Consolidated Internim Report at 31 March 2019

AEROPORTO G. MARCONI DI BOLOGNA S.P.A.

Interim Financial Report

Aeroporto Guglielmo Marconi di Bologna Group

at March 31, 2019

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Aeroporto Guglielmo Marconi di Bologna Spa
Via Triumvirato, 84 - 40132 Bologna
Bologna Economic and Administrative Register No.:268716
Bologna Company Registration Office, Tax and VAT No.: 03145140376
Share capital: Euro 90,314,162.00 fully paid-in

Ownership of the Parent Company Aeroporto Guglielmo Marconi di Bologna Spa

According to the shareholder register and the notices received pursuant to Article 120 of Legislative Decree No. 58/98, the shareholders of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., with holdings of more than 5% were as follows at March 31, 2019:

SHAREHOLDER	% held
BOLOGNA CHAMBER OF COMMERCE	37.53%
ATLANTIA S.P.A. (EDIZIONE S.R.L.)	29.38%
F2I FONDI ITALIANI PER LE INFRASTRUTTURE SGR SPA	9.99%

The following have been considered in presenting the Parent Company's ownership structure:

- interests held by the party reporting the holding, or by the party at the head of the chain of control of the holding
- interests deriving from notices submitted by shareholders or notices relating to significant shareholdings pursuant to Article 152 of the CONSOB Issuers' Regulation.

Furthermore, on June 5, 2018 the Bologna Chamber of Commerce, Municipality of Bologna, Metropolitan City of Bologna, Region of Emilia-Romagna, Modena Chamber of Commerce, Ferrara Chamber of Commerce, Reggio Emilia Chamber of Commerce and Parma Chamber of Commerce (collectively, the "Public Shareholders") entered into a shareholders' agreement (the "Shareholders' Agreement") governing certain rights and obligations in respect of the shareholder structure and corporate governance of Aeroporto Guglielmo Marconi di Bologna S.p.A.. This Shareholders' Agreement, filed at the Bologna Companies Registration Office on June 8, 2018 and sent to Consob on June 9, 2018, includes provisions on voting and transfer restrictions, binding the following interests at the publication date of the Shareholders' Agreement:

PUBLIC SHAREHOLDERS	% Share Capital subject to Voting Agreement
BOLOGNA CHAMBER OF COMMERCE	37.53%
MUNICIPALITY OF BOLOGNA	3.88%
METROPOLITAN CITY OF BOLOGNA	2.31%
REGION OF EMILIA ROMAGNA	2.04%
MODENA CHAMBER OF COMMERCE	0.30%
FERRARA CHAMBER OF COMMERCE	0.22%

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REGGIO EMILIA CHAMBER OF COMMERCE	0.15%
PARMA CHAMBER OF COMMERCE	0.11%

PUBLIC SHAREHOLDERS	% Share Capital subject to Transfer Restriction Agreement
BOLOGNA CHAMBER OF COMMERCE	37.53%
MUNICIPALITY OF BOLOGNA	3.85%
METROPOLITAN CITY OF BOLOGNA	2.30%
REGION OF EMILIA ROMAGNA	2.02%
MODENA CHAMBER OF COMMERCE	0.08%
FERRARA CHAMBER OF COMMERCE	0.06%
REGGIO EMILIA CHAMBER OF COMMERCE	0.04%
PARMA CHAMBER OF COMMERCE	0.03%

Board of Directors

The Board of Directors until April 29, 2019, the approval date of the Financial Statements at December 31, 2018, comprises:

Name	Office
Enrico Postacchini	Chairman
Nazareno Ventola	Chief Executive Officer (*)
Sonia Bonfiglioli	Director (A) (B)
Giada Grandi	Director
Luca Mantecchini	Director (A)
Laura Pascotto	Director (A) (B)
Giorgio Tabellini	Director
Domenico Livio Trombone	Director (B) (**)
Marco Troncone	Director (***)

(A) Member of the Remuneration Committee (Chairman: Luca Mantecchini)

(B) Member of the Control and Risks Committee (Chairperson: Sonia Bonfiglioli)

(*) Chief Executive Officer appointed by the Board of Directors on May 9, 2016. He has also been appointed as Director responsible for the Internal Control and Risk Management System. In addition, he is the General Manager.

(**) On October 30, 2017, the Board of Directors co-opted, in replacement of Director Gabriele Del Torchio who resigned on September 4, 2017, the Director Domenico Livio Trombone. This co-option was ratified by the Shareholders’ Meeting of April 24, 2018.

(***) On November 14, 2018, the Board of Directors co-opted the director Marco Troncone in replacement of the director Livio Fenati, who resigned on September 26, 2018. This latter was co-opted by the Board of Directors on January 29, 2018 in replacement of the Director Arturo Albano, who resigned on October 30, 2017.

All the members of the Board of Directors were appointed by the Shareholders’ Meeting of April 27, 2016, with the exception of the director Domenico Livio Trombone whose appointment was ratified by the Shareholders’ Meeting of April 24, 2018. The above directors were in office until the Shareholders’ Meeting of April 29, 2019, the approval date of the 2018 financial statements.
This latter appointed the new Board of Directors in office until the approval date of the financial statements as at December 31, 2021, comprising:

Name	**Office**
Enrico Postacchini	Chairman
Nazareno Ventola	Chief Executive Officer (*) (**)
Silvia Giannini	Director (B)
Giada Grandi	Director (A)
Eugenio Sidoli	Director (A)
Valerio Veronesi	Director
Marco Troncone	Director (B)
Gennarino Tozzi	Director
Laura Pascotto	Director (A) (B)

(*) confirmed Chief Executive Officer by the Board of Directors on May 6, 2019.
(**) continues as General Manager.
He has also been appointed as Director responsible for the Internal Control and Risk Management System.
(A) Member of the Remuneration Committee (Chairman Eugenio Sidoli)
(B) Member of the Control & Risks Committee (Chairperson Silvia Giannini)

Board of Statutory Auditors

The Board of Statutory Auditors, appointed by the Shareholders’ Meeting of April 27, 2016 and in office until the approval date of the financial statements as at December 31, 2018 were:

Name	**Office**
Pietro Floriddia	Chairman
Anna Maria Fellegara	Statutory Auditor
Matteo Tiezzi	Statutory Auditor
Carla Gatti	Alternate Auditor
Giovanna Conca	Alternate Auditor

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The Shareholders' Meeting of April 29, 2019 appointed the new Board of Statutory Auditors, in office until the approval date of the Financial Statements as at December 31, 2021, comprising:

Name	**Office**
Pietro Voci	Chairman
Samantha Gardin	Statutory Auditor
Alessandro Bonura	Statutory Auditor
Violetta Frasnedi	Alternate Auditor
Alessia Bastiani	Alternate Auditor

Independent Audit Firm

EY S.p.a. was appointed as the independent audit firm by the Shareholders' Meeting of May 20, 2015 for the financial years 2015-2023.

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Directors' Report of Aeroporto Guglielmo Marconi di Bologna S.p.A. Group at March 31, 2019

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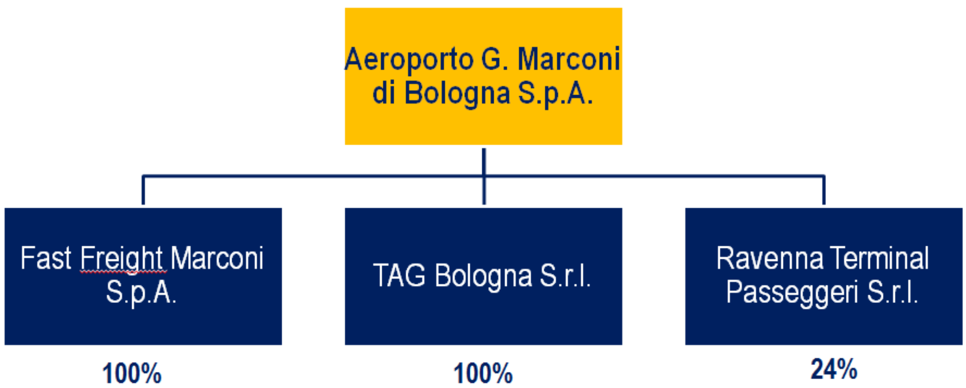
INTRODUCTION

This report, accompanying the interim Condensed Consolidated Financial Statements of the Aeroporto Guglielmo Marconi di Bologna Group (hereinafter also the “Aeroporto Group”, “Aeroporto” or “AdB”) for the three months ended March 31, 2019, in presenting the Group's performance indirectly analyses also the performance of the Parent Company, Aeroporto Guglielmo Marconi di Bologna S.p.A., the holder of the concession for the full management of Bologna Airport, i.e. Full Management Concession No. 98 of July 12, 2004 and subsequent Additional Deeds, approved by Decree of the Ministry of Transport and Infrastructure and of the Economy and Finance of March 15, 2006, with a term of 40 years starting on December 28, 2004.

The Group's structure at March 31, 2019 and a brief description of the type and businesses of its subsidiaries and associates is presented below:



- Tag Bologna S.r.l. (hereinafter also “TAG”), formed in 2001 and operational since 2008, following the completion and opening of the General Aviation Terminal and hangar. In addition to managing the above infrastructure at Bologna airport, the company operates as a handler in the General Aviation sector; The Parent Company on October 2, 2018, taking the opportunity to better control the dedicated airside flight infrastructure, acquired 49% of TAG to gain full ownership;
- Fast Freight Marconi Spa (hereinafter also “FFM”), formed in 2008 by the former subsidiary Marconi Handling S.r.l. (GH Bologna Spa with effect from April 1, 2017), following the contribution of a cargo and mail handling business unit based out of Bologna airport. The Parent Company acquired a 100% interest in FFM in 2009;
- Ravenna Terminal Passeggeri S.r.l. (hereinafter also “RTP”), formed in 2009 together with various public and private shareholders operating in the cruise industry to carry out activities related to the concession for managing the Porto Corsini Maritime Station Service (Ravenna).

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The amounts in the tables in this Directors' Report are in thousands of Euro, whereas those in the comments are in millions of Euro, unless otherwise indicated. The data is from internal company sources unless otherwise indicated.

Business Description

Airport business may be divided into aviation and non-aviation activities. Aviation activities primarily consist of managing, maintaining and developing airports, which also includes security checks and surveillance, as well as aviation services for passengers, other users and airport operators and marketing activities to develop passenger and cargo traffic. Non-aviation activities primarily consist of developing airport real estate and commercial potential.

Based on the nature of operations, the Group manages the airport through the following Strategic Business Units (SBU's):

- *Aviation Strategic Business Unit*
- *Non-Aviation Strategic Business Unit.*

Aviation SBU
The Aviation SBU's main activities involve managing and developing airport infrastructure and in particular of:

- providing customers and operators with efficient access to all infrastructure, both land side (terminal, baggage sorting, car parking, traffic and cargo storage) and air side (aircraft runways and aprons);
- providing security services and services for passengers with reduced mobility (PRM's);
- informing the public and airport users;
- developing, revamping and expanding airport infrastructure, including installations and equipment, ensuring compliance with applicable legislation.

Consideration for such services takes the form of airport charges of the following types paid by airlines, airport operators and passengers:

- passenger service fees: these fees are due for the use of infrastructure, installations and common areas required for passenger boarding, disembarkation and hospitality and are based on the number of departing passengers, as well as whether they are bound for destinations within or outside the EU, with reductions for minors;
- take-off and landing fees: these fees are due for all aircraft that take off and land and are calculated on the basis of the aircraft's maximum authorised weight at take-off and the type of flight (commercial or general aviation);
- aircraft parking fees, calculated according to maximum weight at take-off;
- freight fees for boarding and disembarking cargos based on the weight of the cargo carried by aircraft;
- refuelling fees, assessed per cubic metre of fuel supplied to aircraft.

The Aviation SBU's other major revenue sources are:

- departing passenger security fees: these fees are due for providing security check services, including the personnel and equipment used by the manager to provide this service;

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- checked baggage security fees: these fees are due for the equipment and personnel responsible for performing such checks;
- PRM fees: they include the fees paid for services for passengers with reduced mobility and are based on the number of departing passengers (PRM and otherwise);
- fees for the exclusive use of premises: they include fees for using airport infrastructure dedicated to individual carriers or operators (check-in desks, offices, operating premises), calculated according to the duration of use, floor area and/or location and type of the premises used;
- centralised infrastructure fees: these fees refer solely to aircraft de-icing services and are based on the number of winter flights;
- cargo handling and general aviation fees and fees due for the related activities such as customs clearance and refuelling.

Non-Aviation SBU

The Non-Aviation SBU’s main activities relate to parking management, retail sub-concessions, advertising, services for passengers and real estate management.

Parking

Bologna airport's directly operated paid parking areas offer approximately 5,400 available car parking spaces, located in three parking areas: the first close to the terminal, the second close to airport grounds and the third located at approx. 1.5 KM away. The airport's increasing popularity in recent years has also driven a number of private companies to enter the market, creating competing parking lots in the vicinity of the airport, with shuttle bus services to the terminal.

Retail

Bologna airport's retail offerings include internationally recognised brands with local ties and some of the leading local, domestic and international retail and catering chains. The shopping area extends over approximately 4,200 m² and includes 42 shops. The airport upgrade developed the Duty-free areas – one of the SBU's main revenue sources.

Advertising

Advertising is managed using digital and large-format back-lit displays located in areas of the terminal's interior and exterior where the advertisements are highly visible. Campaigns involving the personalisation of particular areas or furnishings located in the airport are sometimes conducted.

Passenger services

Passenger services include a business lounge operated directly by the Parent Company. The *Marconi Business Lounge* (MBL) is an exclusive, comfortable environment used mostly by business passengers travelling with major airlines. In addition, the “You First” service provides arriving and departing passengers with access to exclusive services such as check-in and baggage collection assistance, porterage, gate assistance and priority boarding.
The other services available to passengers include car rentals. Nine rental companies are based at Bologna airport, offering a total of 17 specialised brands and 484 vehicles available at the airport.

Real Estate

Real estate activity is divided into two general areas: sub-concession revenues for aviation-related commercial activities, above all express couriers, and sub-concession revenues for handling services, which are subject to regulated tariffs.

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The total commercial premises under sub-concession extend to over 90,000 square metres, of which over 70,000 square metres of offices, warehouses, technical service areas and hangars and approximately 20,000 square metres of outdoor space used for parking operating vehicles, manoeuvring in loading and loading areas and aircraft refuelling vehicle areas.

1 STRATEGIES AND RESULTS

1.1 AIR TRANSPORT GENERAL SECTOR AND PERFORMANCE: G. MARCONI AIRPORT OVERVIEW AND POSITIONING

The global economy slowed in the fourth quarter of 2018, while appearing weak also in the initial months in 2019. A range of risks threaten growth: the possible stepping up of protectionist measures globally, a worse-than-expected slowdown in China and uncertainties surrounding the manner and the timeframe by which the United Kingdom leaves the European Union.
Global trade contracted in the fourth quarter of 2018 (-1.0%) due to weaker trade with the emerging Asian economies (particularly China), only partially offset by moderate advanced economy import growth. Consumer inflation weakened across all of the major advanced economies, with the exception of the United States (mainly due to the energy component).

According to the International Monetary Fund’s April forecast, 2019 global GDP is expected to expand 3.3% - down 0.2% on the January forecast due to generalised industrial sector weakness and particularly a worsening of the Eurozone’s outlook.

Oil prices have recovered since the beginning of January, following the significant contraction in the autumn, due to production cuts by some of the OPEC countries and by Canada, in addition to geopolitical tensions in Libya and Venezuela.

The Eurozone growth outlook was also reviewed downwards, impacted by worsening global trade and business confidence. This weakness is also reflected in the lower inflation forecast. According to the ECB’s March forecast, Eurozone GDP is expected to expand 1.1%, down 0.6% on the December outlook. This downward revision was apparent across the key demand components, particularly investments and exports, with the largest economies impacted - particularly Germany and Italy.

According to the most recent economic indications, Italy is expected to slightly recover in the beginning of 2019, after contracting in the second half of 2018. GDP grew overall by 0.9% in 2018, slowing on 2017. The Italian economy has benefitted from favourable overseas trade, although reporting a contraction for this indicator (*Source: Economic Bulletin, Bank of Italy, April 2019*).

Against this general economic backdrop, global passenger traffic in the first quarter of 2019 grew moderately (4.8%), reflecting the uncertainties within the global economy. Global cargo traffic contracted 2.0%, improving on the previous month although - due to the volatile nature of the figures for the initial months of the year - it would be premature to predict the occurrence of a turnaround on these figures.

European passenger traffic was up 6.4% in the first quarter of 2019, outperforming the other regions for the sixth consecutive month. Cargo volumes in fact slightly increased (+0.3% on the same period of 2018), despite uncertainties emerging regarding the region’s geopolitical climate (*Air Passenger Market Analysis and Air Freight Market Analysis, March 2019*).

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The Italian market in the same period saw passenger traffic growth of 5.3% (Source: Assaeroporti, March 2019). Bologna Airport in the first quarter of 2019 reported 9.0% growth.

1.2 STRATEGIC OBJECTIVES

The Group in 2019 continues to pursue the strategic objectives underlying all operations. The core strategic guidelines are:

"Connect"
The Group seeks to maintain a varied range of flight offerings suited to various types of users by adding to the number of airlines operating out of the airport, while continuing to maintain good margins also on the new traffic generated. In terms of traffic development, the Group targets the adding of routes, with the introduction of new Eastern and long-haul destinations, while boosting frequencies to existing destinations. The Group also focuses on improving airport accessibility, through the development of ground connections and the expansion of its catchment area.

"Develop"
The investments outlined in the Master Plan and Regulatory Agreement are fundamental to the development of the company's business. The strategy in question calls for an efficient use of the existing infrastructure's capacity and modular implementation of new investments to ensure that infrastructure capacity keeps pace with expected traffic development. The passenger terminal expansion project is a key part of the infrastructure development plan, permitting the development of - in particular - the security control areas and the boarding gates, in addition to extending dedicated commercial space.
The Group also plans to develop non-aviation business with the opening of new stores, new car spaces and the extension of the range of services available to passengers.

"Experience"
The Group is focused on ensuring the constant improvement of the services offered to airport users in its fields of operation, both directly and indirectly, while also constantly improving its standards of security, quality and respect for the environment. In order to support and improve all aspects of operations and generate Customer loyalty, the Group considers it key to develop a culture of innovation which revolves around the installation of technology that facilitates greater interaction with passengers and optimises the airport travelling experience.

"Care"
The Group is committed to all aspects of sustainability, ranging from those of an environmental nature to compliance with ethical and social principles, in view of the important role which Bologna airport plays as a vital hub for the region. The Group also strives to develop those who work at the Airport and build an organisation which responds to the evolving demands of the market and which supports the individual in their work.

The Group has furthermore identified two overarching guidelines to the strategic objectives identified above which are viewed as a touchpoint for company operations:

"Maximise financial performance"
The Group is focused on consistently improving the financial performance and on ensuring an adequate return for shareholders.

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"Performing corporation"
In order to boost company performances, the Group seeks to improve the efficiency and efficacy of its processes and its internal structure through projects which increasingly involve the interested parties.

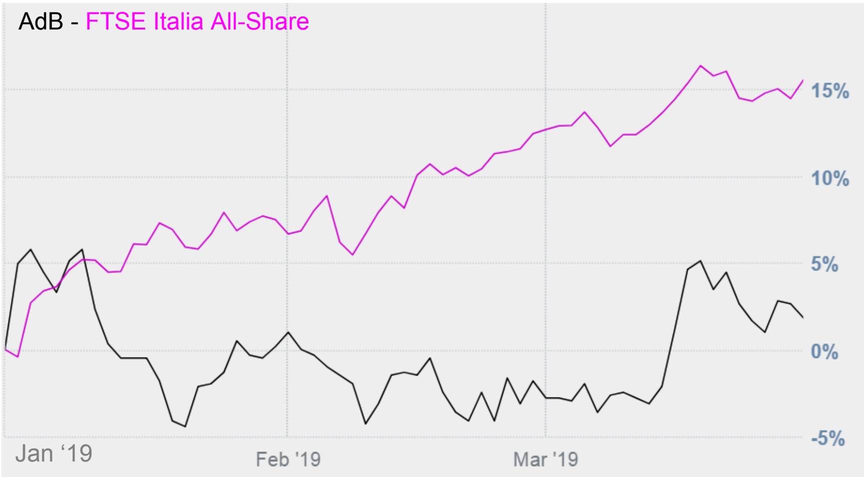
1.3 SHARE PERFORMANCE

AdB's shares began trading on the STAR segment of the Milan Stock Exchange on July 14, 2015.
The following graphs present:
- the share performance between January 1, 2019 and March 31, 2019;
- tracking of the company's share performance against the FTSE Italia all-share index.

On March 31, 2019, the official share price was Euro 12.36 per share, resulting in an AdB Group market capitalisation of Euro 446.5 million at that date.

AdB Share performance (01/01/2019-31/03/2019)

AdB and FTSE Italia All-Share performance (01/01/2019-31/03/2019)



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2. KEY OPERATING RESULTS ANALYSIS

2.1 AVIATION STRATEGIC BUSINESS UNIT

2.1.1 AVIATION STRATEGIC BUSINESS UNIT: TRAFFIC DATA

The first three months of 2019 featured strong traffic growth at Bologna airport for all components served. Passengers in the period in fact numbered 1,961,807, including transits and General Aviation - up 9.0% on the same period of 2018. **Movements** also grew (16,922, +7.9%), in addition to tonnage (1,116,241, +8.2%). This performance was supported by the introduction of new destinations and the development of existing routes. Average load factors substantially remained stable (78.8% in Q1 2019 and 79.1% in Q1 2018), with the increase in the number of passengers matching the additional number of seats offered.

Cargo traffic in the first quarter of 2019 amounted to 12,622,100 KG, reducing 6.1% on 2018. This reduction follows a slowdown in road cargo numbers, while air cargo movements were substantially in line with 2018.

	January – March 2019	January – March 2018	Change %
Passengers	1,961,807	1,799,005	9.0%
Movements	16,922	15,679	7.9%
Tonnage	1,116,241	1,031,653	8.2%
Cargo	12,622,100	13,435,273	-6.1%

Data includes General Aviation and transits

Passenger traffic growth stems from the development of both of the key components - scheduled traffic and low-cost traffic.

Legacy traffic was up 4.2% in passenger volume terms in Q1 2019, thanks to the introduction of new routes and additional flights to some hubs by the main international carriers. In particular, new flights have been introduced to Athens (Aegean Airlines, with three weekly flights from May 18, 2018), to Kiev (Ernst Airlines, with three weekly flights from June 23, 2018), to Tbilisi (Georgian Airlines with two weekly flights) and to Vienna (Laudamotion with four weekly flights)
In addition, among the additional flights introduced we report the positive impact from the introduction of the fifth daily flight to Frankfurt operated by Lufthansa and the fourth daily flight to Amsterdam operated by KLM.

Ongoing investment by the **low-cost** carriers at the airport continued, with Ryanair extending its operations, alongside Wizzair. We report in particular the introduction of new routes from Winter 2018/2019 by Ryanair for Amman, Kaunas and London Luton. Flights also increased to Manchester and Vueling added connections on its Bologna-Barcelona route (from 7 to 12 weekly flights) from May 1, 2018. In the first quarter of 2019, the low-cost component grew 12.1% overall.

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Charter segment traffic increased thanks to a cautious recovery of flights to Egypt. The contribution of this segment to overall airport traffic remained however marginal.

Passenger traffic breakdown	**January – March 2019**	**% of total**	**January - March 2018**	**% of total**	**% Change**
Legacy	791,467	*40.3%*	759,476	*42.2%*	*4.2%*
Low cost	1,155,977	*58.9%*	1,030,963	*57.3%*	*12.1%*
Charter	10,282	*0.5%*	4,637	*0.3%*	*121.7%*
Transits	2,821	*0.1%*	2,471	*0.1%*	*14.2%*
Total Commercial Aviation	**1,960,547**	*99.9%*	**1,797,547**	*99.9%*	*9.1%*
General Aviation	1,260	*0.1%*	1,458	*0.1%*	*-13.6%*
Total	**1,961,807**	***100.0%***	**1,799,005**	***100.0%***	***9.0%***

Bologna airport has an increasingly international profile: in the first quarter of 2019, passengers travelling on international flights accounted for 77.3% of the total (75.5% in the first quarter of 2018).
In terms of routes operated, Catania is the main destination in terms of passenger traffic volumes, followed by Barcelona (reporting significant growth on 2018), Paris CDG, Frankfurt and Madrid.

The main destinations again reflect the solidity of the traffic mix as at the same time acting as hubs for the traditional carriers and point to point destinations of the low-cost carriers.

Main passenger traffic routes	**January - March 2019**	**January - March 2018**	**Change %**
Catania	89,181	83,446	6.9%
Barcelona	82,350	62,290	32.2%
Paris CDG	74,664	74,964	-0.4%
Frankfurt	72,720	68,042	6.9%
Madrid	71,109	72,835	-2.4%
Palermo	70,692	66,746	5.9%
Rome FCO	68,818	73,321	-6.1%
London LHR	62,279	59,909	4.0%
London STN	56,455	56,844	-0.7%
Dubai	51,371	54,425	-5.6%

Passenger traffic including transits

2.1.2 AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	**For the quarter ended 31.03.2019**	**For the quarter ended 31.03.2018**	**Change**	**% Change**
Passenger Revenues	12,455	11,126	1,329	11.9%
Carrier Revenues	5,805	5,140	665	12.9%
Airport Operator Revenues	728	730	(2)	-0.3%
Traffic Incentives	(5,698)	(5,207)	(491)	9.4%
Revenues from Construction Services	3,735	551	3,184	577.9%
Other revenues	352	379	(27)	-7.1%
Total AVIATION SBU Revenues	**17,377**	**12,719**	**4,658**	**36.6%**

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The Aviation Strategic Business Unit's revenues consist of fees paid by users (passengers and airlines) and airport operators for the use of the infrastructure and services provided on an exclusive basis by the Group for landing, take-off, lighting, aircraft parking and passenger and cargo operations, in addition to centralised infrastructure and exclusive-use premises.
Given the public utility aspect of airport services, airport charges are regulated by both national and EU legislation. The new regulations and implementation measures – including the models approved by the Transport Regulation Authority – require that changes to the system or amount of airport fees be made with the consent, on the one hand, of the airport manager, and of the airport's users on the other.
The increase in the first quarter of 2019 over the same period in 2018 is due to a number of factors, including the differing increase in the main drivers of traffic and construction service revenues.

Group revenues from the Aviation Strategic Business Unit were overall up 36.6% on 2018. The individual accounts broke down as follows:

- Passenger Revenues (+11.9%): the growth in passenger revenues outstripped the increase in passenger traffic (+9%) due to the tariff update applied from January 1, 2019, which resulted in an increase in tariffs for this category of revenues;
- Carrier Revenues (+12.9%): Carrier revenues also increased more proportionally than total tonnage, thanks to tariff increases;
- Airport Operator Revenues: these revenues are in line with the previous year as a combined effect of higher aviation fuel service revenues and a contraction in temporary custody storage revenues;
- Incentives: the increase over 2018 (+9.4%) is related to the growth in incentivised traffic;
- Construction Service Revenues: growth (577.9%) related to greater investment than the same period of the previous year.

2.2 NON-AVIATION STRATEGIC BUSINESS UNIT

2.2.1 NON-AVIATION STRATEGIC BUSINESS UNIT: FINANCIAL HIGHLIGHTS

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change	% Change
Retail and Advertising	3,378	3,090	288	9.3%
Parking	3,663	3,559	104	2.9%
Real Estate	602	587	15	2.6%
Passenger services	1,413	1,259	154	12.2%
Revenues from Construction Services	369	491	(122)	-24.8%
Other revenues	687	720	(33)	-4.6%
Total NON-AVIATION SBU Revenues	**10,112**	**9,706**	**406**	**4.2%**

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Total non-aviation business revenues in the period rose 4.2%, with all the main revenue items increasing.

The individual areas of this business unit performed as follows.

Retail and Advertising

The revenue growth over 2018 (+9.3%) relates both to the retail and advertising segments. Retail growth owes to the strong Duty Free performance, whose contractual structure benefits from improved traffic and Food & Beverage numbers.
The strong advertising results stem mainly from the good sub-concession performances, a number of new contracts and the Fuelers advertising revenue component.

Parking

In the first quarter of 2019, parking and rail access revenues grew 2.9% over Q1 2018 - a more contained rate than passenger traffic due to reduced availability as a result of the People Mover construction works.

Real Estate

Real estate revenues rose in comparison to the first quarter of 2018 by 2.6%, thanks to the renegotiation of a number of contracts at the end of 2018.

Passenger services

In Q1 2019, passenger services were up 12.2% over Q1 2018, mainly due to premium (*lounge and accessory services*) and self-hire services, whose performance is outlined below.

Premium services

This business grew again in Q1 2019 on the basis of increased passenger numbers which reflect also the gaining popularity of directly managed lounges and those managed through specialised airport lounge channels.

Self-hire sub-concessions

Car rental revenues benefited from the opening of the new commercial space, which was not available in the first quarter of 2018 and higher royalties, due to the increased number of rentals.

Revenues from Construction Services
This item's contraction (-24.8%) relates to reduced investment in the business unit over the same period of the previous year.

Other revenues: the contraction is mainly due to reduced energy efficiency security sales.

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3 ANALYSIS OF THE OPERATING RESULTS, FINANCIAL POSITION AND CASH FLOWS:

3.1 CONSOLIDATED OPERATING RESULTS ANALYSIS

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change	% Change
Revenues from aeronautical services	13,400	11,902	1,498	12.6%
Revenues from non-aeronautical services	9,794	9,204	590	6.4%
Revenues from construction services	4,104	1,042	3,062	293.9%
Other operating revenues and income	191	277	(86)	-31.0%
REVENUES	**27,489**	**22,425**	**5,064**	**22.6%**
Consumables and goods	(425)	(476)	51	-10.7%
Service costs	(5,013)	(5,444)	431	-7.9%
Construction service costs	(3,908)	(993)	(2,915)	293.6%
Leases, rentals and other costs	(1,885)	(1,783)	(102)	5.7%
Other operating expenses	(765)	(754)	(11)	1.5%
Personnel costs	(7,145)	(6,730)	(415)	6.2%
COSTS	**(19,141)**	**(16,180)**	**(2,961)**	**18.3%**
GROSS OPERATING PROFIT (EBITDA)	**8,348**	**6,245**	**2,103**	**33.7%**
Amortisation of concession rights	(1,500)	(1,406)	(94)	6.7%
Amortisation of other intangible assets	(273)	(205)	(68)	33.2%
Depreciation of tangible assets	(697)	(533)	(164)	30.8%
DEPRECIATION, AMORTISATION AND IMPAIRMENT	**(2,470)**	**(2,144)**	**(326)**	**15.2%**
Provisions for doubtful accounts	(25)	(57)	32	-56.1%
Provision for renewal of airport infrastructure	(475)	(493)	18	-3.7%
Provisions for other risks and charges	(94)	(76)	(18)	23.7%
PROVISIONS FOR RISKS AND CHARGES	**(594)**	**(626)**	**32**	**-5.1%**
TOTAL COSTS	**(22,205)**	**(18,950)**	**(3,255)**	**17.2%**
OPERATING RESULT	**5,284**	**3,475**	**1,809**	**52.1%**
Financial income	39	54	(15)	-27.8%
Financial expenses	(299)	(251)	(48)	19.1%
RESULT BEFORE TAXES	**5,024**	**3,278**	**1,746**	**53.3%**
TAXES FOR THE PERIOD	**(1,477)**	**(952)**	**(525)**	**55.1%**
PROFIT (LOSS) FOR THE PERIOD	**3,547**	**2,326**	**1,221**	**52.5%**
Profit (loss) for the period - Minority interests	**0**	**19**	**(19)**	**-100.0%**
Profit (loss) for the period – Group	**3,547**	**2,307**	**1,240**	**53.7%**

The consolidated net profit for the first quarter of 2019 was **Euro 3.5 million**, up 52.5% on **Euro 2.3 million** in 2018.
This result mainly stems from the increase in passenger traffic and the knock-on benefit for all the main business components.

Operating **revenues** overall grew 22.6% on 2018. Specifically:
- **revenues from aeronautical services** were up 12.6%, mainly due to improved traffic and the tariff update;
- **revenues from non-aeronautical services** rose 6.4% due to the good performance of all category components, as outlined in the relative section;
- **revenues from construction services** increased 293.9% following the rolling out of investments, particularly in the aviation sector;
- other **operating revenues and income**: the decrease of 31% on 2018 is due to lower sales of energy efficiency certificates.

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Period **costs** overall rose 18.3% on the same period of 2018.

These break down as follows:

- ✓ **consumables and goods** indicated a saving (-10.7%), mainly due to the reduced consumption of runway de-icing liquid, due to the absence of major snow events which was however a feature of the initial months of 2018;
- ✓ **service costs** were also lower (-7.9%) compared to the same period of 2018, in particular thanks to:
    - lower utility costs, specifically water purchase savings thanks to the use of the well;
    - lower snow clearance costs thanks to a warmer winter than 2018, which featured major snow events;
    - lower professional consultancy and services costs;
- ✓ higher **construction service costs** (+293.6%) due to greater investment;
- ✓ the increase of 5.7% over 2018 in the **lease, rentals and other costs** account is mainly due to the growth in traffic volumes, on whose basis the concession and security fees are calculated. This cost category was impacted also by the new IFRS 16 standard, in force from January 1, 2019, on the basis of which contracts containing a usage right upon an asset no longer impact lease costs in the Income Statement, but rather amortisation and financial expenses; the impact from the application of IFRS 16 on the first quarter was lower leasing charges for Euro 148 thousand;
- ✓ **other operating expenses** were substantially in line with the previous period.

Reference should be made to the personnel costs section of this report for further details.

EBITDA was up Euro 2 million (+33.7%) in the first three months of 2019 over the same period of 2018.

Looking to **overheads**, amortisation and depreciation increased (15.2%), on the basis of the amortisation and depreciation schedule and new Group investments, in addition to the new amortisation of usage costs on leased assets as per IFRS 16 (Euro 146 thousand), while the provisions did not change significantly on the comparative quarter (-5.1%).

The 17.2% increase in overall costs against the 22.6% increase in revenues resulted in the **Operating Result** rising 52.1%: from Euro 3.5 million in the first three months of 2018 to Euro 5.3 million in Q1 2019.

Net financial expenses amounted to Euro 260 thousand, compared to Euro 197 thousand in the first quarter of 2018, mainly to the higher discounting charges on provisions and financial liabilities, including leasing charges (Euro 9 thousand), introduced by IFRS 16. On the other hand, the drop in bank interest charges due to the reduction in the debt had a positive impact.

As a result of that outlined above, the **Result before taxes** for Q1 2019 was Euro 5 million, against Euro 3.3 million in Q1 2018 (up 53.3%).

Taxes for the period of Euro 1.5 million compared to Euro 1 million in Q1 2018, with the increase substantially owing to the higher result before taxes.

Finally, the **profit** for the period, entirely concerning the Group, was **Euro 3.5 million** (Euro 2.3 million in Q1 2018).

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The **adjusted EBITDA** of construction services is presented below:

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change	% Change
Revenues from aeronautical services	13,400	11,902	1,498	12.6%
Revenues from non-aeronautical services	9,794	9,204	590	6.4%
Other operating revenues and income	191	277	(86)	-31.0%
ADJUSTED REVENUES	**23,385**	**21,383**	**2,002**	**9.4%**
Consumables and goods	(425)	(476)	51	-10.7%
Service costs	(5,013)	(5,444)	431	-7.9%
Leases, rentals and other costs	(1,885)	(1,783)	(102)	5.7%
Other operating expenses	(765)	(754)	(11)	1.5%
Personnel costs	(7,145)	(6,730)	(415)	6.2%
ADJUSTED COSTS	**(15,233)**	**(15,187)**	**(46)**	**0.3%**
ADJUSTED GROSS OPERATING PROFIT (ADJUSTED EBITDA)	**8,152**	**6,196**	**1,956**	**31.6%**
Revenues from construction services	4,104	1,042	3,062	293.9%
Construction service costs	(3,908)	(993)	(2,915)	293.6%
Construction Services Margin	**196**	**49**	**147**	**300.0%**
GROSS OPERATING PROFIT (EBITDA)	**8,348**	**6,245**	**2,103**	**33.7%**

3.2 CASH FLOW ANALYSIS

The consolidated cash flow statement, indicating cash flows generated/absorbed from operating, investing and financing activities, is summarised below:

in thousands of Euro	As at 31.03.2019	As at 31.03.2018	Change
Cash flow generated / (absorbed) by operating activities before working capital changes	**8,185**	**6,229**	**1,956**
Cash flow generated / (absorbed) by net operating activities	**3,361**	**4,002**	**(641)**
Cash flow generated / (absorbed) by investment activities	**9,660**	**(1,128)**	**10,788**
Cash flow generated / (absorbed) by financing activities	**(220)**	**(127)**	**(93)**
Change in closing cash flow	**12,801**	**2,747**	**10,054**
Cash and cash equivalents at beginning of year	**15,762**	**16,209**	**(447)**
Change in closing cash flow	**12,801**	**2,747**	**10,054**
Cash and cash equivalents at end of period	**28,563**	**18,956**	**9,607**

Cash flows generated by operating activities amounted to Euro 3.4 million, decreasing on the same period of 2018 (Euro -0.6 million), despite the increase in core activity cash flows which rose by Euro 2 million. Before **working capital changes** in fact, operating activities generated funding of Euro 8.2 million, against

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Euro 6.2 million in Q1 2018, although of these resources, Euro 4.8 million was absorbed by net working capital changes, principally due to the increase in trade receivables and other assets.

The absorption of resources by **infrastructure investment** was Euro 3.7 million (Euro 1.6 million in the comparative quarter), offset by **cash flows generated** by the upcoming maturity of temporary liquidity uses for Euro 13.4 million, resulting in a generation of **investing activity cash flows** of Euro 9.7 million (against an absorption of Euro 1.1 million in Q1 2018).

Finally, **financing activities absorbed cash flows** of Euro 0.2 million, due to the repayment of loan instalments maturing in the quarter and the settlement of finance lease liabilities.

Consequently, the **change in closing cash flow** in the period indicates a generation of Euro 12.8 million, reflecting the increased liquidity at March 31, 2019.

The Group net financial position at March 31, 2019, compared to December 31, 2018 and March 31, 2018, is presented below:

	in thousands of Euro	As at 31.03.2019	As at 31.12.2018	As at 31.03.2018	Change 31.03.2019 31.12.2018	Change 31.03.2019 31.03.2018
A	Cash	25	27	25	(2)	0
B	Other cash equivalents	28,538	15,735	18,931	12,803	9,607
C	Securities held for trading	0	0	0	0	0
D	**Liquidity (A)+(B)+(C)**	**28,563**	**15,762**	**18,956**	**12,801**	**9,607**
E	**Current financial receivables**	**75**	**13,449**	**20,612**	**(13,374)**	**(20,537)**
F	Current bank debt	(144)	(43)	(170)	(101)	26
G	Current portion of non-current debt	(4,434)	(4,433)	(5,809)	(1)	1,375
H	Other current financial debt	(2,323)	(2,050)	(1,855)	(273)	(468)
I	**Current financial debt (F)+(G)+(H)**	**(6,901)**	**(6,526)**	**(7,834)**	**(375)**	**933**
J	**Net current financial position (I)-(E)-(D)**	**21,737**	**22,685**	**31,734**	**(948)**	**(9,997)**
K	Non-current bank debt	(14,567)	(14,690)	(18,988)	123	4,421
L	Bonds issued	0	0	0	0	0
M	Other non-current liabilities	(1,742)	0	0	(1,742)	(1,742)
N	**Non-current financial debt (K)+(L)+(M)**	**(16,309)**	**(14,690)**	**(18,988)**	**(1,619)**	**2,679**
O	**Net financial position (J)+(N)**	**5,428**	**7,995**	**12,746**	**(2,567)**	**(7,318)**

The Group **Net Financial Position** at March 31, 2019 was a cash position of Euro 5.4 million, compared to Euro 8 million at December 31, 2018 (-Euro 2.6 million) and Euro 12.7 million at March 31, 2018 (-Euro 7.3 million).

The decrease on both comparative periods is due for Euro 2.3 million to the recognition of finance lease liabilities following the introduction of the new IFRS 16 standard, corresponding to future charges, already contractually agreed, for the right to use third party assets.

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In addition to the above, compared to 31/12/2018 current financial receivables (E) decreased due to the upcoming maturity of temporary liquidity investments which at March 31, 2019 were classified to liquidity (D): overall, liquidity (D + E) reduced by only Euro 0.6 million.

Compared to the first quarter of 2018, in addition to the recognition of the above finance lease liabilities, the debt reduced due to the repayment of loan instalments (-Euro 5.8 million) and, simultaneously, reduced overall liquidity of Euro 10.9 million.

3.3 FINANCIAL POSITION ANALYSIS

The Group financial position, classified according to "sources" and "uses", is presented below:

USES *in thousands of Euro*	**As at 31.03.2019**	**As at 31.12.2018**	**As at 31.03.2018**	**Change 31.03.2019 31.12.2018**	**Change 31.03.2019 31.03.2018**
- Trade receivables	16,289	14,272	12,724	2,017	3,565
- Tax receivables	348	161	156	187	192
- Other Receivables	5,718	4,500	5,186	1,218	532
- Inventories	559	594	523	(35)	36
Sub-total	**22,914**	**19,527**	**18,589**	**3,387**	**4,325**
- Trade payables	(17,131)	(19,011)	(13,198)	1,880	(3,933)
- Tax payables	(3,360)	(2,123)	(2,790)	(1,237)	(570)
- Other payables	(25,472)	(24,244)	(24,041)	(1,228)	(1,431)
Sub-total	**(45,963)**	**(45,378)**	**(40,029)**	**(585)**	**(5,934)**
Net operating working capital	**(23,049)**	**(25,851)**	**(21,440)**	**2,802**	**(1,609)**
Fixed assets	192,080	188,218	176,858	3,862	15,222
- Deferred tax assets	6,061	6,108	6,809	(47)	(748)
- Other non-current assets	17,721	17,712	21,363	9	(3,642)
Total fixed assets	**215,862**	**212,038**	**205,030**	**3,824**	**10,832**
- Provisions for risks, charges & severance	(18,345)	(17,848)	(19,147)	(497)	802
- Deferred tax liabilities	(2,471)	(2,456)	(2,386)	(15)	(85)
- Other non-current liabilities	(168)	(168)	(168)	0	0
Sub-total	**(20,984)**	**(20,472)**	**(21,701)**	**(512)**	**717**
Fixed Operating Capital	**194,878**	**191,566**	**183,329**	**3,312**	**11,549**
Total Uses	**171,829**	**165,715**	**161,889**	**6,114**	**9,940**

SOURCES	**As at**	**As at**	**As at**	**Change**	**Change**

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in thousands of Euro	31.03.2019	31.12.2018	31.03.2018	31.03.2019 31.12.2018	31.03.2019 31.03.2018
Net financial position	**5,428**	**7,995**	**12,746**	**(2,567)**	**(7,318)**
- Share Capital	(90,314)	(90,314)	(90,314)	0	0
- Reserves	(83,396)	(65,469)	(81,174)	(17,927)	(2,222)
- Profit (loss) for the period	(3,547)	(17,927)	(2,307)	14,380	(1,240)
Group Shareholders' equity	**(177,257)**	**(173,710)**	**(173,795)**	**(3,547)**	**(3,462)**
Minority Interests	0	0	(840)	0	840
Total Shareholders' Equity	**(177,257)**	**(173,710)**	**(174,635)**	**(3,547)**	**(2,622)**
Total Sources	**(171,829)**	**(165,715)**	**(161,889)**	**(6,114)**	**(9,940)**

The Group statement of financial position indicates a reduction in **operating net working capital** at March 31, 2019 compared to the end of 2018, due both to the increase in trade receivables and "other receivables", which include the boarding fee surtaxes and accrued income, increasing on the basis of seasonality.
Compared to the first quarter of 2018, net operating working capital increased due to the increase in receivables more than offsetting the higher payables. The former is largely due to the increase in trade receivables and "other receivables", mainly concerning the surtax, while higher payables relate mainly to trade payables and, within "other payables", the payable to the State for the concession fee and the Fire Prevention Service contribution.

Fixed operating capital rose mainly due to the increase in fixed assets, as a result of the advancement of the Group's investment plan and, with regards to Q1 2019, the recognition of the leased asset usage right following the initial application of IFRS 16.

At March 31, 2019, **Consolidated and Group Shareholders' Equity** amounts to Euro 177.3 million, compared to Euro 173.7 million at December 31, 2018, against a **net financial position** of Euro 5.4 million. The Shareholders' Meeting of the parent company of April 29, 2019, in addition to approving the 2018 Annual Accounts, approved the distribution of a dividend from the 2018 profit of Euro 16.2 million.

3.4 INDICATORS

The Directors deemed the Group's major income statement and statement of financial position indicators at and for the period ended March 31, 2019 to be immaterial due to their interim nature.

3.5 INVESTMENTS

Investments totalled Euro 3.7 million in Q1 2019, of which approx. Euro 2.0 million for Masterplan investments and the remainder on airport operations.
The state of progress of the main investments in the Masterplan is illustrated below:

- **Terminal extension:** the executive design phase of the existing terminal extension began;
- **New de-icing apron and building**: construction of the de-icing apron is ongoing;
- **New Multi-story car park**: the executive design of the parking lot close to the terminal is in progress;
- **People Mover**: works on the moving walkway between the Airport Station and the Terminal concluded;
- **Cargo Building:** the executive design of a specialist operators dedicated building was completed, with approval by the competent bodies awaited.

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Further to the Masterplan investments, others focused on airport operations and the improvement of the service offered to passengers, in addition to boosting the efficiency of company processes. In particular, we indicate the works on:

- improvements on three non-Schengen piers;
- installation of new runway TVCC systems;
- actions in alignment with the fire protection regulations.

Provisions for renewal

The total cyclical renewal and maintenance works on the airport infrastructure and plant under concession at March 31, 2019 was **Euro 0.2 million.** We indicate in particular the beginning of the executive design on the replacement of the "Cava Olmi" tank, the installation of new monitors, the replacement of elevators and of the obsolete UTA unit.

3.6 PERSONNEL

Workforce breakdown

	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change	% Change
Full Time Equivalent average workforce	**477**	**457**	**20**	**4%**
Executives	10	9	1	11%
Managers	31	28	3	11%
White-collar	338	326	12	4%
Blue-collar	98	94	4	4%

	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change	% Change
Average workforce	**531**	**493**	**38**	**8%**
Executives	10	9	1	11%
Managers	31	28	3	11%
White-collar	388	357	31	9%
Blue-collar	102	99	3	3%

Source: Company workings

The increase in the workforce of 20 full-time equivalent employees compared to Q1 2018 mainly relates to the hiring of staff to cope with operations related to the higher traffic numbers, such as security and terminal personnel, but also for the development of a number of staffing areas.

Costs

	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change	% Change
Personnel costs	7,145	6,730	415	6.2%

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The increase in personnel costs of 6.2% compared to the same period of 2018 is mainly due to the expanded workforce, as described above, in addition to normal salary increases.

TRADE UNION RELATIONS

During the first quarter of 2019, 3 trade union agreements were signed, reflecting the Group's focus on the issues of welfare and social responsibility:

- the existing company welfare system was extended, ahead of the renewal of the Collective Bargaining Contract and possible consequent amendments or supplements;
- the "hours bank" (banca solidale) was introduced according to the means set out in the regulation, for the granting of holidays, leave and hours to colleagues with underage children with challenging conditions;
- a policy was drawn up to support single parent families (families whereby one parent is the sole guardian of one or more children).

TRAINING OF PERSONNEL

In the first quarter of 2019, training spend increased on the first quarter of the previous year due to the undertaking of a number of major projects.
Training featured, in addition to specific regulatory update courses in a number of areas, obligatory training for the Prevention and Protection Service and the Security area.
In particular, for the Security area, a course was provided through a certified ENAC instructor for the "Recognition of Explosives", in addition to the "Human Factors" course to improve awareness with regards to the impact of the human factor on overall global aviation security.
A "Big Data" masters was introduced to the ICT area, in order to acquire the policies, instruments and capacity to develop applied solutions for the interpreting of data, which has become a critical competitive resource for businesses.
The "PM in Action" course was also introduced, with 35 classroom participants from various company departments, in order to define and create uniformity for the PM role at the company, with a focus on methodological, organisational, relationship-building and technical-specialist skill sets.

4 MAIN NON-FINANCIAL RESULTS

4.1 QUALITY

As part of its development strategies, Bologna airport combines a strong focus on passengers' needs with a vision open to new trends in the industry. The Group's goal is to offer passengers airport infrastructure and services that make the travel experience as pleasant as possible.

User satisfaction

Overall satisfaction remained positive in the first quarter of 2019, despite the significant growth in traffic. The professionalism and courtesy of personnel, the quality of passenger information and the ease of movement within the airport, whose services are always closely on-hand, were confirmed as Bologna Airport's key strengths.
Also with regards to the quality of services provided, we indicate an improvement since the beginning of the year both for check-in waiting times and security control times, in addition to baggage delivery times - all aspects which the manager has worked on closely with the handlers and airlines to identify improvements for processes and available infrastructure and plant.

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Key Quality Indicators		January - March 2019	January - March 2018
Overall satisfaction	% of satisfied passengers	**98.9%**	**98.5%**
Service regularity and speed	% of satisfied passengers	**98.7%**	**97.4%**
General cleaning level perception	% of satisfied passengers	**96.3%**	**98.9%**
Toilet cleanliness and functionality level perception	% of satisfied passengers	**90.2%**	**96.3%**
Check-in queue waiting	Time in 90% of cases	**11'48''**	**13'07''**
Waiting time for baggage screening control	Time in 90% of cases	**5'08''**	**06'34''**
First/last bag return time from aircraft block-on (from system)	First bag (time in 90% of cases)	**23'**	**25'**
	Last bag (time in 90% of cases)	**30'**	**33'**

Source: Company workings

Also within the framework of ACI World's Airport Service Quality programme - the world's foremost global airport service quality benchmark - Bologna airport achieved strong results, although slightly contracting on the same period of the previous year.

The key overall satisfaction indicator (measured on a scale from 1 to 5) in the first quarter of 2019 was 3.80, substantially in line with the first quarter of 2018 (3.82). Breaking down the figures, the perception of the service offered in terms of security checks and of airport personnel was confirmed as very positive, with the satisfaction for the airport retail offer significantly increasing, in addition to that for parking and the availability of luggage trollies.

5 REGULATORY FRAMEWORK

5.1 CONTINUITY OF SERVICES PROVIDED BY ALITALIA IN EXTRAORDINARY ADMINISTRATION

In relation to the extraordinary administration of Alitalia - Società Aerea Italiana S.p.A., regarding which reference should be made to the Directors' Report to the 2018 Annual Accounts, at the statement of liabilities hearing of April 4, 2019, the sixth partial state of liabilities regarding only passengers and certain creditors (mainly hoteliers) was filed. The final statement of liabilities filing is currently awaited, concerning all creditors, including the airport management companies, which should result in a formalisation of the amount of Alitalia SAI liabilities admitted to the extraordinary administration procedure.

For further details on the regulatory framework, as there were no significant changes upon that commented upon in the 2018 Directors' Report, reference should be made to this document for additional information.

6 DISPUTES

Fire Prevention Fund

In relation to the contribution to the Fund set up by the 2007 Finance Act in order to reduce the cost to the State for the organisation and provision of the **fire prevention service** at Italian airports, the Parent Company promoted, in 2012, a specific judicial action before the Rome Civil Tax Court, substantially requesting the Judge to ascertain and declare the cessation of the obligatory contribution following the change in the purpose of the afore-mentioned Fund, i.e. from January 1, 2009. In fact, from that date the resources accumulated in the Fund were allocated to the generic requirements of the public purse and civil defense, as well as for financing salary increases of the Fire Prevention Service.

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Currently the Rome Court, following a series of postponements and suspensions deriving from the systematic reassignment of the case to different judges, has not outlined its conclusions. However with the existence, over the years, of a consolidated jurisprudence (*ex pluris* Rome Provincial Tax Court No. 10137/51/2014 - passed into Law - and Rome Provincial Tax Court No. 2517/2019) sealed by the pronouncement of the Court of Cassation No. 3162 of February 1, 2019 which affirmed: i) the nature of the contribution to the Fire Prevention Fund, ii) the consequent competent tax jurisdiction, iii) the non-obligation to pay the tax from 2009, due to the non-applicability of its original legislative purpose, the Company is awaiting a definitive pronunciation of non-competence by the civil judge.
In relation to the above-mentioned civil case, promoted by the Company before the Rome Court, the Tax Administrations notified however on January 16, 2015 an injunctive decree relating to the presumed contribution to the Fire Prevention Fund for the years 2007, 2008, 2009 and 2010. This decree, containing clear material and formal errors, was immediately opposed, requesting the cancellation of the decree or, in replacement, to declare upon its jurisdiction and to order the reinstatement of the case before the Rome Court. On December 20, 2017, the Bologna Court issued a jurisdiction ordinance, declaring the Tax Commission as the competent judge, which cancelled Injunction Decree No. 20278/14.

Unexpectedly and incomprehensively, on May 24, 2018, the State District Lawyer notified an appeal against the ordinance of the Bologna Court of December 20, 2017.
The Company therefore appealed (RG No. 2020/18), fully outlining its defense and invoking, preliminarily, the clear lack of jurisdiction of the Bologna Court. On March 25, 2019, the judge appointed by the Court of Appeal filed an extremely positive order (No. 1718/2019 of 18/03/2019) which should definitively conclude the actions taken at the Court of Bologna against the company, by which the presented appeal was declared inadmissible, judging expenses against the Tax Administration.
The company in order to obtain a direct recognition of the principles embodied universally by the Court of Cassation and by the Rome Provincial Tax Court will present its case before the tax judge, once proceedings may take place, of the cases currently before the Rome Court (RG No. 22375/12) and the Bologna Court of Appeal (RG No. 2020/18).
The current legal scenario allows for a more positive evaluation of the entire issue concerning the Fire Prevention Fund but, while awaiting a future direct recognition of the principles embodied in a uniform manner by the recent key judgements (see Regulatory Framework Chapter 2018 Annual Accounts), there are no new judicial or extrajudicial issues arising with direct effects on the Parent Company, such as to result in a change in the treatment in the financial statements of the contribution to the Fire Protection Fund.

7 MAIN RISKS AND UNCERTAINTIES

In accordance with the disclosure requirements set out in Art. 2428, paragraph 2, No. 6-*bis* of the Italian Civil Code, the Group holds financial instruments that qualify as significant in quantitative terms. However, considering the criteria that inform its choice of investments, such as:

- minimising the risk of the return of invested capital;
- the differentiation of the credit institutions;
- the duration, normally less than two years;
- the return offered;

the Group believes the **financial risks** – understood as the risks of changes in the value of the financial instruments – to be limited.

The Group is not subject to **foreign exchange risk** since it does not undertake transactions in foreign currencies.

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In view of the significant commitments to infrastructure development, **liquidity risk** could manifest as difficulty in obtaining timely, cost-effective financing. To meet the needs deriving from its investment plan, the Group has taken comprehensive steps to obtain the medium-term financial resources required for its development. In particular, the Parent Company's IPO has improved the Group's liquidity and financial profile. Finally, the cash flows, funding requirements and the liquidity of the Group companies are constantly monitored in order to ensure the efficient management of financial resources.

The Group has sought to minimise **interest rate risk**, in view of its outstanding financing, by entering into both fixed-rate and floating-rate facilities.

Finally, the Group's **credit risk** is concentrated, in that 50% of its accounts receivable are claimed from its top ten clients. This risk is offset through specific trade payable management and control tools and procedures, in addition to adequate provisioning for doubtful accounts, according to the principles of prudency and in compliance with the accounting standards IFRS 15 and IFRS 9, which strengthens the *ex-ante* analysis approach, rather than existing receivable recovery, in the credit risk assessment processes.
The commercial policies pursued by the Group to limit its exposure involve:

- requesting immediate payment for transactions with end consumers or occasional counterparties (i.e., parking areas);
- requesting advance payment from occasional airlines or airlines without an appropriate credit profile or collateral;
- requesting performance bonds from sub-concessionaire clients.

Risks related to a dependence on Ryanair traffic volumes

Group operations are significantly based on relations with the leading airlines at the airport and to which the Group offers its services, including - in particular - Ryanair. Due to the large proportion of total passenger flights at the airport operated by Ryanair, the Group is exposed to the risk that the airline may scale back or discontinue entirely its operations at the airport. Ryanair passengers accounted for 47.1% of the airport's total traffic volumes in Q1 2019. AdB and Ryanair strengthened their partnership on October 27, 2016 by entering into a long-term agreement set to expire in 2022, whereby they undertook to increase the number of destinations served by Bologna airport, in addition to achieving a consistently high standard of service due to the airport's continuing investments and the airline's "Always Getting Better" programme. The agreement lays out a scheme relating to the airport's traffic development policy and Ryanair's commitment to abide by it, in addition to a contractual safeguard mechanism that ensures that the objectives will be met. Although in the Company's opinion Bologna airport is of strategic importance to the airline, it is still possible that Ryanair may decide to change the routes served, significantly reducing or discontinuing entirely its flights at the airport, or that at some point in the future the agreement might not be renewed, in whole or in part, or might contain conditions less favourable for the Group. Any reduction or stoppage of flights by the afore-mentioned airline or the stoppage or change to flights with other destinations with high passenger traffic volumes may impact - even to a significant degree - the Group financial statements. In the light of the interest shown by low-cost carriers in Bologna airport and of general traffic development at the airport, the Company believes that the Group could reasonably weather a possible discontinuation or limitation of flights by Ryanair through the possible redistribution of passenger traffic to the other airlines operating at the airport and the airport's ability to attract new carriers. However, there remains the possibility that if a significant period of time were to elapse from the discontinuation of flight operations and the partial or complete replacement of the lost flights by other carriers, or if such replacement were to prove more difficult than expected or wholly or partially infeasible, such a discontinuation or reduction of flights could have an adverse effect, including to a material degree, on the Group's financial performance and financial position.

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Risk related to the effect of incentives on revenue margins

The Parent Company is exposed to the risk of a decrease in the margins of its Aviation Business Unit due to an increase in traffic volumes by airlines that receive incentives. In accordance with its incentive policy aimed at developing traffic and routes at the Airport, the Company pays some airlines – including both legacy and low-cost carriers – incentives tied to passenger traffic volumes and new routes. This policy limits incentives to levels compatible with positive revenue margins for the Group on each airline's operations. However, should passenger traffic and the routes operated by airlines receiving incentives increase over time, the Aviation Business Unit's positive margins could decline proportionally, with a negative impact, possibly to a material degree, on the Group's financial performance and financial position.

Although the low-cost segment's share of the Italian national market is increasing, the Group manages this risk by actively developing a traffic mix that permits it to maintain positive margins.

Risks related to implementation of the Action Plan

The Parent Company invests in the Airport on the basis of an Action Plan approved by the Italian Civil Aviation Authority (ENAC). AdB could encounter difficulties in implementing the investments provided for under the Action Plan in a timely manner due to unforeseeable events or delays in the process of obtaining authorisation for and/or executing the works, with positive adverse effects on the amount of the tariffs

that may be applied and possible risks of withdrawal from or termination of the Agreement. The Action Plan was drafted on the basis of the investments envisaged in the Master Plan according to a modular approach, the main driver of which is air traffic performance.

Risks concerning the regulatory framework

The Aeroporto Guglielmo Marconi di Bologna S.p.A. Group's core business involves acting as concession holder operating under special exclusive rights to the Bologna airport grounds. Primarily for this reason, it operates in an industry that is highly regulated at the domestic, supranational and international levels. Any change to the regulatory framework (and in particular any changes in relations with the state, public bodies and sector authorities, the determination of airport fees and the amount of concession fees, the airport tariff system, the allocation of slots, environmental protection and noise pollution) may impact operations and Company and Group results.

Risk related to the high level of intangible assets in proportion to the Group's total assets and shareholders’ equity

In the Group Consolidated Financial Statements at December 31, 2018, non-current assets include, among others, concession rights for Euro 166 million and Euro 157 million at December 31, 2017. They accounted for 63.77% of total assets at December 31, 2018 and for 60.02% at December 31, 2017. Concession Rights accounted respectively for 95.73% of Group shareholders’ equity and for 91.27% at December 31, 2017. These amounts represent the values of the concession rights as determined in accordance with the application of interpretation IFRIC 12 – *Service Concession Arrangements* (“IFRIC 12”) to all assets set to revert to the grantor, ENAC, received in 2004.

When preparing the Group's Consolidated Financial Statements, the concession rights were tested for impairment in accordance with IAS 36. The impairment test performed did not identify any impairment of the carrying amounts of the concession rights in 2018 and no impairment losses were therefore recognised on the assets concerned.

For further details, reference should be made to the “Test on the recoverability of assets and group of assets” paragraph at Note 1 of the 2018 Consolidated Financial Statements.

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Seasonality of revenues

Due to the cyclical nature of the sector in which the Group generally operates, higher revenues and operating results are expected in the third quarter rather than in the first and final quarters of the year. Higher revenues are concentrated in June-September, during the peak summer vacation period experiencing maximum usage levels. In addition, there is a strong business passenger component, due to the characteristics of the local business community and the presence of internationally renowned trade fair events, which offsets the seasonal peaks of tourist activity. Accordingly, financial performance figures for interim periods may not be representative of the Group's financial performance and financial position situation at the annual level.

8 ALTERNATIVE PERFORMANCE INDICATORS

In this Directors' Report, various performance indicators are presented in order to permit a better assessment of operating performance and financial position.

On December 3, 2015, Consob published Communication No. 92543/15, rendering applicable the Guidelines issued on October 5, 2015 by the European Security and Markets Authority (ESMA) regarding the presentation of such indicators in regulated information circulated or financial statements published on or after July 3, 2016. These Guidelines, updating the previous CESR Recommendation (CESR/05-178b), seek to promote the utility and transparency of alternative performance indicators included in regulated information or financial statements within the scope of application of Directive 2003/71/EC in order to improve their comparability, reliability and comprehensibility.

The criteria utilised for these indicators, in line with the above communications, are provided below:

- **EBITDA:** EBITDA (earnings before interest, taxation, depreciation and amortisation) is defined by management as the result before taxes for the year, financial income and charges, income and charges from equity investments, depreciation, amortisation and impairment. It therefore coincides, in this case, with the gross operating margin. EBITDA is not identified as an accounting measure as per IFRS and therefore should be considered as an alternative measure for the evaluation of the Group's performance. Since calculation of this indicator is not governed by the accounting standards that form the basis of preparation of the Group's Consolidated Financial Statements, the criterion used to determine and measure the indicator might not be uniform with that adopted by other groups. Accordingly, the figure in question might not be comparable with that presented by such other groups;
- **Adjusted EBITDA:** this is a measure used by the Group's management to monitor and assess the Group's operating and financial performance. It is calculated by subtracting from EBITDA the margin calculated as the difference between the Group's construction revenues and construction costs as the Airport's manager;
- **Net Financial Position**: the composition of net financial position is represented in accordance with the Consob Communication of July 28, 2006 and ESMA recommendation ESMA/2011/81.

9 GUARANTEES PROVIDED

The following table summarises the guarantees granted by the Group.

in thousands of Euro	as at 31/03/2019	as at 31/03/2018	Change	Change %
Sureties	7,573	6,348	1,224	19.3%
Pledge on Equity Financial Instruments	10,873	10,873	0	0%
Patronage letters	3,651	2,122	1,529	72.1%
Total guarantees provided	**22,096**	**19,343**	**2,753**	**14.2%**

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At March 31, 2019, the guarantees provided by the Group total Euro 22.1 million and principally concern:
- sureties, mainly:
  - to ENAC (the Italian Civil Aviation Authority) pursuant to the Full Management Agreement (Euro 5.4 million);
  - to Marconi Express S.p.A. for the proper fulfilment of the obligations assumed by the Parent Company by entering into the incentive agreement dated September 30, 2016 (Euro 0.87 million). This guarantee, although AdB paid the final quota of the Equity Financial Instrument in December 2018, will expire in June 2019;
  - to the Bologna Customs Agency for various custom deposits of the subsidiary Fast Freight Marconi Spa totalling Euro 1.15 million. For these latter there is a co-obligation of the Parent Company for a similar amount;
- a pledge of the equity financial instrument issued by Marconi Express S.p.a. and subscribed for by the Parent Company for a nominal value of Euro 10.87 million, securing the obligations of Marconi Express to the credit institutions that financed the People Mover project, settled at March 31, 2018 for Euro 10 million;
- a letter of patronage concerning the mortgage loan granted to the subsidiary Tag Bologna S.r.l. by Banca Agricola Mantovana (now Monte dei Paschi di Siena), equal to the residual principal, which at the end of the period amounted to Euro 3.6 million.

10 SUBSEQUENT EVENTS AND BUSINESS OUTLOOK

No events have occurred subsequent to period end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements.
However, some significant events occurred after the end of the period or are set to occur in the coming months.

Traffic performance and launch of new connections

The airport reported 796,906 passengers for April 2019, up 11.7% on the same month of 2018. Air movements also rose (+10.2%, 6,200), whereas total air cargo transported amounted to 3,125 tons, up by 2.1% on the previous year.
In the initial four-month period of 2019, overall passengers at Marconi numbered 2,757,453, up 9.8% on 2018. Movements were up 8.8% (22,349), while cargo numbers were substantially stable (13,207 tons, -0.3%).
With regards to the launch of new connections and the addition of flights:

- American Airlines will commence from June 6, 2019 a new flight for Philadelphia with 4 weekly flights;
- Finnair commenced a new direct connection for Helsinki with 3 weekly flights from April 10, 2019;
- Laudamotion launched a new flight for Stuttgart with 6 weekly flights from Summer 2019;
- Ryanair introduced new flights to:
  - Corfù, Crotone and Podgorica with 2 weekly flights during Summer 2019;
  - Marseille with 3 weekly flights during Summer 2019;
- Blue Panorama introduced a new flight for Reggio Calabria for Summer 2019 with 3 weekly flights;
- Georgian Airlines commenced the third daily flight on the Bologna-Tblisi route in Summer 2019.
- Turkish Airlines will introduce the third daily flight on the Bologna-Istanbul route in June 2019.

Inter-company and other related party transactions

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Reference should be made to the specific paragraph of the Notes to the consolidated financial statements at March 31, 2019 for information concerning transactions undertaken during the period with subsidiaries, associates and related parties.

Business Outlook

Although within an international framework featuring a number of divergent risk factors (the introduction of customs charges, Brexit, political instability in many regions), the initial months of 2019 - thanks to strong traffic performances - bode well for the remainder of the year.

Against this backdrop, the company will take all measures necessary to roll out the investments set out in the Master Plan and the regulatory agreement, to ensure that infrastructural capacity keeps pace with expected traffic development. The coming months of 2019 shall in addition feature a focus on initiatives boosting service quality and operational efficiency.

The Chairman of the Board of Directors
(Enrico Postacchini)

Bologna, May 15, 2019

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Consolidated Financial Statements at March 31, 2019

Statement of Consolidated Financial Position
Consolidated Income Statement
Consolidated Statement of Comprehensive Income
Consolidated Cash Flow Statement
Statement of Changes in Consolidated Shareholders’ Equity

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Statement of Consolidated Financial Position

in thousands of Euro	Notes	As at 31.03.2019	As at 31.12.2018
Concession rights		168,895	166,292
Other intangible assets		2,128	2,059
Intangible assets	**1**	**171,023**	**168,351**
Land, property, plant and equipment		16,325	15,135
Investment property		4,732	4,732
Tangible assets	**2**	**21,057**	**19,867**
Investments	**3**	43	43
Other non-current financial assets	**4**	16,207	16,205
Deferred tax assets	**5**	6,061	6,108
Other non-current assets	**6**	1,471	1,464
Other non-current assets		**23,782**	**23,820**
NON-CURRENT ASSETS		**215,862**	**212,038**
Inventories	**7**	559	594
Trade receivables	**8**	16,289	14,272
Other current assets	**9**	6,066	4,661
Current financial assets	**10**	75	13,449
Cash and cash equivalents	**11**	28,563	15,762
CURRENT ASSETS		**51,552**	**48,738**
TOTAL ASSETS		**267,414**	**260,776**

in thousands of Euro	Notes	As at 31.03.2019	As at 31.12.2018
Share capital		90,314	90,314
Reserves		83,396	65,469
Profit (loss) for the period		3,547	17,927
GROUP SHAREHOLDERS' EQUITY	**12**	**177,257**	**173,710**
MINORITY INTERESTS	**12**	**0**	**0**
TOTAL SHAREHOLDERS' EQUITY		**177,257**	**173,710**
Severance and other personnel provisions	**13**	4,138	4,205
Deferred tax liabilities	**14**	2,471	2,456
Provision for renewal of airport infrastructure	**15**	10,761	10,332
Provisions for risks and charges	**16**	1,095	1,028
Non-current financial liabilities	**17**	16,309	14,690
Other non-current liabilities		168	168
NON-CURRENT LIABILITIES		**34,942**	**32,879**
Trade payables	**18**	17,131	19,011
Other liabilities	**19**	28,832	26,367
Provision for renewal of airport infrastructure	**20**	1,757	1,757
Provisions for risks and charges	**21**	594	526
Current financial liabilities	**22**	6,901	6,526
CURRENT LIABILITIES		**55,215**	**54,187**
TOTAL LIABILITIES		**90,157**	**87,066**
TOTAL SHAREHOLDERS' EQUITY & LIABILITIES		**267,414**	**260,776**

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Consolidated Income Statement

In thousands of Euro	Note	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018
Revenues from aeronautical services		13,400	11,902
Revenues from non-aeronautical services		9,794	9,204
Revenues from construction services		4,104	1,042
Other operating revenues and income		191	277
Revenues	**23**	**27,489**	**22,425**
Consumables and goods		(425)	(476)
Service costs		(5,013)	(5,444)
Construction service costs		(3,908)	(993)
Leases, rentals and other costs		(1,885)	(1,783)
Other operating expenses		(765)	(754)
Personnel costs		(7,145)	(6,730)
Costs	**24**	**(19,141)**	**(16,180)**
Amortisation of concession rights		(1,500)	(1,406)
Amortisation of other intangible assets		(273)	(205)
Depreciation of tangible assets		(697)	(533)
Depreciation, amortisation and write-downs	**25**	**(2,470)**	**(2,144)**
Provisions for doubtful accounts		(25)	(57)
Provision for renewal of airport infrastructure		(475)	(493)
Provisions for other risks and charges		(94)	(76)
Provisions for risks and charges	**26**	**(594)**	**(626)**
Total Costs		**(22,205)**	**(18,950)**
Operating result		**5,284**	**3,475**
Financial income	**27**	39	54
Financial expenses	**27**	(299)	(251)
Result before taxes		**5,024**	**3,278**
Taxes for the period	**28**	(1,477)	(952)
Profit (loss) for the period		**3,547**	**2,326**
Minority interest profit (loss)		**0**	**19**
Group profit (loss) for the period		**3,547**	**2,307**
Undiluted earnings/(loss) per share (in Euro)		**0.10**	**0.06**
Diluted earnings/(loss) per share (in Euro)		**0.10**	**0.06**

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Consolidated Statement of Comprehensive Income

in thousands of Euro	**For the quarter ended 31.03.2019**	**For the quarter ended 31.03.2018**
Profit (loss) for the period (A)	3,547	**2,326**
Other profits (losses) that will be reclassified in the net result for the period		
Total other profits (losses) that will be reclassified in the net result for the period (B1)	**0**	**0**
Other profits (losses) that will not be reclassified in the net result for the period		
Actuarial profits (losses) on severance and other personnel provisions	0	0
Tax impact on actuarial profits (losses) on severance and other personnel provisions	0	0
Total other profits (losses) that will not be reclassified in the net result for the period (B2)	**0**	**0**
Total other profits (losses), net of taxes (B1 + B2) = B	**0**	**0**
Total comprehensive profits (loss) net of taxes (A + B)	**3,547**	**2,326**
of which Minority Interests	**0**	**19**
of which Group	**3,547**	**2,307**

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Consolidated Cash Flow Statement

in thousands of Euro	As at 31.03.2019	As at 31.03.2018
Core income-generating operations		
Result for the period before taxes	5,024	3,278
Adjustments to items with no impact on cash and cash equivalents		
- Margin on construction services	(196)	(49)
+ Depreciation and amortisation	2,470	2,144
+ Provisions	594	626
+ Interest expense (income) for discounting provisions and severance provisions	173	114
+/- Interest income and financial charges	87	83
+/- Losses/gains and other non-monetary costs/revenues	0	1
+/- Severance provisions and other personnel expenses	33	32
Cash flow generated/(absorbed) by operating activities before changes in working capital	**8,185**	**6,229**
Change in inventories	35	15
(Increase)/decrease in trade receivables	(2,042)	444
(Increase)/decrease in other receivables and current/non-current assets (non-financial)	(1,391)	(1,139)
Increase/(decrease) in trade payables	(1,880)	(3,011)
Increase/(decrease) in other liabilities, various and financial	806	1,748
Interest paid	(18)	(8)
Interest collected	2	51
Taxes paid	0	0
Severance and other personnel provisions paid	(122)	(105)
Use of provisions	(214)	(222)
Cash flow generated / (absorbed) by net operating activities	**3,361**	**4,002**
Purchase tangible assets	(169)	(240)
Payment from sale of tangible assets	0	2
Purchases of intangible assets/concession rights	(3,571)	(1,328)
Proceeds on sale of intangible assets/concession rights	0	321
Purchase/capital increase of equity investments	0	0
Proceeds on sale of equity investments	0	117
Changes in current and non-current financial assets	13,400	0
Cash flow generated / (absorbed) by investment activities	**9,660**	**(1,128)**
Proceeds from the issuance of shares and other equity instruments	0	0
Dividends paid	0	0
Loans received	0	0
Loans repaid	(128)	(127)
Payments of leasing capital share	(92)	0
Cash flow generated / (absorbed) by financing activities	**(220)**	**(127)**
Change in closing cash flow	**12,801**	**2,747**
Cash and cash equivalents at beginning of period	**15,762**	**16,209**
Change in closing cash flow	**12,801**	**2,747**
Cash and cash equivalents at end of period	**28,563**	**18,956**

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Statement of changes in Consolidated Shareholders’ Equity

in thousands of Euro	Share capital	Share Premium Reserve	Legal reserve	Other reserves	FTA Reserve	Actuarial profits/ (losses) reserve	Profits (losses) Carried Forward	Reserves for assets held for sale	Net Profit for the period	Group shareholders' equity	Minority interests	Shareholders’ Equity
Shareholders’ Equity as at 31.12.2017	**90,314**	**25,683**	**5,545**	**35,600**	**(3,222)**	**(914)**	**2,513**	**13**	**15,969**	**171,501**	**821**	**172,322**
Allocation of the 2017 financial year result	0	0	0	836	0	0	15,133	0)	(15,969)	0	0	0
Share capital increase	0	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0	0
Assets held-for-sale	0	0	0	0	0	0	0	(13)	0	(13)	0	(13)
Total comprehensive profit (loss)	0	0	0	0	0	0	0	0	2,307	2,307	19	2,326
Shareholders’ Equity as at 31.03.2018	**90,314**	**25,683**	**5,545**	**36,436**	**(3,222)**	**(914)**	**17,646**	**0**	**2,307**	**173,795**	**840**	**174,635**

in thousands of Euro	*Share capital*	*Share Premium Reserve*	*Legal Reserve*	*Other Reserves*	*FTA Reserve*	*Actuarial profits/(losses) reserve*	*Profits (losses) Carried Forward*	*Assets held-for-sale reserve*	*Profit (loss) for the period*	*Group shareholders' equity*	*Minority interests*	*Shareholders’ Equity*
Shareholders’ Equity as at 31.12.2018	**90,314**	**25,683**	**6,310**	**36,437**	**(3,272)**	**(821)**	**1,132**	**0**	**17,927**	**173,710**	**0**	**173,710**
Allocation of the 2018 financial year result	0	0	0	566	0	0	17,361	0	(17,927)	0	0	0
Share capital increase	0	0	0	0	0	0	0	0	0	0	0	0
Dividends paid	0	0	0	0	0	0	0	0	0	0	0	0
Assets held-for-sale	0	0	0	0	0	0	0	0	0	0	0	0
Total comprehensive profit (loss)	0	0	0	0	0	0	0	0	3,547	3,547	0	3,547
Shareholders’ Equity as at 31.03.2019	**90,314**	**25,683**	**6,310**	**37,003**	**(3,272)**	**(821)**	**18,493**	**0**	**3,547**	**177,257**	**0**	**177,257**

Notes to the consolidated financial statements

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Group activities

The Group operates in the airport management business. In particular:

- Aeroporto Guglielmo Marconi di Bologna S.p.A. (hereinafter "AdB" or the "Parent Company") is full manager of Bologna airport under Full Management Agreement No. 98 of July 12, 2004 and subsequent additional instruments, approved by Decree of the Ministry of Transport and Infrastructure and the Ministry of the Economy and Finance on March 15, 2006, with a term of 40 years from December 28, 2004. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register.
- Fast Freight Marconi S.p.A. (hereinafter FFM) operates in the cargo and mail handling business at Bologna airport. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register. It is subject to management and coordination by Aeroporto Guglielmo Marconi di Bologna S.p.A..
- TAG Bologna S.r.l. (hereinafter TAG) operates in the general aviation business as a handler and manager of the related infrastructure at the Bologna airport. Its registered office is located at Via del Triumvirato 84, Bologna and it is registered with the Bologna Companies Register. It is subject to management and coordination by Aeroporto Guglielmo Marconi di Bologna S.p.A..

Accounting standards adopted for the Preparation of the Consolidated interim financial statements as at March 31, 2019

Basis of preparation

The condensed consolidated interim financial statements of the Group (hereafter "the consolidated interim financial statements of the Group" or "consolidated financial statements") were prepared for the quarter ended March 31, 2019 and include the comparative figures for the year ended December 31, 2018, limited to the Statement of Consolidated Financial Position and the comparative figures for the January 1, 2018-March, 2018 quarter, limited to the Consolidated Income Statement, Consolidated Statement of Comprehensive Income and Consolidated Cash Flow Statement. The consolidated financial statements were prepared under the historic cost convention, except for financial assets held-for-sale, and Intangible Assets comprising Energy Certificates, which were recognised at fair value, and in accordance with the going concern principle. The Group considers that no significant uncertainties exist (as defined by paragraph 25 of IAS 1) on the going concern.

The consolidated financial statements are presented in thousands of Euro, which is also the Group functional currency, and all amounts are rounded to the nearest thousands of Euro, where not otherwise indicated.

The publication of the consolidated interim financial statements of Aeroporto Guglielmo Marconi di Bologna S.p.A. and its subsidiaries (the Group) for the quarter ended March 31, 2019 was approved by the Board of Directors on May 15, 2019.

Content and form of the consolidated financial statements

The Condensed Consolidated Interim Financial Statements at March 31 were prepared as per IAS 34 "Interim Financial Statements" including condensed explanatory notes in accordance with the above-mentioned international accounting standard and supplemented in order to provide greater disclosure

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where considered necessary. These Consolidated Financial Statements must therefore be read together with the Consolidated Financial Statements for the year 2018 prepared in accordance with IFRS International Accounting Standards issued by the International Accounting Standards Board (“IASB”) and prepared considering the transition date to IFRS (First Time Adoption “FTA”) as January 1, 2012.

The accounting standards and policies utilised are those adopted for the preparation of the financial statements at December 31, 2018 with the exception of the new accounting standards, amendments and interpretations which entered into force from January 1, 2019, applied for the first time by the Group in drawing up this Interim Financial Report at March 31, 2019 and, in particular, the new IFRS 16 leasing standard, for which reference should be made to note 2.

This interim report has not been audited.

The Group opted to apply the Separate and Consolidated Statement of Comprehensive Income, as permitted by IAS 1, considering such more representative of operations. In particular, the Statement of Consolidated Financial Position has been prepared by separating assets and liabilities into current and non-current categories.
An asset is considered current where:

- it is expected to be realized, or is held for sale or consumption, in the normal course of the operating cycle;
- it is held mainly for the purpose of negotiating it;
- it is expected to be realised within twelve months from the consolidated financial statements date; or
- it comprises cash or cash equivalents, upon which no prohibition exists on their exchange or utilisation to settle a liability for at least 12 months from the consolidated financial statements date.

All other assets are classified as non-current.

A liability is considered current where:

- it is expected to be settled within the normal operating cycle;
- it is held principally for trading;
- it is expected to be settled within twelve months from the year-end;
- the entity does not have an unconditional right to defer settlement of the liability for at least twelve months after the consolidated financial statements date.

The Group classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified respectively under non-current assets and liabilities.
The Consolidated Income Statement has been prepared by classifying income and expenses by their nature, whereas the Consolidated Cash Flow Statement has been prepared using the indirect method, according to which cash flows are classified into operating, investing and financing categories.

Consolidation Scope

The consolidated financial statements were prepared based on the financial statements of the Parent Company and its subsidiaries, directly and indirectly held, approved by the respective shareholders’ meetings or executive bodies, appropriately adjusted in line with IFRS. The subsidiary companies are fully consolidated from the date of acquisition, or from the date in which the Group acquires control, and ceases to be consolidated at the date on which the Group no longer has control.

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The following tables summarise the information on the subsidiaries and associates at March 31, 2019 and December 31, 2018 in terms of the Group's direct and indirect holding.

Subsidiaries (in thousands of Euro)	Currency	Share capital	as at 31.03.2019	as at 31.12.2018
Fast Freight Marconi S.p.a. Società Unipersonale	Euro	520	100.00%	100.00%
Tag Bologna S.r.l. Società Unipersonale	Euro	316	100.00%	100.00%

Associates (in thousands of Euro)	Currency	Share capital	as at 31.03.2019	as at 31.12.2018
Ravenna Terminal Passeggeri S.r.l.	Euro	165	24.00%	24.00%

Operating Segment information

The Aeroporto Guglielmo Marconi di Bologna Group, in application of IFRS 8, identified its operating segments as the business areas which generate revenues and costs, whose results are periodically reviewed by the highest decision-making level in order to evaluate the outcome of the decisions concerning the allocation of resources and for which separate financial statements are available.
The Group operating segments as per IFRS 8 - Operating Segment are as follows:

- Aviation;
- Non-Aviation;
- Other.

The disclosure concerning operating segments for the Continuing Operations is outlined to reflect the future organisational structure of the Group, with separate disclosure for Discontinued Operations.

In relation to the operating segments, the Group evaluates their performance based on passenger revenues, separating those concerning the aviation sector from those concerning the non-aviation sector.

The account "Other" residually includes those businesses not directly attributable to the identified segments.
In Group operations, financial income and charges and taxes are not allocated to the individual operating segments.

The segment assets are those employed by the segment for operating activities or which may be allocated reasonably for the carrying out of operating activities.
The segment assets presented are measured utilising the same accounting policies adopted for the presentation of the Group consolidated financial statements.

in thousands of Euro	For the quarter ended 31.03.2019 Aviation	For the quarter ended 31.03.2019 Non-Aviation	For the quarter ended 31.03.2019 Other	Total for the quarter ended 31.03.2019
Revenues	17,377	10,112	0	27,489
Costs	(14,467)	(4,674)	0	(19,141)
EBITDA	**2,910**	**5,438**	**0**	**8,348**
Depreciation, amortisation & impairment	(1,707)	(763)	0	(2,470)
Provisions	(512)	(82)	0	(594)
Operating result	**691**	**4,593**	**0**	**5,284**
Financial income	0	0	39	39
Financial expenses	0	0	(299)	(299)
Result before taxes	**691**	**4,593**	**(260)**	**5,024**
Taxes for the period	0	0	(1,477)	(1,477)
Profit (loss) for the period	**691**	**4,593**	**(1,737)**	**3,547**
Minority interest profit (loss)	**0**	**0**	**0**	**0**
Group profit (loss) for the period	**0**	**0**	**0**	**3,547**

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In thousands of Euro	For the quarter ended 31.03.2018 Aviation	For the quarter ended 31.03.2018 Non-Aviation	For the quarter ended 31.03.2018 Other	Total for the quarter ended 31.03.2018
Revenues	12,719	9,706	0	22,425
Costs	(11,401)	(4,779)	0	(16,180)
EBITDA	**1,318**	**4,927**	**0**	**6,245**
Depreciation, amortisation & impairment	(1,370)	(774)	0	(2,144)
Provisions	(509)	(117)	0	(626)
Operating result	**(561)**	**4,036**	**0**	**3,475**
Financial income	0	0	54	54
Financial expenses	0	0	(251)	(251)
Result before taxes	**(561)**	**4,036**	**(197)**	**3,278**
Taxes for the period	0	0	(952)	(952)
Profit (loss) for the period	**(561)**	**4,036**	**(1,149)**	**2,326**
Minority interest profit	**0**	**0**	**0**	**19**
Group profit (loss)	**0**	**0**	**0**	**2,307**

The table below presents the segment information for assets:

in thousands of Euro	As at 31.03.2019 Aviation	as at 31.03.2019 Non-Aviation	as at 31.03.2019 Other	Total as at 31.03.2019
Non-current assets	**162,708**	**29,477**	**23,677**	**215,862**
Intangible assets	**156,661**	**14,362**	**0**	**171,023**
Concession rights	155,576	13,319	0	168,895
Other intangible assets	1,085	1,043	0	2,128
Tangible assets	**5,976**	**15,081**	**0**	**21,057**
Property, plant and equipment	5,976	10,349	0	16,325
Investment property	0	4,732	0	4,732
Other non-current assets	**71**	**34**	**23,677**	**23,782**
Investments	0	0	43	43
Other non-current financial assets	0	0	16,207	16,207
Deferred tax assets	0	0	6,061	6,061
Other non-current assets	71	34	1,366	1,471
Current assets	**17,437**	**4,733**	**29,382**	**51,552**
Inventories	347	212	0	559
Trade receivables	12,673	3,616	0	16,289
Other current assets	4,417	905	744	6,066
Current financial assets	0	0	75	75
Cash and cash equivalents	0	0	28,563	28,563
Total assets	**180,145**	**34,210**	**53,059**	**267,414**

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In thousands of Euro	As at 31.03.2018 Aviation	as at 31.03.2018 Non-Aviation	as at 31.03.2018 Other	Total as at 31.03.2018
Non-current assets	**150,767**	**26,233**	**28,029**	**205,030**
Intangible assets	**144,974**	**12,778**	**0**	**157,752**
Concession rights	144,186	11,973	0	156,159
Other intangible assets	788	805	0	1,593
Tangible assets	**5,703**	**13,402**	**0**	**19,106**
Property, plant and equipment	5,703	8,670	0	14,374
Investment property	0	4,732	0	4,732
Other non-current assets	**90**	**52**	**28,029**	**28,172**
Investments	0	0	43	43
Other non-current financial assets	0	0	19,829	19,829
Deferred tax assets	0	0	6,809	6,809
Other non-current assets	90	52	1,348	1,491
Current assets	**13,444**	**4,487**	**40,226**	**58,157**
Inventories	307	216	0	523
Trade receivables	9,301	3,423	0	12,724
Other current assets	3,836	848	658	5,342
Current financial assets	0	0	20,612	20,612
Cash and cash equivalents	0	0	18,956	18,956
Total assets	**164,211**	**30,720**	**68,255**	**263,187**

Segment disclosure regarding the identified operating segments is undertaken as outlined below.
Aviation: refers to the airport’s core business. This includes aircraft landing, take-off and parking fees, passenger boarding fees, freight fees, in addition to passenger security control fees and hand-carry and checked baggage control fees. It includes also cargo handling, customs clearance and fueling operations. Finally, this segment includes all centralised infrastructure and exclusive assets: the centralised infrastructure represents revenues received in relation to infrastructure under the exclusive operation of the airport management company for reasons of safety, security or in view of their economic impact. Exclusive assets concern check-in desks, the gates and spaces assigned to airport operators.
Non-Aviation: operations not directly connected to the aviation business. This include sub-concession, retail, catering, self-hire and parking management operations, the Marconi Business Lounge and advertising.

The breakdown of revenues and costs between the Aviation and Non-Aviation SBU’s follows ENAC’s guidelines for analytic/regulatory reporting for airport management companies, in line with Article 11 *decies* of Law No. 248/05 and the Ministry of Transport Guidelines of December 31, 2006.

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The residual accounts excluded from regulatory reporting were subsequently allocated according to the operating criteria. The main differences were as follows:

- accounts not considered relevant for regulatory accounting purposes which are allocated through a specific review of the individual cost/revenue items;
- revenues and costs for construction services allocated according to an analytical breakdown of investments in the year between the two SBU's according to regulatory criteria;
- incentives for the development of air traffic, allocated entirely to the Aviation SBU in accordance with the financial statement breakdown.

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COMMENTS ON THE MAIN ITEMS ON THE STATEMENT OF CONSOLIDATED FINANCIAL POSITION

ASSETS

1. Intangible assets

The following table breaks down intangible assets at March 31, 2019 (compared with December 31, 2018).

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Concession rights	168,895	166,292	2,603
Software, licences and similar rights	1,610	1,620	(10)
Other intangible assets	64	65	(1)
Other intangible assets in progress	454	374	80
TOTAL INTANGIBLE ASSETS	**171,023**	**168,351**	**2,672**

In the first quarter of 2019, Concession rights increased by Euro 4.1 million, of which Euro 3.4 million (equal to the fair value of construction services provided in the first three months), principally due to:

- works on the introduction of the People Mover (in addition to the reclassification of the relative works in progress at December 31, 2018 for Euro 0.7 million from the tangible assets category (note 2));
- works in progress for the new de-icing apron and the relative service building;
- installation of new runway TVCC systems;
- upgrading of peripheral network hubs for the improvement of the IT network ahead of the Terminal extension and of new services;
- other activities to prepare for the passenger terminal extension.

Amortisation of concession rights in the period amounted to Euro 1.5 million and was applied according to the residual duration of the concession.

Software, licenses and similar rights increased Euro 0.26 million. This increase principally concerns:

- the introduction of the SAP process for the transition to the new IFRS 16 standard;
- the introduction of the "Heelp" tele-warning system regarding the automatic warning of those involved in managing the Airport Emergency Plan (AEP)
- the purchase of software licenses for various operating systems and some management applications;

Other intangible assets in progress include software development not concluded at March 31, 2019.

Test on the recoverability of assets and group of assets

With regards to the preparation of the interim consolidated financial statements, as indicators of impairment as defined by IAS 36 are not evident and considering that Group economic-financial performances are in line with the 2019-2044 economic-financial forecast drawn up by the Board of Directors and utilised in the impairment tests at December 31, 2018 and in previous years, impairment tests were not carried out as no such indicators have emerged in terms of the Concession rights recognised at March 31, 2019.

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2. Tangible assets

The following table breaks down tangible assets at March 31, 2019 (compared with December 31, 2018).

In thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Land	2,763	2,763	0
Buildings, light constructions and improvements	4,053	4,146	(93)
Machinery, equipment & plant	2,789	3,066	(277)
Furniture, EDP and transport	2,124	2,181	(57)
Building plant and machinery in progress and advances	2,346	2,979	(633)
Investment property	4,732	4,732	0
TOTAL TANGIBLE ASSETS	**18,807**	**19,867**	**(1,060)**
Land in leasing	1,961	0	1,961
Leased buildings and minor construction and improvements	10	0	10
Leased machinery, equipment & plant	49	0	49
Leased furniture, office machinery, transport equipment	230	0	230
TOTAL LEASED TANGIBLE ASSETS	**2,250**	**0**	**2,250**
TOTAL TANGIBLE ASSETS	**21,057**	**19,867**	**1,190**

In the first quarter of 2019, this category increased overall by Euro 2.6 million, with the most significant account (Euro 2.4 million) concerning the recognition of the usage right on leased assets following the application from January 1, 2019 of the new IFRS 16 standard.

Tangible fixed assets in progress include amounts incurred for projects not concluded at March 31, 2019, among which the first two tranches totalling Euro 1.78 million of the contributions granted to the Parent Company for the Marconi Express Spa for the construction of the People Mover "Airport" station following completion of 66% of the airport area works.

Investment property includes the total value of land owned by the Group earmarked for the construction of investment property; these amounts were initially recorded at purchase cost and subsequently measured using the cost method.
This land is not subject to amortisation but, as per IAS 40, a technical report is undertaken to support the fair value. The technical report undertaken internally by the Parent Company confirms that the value of the inscription cost approximates, for nature and strategic value of the investment, its fair value. At the preparation date of the consolidated financial statements, there were no impairment indicators on these assets.

IFRS 16 Leasing

The Group applies the new accounting standard on leasing IFRS 16 from the obligatory application date (January 1, 2019), adopting the modified retrospective method. As illustrated in the Notes to the 2018 Financial Statements, the AdB Group has both underwritten leasing contracts as lessor with the sub-license of airport areas and spaces to its customers and also has undertaken leasing contracts as lessee for equipment, plant, machinery, automotive vehicles and land. From the lessor's viewpoint, there are no changes in the new standard compared to the previous accounting method. From a lessee viewpoint, as expected, EBITDA increased due to the reclassification of leasing expenses for hire and rental to the

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accounts depreciation and financial expenses and a decrease in the Net Financial Position due to the recording of financial liabilities for leasing, as set out above.

The following table breaks down by type leased assets and the relative amortisation in the quarter:

Leased assets usage right IFRS 16 (Euro thousands)	Usage right (gross value)	Depreciation	Usage right (net value)
Land	2,060	(99)	1,961
Buildings, light constructions and improvements	13	(3)	10
Machinery, equipment & plant	65	(16)	49
Furniture, EDP and transport	258	(28)	230
TOTAL LEASED TANGIBLE ASSETS	**2,396**	**(146)**	**2,250**

In accordance with IFRS 16, the following is reported:

- the value of leased land was increased by the estimate of restoration charges for an area allocated to parking as contractually stipulated, for Euro 0.04 million; against this, a future charges provision was established (note 16);
- interest expense in the quarter amounted to Euro 9 thousand;
- current financial liabilities for leasing amount to Euro 0.5 million, with non-current liabilities, with maturity beyond 12 months but within 5 years, amounting to Euro 1.7 million.

Costs relating to leased assets recognised to the leases, rentals and other costs account (note 24) are broken down as per the following table:

in thousands of Euro	Modest leasing costs	Short-term leasing costs	Variable payment leasing costs	Total
Leases, rentals and other costs	18	19	44	**82**

Finally, cash flows in the quarter for leasing payments amount to Euro 0.1 million.

3. Investments

The tables below breaks down investments at March 31, 2019 (compared to December 31, 2018); the values and composition of investments remain unchanged.

in thousands of Euro	As at 31.12.2018	Increases / Acquisitions	Decreases / Disposals	Write-downs	As at 31.03.2019
Other investments	43	0	0	0	43
TOTAL INVESTMENTS	**43**	**0**	**0**	**0**	**43**

The composition of the account is as follows:

in thousands of Euro	Quota	As at 31.03.2019	As at 31.12.2018	Change
Consorzio Energia Fiera District	14.3%	3	3	0
CAAF dell'Industria Spa	0.07%	0	0	0
Bologna Welcome Srl	10%	40	40	0
TOTAL OTHER INVESTMENTS		**43**	**43**	**0**

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4. Other non-current financial assets

The following table shows the movements in other non-current financial assets for the quarter ended March 31, 2019 (compared with December 31, 2018).

in thousands of Euro	As at 31.12.2018	Increases/ Acquisitions	Decreases / Reclass.	Write-downs	As at 31.03.2019
Equity Financial Instruments	10,873	0	0	0	10,873
Escrow bank accounts/Saving bonds	5,070	0	0	0	5,070
Other financial assets	262	2	0	0	264
TOTAL OTHER NON-CURRENT FINANCIAL ASSETS	**16,205**	**2**	**0**	**0**	**16,207**

At March 31, 2019, the account "Other non-current financial assets" mainly comprises:

- Euro 10.9 million of equity financial instruments in Marconi Express Spa, concession holder for the construction and management of the rapid rail link infrastructure between the Airport and Bologna Central Station called People Mover. This financial instrument, subscribed on January 21, 2016 for a total value of Euro 10.9 million, is recorded at March 31, 2019 corresponding to the amount effectively paid or rather the cost incurred at that date. The investment, in addition to the strategic/operating interest related to improving accessibility to the airport, meets the Group's objective both in relation to the collection of the contractual cash flows and to any future sale of the financial asset. In accordance with the standard IFRS 9, this is therefore classified to the financial asset category "Held to collect and sell - HTC&S". This financial instrument does not comply with the SPPI test and consequently this asset must be measured at fair value through profit or loss. Specifically, considering the difficulty in measuring the fair value of this Equity Financial Instrument, the Group availed
- of the exemption permitted for equity financial instruments where the fair value may not be reliably measured. Consequently, the subsequent valuations of this SFP are at cost and any reductions in value, quantified comparing the book value with the present value of the expected cash flows discounted at the market rate for similar instruments, are recorded in the Income Statement and may not be written back;
- Euro 5.07 million of "Deposit accounts/Savings bonds" comprises temporary investments of liquidity undertaken by the Group in order to collect the contractual cash flows. Specifically, this concerns Euro 5 million of Savings Bonds acquired in December 2018, with maturity in December 2020. As per IFRS 9, these investments are classified in the category "Held to collect - HTC". The contractual maturity defined, the yield defined and calculated on the notional amount permits the passing of the SPPI tests and therefore the valuation at amortised cost;
- Euro 0.26 million of a capitalisation product with a duration of 5 years expiring in May 2021 which the Group has classified in accordance with the standard IFRS 9 in the category "Held to collect – HTC", as this complies with the Group's need to invest temporary liquidity held in order to collect the contractual cash flows. In this specific case, the maturity is defined contractually, but the return is related to the capital management performance and therefore this financial instrument is measured at fair value through profit or loss.

5. Deferred tax assets

The following table presents the movements in deferred tax assets for the period ended March 31, 2019 compared with December 31, 2018.

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in thousands of Euro	As at 31.12.2018	Provisions	Util./Reclass.	As at 31.03.2019
DEFERRED TAX ASSETS	**6,108**	**216**	**(263)**	**6,061**

6. Other non-current assets

The following table breaks down other non-current assets at March 31, 2019 (compared with December 31, 2018).

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Non-current prepaid expenses and accrued income	65	59	6
Guarantee deposits	89	88	1
Non-current tax receivables	1,317	1,317	0
OTHER NON-CURRENT ASSETS	**1,471**	**1,464**	**7**

7. Inventories

The following table breaks down inventories at March 31, 2019 (compared with December 31, 2018).

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Inventories of raw materials, supplies and consumables	507	527	(20)
Inventories of finished products	52	67	(15)
INVENTORIES	**559**	**594**	**(35)**

8. Trade receivables

The table below illustrates the trade receivables and the relative doubtful debt provision:

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Trade receivables	17,272	15,230	2,041
Provisions for doubtful accounts	(983)	(958)	(24)
TRADE RECEIVABLES	**16,289**	**14,272**	**2,017**

At March 31, 2019, trade receivables for Euro 16.3 million are stated net of the Provisions for Doubtful accounts for Euro 1 million, whose most significant portion comprises write-downs based on specific analysis of overdue amounts and/or disputes and whose probability of recovery is estimated also through the support of legal advisors and taking into account guarantees received from clients. On the residual debtor balance, classified by customer category and overdue period, the simplified parameter method is applied, as permitted by IFRS 9 for companies with a diversified and fragmented client portfolio.

The movements in the provisions for doubtful accounts were as follows:

in thousands of Euro	As at 31.12.2018	Provisions	Utilizations	Releases	As at 31.03.2019
PROVISIONS FOR DOUBTFUL ACCOUNTS	**(958)**	**(25)**	**0**	**0**	**(983)**

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9. Other current assets

The following table breaks down other current assets at March 31, 2019 (compared with December 31, 2018).

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
VAT Receivable	326	136	190
Direct income tax receivables	22	22	0
Other tax receivables	0	3	(3)
Employee receivables	85	88	(3)
Other receivables	5,633	4,412	1,221
OTHER CURRENT ASSETS	**6,066**	**4,661**	**1,405**

The increase in the VAT receivable is mainly due to the transactions in the previous year utilisable only after presenting the relative tax declaration.

Other receivables are composed of:

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Prepayments and accrued income	931	298	633
Advances to suppliers	61	105	(44)
Pension and social security institutions	122	54	68
Municipal surtax receivables	4,586	4,538	48
Other current receivables provision for doubtful accounts	(740)	(1,088)	348
Other current receivables	673	505	168
TOTAL OTHER RECEIVABLES	**5,633**	**4,412**	**1,221**

The account "other current receivables provision for doubtful accounts" includes the provision for municipal surtax doubtful accounts obtained for reclassification under assets in the statement of financial position, as a deduction of the respective receivable, of the municipal surtax to the carriers which in the meantime were subject to administration procedures or which contested the charge.

This account:

- is exclusively an asset account,
- does not involve any provisions to the Income Statement,
- was classified as a deduction of the respective receivables due to the high improbability of recovery, reporting the following movements:

in thousands of Euro	As at 31.12.2018	Provisions/Increases	Utilizations	Releases	As at 31.03.2019
Municipal surtax receivable provision	(1,088)	(2)	350	0	(740)
TOTAL OTHER RECEIVABLES PROVISIONS FOR DOUBTFUL ACCOUNTS	**(1,088)**	**(2)**	**350**	**0**	**(740)**

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10. Current Financial Assets

The following table breaks down current financial assets at March 31, 2019 (compared with December 31, 2018).

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Deposit accounts	0	13,400	(13,400)
Other financial receivables	75	49	26
CURRENT FINANCIAL ASSETS	**75**	**13,449**	**(13,374)**

The changes in the period in other current financial assets are illustrated in the table below.

in thousands of Euro	As at 31.12.2018	Acquisitions	Other increases/ reclassifications	Decreases / Disposals	As at 31.03.2019
Deposit accounts	13,400	0	0	(13,400)	0
Other financial receivables	49	0	26	0	75
TOTAL OTHER CURRENT FINANCIAL ASSETS	**13,449**	**0**	**26**	**(13,400)**	**75**

The decrease in this account follows the reclassification to cash and cash equivalents of Euro 13.4 million of temporary liquidity investments as they approach maturity (see note 11).

11. Cash and cash equivalents

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Bank and postal deposits	28,538	15,735	12,803
Cash in hand and similar	25	27	(2)
CASH AND CASH EQUIVALENTS	**28,563**	**15,762**	**12,801**

"Bank and postal deposits" represent the bank current account balances of Euro 15.1 million, in addition to Euro 13.4 million of temporary liquidity uses recognised at December 31, 2018 to "Current Financial Assets" (note 10). These latter break down as follows:

- deposit certificates for:
  - Euro 3.9 million subscribed in December 2018 and with maturity June 2019;
- time deposits for:
  - Euro 8 million subscribed in December 2017 and with maturity June 2019;
  - Euro 1.5 million acquired in November 2017 with maturity in May 2019.

This category of financial investments also meets the Group's temporary needs to invest liquidity in order to obtain the contractual cash flows. As per IFRS 9, these investments are classified in the category "Held to collect - HTC". The contractual maturity defined, the yield defined and calculated on the notional amount permits the passing of the SPPI tests and therefore the valuation at amortised cost.

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LIABILITIES

12. Shareholders' Equity

The following table breaks down the Shareholders' Equity at March 31, 2019 (compared with December 31, 2018).

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Share capital	90,314	90,314	0
Reserves	83,396	65,469	17,927
Profit (loss)	3,547	17,927	(14,380)
GROUP SHAREHOLDERS' EQUITY	**177,257**	**173,710**	**3,547**

i. Share capital

The share capital of the Parent Company at March 31, 2019 amounts to Euro 90,314,162, entirely paid-in and comprising 36,125,665 ordinary shares without par value.

The following table outlines the calculation of the basic and diluted earnings per share:

in Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018
Group profit (loss)	3,547,111	2,307,184
Average number of shares outstanding	36,125,665	36,125,665
Undiluted earnings/(losses) per share	**0.10**	**0.06**
Diluted earnings/(losses) per share	**0.10**	**0.06**

(*) Comprehensive Consolidated Income Statement

The undiluted earnings and diluted earnings per share of the AdB Group at March 31, 2019 and at December 31, 2018 are the same due to the absence of potential dilutive instruments.

ii. Reserves

The following table breaks down the Reserves at March 31, 2019 (compared with December 31, 2018).

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Share premium reserve	25,683	25,683	0
Legal reserve	6,310	6,310	0
Extraordinary reserve	37,003	36,437	566
FTA Reserve	(3,272)	(3,272)	0
Profits (losses) carried forward	18,493	1,132	17,361
OCI Reserve	(821)	(821)	0
TOTAL RESERVES	**83,396**	**65,469**	**17,927**

The share premium reserve comprises:

- Euro 14.35 million following the paid-in share capital increase approved by the Shareholders' Meeting of February 20, 2006;

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- Euro 11.33 million following the public offering of shares in July 2015.

Pursuant to Article 2431 of the Civil Code this reserve is available but may not be distributed until the legal reserve has reached the limit established as per article 2430 of the Civil Code.

The extraordinary reserve increased due to the allocation of the 2018 profit of the subsidiary FFM.

Retained earnings increased due to:

- the profits/losses deriving from the IAS accounting entries of the subsidiary companies;
- the allocation of result for the previous year of the subsidiary Tag;
- the result for the previous year of the Parent Company ahead of the allocation approved by the Shareholders' Meeting of April 29, 2019.

The OCI reserve is unchanged on December 31, 2018 as the Group proceeded with discounting the severance and other personnel provisions in accordance with IAS 19 revised, only for the half-year and annual financial statements

13. Severance and other personnel provisions

The following table breaks down severance and other personnel provisions at March 31, 2019 (compared with December 31, 2018).

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Severance	3,991	4,087	(96)
Other personnel provisions	147	118	29
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**4,138**	**4,205**	**(67)**

The table below shows the movements in the provisions in the period:

in thousands of Euro	As at 31.12.2018	Service cost	Net interest	Benefits paid	Actuarial profits/(losses)	As at 31.03.2019
Severance	4,087	4	22	(122)	0	3,991
Other personnel provisions	118	29	0	0	0	147
SEVERANCE AND OTHER PERSONNEL PROVISIONS	**4,205**	**33**	**22**	**(122)**	**0**	**4,138**

Actuarial profits/losses did not report any movement in the quarter, due to that stated at note 12.

14. Deferred tax liabilities

The following table breaks down the deferred tax liabilities at March 31, 2019 (compared with December 31, 2019).

in thousands of Euro	As at 31.12.2018	Provisions	Utilizations	As at 31.03.2019
DEFERRED TAX LIABILITIES	**2,456**	**15**	**0**	**2,471**

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15. Provision for renewal of airport infrastructure (non-current)

The provision for renewal of airport infrastructure includes the provision allocated to cover the conservation maintenance expenses and renewal of the assets held under concession which the Group must return at the end of the concession period, scheduled in 2044, in perfect functioning state.
The following table presents the movements in the provision in the first quarter of 2019:

in thousands of Euro	As at 31.12.2018	Provisions	Utilizations	Reclassifications	As at 31.03.2019
PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE (NON-CURRENT)	**10,332**	**640**	**0**	**(211)**	**10,761**

The increases in the period totalled Euro 0.6 million, of which Euro 0.5 million classified under provisions in the income statement and the residual of Euro 0.1 million recorded under financial expenses from discounting.
The utilisations of the provision total Euro 0.2 million and are stated in the current provision for renewal of airport infrastructure (note 20).
At March 31, 2019 the infrastructure renewal provision totals Euro 12.5 million.

16. Provisions for risks and charges (non-current)

The changes in the provision for risks and charges in the quarter ended March 31, 2019 are reported below:

in thousands of Euro	As at 31.12.2018	Provisions	Util./Other decreases	As at 31.03.2019
Risk provision for disputes	875	25	(1)	899
Provisions for other risks and charges	153	43	0	196
PROVISIONS FOR RISKS AND CHARGES (NON-CURRENT)	**1,028**	**68**	**(1)**	**1,095**

Contingent liabilities
On July 26, 2016, on the completion of a general review commenced on May 18, 2016 for the year 2013 of the Parent Company, the Bologna Tax Agency prepared a tax assessment highlighting a presumed derecognition of the IRES deductibility of the loss of Euro 5 million deriving from the enforcement of the surety guarantee issued in 2007 by AdB to the financial institutions of SEAF, Società di Gestione dell'Aeroporto di Forlì, company declared bankrupt in 2013.
The Directors, taking account of the factual and legal arguments of the Parent Company, as formalised in the petitions forwarded to the Tax Agency concerning the financial and therefore tax reasoning behind the choices made, categories the liability as potential and therefore only includes appropriate disclosure in the Notes.

In relation, finally, to the extraordinary administration of Alitalia, the Group assessed the potential liability related to the revocation of receivables arising in the six months before the procedure, for an amount of Euro 1.49 million, net of municipal surtaxes. At the preparation date of this document, taking account of the information noted and the defensive arguments arising in the case in which this request is advanced, the Directors considered it appropriate to provide disclosure in the Notes, without making any accrual, although while at the same time continuing to closely monitor the airline's situation.

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17. Non-current financial liabilities

The following table breaks down non-current financial liabilities at March 31, 2019 (compared with December 31, 2018).

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Bank loans – non-current	14,567	14,690	(123)
Non-current financial payables for leasing	1,742	0	1,742
NON-CURRENT FINANCIAL LIABILIITES	**16,309**	**14,690**	**1,619**

At March 31, 2019 the non-current portion of the loans or rather the medium/long-term portion of the loans undertaken by the Group and in place at this date amount to Euro 14.6 million, with the decrease in the period due to the repayment of maturing instalments for Euro 0.1 million.
Total bank loans at March 31, 2018 amount to Euro 19 million, of which Euro 14.6 million non-current and Euro 4.4 million current (note 22).

The contractual conditions of the loans in place at March 31, 2019 are illustrated below:

Credit Institution	Type of loan	Interest rate applied	Rate	Maturity	Covenant
Intesa San Paolo S.p.A (former Banca OPI S.p.A)	Loan	Rate applied by EIB to the Bank + 0.45%	Half-Year	2019	No
Intesa San Paolo S.p.A.	Loan	Fixed rate of 3%	Half-Year	2024	Yes
Monte dei Paschi di Siena (former Banca Agricola Mantovana)	Loan	Euribor variable 3 Months + spread 0.9%	Quarterly	2026	No

The loans are not covered by secured guarantees.

With reference to the cross-default clauses on the loan contracts of the Company, these include both clauses where the benefits are no longer applicable and where the Company financed is not in compliance with obligations of a credit or financial nature, or guarantees assumed with any party. We report that at March 31, 2019 the Group has not received any communication for application of cross default clauses by any of its lenders.

We illustrate below the table required by the amended IAS 7 - Cash Flow Statement for a greater disclosure of changes in financial liabilities:

in thousands of Euro	Bank loans
Balance as at 31 12 2018	**19,123**
Cash flows	(128)
Other changes:	
IAS 39 financial expenses	6
Balance as at 31 03 2019	**19,001**

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Non-current financial liabilities for leasing of Euro 1.7 million concern contractually due fees and with maturity beyond one year, for third party asset usage rights recognised to fixed assets from January 1, 2019 under IFRS 16.

18. Trade payables

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
	17,131	19,011	(1,880)
TRADE PAYABLES	**17,131**	**19,011**	**(1,880)**

At March 31, 2019, trade payables amounted to Euro 17.1 million, decreasing on December 31, 2018 due to seasonality.

19. Other Liabilities

The following table breaks down current liabilities at March 31, 2019 (compared with December 31, 2018).

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Current tax payables	3,360	2,123	1,237
Employee payables and social security institutions	5,274	4,113	1,161
ENAC concession fee and other State payables	14,611	15,710	(1,099)
Other current liabilities, accrued liabilities and deferred income	5,587	4,421	1,166
TOTAL OTHER CURRENT LIABILITIES	**28,832**	**26,367**	**2,465**

The principal changes were as follows:

i. Current tax payables

The following table breaks down tax payables at December 31, 2018 (compared with December 31, 2017).

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
VAT payable	136	278	(142)
Direct income taxes	2,213	808	1,405
Other tax payables	1,011	1,037	(26)
TOTAL CURRENT TAX PAYABLES	**3,360**	**2,123**	**1,237**

The increase in this account mainly relates to the higher payable for estimated direct taxes in the quarter.

ii. Employee payables and social security institutions

The following table breaks down employee payables and social security institutions at March 31, 2019 (compared with December 31, 2018).

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Employee salaries	1,189	1,162	27
Employee deferred compensation	2,639	1,830	809
Social security payables	1,446	1,121	325
EMPLOYEE PAYABLES AND SOCIAL SECURITY INSTITUTIONS	**5,274**	**4,113**	**1,161**

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iii. ENAC concession fee and other State payables

The ENAC concession fees and other State payables mainly comprises:

- Euro 13 million (Euro 12.7 million at December 31, 2018) concerning the fire prevention service as governed by Article 1, paragraph 1328 of the 2007 Finance Act, modified by Article 4, paragraph 3bis of Law No. 2/2009. For further details, reference should be made to the Directors' Report to the 2018 Annual Accounts;
- Euro 1.5 million (Euro 2.9 million at December 31, 2018) as the variable airport concession fee payable.

iv. Other current liabilities, accrued liabilities and deferred income

The following table breaks down current liabilities, accrued liabilities and deferred income at March 31, 2019 (compared with December 31, 2018).

in thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Municipal surtax payables	3,845	3,449	396
Other current liabilities	855	910	(55)
Current accrued liabilities and deferred income	887	62	825
TOTAL OTHER CURRENT LIABILITIES, ACCRUED LIABILITIES AND DEFERRED INCOME	**5,587**	**4,421**	**1,166**

The main account concerns the municipal surtax relating to the receivables from carriers not yet received at March 31 for Euro 3.8 million. The portion of the municipality surtax payable relating to receivables collected from carriers, not yet paid to the creditor entities on the other hand is classified under current financial liabilities (Note 22). Other current liabilities include deposits and advances received from customers in addition to deferred income and miscellaneous payables.

The increase in current accruals and deferred income is due to the invoicing process which provides for the advance invoicing of sub-license fees and other services.

20. Provision for renewal of airport infrastructure (current)

The following table shows the movement of the provision for renewal of airport infrastructure during the quarter.

in thousands of Euro	As at 31.12.2018	Provisions	Utilizations	Reclassifications	As at 31.03.2019
PROVISION FOR RENEWAL OF AIRPORT INFRASTRUCTURE (CURRENT)	**1,757**	**0**	**(211)**	**211**	**1,757**

Reference should be made to Note 15 for further information on this provision.

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21. Provisions for risks & charges (current)

The changes in the provision for risks and current charges in the quarter are reported below:

in thousands of Euro	As at 31.12.2018	Provisions	Other increases	As at 31.03.2019
Provisions for employee back pay	526	68	0	594
PROVISIONS FOR RISKS AND CHARGES (CURRENT)	**526**	**68**	**0**	**594**

The main change concerns the employee back-dated provision on which, within the framework of the renewal of the Airport Operators Trade Union Agreement expired on December 31, 2016 and of the Assohandlers Trade Union Agreement expired on June 30, 2017, an estimate of the liabilities for a One-off/back-dated employee payments was accrued for the period.

22. Current financial liabilities

The following table breaks down current financial liabilities at March 31, 2019 (compared with December 31, 2018).

In thousands of Euro	As at 31.03.2019	As at 31.12.2018	Change
Bank loans - current	4,434	4,433	1
Municipal surtax payables	1,804	2,050	(246)
Other current financial debt	144	43	101
Current financial liabilities for leasing	519	0	519
CURRENT FINANCIAL LIABILITIES	**6,901**	**6,526**	**375**

For a breakdown of the Loans - current portion and other financial payables, reference should be made to account 17 Non-current Financial Liabilities which presents the outstanding Group loans at March 31, 2019 and the changes in the period.

Boarding fee municipal surtax payables concern the portion received by airlines in the month of March and reversed to the credit institutions in April 2019.

Finally, finance lease liabilities concern the current portion of charges due for third party asset usage rights recognised to non-current assets from January 1, 2019 in application of IFRS 16.

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NOTES TO THE MAIN INCOME STATEMENT ACCOUNTS

The principal Q1 2019 income statement accounts are compared with Q1 2018 below.

REVENUES

23. Revenues

The tables below breakdown revenues for the quarters ending March 31, 2019 and 2018.In relation to the performance, reference should be made to the greater detail provided in the Directors' Report.

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Revenues from aeronautical services	13,400	11,902	1,498
Revenues from non-aeronautical services	9,794	9,204	590
Revenues from construction services	4,104	1,042	3,062
Other operating revenues and income	191	277	(86)
TOTAL REVENUES	**27,489**	**22,425**	**5,064**

The reclassification of Group revenues based on revenue streams defined by IFRS 15 is shown in the following table:

in thousands of Euro	for the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Airport fees	11,876	10,419	1,457
Parking	3,663	3,559	104
Revenues from construction services	4,104	1,042	3,062
Others	2,770	2,693	77
TOTAL IFRS 15 REVENUE STREAMS	**22,413**	**17,714**	**4,699**

The reconciliation between IFRS 15 revenue streams and total revenues (note 24 of the Income Statement) is shown in the following table:

in thousands of Euro	for the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Airport fees	11,876	10,419	1,457
Parking	3,663	3,559	104
Revenues from construction services	4,104	1,042	3,062
Other	2,770	2,693	77
TOTAL IFRS 15 REVENUE STREAMS	**22,413**	**17,714**	**4,699**
Commercial/non-comm. sub-licenses	5,050	4,700	350
TOTAL NON IFRS 15 REVENUE STREAMS	**5,050**	**4,700**	**350**
TOTAL NON IFRS 15 Revenues	26	11	15
TOTAL REVENUES	**27,489**	**22,425**	**5,064**

IFRS 15 revenue streams related to the changes in the receivables/collections in the period is illustrated below.

in thousands of Euro	receivables as at 31.12.2018	Revenues (*)	Collections/ off-set	receivables as at 31.03.2019
Airport fees (*)	8,753	12,562	(9,905)	11,410
Parking	68	4,597	(4,583)	82
Revenues from construction services	0	4,104	(4,104)	0
Other	1,552	2,867	(2,343)	2,076
TOTAL IFRS 15 REVENUE STREAMS	**10,373**	**24,130**	**(20,935)**	**13,568**

(*) The data included in the column "Revenues" differs from the Revenues shown in the previous table as this includes VAT, but not the accruals for the period (e.g. credit notes to be received for incentives, invoices to be issued).

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i. Revenues from aeronautical services

The table below shows revenues from aeronautical services in Q1 2019 and Q1 2018.

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Centralised infrastructure/other airport services	230	171	59
Exclusive use revenues	299	289	10
Airport fee revenues	16,165	14,593	1,572
PRM revenues	1,248	927	321
Air traffic development incentives	(5,697)	(5,207)	(490)
Handling services	618	623	(5)
Other aeronautical revenues	537	506	31
TOTAL REVENUES FROM AERONAUTICAL SERVICES	**13,400**	**11,902**	**1,498**

The breakdown of airport fee revenues is shown below:

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Passenger boarding fees	7,950	7,206	744
Landing, take-off and parking fees	4,756	4,141	615
Passenger security fees	2,537	2,332	205
Baggage stowage control fees	720	662	58
Cargo loading and unloading fees	202	204	(2)
Reduction for provision	0	48	(48)
TOTAL AVIATION FEE REVENUES	**16,165**	**14,593**	**1,572**

ii. Revenues from non-aeronautical services

The table below shows revenues from non-aeronautical services in Q1 2019 and Q1 2018.

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Commercial premises and spaces sub-license	4,362	4,087	275
Parking	3,663	3,559	104
Other commercial revenues	1,769	1,558	211
TOTAL REVENUES FROM NON-AERONAUTICAL SERVICES	**9,794**	**9,204**	**590**

Other commercial revenues are broken down as follows:

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Ticketing	10	9	1
Marconi Business Lounge	684	595	89
Advertising	424	357	67
Misc. commercial revenues	651	597	54
TOTAL OTHER COMMERCIAL REVENUES	**1,769**	**1,558**	**211**

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iii. Revenues from construction services

Revenues from construction services concern the construction services undertaken by Aeroporto Guglielmo Marconi di Bologna S.p.A. on behalf of the ENAC granting entity for the capital investments previously commented upon in relation to the Concession Rights in Note 1.
These revenues amounted to Euro 4.1 million in Q1 2019 (Euro 1 million in Q1 2018).

iv. Other Revenue and Income

The table below shows other revenues and income in Q1 2019 and Q1 2018.

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Indemnities, reimbursement and misc. income	191	277	(86)
TOTAL OTHER REVENUES AND INCOME	**191**	**277**	**(86)**

COSTS

24. Costs

i. Consumables and goods

The table below presents consumables and goods in Q1 2019 and Q1 2018.

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Consumables and goods	124	204	(80)
Maintenance materials	64	59	5
Fuel and gasoline	237	213	24
TOTAL CONSUMABLES AND GOODS	**425**	**476**	**(51)**

This category indicates a saving, mainly due to the reduced consumption of runway de-icing liquid thanks to the absence of major snow events in the quarter.

ii. Service costs

The table below shows service costs in Q1 2019 and Q1 2018.

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Maintenance costs	1,175	1,092	83
Utilities	530	605	(75)
Cleaning and similar services	511	498	13
Services	1,753	2,069	(316)
MBL Services	79	81	(2)
Advertising, promotion and development	153	158	(5)
Insurance	218	202	16

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Professional and consultancy services	306	444	(138)
Statutory board fees and expenses	216	208	8
Other service costs	72	87	(15)
TOTAL SERVICE COSTS	**5,013**	**5,444**	**(431)**

Total service costs decreased mainly due to:

- lower utility costs, specifically water purchase savings thanks to the use of the well;
- reduced snow clearance activities due to the absence of major snowfalls and the milder temperatures during the period;
- lower professional consultancy and services costs.

A further breakdown in maintenance expenses is provided below:

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Owned asset maintenance expenses	238	255	(17)
Airport infrastructure maintenance expenses	671	750	(79)
Third party asset maintenance expenses	266	87	179
TOTAL MAINTENANCE EXPENSES	**1,175**	**1,092**	**83**

The breakdown of services is illustrated below:

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Snow clearance	312	646	(334)
Porterage, transport third-party services	149	147	2
PRM assistance service	355	327	28
De-icing and other public service charges	217	197	20
Security service	279	297	(18)
Other outsourcing	441	455	(14)
TOTAL SERVICES	**1,753**	**2,069**	**(316)**

iii. Construction service costs

Construction service costs concern the construction costs incurred by Aeroporto Guglielmo Marconi di Bologna S.p.A. Group for the capital investments previously commented upon in relation to the Concession Rights in Note 1.

iv. Leases, rentals and other costs

The following table shows the breakdown of leases, rentals and other costs for Q1 2019 and Q1 2018.

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Concession fees	1,400	1,273	127
Hire charges	39	83	(44)
Rental charges	30	129	(99)

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EDP processing charges	413	293	120
Other rental & hire costs	3	5	(2)
TOTAL LEASES, RENTALS AND OTHER COSTS	**1,885**	**1,783**	**102**

Total Rental, hire and similar costs recorded an increase in variable airport concession fees and security services, an increase related to the rise in traffic, in addition to higher fees for data elaboration for the new investments in technology. On the other hand, hire and lease charges decreased (-Euro 148 thousand) due to the application of the new IFRS 16 leasing standard.

v. Other operating expenses

The table below shows other operating expenses in Q1 2019 and Q1 2018.

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Misc. and local taxes	334	357	(23)
Fire prevention service contribution	312	300	12
Capital losses	0	1	(1)
Other operating expenses	119	96	23
TOTAL OTHER OPERATING EXPENSES	**765**	**754**	**11**

vi. Personnel costs

The following table shows the breakdown of personnel costs for Q1 2019 and Q1 2018.

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Wages and salaries	4,942	4,731	211
Social security charges	1,412	1,325	87
Severance provisions	321	316	5
Retirement pension and others	46	44	2
Other personnel costs	424	314	110
TOTAL PERSONNEL COSTS	**7,145**	**6,730**	**415**

Personnel costs increased mainly due to the increase in the workforce (+20 full-time equivalent), largely deriving from the hiring of security and terminal personnel and staff, in addition to normal salary increases.

Other personnel costs are broken as follows:

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Employee canteen	160	151	9
Personnel training and refresher courses	114	68	46
Employee expenses	72	35	37
Other personnel provisions	29	27	2
Misc. personnel costs	49	33	16
TOTAL OTHER PERSONNEL COSTS	**424**	**314**	**110**

The average headcount by category in the two periods under consideration is shown below:

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Average workforce (No.)	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Executive Managers	10	9	1
White-collar	419	385	34
Blue-collar	102	99	3
TOTAL PERSONNEL	**531**	**493**	**38**

The headcount at the end of the two periods under consideration was as follows:

Workforce (number)	As at 31.03.2019	As at 31.03.2018	Change
Executives	9	10	(1)
White-collar	414	392	22
Blue-collar	102	101	1
TOTAL PERSONNEL	**525**	**503**	**22**

25. Depreciation, amortisation and impairment

The table below shows depreciation and amortization in Q1 2019 and Q1 2018.

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Amortisation/write-downs Concession rights	1,500	1,406	94
Amortisation/write-down of other intangible assets	273	205	68
Depreciation of tangible assets	697	533	164
TOTAL DEPRECIATION AND AMORTISATION	**2,470**	**2,144**	**326**

The account includes Euro 146 thousand of leased asset amortisation as per the new IFRS 16 standard.

26. Provisions for risks and charges

The following table shows the movement of the provisions for risks and charges for the periods ended March 31, 2019 and 2018.

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Provisions for doubtful accounts	25	57	(32)
Provision for renewal of airport infrastructure	475	493	(18)
Provisions for other risks and charges	94	76	18
TOTAL PROVISIONS	**594**	**626**	**(32)**

There were no changes in this account. For further details, reference should be made to notes 8, 15, 16, 20 and 21.

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27. Net financial income and expenses

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Profits on sale of equity investments	0	13	(13)
Income from securities	1	8	(7)
Other income	38	33	5
Discounting income on provisions	0	0	0
TOTAL FINANCIAL INCOME	**39**	**54**	**(15)**
Interest expenses and bank charges	(113)	(135)	22
Discounting charges on provisions	(173)	(114)	(59)
Interest charges for discounting of liabilities for leasing	(9)	0	(9)
Other financial expenses	(4)	(2)	(2)
TOTAL FINANCIAL EXPENSES	**(299)**	**(251)**	**(48)**
TOTAL FINANCIAL INCOME AND EXPENSES	**(260)**	**(197)**	**(63)**

Net financial expense slightly increased due to higher financial expense for the discounting of provisions and of liabilities (including those for leasing). On the other hand, interest expense and bank charges decreased as a result of the lower overall debt.

28. Taxes for the period

The following table shows the taxes for the periods of Q1 2019 and Q1 2018.

in thousands of Euro	For the quarter ended 31.03.2019	For the quarter ended 31.03.2018	Change
Current and deferred taxes	(1,477)	(952)	(525)
TOTAL TAXES FOR THE PERIOD	**(1,477)**	**(952)**	**(525)**
% taxes in the period on result before taxes	**29.40%**	**29.04%**	**0.36%**

Income taxes increased mainly due to the higher results before taxes (+Euro 1.7 million).

29. Related party transactions

For the definition of "Related Parties", reference should be made to IAS 24, approved by Regulation (EC) No. 1725/2003.
Intercompany transactions are carried out within the scope of ordinary operations and at normal market conditions. Related party transactions principally concern commercial and financial transactions, in addition to participation in the tax consolidation.
None of these have particular economic or strategic significance for the Group, as the receivables, payables, revenues and costs regarding related parties do not account for a significant percentage of the total financial statement amounts.
The Bologna Chamber of Commerce shareholders were identified as a Government party, therefore exempt from the disclosure regarding related parties as defined by IAS 24. The categorisation of the Bologna Chamber of Commerce as a Government party therefore limited the checks required for the identification of related parties to the mere identification of the Bologna Chamber of Commerce. No additional information is reported in the financial statements concerning transactions undertaken by the Group with the Bologna Chamber of Commerce as no significant transactions are undertaken with this shareholder.
No transactions with related parties are reported in the period other than the inter-company transactions presented below.

This document is a courtesy translation from Italian into English. In case of any inconsistency between the two versions, the Italian original version shall prevail.

Commercial transactions between the Parent Company and the subsidiary Tag Bologna Srl, in terms of receivables, principally concern the twenty-year sub-concession of the General Aviation traffic assistance infrastructure and the provision of services for Euro 13 thousand.
Adb payables to the subsidiary mainly concern the capital grant for the covering of General Aviation terminal infrastructure operation and maintenance costs for the boarding and disembarking of passengers, against the financial advantage for AdB of including these costs in the calculation of passenger boarding fees. Costs in the first quarter of 2019 to the subsidiary overall amount to Euro 48 thousand.
Non-commercial transactions with Tag concerned:

- the tax consolidation contract renewed in January 2018 for the years 2018-2020;
- the patronage letter issued by the Parent Company, in favour of Monte dei Paschi di Siena relating to the long-term loan granted by the bank to Tag. At March 31, 2019, the guaranteed portion of the loan, equal to the residual capital portion, amounts to Euro 3.6 million.

During the period, commercial transactions between the Parent Company and the subsidiary Fast Freight Marconi Spa concern the provision by AdB of the following services:

- sub-concession of offices, areas and operating rooms;
- management and staffing, including the following staff services: accounting, administration, finance, operating control, management reporting, personnel, legal, ICT, personnel secondment and Sole Director;
- packages and goods x-ray controls.

Costs in the first quarter of 2019 to the subsidiary overall amount to Euro 119 thousand.

Non-commercial transactions with FFM included:

- the tax consolidation contract renewed in January 2018 for the years 2018-2020;
- the co-obligation of AdB on sureties in favour of the Bologna Customs Agency for various customs deposits of FFM for Euro 1.15 million.

Types and management of other risks

With regards to the disclosure concerning the types and means of financial risk management under Article 2428, paragraph 2 No. 6 bis, reference should be made to the specific section of the Directors' Report, also with regards to the comment upon the other risks to which the Group is subject.

SUBSEQUENT EVENTS AND OUTLOOK

No events have occurred subsequent to year end that would require changes in terms of the presented performance or equity and financial position and that would therefore necessitate adjustments and/or additional disclosures in the financial statements.

The Chairman of the Board of Directors

(Enrico Postacchini)

Bologna, May 15, 2019

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Annex 1

Statement pursuant to Article 154-*bis,* paragraph 2 of the C.F.A.

Interim Financial Report at March 31, 2019

The officer in charge of preparing the corporate accounting documents, Patrizia Muffato, hereby declares, pursuant to paragraph 2 of article 154-bis of the Consolidated Finance Act (CFA), that the accounting information contained in this Report corresponds to information contained in the accounting documents, registers and entries.

The officer in charge of preparing the corporate accounting documents
(Patrizia Muffato)

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Aeroporto di Bologna

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