2022

SEA GROUP HALF-YEAR REPORT AT JUNE 30, 2022

REPORT

SEA MilanAirports

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SEA GROUP STRUCTURE AND INVESTMENTS IN OTHER COMPANIES

INVESTMENTS OF SEA S.P.A. AT JUNE 30, 2022

SEA SpA

- **Airpot Management**
  - **99.91%** SEA Prime SpA
  - **30.98%** S.A.C.B.O. SpA Società Aeroporto Civile di Bergamo Orio al Serio
- **Utilities**
  - **100%** SEA Energia SpA
  - **18.75%** Disma SpA
- **Commercial Activities**
  - **40%** Dufrital SpA
  - **40%** SEA Services Srl
- **Other Activities**
  - **100%** Airport ICT Services Srl
  - **0.23%** Romairport Srl
- **Handling**
  - **30%** Airport Handling SpA
  - **25%** Malpensa Logistica Europa SpA

Controlling shareholding
Associate
Investment in other companies

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 Luigi Di Marco Stefano Giuseppe Giussani Felice Morisco
Alternate members	Daniele Angelo Contessi Federica Mantini

INDEPENDENT AUDIT FIRM

Deloitte & Touche 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*

SEA GROUP NUMBERS

INTRODUCTION

The Half-Year Report at June 30, 2022 comprises the Directors' Report and the Condensed Consolidated Half-Year Financial Statements at June 30, 2022. The Condensed Consolidated Half-Year Financial Statements, prepared in thousands of Euro, are compared with those of the previous year and the Consolidated Financial Statements for the previous full-year and comprise the Financial Statements (Consolidated Statement of Financial Position, Consolidated Income Statement, Consolidated Comprehensive Income Statement, the Statement of changes in Consolidated Shareholders' Equity and the Consolidated Cash Flow Statement) and the Explanatory Notes.

The Half-Year Report at June 30, 2022 was prepared in accordance with International Accounting Standards ("IFRS"), issued by the International Accounting Standards Board ("IASB"), approved by the European Union and in particular according to IAS 34 – Interim Financial Reporting; in accordance with paragraphs 15 and 16 of this standard, the Condensed Consolidated Half-Year Financial Statements do not require the extent of disclosure necessary for the Annual Financial Statements and must be read together with the 2021 Annual Financial Statements. In the preparation of the Condensed Consolidated Financial Statements at June 30, 2022, the same accounting principles were adopted as in the preparation of the Consolidated Financial Statements at December 31, 2021, updated as indicated in the explanatory notes to the Consolidated Half-Year Financial Statements.

SEA GROUP RESULTS

Operating results

In line with IFRS 5, following the decision of the parent company to sell 100% of the company SEA Energia, the Energy business was treated as a Discontinued Operation. Therefore, in the H1 2022 income statement and, for comparative purposes, in that of 2021, the income and expense items were reclassified under the item "Net Result from Discontinued Operations". Revenues, margins and the operating result include public grants collected from the State and the Lombardy Region in the first half of 2022 totalling Euro 144,101 thousand, in partial compensation for the losses incurred due to the pandemic.

(Euro thousands)	H1 2022	H1 2021 restated	Change	H1 2021 approved
Revenues	408,270	113,070	295,200	121,567
EBITDA [1]	204,404	(26,277)	230,681	(23,507)
EBIT	167,898	(80,503)	248,401	(79,182)
Pre-tax result	169,858	(97,087)	266,945	(96,122)
Net result from assets held-for-sale	920	701	219	n.a.
Group Net Result	164,028	(73,960)	237,988	(73,960)

[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)	June 30, 2022	December 31, 2021	Change
Fixed assets (A)	1,337,487	1,344,898	(7,411)
Net Working Capital (B)	(205,602)	(192,242)	(13,360)
Provisions for risks and charges (C)	(217,081)	(213,112)	(3,969)
Employee provisions (D)	(36,815)	(44,036)	7,221
Other non-current payables (E)	(84,736)	(84,736)	0
Net capital employed (A+B+C+D+E)	**793,253**	**810,772**	**(17,519)**
Group Shareholders' equity	324,376	155,906	168,470
Minority interest Shareholders' equity	29	31	(2)
Net financial debt [2]	468,848	654,835	(185,987)
Total sources of financing	**793,253**	**810,772**	**(17,519)**

[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).*

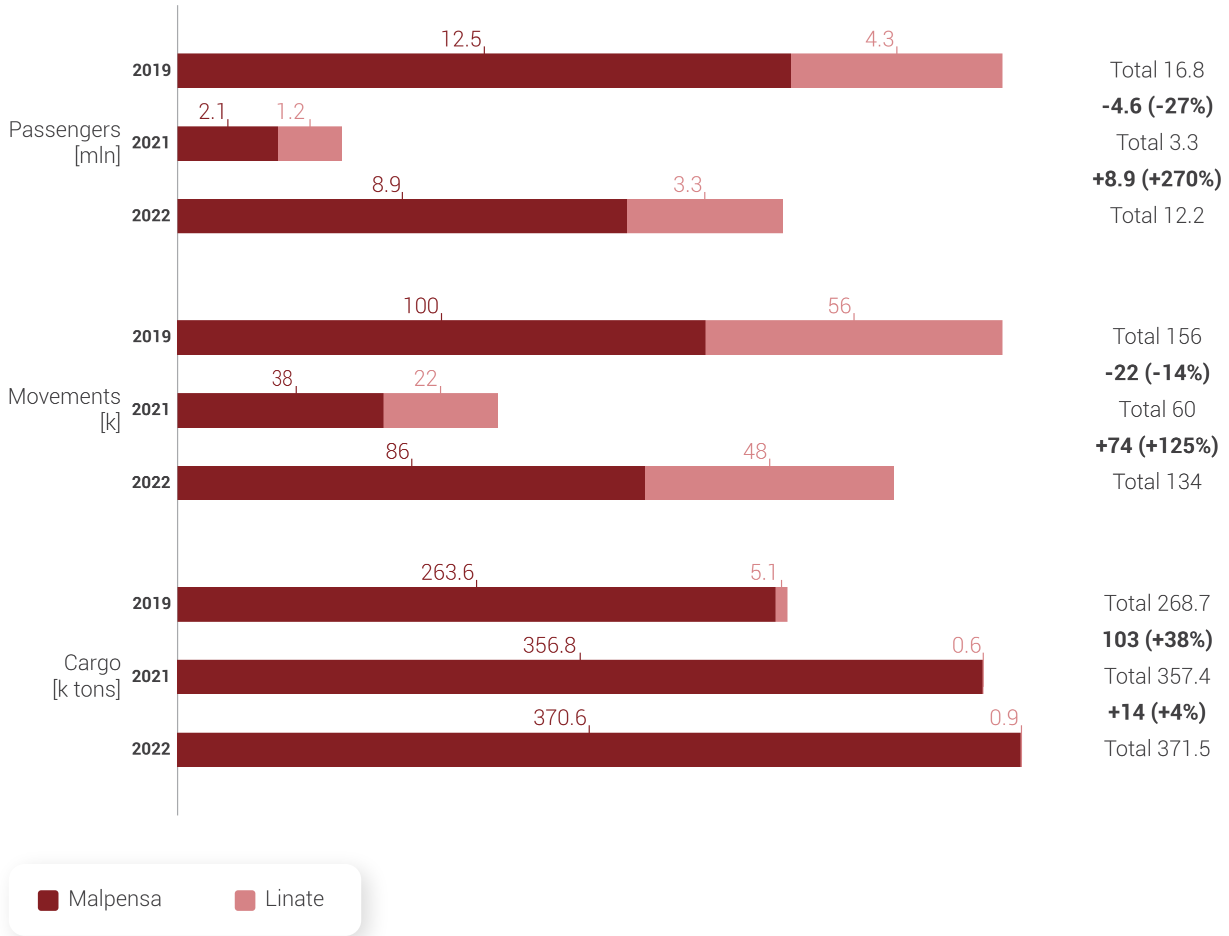
Investments

(Euro thousands)	June 30, 2022	December 31, 2021	Change
Tangible and intangible asset investments	25,095	49,909	(24,814)

Other Indicators

	June 30, 2022	December 31, 2021
HDC Employees (at period end)	2,774	2,682

H1 Traffic (Commercial and General Aviation)



We do not consider it suitable to make comparisons with the first half of 2020 as the year was impacted by the following phenomena, which render comparisons unreliable:

1) The containment measures imposed by national governments from March onwards (travel restrictions and lockdowns);

2) The limited levels of passenger traffic from March to June, which were primarily linked to emergency and medical flights, following two months of business as usual;

3) The new airport layout. Malpensa Terminal 1 and Linate airport were closed in the second half of March 2020, and all traffic was handled at Terminal 2 until June 15, when Terminal 1 was reopened and Terminal 2 closed. Operations recommenced at Linate airport on July 14, 2020.

As a result, the data used to analyse changes to traffic levels in the first half of 2022 refer to the first half of 2021 and the first half of 2019, which was the most recent year to be unaffected by the COVID-19 pandemic.

DIRECTORS' REPORT

Directors' Report

H1 2022: SIGNIFICANT EVENTS

COVID-19 pandemic

EU countries suffered a resurgence of the COVID-19 pandemic in early 2022, which peaked during the period.

Unlike in previous years, and despite the fact that many activities are now taking place outdoors, a severe wave of the pandemic is expected this summer, which will feature a steep increase in infections and transmissibility above the epidemic threshold. The high rate of vaccination coverage, the completion of all vaccination cycles, and the maintenance of a high immune response through the provision of a booster dose to vulnerable categories, per ministerial provisions, has mitigated the clinical impact of the pandemic to some extent.

During the first half of 2022, SEA continued to direct its focus towards combatting the pandemic on a number of fronts. For each of these, actions were defined and adopted based on legislation, guidelines, and best practices in each specific area, in addition to the provisions of the Service Charter, which was completely revised during the first half of 2022 and contains a section dedicated to COVID-19 measures.

The protocols listed below are therefore constantly updated based on prevailing legislation, the relevant aspects of airport operations, and trends in traffic:

- Company protocol: measures taken as employer, in protection of employees and third parties, which fall within the protections set out by Legislative Decree No. 81/08;
- Linate Health Operational Protocol and Malpensa Health Operational Protocol, which include all measures taken as Airport operator:
    - in protection of Passengers and Airport users;
    - to guide and co-ordinate all airport operators concerning common working areas.

Environments and equipment are continuously cleaned and sanitised through the disinfection of surfaces, equipment, and areas. Disinfectant gel dispensers were widely distributed across the terminal.

An information campaign on the airport measures and behaviours to be adopted to prevent the spread of the virus is regularly updated. Information was communicated by means of posters, monitors and voice messages in the terminals, and by means of a dedicated COVID-19 section on Group websites.

The SEA Group maintained the same airport structure as 2021 and Linate airport, Malpensa Terminal 1 and Cargo City were all kept operational. Shopping and food & beverage activities were modified to meet the needs of a new clientele characterised primarily by passengers from Schengen destinations as non-Schengen passengers are still largely absent.

Following the easing of travel restrictions and the increase in traffic in 2022, SEA suspended the relief measures granted to its tenants in 2020 and 2021.

Russia-Ukraine conflict

At dawn of February 24, the Russian president ordered the invasion of Ukraine. The escalation came after Moscow's decision to recognise as independent the Ukrainian territories controlled by separatists from the "People's Republics" of Donetsk and Lugansk in the Donbas. The vote at the 11th emergency session of the United Nations General Assembly (UNGA) on the resolution on Russian aggression of Ukraine approved the strong international isolation of Moscow: only four countries (Syria, Eritrea, Belarus and North Korea) openly sided with Moscow by voting against the resolution, against the 141 countries approving it. Currently, the countries of the European Union and America are acting by imposing sanctions on Russia. In February 2022, the EU banned all Russian airlines from accessing its airports and flying over its airspace. As a result, aircraft that are registered in Russia or chartered and leased by Russian citizens or entities cannot land at any EU airport and cannot fly over EU countries. Private aircraft, e.g. business jets, are also affected by the ban. This involves flight cancellations and suspension of air traffic between the Russian Federation and EU countries, including Italy. The same measure has been adopted by the United States and Canada. In addition, the EU has banned the export of goods and technologies relating to the aviation and space sectors to Russia. The United States, Canada, and the United Kingdom have imposed similar restrictions. As a result, Russian airlines cannot purchase aircraft, spare parts, or equipment for their fleets or carry out the necessary repairs and technical inspections. As three quarters of Russia's current commercial aviation fleet was built in the EU, the US, or Canada, the ban is likely to force Russia to ground a significant portion of its civil aviation fleet, including aircraft used for domestic flights.

In addition, on February 24, Eurocontrol and EASA have declared at risk the areas affected by the conflict and have banned their overflight.

The network sectors affected by the conflict and restrictions are of limited importance to SEA, and thus the cancellation of flights to these countries has not significantly affected traffic in the first half of 2022.

The Company also has minimal exposure to Russian/Ukrainian airlines.

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

Collection of funds provided by the "Budget Law 2021"

Following completion of the process envisaged by the Decree of November 25, 2021, published in the Official Gazette on December 28, 2021, the remaining 50% of the funds requested (Euro 67.8 million) was disbursed on May 20, 2022. An advance payment of Euro 67.8 million was disbursed on March 8, 2022.

Collection of funds envisaged by the motion of the Lombardy Regional Government

On June 9, 2022, the grant envisaged by the above motion for airports of national interest belonging to the TEN-T network was disbursed to SEA S.p.A. and amounted to Euro 8.5 million.

"ACI World's Voice of the Customer" award

Milan Linate and Milan Malpensa received the "ACI World's Voice of the Customer" award from ACI World (Airports Council International). The award was conferred upon airports that made it a priority to listen to their passengers during the pandemic in 2021, in the hope of providing them with a safe and pleasant experience that met their new travel needs.

SEA commits to a green, safe, and digital European sky

As part of the SESAR 3 Joint Undertaking programme, on May 5, SEA and other founding members, EU representatives, and key stakeholders signed a new agreement in Brussels to accelerate the achievement of a more inclusive, resilient, and sustainable Digital European Sky through research and innovation. The agreement confirms SEA's commitment to achieving more sustainable air transport by means of a Single European Sky. The project seeks to improve air traffic and render it efficient, competitive, and safe, while reducing fragmentation along national borders.

Memorandum of Understanding - Malpensa 2035 Masterplan

On June 6, 2022, a memorandum of understanding associated with the Malpensa 2035 Masterplan was signed by SEA, the Lombardy Region, CUV municipalities, and ENAC. The memorandum defines the airport's future traffic development goals, the infrastructural requirements needed to respond to traffic growth, the overall interventions planned, and the environmental mitigation and compensation works in the pipeline.

CLIMATE CHANGE

In line with EU initiatives to combat climate change, SEA started a decarbonisation process that has already led to its achievement of ACA4+ certification. This process also includes achievement of the Net Zero 2030 target, which requires SEA to zero its direct emissions (scope 1 and scope 2).

SEA will need to employ a wide range of skills to plan and execute the initiatives required to successfully achieve this ambitious objective. As a result, the Company set up a multidisciplinary working group called the Net Zero Team in June 2022, which is responsible for:

- 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 the design and execution initiatives;
- uniformly supervising matters relating to Net Zero 2030 initiatives, including those of a financial, supply, legal or risk management nature.

ECONOMIC OVERVIEW

The performance of major economies weakened in Q1. This was initially due to the temporary worsening of the pandemic and later to the consequences of Russia's invasion of Ukraine. Energy costs – specifically natural gas prices in Europe – rose to extraordinarily high levels, due in part to ongoing disruptions to the flow of gas from Russia; inflation was affected and reached new heights as a result, climbing to its highest level in forty years, due in part to rising food prices. The most recent forecasts issued by international institutions point at a marked slowdown in the global economy and ongoing inflationary pressures in 2022.

The situation in the Eurozone continues to be affected by tensions related to the Ukraine conflict. Growth continued into Q2, albeit at a more reduced rate; domestic demand is being throttled by rising energy costs and new supply difficulties encountered by companies. Consumer inflation rose to 8.6% in June, while GDP grew by 0.6% in Q1 2022 compared to the previous quarter, before continuing at a more modest rate in Q2.

After a slight increase in Q1, Italy's GDP accelerated its growth in spring, demonstrating its resilience in spite of the significant uncertainty surrounding the invasion of Ukraine, persistent supply difficulties, and the steep rise in energy and food prices. GDP growth was bolstered by an increase in consumption, investments, and exports.

Household spending returned to growth in Q2, mainly due to an upturn in spending on tourism and recreational services. The propensity to save remained high.

During Q2, inflation in Italy reached its highest levels since the mid-1980s, mainly due to exceptional increases in energy prices. These increases impacted food prices over time, while some service category costs were also affected by recovering demand associated with the relaxation of pandemic measures. The Italian government launched a series of new measures to counteract the effects of rising energy prices on household and business budgets. At the same time, it extended its extraordinary levy on energy company profits to partially cover the cost of these measures.

AIR TRANSPORT AND AIRPORTS

The first six months of 2022 were significantly impacted by the spread of COVID-19. A new wave of the pandemic – driven by the Omicron variant – prompted governments to impose restrictive travel measures at the end of 2021; performance in the first two months of 2022 was thus affected by a slowdown in the sector recovery from summer 2021 onwards. The lesser severity of the new variant – due in part to administration of the booster – facilitated a gradual return to normality by the start of the IATA Summer Season.

The relaxation of protection measures contributed to an increase in travel confidence, which underpinned the recovery of domestic and European traffic. As of June 1, 2022, vaccination certificates (green passes) are no longer required for entry to Italy from EU or non-EU countries; a rapid test with a negative result is sufficient for intercontinental travel to the US, Africa, and the Middle East. The requirement to wear a face mask on board aircraft was also lifted on June 15.

This climate of confidence around international travel between Europe, the US, the Middle East, and Africa is contrasted by the caution exercised when resuming flights to Asia. Direct flights to Korea, Singapore, Japan, and Australia (operated by the respective national airlines) have resumed in the past few weeks. However, there are still strict travel restrictions in place to and from China, which is the country with the greatest potential to help Asia's air traffic recover.

Another phenomenon with both a direct and indirect impact on the global air transport sector (and beyond) is the ongoing conflict between Ukraine and Russia. Several measures have been taken since the start of the conflict (February 24, 2022), and as a result of the sanctions imposed on Russia by the European Commission and United Nations, including:

a. the closure of Ukrainian airspace for all civil flights;

b. a ban on all Russian-owned and/or Russian-controlled/registered aircraft flying over EU airspace:

c. a ban on all European and US airlines flying over Russian airspace.

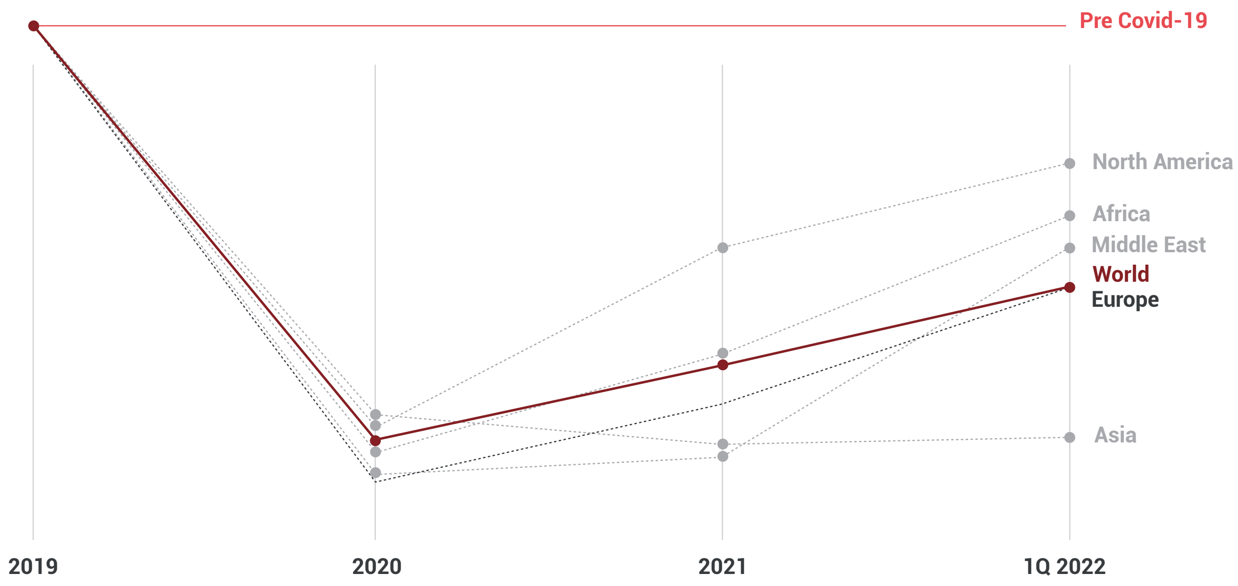
The various restrictions have, in some cases, forced airlines to lengthen routes, thus incurring higher operating costs as a result. In addition, the geopolitical situation has led to a reduction in the supply of raw materials from Russia and Ukraine, specifically energy commodities (oil and gas). This shortage has resulted in a general rise in the cost of raw materials (including Jet-A1 fuel), which has had a domino effect on the economy and caused inflation to increase. The rise in fuel costs contributed to an air of uncertainty and concern regarding airline and airport manager budgets, which had already been hard hit by the pandemic; this led to an increase in airline ticket prices for summer 2022.

Despite the pandemic coinciding with the Russia-Ukraine conflict, the air transport sector has proved resilient, as it has repeatedly done in the past, to such an extent that the most recent forecasts show an acceleration in the recovery of traffic as early as 2022, which is sooner than predicted a few months ago (before the outbreak of the conflict). A return to pre-crisis volumes is expected by 2024[1]. The volumes recorded at the start of the summer confirmed the strong recovery of traffic levels, which also benefited from low-cost airlines taking a more proactive approach to the matter of modifying their flight schedules in response to fluctuating demand. In support of Eurocontrol's forecasts, airlines have confirmed their medium-term growth targets, which have also been assisted by orders for aircraft to be delivered over the next five years; these aircraft boast better range and more seats, in addition to reduced noise and air pollution.

[1] *Source: Eurocontrol "3-year Forecast June 2022" (June 1, 2022 release)*

The traffic levels recorded by airports around the globe (data available as of March 31) reflect the negative results in Q1 2022, while improved recovery was recorded in the months that followed: a sample of 1,148 airports (members of ACI World) recorded 1 billion passengers, up 82% on 2021 and down 40% on 2019. When comparing geographic regions in the first three months of 2022, North America saw passenger numbers increase by 91% compared to 2021 (-21% vs. 2019), while the Middle East recorded a 140% increase (-34% vs. 2019), Africa recorded an 81% increase (-29% vs. 2019), Asia a 6% increase (-63% vs. 2019), and Europe a 237% increase (-40% vs. 2019). Italy recorded an increase of 403% on 2021 in the first three months of 2022 (-39% on 2019), in the European context.

Traffic recovery by geographical area [passengers]



25 million tonnes of cargo were handled globally in Q1 2022, which is largely in line with the figures for 2021 (-0.3%) and is up on Q1 2019 (+3.6%); unlike passenger traffic, the cargo segment was not negatively affected by the pandemic, with the exception of the March-May 2020 period. Cargo has benefited from (i) the complex situation regarding maritime transport, which has seen an increase in container rental prices and systematic delays throughout the cargo supply chain (seaport congestion and pandemic-related controls), and (ii) new consumer tendencies to make direct purchases on online platforms, resulting in the growth of the e-commerce segment.

The airports with the most cargo traffic are located in Asia and North America: these include Hong Kong and Memphis, recording 1 million tonnes of cargo each, followed by Shanghai with 0.9 million tonnes.

Lastly, Europe's Business and General Aviation segment also recorded an increase in the number of movements compared to the pre-pandemic period (+17%); in this case, the improvement in performance recorded between the first half of 2022 and the same period in 2021 (+33%[2]) is worth noting; the pandemic appears to have contributed to structural changes to the general aviation segment, which has benefited from the greater flexibility of connections and improved passenger safety – almost serving to replace scheduled connections.

[2] *Source: WINGX "Business aviation global monitor all regions" (June 2022 release)*

REGULATORY FRAMEWORK

Publication of consultation document on new airport fee governance models

With Resolution No. 80/2022 of May 12, 2022 ("Proceedings initiated with Resolution No. 42/2022 – Announcement of public consultation on revision of airport fee governance models"), the Transport Regulation Authority (ART) published a regulation scheme entitled "Airport Fee Governance Models" and called for a public consultation, inviting interested parties to submit comments and proposals on the document in question by June 24, 2022.

Following requests by Assaeroporti and Aeroporti 2030 trade associations, the Authority subsequently extended the deadline for submitting comments to July 15, 2022.

SEA drew up its own document containing comments on the regulatory measures proposed by the Authority.

New significant domestic and EU regulations

Provisions issued following the exceptional rise in the price of building materials

- Ministry of Infrastructure and Sustainable Mobility Decree of November 11, 2021 – "Recording percentage changes greater than 8% in the prices of the most important building materials in the first half of 2021".
- Ministry of Infrastructure and Sustainable Mobility Decree of April 4, 2022 – "Recording percentage changes greater than 8% in the prices of the most important building materials in the second half of 2021".
- Decree-Law No. 50 of May 17, 2022 - "Urgent measures on national energy policies, business productivity, the attraction of investments, and on social policies and the Ukraine crisis" (the Aid Decree).

Slot allocation

The temporary EU regulations in place for the summer 2021 season – which were later extended to the winter 2021 season – allowed airlines to retain up to 50% ownership of unused slots. During the summer 2022 season, a minimum threshold of 64% was imposed on slot use. This 64% cap was supposed to be temporary with a view to a return to 80% (the percentage in effect until 2019). However, the cap has been extended until October 2022 due to the ongoing pandemic.

OPERATING AND FINANCIAL OVERVIEW

Milan Airport System key traffic figures

In H1 2022, the Milan Airport System, managed by the SEA Group, served over 12.2 million passengers, up 271% on 2021 and down 27% on 2019.

Cargo at Malpensa hit a historic 742 thousand tonnes in 2021 and continued to grow in 2022 (although at more contained rates) to reach 371 thousand tonnes in the first half of the year (+4% on 2021 and +41% on 2019).

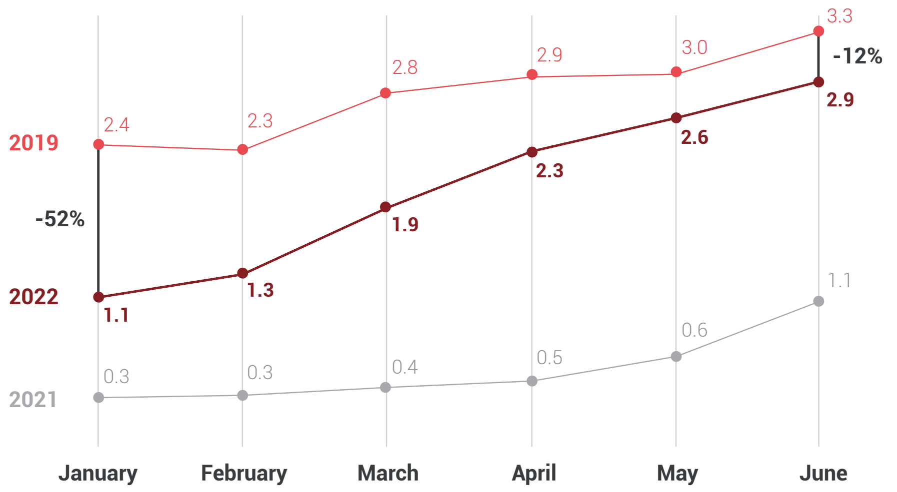
General aviation, with over 15.5 thousand movements managed in H1 2022, grew 52% on 2021 and 26% on 2019.

Commercial Aviation	2022	2021	Δ %	2019	Δ %
Passengers [k]	**12,201**	**3,286**	**+271%**	**16,780**	**-27%**
Linate	3,277	1,175	+179%	4,289	-24%
Malpensa	8,924	2,112	+323%	12,491	-29%
Cargo [k tons]	**371.5**	**357.4**	**+4%**	**268.7**	**+38%**
Linate	0.9	0.6	+50%	5.1	-83%
Malpensa	370.6	356.8	+4%	263.6	+41%
Movements [k]	**118.6**	**49.5**	**+140%**	**143.8**	**-18%**
Linate	34.9	13.2	+165%	46.0	-24%
Malpensa	83.7	36.3	+130%	97.9	-14%
of which Passengers	*67.4*	*21.5*	*+214%*	*92.3*	*-27%*
of which Cargo	*16.3*	*14.8*	*+10%*	*5.6*	*+191%*

General Aviation	2022	2021	Δ %	2019	Δ %
Movements [k]	**15.5**	**10.2**	**+52%**	**12.3**	**+26%**
Linate	12.8	8.4	+53%	10.2	+25%
Malpensa	2.7	1.8	+51%	2.1	+29%

Reflecting European developments, passenger traffic at Linate and Malpensa grew from March, climbing to 2.9 million passengers to June (88% of the 2019 level).The following graph presents passenger traffic by month.

Passengers by month [mln] January – June

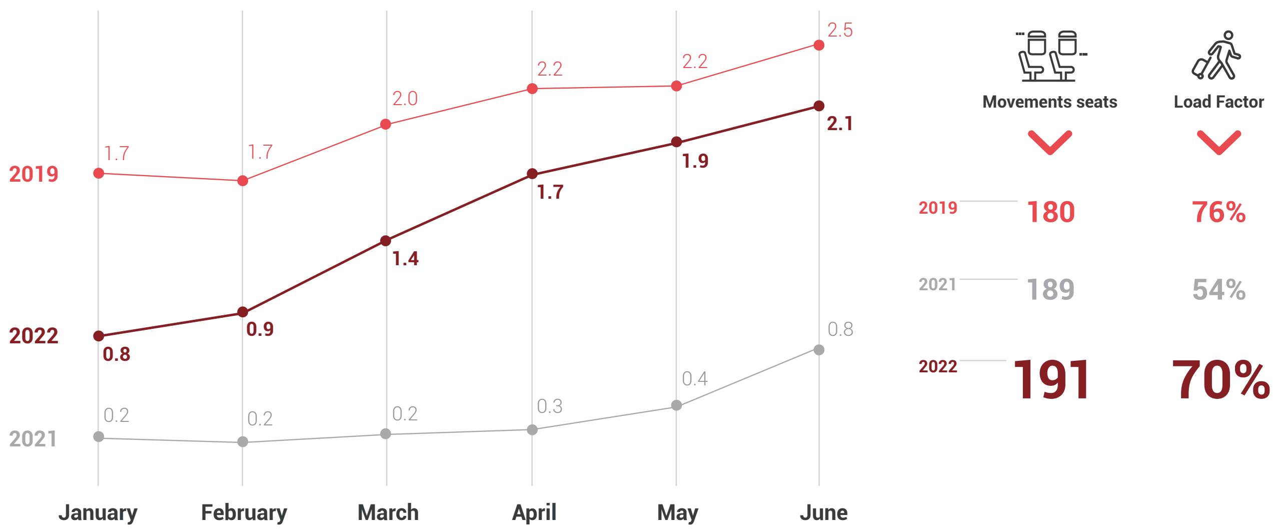


Passenger activities

Malpensa

In the first six months of 2022, 8.9 million passengers transited Malpensa airport, up 323% on the same period of 2021 and down 29% on 2019.The 67 thousand movements handled was a 214% rise on 2021 (-27% vs 2019).It is therefore clear that the traffic recovery on 2021 is only partly due to the opening/development of routes. Passenger volumes have benefited from the higher load factor (average load factor in H1 2022 of 70%, compared to 54% in 2021), together with greater aircraft size (between 2021 and 2022 average aircraft capacity increased from 189 to 191).

Passengers by month [mln] January – June

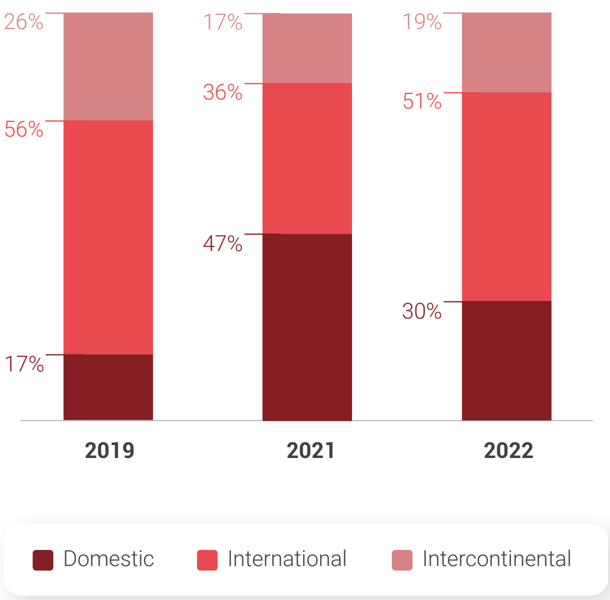


Amid a recovery of pre-crises volumes, the distribution of market share by geographic area was substantially stable in H1 2022, highlighting the high proportion of international traffic, which is supported also by the type of aircraft operating at the airport. The prevalence of low-cost airlines in fact supported European and domestic connections, which respectively generated 51% and 30% of traffic volumes at Malpensa. In addition, the major focus of low-cost carriers on domestic destinations enabled this segment to surpass pre-crises traffic volumes.

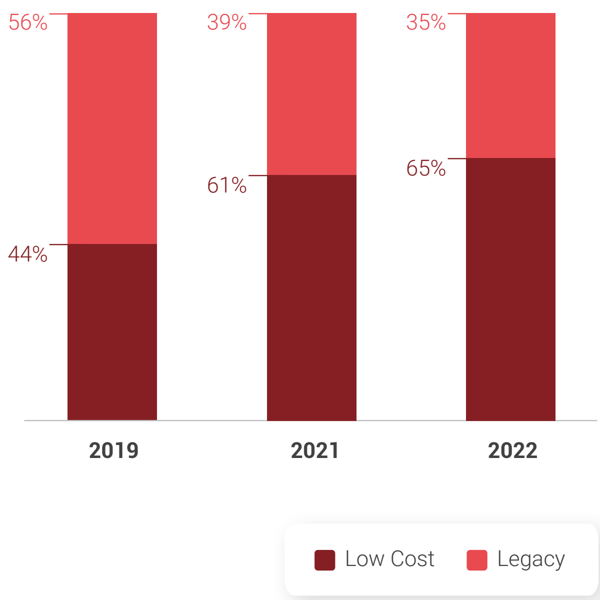
On the other hand, the intercontinental segment (19% share) was confirmed as that most heavily impacted by the pandemic and the conflict. While on the one hand connections to North America resumed, with in fact a greater number of aircraft operating than 2019, on the other hand significant mobility limitations remain in Asia.

Market share [passengers %] January – June

By region



By carrier

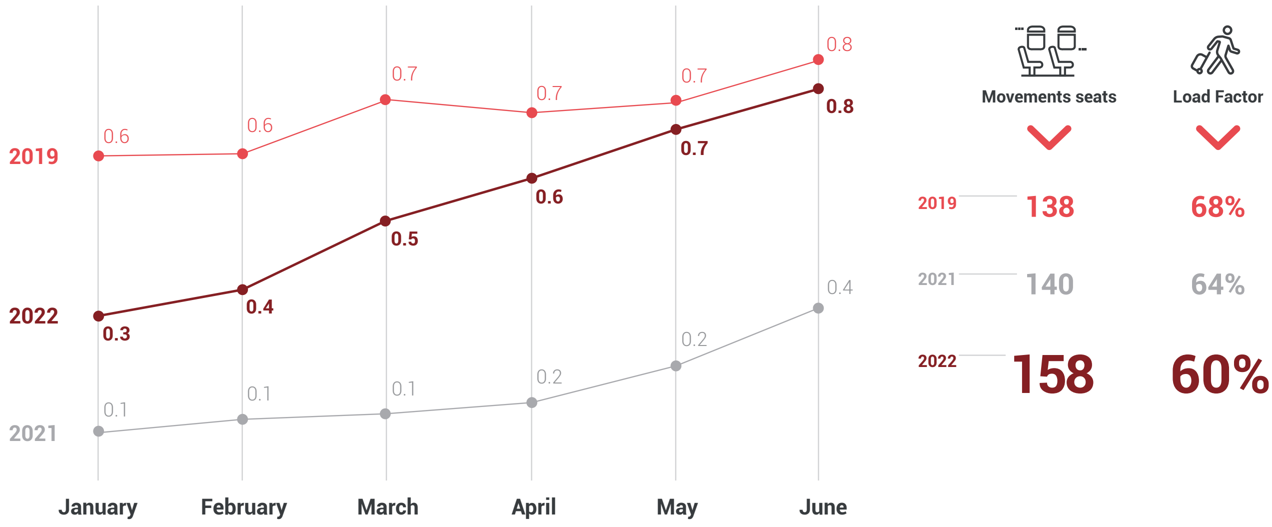


Flight restrictions, which have differed across the various traffic segments, have resulted in an increased market share for the low-cost carriers, which typically concentrate on domestic or European traffic and are therefore less impacted by mobility restrictions. The low-cost carriers in the first half of 2022 reached a share of 65%, up over 20 points on 2019.

Linate

Linate airport in H1 2022 carried 3.3 million passengers, up 179% on 2021 and contracting 24% on 2019. Movements totalled 35 thousand, increasing 165% on 2021 and decreasing 24% on 2019.Average aircraft size (in terms of available seats) also rose significantly at Linate, reaching 158 seats and therefore increasing 13% and 14% respectively on 2021 and on 2019. Passengers per movement, although the load factor was 60% in 2022 (-8% vs. 2019), was in line with pre-crisis levels (94 passengers per movement).The increase in average aircraft size is due to a) the decision of ITA and British Airways to replace the Embraers with Airbus (A319, A320 and A321) and b) the use of the former Alitalia – former Air Italy slots also by low-cost carriers, who operate larger aircraft.

Passengers [mln] January – June



As outlined above, in 2022 a number of the slots made available following the suspension of the flight operations of Alitalia and Air Italy were reassigned. This allowed a number of carriers to expand their operations at the airport (Air France, KLM, Air Dolomiti and easyJet), in addition to the launch of permanent operations by others from Linate (Wizzair and Blueair).

The entry of new carriers and the new flag carrier structure (now ITA) also resulted in a redistribution of market share among the main carriers: ITA/Alitalia saw its share decrease from 70% in 2019 to 56% in 2022.

As was the case in 2021, again in 2022 the European regulation waived the 80% slot utilisation threshold for maintaining historical allocation levels. Specifically, until March 2022 it reduced this limit to 50%, increasing it from April and for the entire IATA Summer Season to 64%.

Regional continuity agreement flights, subject to public service charges, were a further difference from the past. These connections (managed between 2013 and 2019 by Alitalia and Air Italy (ex Meridiana), are managed in synergy between Volotea and ITA, without financial compensation.

The distribution of traffic by geographic area in H1 2022 was fully in line with pre-crisis levels:51% domestic traffic and 49% international traffic (European destinations, with the sole exception of the United Kingdom, which was served from Linate as an exemption until the end of October 2022).

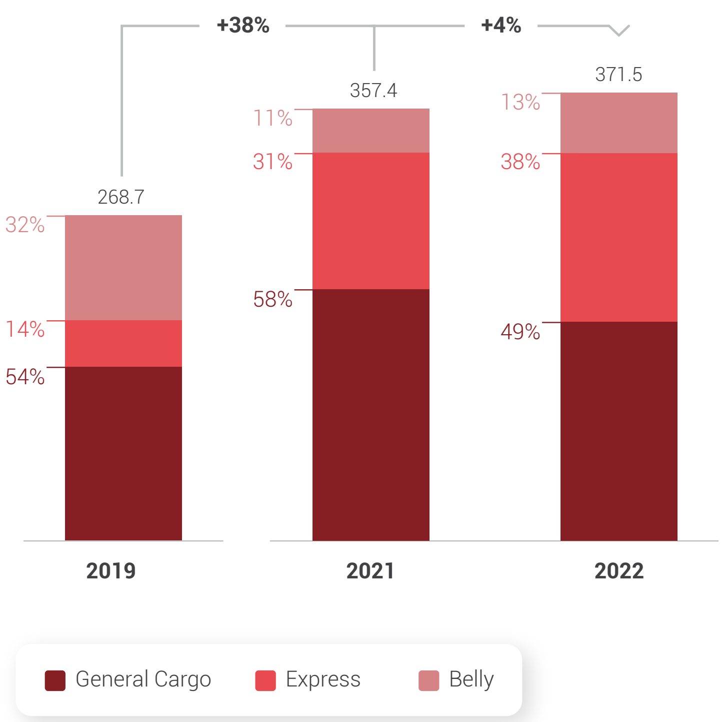
Cargo activities

The Cargo segment managed 372 thousand tonnes in H1 2022 (carried on all cargo flights and in the hold of passenger flights), up 4% on 2021 and 38% on 2019).The number of movements of all cargo flights at Malpensa (16.3 thousand in H1 2022) rose by 10% and 191% on 2021 and 2019 respectively. The sustained growth of movements, outstripping that of cargo, is due to the differing type of products carried, with a weight per movement on average lower than pre-crisis numbers (the express segment carries cargo with a lower weight than general cargo).

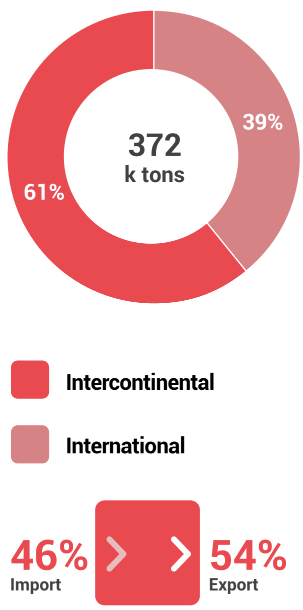
As indicated in the graph, the cargo performance by type of traffic between 2019 and 2022 saw sustained express segment growth at the new DHL base (transferred in Q4 2020) and at the new Amazon warehouses (from October 2021), as confirmed also in H1 2022: with 140 thousand tonnes of cargo carried, the express segment grew 25% vs 2021 and 269% vs 2019. Cargo traffic on mixed-configuration aircraft (belly), although still down on 2019 by 41%, also saw a 34% increase over 2021, reaching 51 thousand tonnes; the recovery of the belly segment is directly related to the recovery of passenger flights to medium- and long-haul destinations. Conversely, the general cargo segment however saw a decline of 13% on 2021 (+25% vs 2019), corresponding to a 27 thousand tonne reduction in cargo. This decrease also appears to stem from the reconversion to passenger transport of a number of aircraft which during the pandemic were used exclusively for cargo transport, utilising not only the hold capacity but also cabin space. This contraction was only partly absorbed by passenger aircraft (belly) activities.

Cargo [k tons] January – June

By traffic



By region



The H1 2022 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 carried. The growth of the express segment, in combination with still recovering inter-continental traffic, has facilitated a 4% increase in international traffic market share on 2021 (at 39%).

General Aviation

SEA Prime in H1 2022 managed 15.5 thousand general aviation movements (Linate and Malpensa), up 52% on 2021 and 26% on 2019, with a gradual recovery from the beginning of the year of the average aircraft size and of the relative movements.

Growth was driven by international traffic (+64% on 2021), with a 68% share of managed activities, reversing therefore the trend of an increasing share of domestic travel emerging during the pandemic. The resumption of in-person events, such as the Design Week held in June, together with the full reopening of Milan and Northern Italy to international tourism are the main drivers of traffic.

General Aviation		2022	2021	Δ %	2019	Δ %
Movements [k]		**15.5**	**10.2**	**+52%**	**12.3**	**+26%**
	Linate	12.8	8.4	+53%	10.2	+25%
	Malpensa	2.7	1.8	+51%	2.1	+29%
Tons [k]		**257.7**	**145.8**	**+77%**	**206.8**	**+25%**
	Linate	211.8	121.0	+75%	171.8	+23%
	Malpensa	45.9	24.8	+85%	35.0	+31%
Passengers [k]		**28.8**	**17.0**	**+70%**	**24.8**	**+16%**
	Linate	23.7	14.1	+69%	20.6	+15%
	Malpensa	5.1	2.9	+76%	4.2	+21%

Income Statement

In line with IFRS 5, following the decision of the parent company to sell 100% of the company SEA Energia, the Energy business was treated as a Discontinued Operation. Therefore, in the H1 2022 income statement and, for comparative purposes, that for H1 2021, the revenues and income and expense items were reclassified under the item "Net Result from Discontinued Operations" (Euro 920 thousand in H1 2022, Euro 701 thousand in H1 2021).

IFRS 5 requires that the income statement of the discontinued business is not included in the results line-by-line for each cost and revenue item, but the total result of the Discontinued Operations business line is recorded on a separate line in the account "Discontinued operations profit/(loss)". IFRS 5 also requires that the comparative income statement is restated in order to render comparable continuing operations and discontinued operations in the two years stated in the financial communication. Therefore, the comparative data presented below reflects this restatement.

(Euro thousands)	H1 2022	H1 2021 restated	Change	C.ge % 2022/2021	H1 2021 approved
Operating revenues	397,426	103,791	293,635	282.9%	112,288
Revenue for works on assets under concession	10,844	9,279	1,565	16.9%	9,279
Total revenues	**408,270**	**113,070**	**295,200**	**261.1%**	**121,567**
Operating costs					
Personnel costs	79,593	63,394	16,199	25.6%	64,455
Other operating costs	114,041	67,409	46,632	69.2%	72,075
Total operating costs	**193,634**	**130,803**	**62,831**	**48.0%**	**136,530**
Costs for works on assets under concession	10,232	8,544	1,688	19.8%	8,544
Total costs	**203,866**	**139,347**	**64,519**	**46.3%**	**145,074**
Gross Operating Margin / EBITDA [1]	**204,404**	**(26,277)**	**230,681**	**877.9%**	**(23,507)**
Provisions & write-downs	(6,828)	12,887	(19,715)	(153.0%)	12,881
Restoration and replacement provision	10,812	7,816	2,996	38.3%	7,816
Amortisation & Depreciation	32,522	33,523	(1,001)	(3.0%)	34,978
EBIT	**167,898**	**(80,503)**	**248,401**	**308.6%**	**(79,182)**
Investment income/(charges)	9,836	(4,654)	14,490	311.3%	(4,654)
Net financial charges	7,876	11,930	(4,054)	(34.0%)	12,286
Pre-tax Result	**169,858**	**(97,087)**	**266,945**	**275.0%**	**(96,122)**
Income taxes	6,749	(22,427)	29,176	130.1%	(22,163)
Continuing Operations result	**163,109**	**(74,660)**	**237,769**	**318.5%**	**(73,959)**
Net result from assets held-for-sale	**920**	**701**	**219**	**31.2%**	**n.a.**
Minority interest profit	1	1	0	0.0%	1
Group Net Result	**164,028**	**(73,960)**	**237,988**	**321.8%**	**(73,960)**

[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.*

In H1 2022, the SEA Group collected public grants from the State and the Lombardy Region totalling Euro 144,101 thousand, in partial compensation for the losses incurred due to the pandemic. In order to present the real operating performance, these components were excluded from the calculation of Revenues, EBITDA and EBIT for the relative comments.

EBITDA in H1 2022, net of the above-mentioned public grants, totalled Euro 60,303 thousand. The significant increase on the previous year (+Euro 86,580 thousand) is due to the growth in operating revenues (+Euro 149,534 thousand), as a result of the increased volume of managed traffic, and was partly offset by higher operating costs (+Euro 62,831 thousand), due not only to the increased traffic volumes, but also to the significant increase in energy costs in the first half of the year.

EBIT was Euro 23,797 thousand, increasing Euro 104,300 thousand and benefiting from, in addition to the above factors, also the release of the doubtful debt provisions and increased accruals to the restoration provision compared to the same period of the previous year, while amortisation and depreciation was in line with the comparative period.

The net result of continuing operations, which presents a profit of Euro 163,109 thousand, improved Euro 237,769 thousand on a loss of Euro 74,660 thousand in H1 2021.

The main income statement accounts are broken down as follows:

Revenues

Operating revenues in H1 2022, net of public grants, totalled Euro 253,325 thousand and comprised:

- Aviation revenues of Euro 148,807 thousand rose Euro 88,211 thousand on the preceding period due to business passenger growth as a result of the additional capacity made available by carriers and the improved average aircraft load. The cargo business performance was in line with the comparative period.
- Non-Aviation revenues of Euro 97,370 thousand were up Euro 59,553 thousand on the previous year, as a result of the increased passenger traffic. All segments report improved performances over the previous year. We particularly note the significant increase in shops revenues at Linate due to the full operability in the period of the commercial spaces at the new building F (opened in June 2021).
- General Aviation revenues of Euro 7,148 thousand were up Euro 1,770 thousand on the previous year due to the greater number of movements.

Revenues for works on assets under concession increased from Euro 9,279 thousand in H1 2021 to Euro 10,844 thousand in H1 2022 (up 16.9%). 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 H1 2022 amounted to Euro 193,634 thousand, comprising:

- Personnel costs of Euro 79,593 thousand, increasing Euro 16,199 thousand on the previous period due to the reduced use of the social support schemes following the traffic recovery, and higher salaries under the National Collective Bargaining Agreement.
- Other operating costs of Euro 114,041 thousand increased Euro 46,632 thousand on the previous period, as a result of the increased traffic-related costs and the significant rise in energy costs. In particular, the latter rose 179% on H1 2021 as a result of the increase in energy commodity prices.

Costs for works on assets under concession

Costs for works on assets under concession increased from Euro 8,544 thousand in H1 2021 to Euro 10,232 thousand in H1 2022. 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 2022, provisions and write-downs report a net release of Euro 6,828 thousand, on the basis of Euro 6,888 thousand of net releases to the doubtful debt provision (in 2021 the net accrual was Euro 12,436 thousand) and a net accrual of Euro 60 thousand (in 2021 a net accrual of Euro 451 thousand) from the risks and future charges provision.

The release of the doubtful debt provision of Euro 11,109 thousand was mainly due to the collection of receivables, following a significant settlement with a no-longer-operative carrier which, on the basis of company policy, was written down. This release was partially offset by new accruals following a reassessment of the Company's risk, which is based on the expected loss for each receivable.

The accruals to the future charges provision includes an accrual for labour of Euro 12 thousand, an accrual of Euro 64 thousand for insurance deductibles, partially offset by the release of the provisions accrued previously as the conditions for the accrual were no longer apparent.

Further information is available in Note 9.7 of the Condensed Consolidated Half-Year Financial Statements.

Restoration and replacement provision

In the first half of 2022, the net accrual to the restoration and replacement provision increased Euro 2,996 thousand due to the update to the Restoration Provision at December 31, 2021. The accrual of a provision of Euro 10,812 thousand in the first half of 2022 (Euro 7,816 thousand in the first half of 2021), none of which was released, reflects the assessments of the planned maintenance of the assets under the concession rights.

Amortisation & Depreciation

Amortisation & depreciation was in line with the same period of the previous year, with a reduction of 3% to Euro 32,522 thousand.

Investment income and charges

In H1 2022, net investment income and charges improved Euro 14,490 thousand - from a net charge of Euro 4,654 thousand in 2021 to net income of Euro 9,836 thousand in 2022, relating to the valuation at equity of investments in associates. This amount includes the improved results of all of the associated companies following the recovery after the years impacted by the COVID-19 pandemic, and – in certain cases – also the recognition of income from the provisions under both the "2021 Budget Law" for aircraft managers, and airport assistance service providers, in addition to the motion of the Lombardy Regional Council for airports of national interest belonging to the TEN-T network.

Financial income and charges

Net financial charges in H1 2022 amounted to Euro 7,876 thousand, a decrease of Euro 4,054 thousand on the first half of the previous year. This reduction is mainly due to the lower interest matured following the reimbursements in 2021 of the "SEA 3 1/8 2014-2021" bond loan, whose repayment was funded before October 2020 through the issue of the "SEA 3 1/2 2020-2025"bond loan and by the early settlement of the 2020 Term Loans, the majority of which were repaid in H2 2021 and H1 2022.

Income taxes

Income taxes in H1 2022 totalled Euro 6,749 thousand and were calculated upon the assessable income for the period. This latter is significantly lower than the pre-tax result in view of the fiscal insignificance of the grant recognised to airport managers as per Article 1, paragraphs 715-719 of Law No. 178/2020 (2021 Budget Law) in order to offset the economic impacts of the COVID-19 pandemic.

Discontinued operations result

The Discontinued operations result, relating to the Energy sector, reported a net profit of Euro 920 thousand. As already illustrated above, this item includes the result of SEA Energia adjusted by IAS/IFRS entries.

Group Net Result

As a result of the dynamics outlined above, the Group's net result was a profit of Euro 164,028 thousand, an increase of Euro 237,988 thousand on the loss for H1 2021 (Euro 73,960 thousand).

Reclassified Group statement of financial position

(Euro thousands)	June 30, 2022	December 31, 2021	Change
Intangible assets	937,840	945,659	(7,819)
Property, plant & equipment	142,148	146,556	(4,408)
Leased assets right-of-use	14,900	12,996	1,904
Investment property	3,400	3,401	(1)
Investments in associates	73,824	65,745	8,079
Other investments	1	1	0
Deferred tax assets	112,966	118,132	(5,166)
Other non-current receivables	52,408	52,408	0
Fixed assets (A)	**1,337,487**	**1,344,898**	**(7,411)**
Inventories	1,804	1,738	66
Trade receivables	141,429	95,928	45,501
Tax receivables	1,222	794	428
Other receivables	7,161	4,961	2,200
Current assets	**151,616**	**103,421**	**48,195**
Assets held-for-sale and discontinued operations	**38,053**	**47,512**	**(9,459)**
Trade payables	181,874	145,040	36,834
Other payables	200,404	177,234	23,170
Income tax payables	11,080	8,609	2,471
Current liabilities	**393,358**	**330,883**	**62,475**
Liabilities related to assets held-for-sale and discontinued operations	**1,913**	**12,292**	**(10,379)**
Net Working Capital (B)	**(205,602)**	**(192,242)**	**(13,360)**
Provisions for risks and charges (C)	(217,081)	(213,112)	(3,969)
Employee provisions (D)	(36,815)	(44,036)	7,221
Other non-current payables (E)	(84,736)	(84,736)	0
Net capital employed (A+B+C+D+E)	**793,253**	**810,772**	**(17,519)**
Group Shareholders' equity	(324,376)	(155,906)	(168,470)
Minority interest Shareholders' equity	(29)	(31)	2
Net financial debt [1]	(468,848)	(654,835)	185,987
Total sources of financing	**(793,253)**	**(810,772)**	**17,519**

[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).*

Fixed assets of Euro 1,337,487 thousand decreased by Euro 7,411 thousand over December 31, 2021, mainly due to: i) the amount of investments and amortisation and depreciation in the period, respectively of Euro 19,070 thousand (net of restoration provision utilisations) and Euro 31,273 thousand (amortisation and depreciation stated net of the effect of IFRS 16); ii) the increase in the leased asset usage rights, amounting to Euro 1,904 thousand at December 31, 2021; iii) the increase in the value of investment in associates (Euro 8,079 thousand), which reflects the measurement at equity of investments in associates; iv) the decrease in net deferred tax assets of Euro 5,166 thousand.

Net working capital of Euro 205,602 thousand changed by Euro 13,360 thousand on December 31, 2021.

This movement is based on a range of factors. Current assets increased due to the increase in trade receivables, mainly as a result of the restart of business operations, while tax receivables and other receivables increased slightly. Short-term liabilities had a positive impact on working capital, with both trade payables and other payables increasing, particularly those for surtaxes and the concession fees due to the state, signalling a recovery of business activities.

These include, in addition to Net working capital, Assets held-for-sale of Euro 38,053 thousand, decreasing Euro 9,459 thousand on December 31, 2021 and Liabilities related to assets held-for-sale of Euro 1,913 thousand, decreasing Euro 10,379 thousand on December 31, 2021.

Other non-current payables exclusively concern the payable for dividends, regarding the second tranche of the extraordinary dividend approved by the Shareholders' Meeting of September 30, 2019 of Euro 84,728 thousand. For the disbursement of the second and final tranche, the Company reserved the right to re-define the date of payment of said tranche when, once the COVID-19 emergency has passed, economic and financial conditions allow it. Verification of the Company's financial equilibrium is the responsibility of the Board of Directors, which will have to approve the payment when it is deemed that the conditions have been met.

Net capital employed at June 30, 2022 amounted to Euro 793,253 thousand, a decrease of Euro 17,519 thousand over December 31, 2021.

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

(Euro thousands)	June 30, 2022	December 31, 2021	Change
Inventories	1,804	1,738	66
Trade receivables	141,429	95,928	45,501
Trade payables	(181,874)	(145,040)	(36,834)
Other receivables/(payables)	(203,101)	(180,088)	(23,013)
Assets held-for-sale and discontinued operations	38,053	47,512	(9,459)
Liabilities related to assets held-for-sale and discontinued operations	(1,913)	(12,292)	10,379
Total net working capital	**(205,602)**	**(192,242)**	**(13,360)**

Net financial debt

The net financial debt, excluding discontinued operations as per IFRS 5, which includes the cash pooling receivable from the subsidiary SEA Energia, totalled Euro 468,848 thousand, reducing Euro 185,987 thousand on December 31, 2021 (Euro 654,835 thousand).

The net financial debt, including discontinued operations, of Euro 502,880 thousand at June 30, 2022, reduced by Euro 172,519 thousand compared to December 31, 2021 (Euro 675,399 thousand).

The improvement in the net financial debt concerns, in addition to favourable cash flow movements as a result of the recovery of operations, also the collection of the funds under the "2021 Budget Law" and as per the motion of the Lombardy Regional Council.

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 & 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 "net 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.

SUBSEQUENT EVENTS

Sale of the company SEA Energia

Following Antitrust approval in July 2022, SEA S.p.A. and a2a Calore e Servizi S.p.A. on July 18, 2022 signed the sales agreement. Government authorisation (Golden Power) to make the signed agreement executive is currently awaited.

Settlement agreement

On July 14, 2022, Sea S.p.A. and Alitalia in A.S. signed a settlement under which the parties waived the revocation action by which Alitalia demanded that SEA reimburse the payments made in the six months prior to the date of the decree of admission to extraordinary administration. This agreement also covers the receivables due from Alitalia to SEA through a settlement by the carrier of Euro 14.8 million.

OUTLOOK

The 2022 traffic forecasts indicate a gradual recovery of pre-crisis levels, with an altered market share between legacy and low cost carriers to the benefit of the latter and an altered geographic distribution. Asian destinations have been the hardest hit, although showing initial signs of recovery. Connections with China and India are again not expected to re-commence for 2022.

Despite the strong passenger traffic performance in H1 2022, the economic and sector environment in which SEA operates continues to feature a significant degree of uncertainty. Air traffic levels over the coming months shall depend on a range of linked factors, such as the emergence of further COVID-19 variants, the current geopolitical tensions (in particular the Russia-Ukraine conflict), energy and oil cost movements and – not lastly – exchange rate volatility.

At European level, the quick spread of the new "Omicron" COVID-19 variant over the last two months has not significantly impacted the passenger traffic recovery. This however does not negate possible impacts in the months subsequent to the summer season, as occurred in 2021. Rising infections in the winter season may result in a further period of stress on the national healthcare systems, with the need to reimpose movement restrictions.

The uncertainty in which SEA shall operate over the coming months is exacerbated by the Russia-Ukraine conflict, which broke out on February 24 and has continued over the subsequent months, with no clear idea emerging upon the timing of its resolution and upon the outcome of the war on the countries involved and their economies. While the direct effect of the conflict on the traffic managed at Linate and Malpensa airports has been rather contained, the indirect effects are – and are feared to be – far from negligible for the Milan airport system.

Firstly, the cost of energy commodities (methane and oil) as a direct result of the conflict, which further worsen the geopolitical tensions emerging at the end of 2021. In the face of the sanctions imposed on Russia by the European Union, Russia began to cut the volumes of methane supplied to member states, with an immediate impact on prices. Simultaneously, the reduction in the quantity of oil imported from Russia has required the greater use of other "suppliers", with a direct impact on costs.

States have already taken domestic - not yet EU - initiatives to reduce fuel prices by acting on the excise taxes levied by states on retail sales. As outlined in ARERA's annual report, the European Commission is now expected to act in response to the continuing increase in commodity prices recently. The Italian Government's proposals include the introduction of a cap on methane supply prices.

For SEA, energy cost developments may have a two-fold impact – on the one hand affecting the company's energy costs, while on the other impacting the operating costs of airlines, which may be prompted to increase ticket prices with potential effects upon demand.

Secondly, construction material prices have risen sharply over recent months, directly impacting airport infrastructure management, the execution of civil works and maintenance activities. This increase only partially stems from the ongoing conflict. Already by 2021, the resumption of construction site works (also incentivised by the "super-bonus") led to a significant increase in construction costs.

An additional focus is the unexpected rise in passenger numbers over the last 4 months (April – July 2022), which has given rise to a number of operating challenges for the main aviation market players (airlines, handlers, airport managers etc.). These difficulties stem from operating personnel shortages also as a result of layoffs or the assignment of alternative duties during the lockdowns.

In particular, i) a number of airport managers – such as ADP, Fraport and Heathrow – imposed daily limits on passenger numbers as a result of the saturation of the various airport sub-systems and ii) a number of carriers announced operational cancellations due to a lack of personnel and as a result of the numerous strikes announced.

Linate and Malpensa airports were also impacted by flight cancellations, particularly by the low-cost carriers (easyJet, Ryanair and Wizzair). SEA has benefited – and continues to benefit from – lay-off schemes, which have allowed the company to maintain operating personnel at the company, limiting the impact on the company's income statement. As a result, no particular operating interruptions are expected in the current year.

Management continues to closely monitor the evolution of the situation by constantly updating traffic projections, carrying out periodic surveys of the prices of commodities and construction materials and developing sensitivity analyses aimed at quantifying the economic and financial impact from the industry developments outlined above.

Despite the above-outlined uncertainties and the potential further increase in commodity prices on the first half of the year, in view of the extraordinary revenues reported in the period (COVID-19 restoration provisions) and the expected sale in the second half of the year of full ownership of the subsidiary SEA Energia, strong results and significant growth on 2021 are forecast for 2022.

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.

Energy

The energy business includes the generation and sale of electricity and heat to third parties. Following the application of IFRS 5, the H1 2021 restated income statement does not include the figures of SEA Energia S.p.A., which are recorded in the line "Discontinued Operations profit/(loss)". Therefore, the following segment analysis does not include the Energy business.

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

	Commercial Aviation		General Aviation		Consolidated	
(Euro thousands)	H1 2022	H1 2021 restated	H1 2022	H1 2021 restated	H1 2022	H1 2021 restated
OPERATING REVENUES	388,785	98,413	8,641	5,378	397,426	103,791
OPERATING COSTS	(191,548)	(128,858)	(2,086)	(1,945)	(193,634)	(130,803)
EBITDA	197,849	(29,710)	6,555	3,433	204,404	(26,277)
EBIT	162,397	(82,984)	5,501	2,481	167,898	(80,503)

Revenues and margins include public grants from the State and the Lombardy Region.

The EBITDA shown above includes the IFRIC margin.

Commercial Aviation

Revenues

Commercial Aviation business revenues in H1 2022 totalled Euro 388,785 thousand, up Euro 290,372 thousand on the same period of the previous year (+295%), of which Euro 142,608 thousand concerning state and regional public grants for the segment and received in the period.

Net of these grants, segment revenues totalled Euro 246,177 thousand, increasing Euro 147,764 thousand (+150%) on H1 2021. The Aviation and Non-Aviation segments contributed to this increase, as described below.

Aviation revenues increased overall by Euro 88,211 thousand. This growth stems from the business passenger performance which, as previously outlined, reports an increased number of movements managed and a higher aircraft load factor.

Non-Aviation revenues overall increased by Euro 59,553 thousand, as a result of the increased passenger traffic. Specifically:

- The Retail segment (Stores, Catering, Car rentals and Banks) reports revenues of Euro 36,193 thousand, up Euro 27,598 thousand (+321%).This increase is more than proportional with the rise in passenger traffic and benefited from the full operability of the new Linate building F (opened in June 2021).
- The parking business, due to the increase in traffic and the recovery of airport operator activities, was up Euro 18,774 thousand (+202% on the same period of 2021), increasing from Euro 9,281 thousand in H1 2021 to Euro 28,054 thousand in H1 2022. In this case, the less proportional growth than traffic is due to the lower average ticket price and the component linked less to traffic (airport operator revenues).
- Premium Services segment revenues of Euro 8,057 thousand rose Euro 6,862 thousand (+574%) as a result of the reopening of the VIP lounges, which in H1 2021 had still not reopened due to the health emergency.
- The Cargo performance was in line with the comparative period, consolidating the segment's growth on the pre-pandemic period and reporting revenues of Euro 8,974 thousand.

Operating costs

Operating costs for the **Commercial Aviation** business increased from Euro 128,858 thousand in H1 2021 to Euro 191,548 thousand in H1 2022 (+Euro 62,690 thousand).

This movement was based on::

- the increase in personnel costs from Euro 62,390 thousand in H1 2021 to Euro 78,608 thousand in H1 2022 (+Euro 16,218 thousand), as a result of the lesser use of the social security schemes, the management of greater traffic volumes and salary increases on the basis of the National Collective Bargaining Agreement;
- external costs of Euro 112,939 thousand, which increased Euro 46,472 thousand, mainly due to the sharp rise in energy costs (+Euro 22,892 thousand) and the higher costs linked to traffic volumes and particularly the public body fees, parking operating costs and other variable costs for the management of airport infrastructure.

EBITDA and EBIT

In H1 2022, as a result of the factors outlined above, EBITDA was Euro 197,849 thousand (Euro 55,241 thousand net of the grants received).

Amortisation & depreciation and accruals to the restoration provision increased on H1 2021 (+Euro 2,016 thousand).

Accruals to the risks and charges provisions in the period reduced on the same period of 2021 (-Euro 19,838 thousand), as a result of the release of doubtful debt provisions accrued in the preceding period.

Commercial Aviation business EBIT therefore totalled Euro 162,397 thousand (Euro 19,789 thousand net of the grants received).

Investments

The main Commercial Aviation business investments concerned commercial initiatives and the actions required to handle the increased passenger traffic or to ensure compliance with the new rules or legal provisions:

- increased number of self-service bag drop stations at Malpensa;
- preparation of pre-boarding areas at the Central Satellite gates under smart security at Malpensa;
- redevelopment of certain areas according to the new concept at Linate.

Other information

Destination development and co-marketing activities

In continuity with the World Routes event hosted in Milan in October 2021, SEA, in partnership with the Lombardy Region, the City of Milan, Sacbo and Enit signed a new memorandum of understanding to extend the collaboration also to 2022 and 2023, with a particular focus on participation at **Routes Regional** (Europe and Asia) and **Routes World** (Las Vegas and Istanbul) and the development of territorial promotion campaigns, especially in North America (the United States and Canada) and Europe.

Marketing support activities for airlines to organise events and develop communication initiatives for the launching of new routes were also stepped up.

New commercial activities

The upswing in traffic has been accompanied by the opening of new shops to meet the needs of the new customer base at the airports.

A new Fratelli Rossetti boutique has been opened at Malpensa in the boarding area. In the same area, the historic Pineider brand will set up a kiosk of writing items and small leather goods. In the Luxury Square, as part of its asset management operations, Pomellato, which is a new travel retail player in Europe, opened a kiosk in June. A Yamamay store was also opened in June. Of particular note is the opening in January of the large Hudson - Feltrinelli store of over 600 square metres, whose extensive offerings have been warmly welcomed by departing passengers. Another important development is the opening in June of Accessorize.

At Linate, as part of the new Linate retail area project in the first half of 2022, Rocca 1794 opened in February and Fratelli Rossetti opened in March. The perfumery corners at the new walk-through Duty Free were also completed, with the establishment of an extensive Chanel space, while the eyewear area was improved with a Kering corner. In addition, the new Feltrinelli single-brand space of approx. 250 square metres was opened in June.

Alongside the rise in traffic, nearly all food points were reopened and restylings of a number of points were undertaken or scheduled, while the VIP lounges remained open for the entire period.

General Aviation

Revenues and Operating Costs

General Aviation revenues amounted to Euro 8,641 thousand in H1 2022, up Euro 3,263 thousand (+61%) on the same period of 2021, of which Euro 1,493 thousand concerning the government grants received in the period.

Segment revenues, net of grants, totalled Euro 7,148 thousand, increasing Euro 1,770 thousand on H1 2021. The increase mainly stemmed from the further rise in traffic.

Operating costs totalled Euro 2,086 thousand, increasing on the same period of 2021 (+Euro 141 thousand). The increase was generated by rising energy costs, only partially offset by lower maintenance costs and reduced COVID-19 management costs.

EBITDA and EBIT

As a result of the developments outlined above, General Aviation business EBITDA for H1 2022 was Euro 6,555 thousand (Euro 5,062 thousand net of state grants).

EBIT in the period was Euro 5,501 thousand (Euro 4,008 thousand net of grants).Amortisation & depreciation were in line with the previous year and no significant provisions for risks and charges were made.

Investments

The main General Aviation business investments in H1 2022 concern the new Hanger X at Linate airport.

RISK MANAGEMENT FRAMEWORK

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

As airport operator, the SEA Group is exposed to a broad spectrum of financial and non-financial risks that could jeopardise the achievement of business strategies, should they occur.

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 group has, in addition, introduced an Enterprise Risk Management (ERM) model in line with leading national and international best practices, for:

- homogeneous and cross-cutting identification/assessment of risks related to the performance of business activities that may be relevant in the context of business sustainability over the medium to long term;
- continuous monitoring of risks to support management's strategic and decision-making choices and assurance for relevant stakeholders.

The main risk factors are presented below.

External risks

External risks, deriving from factors outside of the control of the company, include changes in market conditions due to global socio-political, macroeconomic and competitive dynamics, in airline strategies, in applicable sector legislation and regulations, in passenger preferences, in technological development and climate change, in addition to extraordinary events (earthquakes, pandemics, volcanic eruptions, wars).

Russian invasion of Ukraine

On February 24, 2022, Russian troops invaded Ukraine, escalating military relations between the two countries. The United States, European Union, and other countries around the world imposed sanctions against Russia almost immediately, gradually increasing their severity as the conflict progressed. Of particular note are the closure of airspace and the exclusion of some Russian financial institutions from international payment circuits. These sanctions, to which Russia has reacted in kind, have resulted in an unprecedented international isolation, zeroing traffic between Russia, Belarus, and SEA-operated airports. Energy markets have been significantly affected by the invasion, and the stress on global supply chains – which were already grappling with the pandemic – has worsened dramatically. As a result, the prices of all major commodities have risen steeply, which has had a considerable impact on the SEA Group's existing purchase contracts and those in the process of being finalised.

We cannot rule out the possibility of the current situation persisting until the end of the financial year and beyond, with potentially more severe consequences, should the military invasion or sanctions worsen.

Air traffic development

COVID-19 outbreak

The first six months of 2022 – which began with the worrying spread of new "variants" of the original SARS-CoV-2 virus – saw a marked recovery in traffic handled at the two airports (+88% on June 2019).

Uncertainty continues to surround the potential emergence of new variants, which could hinder or slow down the recovery of traffic to pre-pandemic levels, particularly with regard to long-haul flights.

Brexit

The United Kingdom's exit from the European Union on January 31, 2020 was followed by a transition period during which a transition agreement was concluded: the EU-UK Trade and Cooperation Agreement, which governs issues relating to traffic rights, airport safety and security, codesharing agreements, protection of passengers' rights and environmental topics.

Since by virtue of Ministerial Decree No. 15 of March 3, 2000 (the "Bersani Decree") and subsequent amendments, flights to and from non-EU destinations cannot be operated from Linate airport, starting from October 31, 2022 (extension of the "transitional period"), the United Kingdom will no longer be served by Forlanini in the absence of further regulatory measures.

This event could lead to a redistribution of routes between Linate and Malpensa which is altogether negative for the Group due to the reduction in traffic caused by the cancellation of activities at Linate and the rationalisation of flights at Malpensa.

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 flights 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.

The crisis situation generated by the spread of COVID-19 and the consequent collapse in air traffic levels have put many airlines under serious financial strain. Several national legacy carriers have benefited from public bailout interventions while others remain in difficulty. The default of one or more airlines operating out of the Group's airports could have a negative impact on traffic recovery.

SEA closely monitors the economic-financial situation of carriers operating at both airports, with the aim of identifying potentially critical situations in advance and intervening promptly to minimise the Group's exposure to a default event.

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, concession rules and Bilateral Agreements between States, 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, health, 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.

In particular, the new binding provisions on environmental policies in application of the "European Green Deal" and "Fit for 55" package adopted by the European Commission may impact costs in the air transport sector and lead to a reduction in traffic and/or profitability.

The SEA Group is committed on many fronts to sustainability, having implemented direct and indirect initiatives to reduce emissions, in line with the airport sector's best practices. SEA formalised this commitment in its Sustainability Plan, which was approved in December 2022

In the first half of 2022, the Group announced its first "sustainability-linked" financing operation, the conditions of which are linked to the achievement by both airports of the highest level of ACI Europe's Airport Carbon Accreditation certification (ACA4+).

New tariff models

With Resolution No. 42/2022, the Transport Regulation Authority launched the procedure for revising the current airport fee regulation models. The deadline for concluding the procedure is set for September 30, 2022. There is still some uncertainty surrounding the models themselves and the timeline for their implementation, which could impact the Group's future economics.

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.

These factors may affect short to long term performance.

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. In particular, the ongoing COVID-19 pandemic means that we cannot discount the possibility of a new wave of infections occurring, which would once again result in a total or partial freeze of airport activities as a measure to contain the spread of the virus. The beginning of summer 2022 saw several airlines and airport managers grapple with disruptions to operations due to a shortage of skilled labour following higher-than-expected traffic levels and ongoing employee strikes. At SEA-managed airports, the situation inconvenienced passengers due to flight cancellations by airlines and longer-than-average waiting times at security following staff shortages and unexpected traffic levels. This situation could continue until the end of the 2022 summer season and there is a risk that operating difficulties (delays, cancellations, and lost luggage) at other European airports could affect Linate and Malpensa.

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.).

Infrastructure investment

The new Malpensa Master Plan has received technical approval from ENAC, while the process for approving the Environmental Impact Assessment (EIA) was initiated in 2019. As the Master Plan involves part of the Ticino Park area whose transformation may have potential environmental and economic impacts on the surrounding municipalities, the Group has focused strongly on the local communities in designing the project. Its approval is key to the Group's medium-to-long-term development and the connectivity of the region.

A Memorandum of Understanding was signed by SEA, the Lombardy Region, ENAC, and municipalities in the airport basin in June 2022, with the aim of defining a series of actions to ensure airport development remains balanced with attempts to protect the environment, the wellbeing of local residents, and the region's social and economic development.

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, as formalised in the Safety Management System Manual.

Information Technology

The increasing aggressiveness and pervasiveness of cyber-attacks on a global level, also following the escalation of the Russia-Ukraine conflict, and new Digital Transformation technology initiatives involving the SEA Group may, by their particularly critical nature, increase the risk of vulnerability of airport information and technology systems.

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, and has defined a Cyber Risk procedure to monitor all corporate technical and behavioural security issues.

Compliance activities also continued in the first half of 2022 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.

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.

As a result of the spread of COVID-19, the credit risk exposure extended to non-aviation customers and most operators of the Malpensa and Linate airport system who had to stop their operations during the lockdown and reduce it due to the collapse in demand.

The company has carefully managed each critical situation, defining and signing payment plans with airlines and operators in order to contain as much as possible non-payments and support customers in times of difficulty.

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).

Liquidity risk

Liquidity risk for the SEA Group arises where the financial resources available are not sufficient to meet 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 liquidity risk. Specifically, the SEA Group:

- centrally monitors and manages, under the control of the Group Treasury, the financial resources available, in order to ensure an efficient management of these resources, also in forward budgeting terms;
- maintains adequate liquidity in treasury current accounts;
- obtains committed credit lines (revolving and non), which covers the financial commitments of the Group in the coming 24 months deriving from the investment plans and contractual debt repayments;
- monitors the liquidity position, in relation to the business planning.

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

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 JUNE 30, 2022

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 definition of conclusions is scheduled for March 2023.

Whilst considering the possible risk, the Directors of the Parent Company did not apply specific provisions in view of the above observations. For the purposes of possible provisions, any negative developments, which to-date are neither predictable nor definable, will undergo a consistent assessment on the outcome of the additional and more in-depth technical assessments that are underway.

Action brought by Emilio Noseda before the Court of Buenos Aires

In 2005, an action was filed against SEA by Mr. Emilio Noseda before the Court of Buenos Aires to compel fulfilment of alleged commitments made in 1997 by SEA to Delta Group S.A., a Uruguayan company of which Mr. Noseda had been legal representative. Delta Group S.A. supported SEA's tender for the Argentine airports concession.

Mr. Noseda, as assignee of Delta Group's rights, sought a judgement ordering SEA to:

- transfer 2% of the shares of AA2000 against payment of their current market value;
- compensate Delta Group for the loss of chance it sustained because it was unable to resell the shares during the time when their value was greater than the price then paid (USD 2 million). No damage amount was specified;
- compensate Delta Group for the expected profit that failed to materialise because Delta Group was not awarded concessions at three Argentine airports. No damage amount was specified.

Once the evidentiary stage of the trial had ended, we awaited the announcement of the judgement. A new judge was appointed. Noseda requested legal aid, which was granted. SEA then proposed a settlement in the amount of USD 500,000 which was rejected. Noseda demanded the amount of USD 3.5 million plus court costs.

On December 30, 2016 Commercial Court No. 2 of Buenos Aires entered judgment, which was served on February 2, 2017, dismissing Mr. Noseda's action to compel fulfilment of the aforesaid commitments made in 1997, and ordering him to pay court costs. Mr. Noseda appealed against the judgment. The case is now waiting to be transferred to the Court of Appeal and will remain suspended pending the appearance in court of the heirs of one of the third parties summoned by the court. In addition, the Argentine courts have been closed for six months due to the pandemic.

The case was sent to the Court of Appeal and the appellant filed its appeal. On December 14, 2021, the Buenos Aires Court of Appeal upheld the first instance ruling, rejecting in full the claims made by Mr Noseda/the Delta Group. The appeal court judgement, which ruled in favour of SEA, has since become final; the legal and related expenses have not yet been allocated, but the Buenos Aires Court could publish its opinion by the end of July 2022.

In its financial statements, SEA posted an adequate amount as a provision for risks and charges to cover the risk.

Ruling on fees for fire-fighting services

The law of December 27, 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 November 29, 2008, introduced with the Conversion Act of January 28, 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.

An appeal of the above judgement by the losing parties is currently awaited.

Report from the Energy Services Operator as a result of an audit of the green certificates for district heating at the Linate power plant

In 2013, SEA Energia filed appeal No. RGN 5811/13 with the Lazio Regional Administrative Court in order to obtain the cancellation of the measures with which the Electricity Services Operator rejected the application for recognition of the High Yield Cogeneration qualification of the Malpensa plant for the year 2011. During April 2019, following notice from the Lazio Regional Administrative Court of the five-year expiry of the above appeal, SEA Energia expressed its interest in continuing the case by filing a new request for a hearing on April 20, 2019.

Two appeals were filed in 2017 (no. RG 4010/2017 and 1919/2017 respectively) in order to annul the measures with which the Electricity Services Operator rejected the application for recognition of green certificates for the production of the Linate plant in 2015, in relation to which no news has emerged following the filing of additional grounds in July 2017.

Both judgements are awaiting the setting of oral hearings.

The Company has allocated adequate provisions regarding these disputes.

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 judgment 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.

SEA on June 9, 2017 filed at the Court of Appeal: A response and a cross-appeal. The fixing of the hearing is currently being awaited.

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 (i) in a case unrelated to those in question, 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.

Bankruptcy of Ernest S.p.A. and consequent revocatory bankruptcy action

Following the carrier's declaration of bankruptcy with the Court of Milan with judgement No. 556/2020 of November 23, 2020, SEA was implicated in the bankruptcy proceedings. On June 9, 2021, the statement of affairs was filed, showing that SEA was liable for the full amount, excluding the recognition of privilege. In April, a notice was received from the bankruptcy administrator requesting reimbursement of the payments made by the bankrupt party in the "suspect period", which amounted to Euro 1,005,018.68. This request was rejected in its entirety and SEA contested the lack of proof of the existence of objective and subjective elements, i.e., knowledge of the debtor's insolvency in terms of revocation pursuant to Article 67, Paragraph 2 of the Bankruptcy Law. In June 2022, SEA was served with a summons to annul the above payments.

The bankruptcy curator also served SEA with a claim for damages due to the impact of a bird strike on one of its aircraft, for a total claimed amount of Euro 1.4 million, plus interest. In the latter case, SEA appeared before the court and requested that the insurer be held harmless for all damages for which it was ordered to pay the bankrupt party.

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, SEA received service of an assessment notice for 2011 concerning the VAT profiles in the matter. An appeal was filed against the assessment at the Provincial Tax Commission of Milan, which ruled in favour of the Tax Agency. On December 11, 2017, judgment No. 6835/2017 was filed, against which an appeal was lodged with the Lombardy Regional Tax Commission. On June 27, 2019, the Regional Tax Commission filed ruling No. 2776/2019 fully in favour of the company, by which the reasons for the appeal were accepted and the 2011 VAT Assessment Notice was cancelled. The ruling of the Regional Tax Commission was further challenged by the Tax Agency, which, on January 30, 2020, notified the company of its filing with the Court of Appeal. On August 9, 2017 the Tax Agency served four more assessment notices in respect of the subsequent years from 2012 to 2015. Reiterating its view that the tax claim in question was baseless, the Company, as it had done in reference to 2011, filed separate appeals against each notice with the Provincial Tax Commission. After the proceedings were joined, these appeals were then rejected with judgement no. 3573/12/2018. An appeal was filed with the Regional Tax Commission against this judgement, which was discussed on October 26, 2020 with a favourable outcome for the Company and the consequent nullification of the VAT Assessment Notices for the years from 2012 to 2015 as a result of judgement no. 2527/2020. With regard to the aforementioned judgement, and as in 2011, the Tax Agency filed an appeal at the Court of Cassation on May 3, 2021. The hearing should have been held on January 13, 2022, pursuant to the Decree issued by the President of the Sixth Civil Section on December 7, 2021. Following the Interim Order of the Sixth Section of the Court of Cassation, filed on the same date, the case was referred to the Fifth Section for review at a public hearing instead of in Chambers, as originally scheduled. As such, the parties must now wait for the case to be placed on the judges calendar before receiving a date for the next discussion. On the other hand, we are waiting for a hearing to be fixed before the Supreme Court for the appeal concerning 2011.

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 judgments 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, with the exception of Lombardy Regional Tax Commission judgements No. 1167/2020 and No. 1168/2020, against which an appeal has been filed with the Court of Cassation to amend and consequently nullify the judgements. With the Decrees fixing hearings in Chambers on April 14, 2022 and April 29, 2022, the Sixth Section of the Court of Cassation set dates for the two appeals on May 10, 2022 and May 25, 2022 respectively. At the same time, it considered the possibility of settling the judgement pending on both of the Lombardy Regional Administrative Court judgements, on the basis of a proposal presented by the Judge Rapporteur, according to which the appeals filed by the Company were to be fully accepted due to the evident merits of the second ground of appeal. We are currently waiting for the Supreme Court to file the relevant judgments.

Finally, with specific reference to the independent litigation relating to the appeal filed against settlement notice 2017/003/SC/3378/0/002 (the Swiss Air Judgement), we note that on June 14, 2021, Milan's Provincial Tax Commission filed judgement No. 2591/2021, once again fully in favour of the Company, against which the Tax Authority filed a Notice of Appeal with the Regional Tax Commission of Lombardy in December. On May 16, 2022, Lombardy Regional Tax Commission issued judgement no. 2081/2022, filed on May 23, 2022, whereby the Judges of the first chamber rejected the appeal filed by the Tax Agency and upheld the defending arguments presented by the Company, thus resulting in a fully successful outcome. The Tax Agency is permitted to lodge an appeal with the Court of Cassation against the judgment by the legal deadline.

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 Art. 2, paragraph 2 of Decree-Law No. 347/2003 ("Alitalia in Extraordinary Administration Procedure 2017" or "Alitalia Procedure"). With the application for admittance to liabilities sent to the Administrators on December 5, 2017 (Registry No. 06275), SEA requested admittance to Alitalia's liabilities for the total amount of Euro 41,050,979.58. Following admittance to liabilities, SEA S.p.A. received payments from Alitalia in Extraordinary Administration amounting to a total of Euro 9,530,245.37 relating to pre-deducted receivables post-May 2 (originally amounting to Euro 9,622,397.82 Euro). Therefore, receivables admitted to pre-deduction amounted to Euro 92,152.45 at July 13, 2021, of which Euro 23,822.50 were for additional rights and Euro 68,329.95 for various invoices. By means of the communication of February 7, 2018, the Administrators informed creditors that they had filed a request with the Court of Civitavecchia to split the statement of liabilities, starting with an examination of the section for workers and, at the same time, scheduling a series of hearings in which to verify the proof of debt. 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 additional fees and Euro 71,227.30 relating to various invoices, subject to dispute. SEA has decided not to file observations on this proposal and, already at December 31, 2017, had set aside Euro 25,252 thousand as doubtful debt provision (referring to the existing receivables prior to May 2, 2017), for which there is currently no guarantee on collection. 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. The start of expert appraisals was fixed for January 7, and 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. The draft statement of liabilities was filed on November 4, 2021, and we are currently waiting for a hearing to be set to check SEA's receivable. It should be noted that lodged claims also include surtaxes on boarding fees amounting to Euro 6,173 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.

Summons received by SEA in May 2020 from Alitalia Società Aerea Italiana S.p.A. in Extraordinary Administration

On April 30, 2020, Alitalia - Società Aerea Italiana S.p.A. in Extraordinary Administration ("Alitalia" or the "Procedure") issued a writ of summons to the Court of Civitavecchia with which, pursuant to Article 67, paragraphs 2 and 3, letter a) of the Bankruptcy Law, it requested the revocation, and therefore the declaration of invalidity as a result of insolvency proceedings, of all payments made outside the terms of use, since these were payments of cash debts and receivables made to SEA by Alitalia in the six months before its administration proceedings began, and therefore while it was still solvent. The writ stipulates that SEA return and therefore pay to Alitalia the sum of Euro 27,216,138.04.

During proceedings, the parties entered into discussion with a view to reaching a settlement that would also cover other unresolved disputes between the two companies, including the payment of Alitalia's overdue debts to SEA.

As a result, on July 14, 2022, a settlement was formalised, whereby the parties mutually waived the existing legal action described above, which, upon receipt of the consequent order from the competent Judge, is to be considered definitively resolved.

OTHER INFORMATION

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, including during the pandemic.

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.

Service quality management

SEA has equipped itself with a quality system, which allows the Group to make choices regarding the revision of processes and the implementation of new services. The experience gained by SEA over the years has equipped it with the means to tackle the pandemic with a more mature awareness of the objectives and an effective use of the tools required to understand and anticipate the changing needs of passengers. In addition, with a view to continuous improvement, SEA is always very attentive to passenger needs. The Group employs listening tools to better understand the various types of passengers so that it can anticipate their needs and provide a better customer experience.

The management of service quality is guaranteed through an intricate system that includes:

- the measurement of perceived quality, through interviews with a statistically significant sample of departing and arriving passengers and through specific survey methods, including online surveys;
- the measurement of quality provided, through specific indicators relating to primary operational services;
- 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, which ensure the concrete application of methodologies for the effective and efficient management of airport processes and services.

During the first half of 2022, the aforementioned Quality Management System activities resumed at full pace after a slowdown in previous years due to contingent factors related to the pandemic.

The results of the interviews conducted by a leading market research body in the first half of 2022 were positive, despite the fact that COVID-related constraints were still in place during the reporting period.

In line with the above, positive results were also recorded on the matter of real-time passenger satisfaction with individual services, which was measured via the use of touchless totems stationed throughout the terminals at Linate and Malpensa airports.

Due to its commitment to continuously improve its service levels, SEA also compares itself with best international practices and adopts an approach which targets collaboration and comparison so that it can identify the most important passenger expectations, with a view to launching new services that enhance the passenger experience. The overall assessment of Milan's airports is in line with the positive trends recorded at European and Italian level, and has improved compared to the overall average for 2021. Passengers particularly appreciated the services offered at Linate. At both airports the entire experience and the feeling of comfort created by the large, bright spaces was received very positively, as was the courtesy of the staff working in all airport services. In addition, the retail areas (shops and restaurants) at Linate and Malpensa airports are particularly popular. This confirms the expected impact of Linate's new layout and the expansion of retail offerings for various passengers' categories.

During the first half of the year, the 2022 edition of the Service Charter was drawn up, which sets out the majority of objective controls and surveys, in accordance with the regulations enforced by the Italian Civil Aviation Authority (ENAC). A quality plan was also drawn up and formalised for ENAC as part of an attempt to define the SEA/ENAC Regulatory Agreement for the 2022-2026 tariff period. During H1, meetings held by the Committee to discuss the regularity and quality of airport services – which are attended by all airport managers, including ENAC – resumed on a quarterly basis. Quality data are shared with specific working groups within the company to identify appropriate improvement actions.

The environmental dimension

The SEA Group is committed to combining the fundamental value of protecting our environmental heritage with development. In 2020 and 2021, the pandemic forced the Group to reshape both its strategy and planned interventions, but it did not affect their validity. The airport business environmental and energy policy was revised in 2019 in order to integrate the renewed commitment of SEA to address sustainability over the coming years through the adoption of the guidelines identified by the European air transport industry and was incorporated into the company Sustainability Plan in 2021. SEA thus reaffirmed its commitment to combining the fundamental value of protecting our environmental heritage with the development of company processes.

Airport Carbon Accreditation and Carbon Neutrality of the Milan airports

In 2021, both SEA airports were awarded ACA Level 4+ certification[3] based on a 2030[4] emissions reduction target that is in line with a maximum temperature increase of +2°C.

The new level 4 certification involves an audit by a third-party certification body every three years, meaning that the current certification is valid until June 11, 2024, for both airports.

In the years between audits, SEA must fulfil its commitments, as defined in the Carbon Management Plan, to reduce the absolute value of its direct emissions (scope 1 and scope 2).

Environmental management processes

With reference to the Linate Master Plan 2030, the EIA procedure was successfully completed with the publication of the Environment Compatibility Provision, a decree issued by the Ministry of the Environment, together with the Ministry of Cultural Heritage and Activities and Tourism. Following subsequent publication in the Official Gazette of the Italian Republic, it was agreed with ENAC to introduce the procedures for the launch of the Service Conference necessary to achieve urban compliance, which was successfully held on July 12, 2021. Prior to the start of the Service Conference, several meetings were held with the Lombardy Region to reach an agreement on the subject of compliance with the requirements of DecVIA 348/2019. The Decree also provided for the start of joint activities to draw up a Regional Agreement, which is expected to be concluded by 2022.

With regard to the New Malpensa Master Plan 2035, ENAC approved the Technical Report in December 2019 and on the basis of this document the SIA (Environmental Impact Study) sent to ENAC on March 6, 2020 was drawn up. It was then agreed with the body to start the Environmental Impact Assessment procedure on June 26, 2020. The formal launch of the procedure was accompanied by the initial meetings to illustrate the main content to the bodies with greatest involvement (Municipalities of the CUV, Lombardy Region, Ticino Regional Park). Between September and December 2020, SEA received comments, requests for clarification and additions from local entities and private parties. These were formally submitted on 19 April 2021 and SEA responded to these on 11 November 2021. At the current time, it is confirmed that the EIA process may close by the end of 2022.

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[3] 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.

[4] Scope 1 – Direct emissions: emissions associated with sources owned or under the control of the company.

Scope 2 – Indirect emissions: Emission associated with the generation of electricity or thermal energy acquired or consumed by the company, which is physically emitted within the corporate scope.

Scope 3 – Third-Party Emissions: emissions that are under the control of third parties and are associated with the generation of electrical or thermal energy due to the airport's flight activities, specifically aircraft landing - take off cycles and airport accessibility (transport to and from the airport).

Net Zero - The Intergovernmental Panel on Climate Change (IPCC) has defined "net zero emissions" as a situation where anthropogenic CO_2 emissions are balanced globally by anthropogenic CO_2 removals over a specified period. Airports must therefore aim to reduce their absolute emissions as much as possible and neutralise residual emissions by investing in CO_2 removal and storage.

Environmental protection

With regard to the regulatory matter of mitigation for homes surrounding Linate, during 2021, technical specifications were finalised in order to assign preparation of the noise containment action plan pursuant to Ministerial Decree 29/11/00. This Plan will be completed by 2022, as the start of the bidding process has been delayed due to work slowdowns caused by the COVID-19 pandemic. Once complete, the Plan must then be forwarded to the Ministry of the Environment for approval. The sensitive receptors mapping plan mentioned for Linate will also be prepared at a later date for the Malpensa area too, with the same purpose but following completion of the current acoustic zoning definition process (in February 2021 the Airport Commission approved the reference acoustic footprint and it is expected that the zoning agreed with local administrations will also be approved by the Airport Commission by June 2022) and any requirements that may arise from the EIA procedure underway for the new Master Plan 2035.

European project

SEA constantly monitors the possibility of joining projects promoted by national and international institutions to work on issues of interest in various fields, such as environment, infrastructure, security, and airport safety.

Activities related to the following projects are ongoing under the Horizon 2020 programme:

- ClimOp: Climate assessment of innovative mitigation strategies towards Operational improvements in Aviation. The project will last 42 months and has an official start date of January 1, 2020.
- ORCHESTRA: the project, begun in May 2021 for a duration of 36 months, 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.
- OLGA: the project, coordinated by Aéroports de Paris (AdP), brings together 42 partners, including SEA, in a diverse consortium of airports large and small, airlines, industrial organisations, researchers, and small and medium enterprises, with the goal of facilitating the transition towards low-emission mobility and a society that is resilient to climate change. It falls within the scope of a broader plan by which Europe is striving to become the first climate-neutral continent.

Under the CEF (Connecting Europe Facilities) programme, activities related to the following projects are ongoing:

- FENIX: beginning in April 2019, a 36-month project, for which an extension was requested, engaging stakeholders in the field of logistics in the collaborative planning and monitoring of various scenarios and contexts relating to trans-European transport, telecommunications and energy networks.
- Milan East Hub Gate: Work began on March 1, 2020, and will be completed by June 2022. The partnership, in partnership with the Municipality of Milan, the Municipality of Segrate, and RFI, relating to the technical and economic feasibility of a new Segrate train station and the extension of the M4 underground line to connect Milan Linate airport to the new high-speed Segrate station.

Within the framework of the SESAR - S3JU Project – which focuses on improving the cost, capacity, safety, and environmental impact of air traffic management – SEA expressed its interest in participating in calls for tenders related to the following topics:

- Digitisation procedures and use of biometrics at airports, with a special focus on FaceBoarding projects;
- Extension of the AOP (Airport Operations Plan) currently under development at Malpensa to Milan Linate airport, as per recent European legislation.

Human resource management

Workforce

At June 30, 2022, SEA Group employees numbered 2,774, increasing by 92 on the end of 2021 (+3.4%). The total number of Full-time equivalent employees in the first half of 2022 compared to the full year 2021 decreased 46 from 2,657 to 2,611 (-1.7%).

Females at the SEA Group represented 30% of the Headcount at June 30, 2022, equally distributed across categories.

Organisation

Two important organisational changes were made during the first half of 2022. Operations at the Group subsidiary Airport ICT Services S.r.l. commenced, and SEA's "non-business-specific" ICT activities were transferred to the new company. A Legal and Corporate Affairs Department was also established.

Training

In line with previous efforts, training activities focused on initiatives to improve employee skills in the first half of 2022. Projects included:

- Innovation journey, which seeks to make SEA staff aware of the importance of sharing quality system data as a main driver for continuously improving passenger experience;
- GDPR training - concerning the corporate privacy system and privacy updates;
- Conclusion of the first phase of the Diversity & Inclusion initiative with the presentation of 7 diversity and inclusion projects, three of which are currently being implemented.

The following initiatives were launched in H1 2022 with regard to the mandatory training required by current regulations:

- administrative staff were trained on the organisation and management model as per Legislative Decree No. 231/2001;
- an online course was created to provide information on risks to SEA Group Smartworkers once a year

Welfare

The planning of corporate welfare initiatives – which began with an analysis of what was on offer in 2021 – revealed that 71% of workers benefited from the corporate welfare programme, down from 2020. In line with SEA's strategies to simplify and optimise its business processes, some welfare initiatives were digitised.

The main initiatives to be rolled out or reintroduced during the first half of 2022 were:

- Merit scholarships;
- ATM and TRENORD season tickets;
- Social Services at Work;
- Fuel vouchers pursuant to Decree 21/2002.

Internal communication

During the first half of 2022, the Group engaged in internal communication activities to support two "SEA for Ukraine" initiatives: a humanitarian mission involving SEA vehicles and employees, in cooperation with the Fondazione Progetto Arca, and a food collection project at the two airports, in cooperation with DHL and Banco Alimentare.

Industrial relations

In the first half of 2022, constant discussions continued with the Trade Unions on both operational issues and those closely related to the management of the COVID-19 crisis (application of the temporary lay-off scheme (CGIS), operational provisions, and redefinition of COVID protocols, etc.).

On January 20, 2022, the failure to reach an agreement was formalised between SEA and trade unions on the matter of transferring SEA's "non-business specific" ICT department to AIS.

On April 20, 2022, an agreement was signed between SEA and the trade unions, giving a maximum of 10 AIS employees the option to terminate their employment by December 31, 2022, in line with the agreements already signed by SEA.

At the start of the summer season, trade unions were informed about the actions to be put in place to cope with the increase in traffic. Specifically, a number of resource efficiency projects were presented, as were placement plans for staff working in the main operating areas (PRM, Drivers, BHS, Maintenance).

Occupational health and safety

In H1 2022, the Occupational Health and Safety Management System, which is ISO 45001:2018 certified, was monitored by way of internal audits, audits of the (retail and non-retail) sub-concessionaires, and safety walks.

In particular, starting in February, the organisation of surveillance and operational monitoring activities performed on site (safety walks) was reviewed and the continuation of the COVID-19 initiative was agreed, in line with the two-year period from 2020 to 2021. The initiative seeks to verify the adequacy of the measures put in place by SEA to combat COVID-19, in compliance with the Health Operations Protocols and Company Protocol concerning passenger management services in terminals, on aprons, and in working environments.

The critical issues are analysed and plans to implement corrective actions to reduce and monitor occupational health and safety risks are shared and discussed with the heads of the departments involved.

With regard to fire prevention, the planning of evacuation and emergency drills for Malpensa and Linate airports was ramped up during the first half of 2022. The tests and drills carried out in H1 yielded positive results in terms of knowledge of the emergency management plan, the procedures in place, timing, and responsiveness; All anomalies and discrepancies that emerged during fire-fighting inspections, document checks, retail/non-retail audits, and evacuation evidence were managed and reported in the Fire Fighting Register.

The Inter-company Prevention and Protection Service has also:

- updated the Risk Assessment Documents:
- provision of technical support to the various company functions that manage outsourced activities in the preparation and updating of the Single Interference Risk Assessment Document pursuant to Article 26 of Legislative Decree No. 81/08;
- assist the divisions tasked with drafting the documentation requested by the control bodies concerning investigations into work-related injuries or cases of work-related ill health;
- run an air quality assessment campaign at Linate and Malpensa. The team involved in the outdoor monitoring of airborne micropollutants completed the data collection started the previous autumn with outdoor and microbiological monitoring. The results will be made available in the second half of the year;
- conclude the Radon campaign initiated in 2021 at SEA airports. The results achieved at the beginning of 2022 confirm the suitability of the assessed environments, with values well within the limits;
- update the online course on safeguarding the health and safety of people working from home, with a focus on the risks identified and the cooperation of remote workers in implementing prevention measures by adopting behaviours that do not expose them to such risks;
- update the list of Safety Officers and Managers, in line with the changes introduced to Legislative Decree No. 81/08 by Law 215/2021.

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, DTL-Local Directorate of Labour), and from time to time they support the corporate functions involved.

Certified radioprotection experts continued with employee safety monitoring activities through the use of specific environmental and personal dosimeters measuring ionizing radiation related to the transit of radioactive packages, and through instrumental testing of the x-ray equipment present and in use by SEA personnel.

CORPORATE GOVERNANCE SYSTEM

This section contains, among other issues, the information required by Article 123-bis, paragraph 2, letter b) of Legislative Decree No. 58 of February 24, 1998 ("CFA"). The company, not having issued shares admitted to trading on regulated markets or on multilateral trading systems, avails of the option under paragraph 5 of Article 123-bis of the CFA to not publish the information required of paragraphs 1 and 2 of Article 123-bis of the law, except for that required by the above-stated paragraph 2, letter b).

The Corporate Governance System of Società per azioni Esercizi Aeroportuali S.E.A. involves a set of rules which meet applicable legal and regulatory requirements. The Corporate Governance system of the company is based on the traditional administration and control model as per Articles 2380-bis and subsequent of the Civil Code, therefore with two corporate boards appointed by the Shareholders' Meeting – the Board of Directors, which undertakes the management of the Company, and the Board of Statutory Auditors, which is required to ensure financial control, together with the Shareholders' Meeting itself, which represents the common interests of Shareholders.

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"). Although compliance with the Code is voluntary, SEA applies part of the recommendations in order to ensure an effective corporate governance system which appropriately assigns responsibilities and powers and supports a correct balance between management and control.

The Company therefore annually prepares on a voluntary basis 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

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

The Board of Directors of SEA has set up internally two Committees established under the Code undertaking proposing and consultation functions for the Board of Directors (the Control, Risks and Sustainability Committee and the Remuneration and Appointments Committee). The Committees comprise non-executive Directors, the majority of whom independent. The prerogatives of the Committees are established by motions of the Board of Directors, based on the recommendations and principles of the Code; at the Committee meetings minutes are prepared and maintained by the Company.

The Shareholders' Meeting is the body that, through its resolutions, expresses the shareholders wishes. The Shareholders' Meeting approves the most important decisions of the Company, among which, the appointment of the Corporate Boards, the approval of the financial statements, and any changes to the Company By-laws.

The Board of Directors is vested with the broadest powers for the management of the company, with the right to carry out all actions deemed opportune for the implementation and achievement of corporate purposes, excluding only those that legislation and the corporate by-laws reserve for the Shareholders' Meeting. The Board of Statutory Auditors is the company's Control Board. The Board of Statutory Auditors verifies compliance with law and the By-Laws and the principles of correct administration and in particular on the adequacy of the administration and accounting organisation adopted by the Company and on its correct functioning. The accounting control functions are assigned to the Independent Audit Firm appointed by the Shareholders' Meeting.

The Shareholders' Meeting thus appointed a seven-member Board of Directors on May 3, 2022, with a term of office ending with the approval of the 2024 Annual Accounts.

The Board of Statutory Auditors in office at the date of the present report was appointed by the Shareholders' Meeting of May 3, 2022 in accordance with the Company By-laws and remains in office until the approval of the 2024 Annual Accounts.

The Internal Control and Risk Management System is based on the recommendations of the Code and applicable best practice.

The Corporate Governance System of SEA also involves procedures governing the activities of the various company departments, which are consistently subject to verification and updating in line with regulatory developments and altered operating practices.

INTERNAL CONTROL AND RISK MANAGEMENT SYSTEM

Introduction

The Internal Control and Risk Management System is represented by the set of instruments, rules, procedures and corporate organisational structures to ensure compliance with regulatory provisions, the By-Laws, reliable and accurate financial reporting and the safeguarding of corporate assets in line with the corporate objectives defined by the Board of Directors. The latter is responsible for the Internal Control and Risk Management System which - on the basis of information provided to the Chairperson and to the Control, Risks and Sustainability Committee by the departments/bodies responsible for internal control and the management of business risks - establishes the guidelines, verifies their suitability and effective functioning and ensures the identification and correct management of the main business risks.

The procedures and organisation subject to the Internal Control and Risk Management System seek to ensure that:

- compliance with the laws, regulations, By-Laws and policies;
- the safeguarding of the company's assets;
- the efficiency and effectiveness of the business processes;
- the reliability of financial disclosure.

The Internal Control and Risk Management System applies the Enterprise Risk Management (ERM) model as best practice for the identification, assessment and monitoring of business risks, support for the management's strategic and decision-making choices, and assurance for stakeholders. 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 and is responsible for the definition and implementation of identified mitigation plans.

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 described Internal Control and Risk Management System's components 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. The SEA Board of Directors has not appointed an Executive Director responsible for overseeing the functionality of the Internal Control and Risk Management System.

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 June 30, 2022, is composed of Directors Pierfrancesco Barletta (Committee Chairperson), Luciana Rovelli, and Daniela Mainini.

The Committee performs 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 Control, Risks and Sustainability 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 functionality of the Internal Control and Risk Management System is entrusted to the Internal Audit Department. The Internal Audit Manager reports to the Board of Directors and its Chairperson; he/she is not responsible for any operational area and does not hierarchically report to any manager responsible for operational areas, including the administration and finance areas. The Internal Audit Manager audits the functionality and suitability of the internal control and risk management system and compliance with internal procedures issued for this purpose. 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. Similarly, the SEA Internal Audit Department reports hierarchically to the Board of Directors and its Chairperson. The Internal Audit 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

Deloitte & Touche S.p.A. 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 conferred by the Shareholders' Meeting on June 24, 2013 and extended to financial year 2022 by the Shareholders' Meeting of May 4, 2016. 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 June 30, 2022, is composed of four members: two external independent members, Giovanni Maria Garegnani and Antonella Apicella, one Non-Executive Independent director, Daniela Mainini, and Auditing Director, Rossella De Bartolomeo.

On June 20, 2022, the Supervisory Board appointed Giovanni Maria Garegnani as Chairperson.

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 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 as per Leg. Decree 231/2001

SEA has adopted an Organisation and Management Model pursuant to Legislative Decree No. 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.

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 February 22, 2018.

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.

Ethics Code

The Code of Conduct, 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 Conduct 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.

Anti-Corruption Focal Point

Since 2014, the company has an appointed an anti-corruption officer 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 Management System for the Prevention of Corruption, 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 2024 following an external audit.

Diversity policies

The obligations of article 123(a), 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 which we now outline below.

SEA's By-Laws, in compliance with the legislative provisions, comprehensively cover gender diversity within the Board of Directors and Board of Statutory Auditors.

SEA GROUP – CONDENSED CONSOLIDATED HALF-YEAR FINANCIAL STATEMENTS

SEA Group Condensed Consolidated Half-Year Financial Statements

CONSOLIDATED FINANCIAL STATEMENTS

CONSOLIDATED STATEMENT OF FINANCIAL POSITION

		June 30, 2022		December 31, 2021	
(Euro thousands)	Note	Total	of which related parties	Total	of which related parties
Intangible assets	8.1	937,840		945,659	
Property, plant & equipment	8.2	142,148		146,556	
Leased assets right-of-use	8.3	14,900		12,996	
Investment property	8.4	3,400		3,401	
Investments in associates	8.5	73,824		65,745	
Other investments	8.6	1		1	
Deferred tax assets	8.7	112,966		118,132	
Other non-current receivables	8.8	52,408		52,408	
Total non-current assets (A)		**1,337,487**	**0**	**1,344,898**	**0**
Inventories	8.9	1,804		1,738	
Trade receivables	8.10	141,429	15,838	95,928	12,188
Tax receivables	8.11	1,222		794	
Other current receivables	8.11	7,161		4,961	
Current financial receivables	8.12	34,028	34,028	20,542	20,542
Cash and cash equivalents	8.13	119,333		134,173	
Total current assets (B)		**304,977**	**49,866**	**258,136**	**32,730**
Assets held-for-sale and discontinued operations (C)	6.1	**38,053**		**47,512**	
TOTAL ASSETS (A+B+C)		**1,680,517**	**49,866**	**1,650,546**	**32,730**
Share capital	8.14	27,500		27,500	
Other reserves	8.14	132,848		203,525	
Group Net Result	8.14	164,028		(75,119)	
Group shareholders' equity		**324,376**		**155,906**	
Minority interest shareholders' equity		**29**		**31**	
Group & Minority int. share. equity (D)	8.14	**324,405**		**155,937**	
Provision for risks and charges	8.15	217,081		213,112	
Employee provisions	8.16	36,815		44,036	
Non-current financial liabilities	8.17	561,334		584,235	
Other non-current payables	8.18	84,736		84,736	
Total non-current liabilities (E)		**899,966**		**926,119**	
Trade payables	8.19	181,874	34,155	145,040	21,877
Income tax payables	8.20	11,080		8,609	
Other payables	8.21	200,404		177,234	
Current financial liabilities	8.17	60,875		225,315	
Total current liabilities (F)		**454,233**	**34,155**	**556,198**	**21,877**
Liabilities related to assets held-for-sale and discontinued operations (G)	6.1	**1,913**		**12,292**	
TOTAL LIABILITIES (E+F+G)		**1,356,112**	**34,155**	**1,494,609**	**21,877**
TOTAL LIAIBILITIES & SHAREHOLDERS' EQUITY (D+E+F+G)		**1,680,517**	**34,155**	**1,650,546**	**21,877**

CONSOLIDATED INCOME STATEMENT

(Euro thousands)	Note	H1 2022 Total	H1 2022 of which related parties	H1 2021 restated Total	H1 2021 restated of which related parties
Operating revenues	9.1	397,426	22,471	103,791	8,913
Revenue for works on assets under concession	9.2	10,844		9,279	
Total revenues		**408,270**	**22,471**	**113,070**	**8,913**
Operating costs					
Personnel costs	9.3	(79,593)		(63,394)	
Consumable materials	9.4	(5,187)		(3,206)	
Other operating costs	9.5	(108,854)		(64,203)	
Costs for works on assets under concession	9.6	(10,232)		(8,544)	
Total operating costs		**(203,866)**	**(51,205)**	**(139,347)**	**(21,384)**
Gross Operating Margin / EBITDA*		**204,404**	**(28,734)**	**(26,277)**	**(12,471)**
Provisions & write-downs	9.7	6,828		(12,887)	
Restoration and replacement provision	9.8	(10,812)		(7,816)	
Amortisation & Depreciation	9.9	(32,522)		(33,523)	
Operating result		**167,898**	**(28,734)**	**(80,503)**	**(12,471)**
Investment income/(charges)	9.10	9,836	9,836	(4,654)	(4,654)
Financial charges	9.11	(8,180)		(12,444)	
Financial income	9.11	304	300	514	360
Pre-tax result		**169,858**	**(18,598)**	**(97,087)**	**(16,765)**
Income taxes	9.12	(6,749)		22,427	
Continuing Operations result (A)		**163,109**	**(18,598)**	**(74,660)**	**(16,765)**
Net result from assets held for sale (B)	6.1/9.13	920		701	
Minority interest profit (C)		1		1	
Group Net Result (A+B-C)		**164,028**	**(18,598)**	**(73,960)**	**(16,765)**
Basic net result per share (in Euro)	9.14	0.66		(0.30)	
Diluted net result per share (in Euro)	9.14	0.66		(0.30)	

In accordance with IFRS 5, the H1 2021 figures were reclassified.

** 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*

CONSOLIDATED COMPREHENSIVE INCOME STATEMENT

(Euro thousands)	H1 2022 Total	H1 2022 of which related parties	H1 2021 restated Total	H1 2021 restated of which related parties
Group Net Result	**164.028**	**(18.598)**	**(73.960)**	**(16.765)**
- Items reclassifiable in future periods to the net result:				
Fair value measurement of derivative financial instruments			844	
Tax effect from fair value measurement of derivative financial instruments			(203)	
Total items reclassifiable, net of tax effect	**0**		**641**	
- Items not reclassifiable in future periods to the net result:				
Actuarial gains/(losses) on post-employment benefits	5,846		626	
Tax effect on actuarial gains/(losses) on post-employment benefits	(1,404)		(150)	
Total items not reclassifiable, net of tax effect	**4,442**		**476**	
Total other comprehensive income items	**4,442**		**1,117**	
Total comprehensive result	**168,470**		**(72,843)**	
Attributable to:				
- Parent company shareholders	168,469		(72,844)	
- Minority interest	1		1	

In accordance with IFRS 5, the H1 2021 figures were reclassified.

CONSOLIDATED CASH FLOW STATEMENT

	H1 2022		H1 2021 restated	
(Euro thousands)	Total	of which related parties	Total	of which related parties
Cash flow from operating activities				
Pre-tax result	169,858		(97,087)	
Adjustments:				
Amortisation, depreciation and write-downs	32,522		33,523	
Net change in provisions (excl. employee provision)	3,969		2,747	
Changes in employee provisions	(1,483)		(1,246)	
Net changes in doubtful debt provision	(6,888)		12,436	
Net financial charges	7,876		11,930	
Investment (income)/charges	(9,836)		4,654	
Other non-cash changes	(920)		(970)	
Cash generated / (absorbed) from operating activities before changes in net working capital of assets held-for-sale and discontinued operations	6,980		2,753	
Cash flow from operating activities before changes in working capital	**202,078**		**(31,260)**	
Change in inventories	(53)		94	
Change in trade and other receivables	(41,699)	(3,650)	(27,651)	707
Change in other non-current assets			1	
Change in trade and other payables	61,050	12,278	5,433	7,814
Cash generated/(absorbed) from changes in working capital of assets held-for-sale and discontinued operations	(15,640)		(3,574)	
Cash flow from changes in working capital	**3,658**	**8,628**	**(25,697)**	**8,521**
Income taxes paid	(1,212)		(740)	
Income taxes paid by assets held-for-sale and discontinued operations	(4,648)		(2)	
Cash flow generated /(absorbed) from operating activities	**199,876**	**8,628**	**(57,699)**	**8,521**
Investments in fixed assets:				
- intangible assets (*)	(15,541)		(10,378)	
- tangible assets and property	(2,661)		(2,517)	
Divestments from fixed assets:				
- tangible assets and intangible	1			
Dividends received	1,757	1,757		
Cash generated/(absorbed) from investing activities of assets held-for-sale and discontinued operations	(170)		(1,703)	
Cash flow generated /(absorbed) from investing activities	**(16,614)**	**1,757**	**(14,598)**	
Change in gross financial debt:				
- increase/(decrease) of short & medium-term debt	(195,064)		(261,833)	
Changes in other financial assets/liabilities	(14,185)	(13,486)	(3,529)	(2,528)
Dividends distributed	(2)		(2)	
Interest and commissions paid	(2,330)		(13,057)	
Interest received	1		153	
Cash generated/(absorbed) from financing activities of assets held-for-sale and discontinued operations	13,479		2,523	
Cash flow generated /(absorbed) from financing activities	**(198,101)**	**(13,486)**	**(275,745)**	**(2,528)**
Increase/(decrease) in cash and cash equivalents	**(14,839)**	**(3,101)**	**(348,042)**	**5,993**
Opening cash and cash equivalents	134,208		588,313	
- of which, cash and cash equivalents included under assets held-for-sale and discontinued operations	35		39	
Cash and cash equivalents at opening reported in the accounts	134,173		588,274	
Closing cash and cash equivalents	119,369		240,271	
- of which, cash and cash equivalents included under assets held-for-sale and discontinued operations	36		36	
Cash and cash equivalents at year-end reported in the accounts	119,333		240,235	

In accordance with IFRS 5, the H1 2021 figures were reclassified.

(*) The investments in intangible assets are net of the utilisation of the restoration provision, which in H1 2022 amounted to Euro 5,720 thousand (Euro 3,950 thousand in H1 2021).

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, 2020	**27,500**	**5,500**		**331,117**	**(3,420)**	**(913)**	**(128,576)**	**231,208**	**28**	**231,236**
Transactions with shareholders										
Allocation of 2020 net result			(120,367)	(8,209)			128,576	0		0
Other movements										
Other comprehensive income statement items result					(1,096)	913		(183)		(183)
Net result							(75,119)	(75,119)	3	(75,116)
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					4,442			4,442		4,442
Net result							164,028	164,028	1	164,029
Balance at June 30, 2022	**27,500**	**5,500**	**(120,367)**	**247,789**	**(74)**	**0**	**164,028**	**324,376**	**29**	**324,405**

NOTES TO THE CONDENSED CONSOLIDATED HALF-YEAR 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).

The SEA Group, through the company SEA Energia, produces electric and thermal energy both to serve the requirements of its airports and for sale on the external market. SEA decided in 2021 to divest of the business energy line, publishing on July 12, 2021 the tender for the competitive dialogue for the sale of 100% of SEA Energia S.p.A. and for the assignment of thermal energy and electricity supply contracts. The purpose of the initiative is to identify a bidder offering the best contractual and economic conditions for the purchase of the company and for the supply of electrical and thermal energy to the airports of Milan Linate and Milan Malpensa in compliance with the concessionary obligations incumbent on SEA. At the same time, as part of its sustainability strategy, SEA is looking for a partner to provide added value to the management of energy at its Milan airports, with the aim of achieving zero CO_2 emissions by 2030. Therefore, IFRS 5 was applied.

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.

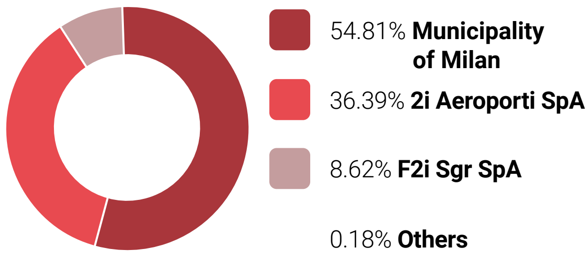
The Group holds at June 30, 2022 the following investments in associates and measured under the Equity method: (i) Dufrital (held 40%) which undertakes commercial activities at other Italian airports, including Bergamo, Florence, Genoa and Verona; (ii) Malpensa Logistica Europa (held 25%) which undertakes integrated logistic activities; (iii) SEA Services (held 40%) which operates in the catering sector for the Milan airports; (iv) Disma (held 18.75%) which manages a plant for the storage and distribution of aviation fuel at Milan Malpensa Airport; (v) SACBO (held 30.98%) which manages the airport of Bergamo, Orio al Serio, and (vi) Airport Handling SpA (held 30%), which provides passenger, cargo and aircraft and crew support services to all airlines.

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

At the preparation date of the present document, the shareholder structure was 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

2. COMPLIANCE WITH INTERNATIONAL ACCOUNTING STANDARDS

The present condensed Consolidated half-year financial statements were prepared in accordance with the IFRS in force, issued by the International Accounting Standards Board and approved by the European Union. Account was also taken of the interpretations of the International Financial Reporting Interpretations Committee ("IFRIC"), previously the Standing Interpretations Committee ("SIC"). In particular, the present condensed consolidated half-year financial statements were prepared in accordance with IAS 34 Interim Financial Reporting; in accordance with paragraphs 15 and 16 of the standard, these condensed consolidated half-year financial statements therefore do not include all the information published in the annual report and must be read together with the consolidated financial statements at December 31, 2021, with particular reference to the analysis of the individual accounts, with the disclosure in the present Half-Year Report, as per IAS 34, and the explanations for the changes to the comparative accounts. In the preparation of the condensed consolidated financial statements at June 30, 2022, the same accounting principles were adopted as in the preparation of the Consolidated Financial Statements at December 31, 2021, updated as indicated below to take account of those issued recently.

The preparation of the condensed consolidated half-year financial statements and the relative notes in application of IFRS require that the Directors make estimates and assumptions on the values of revenues, costs, assets and liabilities in the half-year report and on the disclosures relating to the assets and contingent liabilities at June 30, 2022. If in the future, these estimates and assumptions, which are based on the best valuations made by the Directors, should be different from the actual results recorded, they will be modified appropriately in the period in which the circumstances occur. The estimates and assumptions are reviewed periodically and the effects of all variations are immediately recognised in the income statement.

Law No. 178 of December 30, 2020

It should also be noted that Law 178 of December 30, 2020, "Government budget for fiscal year 2021 and spending plan for 2021-2023", paragraphs 714-720, which to mitigate the economic effects of the COVID-19 epidemic emergency on the entire airport sector, established a fund with assets of Euro 500 million, intended to provide compensation, with the limit of Euro 450 million, for the damages suffered by airport operators possessing the prescribed valid certificate issued by ENAC. With Decree-Law No. 73 of May 25, 2021, paragraph 2, the fund was increased by Euro 300 million, of which 285 million allocated to airport operators, bringing the portion of the fund allocated to compensate the losses suffered by management companies to Euro 735 million. On July 26, 2021, the European Commission issued a press release announcing that it had approved the above aid scheme pursuant to Article 107 2b of the TFEU. The implementing decree establishing the procedures and criteria for determining and disbursing the grant in accordance with the limits and guidelines of the European Commission went into effect with its publication in the Italian Official Journal on December 28, 2021. SEA has determined that the grant pursuant to Law No. 178 of December 30, 2020, falls within the scope of IAS 20.3, which states: "Government grants are assistance by government in the form of transfers of resources to an entity in return for past or future compliance with certain conditions relating to the operating activities of the entity." Therefore, we have adopted the guidelines of this standard in recognising the grant. More specifically, IAS 20.8 states that "[a] government grant is not recognised until there is reasonable assurance that the entity will comply with the conditions attaching to it, and that the grant will be received. Receipt of a grant does not of itself provide conclusive evidence that the conditions attaching to the grant have been or will be fulfilled." In accordance with this standard, which states that grants are to be recognised in profit or loss in the year in which they become collectable, and associating the concept of collectability with completion of the process defined under Articles 4 and 5 of the implementing decree, not as a mere formality but with the substantial validity of all obligations specified above, the Company has decided not to recognise this grant in profit or loss in 2021, postponing its recognition to the year in which it became collectable, i.e. when the procedures described in the implementing decree were completed, i.e. in H1 2022. The implementing decree describes the procedures to follow to ensure collectability, but this does not, on its own, establish the right for the entity to collect the grant. Supporting this assumption is also the fact that ENAC, when conducting its procedures, can recalculate the amount to be granted to each applicant. For this reason, the amount set prior to completion of the process described in the implementing decree is merely an estimate and, by definition, uncertain, even if supported by independently verified calculations. These estimates are also related to construction of the "counterfactual" scenario used in the analysis, which includes certain specific adjustments to the circumstances of SEA SpA in order to approximate what would have happened in the absence of the pandemic during the period analysed and so is, by definition, hypothetical. Therefore, the Company has assessed that the requirement of collectability, and consequent recognition of the grant, was only achieved in the first half of 2022.

Impairments

At each balance sheet date, the property, plant & equipment, intangible assets and investments in associated companies are analysed in order to identify any indications of a reduction in value. Where these indicators 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 present 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

Despite the market environment and the improving SEA Group operating performances, a number of events were noted in preparing the 2021 annual financial statements which may have resulted in impairments to property, plant and equipment, intangible assets, rights-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 June 30, 2022, the SEA Group again checked for impairment indicators, further to those analysed at the end of the previous year, and particularly with regards to passenger traffic and energy cost movements.

Passenger traffic:

- Passenger traffic, which already by 2021 had begun to show signs of improvement on 2020, in H1 2022 outperformed the forecasts underlying the impairment test at December 31, 2021;

- The most up-to-date projections prepared by the SEA Group also confirm for the coming months the recovery in traffic emerging from Q2 2022: an assumption also confirmed by recent industry studies and specialised reports;
- The outbreak of the conflict between Russia and Ukraine and the consequent cancellation of connections with these countries did not generate significant impacts on traffic in the first half of 2022, given the residual weight of this region in terms of the 2022 traffic forecast. Even if the conflict continues, its impact on the coming years is expected to be limited;
- The effect from the tightening of restrictive measures in response to the COVID-19 pandemic in certain countries in the Far East, including China, had limited effects on the present year's traffic. These traffic segments are expected to recover (albeit delayed) in 2023;
- The recent phenomenon of flight cancellations, which has been particularly evident at certain European airports, does currently not seem to have a significant impact on passenger traffic at Linate and Malpensa, as the operational flight cancellations appear to be balanced by an increase in the average load factor of flights operated.

Energy costs:

- Energy costs increased significantly in the first half of 2022, both compared to the previous year and to the forecast underlying the impairment test at December 31, 2021;
- The most up-to-date projections of energy cost trends predict that current cost levels will be maintained for the coming months.

At June 30, 2022, the significant gap between the carrying amount and value in use of the assets, which resulted from the impairment analysis at December 31, 2021, and the forecast of higher 2022 traffic than expected, lead the SEA Group to consider the findings of the impairment analysis at December 31, 2021 as still valid even where energy costs remain at current levels without, therefore, requiring the undertaking of a new impairment test.

At December 31, 2021, the impairment test on the equity investments in SACBO, Dufrital, SEA Services, and Airport Handling, associates whose type of business is affected by the same market dynamics that affect the SEA Group, had not shown the need for impairment.

At June 30, 2022, the improvement in market conditions described above has resulted in the associated companies reporting results in line with or better than the forecasts underlying the impairment at December 31, 2021, resulting in no need to test for impairment against the carrying amounts.

2.1 Recently issued accounting standards

IFRS accounting standards, amendments and interpretations applied by the Group from January 1, 2022

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

- Amendments to IFRS 3 Business Combinations: the purpose of the amendments is to update the reference in IFRS 3 to the revised version of the Conceptual Framework, without changing the provisions of the standard.
- Amendments to IAS 16 Property, Plant and Equipment: the purpose of the amendments is not to allow the amount received from the sale of goods produced during the testing phase of the asset to be deducted from the cost of the asset.
- Amendments to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: the amendment clarifies that in estimating the possible onerousness of a contract, all costs directly attributable to the contract must be considered.
- Annual Improvements 2018-2020: the amendments were made to IFRS 1 First-time Adoption of International Financial Reporting Standards, IFRS 9 Financial Instruments, IAS 41 Agriculture and the Illustrative Examples of IFRS 16 Leases.

The adoption of these amendments did not have significant impacts on the Condensed Consolidated Half-Year Financial Statements.

IFRS and IFRIC accounting standards, amendments and interpretations approved by the EU, not yet mandatory and not adopted in advance by the Group at June 30, 2022

At the reporting date, the relevant bodies of the European Union had not yet concluded the process necessary for the implementation of the amendments and standards described below.

- On May 18, 2017, the IASB published IFRS 17 - Insurance Contracts which replaces IFRS 4 - Insurance Contracts;
- On February 12, 2021, the IASB published two amendments entitled "Disclosure of Accounting Policies-Amendments to IAS 1 and IFRS Practice Statement 2" and "Definition of Accounting Estimates-Amendments to IAS 8". The amendments are designed to improve accounting policy disclosure.

The Group does not expect significant effects from the application of the above standards.

IFRS Standards, Amendments and Interpretations not yet approved by the European Union

At the reporting date, the relevant bodies of the European Union had not yet concluded the process necessary for the implementation of the amendments and standards described below.

- On January 23, 2020, the IASB published an amendment entitled "Amendments to IAS 1 Presentation of Financial Statements: Classification of Liabilities as Current or Non-current". The purpose of the document is to clarify how to classify payables and other short or long-term liabilities;
- On May 7, 2021, the IASB published an amendment called "Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction". The document clarifies how deferred taxes should be accounted for on certain transactions that can generate assets and liabilities of equal amounts, such as leases and decommissioning obligations;
- On December 9, 2021, the IASB published an amendment called "Amendments to IFRS 17 Insurance contracts: Initial Application of IFRS 17 and IFRS 9 – Comparative Information". The amendment is a transition option related to comparative information on financial assets presented at the date of initial application of IFRS 17.

2.2 Financial Statements

These Condensed Consolidated Half-Year Financial Statements, as part of the Half-Year Report, include the consolidated statement of financial position at June 30, 2022 and at December 31, 2021, the comprehensive consolidated income statement, the consolidated cash flow statement at June 30, 2022 and June 30, 2021, the change in consolidated shareholders' equity at June 30, 2022 and December 31, 2021 and the relative explanatory notes.

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.

The Condensed Consolidated Half-year 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.

As described in the Directors' Report, with reference to the comparative figures, on the exit from a strategic sector (as per IFRS 8 the energy sector is defined as such), IFRS 5 requires that the 2021 income statement of the energy business is not included in the 2021 results line-by-line for each cost and revenue item, but the total result of the business is recorded on a separate line in the account "Discontinued Operations profit/(loss)"; the same treatment is applied to the assets and liabilities related to the energy sector, which are not included in the assets and liabilities of the continuing operations but are recorded in separate accounts under assets and liabilities. IFRS 5 also requires that the comparative income statement is restated in order to render comparable continuing operations and discontinued operations in the two years stated in the financial communication. A specific paragraph of the present Explanatory Notes, to which reference should be made ("*Assets and liabilities held-for-sale and Discontinued Operations profit/(loss)*), illustrates the Discontinued Operations' accounts presented in the consolidated income statement, the consolidated balance sheet and the consolidated cash flow statement.

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.

Comparative figures

In accordance with IFRS 5, in this report:

- all income, expenses and cash flows for H1 2021 have been adjusted for the purpose of comparison with H1 2022;
- the statement of financial position at December 31, 2021 is as published for the 2021 consolidated financial statements.

The condensed consolidated half-year financial statements were prepared in accordance with the going concern concept, as the Company verified the non-existence of financial, operational or other indicators which could indicate difficulties in the capacity of the Group to meet its obligations in the foreseeable future and in particular in the next 12 months.

The Half-Year Report at June 30, 2022 was prepared in thousands of Euro, as were the tables reported in the Explanatory Notes.

The Half-Year Report at June 30, 2022 was subject to limited audit by the Independent Audit Firm Deloitte & Touche S.p.A., the Auditor of the Company and of the Group and approved by the Board of Directors of the Parent company SEA S.p.A. on July 27, 2022.

2.3 Consolidation scope and changes in the year

The registered office and the share capital of the companies included in the consolidation scope at June 30, 2022 are reported below:

Company	Registered office	Share capital at 30/06/2022 (Euro)	Share capital at 31/12/2021 (Euro)
SEA Energia S.p.A.	Milan Linate Airport - Segrate (MI)	5,200,000	5,200,000
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)	25,000	25,000
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
SEA Services S.r.l.	Via Caldera, 21 - Milan	105,000	105,000
Malpensa Logistica Europa S.p.A.	Milan Linate Airport - Segrate (MI)	6,000,000	6,000,000
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 June 30, 2022 and the respective consolidation methods are reported below:

Company	Consolidation Method at 30/06/2022	Group % holding at 30/06/2022	Group % holding at 31/12/2021
SEA Energia S.p.A.	IFRS 5	100%	100%
SEA Prime S.p.A.	Line-by-line	99.91%	99.91%
Airport ICT Services S.r.l.	Line-by-line	100%	100%
Dufrital S.p.A.	Net Equity	40%	40%
SACBO S.p.A.	Net Equity	30.979%	30.979%
SEA Services S.r.l.	Net Equity	40%	40%
Malpensa Logistica Europa S.p.A.	Net Equity	25%	25%
Disma S.p.A.	Net Equity	18.75%	18.75%
Airport Handling S.p.A.	Net Equity	30%	30%

3. ACCOUNTING POLICIES AND CONSOLIDATION METHODS

The recognition and measurement policies applied in preparing the Half-Year Financial Report at June 30, 2022 were unchanged with respect to those applied in the 2021 Annual Financial Report, to which reference should be made.

4. RISK MANAGEMENT

The risk management strategy of the Group is based on minimising potential negative effects related to the financial and operating performance. Some types of risk are offset through recourse to derivative instruments. 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 H1 2022, total receivables increased compared to 2021 following the increase in revenues. As a result, the ratio between trade receivables and security deposits/guarantees decreased.

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)	June 30, 2022	December 31, 2021
Trade receivables - customers	239,872	209,694
- of which overdue	139,269	146,575
Doubtful debt provision - customers	(113,231)	(124,149)
Trade receivables - associates	14,987	10,565
Doubtful debt provision - associates	(199)	(182)
Total net trade receivables	**141,429**	**95,928**

The aging of the overdue receivables is as follows:

Trade receivables

(Euro thousands)	June 30, 2022	December 31, 2021
less than 180 days	10,491	28,096
more than 180 days	128,778	118,479
Total trade receivables overdue	**139,269**	**146,575**

The overdue receivable decreased with respect to 2021.

The reduction in the doubtful debt provision on 2021 relates to the settlement with Alitalia in A.S., which was followed by (in July 2022) a payment by the carrier of Euro 14.8 million.

The doubtful debt provision is in accordance with 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. There is, therefore, a need to determine a risk ratio, representative of the riskiness of commercial counterparties, which varies according to the credit position (performing or expired, with different bands for those that expired based on overdue days). A provision matrix was therefore constructed for the write-down of trade receivables. 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.

In 2020, as a result of the COVID-19 related airport sector crisis and the financial difficulties in which many airlines and various commercial operators find themselves, the company decided to review the rating of each client according to the exposure and the ratings information available from the major international agencies, with a consequent lowering by at least one ratings class for many clients. In light of the improved traffic figures, a number of ratings have been revised.

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 H1 2022, the market risks to which the SEA Group were subject were:

a) interest rate risk;
b) currency risk;
c) ommodity risk, related to the volatility of the energy commodity prices, in SEA Energia.

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 mixture between fixed and variable rate loans, with the objective to mitigate the economic effect of the volatility of the interest rates.

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 June 30, 2022 (i) the gross financial debt of the SEA Group exposed to this risk is approx. 40%, 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, following their natural maturity in the second half of 2021.

At June 30, 2022, the gross financial debt of the SEA Group was comprised of medium/long-term loans (medium/long term portions of loans) and short-term loans (entirely comprising the medium/long-term portion of loans maturing within 12 months). At this date, the SEA Group did not make recourse to short-term debt.

The medium/long term debt at June 30, 2022 is reported in the following table, which shows each loan at the nominal value (which includes a spread of between 0.25% and 2.50%, not considering any accessory guarantees):

Medium/long term loans:

(Euro thousands)	June 30, 2022 Maturity	June 30, 2022 Amount	June 30, 2022 Average rate	December 31, 2021 Maturity	December 31, 2021 Amount	December 31, 2021 Average rate
Bonds	**2025**	**300,000**	**3.500%**	**2025**	**300,000**	**3.500%**
Bank loans - EIB funding	**from 2023 to 2040**	**220,345**	**0.73%**	**from 2023 to 2040**	**232,946**	**0.72%**
o/w at Fixed Rate		*39,826*	*2.41%*		*43,628*	*2.54%*
o/w at Variable Rate (*)		*180,519*	*0.36%*		*189,318*	*0.30%*
Other bank loans	**from 2022 to 2024**	**81,318**	**0.50%**	**from 2022 to 2024**	**263,782**	**0.39%**
o/w at Fixed Rate						
o/w at Variable Rate		*81,318*	*0.50%*		*263,782*	*0.39%*
Medium/long-term gross financial debt		**601,663**	**2.08%**		**796,728**	**1.66%**

(*) *Euro 67,5 million of EIB loans with specific bank guarantee.*

The total value of medium/long-term loans at June 30, 2022 is Euro 601,663 thousand, a reduction of Euro 195,065 thousand compared to December 31, 2021. This follows (i) the repayment of a significant portion of the bank term loans with two-year duration, agreed in 2020 to deal with COVID-19 pandemic-related demands, (ii) the continuation of the repayment process of the loans on EIB funding in place.

The average cost of medium/long-term debt at June 30, 2022 was 2.08%, increasing 42 bps on the end of December 2021. This is impacted by the repayment of the 2020 term loans, issued at particularly competitive rates, and interest rate movements, which increased following the announcement of the conclusion of the ECB's monetary support. Considering the cost of bank guarantees on EIB loans, the average cost of debt amounts to 2.21%, increasing 45 bps compared to the end of 2021.

At June 30, 2022, 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 June 30, 2022 amounts to Euro 607,626 thousand (reduction on Euro 828,246 thousand at December 31, 2021). 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 June 30, 2022;
- 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).

At June 30, 2022, the SEA Group has no derivative contracts in place.

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

The SEA Group is exposed to changes in energy commodity prices, namely gas, electricity and thermal energy and environmental certificates relating to the company's operations and related energy requirements. From the second half of 2021 and to an even greater degree in H1 2022, energy raw material prices rose sharply as a result initially of the global macro-economic environment, and thereafter in view of the uncertain international geopolitical situation following the outbreak of the Russia-Ukraine war in February 2022. This energy raw material price volatility may continue also into the remainder of the year, continuing to expose the Group to higher procurement costs than forecast and an erosion of the margin of over the short-term.

In the first half of 2022, the SEA Group did not undertake any hedging of this risk.

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, and lastly, it monitors its liquidity position, in relation to business planning, to guarantee sufficient coverage of the SEA Group's future requirements.

At June 30, 2022, the SEA Group may rely on Euro 119 million of liquidity, in addition to (i) irrevocable unutilised credit lines of Euro 330 million, of which Euro 260 million concerning the available revolving lines maturing between the end of 2023 and the beginning of 2024 and Euro 70 million concerning lines on EIB funds, utilisable by February 2023 and (ii) Euro 138 million uncommitted lines utilisable for immediate cash needs. The SEA Group has begun with the banks a process to restructure the existing revolving lines in order to be able to rely on a solid financial structure also over the coming years.

This liquidity allows the 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, financial charges on derivative instruments and leasing) and trade payables at June 30, 2022 and December 31, 2021:

Liabilities at June 30, 2022

(in Euro millions)	< 1 year	>1 year < 3 years	>3 years < 5 years	> 5 years	Total
Gross financial debt	65.4	129.4	365.2	124.9	684.8
Lease liabilities (Financial Payables)	2.0	3.2	3.5	5.7	14.4
Trade payables	181.9				181.9
Total payables	**249.2**	**132.6**	**368.7**	**130.6**	**881.1**

Liabilities at December 31, 2021

(in Euro millions)	< 1 year	>1 year < 3 years	>3 years < 5 years	> 5 years	Total
Gross financial debt	233.9	138.5	362.0	126.8	861.3
Lease liabilities (Financial Payables)	2.0	4.8	1.0	4.5	12.3
Trade payables	145.0				145.0
Total payables	**380.9**	**143.3**	**363.0**	**131.3**	**1,018.6**

Due to the continued COVID-19 emergency, SEA requested and obtained an extension to the covenant holiday on outstanding loans and committed lines of credit available from the lending banks for the testing dates until June 30, 2022 inclusive. As concerns the new term loans signed and disbursed in 2020, the contractual covenants, which have been determined based on scenarios that already include the impact of the COVID-19 pandemic, have been met.

At June 30, 2022, loans due within one year relate to the capital portion falling due on the residual portion of the 2020 Term Loans and 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;
- interest risk derivative hedge instruments, closed in H2 2021.

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

a) Assumption: the effect was analysed on the SEA Group Income Statement for H1 2022 and H1 2021 of a change in market rates of +50 or -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 interest risk derivative hedge instruments were measured both in terms of cash flows and fair value (in terms of changes compared to the same period of the previous year). With reference to the fair values, the values were estimated applying the changes as per point a) to the forward curve expected for the period. At June 30, 2022, the SEA Group has no derivative contracts in place.

The results of the sensitivity analysis are reported below:

	June 30, 2022		**June 30, 2021**	
(Euro thousands)	**-50 bp**	**+50 bp**	**-50 bp**	**+50 bp**
Current accounts (interest income) [1]	-0.87	265.69	-761.55	2,068.62
Loans (interest charges) [2]	485.38	-403.10	123.76	-1,530.55
Derivative hedging instruments (flows) [3]	0.00	0.00	-64.42	64.42
Derivative hedging instruments (fair value) [4]	0.00	0.00	-0.90	0.94

[1] + = higher interest charges; - = lower interest charges

[2] + = lower interest charges; - = higher interest charges

[3] + = revenue from hedge; - = cost of hedge;

[4] amount entirely allocated to net equity given full efficacy of hedges

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. By applying a variation of -50 basis points to the current 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 June 30, 2022 and at December 31, 2021 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

	June 30, 2022				
(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**
Other investments	1				1
Other non-current receivables		96			96
Trade receivables		141,429			141,429
Tax receivables		1,222			1,222
Other current receivables		7,161			7,161
Cash and cash equivalents		119,333			119,333
Total	**1**	**269,241**	**0**	**0**	**269,242**
Non-current financial liabilities exc. leasing				548,901	548,901
-of which payables to bondholders				*298,865*	*298,865*
Non-current financial payables for leasing				12,433	12,433
Other non-current payables				84,736	84,736
Trade payables				181,874	181,874
Tax payables				11,080	11,080
Other current payables				200,405	200,405
Current financial liabilities excl. leasing				58,849	58,849
Current financial liabilities for leasing				2,026	2,026
Total	**0**	**0**	**0**	**1,100,304**	**1,100,304**

	December 31, 2021				
(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**
Other investments	1				1
Other non-current receivables		96			96
Trade receivables		95,928			95,928
Tax receivables		794			794
Other current receivables		4,961			4,961
Cash and cash equivalents		134,173			134,173
Total	**1**	**235,952**	**0**	**0**	**235,953**
Non-current financial liabilities exc. leasing				573,871	573,871
-of which payables to bondholders				*298,708*	*298,708*
Non-current financial payables for leasing				10,364	10,364
Other non-current payables				84,736	84,736
Trade payables				145,040	145,040
Tax payables				8,609	8,609
Other current payables				177,234	177,234
Current financial liabilities excl. leasing				223,422	223,422
Current financial liabilities for leasing				1,893	1,893
Total	**0**	**0**	**0**	**1,225,169**	**1,225,169**

6. DISCLOSURE ON FAIR VALUE

In relation to financial instruments measured at fair value, the table below reports information on the method chosen by the Group 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.

The following table shows the Group assets and liabilities measured at fair value at June 30, 2022 and at December 31, 2021:

	June 30, 2022		
(Euro thousands)	Level 1	Level 2	Level 3
Other investments			1
Derivative financial instruments			
Total	**0**	**0**	**1**

	December 31, 2021		
(Euro thousands)	Level 1	Level 2	Level 3
Other investments			1
Derivative financial instruments			
Total	**0**	**0**	**1**

6.1 Assets and liabilities held-for-sale and Discontinued Operations profit/(loss)

The present section reports a breakdown of the Discontinued Operations' accounts presented in the Income Statement, the Statement of Financial Position and the Consolidated Cash Flow Statement.

In terms of methodology utilised, *Discontinued Operations* under IFRS 5 are included in the consolidation scope of the SEA Group at June 30, 2022 and December 31, 2021 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 accounts included among *Assets held for sale* are attributable to the income statement of SEA Energia SpA for the full year along with the appropriate IAS/IFRS adjustments.
- 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 profit/(loss)* includes the effects of the eliminations of these transactions.
- On the balance sheet, the consolidation of the *Continuing Operations* and *Discontinued Operations* 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 the energy business. 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 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 the energy business. 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)	**H1 2022**	**H1 2021**
Operating revenues	81,668	20,919
Total revenues	**81,668**	**20,919**
Operating costs		
Personnel costs	(1,074)	(1,042)
Consumable materials	(71,389)	(15,245)
Other operating costs	(2,250)	(1,863)
Total operating costs	**(74,713)**	**(18,150)**
EBITDA	**6,955**	**2,769**
Provisions & write-downs	6	6
Amortisation & Depreciation	(1,993)	(1,455)
Operating result	**4,968**	**1,320**
Financial charges	(305)	(361)
Financial income		6
Pre-tax result	**4,663**	**964**
Income taxes	(3,743)	(264)
Net result from assets held for sale	**920**	**701**

Operating revenues in H1 2022 totalled Euro 81,668 thousand.

Electricity revenues totalled Euro 55,357 thousand and comprise:

- revenues from the parent company SEA for Euro 16,654 thousand;
- revenues from the sale of energy to third parties (the exchange and free market) for Euro 38,703 thousand, increasing Euro 32,605 thousand, mainly due to the increasing prices.

Thermal energy revenues totalled Euro 24,047 thousand, comprising:

- revenues from the parent company SEA for Euro 16,986 thousand;
- revenues from the sale of thermal energy to third parties for Euro 7,061 thousand, increasing Euro 4,743 thousand (+204.8% on H1 2021).

Other revenues, of Euro 2,264 thousand, concern "white certificates" earned in H1 2022 following the start of operations of the new TGE turbine at the Malpensa station.

Operating costs incurred in H1 2022, in the amount of Euro 74,713 thousand, increased by Euro 56,563 thousand on H1 2021.This increase was mainly due to:

- the cost of methane, which in H1 2022 amounted to Euro 47,087 thousand, increasing (as a result of the price effect) by Euro 34,938 thousand on H1 2021;
- charges relating to CO_2 quotas maturing in H1 2022 for Euro 6,850 thousand, increasing Euro 4,314 thousand on H1 2021, due to the increased unitary costs against the lower quantity of CO_2 emitted.

Amortisation and depreciation totals Euro 1,993 thousand. This item increased on H1 2021, due mainly to the start of depreciation for the new TGE turbine at the Malpensa station.

Net financial expenses total Euro 305 thousand, decreasing Euro 50 thousand. This improvement is mainly attributable to the decrease in interest expense payable to the parent company SEA for centralised treasury management.

Income taxes of Euro 3,743 thousand include the extraordinary contribution against the increased energy cost (as per Article 37 of Legislative Decree No. 21 of March 31, 2022) for Euro 2,389 thousand.

The assets and liabilities related to the Discontinued Operations at June 30, 2022 and December 31, 2021 are reported below:

Assets held-for-sale and discontinued operations Financial Statement

(Euro thousands)	June 30, 2022	December 31, 2021
Intangible assets	104	125
Property, plant & equipment	54,747	56,539
Leased assets right-of-use	34	54
Deferred tax assets	1,744	2,377
Other non-current receivables	12	12
Inventories	7	12
Trade receivables	32,716	15,383
Tax receivables	983	475
Other current receivables	5,559	5,111
Cash and cash equivalents	36	35
Elimination of assets held-for-sale receivables and payables	(57,889)	(32,611)
TOTAL ASSETS HELD-FOR-SALE AND DISCONTINUED OPERATIONS	**38,053**	**47,512**
Share capital	5,200	5,200
Other reserves	30,020	27,920
Net Result	920	2,100
Provision for risks and charges	490	490
Employee provisions	423	398
Non-current financial liabilities	26	38
Trade payables	18,047	13,153
Income tax payables	1,663	2,689
Other payables	5,112	7,574
Current financial liabilities	34,041	20,561
Elimination of assets held-for-sale receivables and payables	(57,889)	(32,611)
TOTAL LIABILITIES RELATED TO ASSETS HELD-FOR-SALE AND DISCONTINUED OPERATIONS AND SHAREHOLDERS' EQUITY	**38,053**	**47,512**

Property, plant and equipment decreased by Euro 1,792 thousand, due mainly to depreciation in H1 2022, which continues to be recognised.The increase in current assets is mainly attributable to the increase in trade receivables from the parent company of Euro 12,612 thousand. The increase in trade payables is mainly related to the increase in payables for the purchase of methane.

Payables related to centralised treasury management for the SEA Group total Euro 34,028 thousand (Euro 20,542 thousand at December 31, 2021).

Equity related to discontinued operations increased by Euro 920 thousand from December 31, 2021, as a result of earnings for the period.

The cash flows relating to the Discontinued Operations were as follows:

Cash flow statement of assets held-for-sale and discontinued operations

(Euro thousands)	H1 2022	H1 2021
Cash flow from operating activities		
Pre-tax result	4,663	965
Adjustments:		
Amortisation, depreciation and write-downs	1,993	1455
Changes in employee provisions	25	(16)
Net changes in doubtful debt provision	(6)	(6)
Net financial charges	305	355
Cash generated / (absorbed) from operating activities before changes in net working capital of assets held-for-sale and discontinued operations	**6,980**	**2,753**
Change in inventories	5	
Change in trade and other receivables	(18,284)	(2,999)
Change in other non-current assets		2
Change in trade and other payables	2,639	(577)
Cash generated/(absorbed) from changes in working capital of assets held-for-sale and discontinued operations	**(15,640)**	**(3,574)**
Income taxes paid	(4,648)	(2)
Cash generated/(absorbed) from operating activities of assets held-for-sale and discontinued operations	**(13,308)**	**(823)**
Investments in fixed assets:		
- intangible assets		(2)
- tangible assets	(170)	(1,702)
Divestments from fixed assets:		
- tangible assets		1
Cash generated/(absorbed) from investing activities of assets held-for-sale and discontinued operations	**(170)**	**(1,703)**
Changes in financial assets/liabilities	13,479	2,523
Cash generated/(absorbed) from financing activities of assets held-for-sale and discontinued operations	**13,479**	**2,523**
Increase/(decrease) in cash and cash equivalents of assets held-for-sale and discontinued operations	**1**	**(3)**
Opening cash and cash equivalents	35	39
Closing cash and cash equivalents	36	36

7. DISCLOSURE BY OPERATING SEGMENT

Due to the type of activities undertaken by the Group, the factor "traffic" significantly effects the results of all activities. The SEA Group has identified three operating segments, as further described in the Directors' Report and specifically: (i) Commercial Aviation, (ii) General Aviation, (iii) Energy. This representation may differ at individual legal entity level. The information currently available concerning the principal business operating sectors identified is presented below.

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.

Energy: the business includes the generation and sale of electricity and heat on the market. IFRS 5 requires that the H1 2022 income statement of the "Discontinued Operations" business line is not included in the line-by-line results for each cost and revenue item, but the total result of the Discontinued Operations business line is recorded on a separate line in the account "Discontinued operations profit/(loss)"; the same treatment is applied to the assets and liabilities of the Discontinued Operations, which are not included in the assets and liabilities of the continuing operations but are recorded in separate accounts under assets and liabilities. IFRS 5 also requires that the comparative income statement is restated in order to render comparable continuing operations and discontinued operations in the two years stated in the financial communication. The segment information illustrated below refers only to continuing operations. Similarly, the income statement and statement of financial position figures of the discontinued operations are illustrated and reported upon at paragraph "Assets and liabilities held-for-sale and Discontinued Operations profit/(loss)". Consequently, the comparative segment information was restated taking account of the exit of the Group from the energy business.

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 June 30, 2022

(Euro thousands)	Commercial Aviation	General Aviation	IC Eliminations	Consolidated Financial Statements
Revenues	394,585	11,585	(8,744)	397,426
of which Intercompany	(5,800)	(2,944)	8,744	
Total operating revenues (third parties)	**388,785**	**8,641**	**0**	**397,426**
EBITDA	**197,849**	**6,555**		**204,404**
EBIT	**162,397**	**5,501**		**167,898**
Investment income/(charges)				9,836
Financial charges				(8,180)
Financial income				304
Pre-tax result				**169,858**
Fixed asset investments	**17,359**	**1,711**		**19,070**
Tangible assets	1,097	1,565		2,662
Intangible assets	16,262	146		16,408

Segment disclosure: Income statement at June 30, 2021 (restated) & balance sheet at December 31, 2021

(Euro thousands)	Commercial Aviation	General Aviation	IC Eliminations	Consolidated Financial Statements
Revenues	101,962	7,047	(5,218)	103,791
of which Intercompany	(3,549)	(1,669)	5,218	
Total operating revenues (third parties)	**98,413**	**5,378**	**0**	**103,791**
EBITDA	**(29,710)**	**3,433**		**(26,277)**
EBIT	**(82,984)**	**2,481**		**(80,503)**
Investment income/(charges)				(4,654)
Financial charges				(12,444)
Financial income				514
Pre-tax result				**(97,087)**
Fixed asset investments	**31,611**	**2,107**		**33,718**
Tangible assets	5,408	2,071		7,479
Intangible assets	26,203	36		26,239

8. NOTES TO THE STATEMENT OF FINANCIAL POSITION

8.1 Intangible assets

The following table summarises the movements in intangible assets between December 31, 2021 and June 30, 2022

(Euro thousands)	December 31, 2021	Increases in the year	Reclassifications /transfers	Destruct. /sales	Amortisation /write-downs	June 30, 2022
Gross value						
Rights on assets under concession	1,610,837	4,284	536	(23)		1,615,634
Rights on assets under concess. in prog. & advances	33,693	10,844	(416)			44,121
Patents and right to use intellectual property & others	99,454		204		(42)	99,616
Assets in progress and advances	1,772	1,233	(204)			2,801
Other	18,264	47			(78)	18,233
Total Gross Value	**1,764,020**	**16,408**	**120**	**(23)**	**(120)**	**1,780,405**
Accumulated amortisation						
Rights on assets under concession	(711,000)			9	(21,576)	(732,567)
Rights on assets under concess. in prog. & advances						0
Patents and right to use intellectual property & others	(92,033)				(2,637)	(94,670)
Assets in progress and advances						0
Other	(15,328)					(15,328)
Total accumulated amortisation	**(818,361)**	**0**	**0**	**9**	**(24,213)**	**(842,565)**
Net value						
Rights on assets under concession	899,837	4,284	536	(14)	(21,576)	883,067
Rights on assets under concess. in prog. & advances	33,693	10,844	(416)			44,121
Patents and right to use intellectual property & others	7,421		204		(2,679)	4,946
Assets in progress and advances	1,772	1,233	(204)			2,801
Other	2,936	47			(78)	2,905
Total net value	**945,659**	**16,408**	**120**	**(14)**	**(24,334)**	**937,840**

As per IFRIC 12, rights on assets under concession amount to Euro 883,067 thousand at June 30, 2022 and Euro 899,837 thousand at December 31, 2021. These rights are amortised on a straight-line basis over the duration of the concession from the State, as they will be returned to the grantor at the end of the concession. Amortisation in the first six months of 2022 amounted to Euro 21,576 thousand.

On these assets, as per IFRIC 12, the SEA Group has the obligation to record a restoration and replacement provision, in relation to which reference should be made to Note 8.15.

In H1 2022, the SEA Group continued its commitment to the infrastructural development of the Malpensa and Linate airports. The easing of the COVID-19 emergency led to the resumption of a number of investment activities, particularly concerning commercial initiatives and the other actions required to handle the increased passenger traffic or to ensure compliance with the new rules or legal provisions. The most significant actions at Malpensa Terminal 1 airport included the commissioning of 8 self-service bag drop stations at island 9, the preparation of pre-boarding areas at the gates of the Satellite Centrale, and the first phase works for smart security with the introduction of new and better performing hand baggage x-ray control lines.

As regards Terminal 2, investment initiatives directly related to passenger traffic will be completed when traffic levels allow it to reopen.

As for Linate airport, after the opening of the new Building F, work continued on the redevelopment of a number of passenger restrooms in compliance with the new concept and the relocation and/or opening of new businesses necessary to free up space to accommodate the Entry-Exit System kiosks, the greatest impact of which will concern the reorganisation of the queuing area at passport control for arriving passengers.

The intellectual property rights, with a net residual value of Euro 4,946 thousand at June 30, 2022, principally relate to company software licenses concerning both airport and operational management and to the purchase of software components. Amortisation amounted to Euro 2,679 thousand.

8.2 Property, plant and equipment

The following table summarises the movements in property, plant and equipment between December 31, 2021 and June 30, 2022.

(Euro thousands)	December 31, 2021	Increases in the year	Reclassifications /transfers	Destruct. /sales	Amortisation /write-downs	June 30, 2022
Gross value						
Property	230,867		340	(18)		231,189
Plant and machinery	7,038					7,038
Industrial and commercial equipment	46,521	70				46,591
Other assets	92,720	265	528	(348)		93,165
Assets in progress and advances	11,931	2,327	(988)			13,270
Total Gross Value	**389,077**	**2,662**	**(120)**	**(366)**	**0**	**391,253**
Accumulated depreciation & write-downs						
Property	(116,649)			6	(3,236)	(119,879)
Plant and machinery	(5,145)				(166)	(5,311)
Industrial and commercial equipment	(45,625)				(345)	(45,970)
Other assets	(75,104)			348	(3,191)	(77,947)
Assets in progress and advances						
Total accumulated depreciation & write-downs	**(242,523)**	**0**	**0**	**354**	**(6,938)**	**(249,107)**
Net value						
Property	114,219		340	(12)	(3,236)	111,311
Plant and machinery	1,894				(166)	1,728
Industrial and commercial equipment	896	70			(345)	621
Other assets	17,616	265	528		(3,191)	15,218
Assets in progress and advances	11,931	2,327	(988)			13,270
Total net value	**146,556**	**2,662**	**(120)**	**(12)**	**(6,938)**	**142,148**

The investments principally concerned the restyling of Malpensa Terminal 1 and of the Linate Terminal, in addition to the development and consolidation of the network infrastructure.

8.3 Leased assets right-of-use

"Leased asset right-of-use" concern rights-of-use recognised as per IFRS 16.

As a lessee, the SEA Group identified the relevant issues, principally industrial equipment 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 asset rights-of-use at June 30, 2022 is Euro 14,900 thousand, with depreciation in the period of Euro 1,249 thousand.

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 with similar characteristics.

The following table summarises the movements between December 31, 2021 and June 30, 2022.

Leased assets right-of-use

(Euro thousands)	December 31, 2021	Increases in the year	Destruct./sales	Depreciation /write-downs	June 30, 2022
Gross value					
Miscellaneous & minor equipment	4,101	148			4,249
Complex equipment	188				188
Transport vehicles	8,688	3,384	(152)		11,920
EDP	862		(862)		0
Land	4,348				4,348
Total Gross Value	**18,187**	**3,532**	**(1,014)**	**0**	**20,705**
Accumulated depreciation & write-downs					
Miscellaneous & minor equipment	(1,925)			(425)	(2,350)
Complex equipment	(162)			(27)	(189)
Transport vehicles	(1,669)		152	(588)	(2,105)
EDP	(470)		483	(13)	0
Land	(966)			(196)	(1,162)
Total accumulated depreciation & write-downs	**(5,192)**	**0**	**635**	**(1,249)**	**(5,806)**
Net value					
Miscellaneous & minor equipment	2,176	148		(425)	1,899
Complex equipment	26			(27)	(1)
Transport vehicles	7,019	3,384	0	(588)	9,815
EDP	392		(379)	(13)	0
Land	3,382			(196)	3,186
Total net value	**12,996**	**3,532**	**(379)**	**(1,249)**	**14,900**

The main increases concerned the hire of the new Cobus runway buses, recognised to the vehicle category.

8.4 Investment property

The account includes buildings not utilised in the operated activities of the Group.

Investment property

(Euro thousands)	June 30, 2022	December 31, 2021
Gross value	4,134	4,134
Accumulated depreciation	(734)	(733)
Net total investment property	**3,400**	**3,401**

Movement Accumulated Depreciation

(Euro thousands)	June 30, 2022	December 31, 2021
Opening balance	(733)	(732)
Depreciation	(1)	(1)
Closing balance	**(734)**	**(733)**

8.5 Investments in associates

The change in the account "Investments in associates" from December 31, 2021 to June 30, 2022 is shown below:

Investments in associates

(Euro thousands)	December 31, 2021	Movements: Increases / (decreases)	Movements: Dividends distributed	June 30, 2022
SACBO SpA	37,370	5,919		43,289
Dufrital SpA	9,668	738		10,406
Disma SpA	2,567	177		2,744
Malpensa Logistica Europa SpA	6,450	1,071	(1,757)	5,764
SEA Services Srl	1,111	261		1,372
Airport Handling SpA	8,579	1,670		10,249
Total	**65,745**	**9,836**	**(1,757)**	**73,824**

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 SEA Group share of adjusted net equity at June 30, 2022 amounts to Euro 73,824 thousand (Euro 65,745 thousand at December 31, 2021).

In H1 2022, Malpensa Logistica Europa distributed dividends to SEA for Euro 1,757 thousand.

8.6 Other investments

The list of "Other investments" is presented below:

Company	Share capital %: June 30, 2022	Share capital %: December 31, 2021
Consorzio Milano Sistema in liquidation	10%	10%
Romairport Srl	0.227%	0.227%

The tables below report the changes in other investments:

Other investments

(Euro thousands)	December 31, 2021	Movements: Increases /revaluations	Movements: Decreases /write-downs	June 30, 2022
Consorzio Milano Sistema in liquidation	0			0
Romairport Srl	1			1
Total	**1**	**0**	**0**	**1**

8.7 Deferred tax assets

The breakdown of the net deferred tax assets is reported below:

Deferred tax assets

(Euro thousands)	June 30, 2022	December 31, 2021
Deferred tax assets	121,965	128,331
Deferred tax liabilities	(8,999)	(10,199)
Total deferred tax assets, net of liabilities	**112,966**	**118,132**

The movement in net deferred tax assets in the first six months of 2022 was as follows:

(Euro thousands)	December 31, 2021	(Released) / allocated to P&L	(Released) / allocated to Equity	June 30, 2022
Deferred tax assets	128,331	(4,962)	(1,404)	121,965
Deferred tax liabilities	(10,199)	1,199		(8,999)
Total deferred tax assets, net of liabilities	**118,132**	**(3,763)**	**(1,404)**	**112,966**

Deferred tax assets reduced Euro 5,166 thousand, from Euro 118,132 thousand to Euro 112,966 thousand. This was mainly due to the reabsorption of Euro 4,607 thousand of deferred taxes recognised on prior year tax losses.

8.8 Other non-current receivables

Other non-current receivables totalling Euro 52,408 thousand at June 30, 2022 (Euro 52,408 thousand at December 31, 2021) refer mainly to the assets relating to the indemnification right to which the company is entitled, associated with the takeover value and arising from Article 703 (paragraph 5), of the Navigation Code.

8.9 Inventories

The following table reports the breakdown of the account “Inventories”:

Inventories

(Euro thousands)	June 30, 2022	December 31, 2021
Raw material, ancillary and consumables	2,962	2,909
Inventory obsolescence provision	(1,158)	(1,171)
Total Inventories	**1,804**	**1,738**

The account principally comprises consumable goods held for airport activities.

At June 30, 2022, 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 inventory obsolescence provision amounting to Euro 1,158 thousand at June 30, 2022 (Euro 1,171 thousand at December 31, 2021). The amounts are reported net of the relative provision.

8.10 Trade receivables

The breakdown of the trade receivables is reported in the table below:

Trade receivables

(Euro thousands)	June 30, 2022	December 31, 2021
Trade receivables - customers	126,442	85,545
Trade receivables - associates	14,987	10,383
Total net trade receivables	**141,429**	**95,928**

Trade receivables, shown net of the doubtful debt provision, mainly include receivables from clients and provisions for invoices and credit notes to be issued.

The movement in "Trade Receivables" is due to the increased volumes of traffic managed. For an analysis of trade receivables in 2022, 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)	June 30, 2022	December 31, 2021
Opening provision	(124,331)	(110,338)
IFRS 5 reclassification (*)		121
(Increases)/releases	6,888	(15,603)
Utilisations	4,013	1,489
Total doubtful debt provision	**(113,430)**	**(124,331)**

(*) *Balance at December 31, 2020 of the energy business, whose balances were reclassified to the account "Liabilities related to assets held-for-sale" in accordance with IFRS 5.*

The net releases amount to Euro 6,888 thousand and were necessary principally due to developments regarding the collection of receivables and settlements agreed with customers.

The reduction in the doubtful debt provision on 2021 relates to the settlement with Alitalia in A.S., which was followed by (in July 2022) a payment by the carrier of Euro 14.8 million.

The accruals were made to take into account the risk assessed by the Group, which reflects the expected loss on each receivable, in accordance with IFRS 9.

8.11 Tax receivables and other current receivables

The following table provides the breakdown of other current receivables:

Tax receivables and other current receivables

(Euro thousands)	June 30, 2022	December 31, 2021
Tax receivables	1,222	794
Other current receivables	7,161	4,961
Total tax receivables and other current receivables	**8,383**	**5,755**

The account “Other current receivables” is broken down as follows:

Other current receivables

(Euro thousands)	June 30, 2022	December 31, 2021
Other receivables	5,665	4,284
Employee & soc. sec. receivables	703	231
Miscellaneous receivables	784	438
Post & tax stamps	9	8
Total other current receivables	**7,161**	**4,961**

“Other current receivables” amount to Euro 7,161 thousand at June 30, 2022 (Euro 4,961 thousand at December 31, 2021) and comprise the accounts outlined below.

“Other receivables” of Euro 4,952 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. The change during the year was mainly due to the increased receivables recognised due to prepayments during the year of costs set to accrue in the following year.

Miscellaneous receivables amounting to Euro 784 thousand at June 30, 2022 mainly refer to receivables from payments by Telepass, credit card and POS which have not yet been credited in the bank account.

8.12 Current financial receivables

Current financial receivables totalled Euro 34,028 thousand (Euro 20,542 thousand at December 31, 2021) and included the cash-pooling receivable from SEA Energia SpA. Reference should be made to Note 10 relating to transactions with related parties.

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)	June 30, 2022	December 31, 2021
Bank and postal deposits	119,264	134,102
Cash in hand and similar	69	71
Total	**119,333**	**134,173**

Cash and cash equivalents at June 30, 2022 decreased Euro 14,840 thousand compared to the previous year.

This follows (i) the repayment of a significant portion of the bank term loans agreed in 2020 (Euro 182 million, of which Euro 50 million ahead of the original maturity of July 2022), (ii) the favourable cash flow movements in H1 2022, impacted also by the collection of the funds under both the "2021 Budget Law" and from the Lombardy Region for a total of Euro 144 million.

The account at June 30, 2022 comprises bank and postal deposits on demand for Euro 119,161 thousand (Euro 133,999 thousand at December 31, 2021), restricted bank deposits of Euro 103 thousand (in line with December 31, 2021) and cash amounts for Euro 69 thousand (Euro 71 thousand at December 31, 2021).

For further information on the movements, reference should be made to the Consolidated Cash Flow Statement.

8.14 Shareholders' Equity

At June 30, 2022, the share capital of SEA S.p.A. totalled Euro 27,500 thousand, comprising 250,000,000 shares of Euro 0.11 each.

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, 2021	Equity movements	OCI Reserve	Net profit /(loss)	Net Equity at June 30, 2022
Parent Company Financial Statements	**77,582**		**4,443**	**156,594**	**238,619**
Share of net equity and net profit of the consolidated subsidiaries attributable to the Group, net of the carrying amount of the relative investments	35,782	(3)		3,013	38,792
Adjustments for measurement at equity of associates	47,778			8,078	55,856
Other consolidation adjustments	(5,204)			(3,657)	(8,861)
Consolidated Financial Statements	**155,937**	**(3)**	**4,443**	**164,028**	**324,405**

8.15 Provisions for risks and charges

The account "Provisions for risks and charges" is broken down as follows:

Provisions for risks and charges

(Euro thousands)	December 31, 2021	Provisions	(Utilisation)	Other movements	June 30, 2022
Restoration and replacement provision	183,722	10,812	(5,720)		188,814
Provision for future charges	29,390	76	(1,183)	(16)	28,267
Total provision for risks and charges	**213,112**	**10,888**	**(6,903)**	**(16)**	**217,081**

The restoration and replacement provision on assets under concession, created in accordance with IFRIC 12, amounting to Euro 188,814 thousand at June 30, 2022 (Euro 183,722 thousand at December 31, 2021), 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 use in the year mainly concerns the restoration actions on the "air-side" infrastructure at Malpensa, such as the extraordinary maintenance of runway 17L/3SR, involving the resurfacing of a section of the runway which was not covered by the works carried out in 2021. Repaving of some sections of taxiways and aircraft aprons was also carried out, as well as extraordinary maintenance of luminous visual aids.

The movements of the provision for future charges were as follows:

Provision for future charges

(Euro thousands)	December 31, 2021	Provisions	(Utilisation)	Other movements	June 30, 2022
Labour provisions	3,568	12	(715)		2,865
Insurance excesses	891	64	(432)		523
Tax risks	1,816		(11)		1,805
Other provisions	23,115		(25)	(16)	23,074
Total provision for future charges	**29,390**	**76**	**(1,183)**	**(16)**	**28,267**

The utilisations of the "Labour provision" in the period are related to the incentivised departures for which a specific provision was made in the accounts in 2021.

"Insurance excesses" equal to Euro 523 thousand refers to the charges payable by the SEA Group for damages deriving from civil responsibility.

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 305 thousand for the amount provisioned by the parent SEA in relation to the VAT assessment and the registration tax settlement notice (for further information, reference should be made to the Directors' Report).

The account "Other provisions" for Euro 23,074 thousand at June 30, 2022 is composed of the following items:

- Euro 11,074 thousand for legal disputes related to the operational management of the airports; For further information, reference should be made to the Directors' Report;
- Euro 9,000 thousand related to charges resulting from the noise zoning of the areas surrounding the Milan airports (Law 447/95 and subsequent ministerial decrees), for which, in 2021, the technical specifications for the plan for noise containment and reduction works (pursuant to the ministerial decree of November 29, 2000) were completed for the awarding of the project. This drafting of this Plan will be completed by 2022, as the start of the bidding process has been delayed due to work slowdowns caused by the COVID-19 pandemic. For further information, reference should be made to the Directors' Report;
- Euro 3,000 thousand 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.

8.16 Employee provisions

The changes in the employee provisions are shown below:

Employee provisions

(Euro thousands)	June 30, 2022	December 31, 2021
Opening provision	44,036	45,622
IFRS 5 reclassification (*)		(396)
Financial (income)/charges	108	81
Utilisations	(1,483)	(2,713)
Actuarial losses/(profits)	(5,846)	1,442
Total employee provisions	**36,815**	**44,036**

(*) *Balance at December 31, 2020 of the energy business, 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 main actuarial assumptions, utilised for the determination of the pension obligations, which has a significant impact on actuarial losses, are as follows:

Economic-financial technical parameters

	June 30, 2022	December 31, 2021
Annual discount rate	2.85%	0.40%
Annual inflation rate	2.10%	1.75%
Annual increase in employee leaving indemnity	3.08%	2.81%

The annual discount rate, utilised for the present value of the bond, was based on the Iboxx 10+ Eurozone Corporate A index.

8.17 Current and non-current financial liabilities

The table below provides a breakdown of current and non-current financial liabilities at June 30, 2022 and December 31, 2021.

	June 30, 2022		December 31, 2021	
(Euro thousands)	**Current portion**	**Non-current portion**	**Current portion**	**Non-current portion**
Long-term loans	50,461	250,036	220,084	275,163
Loan charges payable	793		950	
Bank payables	**51,254**	**250,036**	**221,034**	**275,163**
Payables to bondholders		298,865		298,708
Payables for charges on bonds	7,595		2,388	
Lease liabilities (Financial Payables)	2,026	12,433	1,893	10,364
Payables to other lenders	**9,621**	**311,298**	**4,281**	**309,072**
Total current and non-current liabilities	**60,875**	**561,334**	**225,315**	**584,235**

The financial debt of the Group at June 30, 2022, as illustrated in the table below, is exclusively comprised of medium/long-term debt - mainly concerning the SEA Bond 10/2025 bond issue (expressed at amortised cost), the residual part of the Term Loans agreed during 2020 and 2021 and the EIB loans (of which 50% with maturity beyond 5 years and only 12% maturing within 12 months).

The breakdown of the Group net debt at June 30, 2022 and December 31, 2021 is reported below:

Net financial debt

	(Euro thousands)	June 30, 2022	December 31, 2021
A.	Cash	(119,333)	(134,173)
B.	Cash equivalents		
C.	Other current financial assets (*)	(34,028)	(20,542)
D.	**Liquidity (A)+(B)+(C)**	**(153,361)**	**(154,715)**
E.	Current financial debt	10,414	5,231
F.	Current portion of non-current financial debt	50,461	220,084
G.	**Current financial indebtness (E + F)**	**60,875**	**225,315**
H.	**Net current financial indebtedness (G - D)**	**(92,486)**	**70,600**
I.	Non-current financial debt	262,469	285,527
J.	Debt instruments	298,865	298,708
K.	Non-current trade and other payables		
L.	**Non-current financial indebtedness (I+J+K)**	**561,334**	**584,235**
M.	**Total financial indebtedness from continuing operation (H+L)**	**468,848**	**654,835**
N.	Net financial debt from assets held-for-sale and discontinued operation	34,032	20,564
O.	**Total financial indebtedness (M+N)**	**502,880**	**675,399**

(*) *Financial receivables from assets held-for-sale and discontinued operation*

At the end of June 2022, the net debt of Euro 502,880 thousand decreased Euro 172,519 thousand on the end of 2021 (Euro 675,399 thousand).

The net debt of continuing operations (in accordance with IFRS 5), amounting to Euro 468,848 thousand (Euro 654,835 thousand at December 31, 2021), does not include the debt of SEA Energia and payable to the parent company.

The net debt was affected by a number of factors, including:

a) the repayment of Euro 182,464 thousand concerning the bank term loans with two-year duration signed in 2020 to deal with the COVID-19 pandemic (of which Euro 50,000 thousand ahead of the original maturity of July 2022);
b) the continuation of the repayment of part of the EIB loans (principal repaid in the year totalling Euro 12,601 thousand);
c) greater accrued expenses on loans for Euro 5,050 thousand, due to the payments of the annual coupon on the 2020 Bond, scheduled for October; the continuation for Euro 472 thousand of the settlement of the costs concerning the bank loans and the SEA Bond 10/2025;
d) higher leasing payables, particularly due to the signing of new Cobus Interpista hire contracts.

"Current financial debt" and "Non-current financial debt" 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 June 30, 2022 respectively to Euro 2,026 thousand and Euro 12,433 thousand.

Lease liabilities (Financial Payables)

	June 30, 2022		December 31, 2021	
(Euro thousands)	current	non-current	current	non-current
Miscellaneous & minor equipment	704	1,588	683	1,802
Complex equipment	10		37	
Transport vehicles	1,312	8,811	998	6,277
EDP			159	273
Land		2,034	16	2,012
Total	**2,026**	**12,433**	**1,893**	**10,364**

For further details, reference should be made to the Note "Leased assets rights-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 June 30, 2022 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. Other non-current payables include extraordinary dividends approved in 2019, which were reclassified by the Parent Company SEA among non-current liabilities and thus were due beyond one year. For the disbursement of the second and final tranche to be paid with effect from June 24, 2020, the Company reserved the right to re-define the date of payment of said tranche when, once the COVID-19 emergency has passed, economic and financial conditions allow it. Verification of the Company's financial equilibrium is the responsibility of the Board of Directors, which will have to approve the payment when it is deemed that the conditions have been met;
ii. 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 June 30, 2022, the provision totals Euro 188,814 thousand. Further details are provided in paragraph 8.15;
    - charges arising from acoustic zoning to meet the Plan of noise containment actions in accordance with Ministerial Decree November 29, 2000. At June 30, 2022, the provision totals Euro 9 million. Further details are provided in paragraph 8.15;
    - the employee leaving indemnity fund, which amounted to Euro 36,815 thousand at June 30, 2022. For further details, see paragraph 8.16;

iii. 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;

iv. trade payables include sums factored under indirect factoring contracts for Euro 906 thousand. 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;

v. the guarantees and commitments entered into by the Group at June 30, 2022 are described in paragraph 13.

8.18 Other non-current payables

Other non-current payables include extraordinary dividends approved in 2019, which were reclassified by the Parent Company SEA among non-current liabilities and thus were due beyond one year.

8.19 Trade payables

The breakdown of trade payables is follows:

Trade payables

(Euro thousands)	June 30, 2022	December 31, 2021
Supplier payables	167,920	131,224
Advances	2,610	2,203
Payables to associates	11,344	11,613
Total trade payables	**181,874**	**145,040**

Trade payables refer to the purchase of goods and services relating to operations and Group investments.

The payables for advances at June 30, 2022 amounted to Euro 2,610 thousand (Euro 2,203 thousand at December 31, 2021).

In order to optimise operations with suppliers, trade payables at June 30, 2022 include sums ceded under indirect factoring contracts for Euro 906 thousand (Euro 2,097 thousand at December 31, 2021).

For payables from associated companies reference should be made to Note 10, relating to transactions with related parties.

8.20 Income tax payables

The payables for taxes at June 30, 2022 of Euro 11,080 thousand (Euro 8,609 thousand at December 31, 2021) consisted of:

Income tax payables

(Euro thousands)	June 30, 2022	December 31, 2021
IRPEF payables on employees and sub-contractors	3,734	4,153
Direct income taxes	2,194	617
VAT payables	4,889	3,514
Other tax payables	263	325
Total income tax payables	**11,080**	**8,609**

8.21 Other payables

The table below reports the breakdown of the account "Other payables".

Other payables

(Euro thousands)	June 30, 2022	December 31, 2021
Airport fire service	88,056	84,521
Payables for additional landing rights	53,156	42,250
Other items	20,350	12,929
Employee payables for amounts matured	6,199	11,296
Payables to the state for concession fee	16,567	9,679
Payables to social security institutions	10,662	12,003
Employee payables for vacations not taken	3,314	2,791
Third party guarantee deposits	1,666	1,331
Payables to others post-employee benefits	185	217
Payables to shareholders for dividends	96	94
Payables to BoD & Boards of Statutory Auditors	51	64
Payables to the state for concession fee security service	102	59
Total other payables	**200,404**	**177,234**

"Other payables" increased by Euro 23,170 thousand, from Euro 177,234 thousand at December 31, 2021 to Euro 200,404 thousand at June 30, 2022.

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 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.

For further details and analysis, reference should be made to the Directors' Report.

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 items", amounting to Euro 20,350 thousand at June 30, 2022 (Euro 12,929 thousand at December 31, 2021), mainly relates to deferred income for future periods and other minor payables.

The reduction in "Employee payables for amounts matured" is due to the settlements in H1 2022 of amounts recognised at December 31, 2021, including the payables recorded as a result of the mobility procedure's commencement on December 27, 2017. Through the mobility procedure, early retirement incentive payments were established for a pre-determined number of workers.

9. NOTES TO THE INCOME STATEMENT

9.1 Operating revenues

The table below shows the breakdown of operating revenues for H1 2022 and H1 2021. These data reflect the operational and managerial view of the businesses in which the Group operates. Therefore, these data may differ with respect to those presented at the level of the individual legal entity.

Operating revenues

(Euro thousands)	H1 2022	H1 2021 restated	H1 2021 approved
Commercial Aviation Operating Revenues	388,785	98,413	98,164
General Aviation Operating Revenues	8,641	5,378	5,378
Energy Operating Revenues			8,746
Total operating revenues	**397,426**	**103,791**	**112,288**

Commercial Aviation Operating Revenues

In the first half of 2022, *Commercial Aviation* revenues increased Euro 178,985 thousand compared to the same period of the previous year restated. This movement is due for Euro 142,608 thousand to the state and regional public grants granted to the sector and received in H1 2022.

Commercial Aviation Operating Revenues

(Euro thousands)	H1 2022	H1 2021 restated	H1 2021 approved
Aviation	239,581	60,596	60,594
Non aviation	149,204	37,817	37,570
Total Commercial Aviation Operating Revenues	**388,785**	**98,413**	**98,164**

The breakdown of Non Aviation operating revenues is reported below.

Non Aviation operating revenues

(Euro thousands)	H1 2022	H1 2021 restated	H1 2021 approved
Retail	55,460	8,595	8,595
Parking	42,989	9,281	9,281
Cargo	13,751	8,987	8,987
Advertising	4,395	2,014	2,014
Premium services	12,346	1,195	1,195
Real estate	3,245	652	571
Services and other revenues	17,018	7,093	6,927
Total Non Aviation operating revenues	**149,204**	**37,817**	**37,570**

Non-Aviation revenues increased Euro 111,387 thousand (+294.5%).

The breakdown of retail revenues is reported below.

Retail Revenues

(Euro thousands)	H1 2022	H1 2021 restated	H1 2021 approved
Shops	26,231	3,341	3,341
Food & Beverage	7,148	759	2,397
Car Rental	12,035	2,099	2,098
Bank services	10,046	2,397	759
Total Retail	**55,460**	**8,595**	**8,595**

General Aviation Operating Revenues

The General Aviation business includes 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 8,641 thousand were up (60.7% on the previous year). The General Aviation business includes Euro 1,493 thousand of public grants received in the first half of 2022.

For further details, reference should be made to the Directors' Report.

9.2 Revenue for works on assets under concession

Revenues for works on assets under concession increased from Euro 9,279 thousand in the first half of 2021 to Euro 10,844 thousand in H1 2022 (+16.9%). These revenues refer to construction work on assets under concession increased by a mark-up of 6% representing 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, and are included in the business unit aviation. This account is strictly related to investment and infrastructure upgrading activities.

9.3 Personnel costs

The breakdown of personnel costs is as follows:

Personnel costs

(Euro thousands)	H1 2022	H1 2021 restated	H1 2021 approved
Wages, salaries & social security charges	73,726	58,262	59,231
Post-employment benefits	4,061	3,904	3,964
Other personnel costs	1,806	1,228	1,260
Total	**79,593**	**63,394**	**64,455**

Group personnel costs increased Euro 16,199 thousand (+25.6%) in H1 2022 compared to H1 2021 restated, from Euro 63,394 thousand to Euro 79,593 thousand.

The increase is largely due to the decreased use of rotating days through the Extraordinary Temporary Lay-off Scheme and to the increased proportion of salary items impacted by the rising airport traffic.

The average Full Time Equivalent workforce decreased from 2,667 in H1 2021 restated to 2,611 in H1 2022.

The following table outlines the average FTE by category in the period: January-June 2021 restated and January-June 2022:

Average Full Time Equivalent

	H1 2022	%	H1 2021 restated	%
Executives	44	1.7%	48	1.8%
Managers	273	10.5%	281	10.5%
White-collar	1,621	62.1%	1,672	62.7%
Blue-collar	608	23.3%	635	23.8%
Total full-time employees	**2,546**	**97.5%**	**2,636**	**98.8%**
Temporary workers	65	2.5%	31	1.2%
Total employees	**2,611**	**100%**	**2,667**	**100%**

9.4 Consumable materials

The breakdown of the account "Consumable materials" is as follows:

Consumable materials

(Euro thousands)	H1 2022	H1 2021 restated	H1 2021 approved
Raw materials, ancillaries, consumables and goods	5,253	3,116	15,821
Purchase of CO_2 quotas			2,539
Change in inventories	(66)	90	90
Total	**5,187**	**3,206**	**18,450**

In the first six months of 2022, consumable material costs increased by Euro 1,981 thousand (+61.8%) on the same period of 2021 restated, from Euro 3,206 thousand to Euro 5,187 thousand - principally due to higher cost of de-icing liquid.

9.5 Other operating costs

The breakdown of "Other operating costs" is as follows:

Other operating costs

(Euro thousands)	H1 2022	H1 2021 restated	H1 2021 approved
Ordinary maintenance costs	12,599	10,846	11,801
Public fees	15,603	8,159	8,159
Terminal services provided by handling company	8,773	6,634	6,634
Cleaning	7,137	5,945	5,999
Miscellaneous and local taxes	4,051	3,724	3,815
Parking management	6,764	2,271	2,271
Hardware and software fees & rental	4,082	4,108	4,128
Other costs	4,988	2,475	3,059
Utilities & security expenses	38,487	14,574	1,931
Professional services	2,075	1,630	1,761
Commercial costs	1,484	1,036	1,035
Insurance	785	800	976
Hire of equipment & vehicles	549	626	651
Disabled assistance	993	933	933
Emoluments & costs of Board of Statutory Auditors & BoD	458	441	472
Losses on disposal of assets	26		
Total other operating costs	**108,854**	**64,203**	**53,625**

In the first half of 2022, other operating costs increased Euro 44,651 thousand compared to H1 2021 restated, from Euro 64,203 thousand to Euro 108,854 thousand. As indicated in the table, the increased costs on the one hand relate to higher traffic volumes and increased passenger services, and on the other to the significant increase in commodity prices.

The "Public fees" include: i) concession fees to the State for Euro 11,602 thousand (Euro 4,376 thousand in H1 2021); ii) costs for fire-fighting services at the airports for Euro 3,536 thousand (Euro 3,621 thousand in H1 2021); iii) concession fees to the tax authorities for security services of Euro 416 thousand (Euro 112 thousand in H1 2021); and iv) concession fees and charges to other entities of Euro 49 thousand (Euro 50 thousand in H1 2021).

9.6 Costs for works on assets under concession

Costs for works on assets under concession decreased from Euro 8,544 thousand in the first half of 2021 to Euro 10,232 thousand in the first half of 2022.

These refer to, in accordance with IFRIC 12, the costs for the works undertaken on assets under concession. This movement is strictly related to investment activities.

9.7 Provisions and write-downs

The breakdown of provisions and write-downs is as follows:

Provisions and write-downs

(Euro thousands)	H1 2022	H1 2021 restated	H1 2021 approved
Write-downs / (releases) of current receivables & cash and cash equivalents	(6,888)	12,436	12,430
Provisions/(releases) to provisions for future charges	60	451	451
Total provisions and write-downs	**(6,828)**	**12,887**	**12,881**

In H1 2022, the provisions and write-downs amount to income to the income statement of Euro 6,828 thousand. The doubtful debt provisions were more than offset by the releases made in order to reflect in the financial statements the settlements with clients.

In the first six months of 2022, net provisions and write-downs decreased Euro 19,715 thousand on the same period of the previous year restated, from a net provision of Euro 12,887 thousand in the first half of 2021 restated to a net release of Euro 6,828 thousand in H1 2022.

For further details, reference should be made to the account "Provisions and write-downs" in the Directors' Report.

9.8 Restoration and replacement provision

(Euro thousands)	H1 2022	H1 2021 restated	H1 2021 approved
Restoration and replacement provision	10,812	7,816	7,816

The restoration and replacement provision amounting to Euro 7,816 thousand in H1 2021 and Euro 10,812 thousand in H1 2022 include provisions for maintenance and replacements in order to ensure the functioning of the infrastructure held under concession. In H1 2022, the provision amounted to Euro 10,812 thousand and the utilisation amounted to Euro 5,720 thousand.

9.9 Amortisation & depreciation

The account "Amortisation & depreciation" comprises:

Amortisation & depreciation

(Euro thousands)	H1 2022	H1 2021 restated	H1 2021 approved
Amortisation of intangible assets	24,334	24,559	24,559
Depreciation of tangible assets & investment property	6,939	7,889	9,334
Depreciation Leased assets right-of-use	1,249	1,075	1,085
Total amortisation & depreciation	**32,522**	**33,523**	**34,978**

Amortisation & depreciation in H1 2022 decreased by Euro 1,001 thousand on H1 2021 restated (-3%), from Euro 33,523 thousand to Euro 32,522 thousand.

9.10 Investment income (charges)

The breakdown of investment income and charges is as follows:

Investment income (charges)

(Euro thousands)	H1 2022	H1 2021 restated	H1 2021 approved
SACBO SpA	5,919	(3,230)	(3,230)
Dufrital SpA	738	(1,840)	(1,840)
Disma SpA	177	(19)	(19)
Malpensa Logistica Europa SpA	1,071	877	877
Sea Services Srl	261	116	116
Airport Handling SpA	1,670	(558)	(558)
Total income (charges) from investments	**9,836**	**(4,654)**	**(4,654)**

In H1 2022, investment income totalled Euro 9,836 thousand (net charges from investments of Euro 4,654 thousand in H1 2021).

The account mainly includes the economic effects deriving from the measurement at Equity of the associated company. The results of the associated companies were adjusted to take account of the Group accounting principles and the measurement of investments as per IAS 28. The improvement compared to the previous year concerned the entire SEA Group, given that all companies, despite the challenging general environment in H1 2022, saw improved performance on the same period of the previous year. The strong results of the associated companies SACBO and Airport Handling partly relates 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 and charges" is as follows:

Financial income (charges)

(Euro thousands)	H1 2022	H1 2021 restated	H1 2021 approved
Exchange gains	3	1	7
Bank account financial income	1	152	152
Other financial income	300	361	
Total financial income	**304**	**514**	**159**
Interest on medium/long term loans	(6,317)	(9,563)	(9,563)
Commissions on loans	(1,222)	(1,476)	(1,476)
Exchange losses	(12)	(2)	(2)
Financial charges on post-employee benefits	(108)	(22)	(22)
Financial charges on leasing	(128)	(112)	(113)
Financial charges on derivatives		(842)	(842)
Other	(393)	(427)	(427)
Total financial charges	**(8,180)**	**(12,444)**	**(12,445)**
Total financial income (charges)	**(7,876)**	**(11,930)**	**(12,286)**

Net financial charges in H1 2022 amounted to Euro 7,876 thousand, a decrease of Euro 4,054 thousand on the first half of the previous year restated.

The decrease is a result of the main following components:

- Lower interest expense on medium/long-term loans, impacted by (i) in H1 2022 the negative carry of the Bond 3.125, maturing in April 2021, although refinanced early in 2020, (ii) the lower amount of the Term Loans 2020, due to the greater amount repaid in the second half of 2021 and in H1 2022;
- Lower financial charges on derivatives, settled on maturity in September 2021;
- Lower financial income, which in the first half of 2021 benefited from the use of available cash on some treasury accounts that ensured better profitability.

9.12 Income taxes

The breakdown of the account is as follows:

Income taxes

(Euro thousands)	H1 2022	H1 2021 restated	H1 2021 approved
Current income taxes	2,986	425	896
Deferred income taxes	3,763	(22,852)	(23,059)
Total	**6,749**	**(22,427)**	**(22,163)**

In the first six months of 2022, income taxes reduced the Group profit by Euro 6,749 thousand (compared to a positive effect of Euro 22,427 thousand in H1 2021 restated).

The reconciliation between the theoretical and effective tax rate is shown below:

(Euro thousands)	H1 2022	%	H1 2021 restated	%	H1 2021 approved	%
Profit/(Loss) before taxes	**169,858**		**(97,086)**		**(96,122)**	
Theoretical income taxes	40,766	24.0%	(23,301)	24.0%	(23,069)	24.0%
Permanent tax differences effect	(31,897)	-18.8%	817	-0.8%	817	-0.8%
IRAP	1,114	0.7%	(259)	0.3%	(259)	0.3%
Other	(3,235)	-1.9%	316	-0.3%	348	-0.4%
Total	**6,749**	**4.0%**	**(22,427)**	**23.1%**	**(22,163)**	**23.1%**

The Tax Rate for H1 2022 significantly improved compared to the same period in the previous year, due to the effect of the "Covid-19 Contribution" which, while contributing to the profit for the period, is fully tax deductible.

The IRES income tax rate of the Parent Company 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%.

9.13 Discontinued operations net profit/(loss)

The net profit from discontinued operations came to Euro 920 thousand. This includes the result on the energy business. 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 period. 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 per share.

Therefore, the earnings per share in the first half of 2022 was Euro 0.66 (net profit for the period of Euro 164,028 thousand/number of shares in circulation 250,000,000).

The loss per share in the first half of 2021 was Euro -0.30 (net loss for the period of Euro 73,960 thousand/number of shares in circulation 250,000,000).

10. TRANSACTIONS WITH RELATED PARTIES

The transactions with Related Parties 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 table reports the income statement and statement of financial position values with related parties at June 30, 2022 and for the first half of the year, with indication of the percentage of the relative account:

Group transactions with related parties

	June 30, 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	1,050	34,028	22,811	1,168	35,591	300
Investments in associates						
SACBO (*)	234		2,461	363	5,340	
Dufrital	7,468		174	11,057		
Malpensa Logistica Europa	1,219		1,141	2,403	(10)	
SEA Services	841		1,404	1,687	1,529	
Disma	69		90	111	(2)	
Airport Handling	4,957		6,074	5,682	8,757	
Total related parties	**15,838**	**34,028**	**34,155**	**22,471**	**51,205**	**300**
Total book value	141,429	34,028	181,874	397,426	193,634	304
% on total book value	**11.20%**	**100.00%**	**18.78%**	**5.65%**	**26.44%**	**98.68%**

(*) *The account "Operating costs" relating to transactions with SACBO, equivalent to Euro 5,340 thousand, does not include that invoiced by SEA to the final clients and transferred to the associate.*

For further details on Income/(charges) from investments, reference should be made to Note 9.10.

The table below shows the cash flows from the transactions of the Group with related parties for the period ended June 30, 2022, with indication of the percentage of the relative account:

Group cash flows with related parties

	June 30, 2022				
(Euro thousands)	Investments in associates	Investments in other companies	Total transactions with related entities	Consolidated balance	%
A) Cash flow from operating activities	(4,674)	13,302	8,628	199,876	4.3%
B) Cash flow from investing activities		1,757	1,757	(16,614)	-10.6%
C) Cash flow from financing activities		(13,486)	(13,486)	(198,101)	6.8%

Transactions with Related Parties in the period to June 30, 2022 principally concern:

- 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 SEA Services);
- rental of premises (Malpensa Logistica Europa);
- supply to SEA of catering services (SEA Services);
- commercial transactions deriving from the concession for the distribution of fuel (Disma);
- revenue for administration services and handling activity costs (Airport Handling).

Transactions between SEA and SEA Energia SpA concerning the supply to the Milan Airports, of electric and thermal energy produced by the Co-generation plants, located at the afore-mentioned airports, for its energy requirements, as well as the agreement for the provision, by SEA in favour of SEA Energia, of administrative services (among which legal, fiscal, planning and control); Financially, as described above, transactions between the two companies have been settled by cash pooling. The total of receivables (Euro 35,078 thousand) and payables (Euro 22,811 thousand) between the Group and assets held-for-sale at June 30, 2022, came to Euro 57,889 thousand.

The above-mentioned transactions were within the ordinary activities of the Group and undertaken at market values.

The comparative data is reported below:

Group transactions with related parties

	June 30, 2021 restated				
(Euro thousands)	**Trade receivables**	**Trade payables**	**Operating revenues**	**Net operating costs (excl. costs for works on assets under concession)**	**Financial income**
Subsidiary					
SEA Energia	n.a.	n.a.	246	12,666	360
Investments in associates					
SACBO (*)	172	1,076	54	1,346	
Dufrital	1,381	435	1,944		
Malpensa Logistica Europa	1,200	1,110	2,351		
SEA Services	324	88	550	43	
Disma	71	89	117	(3)	
Airport Handling	3,807	7,295	3,651	7,332	
Total related parties	**6,954**	**10,093**	**8,913**	**21,384**	**360**
Total book value	64,523	109,625	103,791	130,802	514
% on total book value	**10.78%**	**9.21%**	**8.59%**	**16.35%**	**70.04%**

(*) The account "Operating costs" relating to transactions with SACBO, equivalent to Euro 1,346 thousand, 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 period ended June 30, 2021 restated, with indication of the percentage of the relative account:

Group cash flows with related parties

	June 30, 2021 restated				
(Euro thousands)	**Investments in associates**	**Investments in other companies**	**Total transactions with related entities**	**Consolidated balance**	**%**
A) Cash flow from operating activities	3,525	4,996	8,521	(57,699)	-14.8%
B) Cash flow from investing activities				(14,598)	0.0%
C) Cash flow from financing activities		(2,528)	(2,528)	(275,745)	0.9%

11. DIRECTORS' FEES

Fees paid by the Company and/or by other Group companies, of any type and in any form, for the first six months of 2022 to the Board of Directors totalled Euro 333 thousand (Euro 316 thousand at June 30, 2021 restated).

12. STATUTORY AUDITORS' FEES

In the first six months of 2022 the remuneration for the Board of Statutory Auditors, including welfare and accessory charges, amounted to Euro 125 thousand (Euro 125 thousand at June 30, 2021 restated).

13. COMMITMENTS AND GUARANTEES

13.1 Investment commitments

The Group has investment contract commitments of Euro 52,953 thousand at June 30, 2022 (Euro 50,783 thousand at December 31, 2021), which are reported net of the works already realised and invoiced to the Group, as follows.

Breakdown project commitments

(Euro thousands)	June 30, 2022	December 31, 2021
Design and extraordinary maintenance civil works and plant at Linate & Malpensa	33,508	30,567
Works relating to the construction of a new hangar at the Linate Prime airport	7,235	8,535
Design and extraordinary maintenance of Linate & Malpensa AVL plant	5,957	6,078
Design and extraordinary maintenance flight infrastructure and roadways at Linate and Malpensa	3,037	1,671
Works on electrical automation and control systems at Linate and Malpensa	1,871	2,544
Extraordinary maintenance for civil works and general aviation plant	1,345	1,389
Total project commitments	**52,953**	**50,783**

13.2 Guarantees

At June 30, 2022, the sureties in favour of third parties were as follows:

- two bank sureties, each equal to Euro 36,422 thousand, as guarantee on funds drawn down in June 2015 and June 2017 on the EIB line subscribed in December 2014;
- surety of Euro 25,000 thousand to Banca Popolare di Milano to guarantee credit lines received from companies within the centralised treasury system;
- surety of Euro 22,500 thousand in favour of ENAC, as guarantee of the concession fee;
- 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;
- surety by Banca Nazionale del Lavoro alla Terna (National Electricity Grid) as guarantee of the provision of electricity for Euro 3,770 thousand;
- guarantee by Banca Popolare di Milano to ENEL Distribuzione for the transport of energy for Euro 300 thousand;
- guarantee by Banca Nazionale del Lavoro to the Energy Market Operator for the Company's participation in the electricity market platform for Euro 3,000 thousand;
- guarantee by Banca Popolare di Milano to Unareti for the transport of energy for Euro 173 thousand;
- Euro 687 thousand for other minor sureties.

14. 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. H1 2022 in addition continued to feature the COVID-19 pandemic in the first three months, which resulted in a drastic reduction in passenger traffic, affecting the usual seasonality of the business, while traffic recovered significantly in Q2 following the lifting of restrictions.

15. CONTINGENT LIABILITIES AND DISPUTESO

Reference should be made to the Directors' Report under "*Risk management framework*" and "*Main disputes outstanding at June 30, 2022*".

16. CONTINGENT ASSETS

There are no updates on that reported in the 2021 Annual Report.

17. TRANSACTIONS RELATING TO ATYPICAL OR UNUSUAL OPERATIONS

In accordance with Consob Communication of July 28, 2006, the Company did not undertake for the period ended June 30, 2022 any transactions relating to atypical or unusual operations, as set out in the communication.

18. SIGNIFICANT NON-RECURRING EVENTS AND TRANSACTIONS

The most significant event in the first half of 2022 was the continued spread of the COVID-19 virus and its consequences for the air transport sector, at least in the first three months of the year. Reference should be made to the "*H1 2022: significant events*" paragraph of the Directors' Report.

19. OTHER INFORMATION

On May 3, 2022, the Shareholders' Meeting of the parent company SEA unanimously approved the 2021 Annual Accounts and the coverage of the 2021 net loss of the parent company SEA S.p.A. through the extraordinary reserve.

20. SUBSEQUENT EVENTS TO THE END OF THE PERIOD

Reference should be made to the Directors' Report.

Chairperson of the Board of Directors
Michaela Castelli

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REPORT ON REVIEW OF THE HALF-YEARLY CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

To the Shareholders of
Società per Azioni Esercizi Aeroportuali – SEA S.p.A.

Introduction

We have reviewed the accompanying half-yearly condensed interim consolidated financial statements of Società per Azioni Esercizi Aeroportuali – SEA S.p.A. (the "Company" or "SEA S.p.A.") and subsidiaries (the "SEA Group"), which comprise the consolidated statement of financial position as of June 30, 2022, the consolidated income statement, consolidated comprehensive income statement, statement of changes in consolidated shareholders' equity and consolidated cash flow statement for the six month period then ended, and the related notes. The Directors are responsible for the preparation of the half-yearly condensed interim consolidated financial statements in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on the half-yearly condensed interim consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with the criteria recommended by the Italian Regulatory Commission for Companies and the Stock Exchange ("Consob") for the review of the half-yearly financial statements under Resolution n° 10867 of July 31, 1997. A review of half-yearly condensed interim consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Deloitte.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the accompanying half-yearly condensed interim consolidated financial statements of SEA Group as of June 30, 2022 are not prepared, in all material respects, in accordance with the International Accounting Standard applicable to the interim financial reporting (IAS 34) as adopted by the European Union.

DELOITTE & TOUCHE S.p.A.

Signed by
Matteo Bresciani
Partner

Milan, Italy
July 28, 2022

This report has been translated into the English language solely for the convenience of international readers.

The SEA Group's focus on environmental protection, through the adoption of targeted initiatives, has significantly reduced CO_2 emissions.

Milan Malpensa and Milan Linate again confirmed in 2022 their Europe-leading performances by upgrading from the "Neutrality" level to the "Transition" level (new recently-introduced top level) of 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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