 2021	Increases in the year	Destruct./sales	Depreciation /write-downs	December 31, 2022
Gross value					
Miscellaneous and minor equipment	4,100	148			4,248
Complex equipment	188		(188)		
Transport vehicles	8,657	3,582	(320)		11,919
EDP	862		(862)		
Land	4,348	203	(108)		4,443
Total Gross Value	**18,155**	**3,933**	**(1,478)**	**0**	**20,610**
Accumulated depreciation & write-downs					
Miscellaneous and minor equipment	(1,927)			(809)	(2,736)
Complex equipment	(161)		188	(27)	
Transport vehicles	(1,655)		320	(1,306)	(2,641)
EDP	(470)		483	(13)	
Land	(965)		108	(379)	(1,236)
Total accum. deprec. & write-downs	**(5,178)**	**0**	**1,099**	**(2,534)**	**(6,613)**
Net value					
Miscellaneous and minor equipment	2,173	148		(809)	1,512
Complex equipment	27			(27)	
Transport vehicles	7,002	3,582		(1,306)	9,278
EDP	392		(379)	(13)	
Land	3,383	203		(379)	3,207
Total net value	**12,977**	**3,933**	**(379)**	**(2,534)**	**13,997**

6.4 Investment property

The breakdown of investment property at December 31, 2023 is shown below:

Investment property

(Euro thousands)	December 31, 2023	December 31, 2022
Gross value	4,134	4,134
Accumulated depreciation	(736)	(735)
Total investment property	**3,398**	**3,399**

The changes in the accumulated depreciation provision of the property investments in 2023 is shown below:

Movement accumulated depreciation investment property

(Euro thousands)	December 31, 2023
Opening balance	(735)
Decreases	
Depreciation	(1)
Final value accumulated depreciation investment property	**(736)**

The account includes buildings not utilised in the operated activities (apartments and garages) and areas adjacent to the airport.

6.5 Investments in subsidiaries and associates

The breakdown of the account “Investments in subsidiaries and associates” at December 31, 2023 and at December 31, 2022 are shown below:

Investments in subsidiaries and associates

(Euro thousands)	December 31, 2023	December 31, 2022
SEA Prime SpA	25,451	25,451
Airport ICT Services Srl		4,581
Investments in subsidiaries	**25,451**	**30,032**
Airport Handling SpA	7,190	7,190
SACBO SpA	4,562	4,562
Dufrital SpA	3,822	3,822
Malpensa Logistica Europa SpA		1,674
Disma SpA	421	421
Areas Food Services Srl	3,429	1,469
Investments in associates	**19,424**	**19,138**
Investments in subsidiaries and associates	**44,875**	**49,170**

“Investments in subsidiaries and associates” amount to Euro 44,875 thousand at December 31, 2023 (Euro 49,170 thousand at December 31, 2022). The movement in the year is attributable to the transactions outlined below.

On November 16, 2023, a public tender procedure for the sale by the Company of all the company’s shares in Airport ICT Services Srl and for the assignment of the ICT services provided by Airport ICT Services to SEA, selecting Lutech S.p.A. as the company awarded the contract, was concluded. Following the awarding of the contract, the transaction, which is subject to the usual conditions in line with market practices, is expected to be completed within Q1 2024. These determinations implied therefore the reclassification, among current assets in the Balance Sheet, of the value of the investment, amounting to Euro 4,581 thousand, under “Assets held-for-sale” (see Note 6.15).

On July 4, 2023, the Company completed the transfer of the entire equity investment held in Malpensa Logistica Europa SpA, a 25% interest in the company, to BCUBE Air Cargo SpA..

The share capital of Areas Food Services Srl was increased from Euro 747 thousand to Euro 1,500 thousand. SEA subscribed and paid-in its share of the capital increase. Following the transaction, the Company’s shareholding remains unchanged at 40%. The transaction forms part of the Company’s broader strategy of improving the food and beverage sector while also directly overseeing the quality of services provided in the hope of improving passenger experience.

For further information on the above outlined transactions, reference should be made to the Directors’ Report.

It should be noted that no indicators of impairment were found and the analysis conducted by the Company did not reveal any.

The key financial highlights at December 31, 2023 and for the previous year of the subsidiaries and associated companies are shown below.

	December 31, 2023						
(Euro thousands)	**Assets**	**Liabilities**	**Revenues**	**Profit/(loss)**	**Share Equity**	**Pro-quota Shareholders' Equity**	**% held**
Subsidiaries							
Airport ICT Services Srl	10,367	5,777	14,103	127	4,590	4,590	100.00%
SEA Prime SpA	39,904	16,012	17,541	5,719	23,892	23,870	99.91%
Associates							
Airport Handling SpA (***)						-	30.00%
Dufrital SpA (***)						-	40.00%
SACBO SpA (***)						-	30.979%
Areas Food Services Srl (*)	42,203	23,798	59,902	6,401	18,405	7,362	40.00%
Disma SpA (***)						-	18.75%

	31 dicembre 2022						
(Euro thousands)	**Assets**	**Liabilities**	**Revenues**	**Profit/(loss)**	**Share Equity**	**Pro-quota Shareholders' Equity**	**% held**
Subsidiaries							
Airport ICT Services Srl	9,310	4,847	13,000	(118)	4,463	4,463	100.00%
SEA Prime SpA	42,130	19,363	15,285	4,594	22,767	22,747	99.91%
Associates							
Airport Handling SpA	58,433	23,335	108,776	9,291	35,098	10,529	30.00%
Dufrital SpA	70,751	36,720	147,875	8,893	34,031	13,612	40.00%
SACBO SpA	412,080	256,682	174,490	9,446	155,398	48,141	30.979%
Areas Food Services Srl (**)	10,069	5,889	15,909	1,732	4,180	1,672	40.00%
Disma SpA	7,499	1,407	5,746	1,512	6,092	1,142	18.75%

(*) Financial Statements as of September 30, 2023

(**) Financial Statements as of September 30, 2022

(***) To be updated

6.6 Other investments

The breakdown of the "Other investments" at December 31, 2023 and at December 31, 2022 are shown below:

	% held	
Company	**December 31, 2023**	**December 31, 2022**
Consorzio Milano Sistema in liquidation	10%	10%
Romairport Srl	0.227%	0.227%

The following table presents for the years 2023 and 2022 other investments:

Other investments

(Euro thousands)	December 31, 2023	December 31, 2022
Consorzio Milano Sistema in liquidation		
Romairport Srl	1	1
Total other investments	**1**	**1**

The investment held in Consorzio Milano Sistema in liquidation was fully written down.

6.7 Deferred tax assets

The changes in the net deferred tax assets for the year 2023 are shown below:

Net deferred tax assets

(Euro thousands)	December 31, 2022	Released / allocated to P&L	Released / allocated to Equity	December 31, 2023
Restoration prov. as per IFRIC 12	44,161	3,102		47,263
Write-downs Tan. assets	708	1,777		2,485
Provisions for risks and charges	11,563	(4,717)		6,846
Non-deductible doubtful debt provision	8,216	(1,609)		6,607
Other receivables provision	319			319
Inventory obsolescence provision	371	(97)		274
Post-em. bens. prov. discounting (IAS 19)	(465)	161	8	(296)
Ord. main. on assets under concession	5,638	156		5,794
Tax loss	45,053	(44,021)		1,032
Other	13			13
Total deferred tax assets	**115,577**	**(45,248)**	**8**	**70,337**
Accelerated depreciation and lower depreciation on initial application IFRS	2,289	(1,535)		754
Other	5	(5)		0
Total deferred tax liabilities	**2,294**	**(1,540)**	**0**	**754**
Total deferred tax assets, net of liabilities	**113,283**	**(43,708)**	**8**	**69,583**

The movement in “Deferred tax assets” mainly includes the effect related to the use of the tax losses in the years 2020 and 2021, partially offsetting the net profit for the year.

6.8 Other non-current receivables

The breakdown of the “Other non-current receivables” is shown below:

Other non-current receivables

(Euro thousands)	December 31, 2023	December 31, 2022
Receivables from the state for contributions as per Law 449/85		
Other receivables	14,916	60,490
Total other non-current receivables	**14,916**	**60,490**

“Other non-current receivables” amount to Euro 14,916 thousand at December 31, 2023 (Euro 60,490 thousand at December 31, 2022).

The account concerns mainly the assets relating to the indemnification right, connected with the sub-entry value and resulting from Article 703 (paragraph 5) of the Navigation Code. The change from the previous year is mainly related to the present-value measurement, in accordance with IFRS 9, and to updated estimates.

Other residual receivables, finally, refer to minor receivables and guarantee deposits.

Receivables from the State for grants under Law 449/85, equal to Euro 1,328 thousand (Euro 1,328 thousand at December 31, 2022), are entirely covered by the doubtful debt provision and concern receivables based on the “Regulatory Agreement” between ENAC and SEA in January 1995 and revised in December 2004, which establishes the partial funding, pursuant to Law 449/85, of some infrastructure projects at Malpensa Airport.

6.9 Inventories

The table below reports the breakdown of “Inventories”:

Inventories

(Euro thousands)	December 31, 2023	December 31, 2022
Raw material, ancillary and consumables	3,701	2,874
Inventory obsolescence provision	(971)	(1,316)
Total inventories	**2,730**	**1,558**

The account includes consumable materials for airport activities; no goods held in inventories comprised guarantees on loans or concerning other commitments.

Inventories were adjusted to their realisable or replacement value through an obsolescence provision which at December 31, 2023 amounts to Euro 971 thousand.

Utilisation of the inventory obsolescence provision amounted to Euro 345 thousand in 2023.

6.10 Trade receivables

The breakdown of "trade receivables" at December 31, 2023 and for the previous year are shown below:

Trade receivables

(Euro thousands)	December 31, 2023	December 31, 2022
Trade receivables - customers	131,357	107,359
Trade receivables - subsidiaries	4,380	5,768
Trade receivables - associates	18,729	13,026
Total trade receivables	**154,466**	**126,153**

Trade receivables, shown net of the doubtful debt provision, mainly include receivables from clients and provisions for invoices and credit notes to be issued.

For further details on traffic volumes, reference should be made to the Directors' Report.

The criteria for the adjustment of receivables to their realisable value will take account of valuations regarding the state of the dispute and are subject to estimates which are described in the previous Note 3, to which reference should be made.

The changes in the doubtful debt provision were as follows:

Doubtful debt provision

(Euro thousands)	December 31, 2023	December 31, 2022
Opening provision	102,767	122,548
Net increases (decreases)	(5,725)	(5,705)
Utilisations	(479)	(14,076)
Final value doubtful debt provision	**96,563**	**102,767**

The net decreases in the provision of Euro 5,725 thousand in 2023 (against net decreases of Euro 5,705 thousand in 2022) were made to take into account the risk in deterioration of the financial positions of the principle operators with which disputes exist and write-downs for trade receivables under administration and the risk assessed by the Company of the expected losses on each receivable, in accordance with IFRS 9.

The utilisations relating to the year 2023, amounting to Euro 479 thousand, refer to the closure during the year of disputes in which the provisions were accrued to cover such risks in previous years.

For details on the aging of the receivables reference should be made to Note 4.1.

For receivables from subsidiaries and associated companies reference should be made to Note 8, relating to transactions with related parties.

6.11 Current financial receivables

"Current financial receivables" amounted to Euro 125,168 thousand at December 31, 2023 and include the amount of financial receivables related to short-term liquidity management transactions, contracted with leading credit institutions, with which the Company obtains a contractually predefined remuneration.

6.12 Tax receivables

"Tax receivables" of Euro 457 thousand at December 31, 2023 (Euro 2,985 thousand at December 31, 2022) mainly concern tax receivables recorded following the liquidators distribution plan of the subsidiary SEA Handling SpA in liquidation and other tax receivables related to repayment applications.

In 2023, the Company fully utilised the residual receivable recognised in the previous year, of Euro 2,303 thousand, recognised by the Government in the form of a tax credit for non-energy intensive enterprises, to partially offset the increase charges effectively incurred to purchase electricity.

6.13 Other current receivables

The breakdown of "Other current receivables" is shown below:

Other current receivables

(Euro thousands)	December 31, 2023	December 31, 2022
Other receivables	2,907	3,311
Receivables from insurance companies	961	865
Employee & soc. sec. receivables	474	871
Miscellaneous receivables	727	966
Receivables for dividends		442
Total other current receivables	**5,069**	**6,455**

"Other current receivables" amount to Euro 5,069 thousand at December 31, 2023 (Euro 6,455 thousand at December 31, 2022) and is comprised of the accounts outlined below.

Other receivables, amounting to Euro 2,907 thousand at December 31, 2023 (Euro 3,311 thousand at December 31, 2022), includes miscellaneous receivables (reimbursements, supplier advances, arbitrations with subcontractors and other minor positions). The change during the year was mainly due to the decreased receivables recognised due to prepayments during the year of costs set to accrue in the following year.

Receivables from insurance companies, amounting to Euro 961 thousand at December 31, 2023 (Euro 865 thousand at December 31, 2022) relates to amounts paid on insurance policies in advance of the period to which the cost refers.

Receivables from employees and social security entities, amounting to Euro 474 thousand at December 31, 2023 (Euro 871 thousand at December 31, 2022), mainly refer to the receivables from employees related to the advanced payment of meal vouchers not yet accrued and INPS and INAIL receivables.

Receivables for sundry income amounting to Euro 727 thousand at December 31, 2023 (Euro 966 thousand at December 31, 2022) mainly refer to receivables from payments by Telepass, credit card and POS which have not yet been credited in the bank account.

The balance for the previous year included receivables for dividends to be received of Euro 442 thousand, approved by the Shareholders' Meeting of Airport Handling SpA on December 15, 2022, which were collected in February 2023.

6.14 Cash and cash equivalents

The breakdown of the account "cash and cash equivalents" is shown in the table below:

Cash and cash equivalents

(Euro thousands)	December 31, 2023	December 31, 2022
Bank and postal deposits	91,064	159,981
Cash in hand and similar	38	43
Total cash and cash equivalents	**91,102**	**160,024**

Cash and cash equivalents at December 31, 2023 is comprised of the following assets: bank and postal deposits of Euro 89,217 thousand (Euro 159,881 thousand at December 31, 2022), including Euro 50,000 thousand invested in monetary instruments with a maturity of less than 3 months (maturing in January 2024), receivables for interest income on current accounts accrued during the year of Euro 1,847 thousand (Euro 100 thousand at December 31, 2022), and cash on hand of Euro 38 thousand (Euro 43 thousand at December 31, 2022). For further information on the movements to cash and cash equivalents, reference should be made to the Cash Flow Statement.

6.15 Assets held-for-sale

"Assets held-for-sale" includes the value, amounting to Euro 4,581 thousand, of the subsidiary Airport ICT Services S.r.l., which in the previous year was recognised to "Investments in subsidiaries and associates."

On November 16, 2023, a public tender procedure for the sale by the Company of all the company's shares in Airport ICT Services Srl and for the assignment of the ICT services provided by Airport ICT Services to SEA, selecting Lutech S.p.A. as the company awarded the contract, was concluded. Following the awarding of the contract, the transaction, which is subject to the usual conditions in line with market practices, is expected to be completed within Q1 2024. These determinations thus implied the reclassification of the value of the investment from the item "Investments in subsidiaries and associates", in which it was recognised in 2022.

6.16 Shareholders' Equity

Share capital

At December 31, 2023, the share capital of SEA is comprised of 250,000,000 shares of a value of Euro 0.11 each, with a total value of Euro 27,500 thousand.

Legal and extraordinary reserve

At December 31, 2023 the legal reserve of SEA amounts to Euro 5,500 thousand, while the extraordinary reserve amounts to Euro 168,913 thousand (Euro 94,361 thousand at December 31, 2022).

Actuarial gain/loss reserve

The balance of the reserve at December 31, 2023, equal to Euro -69 thousand (Euro -44 thousand at December 31, 2022), represents the actuarial losses matured at the balance sheet date on the Post-Employment Benefits provision.

Other reserves

The other reserves, amounting to Euro 60,288 thousand at December 31, 2023, refer entirely to the reserves recorded in accordance with the revaluation laws 576/75, 72/83 and 413/91.

Allocation of the result for the year

On April 28, 2023, the Shareholders' Meeting resolved to allocate the profit for 2022, amounting to Euro 194,919 thousand, to fully cover the loss for fiscal year 2020 of Euro 120,367 thousand, and to the Extraordinary reserve for Euro 74,552 thousand.

For the net equity movements, reference is made to the "Statement of changes in Shareholders' Equity".

Available reserves

In accordance with Article 2427, No. 7-bis of the Civil Code, the equity accounts and their availability and possibility for distribution are reported below.

Shareholders' Equity

(Euro thousands)	Amount at 31/12/2023	Possibility of use (*)	Quota available	Summary of utilisations over last 3 years
Share capital	27,500			
Legal reserve	5,500	B		
Extraordinary reserve	168,913	A,B,C	168,913	80,288
IFRS initial conversion reserve	14,814			
Actuarial gain/loss reserve	(69)			
Other Reserves (1):				
- as per revaluation law 576/75	3,649	A,B,C	3,649	
- as per revaluation law 72/83	13,557	A,B,C	13,557	
- as per revaluation law 413/91	43,082	A,B,C	43,082	
Net Result	153,017			
Total	**429,963**		**229,201**	**80,288**

(*) *A: for share capital increase; B: for coverage of losses; C: for distribution to shareholders*

(1) *Suspension of taxes reserve*

6.17 Provisions for risks and charges

The changes in the "provisions for risks and charges" in 2023 are reported below:

Provision for risks and charges

(Euro thousands)	December 31, 2022	Provisions/ Increases	Utilisations/ Decreases	Releases	December 31, 2023
Restoration and replacement provision	200,359	52,344	(76,903)		175,800
Provision for future charges	26,654	2,777	(2,523)	(9,850)	17,058
Total provision for risks & charges	**227,013**	**55,121**	**(79,426)**	**(9,850)**	**192,858**

The restoration and replacement provision on assets under concession, created in accordance with IFRIC 12, amounting to Euro 175,800 thousand at December 31, 2023 (Euro 200,359 thousand at December 31, 2022), refers to the estimate of the amount matured relating to the maintenance on assets under concession from the State which will be undertaken in future years. The provision for the year takes into account the updated long-term scheduled maintenance and replacement plans on these assets, while the utilisations in the year refer to the restoration works carried out covered by the provisions made in previous years. The utilisation for the year is mainly due to the restoration works dedicated to the reopening of Terminal 2 at Malpensa, which took place on May 31, 2023, and its related infrastructures, as well as to work carried out on the flight infrastructures at Linate, including the paving of sections of apron and/or taxiway and the upgrading of the sections adjacent to the runway renamed 17/35. "Utilisations/releases" also include the discounting of the provision.

The movements of the future charges provision were as follows:

Provision for future charges

(Euro thousands)	December 31, 2022	Provisions/ Increases	Utilisations/ Decreases	Releases	December 31, 2023
Labour provisions	7,586	2,569	(1,333)	(936)	7,886
Tax risks	236				236
Other provisions	18,832	208	(1,190)	(8,914)	8,936
Total provision for future charges	**26,654**	**2,777**	**(2,523)**	**(9,850)**	**17,058**

The employee provisions relate to the expected streamlining actions to be undertaken on operations. The utilisations in the year are related to the incentivised departures for which a specific provision was made in the accounts in 2022.

The "Tax risks" provision of Euro 236 thousand is related to the provision for disputes currently underway with the competent tax judicial bodies over VAT resulting from the tax audit by the Customs Agency in respect of the resale of electricity and registration tax applied on the transactions in accordance with a number of civil judgments.

The account "Other provisions" for Euro 8,936 thousand at December 31, 2023 (Euro 18,832 thousand at December 31, 2022) is mainly composed of the following items:

- Euro 6,273 thousand for legal disputes related to the operational management of the Milan Airports;
- Euro 556 thousand relating to disputes with insurance companies for requests for indemnities;
- Euro 1,000 thousand relating to charges from the acoustic zoning of the peripheral areas to the Milan Airports. For further information, reference should be made to the Directors' Report;
- Euro 300 thousand for various legal disputes.

Based on the updated state of advancement of disputes at the preparation date of the present report, and also based on the opinion of the consultants representing the Company in the disputes, the provisions are considered sufficient to cover potential liabilities which may emerge.

6.18 Employee provisions

The changes in the employee provisions in 2023 and in the previous year are shown below:

Employee provisions

(Euro thousands)	December 31, 2023	December 31, 2022
Opening provision	29,540	43,526
Financial (income)/charges	980	631
Transfer personnel	127	(1,027)
Utilisations	(4,170)	(7,708)
Actuarial losses / (profits) rec. to equity reserve	33	(5,882)
Total employee provisions	**26,510**	**29,540**

The actuarial calculation of the employee leaving indemnity takes into account the effects of the reform of Law No. 296 of December 27, 2006 and subsequent decrees and regulations.

The principal actuarial assumptions, utilised for the determination of the pension obligations, are reported below:

Economic-financial technical parameters

	December 31, 2023	December 31, 2022
Annual discount rate	3.08%	3.51%
Annual inflation rate	2.00%	2.30%
Annual increase in employee leaving indemnity	3.00%	3.23%

The annual discount rate, utilised for the present value of the bond, was based on the Iboxx Eurozone Corporate A index.

The sensitivity analysis for each of the significant assumptions at December 31, 2023 and the previous year is shown below, indicating the effects that would arise on the post-employment benefit provision.

Change

(Euro thousands)	December 31, 2023	December 31, 2022
+ 1 % on turnover rate	26,583	29,654
- 1 % on turnover rate	26,430	29,416
+ 1/4 % on annual inflation rate	26,834	29,895
- 1/4 % on annual inflation rate	26,190	29,191
+ 1/4 % on annual discount rate	26,004	28,989
- 1/4 % on annual discount rate	27,030	30,107

The average duration of the financial obligation and scheduled payments of the benefits are reported in the following tables:

Average duration of the obligation

(in years)	December 31, 2023	December 31, 2022
Duration of the plan	8.5	8.4

Expected disbursements

(Euro thousands)	December 31, 2023	December 31, 2022
Year 1	1,965	2,653
Year 2	1,308	1,548
Year 3	1,448	1,855
Year 4	1,154	2,016
Year 5	2,040	1,230

6.19 Current and non-current financial liabilities

The breakdown of current and non-current financial liabilities at December 31, 2023 and at the end of the previous year is reported below:

	December 31, 2023		December 31, 2022	
(Euro thousands)	Current	Non-Current	Current	Non-Current
Bank payables	23,044	163,376	24,563	208,696
Payables to other lenders	9,109	310,499	14,881	310,813
Total financial liabilities	**32,153**	**473,875**	**39,444**	**519,509**

The breakdown of the accounts is shown below:

(Euro thousands)	December 31, 2023		December 31, 2022	
	Current portion	Non-current portion	Current portion	Non-current portion
Long-term loans	20,485	163,376	22,929	208,696
Loan charges payable	2,559		1,634	
Bank payables	**23,044**	**163,376**	**24,563**	**208,696**
Payables to bondholders		299,363		299,026
Payables for charges on bonds	2,381		2,388	
Leased liabilities (Financial Payables)	2,059	11,136	2,039	11,787
Financial payable to subsidiaries	4,669		10,454	
Payables to other lenders	**9,109**	**310,499**	**14,881**	**310,813**
Total current and non-current liabilities	**32,153**	**473,875**	**39,444**	**519,509**

As indicated in the table above, the Company's financial debt exclusively comprises medium/long-term debt - mainly concerning the "*SEA 3 1/2 2020-2025*" bond (expressed at amortised cost) and the EIB loans (of which 46% with maturity beyond 5 years and only 11% maturing within 12 months).

It should be noted that, after exercising the ESG option included in the contracts of the revolving lines and their transformation into sustainability-linked format, 31% of the Company's medium/long-term financing was structured in a sustainability-linked format at December 31, 2023.

For further information on the bank loans, reference should be made to Note 4.

The following is a breakdown of the Company's net debt at December 31, 2023, and the comparative for fiscal year 2022, in accordance with European Securities and Markets Authority Recommendations dated 04/03/2021, ESMA/32-382-1138:

Net financial debt

	(Euro thousands)	December 31, 2023	December 31, 2022
A.	Cash	(91,102)	(160,024)
B.	Cash equivalents		
C.	Other current financial assets	(125,168)	
D.	**Liquidity (A)+(B)+(C)**	**(216,270)**	**(160,024)**
E.	Current finanzial debt	11,668	16,515
F.	Current portion of non-current financial debt	20,485	22,929
G.	**Current financial indebtness (E + F)**	**32,153**	**39,444**
H.	**Net current financial indebtedness (G - D)**	**(184,117)**	**(120,580)**
I.	Non-current financial debt	174,512	220,483
J.	Debt instruments	299,363	299,026
K.	Non-current trade and other payables		
L.	**Non-current financial indebtedness (I+J+K)**	**473,875**	**519,509**
M.	**Total financial indebtedness (H+L)**	**289,758**	**398,929**

At the end of December 2023, the net financial debt amounted to Euro 289,758 thousand, decreasing by Euro 109,171 thousand compared to the end of 2022 (Euro 398,929 thousand).

As illustrated in the Cash Flow Statement, the level of net financial debt was impacted by the fact that the cash flow generated from operating activities of Euro 272,333 thousand was sufficient to offset the cash flow absorbed by investing in fixed assets (Euro 75,807 thousand) and that absorbed from financing activity for the payment of interest and commissions (Euro 18,571 thousand), for the payment of the second tranche of the extraordinary dividend approved in 2019 (for Euro 84,710 thousand), for the settlement of loan instalments falling due and for the reimbursement of a number of loans; fiscal year 2023, in fact, was positively impacted by the growth in traffic volumes, the increase in non-aviation revenues, and the collection of compensation, totalling Euro 50,609 thousand, for the failure to adjust airport fees annually (for details of which see Note 7.1).

From a financial viewpoint, the following is reported: *i)* the continuation of the repayment of part of the EIB loans (principal repaid in 2023 totalling Euro 22,939 thousand); *ii)* the early repayment of Euro 25,000 thousand, relating to the residual portion of the variable rate term loans agreed in 2021 to deal with the COVID-19 pandemic, so as to optimise the Company's financial structure amid rising interest rates; and *iii)* the trend in liquidity, improving in view of the strong financial performance posted in 2023. Finally, it should be noted that liquidity, as outlined above, also includes current financial receivables, amounting to Euro 125,168 thousand, related to short-term liquidity management transactions, contracted with leading Credit Institutions, with which the Company obtains a contractually predefined remuneration.

"Current financial payables" and "Non-current financial payables" include the lease liabilities, as per IFRS 16 and representing the obligation to make contractually established payments. As per the table presented below, the current financial liabilities (maturity within 12 months) and non-current liabilities (maturity beyond 12 months) for leasing amount at December 31, 2023 respectively to Euro 2,059 thousand and Euro 11,136 thousand:

Lease liabilities (Financial Payables)

	December 31, 2023		December 31, 2022	
(Euro thousands)	current	non-current	current	non-current
Miscellaneous & minor equipment	438	1,239	630	1,310
Transport vehicles	1,470	7,537	1,374	8,256
Loading and unloading vehicles	115	130		
Land	36	2,230	35	2,221
Total	**2,059**	**11,136**	**2,039**	**11,787**

Indirect and conditional debt

In line with Recommendations ESMA/32-382-1138, a breakdown of the Company's indirect and conditional debt as at December 31, 2023 is presented below in order to provide an overview of any material debt that is not reflected in the debt statement and which represents an obligation that the Company may have to meet:

i. the main provisions recognised in the financial statements relate to:

- the restoration and replacement provision, which represents a contractual obligation to maintain the infrastructure at a specified level of functionality or to restore it to a specified condition before handing it back to the grantor upon expiration of the service agreement. At December 31, 2023, the provision totals Euro 175,800 thousand. Further details are provided in paragraph 6.17;
- charges arising from acoustic zoning to meet the Plan of noise containment actions. At December 31, 2023, the provision totals Euro 1,000 thousand. Further details are provided in paragraph 6.17 and the Directors' Report;
- the employee leaving indemnity fund, which amounted to Euro 26,510 thousand at December 31, 2023. For further details, see paragraph 6.18;

ii. there are no long-term trade payables nor are there any overdue amounts that are not attributable to normal business operations. Any Withholding Taxes are in any case provided for contractually;

iii. trade payables include sums factored under indirect factoring contracts for Euro 843 thousand. Invoice payment terms are non-interest bearing as they do not involve further extensions agreed upon between the supplier and the Company. For further details, see paragraph 6.20;

iv. the guarantees and commitments entered into by the Company at December 31, 2023 are described in paragraph 12.

The following is a breakdown of the variations of current and non-current financial assets and liabilities, with a separate indication of cash flows recorded in the year 2023 and other variations.

Current & non-current financial assets & liabilities

(Euro thousands)	Med./long-term bank loans (current and non-current portion)	Bond loans	Payables for charges on loans and bonds	Lease payables	Financial receivables / payables to subsidiaries	Financial receivables for time deposit	Total
December 31, 2022	**231,625**	**299,026**	**4,022**	**13,826**	**10,454**		**558,953**
Cash flows:							
-*Repayments (capital portion)*	(47,940)						(47,940)
-*Cash pooling changes*					(5,785)		(5,785)
-*Payment interest on bank loans and bond loans recognised to FY 2022*			(4,022)				(4,022)
-*Repayment of principal and interest on finance leases IFRS16*				(2,342)			(2,342)
-*Take out a time deposit*						(125,000)	(125,000)
Total Cash flows	**(47,940)**	**0**	**(4,022)**	**(2,342)**	**(5,785)**	**(125,000)**	**(185,089)**
Other changes:							
-*Amortised cost effect*	176	337					513
-*Accrued interest on loans and bonds*			4,940				4,940
-*Change in finance lease obligations IFRS16*				1,711			1,711
-*Accrued income on time deposit*						(168)	(168)
Total other changes	**176**	**337**	**4,940**	**1,711**	**0**	**(168)**	**6,996**
December 31, 2023	**183,861**	**299,363**	**4,940**	**13,195**	**4,669**	**(125,168)**	**380,860**

6.20 Trade payables

The breakdown of the "Trade payables" is shown below:

Trade payables

(Euro thousands)	December 31, 2023	December 31, 2022
Supplier payables	171,985	172,107
Advances	9,581	6,437
Payable to subsidiaries	2,270	2,960
Payables to associates	8,779	8,640
Total trade payables	**192,615**	**190,144**

Trade payables of Euro 192,615 thousand at December 31, 2023 refers to the purchase of goods and services relating to the operating activity and investments. In order to optimise operations with suppliers, trade payables at December 31, 2023 include sums ceded under indirect factoring contracts for Euro 843 thousand (Euro 342 thousand at December 31, 2022).

Payables on account at December 31, 2023 of Euro 9,581 thousand increased Euro 3,144 thousand on the previous year, mainly due to receipts against the investment of SEA in international research and development projects. For further information, reference should be made to the Directors' Report. The remainder of payables on account mainly relate to payments on account by clients.

For payables from subsidiaries and associated companies reference should be made to Note 8, relating to transactions with related parties.

6.21 Income tax payables

Payables for income taxes amounting to Euro 19,825 thousand at December 31, 2023 (Euro 11,102 thousand at December 31, 2022), mainly relate to direct taxes for Euro 14,541 thousand (Euro 6,208 thousand at December 31, 2022), employee and consultant's withholding taxes for Euro 3,923 thousand (Euro 3,617 thousand at December 31, 2022) and VAT for Euro 1,356 thousand (Euro 1,274 thousand at December 31, 2022).

6.22 Other current and non-current payables

The breakdown of the account "Other current and non-current payables" at December 31, 2023 is shown below:

Other current payables

(Euro thousands)	December 31, 2023	December 31, 2022
Payables to social security institutions	12,920	12,154
Employee payables for amounts matured	19,953	17,198
Employee payables for vacations not taken	2,574	2,642
Payables to the State for airport fire services	97,809	91,591
Payables to the State for concession fee	18,747	18,684
Payables to the state for concession fee security service	96	84
Payables for additional landing rights	44,114	41,703
Third party guarantee deposits	3,651	2,009
Payables to the Board of Directors and Board of Statutory Auditors	54	65
Payables to shareholders for dividends	118	84,828
Payables to others post-em. ben.	145	158
Other	14,577	8,679
Total other current liabilities	**214,758**	**279,795**

"Other current liabilities" decreased by Euro 65,037 thousand, from Euro 279,795 thousand at December 31, 2022 to Euro 214,758 thousand at December 31, 2023.

This decrease is due mainly to the opposing effects of the following factors: *i)* the reduction in payables to shareholders for dividends, for Euro 84,710 thousand, following the payments made in 2023. The Board of Directors' motion of March 24, 2023 authorized the payment of the second tranche of the extraordinary distribution resolution approved by the Shareholders' Meeting on September 30, 2019, effective June 2023; *ii)* higher charges of Euro 6,218 thousand for the contribution of the Company to the airport fire protection service under Law No. 296 of December 27, 2006; *iii)* higher employee payables for amounts matured, for Euro 2,755 thousand, mainly attributable to the allocations related to the national collective bargaining agreement that concluded in December 2022; *iv)* increase of payables for Euro 2,411 thousand relating to boarding fee surtaxes established by Laws No. 350/2003, No. 43/2005, No. 296/2006, No. 166/2008, No. 92/2012 and No. 357/2015; and *v)* increase of "Others" for Euro 5,898 thousand. The account "Other payables", amounting to Euro 14,577 thousand at December 31, 2023 (Euro 8,679 thousand at December 31, 2022), mainly relates to deferred income from clients for future periods and other minor payables.

"Payables for boarding fee surtaxes" include the amounts recharged to airlines (and not yet received) and those already received and reversed to the INPS/Tax Agency in the initial months of 2024.

Relating to the payables to the State for airport fire services, on July 20, 2018 the constitutional court notice of July 3, 2018 was published in the Official Gazette which declared the unconstitutionality of Article 1, paragraph 478 of Law No. 208 of December 28, 2015 implementing "Provisions for the drawing up of annual and multi-year budgets of the State (2016 Stability Law)". The established taxation status of the Fire-fighting fund and the condition of exclusive tax jurisdiction were subsequently confirmed by the Court of Cassation on January 15, 2019. In the Company's appeal to the Rome Regional Administrative Court, the Administrative Judge also ruled in favour of the jurisdiction of the Tax Judge in the judgement issued in December 2019. The Company served the notice of resumption of the proceedings before the Tax Judge in order to assert the validity of the aforementioned rulings against it. On May 24, 2022, judgement No. 6230/2022, issued by the Rome Provincial Tax Commission, was filed, by which SEA's defences were upheld in their entirety and the ENAC measure was annulled. With a claim filed on August 30, 2022, the Public Bodies appealed this judgement.

At the same time, on January 10, 2024, a judgment was published concerning the case before the Rome Court of Appeal regarding the assessment of the contribution due, rejecting the appeal of the Public Bodies against the judgement of the Court of Rome judgement, and therefore confirming the jurisdiction of the Tax Judge. For further details and analysis, reference should be made to the Directors' Report.

The breakdown of the account "Other non-current payables" at December 31, 2023 is shown below:

Other non-current payables

(Euro thousands)	December 31, 2023	December 31, 2022
Employee payables	1,412	5,099
Payables to social security institutions	409	1,491
Other non current payables	2,040	
Total other non-current liabilities	**3,861**	**6,590**

"Other current liabilities" decreased by Euro 2,729 thousand, from Euro 6,590 thousand at December 31, 2022 to Euro 3,861 thousand at December 31, 2023.

The movement on the previous year is due to: *a)* the reduction of the non-current portion of the payables to employees and associated social security contributions, recorded as a result of the mobility procedure's commencement on September 28, 2022. Through the mobility procedure, early retirement incentive payments were established for a pre-determined number of workers who will qualify for (early retirement or retirement age) pension benefits by 2025. Relative to this procedure, the minutes of agreement were signed with the Trade Unions; *b)* to the recognition of a payable to SEA Prime, amounting to Euro 2,040 thousand, representing the acquisition value of the assets that will be transferred, upon conclusion of the concession, from Sea Prime to SEA, determined on the basis of the same methodology with which the Terminal Value will be recognised, by the sub-entrant, to SEA for the same assets.

6.23 Payables and receivables beyond five years

There are no receivables over five years.

Financial payables above five years amount to Euro 85,279 thousand relating to the repayment of principal on medium/long-term loans at December 31, 2023 and for Euro 2,997 thousand relating to the finance lease payable.

7. INCOME STATEMENT

7.1 Operating revenues

The breakdown of operating revenues by business unit is reported below:

Operating revenues by Business Unit

(Euro thousands)	2023	2022
Aviation	422,821	352,840
Non Aviation	332,108	375,719
Total operating revenues	**754,929**	**728,559**

The breakdown of Aviation operating revenues is reported below.

Aviation operating revenues

(Euro thousands)	2023	2022
Fees and centralised infrastructure	365,359	304,697
Security management revenues	42,346	34,945
Use of regulated spaces	15,116	13,198
Total Aviation operating revenues	**422,821**	**352,840**

Aviation revenue in 2023 increased Euro 69,981 thousand compared to the previous year, from Euro 352,840 thousand in 2022 to Euro 422,821 thousand in 2023, due to the growth in passenger business, the result of the combination of higher movements operated by carriers and the higher average load factor. The cargo performance however deteriorated on the previous year due to the lower number of movements managed, also due to the introduction of additional intercontinental flights.

For further information on traffic volume developments, reference should be made to the Directors' Report.

The breakdown of Non Aviation operating revenues is reported below.

Non Aviation operating revenues

(Euro thousands)	2023	2022
Retail	123,806	88,257
Parking	81,653	66,099
Cargo spaces	18,703	16,966
Advertising	9,206	6,836
Premium services	22,111	15,800
Real Estate	5,132	3,067
Services and other revenues	71,497	178,694
Total Non Aviation operating revenues	**332,108**	**375,719**

The breakdown of retail revenues is reported below.

Retail Revenues

(Euro thousands)	2023	2022
Shops	63,624	42,491
Food & beverage	28,578	20,673
Car rental	22,466	18,569
Banking activities	9,138	6,524
Total Retail	**123,806**	**88,257**

Non-Aviation revenues decreased Euro 43,611 thousand compared to the previous year, from Euro 375,719 thousand in 2022 to Euro 332,108 thousand in 2023. It should be noted that non-aviation operating revenues in 2023 include extraordinary items amounting to Euro 38,884 thousand related to the non-adjustment of airport fees annually in the amount equal to the programmed inflation rate, following Court of Cassation Judgement No. 9406/2023. 2022 non-aviation operating revenues include extraordinary components for the public grants received from the State and the Lombardy Region totalling Euro 144,101 thousand, in partial compensation for the losses incurred due to the COVID-19 pandemic.

Net of these two effects, non-aviation revenues grew by Euro 61,606 thousand.

For further details, reference should be made to the Directors' Report.

7.2 Revenue for works on assets under concession

Revenue for works on assets under concession increased from Euro 32,676 thousand in 2022 to Euro 38,373 thousand in 2023.

These revenues, as per IFRIC 12, refer to construction work on assets under concession increased by a mark-up of 6%, representing the best estimate of the remuneration of the internal cost for the management of the works and design activities undertaken by the Company, which corresponds to a mark-up which a general constructor would request to undertake such activities.

This account is strictly related to investment and infrastructure upgrading activities. For further information on the principal investments, reference should be made to Note 6.1.

The account "Costs for work on assets under concession" (Note 7.6) reflects the increase in the year due to lower work on assets under concession.

7.3 Personnel costs

The breakdown of personnel costs is as follows:

Personnel costs

(Euro thousands)	2023	2022
Wages and salaries	124,344	115,344
Social security charges	34,359	33,099
Severance provisions	7,419	7,371
Other personnel costs	5,638	29,315
Personnel costs	**171,760**	**185,129**

Personnel costs decreased Euro 13,369 thousand, from Euro 185,129 thousand in 2022 to Euro 171,760 thousand in 2023 (-7.2%).

The reduction is largely due to the extraordinary provision in 2022 of costs deriving from the signing of the early retirement agreement as part of the 2022-2025 personnel restructuring business plan, whose effect was partly reduced by the conclusion of the economic benefits of the Extraordinary Temporary Lay-off Scheme as passenger traffic recovers.

The average number of FTE employees by category compared to the previous year is reported below:

Average Full Time Equivalent

	January - December 2023	%	January - December 2022	%
Executives	45	2%	43	2%
Managers	250	10%	267	11%
White-collar	1,438	60%	1,523	60%
Blue-collar	508	21%	577	23%
Total full-time employees	**2,241**	**93%**	**2,410**	**95%**
Temporary workers	172	7%	119	5%
Total employees	**2,413**	**100%**	**2,529**	**100%**

The employee Head-count (HDC) at year-end in the parent company was as follows:

No. HDC (Headcount) Employees (at period end)

	December 31, 2023	December 31, 2022	change
HDC Employees (at period end)	2,465	2,477	(12)

7.4 Consumable materials

The breakdown of “Consumable materials” is as follows:

Consumable materials

(Euro thousands)	2023	2022
Raw materials, ancillaries, consumables and goods	10,274	10,255
Change in inventories	(1,172)	180
Total consumable materials	**9,102**	**10,435**

The account “consumable materials” mainly includes the purchase of goods for airport activities (chemical products for de-icing and de-snowing, clothing, spare parts, etc).

7.5 Other operating costs

The table below reports the breakdown of the account “Other operating costs”:

Other operating costs

(Euro thousands)	2023	2022
Infrastructure management costs	85,805	109,675
Ordinary maintenance costs	40,865	34,468
Public fees	39,355	31,143
Costs for passenger services	28,111	23,660
Cleaning	15,987	14,773
Emoluments & costs of Board of Statutory Auditors & BoD	920	890
Other costs	42,275	39,688
Total other operating costs	**253,318**	**254,297**

“Other operating costs” decreased by Euro 979 thousand from 2022 to 2023, despite the increase in costs in relation to the greater volumes of traffic, the costs arising from the reopening of Terminal 2 at Malpensa, and the updating of a number of contractual fees, due to the significant reduction in the cost of energy.

Costs in 2023 benefitted from the contribution of Euro 2,266 thousand (Euro 6,056 thousand in 2022) from the Government for non-energy intensive enterprises to partially offset the increased charges effectively incurred to purchase electricity, in the form of a tax credit on energy expenses incurred in the year. The Company recognised this contribution as a direct reduction of the cost to which the contribution is linked. In 2023, the tax credit was used in its entirety as an offset to other taxes payable.

Other costs mainly include the fees related to hardware and software licences, property taxes and other duties, costs for professional services, and insurance and commercial costs.

7.6 Costs for works on assets under concession

Costs for works on assets under concession increased from Euro 30,832 thousand in 2022 to Euro 36,204 thousand in 2023. The change in the account is related to the investment activities (Note 7.2).

7.7 Provisions and write-downs

The breakdown of provisions and write-downs is as follows:

Provisions and write-downs

(Euro thousands)	2023	2022
Provisions / (releases) of current/non current receivables	13,137	(5,705)
Provisions/(releases) to provisions for future charges	(7,073)	932
Total provisions and write-downs	**6,064**	**(4,773)**

In 2023 "Provisions and write-downs" decreased Euro 10,837 thousand on the previous year (from Euro -4,773 thousand in 2022 to Euro 6,064 thousand in 2023). This includes the net provisions for trade and other receivables and the net allocations to provisions for future charges.

The doubtful debt provision in the year was calculated to take into account the risk in deterioration of the financial positions of the principle operators with which disputes exist and write-downs for receivables under administration and the risk of non-receipt concerning not only overdue receivables but also those with upcoming maturity. For further information on the method to calculate and manage the doubtful debt provision, reference should be made to Note 4.1. This also includes the adjustment to the estimated value of the indemnification right.

The net releases to the risks and future charges provisions of Euro -7,073 thousand in 2023 principally refers to adjustments on valuations related to the coverage of probable charges in terms of provisions for risks in the area of acoustic zoning, partially offset by provisions for employees. For further information, reference should be made to the Directors' Report.

7.8 Restoration and replacement provision

The breakdown of the restoration and replacement provision is as follows:

Restoration and replacement provision

(Euro thousands)	2023	2022
Accrual/(release) restoration and replacement provision	52,344	30,582
Total accrual to restoration and replacement provision	**52,344**	**30,582**

This account includes the provision for the year relating to the scheduled replacement and maintenance of the assets within the so-called "Concession Right".

The company annually undertakes a multi-year update to the scheduled replacement and maintenance plan for assets covered by the "Concession right".

7.9 Amortisation and depreciation

The account “amortisation and depreciation” comprises:

Amortisation & Depreciation

(Euro thousands)	2023	2022
Amortisation of intangible assets	55,447	46,744
Depreciation of property, plant and equipment	7,989	11,803
Depreciation of real estate investments	1	2
Depreciation Leased assets right-of-use	2,476	2,534
Total amortisation & depreciation	**65,913**	**61,083**

The depreciation of tangible fixed assets reflects the estimated useful life made by the company while, for the intangible assets within the “Concession Right”, consideration is taken of the concession duration.

7.10 Investment income (charges)

The breakdown of investment income and charges is as follows:

Investment income (charges)

(Euro thousands)	2023	2022
Income from agreement for sale of Malpensa Logistica Europa SpA	5,726	
Dividends from SEA Prime SpA	4,589	3,778
Dividends from Dufrital SpA	3,214	
Dividends from Airport Handling SpA	1,500	442
Dividends from SACBO SpA	996	
Income from agreement for sale of SEA Energia SpA		24,235
Dividends from Malpensa Logistica Europa SpA		1,757
(Write-downs) / releases of Airport ICT Services Srl		(276)
Total income (charges) from investments	**16,025**	**29,936**

Net investment income amounts to Euro 16,025 thousand in 2023 and mainly concerns the income from the disposal of the holding in Malpensa Logistica Europa Spa and the income from dividends distributed by the investees in the year. For further information on the disposal transaction, reference should be made to the Directors’ Report.

7.11 Financial income (charges)

The breakdown of the account “financial income and charges” is as follows:

Financial income (charges)

(Euro thousands)	2023	2022
Exchange gains	12	7
Other financial income	15,013	789
Total financial income	**15,025**	**796**
Interest charges on medium/long-term loans	(17,657)	(13,858)
Exchange losses	(13)	(12)
Other interest charges	(3,919)	(4,331)
Total financial charges	**(21,589)**	**(18,201)**
Discounting Financial charges	**10,641**	
Total financial income (charges)	**4,077**	**(17,405)**

Financial income increased Euro 14,229 thousand (from Euro 796 thousand in 2022 to Euro 15,025 thousand in 2023). This increase is due to the following factors:

- increase in remuneration obtained from the employment of short-term liquidity, for Euro 3,154 thousand, following the negotiation of favourable remuneration conditions on demand current accounts, in line with the rising trend in interest rates, and to the use of temporary excess cash compared to treasury needs on short-term monetary instruments that offer high flexibility;
- recognition of the interest portion, amounting to Euro 11,498 thousand, collected by the Company as a result of the execution of Judgment No. 9406/2023 of the Court of Cassation in which the Ministry for Infrastructure and Transport was ordered to pay compensation for the failure to adjust airport fees annually, in the amount equal to the programmed inflation rate.

Net financial charges increased Euro 3,388 thousand (from Euro 18,201 thousand in 2022 to Euro 21,589 thousand in 2023). This increase is mainly related to the rising interest rates.

Finally, the net effect of the present value measurement of assets and liabilities in accordance with IFRS 9, resulted in the recognition of net financial income of Euro 10,641 thousand.

For further information on the change in the financial liabilities, reference should be made to Note 6.19.

7.12 Income taxes

The breakdown of the account “income taxes” is shown below:

Income taxes

(Euro thousands)	2023	2022
Current income taxes	21,973	6,543
Deferred tax charge/(income)	43,708	4,718
Total income taxes	**65,681**	**11,261**

The reconciliation between the theoretical and effective tax rate for 2023 is shown below:

(Euro thousands)	2023	%
Profit/(Loss) before taxes	**218,698**	
Theoretical income taxes	52,488	24.0%
Permanent tax differences effect	3,344	1.5%
IRAP	9,835	4.5%
Other	14	0.0%
Effective taxes	**65,681**	**30.0%**

The Tax Rate in 2023 indicates a normalisation close to nominal value, while in 2022 featured “non-recurring” items, in particular the “COVID-19 Contribution” that, while contributing to the profit for the period, was completely tax-free.

8. RELATED PARTY TRANSACTIONS

The table below shows the balances and transactions of the company with related parties for the years 2023 and 2022 and an indication of the percentage of the relative account:

Transactions with Related Parties

	December 31, 2023				
(Euro thousands)	Trade receivables	Other non current receivables	Trade payables	Other non current payables	Current financial liabilities
Subsidiaries					
SEA Prime SpA	4,114		1,095	2,040	4,669
Airport ICT Services Srl	266	175	1,175		
Associates					
Aiport Handling SpA	2,952		5,596		
SACBO SpA	1,146		424		
Dufrital SpA	7,912		187		
Areas Food Services Srl	6,581		2,455		
Disma SpA	138		117		
Total related parties	**23,109**	**175**	**11,049**	**2,040**	**4,669**
Total book value	154,466	14,916	192,615	3,861	32,153
% on total book value	**14.96%**	**1.17%**	**5.74%**	**52.84%**	**14.52%**

	Year ended December 31, 2023				
(Euro thousands)	Operating revenues	Other operating costs	Personnel costs	Net financial income (charges)	Investment income (charges)
Subsidiaries					
SEA Prime SpA	13,964	6,886	(616)	(199)	4,589
Airport ICT Services Srl	10	14,103	(355)		
Associates					
Airport Handling SpA	11,475	19,332	(40)		1,500
SACBO SpA (*)	2,410	12,667	(2)		996
Dufrital SpA	40,577	(2)			3,214
Malpensa Logistica Europa SpA (**)	3,242		(10)		5,726
Areas Food Services Srl	16,553	5,627			
Disma SpA	253		(5)		
Total related parties	**88,484**	**58,613**	**(1,028)**	**(199)**	**16,025**
Total book value	754,929	253,318	171,760	4,077	16,025
% on total book value	**11.72%**	**23.14%**	**-0.60%**	**-4.88%**	**100.00%**

(*) *The account "Other operating costs" relating to transactions with SACBO, equivalent to Euro 12,667 thousand, does not include that invoiced by SEA to the final clients and transferred to the associate.*

(**) *On July 4, 2023, the Company sold its stake in Malpensa Logistica Europa SpA The income statement transactions therefore refer to the January-June period.*

Transactions with Related Parties

	December 31, 2022			
(Euro thousands)	Trade receivables	Other current receivables	Trade payables	Current financial liabilities
Subsidiaries				
SEA Prime SpA	4,985		836	10,454
Airport ICT Services Srl	783		2,124	
Associates				
Aiport Handling SpA	3,780	442	5,017	
SACBO SpA	737		513	
Dufrital SpA	6,421		116	
Malpensa Logistica Europa SpA	1,087		1,246	
Areas Food Services Srl	871		1,633	
Disma SpA	130		115	
Total related parties	**18,794**	**442**	**11,600**	**10,454**
Total book value	126,153	6,455	190,144	39,444
% on total book value	**14.90%**	**6.85%**	**6.10%**	**26.50%**

	Year ended December 31, 2022					
(Euro thousands)	Operating revenues	Other operating costs	Consumable materials	Personnel costs	Net financial income (charges)	Investment income (charges)
Subsidiaries						
SEA Energia SpA (*)	1,755	65,027		(27)	607	24,235
SEA Prime SpA	12,733	6,319		(561)	(16)	3,778
Airport ICT Services Srl	125	12,910	90	(132)		(276)
Associates						
Airport Handling SpA	11,539	17,529		(40)		442
SACBO SpA (**)	1,261	11,715		(2)		
Dufrital SpA	29,333	2				
Malpensa Logistica Europa SpA	4,618			(20)		1,757
Areas Food Services Srl	4,346	4,004				
Disma SpA	222			(7)		
Total related parties	**65,932**	**117,506**	**90**	**(789)**	**591**	**29,936**
Total book value	728,559	254,297	10,435	185,129	(17,406)	29,936
% on total book value	**9.05%**	**46.21%**	**0.86%**	**-0.43%**	**-3.40%**	**100.00%**

(*) *On September 29, 2022, the Company disposed of its entire holding in SEA Energia S.p.A.. The income statement transactions therefore refer to the January-September period.*

(**) *The account "Other operating costs" relating to transactions with SACBO, equivalent to Euro 11,715 thousand, does not include that invoiced by SEA to the final clients and transferred to the associate.*

8.1 Transactions with subsidiary companies

Commercial transactions between SEA and subsidiary companies are as follows:

- the transactions between SEA and SEA Prime SpA concerning the sub-concession contract for the General Aviation management operations at Linate and Malpensa airports, whose conclusion is in line with that of the concession between SEA and ENAC, for the utilisation of the general aviation infrastructure and the verification and collection, on behalf of SEA, of airport and security fees. An agreement is also in place between the company and SEA Prime SpA for administration services (including legal, tax and accounting services);
- with reference to Airport ICT Services S.r.l., concerning the activities of supplying and designing information systems and of supporting their use.

Financial receivables and payables relate to centralised treasury services (cash pooling) which SEA undertakes on behalf of the subsidiaries.

8.2 Transactions with associated companies

The transactions between the Company and the associated companies, in the periods indicated below:

- commercial parking management transactions at Orio al Serio-Bergamo (SACBO) airport;
- commercial transactions with reference to the recognition to SEA of royalties on sales (Dufrital and Areas Food Services);
- rental of premises (Malpensa Logistica Europa);
- supply to SEA of catering services (Areas Food Services);
- commercial transactions deriving from the concession for the distribution of fuel (DISMA);
- revenue for administration services and handling activity costs (Airport Handling).

The above-mentioned transactions were within the ordinary activities of the Company and of the Group and undertaken at market values.

8.3 Other transactions with related parties

SEA PRIME SpA

In 2023, SEA Prime distributed dividends to SEA for Euro 4,589 thousand.

DUFRITAL SpA

In 2023, Dufrital distributed dividends to SEA for Euro 3,214 thousand.

AIRPORT HANDLING SpA

In 2023, Airport Handling distributed dividends to SEA for Euro 1,500 thousand.

SACBO SpA

In 2023, Sacbo distributed dividends to SEA for Euro 996 thousand.

9. DIRECTORS' FEES

In 2023, the remuneration for the Board of Directors, including social security contributions and accessory charges, amounted to Euro 693 thousand (Euro 671 thousand in 2022).

10. STATUTORY AUDITORS' FEES

In 2023, the remuneration for the Board of Statutory Auditors, including welfare and accessory charges, amounted to Euro 227 thousand (Euro 219 thousand in 2022).

11. INDEPENDENT AUDIT FIRM FEES

The fees for the audit of the statutory financial statements of SEA recognised to the independent audit firm EY SpA for the year 2023 amounted to Euro 159 thousand and Euro 15 thousand for other activities.

The Fees of the Audit Firm are net of Consob contributions.

The Fees paid in 2023 to other EY SpA network companies amounted to Euro 37 thousand.

12. COMMITMENTS AND GUARANTEES

12.1 Investment commitments

The principal commitments for investment contracts under Consortium Regroupings are shown below net of works already realised:

Breakdown project commitments

(Euro thousands)	December 31, 2023	December 31, 2022
Design and extraordinary maintenance civil works and plant at Linate & Malpensa	60,294	31,338
Design and extraordinary maintenance flight infrastructure and roadways at Linate and Malpensa	1,735	1,966
Works on electrical automation and control systems at Linate and Malpensa	3,760	1,169
Design and extraordinary maintenance of Linate & Malpensa AVL plant	3,679	4,755
Construction of new Malpensa cargo apron	12,263	
Total project commitments	**81,731**	**39,228**

12.2 Guarantees

At December 31, 2023, the sureties in favour of third parties were as follows:

- two bank sureties, each equal to Euro 32,813 thousand, as guarantee on funds drawn down in June 2015 and June 2017 on the EIB line subscribed in December 2014;
- surety of Euro 31,000 thousand in favour of ENAC, as guarantee of the concession fee;
- bank sureties of Euro 2,200 thousand and Euro 2,000 thousand, in favour of the Ministry of Defence as guarantee of the obligations pursuant to the technical agreement of June 4, 2009 following the advance delivery of the "Italian Army Training Area" in Lonate Pozzolo and "Cascina Malpensa" area;
- bank surety of Euro 2,268 thousand, in favour of the European Climate Infrastructure and Environment Executive Agency (CINEA) to guarantee the RE-MXP project (Resilience improvement of the Milan MXP airport against natural hazards by implementing infrastructure upgrades and a smart monitoring system in a multi -risk framework), co-funded by the European Union;
- bank surety of Euro 2,000 thousand in favour of SACBO as guarantee for the parking management at Bergamo airport;
- Euro 534 thousand for other minor sureties.

13. SEASONALITY

The business is characterised by revenue seasonality, which are normally higher in the periods of August and December due to increased flights by the airlines at its airports. It should be noted that the airports of Milan Malpensa and Milan Linate are to a certain degree complementary from a seasonality viewpoint, in view of the different profile of the indirect customers (i.e. leisure vs. business). This feature limits the seasonal peaks from an overall consolidated operational and financial viewpoint.

14. CONTINGENT LIABILITIES

Reference should be made to the explanatory notes in relation to disputes on receivables (Note 6.10) and operating risks (Note 6.17). For further information, reference should be made to the Directors' Report.

15. CONTINGENT ASSETS

There are no contingent assets in FY2023.

16. TRANSACTIONS RELATING TO ATYPICAL OR UNUSUAL OPERATIONS

In accordance with Consob Communication of July 28, 2006, in 2023 the Company did not undertake any transactions deriving from atypical or unusual operations, as set out in the communication.

17. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

Pursuant to CONSOB Communication of July 28, 2006, in the view of Directors, in 2023 the Company undertook the following non-recurring significant operations:

- Following judgment No. 9406/2023 of the Court of Cassation, published on April 05, 2023, which confirmed the previous levels of judgment, the Company received Euro 50,609 thousand (including the portion of interest and settlement of legal expenses) as compensation for failure to annually adjust airport fees to the extent of the programmed inflation rate. The Ministry for Infrastructure and Transport issued payment in December. This income was recognised to the income statement in FY2023;
- Following the legislative measures Law No. 197/2022 and Decree Law No. 34/2023, the Company benefited from a contribution in the form of a tax credit, of Euro 2,266 thousand, recognised by the Government to non-energy intensive enterprises, in partial compensation of the increased charges effectively incurred in 2023 to purchase electricity. This contribution was recognised to "Other operating costs" as a direct reduction of the cost to which the benefit is connected.
- On July 4, 2023, the Company completed the transfer of the entire equity investment held in Malpensa Logistica Europa S.p.A. (MLE), a 25% interest in the company, to BCUBE Air Cargo SpA, recognising income of Euro 5,726 thousand to the "Investment income/(charges)" account in the income statement. For further information on the disposal transaction, reference should be made to the Directors' Report.

18. PUBLIC GRANTS (ARTICLE 1, PARAGRAPHS 125-129 OF LAW 124/2017)

Pursuant to Law No. 124/2017 and subsequent supplements, we communicate that the Company received in 2023 the following public grants.

Beneficiary	Provider	Purpose	Amount (Euro thousands)
SEA Spa	State	Tax credit to partially offset the higher charges incurred in 2023 for the purchase of the energy component (L. 197/2022, DL. n. 34/2023)	2,266

As required by Article 1 Law No. 124/2017, paragraph 126, the grants received over an amount of Euro 10 thousand are listed below.

Beneficiary	Provider	Purpose	Amount (Euro thousands)
La Scala Theatre	SEA Spa	Founding shareholder annual quota	600
Associazione Noi SEA	SEA Spa	Donation year 2023	240
Comune di Milano	SEA Spa	Donation for the Milan tree project	40
Archiepiscopal Curia of Milan	SEA Spa	Contribution for the Catholic religious service offered by the Chaplaincies at Linate and Malpensa Airports	33

19. SUBSEQUENT EVENTS TO DECEMBER 31, 2023

Reference should be made to the Directors' Report.

Chairperson of the Board of Directors
Michaela Castelli

BOARD OF STATUTORY AUDITORS' REPORT TO THE SHAREHOLDERS' AGM OF "SOCIETA' PER AZIONI ESERCIZI AEROPORTUALI SEA"

as per Article 2429, second paragraph, of the Civil Code

Dear Shareholders,

the separate financial statements of SEA for 2023 are submitted for your review, approved by the Board of Directors on March 26, 2024, which also called the Shareholders' AGM for April 29, 2024 in first call and, where required, for May 6, 2024 in second call.

The Shareholders' AGM of May 6, 2022 appointed the Board of Statutory Auditors in its current composition for the 2022-2024 period, i.e. until the approval of the 2024 Annual Accounts.

The 2023 draft financial statements were drawn up as per the International Financial Reporting Standards (IFRS) adopted by the European Union. They are accompanied by the Directors' Report.

This report presents to the Shareholders' AGM the 2023 results and the activities carried out by the Board of Statutory Auditors during the year, while also presenting proposals and observations upon the financial statements and their approval.

OVERSIGHT ACTIVITIES

The oversight activities, as per Article 2403 of the Civil Code, were undertaken according to the Conduct Principles for Boards of Statutory Auditors, recommended by the "Consiglio Nazionale dei Dottori Commercialisti e degli Esperti Contabili" (Italian Accounting Profession), based on the rules applicable to the Company.

The Board of Statutory Auditors in particular oversaw compliance with statutory law, the By-Laws and the resolutions of the Shareholders' AGM, on compliance with the principles of correct administration, and on the adequacy and the correct implementation of the model regarding the organisational structure and administrative-accounting system, issuing, where required, the relative opinions.

For the purposes of oversight, 11 meetings were held, in accordance with Article 2404 of the Civil Code, at which the Board of Statutory Auditors also met with the heads of the various departments and functions, the Independent Audit Firm and the other Internal Control Bodies, acquiring the information and documentation reported in the relative minutes entered into the register as per Article 2421 of the Civil Code.

The Board of Statutory Auditors also executed the role set out under Article 19 of Legislative Decree No. 39 of January 27, 2010, as the Internal Control and Audit Committee, with SEA qualifying as an Entity of Public Interest (EIP), as per Article 16, paragraph 1, letter a) of the stated Legislative Decree No. 39/2010, as an issuer of securities, i.e. the "SEA 3 1/8 2014-2021" bond listed on the market regulated and managed by the Irish Stock Exchange and as a company adopting a traditional governance model.

The Board of Statutory Auditors also attended all nine meetings of the Board of Directors. At the Board of Directors' meetings, the Board of Statutory Auditors also acquired the information provided, also in accordance with Article 2381 of the Civil Code, by the delegated body on the activities carried out, on the operating performance and on the outlook, in addition to the transactions of greatest operating and financial impact of the Company and its subsidiaries.

In addition, the Board of Statutory Auditors ensured the presence of at least one of its members at the meetings of the committees established within the Board and also met the Supervisory Board as per Legislative Decree 231/2001.

Oversight upon compliance with the principles of correct administration and regarding related party transactions

In order to oversee compliance with the principles of correct administration, in addition to attending, as stated above, all meetings of the Board of Directors, the Board of Statutory Auditors:

- received at its meetings information from the Directors on the general performance and on the outlook, as well as on the most significant transactions, in terms of size or nature, carried out by the company and its subsidiaries. This information is exhaustively outlined in the Directors' Report, to which reference should be made;

- on the basis of the information made available, the Board of Statutory Auditors may reasonably consider that these transactions carried out by the company comply with law and the By-Laws, and were not manifestly imprudent, in potential conflict of interest, hazardous or against the motions undertaken by the Shareholders' Meeting, or such as to compromise the integrity of the company's assets;
- during the periodic checks, the Board of Statutory Auditors met the Chief Financial & Risk Officer and the Administration Manager of the company responsible for preparing the corporate accounting documents, the Internal Audit department and the representatives of the Independent Audit Firm, to acquire information on the activities carried out and on the controls planning. No significant information warranting disclosure in this report has emerged on this point. The Board of Statutory Auditors also continuously and in a timely manner exchanged information for the undertaking of the respective duties, with the Control, Risks and Sustainability Committee and the Supervisory Board;
- did not note any atypical or unusual transactions with Group companies, related parties or third parties. The company does not hold treasury shares;
- assessed the compliance of the related party transactions with the policy adopted by the company. The Board of Directors, in its Directors' Report, presents information on the operating performance of the subsidiaries and associates. The Explanatory Notes also present the "related party" transactions, indicating the income statement and balance sheet amounts of the transactions, declaring also the transactions to have been carried out on an arm's length basis. The Policy was revised by resolution of the Board of Directors of December 20, 2023, to bring it in line with best practices and the needs emerging from application practices.

We highlight the following significant transactions in 2023, on which we received information at the Board of Directors' meetings:

- the conclusion of the procedure for the sale of the company Airport ICT Services S.r.l., with the awarding to LUTECH S.p.A. with a financial offer as follows: equity value of Euro 4.6 million; annual fee for the first 3 years of Euro 15.6 million; annual fee for the remaining 6 years of Euro 9.7 million;
- the collection by the Group of Euro 50.609 million from the Ministry for Infrastructure, equal to the amount established in the final ruling, relating to the capital sum requested by SEA for the failure to adjust airport charges for the period 2000-2005 (in addition to monetary revaluation, legal interest and the reimbursement of legal expenses incurred and paid during the proceedings).

Oversight on the auditing of accounts and the independence of the Audit Firm

The Board of Statutory Auditors held periodic meetings with the managers of the Independent Audit Firm, also as per Article 19, paragraph 1 of Legislative Decree No. 39/2010, during which it reviewed the work plan adopted, received information on the accounting policies utilised, on the accounting representation of the main transactions carried out in the year, in addition to the outcome of the audit. It did not note any events or situations requiring indication in this Report.

The Independent Audit Firm EY S.p.A, issued on April 11, 2024 the reports as per Article 14 of Legislative Decree 39/2010 and Article 10 of Regulation (EC) No. 537/2014, respectively for the statutory financial statements and for the consolidated financial statements at December 31, 2023, prepared as per International Financial Reporting Standards - IFRS – adopted by the European Union. These reports indicate that the statutory financial statements and the consolidated financial statements provide a true and fair view of the statement of financial position of SEA S.p.A. and of the SEA Group at December 31, 2023 and of the result and of the cash flows for the year ending at the same date. With regards to the statutory financial statements and the consolidated financial statements, the independent audit firm stated that the Directors' Report and the Corporate Governance and Ownership Structure Report, limited to the disclosure indicated at Article 123-bis, paragraph 4 of Legislative Decree No. 58 of February 24, 1998, are consistent with the financial statements and were prepared in compliance with law.

In addition, the Independent Audit Firm, with regards to the statement as per Article 14, paragraph 2, letter e) of Legislative Decree No. 39 of January 27, 2010, concerning the identification of significant errors in the Directors' Report, on the basis of its knowledge and understanding of the company and the relative overview acquired during the audit activities, declared to not having any matters to report. It indicated, as a key aspect of the audit, the Restoration Provision for works under concession.

The Independent Audit Firm issued, finally, the Additional Report for the Internal Control and Audit Committee as per Article 11 of Regulation (EC) No. 537/2014.

The Board of Statutory Auditors oversaw compliance with the provisions of Legislative Decree No. 254 of December 30, 2016 concerning non-financial disclosure and information upon "diversity", while the Independent Audit Firm verified the preparation of the Non-Financial Disclosure (NFD) and issued a limited assurance with regards to the consistency of the information provided against that required by the Decree and against the reporting standards/guidelines utilised for such disclosure. The Board of Statutory Auditors also carried out the monitoring of non-audit services (NAS) and prepared a special Policy that defines the general principles and operating procedures for the management of the engagement of the independent audit firm and its network by SEA S.p.A. and its direct and indirect subsidiaries.

The notes to the financial statements indicate the amount of fees accruing in the year to the independent audit firm and the amount regarding its network, including other services.

Taking account of the independence declarations issued by EY S.p.A. and the transparency report produced by the former in accordance with Article 18 of Legislative Decree 39/2010 and published on its website, in addition to the assignments awarded to the company and the companies belonging to its network by SEA S.p.A. and by the Group companies, and the note confirming compliance with the ethics and independence principles under the "Code of Ethics for Professional Accounts" issued by the IESBA, the Board of Statutory Auditors does not indicate any critical aspects with regards to the independence of the Audit Firm.

Oversight of the internal control and risk management system and of the administrative and accounting system

The Board of Statutory Auditors, also as the Internal Control and Audit Committee, as per Article 19 of Legislative Decree No. 39 of 27.01.2010, oversaw the adequacy of the internal control and risk management system and of the administrative-accounting system, in addition to the appropriateness of this latter to correctly reflect operating events. In this context, it requested and obtained all necessary information from the Managers of the respective Departments, undertaking all verifications considered necessary through the direct examination of company documents.

In addition, the Board maintained constant and adequate liaison with the Internal Audit Department and verified that this department has the required capacity, autonomy and independence. It also verified that adequate collaboration and exchange of information took place between the bodies and departments undertaking control functions. Reciprocal exchange of information also took place with the Board of Statutory Auditors of the subsidiaries and associates.

The Board of Statutory Auditors in particular:

- carried out investigations in order to assess whether the administrative-accounting system of the company is appropriate to permit the presentation of a true and fair view in the financial statements of the operating events; it periodically oversaw the correct functioning of the system through meetings with the managers of the Administration, Finance and Control Department;
- examined the audit plans, the periodic reports and the annual report prepared by the Auditing Department. These reports do not indicate any critical issues and confirmed that the at-risk areas with regards to internal control have been recorded and monitored;
- it examined the periodic report of the Supervisory Board, set up as per Legislative Decree No. 231/2001, which does not indicate events or situations which require highlighting in this Report;
- it monitored the project activities carried out in terms of risks, in particular the advancement and ongoing refinement of the Enterprise Risk Management (ERM) project designed to build a model for the identification, classification, measurement, monitoring and homogeneous and transversal assessment of operational risks, in addition to their continuous monitoring, in support of the strategic choices and decisions of management and for stakeholder assurance.

It should also be noted that an impairment test on asset values was carried out when preparing the financial statements at December 31, 2023. No impairment losses emerged from these tests, as the value in use was found to be amply above the value of the assets.

Oversight of the adequacy of the organisational structure

The Board of Statutory Auditors acquired knowledge upon and oversaw, to the extent of its remit, the adequacy of the organisational structure of the company, reviewing and obtaining information of an organisational and procedural nature, through:

- the acquisition of information from the managers of the competent company departments;
- meetings with the Independent Audit Firm and the results of specific audit activities carried out by the former.

The organisational structure of the Company and the Group is managed by the Chief Executive Officer through a system of internal mandates that have identified the heads of the various departments.

In addition, at its meeting of July 27, 2023 the Board of Directors appointed the Chief Executive Officer as Director in charge of the internal control and risk management system.

On the basis of the information available and the checks carried out, the organisational structure appears to be adequate in relation to the characteristics of the company and its size, also taking into account the provisions of Legislative Decree No. 14 of 2019, and in particular Article 375 of such, which introduces a second paragraph to Article 2086 of the Civil Code, and establishes the obligation for all collective entrepreneurs (including SEA) to assume a structure that is suitable to ascertain in a timely manner also situations of operating crisis and the continued applicability of the going concern principle, to be ascertained in accordance with the provisions of Articles 3, paragraph 13, paragraph 2 of the above-stated Legislative Decree No. 14/2019.

Consolidated Financial Statements

The consolidated financial statements of the Group were also drawn up on the basis of the following consolidation scope:

Company	Registered office	Share capital at December 31, 2023 (Euro)	Share capital at December 31, 2022 (Euro)
SEA Prime S.p.A.	Viale dell'Aviazione, 65 - Milan	2,976,000	2,976,000
Airport ICT Services S.r.l.	Milan Linate Airport - Segrate (MI)	600,000	600,000
Dufrital S.p.A.	Via Lancetti, 43 - Milan	466,250	466,250
SACBO S.p.A.	Via Orio Al Serio, 49/51 - Grassobbio (BG)	17,010,000	17,010,000
Areas Food Services S.r.l.	Via Caldera, 21 - Milan	1,500,000	746,700
Disma S.p.A.	Milan Linate Airport - Segrate (MI)	2,600,000	2,600,000
Airport Handling S.p.A.	Malpensa Airport - Terminal 2 - Somma Lombardo (VA)	5,000,000	5,000,000

In particular, the consolidation scope includes the 2023 financial statements of SEA, of its subsidiaries, and of all the companies over which it exercises a significant influence. The consolidation scope at December 31, 2023 changed compared to December 31, 2022 following the sale in July 2023 of SEA's 25% holding in Malpensa Logistica Europa S.p.A.. In addition, following the closing in November 2023 of the competitive dialogue procedure through which Lutech S.p.A. was awarded the tender for the maintenance and monitoring services of the non-business-specific ICT activities currently managed by Airport ICT Services S.r.l. (AIS), a wholly-owned subsidiary of SEA, of which the successful bidder will acquire the entire share capital, AIS is classified among the Assets held-for-sale. The income statement has not been presented due to its insignificance.

The line-by-line method is utilised for the consolidation, with regards to the valuation of controlling investments; other investments were included in the consolidation scope using the equity method.

The consolidation scope includes, in addition to SEA, and each with its own consolidation method:

Company	Consolidation Method at December 31, 2023	Group % holding at December 31, 2023	Group % holding at December 31, 2022
SEA Prime S.p.A.	Line-by-line	99.91%	99.91%
Airport ICT Services S.r.l.	IFRS 5	100%	100%
Dufrital S.p.A.	Net Equity	40%	40%
SACBO S.p.A.	Net Equity	30.979%	30.979%
Areas Food Services S.r.l.	Net Equity	40%	40%
Malpensa Logistica Europa S.p.A.	IFRS 5	-	25%
Disma S.p.A.	Net Equity	18.75%	18.75%
Airport Handling S.p.A.	Net Equity	30%	30%

The consolidated statement of financial position is presented below (in Euro thousands)

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		December 31, 2023		December 31, 2022	
(Euro thousands)	Note	Total	of which related parties	Total	of which related parties
Intangible assets	8.1	993,513		991,309	
Property, plant & equipment	8.2	99,615		91,478	
Leased assets right-of-use	8.3	13,002		14,008	
Investment property	8.4	3,398		3,399	
Investments in associates	8.5	84,560		82,178	
Other investments	8.6	1		1	
Deferred tax assets	8.7	68,209		111,768	
Other non-current receivables	8.8	14,921	175	60,496	
Total non-current assets (A)		**1,277,219**	**175**	**1,354,637**	**0**
Inventories	8.9	2,730		1,558	
Trade receivables	8.10	153,058	18,997	122,628	13,026
Tax receivables	8.11	459		4,769	
Other current receivables	8.11	5,089		6,853	442
Current financial receivables	8.12	125,168			
Cash and cash equivalents	8.13	91,123		160,341	
Total current assets (B)		**377,627**	**18,997**	**296,149**	**13,468**
Assets held-for-sale and discontinued operations (C)	**6.1**	**8,751**			
TOTAL ASSETS (A+B+C)		**1,663,597**	**19,172**	**1,650,786**	**13,468**
Share capital	8.14	27,500		27,500	
Other reserves	8.14	315,310		132,876	
Group Net Result	8.14	156,207		182,460	
Group shareholders' equity		**499,017**		**342,836**	
Minority interest shareholders' equity		**31**		**31**	
Group & Minority int. share. equity (D)	**8.14**	**499,048**		**342,867**	
Provision for risks and charges	8.15	195,156		229,124	
Employee provisions	8.16	27,406		30,942	
Non-current financial liabilities	8.17	473,896		519,516	
Other non-current payables	8.18	1,821		6,590	
Total non-current liabilities (E)		**698,279**		**786,172**	
Trade payables	8.19	185,322	9,954	190,558	8,641
Income tax payables	8.20	21,009		11,467	
Other payables	8.21	228,559		290,727	
Current financial liabilities	8.17	27,496		28,995	
Total current liabilities (F)		**462,386**	**9,954**	**521,747**	**8,641**
Liabilities related to assets held-for-sale and discontinued operations (G)	**6.1**	**3,884**			
TOTAL LIABILITIES (E+F+G)		**1,164,549**	**9,954**	**1,307,919**	**8,641**
TOTAL LIAIBILITIES & SHAREHOLDERS' EQUITY (D+E+F+G)		**1,663,597**	**9,954**	**1,650,786**	**8,641**

In summary, the consolidated income statement presents the following results:

CONSOLIDATED INCOME STATEMENT

		2023		2022 restated	
(Euro thousands)	Note	Total	of which related parties	Total	of which related parties
Operating revenues	9.1	762,732	74,511	734,840	53,075
Revenue for works on assets under concession	9.2	38,373		32,676	
Total revenues		**801,105**	**74,511**	**767,516**	**53,075**
Operating costs					
Personnel costs	9.3	(178,583)		(192,527)	
Consumable materials	9.4	(9,228)		(10,505)	
Other operating costs	9.5	(241,806)		(243,403)	
Costs for works on assets under concession	9.6	(36,204)		(30,832)	
Total operating costs		**(465,821)**	**(37,606)**	**(477,267)**	**(98,181)**
Gross Operating Margin		**335,284**	**36,905**	**290,249**	**(45,106)**
Provisions & write-downs	9.7	(6,164)		4,745	
Restoration and replacement provision	9.8	(52,521)		(30,671)	
Amortisation & Depreciation	9.9	(70,389)		(64,823)	
Operating result		**206,210**	**36,905**	**199,500**	**(45,106)**
Investment income/(charges)	9.10	12,756	12,756	15,530	17,463
Financial income/(charges)	9.11	4,274		(17,391)	607
Pre-tax result		**223,240**	**49,661**	**197,639**	**(27,036)**
Income taxes	9.12	(67,804)		(13,149)	
Continuing Operations result (A)		**155,436**	**49,661**	**184,490**	**(27,036)**
Net result from assets held for sale (B)	**6.1 / 9.13**	**775**		**(2,027)**	
Minority interest profit (C)		**4**		**3**	
Group Net Result (A+B-C)		**156,207**	**49,661**	**182,460**	**(27,036)**
Basic net result per share (in Euro)	9.14	0.62		0.73	
Diluted net result per share (in Euro)	9.14	0.62		0.73	

In accordance with IFRS 5, the 2022 figures were reclassified.

Other information

The Board of Statutory Auditors declares in addition to not having received requests for the issue of opinions and was not required to issue opinions on the basis of specific regulations.

In 2023, no petitions or notices to the Board of Statutory Auditors as per Article 2408 of the Civil Code.

During the verifications, as described above, there were no more significant facts meriting mention in this report.

Conclusions

The Board of Statutory Auditors, on the basis of that outlined above and noting the findings of the overall activities undertaken by the independent audit firm and of the opinion presented in the Auditors' Report to the financial statements, expresses, to the extent of its remit and based on any information acquired from the Board of Directors and the Independent Audit Firm, a favourable opinion on the approval of the separate financial statements at December 31, 2023, as drawn up by the Directors, and with regards to the proposal presented by the Board of Directors to allocate the net profit of Euro 153,016,747.19 as follows:

- Euro 153,000,000.00 as dividend to Shareholders, of Euro 0.6120 per share;
- Euro 16,747.19 to the extraordinary reserve

Milan, April 12, 2024

THE BOARD OF STATUTORY AUDITORS

Paola Noce	(Chairperson)
Stefania Chiaruttini	(Statutory Auditor)
Daniele Contessi	(Statutory Auditor)
Luigi Di Marco	(Statutory Auditor)
Stefano Giussani	(Statutory Auditor)

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Società per Azioni Esercizi Aeroportuali S.E.A.

Financial statements as at December 31, 2023

Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010, and article 10 of EU Regulation n. 537/2014

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Independent auditor's report pursuant to article 14 of Legislative Decree n. 39, dated January 27, 2010 and article 10 of EU Regulation n. 537/2014
(Translation from the original Italian text)

To the Shareholders of
Società per Azioni Esercizi Aeroportuali S.E.A.

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Società per Azioni Esercizi Aeroportuali S.E.A. (the Company), which comprise the Statement of financial position as at December 31, 2023, the Income Statement, the Comprehensive Income Statement, the Statement of Cash Flows and the Statement of changes in Shareholders' Equity for the year then ended, and notes to the financial statements, including material accounting policy information.

In our opinion, the financial statements give a true and fair view of the financial position of the Company as at December 31, 2023 of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005.

Basis for Opinion

We conducted our audit in accordance with International Standards on Auditing (ISA Italia). Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the regulations and standards on ethics and independence applicable to audits of financial statements under Italian Laws. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other matters

The financial statements of Società per Azioni Esercizi Aeroportuali S.E.A. for the year ended December 31, 2022 were audited by another auditor who expressed an unmodified opinion on those statements on April 12, 2023.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

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We identified the following key audit matter:

Key Audit Matter	Audit Responses
Estimate of the restoration and replacement provision	
The Restoration and replacement provision (the "Provision"), recorded in the financial statements as of 31 December 2023 amounts to Euro 175.8 million and includes the estimated present value of the costs relating to extraordinary maintenance, restoration and replacement of assets under concession that the Company estimates it will have to bear in line with existing contractual obligations. The processes and methods for evaluating and determining this estimate are based on sometimes complex assumptions which, by their nature, involve recourse to the judgment of the directors, in particular, with reference the nature of the interventions to be carried out, the expected timing of the same, the quantification of the related costs and the financial component, to be applied according to the timing of the intervention. In consideration of the judgment requested of the directors to assess the nature of interventions, the timing of the same and the quantification of the related costs, we considered that this issue represents a key audit matter. The paragraph "Restoration and replacement provision of assets under concession" of note 2.4 "Accounting policies" and note 6.17 "Provision for risks and charges" of the explanatory notes to the financial statements illustrate, respectively, the accounting policies applied and the changes of the aforementioned provision during the year.	Our audit procedures in response to this key audit matter have included, among others: • understanding the concession agreement from which the obligation arises; • understanding the process used by the Company to determine the Provision; • the critical analysis of the reasonableness of the assumptions underlying the calculation of the Provision, by verifying their consistency with the 2024-2028 business plan approved by the Directors and the 2029-2043 projections prepared by the Group; • an analysis of the main changes in the Provision compared to the previous year; • the execution of validity procedures on a sample of utilizations of the Provision during the 2023 financial year; • verifying the reasonableness of the discount rate used and the accuracy of the Provision's present value calculation. Lastly, we assessed the adequacy of the disclosures provided in the explanatory notes to the financial statements in relation to the key matter.

Responsibilities of Directors and Those Charged with Governance for the Financial Statements

The Directors are responsible for the preparation of the financial statements that give a true and fair view in accordance with International Financial Reporting Standards as adopted by the European Union and with the regulations issued for implementing article 9 of Legislative Decree n. 38/2005,

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and, within the terms provided by the 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 Company's ability to continue as a going concern and, when preparing the financial statements, for the appropriateness of the going concern assumption, and for appropriate disclosure thereof. The Directors prepare the financial statements on a going concern basis unless they either intend to liquidate the Company or to cease operations or have no realistic alternative but to do so.

The statutory audit committee ("Collegio Sindacale") is responsible, within the terms provided by the law, for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with International Standards on Auditing (ISA Italia) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with International Standards on Auditing (ISA Italia), we have exercised professional judgment and maintained professional skepticism throughout the audit. In addition:

- we have identified and assessed the risks of material misstatement of the financial statements, whether due to fraud or error, designed and performed audit procedures responsive to those risks, and obtained audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
- we have obtained an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control;
- we have evaluated the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors;
- we have concluded on the appropriateness of 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 Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to consider this matter in forming our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern;
- we have evaluated the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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We have communicated with those charged with governance, identified at an appropriate level as required by International Standards on Auditing (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.

We have provided those charged with governance with a statement that we have complied with the ethical and independence requirements applicable in Italy, and we have communicated them all matters that may reasonably be thought to bear on our independence, and where applicable, the actions taken to eliminate the relevant risks or the safeguard measures applied.

From the matters communicated with those charged with governance, we have determined those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We have described these matters in our auditor's report.

Additional information pursuant to article 10 of EU Regulation n. 537/14

The shareholders of Società per Azioni Esercizi Aeroportuali S.E.A., in the general meeting held on April 28, 2023, appointed us to perform the audits of the separate and consolidated financial statements of the Company for each of the years ending December 31, 2023 to December 31, 2031.

We declare that we have not provided prohibited non-audit services, referred to article 5, paragraph 1, of EU Regulation n. 537/2014, and that we have remained independent of the Company in conducting the audit.

We confirm that the opinion on the financial statements included in this report is consistent with the content of the additional report to the audit committee (Collegio Sindacale) in their capacity as audit committee, prepared pursuant to article 11 of the EU Regulation n. 537/2014.

Report on compliance with other legal and regulatory requirements

Opinion pursuant to article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39 dated January 27, 2010 and of article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998

The Directors of Società per Azioni Esercizi Aeroportuali S.E.A. are responsible for the preparation of the Report on Operations and of the Report on Corporate Governance and Ownership Structure of Società per Azioni Esercizi Aeroportuali S.E.A. as at December 31, 2023, including their consistency with the related financial statements and their compliance with the applicable laws and regulations.

We have performed the procedures required under audit standard SA Italia n. 720B, in order to express an opinion on the consistency of the Report on Operations and of specific information included in the Report on Corporate Governance and Ownership Structure as provided for by article 123-bis, paragraph 4, of Legislative Decree n. 58, dated February 24, 1998, with the financial statements of Società per Azioni Esercizi Aeroportuali S.E.A. as at December 31, 2023 and on their compliance with the applicable laws and regulations, and in order to assess whether they contain material misstatements.

In our opinion, the Report on Operations and the above mentioned specific information included in the Report on Corporate Governance and Ownership Structure are consistent with the financial statements of Società per Azioni Esercizi Aeroportuali S.E.A. as at December 31, 2023 and comply with the applicable laws and regulations.

With reference to the statement required by article 14, paragraph 2, subparagraph e), of Legislative Decree n. 39, dated January 27, 2010, based on our knowledge and understanding of the entity and its environment obtained through our audit, we have no matters to report.

Statement pursuant to article 4 of Consob Regulation implementing Legislative Decree n. 254, dated December 30, 2016

The Directors of Società per Azioni Esercizi Aeroportuali S.E.A. are responsible for the preparation of the non-financial information pursuant to Legislative Decree n. 254, dated December 30, 2016. We have verified that non-financial information has been approved by Directors.

Pursuant to article 3, paragraph 10, of Legislative Decree n. 254, dated December 30, 2016, such non-financial information is subject to a separate compliance report signed by us.

Milan, April 11, 2024

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Signed by: Paolo Zocchi, Auditor

As disclosed by the Directors, the accompanying financial statements of Società per Azioni Esercizi Aeroportuali S.E.A. constitute a non-official version which is not compliant with the provisions of the Commission Delegated Regulation (EU) 2019/815. This independent auditor's report has been translated into the English language solely for the convenience of international readers. Accordingly, only the original text in Italian language is authoritative.

The SEA Group's focus on environmental protection has resulted, through the adoption of targeted initiatives, in the continuous reduction of its direct carbon emissions.

Milan Malpensa and Milan Linate also confirm their European excellence performance for 2023, maintaining the Transition level under the Airport Carbon Accreditation initiative.

SEA - Società per Azioni Esercizi Aeroportuali

Milan Linate Airport - 20054 Segrate, Milan
Tax Code and Milan Companies Registration Office No: 00826040156
Milan REA No.: 472807 - Share Capital: Euro 27,500,000 fully paid-in

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