Malta International Airport p.l.c.

2023

MALTA INTERNATIONAL AIRPORT

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2023

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INTRODUCTION

Key Data

Industry Indicators	2023	+/-	2022	+/-	2021
Passengers (in million)	7.8	33.4%	5.9	130.3%	2.5
thereof Transfer Passengers	18	(60.0%)	45	(54.1%)	98
Flight movements	51,353	27.3%	40,355	64.6%	24,516
Seat occupancy (in %)	85.2%	2.7%	82.5%	21.1 pp	61.4%
MTOW (in million tonnes)	2.0	28.6%	1.6	69.4%	0.9
Cargo (in tonnes)	20,645	17.6%	17,552	9.7%	15,997

(EUR mn)	2023	+/-	2022	+/-	2021
Total Revenue	120.2	36.6%	88.0	85.6%	47.4
thereof Aviation Revenue	82.4	41.2%	58.3	109.8%	27.8
thereof Non-Aviation Revenue	37.9	27.6%	29.7	51.3%	19.6
EBITDA	75.2	37.0%	54.9	128.0%	24.1
EBITDA Margin (in %)	62.6%	0.2 pp	62.4%	11.6 pp	50.8%
EBIT	62.7	44.1%	43.5	239.4%	12.8
EBIT Margin (in %)	52.1%	2.7 pp	49.4%	22.4 pp	27.0%
Net Profit / (Loss)	40.3	3.7%	38.9	457.3%	7.0
ROCE (in %)	23.5%	6.5 pp	17.0%	12.0 pp	5.0%
Cash (incl. term deposits & treasury bills)	76.4	11.2%	68.7	110.0%	32.7
Equity	190.9	11.7%	170.9	29.7%	131.8
Balance Sheet Total	330.6	15.9%	285.1	17.5%	242.7
Capital Expenditure	44.3	256.2%	12.4	35.2%	9.2
Taxes on Income	21.9	660.9%	2.9	(30.3%)	4.1
Average Employees (No.)	417.0	17.5%	355	7.9%	329

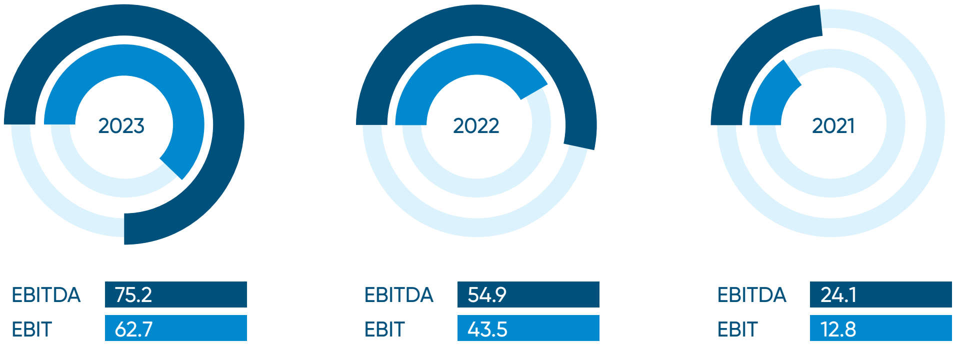
Stock Market Indicators	2023	+/-	2022	+/-	2021
Shares outstanding (in million)	135.3	0.0%	135.3	0.0%	135.3
P/E ratio	19.3	(4.5%)	20.2	(82.5%)	115.4
Earnings per share (in EUR)	0.298	3.8%	0.287	451.9%	0.052
Net Dividend (in EUR per share)*	0.15	25.0%	0.120		n.a.
Net Dividend Yield (in %)	2.6%	0.5 pp	2.1%		n.a.
Pay-out Ratio (in % of Net Profit)**	50.4%	(10.1 pp)	60.4%		n.a.
Market capitalisation (in EUR million)	778.0	(0.9%)	784.7	(3.3%)	811.8
Stock price as at Year End (in EUR)	5.75	(0.9%)	5.80	(3.3%)	6.00
Stock Price - Low (in EUR)	5.30	(4.5%)	5.55	(0.9%)	5.60
Stock Price - High (in EUR)	6.00	(0.8%)	6.05	(6.9%)	6.50
Market weighting (in %)	15.4%	4.0 pp	11.4%	0.2 pp	11.2%

*Recommendation to the Annual General Meeting for the reporting period
**€12mn tax credit removed from calculation

ROE (Net Profit / Average Equity)	22.3%		25.7%		5.4%
ROE (Net Profit / Equity at YE)	21.1%		22.7%		5.3%

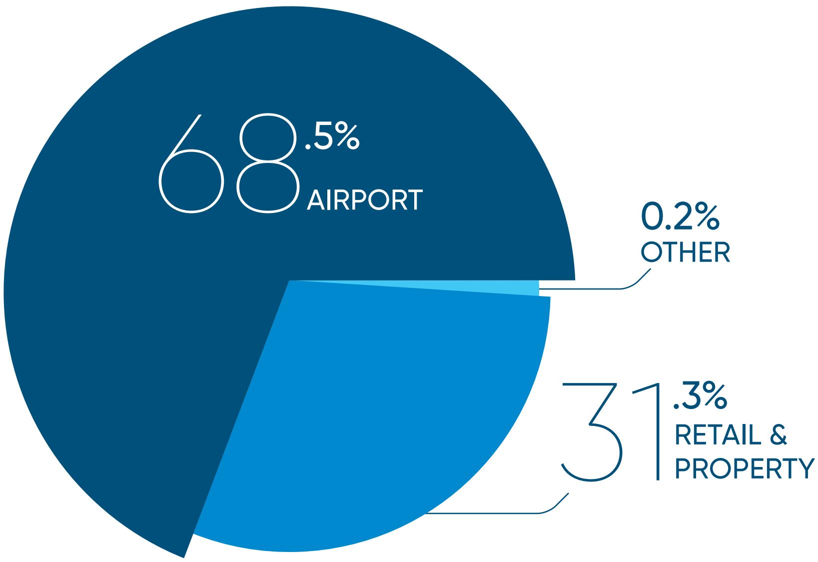
EBITDA & EBIT

In € Million



Revenue

By Segment



CHAIRMAN'S MESSAGE

Introduction

It is with great satisfaction that we report the record-breaking results attained by Malta International Airport in 2023. While the Company's 6.7% traffic growth over pre-pandemic volumes is a testament to the resilience of the Maltese tourism industry, this swift recovery would not have been achieved without our organisation's steadfast efforts to return to normal operations.

Passenger traffic increased to 7.8 million movements during the year under review, as the airport handled 500,000 additional arrivals and departures over 2019. This remarkable performance placed Malta International Airport among the fastest-recovering airports in Europe in 2023, as it outperformed several of its Southern European peers, including Cyprus, Spain, Turkey and Italy. While this upward trend in passenger volumes has continued into the first quarter of 2024, the Company is expecting demand to level off as the year progresses, with 8 million passengers forecast to travel through the airport by the end of the year.

In terms of the Company's financial performance, Malta International Airport's liquidity position remained strong, leading the Company to announce a €250 million programme of investment that will vastly improve the airport experience for guests while simultaneously increasing operational efficiency over the coming years.

Among the topmost priorities for the Company is to address the airport's capacity constraints through the terminal expansion project, which will be executed in phases but will see the terminal footprint double in size once complete. Works on the first phase of the project are set to be completed this year, as the Company prepares to introduce a new, direct route for passengers arriving from the Schengen area into the Baggage Reclaim Hall while maximising the available space in the reclaim area. To continue bolstering the airfield infrastructure, the rehabilitation of the airport's secondary runway was carried out in 2023, paving the way for planned resurfacing works to be executed on the main runway over the coming years.

In line with our ongoing efforts to further diversify our Company's revenue streams, our investment plan also encompasses the growth of Malta International Airport's retail and property portfolio. From investments in the improvement of our VIP products to the construction of a second business centre housing the first ever hotel within the airport perimeter, we are confident that these projects will set Malta International Airport on a path of long-term success.

However, we cannot speak about a future-ready airport without factoring in environmental sustainability. In fact, environmental considerations are being taken into account even as we undertake these large-scale projects, with the final aim of improving the efficiency of our operations to reach our net zero target. In the coming months, we will be unveiling a plan detailing how the Company is planning to reach this ambitious target by 2050.

Your unwavering support as our shareholders, coupled with prudent financial management, positions us strongly for the period of resumed growth that lies ahead as our Company continues to navigate the challenges and opportunities that the evolving aviation landscape presents.
I would like to take this opportunity to extend my heartfelt gratitude to our dedicated team, without whom our outstanding 2023 results would not have been achieved. I would also like to thank you, our shareholders, stakeholders and partners, who have played a crucial role in our success by placing your trust in Malta International Airport.

Nikolaus Gretzmacher
Chairman

MESSAĠĠ TAĊ-CHAIRMAN

Introduzzjoni

Huwa b'sodisfazzjon kbir li f'dan ir-rapport qed nippreżentaw ir-riżultati rekord li l-Ajruport Internazzjonali ta' Malta kiseb fl-2023. Filwaqt li ż-żieda ta' 6.7% fit-traffiku tal-passiġġiera li l-Kumpanija kisbet fuq il-livelli milħuqa qabel il-pandemija, hija ċertifikat tar-reżiljenza tal-industrija tat-turiżmu f'Malta, dan l-irkupru b'saħħtu ma kienx ikun possibbli kieku ma kienx għall-impenn tal-organizzazzjoni biex l-operat jirritorna għan-normal.

Matul is-sena li għaddiet, il-moviment tal-passiġġiera żdied għal 7.8 miljun persuna, hekk kif l-ajruport laqa' 500,000 passiġġier aktar mill-2019. Dawn ir-riżultati impressjonanti poġġew lill-Ajruport Internazzjoni ta' Malta fost dawk l-ajruporti Ewropej li rkupraw l-iktar malajr fl-2023, bir-riżultati miksuba jkunu aħjar minn dawk li rreġistraw ajruporti oħra bħal dawk f'Ċipru, fi Spanja, fit-Turkija u anke fl-Italja. Filwaqt li din iż-żieda fil-volum tal-passiġġiera kompliet ukoll fl-ewwel kwart tal-2024, il-Kumpanija qed tistenna li d-domanda tikkalma xi ftit, tant li qed ikun imbassar li sal-aħħar tas-sena, l-ajruport jilqa' 8 miljun passiġġier.

Fir-rigward tal-prestazzjoni finanzjarja tal-Kumpanija, il-pożizzjoni tal-likwidità tal-Ajruport Internazzjonali ta' Malta baqgħet b'saħħitha, tant li l-Kumpanija setgħet tħabbar programm ta' investiment ta' €250 miljun biex ittejjeb drastikament l-esperjenza.

Fost il-prijoritajiet ewlenin, il-Kumpanija trid li tindirizza l-isfidi marbutin mal-limitazzjonijiet fil-kapaċità tal-ajruport, permezz tal-proġett tal-estensjoni tat-terminal, liema proġett se jkun qed isir f'fażijiet. Meta dan il-proġett ikun konkluż, it-terminal se jkun jokkupa d-doppju tal-ispazju li għandu llum. Ix-xogħol fuq l-ewwel fażi ta' dan il-proġett mistenni jkun lest sal-aħħar ta' din is-sena biex il-Kumpanija tkun tista' tintroduċi rotta diretta ġdida għal dawk il-passiġġiera li jaslu miż-żona Schengen, u b'hekk jibdew jidħlu direttament fiż-żona minn fejn jiġbru l-bagalji. Din l-istess żona se tkun qed tgawdi minn spazju akbar. Biex tkompli tissaħħaħ l-infrastruttura tal-ajrudrom, matul l-2023, il-Kumpanija wettqet proġett importanti ta' riġenerazzjoni li ta' wiċċ ġdid lill-mitjar sekondarju. Dan il-proġett witta t-triq biex fis-snin li ġejjin ikun jista' jsir xogħol ta' ristrutturar fuq il-mitjar primarju.

Bħala parti mill-isforzi tagħna sabiex inkomplu niddiversifikaw id-dħul tal-Kumpanija, il-pjan ta' investiment tagħna jkopri wkoll it-tkabbir tal-portafoll tal-bejgħ u l-proprjetà. Minn investimenti fit-titjib tal-prodotti VIP tagħna, għall-bini tat-tieni ċentru tal-kummerċ fejn se tiġi introdotta l-ewwel lukanda fi ħdan l-ajruport, ninsabu kunfidenti li dawn il-proġetti se jwittu t-triq għal suċċess fit-tul għall-Ajruport Internazzjonali ta' Malta.

Madanakollu, ma nistgħux nitkellmu fuq ajruport imħejji għal bżonnijiet ta' għada mingħajr ma nżommu f'moħħna s-sostennibilità ambjentali. Fil-fatt, dawn il-fatturi ambjentali qed ikunu fil-qalba tad-deċiżjonijiet meħuda dwar dawn il-proġetti kbar, bil-għan li nkomplu nsaħħu l-effiċjenza tal-operat tagħna bħala parti mill-impenn ħalli sal-2050 ma nkunux qed nipproduċu emissjonijiet. Fix-xhur li ġejjin, se nkunu qegħdin naqsmu iktar informazzjoni dwar kif beħsiebna nilħqu din il-mira ambizzjuża.

L-appoġġ kontinwu tagħkom bħala azzjonisti tagħna, flimkien mal-immaniġġjar finanzjarju prudenti, ipoġġina f'perjodu ta' tkabbir għas-snin li ġejjin, hekk kif il-Kumpanija tkompli tindirizza l-isfidi u tilqa' l-opportunitajiet li s-settur tal-avjazzjoni dejjem iġib miegħu. Nixtieq nieħu din l-okkażjoni biex nawgura minn qalbi lit-tim kollu tagħna, li mingħajr id-dedikazzjoni tiegħu ma konniex se niksbu dawn ir-riżultati importanti matul l-2023. Nixtieq nirringrazzja wkoll lilkom, l-azzjonisti, l-istakeholders u l-imsieħba kollha, għax il-fiduċja li poġġejtu fl-Ajruport Internazzjonali ta' Malta kienet kruċjali biex stajna niksbu dan is-suċċess.

Nikolaus Gretzmacher
Chairman

CEO'S REVIEW

Introduction

2023 was a milestone year for Malta International Airport in several respects. From a traffic development perspective, we welcomed over 7.8 million passengers as we continued to rebuild year-round connectivity to the Maltese Islands. In terms of profits, the Company generated revenues to the tune of €120 million and a profit of over €40 million in the year under review. However, one crucial factor stands out as the cornerstone of success: our people.

The Company closed the year with a headcount of 435 people, as the 400-employee milestone was surpassed for the first time. In light of the events of 2020 and beyond, this is a particularly significant achievement for Malta International Airport, which adopted employee retention strategies throughout the pandemic to ensure a more seamless recovery in the aftermath.

As a result, service quality levels remained consistently high, with our team keeping a finger on the pulse of customer sentiment to ensure a seamless airport experience for all guests. Despite the record number of passengers handled in 2023 and a host of ongoing infrastructural projects inside the terminal, we maintained our rank among the best airports in Europe for the sixth consecutive year.

The results of the Airport Service Quality survey confirmed that efforts to address pain points and improve the airport experience bore the desired results. Following a €3 million investment in the airport's core network and servers, passengers commended the Wi-Fi service quality around the terminal. Improved signage around the airport also led our score for ease of finding way to stand at 4.34, surpassing the European average score of 4.13. Later this year, the Company will also be introducing digital wayfinding stations at key touchpoints inside the terminal, which are set to further facilitate the airport journey.

We were also pleased to see that passengers found our security processes to be efficient, with positive results being achieved for waiting time and helpfulness of staff within the security screening area. To relieve the stress experienced by guests in this area, the Company is investing in state-of-the-art screening equipment, which is set to be installed at the airport within the coming months. These smart scanners will ensure that the highest security screening standards are observed while also easing the experience for guests, who will be able to scan their luggage without removing their electronics or liquids.

Beyond our immediate airport community, the Company continues to support Malta International Airport's neighbouring communities through philanthropic initiatives and investments aimed at safeguarding the country's heritage. In fact, since 2014, the Company has invested over €2 million in the cultural, artistic and environmental heritage of the Maltese Islands through our Malta Airport Foundation. Reflecting on the past decade of the Foundation's work, we are proud to see our contributions not only improving our country's tourism product but also fostering engagement with local communities through these projects.

As I look back on 2023, I am grateful for the continued support and trust of our Board, our shareholders and stakeholders, as well as the commitment of our team. 2024 will be another important year for our Company as we eye the 8 million passenger milestone while continuing to execute our planned investment programme, which will build on the strong foundations laid in 2023. Most importantly, we will strive to deliver on our commitment to establish Malta International Airport both as a responsible employer and as a sustainable airport operator, that provides services of excellent quality to guests while also generating positive financial returns for our shareholders.

Alan Borg
CEO

IR-RENDIKONT TAL-KAP EŻEKUTTIV

Introduzzjoni

L-2023 kienet sena importanti għall-Ajruport Internazzjonali ta' Malta minn diversi aspetti. Mill-perspettiva tal-iżvilupp tat-traffiku, ilqajna aktar minn 7.8 miljun passiġġier hekk kif komplejna nibnu konnettività b'saħħitha għall-gżejjer Maltin matul is-sena kollha. F'termini ta' profitti, fis-sena li dwarha qed nagħtu rendikont, il-Kumpanija ġġenerat dħul ta' €120 miljun u profitt ta' €40 miljun. Madanakollu, hemm fattur kruċjali li huwa l-qofol ta' dan is-suċċess: in-nies tagħna.

Il-Kumpanija għalqet is-sena b'435 impjegat, hekk kif għall-ewwel darba fl-istorja tagħna, qbiżna l-mira ta' 400 impjegat. Fid-dawl ta' dak li esperjenzajna fl-2020 u fis-snin ta' wara, din kienet kisba importanti għall-Ajruport Internazzjonali ta' Malta, li addotta strateġiji effettivi biex seta' jżomm l-impjegati kollha fi żmien il-pandemija, bil-għan li jassigura rkupru bla xkiel.

B'riżultat ta' dan, il-livelli ta' kwalità fis-servizz baqgħu għolja b'mod konsistenti, bit-tim tagħna jibqa' attent għas-sentimenti tal-klijenti biex nassiguraw li ma jkun hemm l-ebda xkiel fl-esperjenza li noffru lill-viżitaturi kollha. Minkejja n-numru rekord ta' passiġġiera li għaddew mill-ajruport fl-2023 u l-għadd ta' proġetti infrastrutturali fit-terminal, żammejna postna fost l-aqwa ajruporti Ewropej għas-sitt sena konsekuttiva.

Ir-riżultati tal-istħarriġ għas-Servizz tal-Kwalità fl-Ajruport ikkonfermaw li l-isforzi tagħna biex nindirizzaw l-isfidi u ntejbu l-esperjenza fl-ajruport ħallew ir-riżultati mixtieqa. Wara investiment ta' €3 miljun fin-network ċentrali u s-servers tal-ajruport, il-passiġġiera kienu pożittivi ħafna dwar il-kwalità tas-servizz tal-Wi-Fi madwar l-ajruport. Is-sinjaletika mtejba madwar it-terminal wasslet ukoll biex il-passiġġiera jsibu triqthom bla ebda diffikultà. Hawn ksibna punteġġ ta' 4.34 biex qbiżna l-medja Ewropea ta' 4.13. Aktar tard din is-sena, il-Kumpanija se tintroduċi stazzjonijiet diġitali f'punti kruċjali tat-terminal biex il-passiġġiera jkunu jistgħu jippjanaw aħjar il-vjaġġ tagħhom fl-ajruport. B'hekk, din is-sistema mistennija tiffaċilita l-vjaġġ tal-viżitaturi.

Konna sodisfatti wkoll bil-fatt li l-passiġġiera faħħru l-effiċjenza tal-proċess tas-sigurtà, tant li taw punteġġi pożittivi, kemm għall-ħin li wieħed jistenna biex jgħaddi minn dan il-proċess, kif ukoll għajnuna mogħtija mill-uffiċjali fiż-żona għall-monitoraġġ tas-sigurtà. Biex tagħmel il-ħajja tal-passiġġiera aktar faċli, il-Kumpanija qed tinvesti f'tagħmir state-of-the-art li mistenni jkun installat fl-ajruport fix-xhur li ġejjin. Dawn l-iscanners, b'teknoloġija avvanzata, se jassiguraw l-ogħla livell fil-monitoraġġ tas-sigurtà, filwaqt li l-passiġġiera mhux se jibqa' jkollhom bżonn joħorġu l-likwidi u t-tagħmir elettroniku mill-bagalji tagħhom.

Lil hinn mill-komunità tagħna fl-ajruport, il-Kumpanija kompliet ukoll tagħti l-appoġġ lill-komunitajiet ġirien tal-Ajruport Internazzjonali ta' Malta, b'diversi inizjattivi filantropiċi u investimenti li komplew jissalvagwardjaw il-patrimonju tal-pajjiż. Fil-fatt, sa mill-2014, il-Kumpanija investiet aktar minn €2 miljun fil-patrimonju kulturali, artistiku u ambjentali tal-gżejjer Maltin permezz tal-Malta Airport Foundation. Meta nħarsu lura lejn dawn l-aħħar għaxar snin ta' ħidma tal-Fondazzjoni, inħossuna kburin li bil-ħidma tagħna, mhux biss tejjibna l-prodott turistiku tal-pajjiż, imma permezz ta' dawn il-proġetti żidna wkoll ir-rabta tagħna mal-komunitajiet li ħdimna magħhom.

Jiena u nħares lura lejn l-2023 ninsab grat għall-appoġġ u l-fiduċja tal-Bord, l-azzjonisti, l-istakeholders u l-impenn tat-tim kollu tagħna. L-2024 se tkun sena oħra importanti għall-Kumpanija, hekk kif qed inħarsu 'l quddiem biex nilqgħu 8 miljun passiġġier, filwaqt li nkomplu nwettqu l-programm ta' investiment li se jkompli jibni fuq il-pedamenti b'saħħithom li wittejna fl-2023. Fuq kollox, se nkomplu naħdmu biex niksbu l-għan aħħari tagħna, jiġifieri li nistabbilixxu l-Ajruport Internazzjonali ta' Malta bħala impjegatur responsabbli u operatur sostenibbli li jipprovdi servizzi ta' eċċellenza lill-viżitaturi kollha, filwaqt li jiġġenera dħul finanzjarju pożittiv għall-azzjonisti tagħna.

Alan Borg
Kap Eżekuttiv

Corporate Governance

Malta International Airport p.l.c.'s corporate governance structures are designed to ensure that suitable and appropriate checks and balances are in place.

The Board is composed of a maximum of five non-executive directors and three executive directors. This balance is entrenched in the Company's Memorandum and Articles, which requires that the Chief Executive Officer is an ex officio director and allows for two other senior Company executives to sit on the Board.

The Board assigns specific responsibilities to a number of committees, notably the Executive Committee, which is headed by the Chief Executive Officer, and the Audit Committee, each of which operates under formal terms of reference. During the period under review, the Board of Directors met six times.

The Audit Committee is composed of three non-executive Company directors. Its role is to monitor internal systems and related costs. During the period under review, it met seven times. The Chief Executive Officer is accountable to the Company's Board of Directors for all business operations.

The members of the Board of Directors for the year under review were:

Mr Nikolaus Gretzmacher
Chairman

Mr Alan Borg
Chief Executive Officer

Mr Karl Dandler
Chief Financial Officer

Ms Rita Heiss
Non-Executive Director

Dr Wolfgang Koeberl
Non-Executive Director

Mr Florian Nowotny
Non-Executive Director

Dr Cory Greenland
Non-Executive Director

Dr Louis De Gabriele
Company Secretary

Executive Committee

The Executive Committee's members are the Chief Executive Officer, who heads the Committee, the Chief Financial Officer, the senior vice presidents and heads of each department.

The Company introduced the senior vice president designation to its existing leadership structure in August 2023 as part of Malta International Airport's strategic workforce plan aimed at retaining talent by building depth in the Company's organisational framework.

During the year under review, the Company also appointed three new heads of department to lead the Sustainability and Analytics, Projects, Retail and Property, and Marketing and Communications teams.

On average, the Executive Committee meets thrice monthly.

The members of the Executive Committee for the year under review were:

Ing. Martin Dalmas
Senior Vice President of Operations and Business Continuity

Mr Ian Maggi
Senior Vice President of Innovation and Technology

Mr Patrick Murgo
Senior Vice President of Safety and Security, Fire Services and Procurement

Ms Tina Lombardi
Senior Vice President of People and Strategy

Mr Alex Cardona
Senior Vice President of Traffic Development, Customer Services and Administration

Ing. Kevin Alamango
Senior Vice President of Technical Services

Mr Robert Mizzi
Head of Aerodrome Safety and Compliance

Mr Heinz Lachinger
Head of Finance

Ms Justine Baldacchino
Head of Sustainability and Analytics

Perit Ben Farrugia
Head of Projects

Mr Gayle Lynn Callus
Head of Retail and Property, Marketing and Communications

Replaced Mr George Mallia on 31 July 2023

Our Company Strategy

Our mission is to offer our guests an experience that is equal parts safe and delightful. One of our top priorities is to maintain a safe airport environment that inspires confidence in air travel for our guests. On the other hand, we also believe in making the airport experience a delightful and memorable one, allowing our guests to enjoy the best start or end to their travels.

Guided by our vision to offer the best airport experience in Europe, we continually invest in a well-designed, safe and efficient airport that meets and exceeds the needs and expectations of our guests.

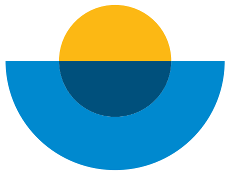
In addition, and by way of diversifying our business model from our core aviation business, Malta International Airport has plans to continue investing in its retail and property segment, capitalising on the SkyParks Business Centre brand.

Therefore, our twin strategy of constantly enhancing the guest experience and diversifying our business model is how we, as a company, can achieve sustainable growth while delivering attractive shareholder returns.

Finally, supporting our people and their talents is fundamental to reaching our strategic objectives. The latter, together with our pursuit of constant innovation, from our internal modus operandi to our business model and strategy, is the ultimate way in which we can compete and remain market leaders.

MISSION

Our mission is to operate Malta's airport in a sustainable manner, provide an enjoyable and safe visitor experience, and deliver value to our stakeholders.



VISION

Our vision is to offer the best airport experience in Europe that consistently seeks to delight our guests.

Our Values

To ensure that Malta International Airport is positioned for long-term success as we continue to operate an ethical, efficient and sustainable business, we integrate our core values of integrity, sustainability, teamwork, service excellence and empowerment into all aspects of our operations, from informing the mindset of our frontliners to providing direction in decision-making at higher levels.

INTEGRITY

We embrace the highest standards of integrity in all our actions, particularly honesty and commitment.

SUSTAINABILITY

We cherish sustainable strategies that balance the interests of the community on which we have an impact, the environment and our economic performance over the long term.

TEAMWORK

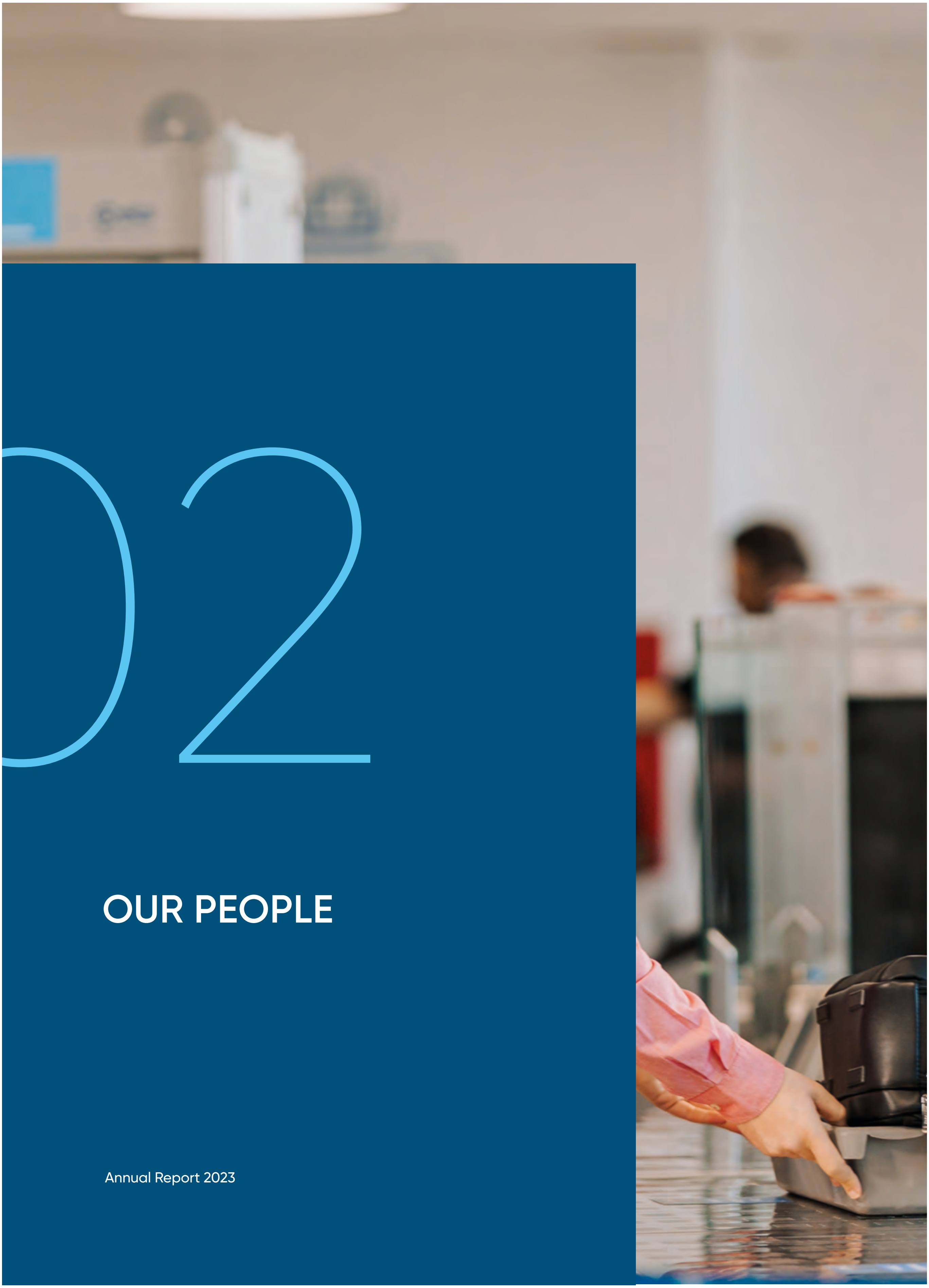
We seek to build the success of this Company on the teamwork of our people and collaboration with our airport and tourism partners in order to satisfy the needs of our guests.

SERVICE EXCELLENCE

We want our people to provide excellent service to each and every guest. We aim to be caring and meticulous in everything we do and continually seek to exceed our visitors' expectations.

EMPOWERMENT

We want to provide our employees with all the support, trust, resources, autonomy and recognition that they need in order for them to become responsible and accountable for their actions and accomplish their goals and succeed.



02

OUR PEOPLE

SECURITY

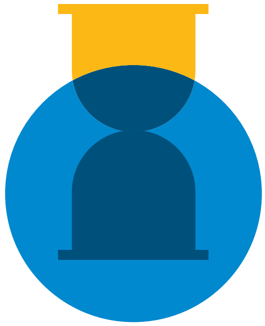
02
Our People

Malta International Airport's workforce is the cornerstone of the Company's operations, as the team's unwavering commitment to service excellence not only shapes the experience of every airport guest but also plays a critical role in maintaining high levels of safety and security across the campus.

As Malta International Airport continued its growth trajectory in 2023, the Company further developed the existing leadership team by introducing the senior vice president level within its existing organisational structure in August. Efforts to attract and retain top talent also bore the desired results, as the Company surpassed the 400th employee milestone during the year under review, closing 2023 with a record 435 team members.

AVERAGE NUMBER OF EMPLOYEES

417



AVERAGE LENGTH OF SERVICE

8.2 YEARS

AVERAGE AGE OF EMPLOYEES

38.7 YEARS

TURNOVER RATE 2023

11.9%

COLLECTIVE AGREEMENT

The Human Resources department continued to take important steps towards solidifying the Company's position as an employer of choice within the local labour market in 2023.

Amongst the department's most notable achievements for the year under review was the signing of a new collective agreement covering the five-year period between 2023 and 2027. The two unions involved, the General Workers Union and UĦM Voice of the Workers, share a joint representation of around 76% of Malta International Airport's workforce.

The agreement was instrumental in securing benefits that extend beyond the basic statutory entitlements, underlining the Company's dedication to the well-being of its employees. In recognition of the diverse needs of its workforce, the Company has introduced new leave categories, namely carers' leave and pet bereavement leave, and has increased paternity leave entitlement to a total of 12 days, supplementing the legal requirement with two additional days. Underscoring Malta International Airport's commitment to supporting the health and wellness of its employees, the Company has also increased the annual well-being allowance entitlement to €360 and introduced a shift allowance for firefighters.

Furthermore, the Company secured improved salary packages for employees who are covered by the collective agreement, which include annual increments to their salary until 2027, as well as a revised retirement benefit for each year of service with Malta International Airport in an effort to recognise employee loyalty. In addition to the existing three bonuses, the Company also attached a fourth bonus to its environmental performance as of 2023, setting a number of sustainability-related key performance indicators for all employees.

PROFESSIONAL DEVELOPMENT

As it continued to prioritise employee development in 2023, the Company increased its investment in employee training initiatives by 22% over the preceding year, primarily owing to the growth in employee headcount. The Company's workforce collectively benefitted from a total of 16,047 hours of training.

In line with the Company's commitment to ensuring the highest standards of operational and occupational health and safety, the greatest proportion of training hours during the year under review were dedicated to firefighting and fire awareness training, which constituted a substantial 4,704 hours. It is also worth mentioning that the total number of training hours excludes an additional 2,626 hours dedicated to fire recruitment training as well as around 6,400 hours invested in routine physical training conducted by members of the airport's Firefighting team.

Training pertaining to safety on the aerodrome amassed 2,283 hours, while induction training for new staff members accounted for 1,971 hours. The remaining hours dedicated to professional development, spanning technical proficiency, service quality, and health and safety, collectively amounted to 7,089 hours.

Each employee received an average of 37 hours of training, which translates to an increase of 19% over the 31 hours of training provided in 2022. The Company has been investing heavily in more focused training programmes for its workforce, primarily through the development of in-house trainers. As the Company seeks to empower trainers within its team to transfer their knowledge and expertise to other employees, the Company is now ensuring that routine training is delivered in-house and remains consistent across the board, allowing for more investment in outsourced training for specific skills.

In a bid to further empower Malta International Airport's workforce, the Human Resources department introduced a new performance management software, Teamflect, during the year under review. With a vision to transform annual employee performance evaluations into a professional development journey over the longer term, this tool is enabling employees to better understand their strengths while identifying specific skill gaps, which are subsequently tackled in their individual training plans. By setting their own professional targets and being aware of the metrics used to evaluate their performance, employees are now in a better position to take proactive steps in pursuit of career advancement.

THE EMPLOYEE SURVEY

Through the Annual Employee Survey, the Company makes a conscious effort to listen to its team members and gauge employee sentiment in order to build a more positive work culture and make the workplace more inclusive.

The survey was made available to all employees in October 2023. Out of the 326 total respondents, almost 90% stated that they would recommend Malta International Airport as a good employer and that they feel trusted by their manager. Encouragingly, 89% of the respondents also stated that they are willing to go beyond the call of duty to exceed expectations and achieve better results.

While a marked improvement over 2022 was observed in the vast majority of the indicators included in the survey, the Company also identified a number of areas for improvement, particularly in relation to workload distribution, the provision of feedback and maintaining an open line of communication across the board.


Baggage Reclaim
Connecting Flights

03

THE GUEST EXPERIENCE

03
The Guest Experience

EMPLOYEE ENGAGEMENT

Service excellence and the guest experience are at the forefront of Malta International Airport's business strategy. In a bid to ensure the consistent and reliable delivery of services that not only meet but exceed guest expectations, the Company has continued to support employees in the delivery of exceptional customer service.

Additional efforts were made to gain further insight into the guest experience through employee feedback. Now in its third year, the Employee Focus Group initiative brings together employees from different departments, ranging from front-line to support function employees, to offer them the opportunity to contribute to the improvement of the customer experience at the airport. This initiative involves organising workshops where guest feedback gathered from different sources can be discussed in depth. In total, 12 workshops were organised throughout the year. The ideas and suggestions put forward by the employees were raised with the Company's Customer Experience Committee and other relevant departments so that they may be implemented or saved for future planning.

The Company also launched an employee engagement survey on Airport Employee Customer Experience (AECX) in 2023. The survey was disseminated online to all employees between June and August 2023, receiving 202 responses. The main objectives of this online survey were to assess employee engagement in embracing customer experience whilst simultaneously gauging the effectiveness of the ongoing Customer Experience and Airport Service Quality (ASQ) training and awareness sessions being delivered to Malta International Airport's front-line employees.

The survey was also extended to the airport's stakeholders towards the end of the year in order to assess the motivation of all those involved in the airport community as a whole towards achieving the common goal of creating a positive customer experience for guests while also identifying areas for improvement on which to base further action plans.

SERVICE INNOVATION

Technology plays a crucial role in Malta International Airport's vision to offer the best airport experience in Europe. In 2023, the Company continued to seek out new ways to support airport guests and adapt the service offering to their shifting needs, primarily by leveraging new technologies to optimise their journey through the terminal and ensure a seamless airport experience.

Bearing in mind that any new technologies introduced must complement the work being carried out by all airport employees, the Company invested in new digital experiences within the terminal for the benefit of all stakeholders.

Amongst the most noteworthy investments in this regard was the procurement and design of a new wayfinding system, which will not only provide guests with updated information relating to airport outlets and amenities once installed but will also facilitate seamless navigation for airport guests across the entire campus.

Within the terminal, the Company has also upgraded its passenger information systems, which disseminate real-time updates on flight information display screens within the lounge areas, while installing screens on video wall displays in the process. The airport's public address system has also been automated.

GUEST FEEDBACK

The Airport Service Quality Survey

The feedback of airport guests serves as a guiding resource for the growth and development of Malta International Airport as the Company seeks to mould the services it provides based on the changing needs of its guests. To this end, the airport team upheld its commitment to service excellence by providing safe and seamless journeys for guests, earning Malta International Airport the 'Best Airport in Europe' accolade within the 5 to 15 million passenger category of Airports Council International's (ACI) ASQ survey for the sixth consecutive year.

This global programme serves as a benchmark for measuring passenger satisfaction among nearly 400 airports across 95 countries. This well-established initiative equips airports, including Malta International Airport since 2005, with valuable tools to gauge and enhance passenger satisfaction, business performance, and overall service quality across the entire airport journey.

In response to evolving passenger expectations, the ASQ Departures Questionnaire was modified in 2022 to place more weight on service quality and customer experience indicators. The feedback received through the surveys, which are carried out prior to boarding, informs the Company's decisions, particularly in relation to the improvements envisaged for terminal facilities and services, with the final aim of enhancing overall guest satisfaction, improving service quality and boosting non-aviation revenue.

Despite a slight dip in the Overall Satisfaction score in 2023 to 4.38, a marginal decrease from 2022, this positive result reflects commendably considering the record passenger traffic and ongoing terminal capacity expansion initiatives addressing the airport's growth.

AIRPORT SERVICE QUALITY SURVEY 2023: KEY PERFORMANCE INDICATORS

MALTA INTERNATIONAL AIRPORT OVERALL SATISFACTION SCORE

4.38

European Airport Average	5–15M Passenger Airport Group
4.07	4.27

Indicator	Score	European Average	5-15M
Waiting Time at Security Screening	4.49	4.17	4.28
Courtesy and Helpfulness of Border and Passport Control Staff	4.56	4.24	4.32
Ease of Finding Way Inside the Terminal	4.34	4.13	4.28
Wi-Fi Service Quality	4.18	3.73	3.96
Terminal Cleanliness	4.31	4.01	4.21

The Customer Experience Accreditation Programme

As Malta International Airport continued to roll out initiatives aimed at improving the guest experience throughout the year under review, the Company applied for Level 4 of ACI's Customer Experience Accreditation Programme in November 2023 after having renewed the Level 3 Accreditation. ACI's Airport Customer Experience Accreditation Programme is the only worldwide customer experience management accreditation designed specifically to recognise the efforts and enhancements airports make towards achieving excellence in customer experience management.

Airport Visitor Experience Survey

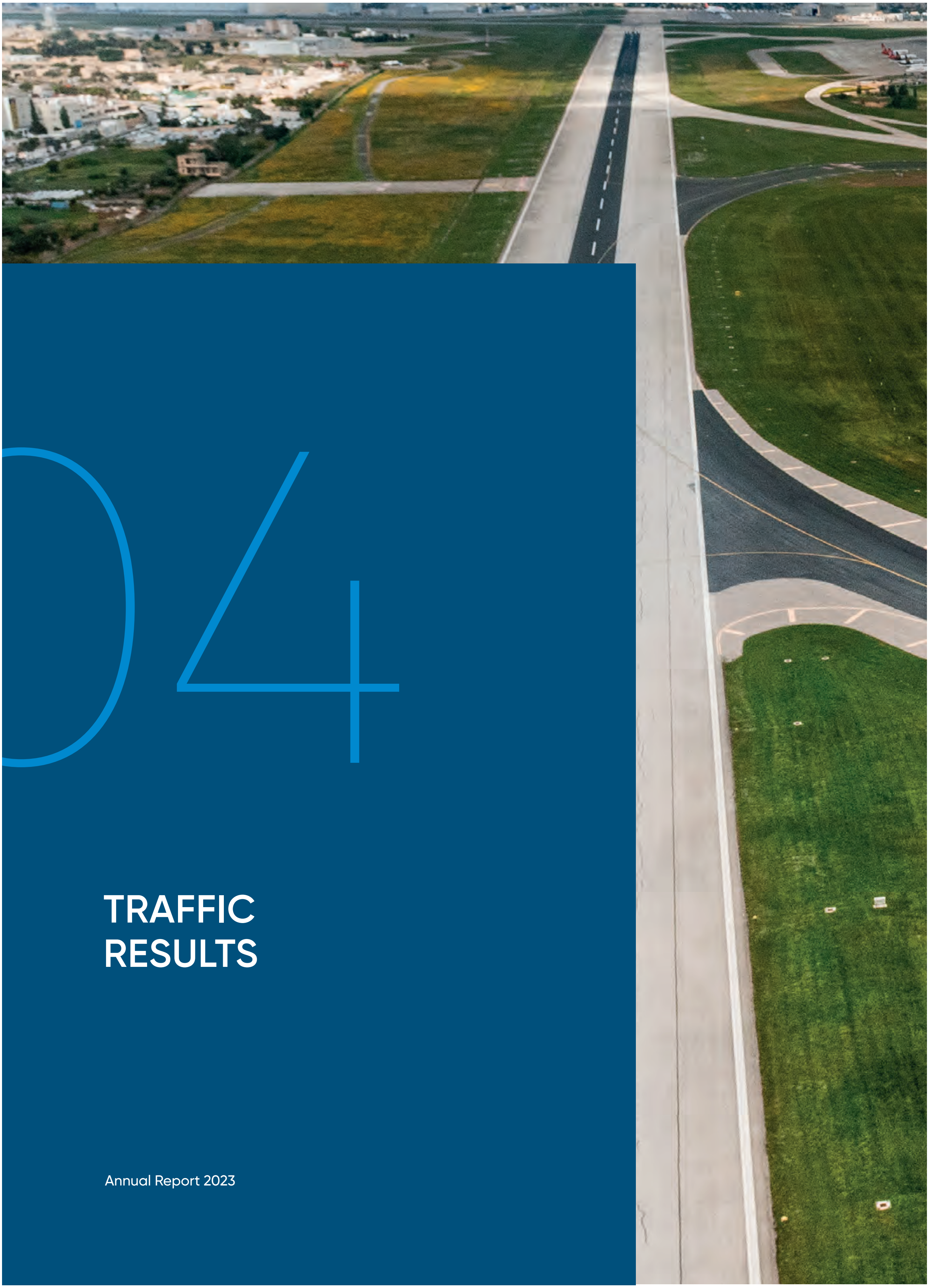
Malta International Airport continued to conduct Airport Visitor Experience surveys to gauge sentiment among airport visitors; an initiative which was launched in 2020. These surveys are carried out at four landside locations: the Welcomers' Hall, Check-In Hall, the Observation Deck and the Food Court, and the feedback collected is passed on to the relevant departments to action accordingly, with the final aim of improving the guest experience in all airport areas.

Customer Focus Groups

Beyond analysing satisfaction surveys and the comments or complaints received from guests to identify the needs of airport passengers and visitors, the Company took a more proactive approach to gauging the expectations of guests at different touchpoints within the terminal by organising customer focus groups.

During the year under review, three meetings were held with three different groups of individuals. These meetings were split into evaluating airport processes, the terminal's facilities and the services provided by employees.

Each participant elected to join the focus group after completing the airport's online feebdack forms, and was selected to represent one of the airport's passenger personas.



04

TRAFFIC RESULTS


RYANAIR

04
Traffic Results

BUSINESS MIX

38%
FLAG CARRIERS

60%
LOW-COST CARRIERS

2%
CHARTER CARRIERS

TOP FIVE AIRLINES

Rank	Country	Passenger Movements 2023	% Change 23/22	% Change 23/19
1st	Ryanair	3,585,869	36.6%	27.0%
2nd	Air Malta	1,998,185	32.5%	-4.6%
3rd	Wizz Air	394,416	40.5%	1.8%
4th	easyJet	346,317	21.5%	-15.2%
5th	Lufthansa	319,356	8.6%	0.7%

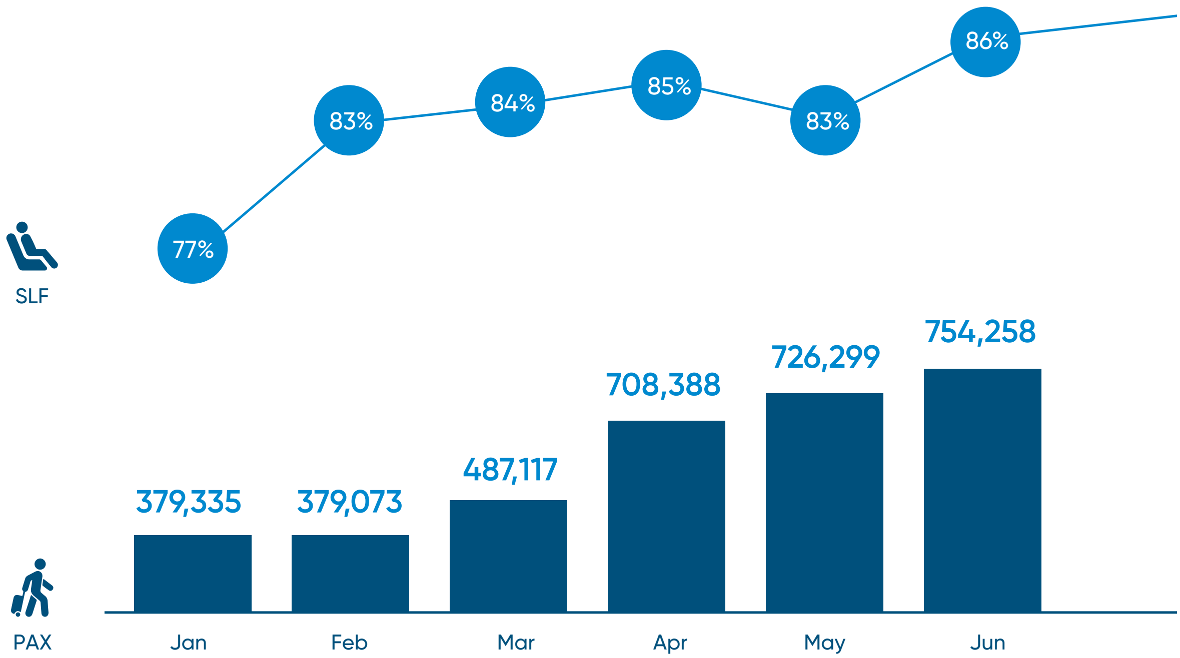
TOP FIVE LOW-COST AIRLINES

Rank	Airline	Passenger Movements 2023	% Change 23/22	% Change 23/19
1st	Ryanair	3,585,869	36.6%	27.0%
2nd	Wizz Air	394,416	40.5%	1.8%
3rd	easyJet	346,317	21.5%	-15.2%
4th	Jet2	167,605	37.7%	18.9%
5th	Vueling	118,812	7.3%	72.4%

TOP FIVE FLAG CARRIERS

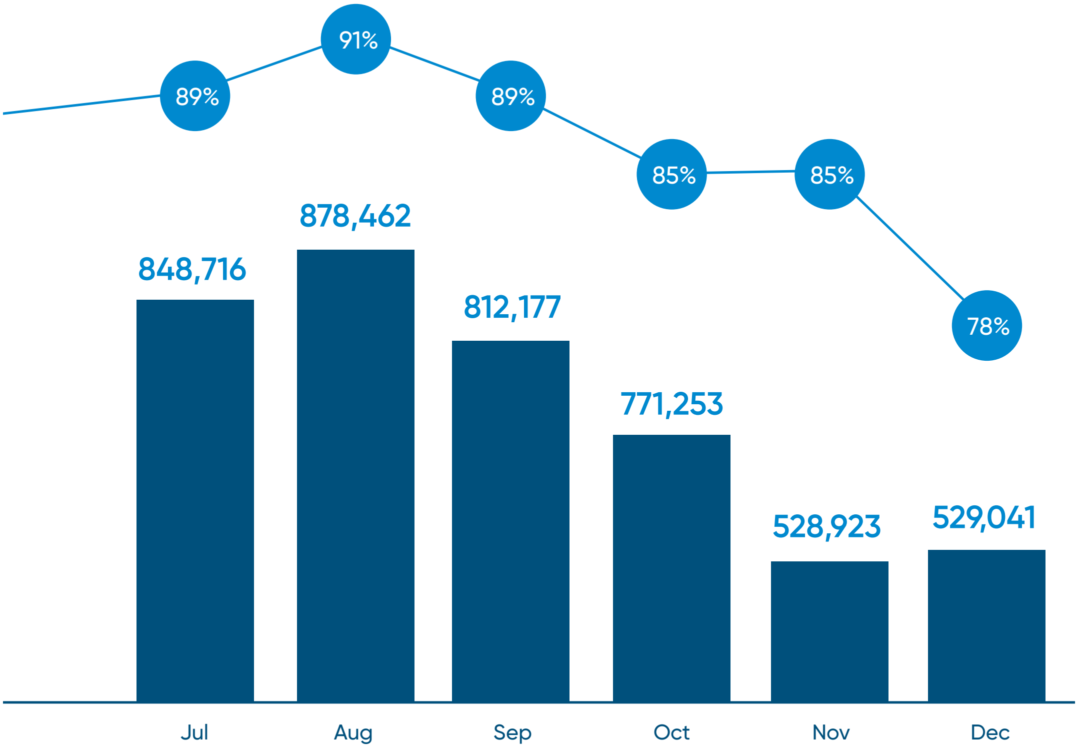
Rank	Airline	Passenger Movements 2023	% Change 23/22	% Change 23/19
1st	Air Malta	1,998,185	32.5%	-4.6%
2nd	Lufthansa	319,356	8.6%	0.7%
3rd	Turkish Airlines	172,698	15.5%	5.3%
4th	Emirates	126,998	71.4%	16.8%
5th	British Airways	103,339	42.3%	15.7%

PASSENGER MOVEMENTS AND SEAT LOAD FACTOR 2023



TOP FIVE MARKETS

Rank	Country	Passenger Movements 2023	% Change 23/22	% Change 23/19	Market Share
1st	Italy	1,905,911	44.2%	31.8%	24%
2nd	United Kingdom	1,401,815	32.3%	-18.1%	18%
3rd	Germany	693,867	24.4%	-22.6%	9%
4th	France	645,198	13.6%	43.4%	8%
5th	Poland	378,200	20.2%	60.9%	5%



7,803,042

TOTAL NUMBER OF PASSENGERS

85.2%

AVERAGE SEAT LOAD FACTOR

TRAFFIC DEVELOPMENT TIMELINE

Demand for air travel proved resilient throughout 2023, as Malta International Airport closed the year with a record 7.8 million passenger movements, witnessing a growth of 6.7% over 2019 traffic levels. This result translates to an increase of almost 500,000 passenger movements, which is comparable to the throughput of an average winter month for the airport.

Almost 33% of this total was handled by the airport during the peak summer months between July and September, with each month in the third quarter exceeding the 800,000-passenger movement mark for the first time in the airport's history. However, this upward trajectory continued throughout the year, as the remaining months, bar January and February, also registered record traffic volumes.

While passenger movements surpassed the 500,000 mark in both November and December for the first time in the airport's history, December was the only month of the year to post double-digit growth over 2019 results, as the airport welcomed just over 529,000 passengers. Amongst them was the airport's 7.5 millionth passenger of the year, who landed in Malta on Air Malta flight KM 515 from Vienna on the 14th day of the month.

Despite the fact that the airport reported a drop of 1.1% in aircraft movements over 2019, seat capacity increased by 2.4% as airlines operated their Malta routes with larger aircraft in the reporting year. The seat load factor also began to trend upward as the year progressed, peaking in August at 91.4%, which is the highest-ever percentage of occupied seats to be registered by Malta International Airport.

Italy retained the top spot of Malta International Airport's market leaderboard for 2023, outperforming the United Kingdom, the airport's second most popular market, by over 500,000 passenger movements, as significant route developments were secured by Ryanair, Air Malta and Wizz Air. On the other hand, Ryanair, Air Malta and easyJet scaled back their operations between Malta and the United Kingdom, leading the destination to lag well behind 2019 levels. Similarly, the performance of the German market in third place declined by 23% over 2019, as Ryanair and Air Malta operated fewer routes to the country. Ranking in fourth and fifth place, France and Poland registered the most robust growth out of the top five markets at 43% and 61% over 2019, respectively.

COMPETITIVENESS

Amid rising economic and geopolitical headwinds, the Company retained its existing airport charges. This marks the 18th consecutive year that Malta International Airport has maintained its charges, as it continues to offer its airline partners stability despite the unpredictable events currently affecting demand and supply within the industry.

Furthermore, the airport's incentive programme was revised in 2021 to include additional schemes aimed at enhancing the year-round connectivity of the Maltese Islands, particularly during the shoulder months.

ROUTE DEVELOPMENT STRATEGY

Attracting year-round tourism has long been a pillar of Malta International Airport, supported by the Maltese government through the Ministry for Tourism and the Malta Tourism Authority's joint traffic development strategy.

While continuing to work in close collaboration with these local tourism stakeholders as well as its partner airlines, in the year ahead, Malta International Airport will look towards securing additional frequencies on existing European routes and restoring air links lost to the pandemic in strategic markets that are still lagging behind 2019 levels, namely the United Kingdom, Germany and Scandinavia.

2023

NEW ROUTES

Ryanair
Memmingen

Air Malta
Nice

RESUMPTIONS

Ryanair
Baden-Baden
East Midlands

Eurowings
Hamburg
Düsseldorf

2024

NEW ROUTES

easyJet
Basel

Hellofly
Lampedusa

Ryanair
Norwich

Universal Air
Pecs

05

OPERATIONAL OVERVIEW

05 Operational Overview

AERODROME OPERATIONS

In anticipation of the projected heightened traffic demand for the year 2023, Malta International Airport collaborated closely with its partner airlines to finalise aircraft slot allocations by the first quarter of the year under review. Such proactive measures were crucial for the Company to ensure that the required operational resources, namely gates and aircraft parking stands, were immediately available on the scheduled day of operation of all flights. Amongst the most significant operational challenges faced by the Company and its ground-handling partners during the year under review was the airport's summer schedule, which offered increased connections and required enhanced multi-stakeholder cooperation, tactical coordination, and planning.

Malta International Airport's Aerodrome Operations Unit maintained its focus on monitoring airport operations and the continuity of ramp services at airside whilst simultaneously ensuring that safety procedures were observed throughout. Important safety-related findings were recorded in the Company's safety management system, providing a solid foundation for the planning and delivery of further safety training, the dissemination of safety advisory alerts, and the compilation of trend analysis reports. All this continued to enhance the levels of operational safety at Malta International Airport, in line with EASA's regulations and the Company's commitment to providing the safest airport environment for employees, stakeholders and passengers.

The operational successes achieved by the airport during the past year largely resulted from the successful harmonisation of efforts between the Company, government entities, including the Civil Aviation Directorate, the Malta Air Traffic Services and Aviation Security Malta, and other aviation stakeholders, including ground handlers, aviation fuel service providers, the Armed Forces of Malta, the Malta Police Force, immigration agents and customs officials. Fostering such solid relationships not only facilitates day-to-day airport operations but also guarantees the provision of a singular customer experience at every stage of the passenger journey through Malta International Airport.

SAFETY AND SECURITY

In 2023, the Company persistently upheld the highest standards of safety and security, undertaking strategic initiatives to strengthen security measures and streamline operational processes.

Throughout the year, several security measures were introduced, beginning with a focus on the airport's own employees. The Company maintained its commitment to in-house training, prioritising the ongoing development of staff skills to ensure the safe operation of the aerodrome. To facilitate this, the Security team underwent a structural reorganisation, branching into three distinct units: one overseeing perimeter and landside operations, another managing terminal operations, and the third dedicated to quality assurance. The Quality Assurance Branch, which incorporates the training component, was established to ensure that the training offered closely aligns with the Company's standards and regulations. This multifaceted approach not only proved to be a cost-effective alternative to outsourcing trainers but also demonstrated the effectiveness of tailoring training content to the specific needs of our airport employees. The result is not only a more efficient training process but also one that maintains a high standard of quality, ensuring the utmost preparedness and competence of our security personnel.

In 2024, the introduction of advanced security scanners for hold baggage marks a significant enhancement in airport security measures, as well as in improving the guest experience. These scanners are designed to efficiently screen liquids and large electronic devices within the luggage itself, allowing passengers the convenience of leaving all items in their baggage. As a result, these scanners will also lead to the easing of the 100ml liquid restriction regulation, streamlining the security screening process for a more seamless travel experience. Initial deployment of the first scanner is scheduled for the second quarter of 2024, with the remaining five expected to be operational by year-end. Moreover, investments were made to acquire more anti-terrorist furniture strategically designed to enhance security measures at the landside of the airport.

EMERGENCY PREPAREDNESS

The Firefighting and Rescue Services department was also restructured in 2023. This involved transitioning from a vertical to a flat organisational structure, eliminating the previous system of four crews of firefighters and managers. Instead, a decentralised managerial approach was implemented, focusing on creating a more harmonised and efficient organisational hierarchy.

This included the introduction of a compliance and emergency preparedness role embodied by the station officer, fire operations focusing primarily on the day-to-day running of the fire station, and the involvement of auxiliaries, whose role includes assisting in administration work and the upkeep of the fire station, vehicles, aircraft recovery stores and equipment, and training grounds. This restructuring initiative was aimed at decentralising roles and providing current employees with opportunities for development and specialisation within their respective fields. This approach also fosters career progression and growth within the organisational structure. The expanded team resulting from decentralisation enables firefighters to be present at the terminal, prioritising its safety. This was done in light of the historical prevalence of domestic emergencies in this area, but also considering similar occurrences taking place internationally, following a car park fire at Luton Airport and another fire at the Catania Airport terminal in 2023.

Additionally, strategic purchases in 2023, such as the acquisition of environmentally-friendly firefighting foam to replace the reserves of the entire vehicle fleet and stores, amounting to a total of 10,000 litres of foam, ensure that emergency preparedness and sustainability can coexist. Investments in oil recovery capabilities ensure a more efficient response to hazardous spillages, contributing to quicker interventions. The Company has also invested in new breathing apparatus, which is not only a more technologically-advanced replacement of aging equipment, but most importantly ensures personnel safety and comfort. To compliment the new breathing apparatus, a decontamination machine has also been procured to ensure the highest levels of occupational health and safety. Collectively, these initiatives demonstrate the department's proactive approach to operational efficiency, environmental impact reduction, and employee well-being.

INNOVATION AND CYBERSECURITY

In 2023, Malta International Airport's commitment to digital transformation gained significant momentum as the Company continued to work on strengthening its digital infrastructure. As part of its ongoing digital transformation programme, the Company prioritised key areas such as digitalisation, the introduction of new digital systems, system upgrades and cybersecurity.

These priorities underscore Malta International Airport's commitment to maximising the Company's technological capabilities, fostering operational efficiency and staying at the forefront of technological advancements.

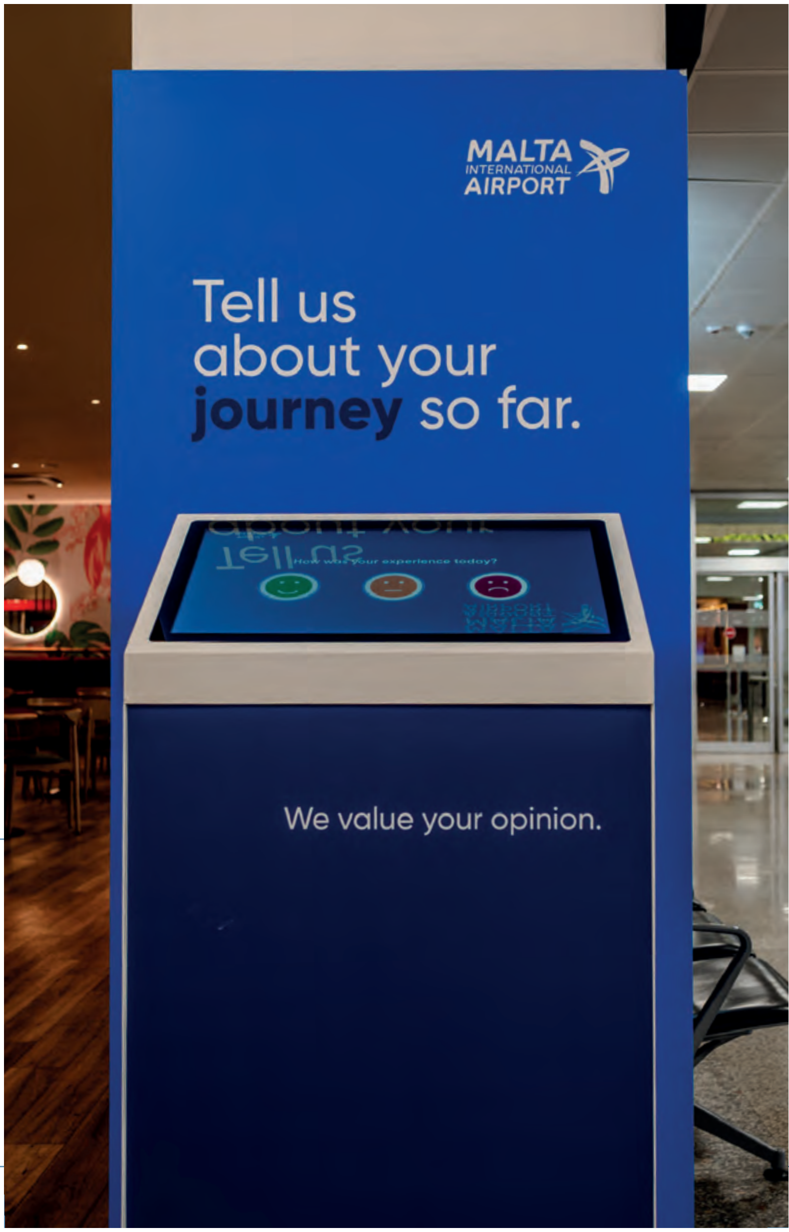
INNOVATION AND CYBERSECURITY (CONTINUED)

The Company's digitalisation efforts included initiatives aimed at reducing dependency on manual work, thus minimising the risk of human error. Such initiatives extended to internal processes related to operations, security and human resources.

Continuous investments in cutting-edge technologies, including upgrades to the Company's enterprise resource planning (ERP) system, the La Valette service booking system, and a new phone system, reinforced Malta International Airport's commitment to empowering employees with effective tools. The completion of the new network infrastructure further solidified the Company's dedication to maintaining its digital ecosystem.

The Company has also established a channel to receive reports relating to improper practices by an employee of the Group. Individuals who would like to raise a concern about an employee of the Group may access the whistle-blower reporting system through the airport's website.

Finally, the Company placed a significant focus on cybersecurity to safeguard its digital assets while ensuring that guests receive safe and secure services. The Company is also pleased to announce that the Innovation and Technology department obtained ISO/IEC 27001 certification. Achieving this international standard, which sets the criteria for establishing, implementing, maintaining and continually improving information security management systems (ISMSs), underscores Malta International Airport's dedication to maintaining information security, confidentiality, integrity and high standards across all operations. Additionally, this certification, alongside the ISO 9001 certification, reflects the Company's unwavering commitment to delivering exceptional services while prioritising the security of its digital assets.


MALTA
INTERNATIONAL
AIRPORT
Tell us
about your
journey so far.
How was your experience today?
We value your opinion.

RISK MANAGEMENT

Malta International Airport's central body for risk identification and control is the Risk Management Committee, which convenes several times a year to discuss recent developments and review the Company's risk management approach, directly involving all departments in the Company's risk management process. The Risk Management Committee is also entrusted with formulating and reviewing the airport's Corporate Risk Register and assessing risk occurrence in relation to the acceptable risk appetite, as defined by the Company's Board of Directors.

The risk assessment criteria encompass both the likelihood of occurrence as well as the possible impact. Individual risks are subsequently assigned to a risk class, depending on their nature. The Company's risk management procedures stipulate that a review of the risk assessment criteria is to be carried out annually, with amendments being made to the thresholds should the need arise.

The summary of all departmental Risk Registers forms the Company's risk profile. Key risks are incorporated into the risk report as part of the regular reporting to the Company's Audit Committee.

METEOROLOGICAL SERVICES

During 2023, the Meteorological Office witnessed continued growth in its team. The implementation of new training programmes offered administrative staff the possibility to transition to meteorological observers, while observers could further progress to become forecasters. This investment in training underscores the Company's commitment to ongoing skill development. To improve safeguarding measures, a Contingency Office was also established in 2023, with the aim of minimising vulnerabilities in case of emergencies such as fires or hazardous situations. A condensed yet efficient alternative to the current Meteorological Office, the Contingency Office serves as a streamlined alternative to the main office, ready to be activated in the event of an evacuation. This proactive measure ensures a seamless transition, reflecting the Meteorological Office's commitment to operational resilience.

Building on the previous year's initiative, the Meteorological Office kept up the naming of storms as part of the Central Mediterranean Storm Naming Group set up by the European Meteorological Network (EUMETNET) to coordinate storm-naming efforts in the region. Storm Helios was the first storm identified and named by the Meteorological Office, and marked a continuation of the team's efforts in tracking and monitoring weather events.

In 2023, new automated weather stations (AWS) were strategically installed, providing independent data streams. The inclusion of these stations in Mosta and San Lawrenz aimed to broaden the geographical coverage, capturing more diverse data. This expansion reflects the Meteorological Office's commitment to delivering precise and valuable weather information. To address operational concerns and enhance accuracy, a number of meteorological sensors also underwent an upgrade, ensuring improved precision in recorded values.

Plans were also initiated to locate a weather buoy outside Qawra. This buoy will provide real-time data on wind direction, wind speed, barometric pressure, air temperature, sea temperature, significant wave height and wave period.

Looking ahead, the Meteorological Office plans to install air pollution monitoring systems on runways between the end of the first and the beginning of the second quarter of 2024. These systems will enable Malta International Airport to monitor trends in aerodrome air quality arising from aviation activities. Furthermore, the Meteorological Office has dedicated efforts to revamping its website, which is set to be published this year. The primary focus of the revamp was to enhance user-friendliness and prominently feature critical weather data.

06

RETAIL AND PROPERTY


VIP
TERMINAL

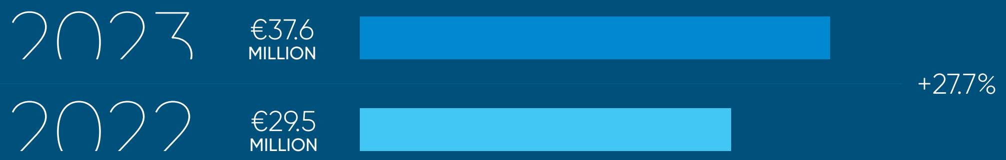
06 RETAIL AND PROPERTY

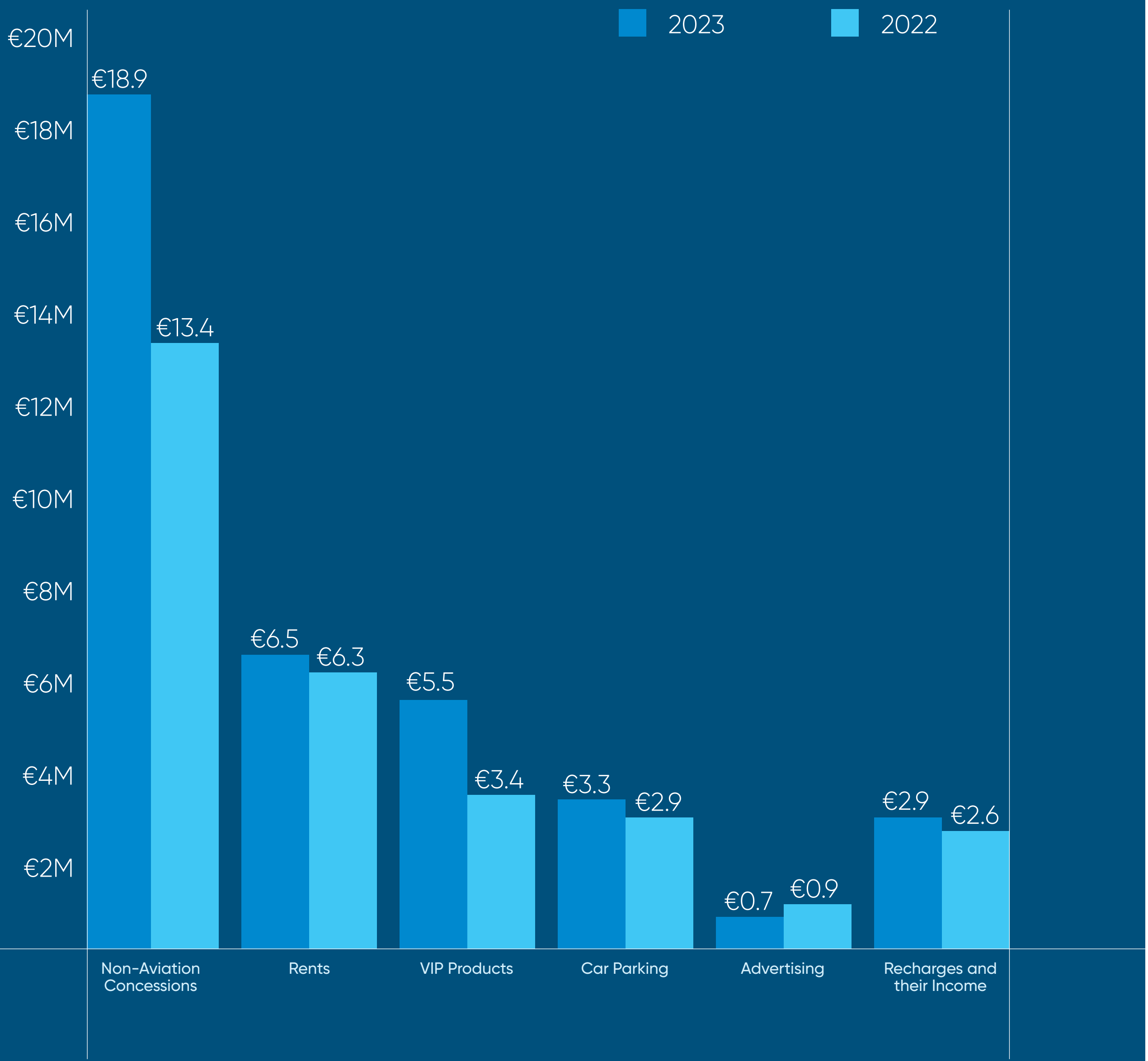
In line with its long-term revenue diversification strategy, the Company continued to develop commercial facilities and services within the airport campus to create new income streams deriving from non-aviation activities.

Amongst the most notable investments in Malta International Airport's retail and property segment in 2023 were the introduction of two new eateries inside the terminal as well as the opening of a new service station on the airport campus.

Revenue derived from activities within this segment witnessed a commendable growth of 27.7% compared to the previous fiscal year, with the airport's VIP products leading the way with a remarkable 61.7% increase over 2022.

TOTAL RETAIL AND PROPERTY REVENUE





AIRPORT ADVERTISING

A new advertising concession was granted in 2023, paving the way for the International Airport Advertising Corporation to roll out a new advertising display plan for Malta International Airport during the year under review.

The programme has been dissected to ensure that the terminal is decluttered and that state-of-the-art displays are introduced in order to retain the airport's position as a leading out-of-home advertising provider. The overhaul of both indoor and outdoor media entailed the conversion of all advertising spaces to digital LED screens, ensuring increased visibility and cost-effectiveness across all advertising opportunities on the airport campus.

AIRPORT OUTLET UPGRADES

To adapt to the changing retail landscape, the Company endeavoured to create a more convenient shopping experience for visitors and guests. Amongst the most notable developments in this regard was the introduction of three self-checkout kiosks in addition to the seven existing manned tills at Dufry. This has enhanced the efficiency of the checkout process and greatly reduced queuing time, consequently improving the shopping experience at the Departures outlet.

In a bid to upgrade the food offering at airside, the Company also introduced a new grab-and-go food spot, Veràni, inside the Departures Hall in June. Investments at landside included the rehaul of the Dr Juice bar inside the Check-In Hall, which included the reconfiguration of the outlet's seating area. Inside the Welcomers' Hall, a new cafeteria boasting a traditional Maltese offering opened its doors in April. The strategic location of Tat-Te, which is found directly opposite the Baggage Reclaim Hall exit, has also helped to create a heightened sense of place upon arrival in Malta.

Looking ahead, the Company will be reviewing the contracts of all eateries operating from the Food Court on level -1, as all agreements are set to expire in 2024. The Company will also be seeking further opportunities to secure an operator for the Food Court restaurant and adjoining bar area.

AIRPORT PARKING AND AMENITIES

Following the commissioning of a new service station on airport grounds and the subsequent closure of the existing airport service station, a new service station opened for business in December 2023.

During the year under review, the Company also laid the groundwork for the installation of a covered walkway to connect the airport's multistorey car park, Park East, to the terminal. As the Company endeavours to upgrade its parking facilities further, Malta International Airport will also be investing in an upgraded parking system covering the entire campus as well as the introduction of charging stations for electric vehicles.

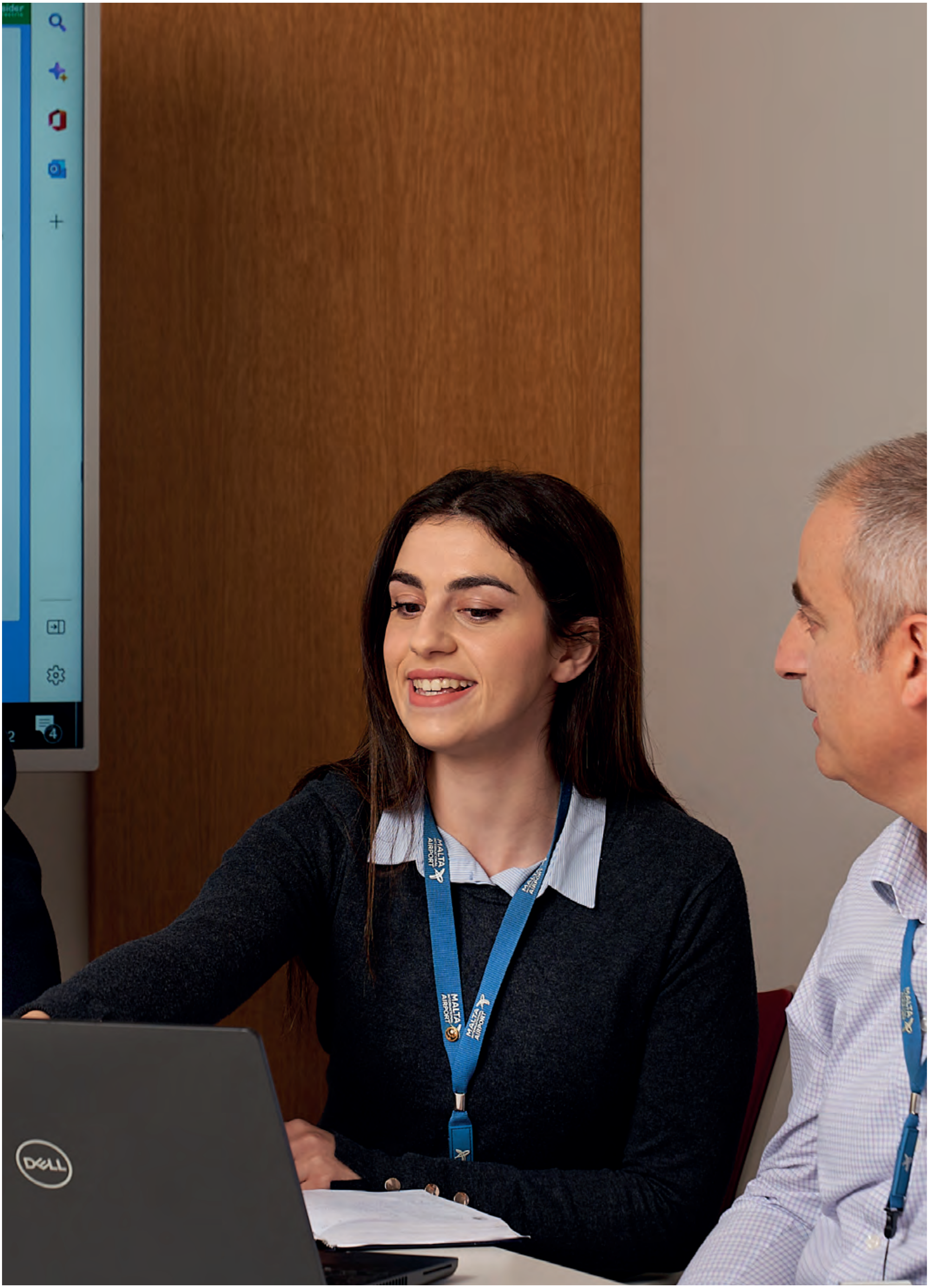
VIP PRODUCT

Boasting 3,130 members at the end of 2023, La Valette Club offers guests exclusive access to the airport's luxurious VIP lounges at Arrivals and Departures. In line with the significant growth in passenger movements during the year under review, lounge visits also saw a twofold increase over the previous year.

To further enhance the airport's current VIP product in light of this increased demand, the Company took on an expansion project inside the La Valette Departures Lounge, which will see the footprint of the outdoor terrace double in size. Following the selection of contractors for the project and the granting of the necessary development permits, site-enabling works commenced in 2024, with the project progressing as planned to be finalised by the end of the year.

07

CORPORATE RESPONSIBILITY


MALTA AIRPORT
DELL

07 CORPORATE RESPONSIBILITY

CORPORATE RESPONSIBILITY STRATEGY

Malta International Airport's corporate responsibility strategy informs its operations on every level.

As one of the drivers of economic growth for the Maltese Islands, the Company is working towards attracting passenger traffic and driving revenue growth. With that said, the Company also recognises the challenges associated with growing in a sustainable way and remains mindful of its impact on the environment, the community, and the greater good. For this reason, Malta International Airport's corporate responsibility strategy goes beyond the financial bottom line, with the Company also acting across social and environmental dimensions.

The Corporate Responsibility Committee, which monitors and manages Malta International Airport's social, environmental, and economic impacts, sought out opportunities for the Company to expand the scope of its philanthropic efforts. In 2023, the Company supported different segments of the community as well as non-governmental organisations through financial donations, which totalled €89,000. These efforts will continue in earnest in 2024, which year will mark the 10th anniversary of the establishment of the Malta Airport Foundation.

Since its inception in 2014, the Foundation has built a strong track record in the areas of local heritage preservation and environmental protection. During the year under review, the Foundation supported various initiatives within the scope of its mandate to safeguard and promote the Maltese Islands' cultural, artistic, and environmental heritage.

Pictured here is the Foundation's independent Board, which is chaired by Josef Formosa Gauci. The co-administrators include Prof. Timothy Gambin, Ing. Andre Cauchi and Frank Salt, while Kevin-James Fenech serves as Secretary to the Board.

Through its long-term corporate responsibility strategy, the Company will continue to uphold its commitment to its employees, neighbouring communities and stakeholders to effect positive change through its operations without hampering its financial performance. For a detailed summary of the Company's social, environmental and economic results in 2023, please refer to pages 76 to 87.

THE MALTA AIRPORT FOUNDATION

The Foundation was set up in 2014 with the aim of investing in Malta's national heritage while also enhancing Malta's tourism product. The projects and initiatives that the Foundation has invested in thus far are indicated on the map.

PIETÀ

- Restoration of Villa Frere

BIRGU

- Seabed clean-up

ST.PAUL'S BAY

- Seabed clean-up

ŻURRIEQ

- Restoration of a Mattia Preti painting at Saint Catherine of Alexandria Church

WIED IŻ-ŻURRIEQ

- Restoration of Ta' Xutu Watch Tower
- Underwater clean-up
- Um El-Faroud documentary

MARSASKALA

- Sponsorship and installation of Seabin

SENGLEA

- Underwater clean-up

MARSAXLOKK

- Sponsorship and installation of Seabin
- Underwater clean-up

FILFLA

- Educational underwater documentary

COMINO

- Educational underwater documentary

ĊIRKEWWA

- MV Rożi documentary

XLENDI

- The Phoenician shipwreck excavation project
- Deep-water archaeological park

MARSALFORN

- Underwater clean-up

MDINA

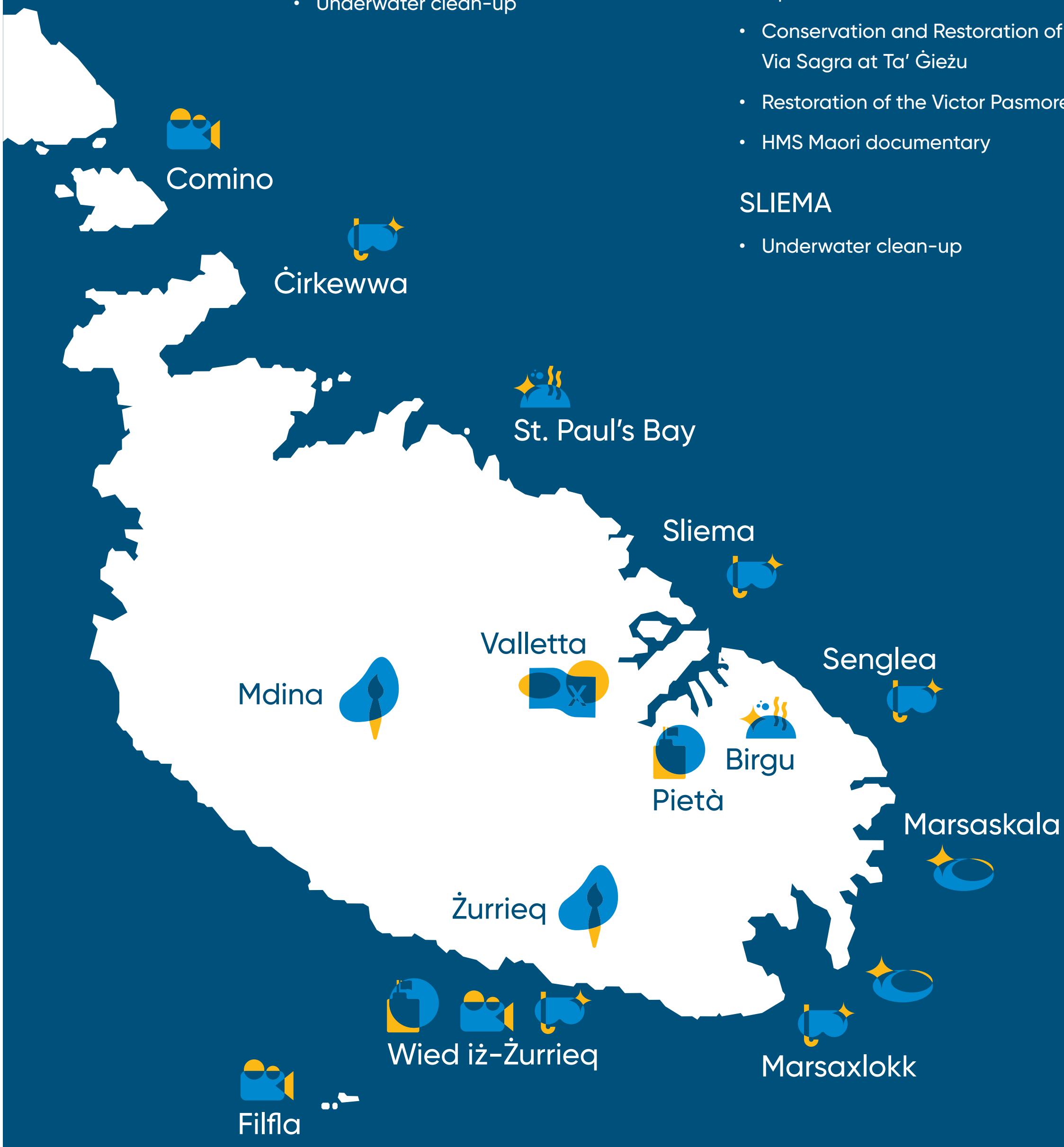
- Restoration of a 14th-century painting at the Mdina Cathedral Museum

VALLETTA

- Restoration of the wartime Combined Operations Room
- Conservation and Restoration of Via Sagra at Ta' Ġieżu
- Restoration of the Victor Pasmore Gallery
- HMS Maori documentary

SLIEMA

- Underwater clean-up



INVESTMENTS IN MALTESE CULTURAL HERITAGE

In 2023, the Malta Airport Foundation announced its support for the conservation and restoration of 14 paintings dating back to the first half of the 18th century, which depict the stations of the Via Sagra inside the Church of Ta' Ġieżu in Valletta. The process unveiled previously unknown information about this particular Via Sagra, as the restorers identified the hands of two prominent Maltese artists, Francesco Zahra and Gian Nicola Buhagiar, in several of the paintings. On the verso of two other paintings, an inscription detailing the name of another artist, Jacobbus Gini, was discovered. The restoration project spanned 11 months, with the newly restored works of art being re-installed inside the church in March 2024.

Furthermore, in 2023, the Foundation entered into a collaboration with Fondazzjoni Patrimonju Malti, a non-profit organisation that was set up to raise awareness of Malta's heritage both on a local and an international stage. The Foundation supported the restoration of the Victor Pasmore Gallery, located in the heart of the capital city, by making a financial contribution to Fondazzjoni Patrimonju Malti for the refurbishment, renovation and embellishment of the gallery.

The Malta Airport Foundation also collaborated with the Friends of Villa Frere to rehabilitate both the façade and the interiors of Villa Hay in Pietà. Constructed in 1831, the 12-acre Villa Frere estate had fallen into disrepair before being revived by the Friends of Villa Frere voluntary organisation, set up in 2013. The restoration works being supported by the Malta Airport Foundation will include the restoration of all internal doors and timber beams, as well as the repointing of the walls and ceilings on the lower and upper floors.

INVESTMENTS IN UNDERWATER HERITAGE AND THE ENVIRONMENT

Efforts to showcase Malta's underwater heritage continued through the ongoing Submerged World mini-documentary project. The six-part mini-documentary series is plunging audiences into different depths of the Maltese Islands' surrounding waters to explore six of the country's most popular wrecks. Following the release of the Um El-Faroud documentary, the Foundation shed light on the HMS Maori and Rożi shipwrecks during the year under review, while the remaining three instalments of the series are set to be made public in 2024.

For the fourth consecutive year, the Foundation also collaborated with two local dive clubs in carrying out two underwater clean-ups in the localities of Birgu and St Paul's Bay.

PERFORMANCE SUMMARY OF THE 2023 SUSTAINABILITY REPORT

Malta International Airport has been reporting its environmental, social and economic performance in an annual sustainability publication since 2016. The following pages of the Company's annual report present highlights of Malta International Airport's performance in relation to these three pillars, with the full sustainability report, prepared in line with the Global Reporting Initiative (GRI), being made available on maltairport.com later this year.

ENVIRONMENTAL PERFORMANCE

In 2023, Malta International Airport upheld its commitment to improve its environmental impact, building upon the progress made in previous years. The Company focused its efforts on further reducing its carbon footprint and advancing towards its goal of attaining net zero status by 2050. In recognition of these efforts to manage and reduce the airport's carbon emissions, ACI renewed Malta International Airport's Level 2 certification of the Airport Carbon Accreditation (ACA) Programme. The Company is now eyeing the next rung of the programme, Level 3, which will entail further third-party engagement. In fact, during the year under review, the Company carried out its first stakeholder engagement exercise, paving the way for additional efforts aimed at engaging stakeholders in its sustainability journey. Over 110 stakeholders, ranging from ground-handling companies to cleaning service providers, were approached to contribute to the exercise aimed at collecting Scope 3 emission-related data. An internal stakeholder engagement plan was also developed in 2023 as a means to identify best practices and seek out new opportunities for knowledge-sharing.

GOAL 1

Use the greenhouse gas (GHG) emissions intensity metric to track and mitigate the Company's climate impact

Despite passenger traffic having increased by 33%, ongoing investments in energy management solutions led the Company to reduce its electricity consumption by 3% in 2023. The year under review also saw the Company generate 3.2 million kWh of energy from renewable sources, triple the amount of clean energy produced in 2019.

In 2023, Malta International Airport also continued the replacement of company-owned vehicles to more energy-efficient standards and continued to convert airfield ground lighting to LED fittings, including those installed in the newly rehabilitated Runway 05-23.

On the other hand, fuel consumption increased during the year under review as a result of the airport's increased operations, together with more frequent usage of generators due to longer generator testing times and multiple power cuts in the summer months.

Nonetheless, Malta International Airport was ultimately successful in achieving the GHG emissions intensity target it had set at the beginning of 2023 of 0.8–1.0 kilos of CO^2 per passenger. The actual emissions intensity stood at 0.65 kilos of CO^2 per passenger at the end of the year.

GOAL 2

Enhance water stewardship through managed consumption and improved rainwater harvesting

Due to increased rainfall in 2023, amounting to 440.6 mm, Malta International Airport harvested 29,357 m^3 of rainwater during the year under review, translating to an increase of 5% from 2022. Consequently, the Company also reduced its water consumption for irrigation purposes by 17%, which correlates with the 19% increase in rainfall.

As a result of busier operations at Malta International Airport during the year under review, the volume of potable water used by the Company registered a two-fold increase over 2022 figures, totalling 75,268 m^3, while non-potable water registered a decrease when compared to 2022 to stand at 89,574 m^3 in 2023.

GOAL 3

Improve separation of waste, aiming for 0.18 kilos of landfill waste per passenger

After introducing organic waste bins in 2021, Malta International Airport adopted the landfill waste per passenger metric to monitor the effectiveness of its waste separation efforts. Incentivising all employees to contribute to achieving the goal of 0.18 kilos of landfill waste per passenger, this environmental performance indicator is linked to a company-wide bonus scheme.

In 2023, the Company's Environmental Working Group assisted the responsible departments in developing a waste management plan and green procurement guidance, both of which fall within the scope of Malta International Airport's broader environmental plan to foster environmental consciousness within the organisation.

As of December 2023, airport stakeholders are also being bound by contractual obligations to contribute to the Company's sustainability endeavours through the introduction of a waste management clause and an environmental data collection clause within all tenant agreements.

These efforts, coupled with initiatives to substitute single-use items with reusable, recyclable or biodegradable alternatives, enabled the Company to meet its target, with landfill waste per passenger standing at 0.12 kilos in 2023.

WHAT'S NEXT

In 2023, the Company was granted approval for the procurement of a fifth photovoltaic system on the airport campus. At 3.3 MWp, this photovoltaic system will be the largest to be installed to date and will enable Malta International Airport to generate and consume energy through clean sources.

With regard to water management, the Company has continued to study how irrigation can be reduced through the replacement of aesthetic turf with indigenous vegetation to optimise water consumption and reach its long-term targets. In an effort to improve rainwater harvesting and consequently reduce non-potable water usage, Malta International Airport will be building its largest reservoir, having a total capacity of 10,000 m^3, as part of the Apron X project.

In 2024, environmental award criteria shall start being included as part of the tender adjudication process and will be defined depending on the nature of the works and/or services being provided. The Company will also be launching a waste campaign targeting stakeholders to improve waste management and disposal within the airport campus.

ECONOMIC PERFORMANCE

The year under review saw Malta International Airport handle a record 7.8 million passenger movements, registering an increase of 33.4% in traffic over 2022, with the majority of the airport's markets reaching or surpassing their respective 2019 and 2022 results. This solid traffic performance, together with efforts aimed at further diversifying the Company's revenue streams, led Malta International Airport to report a net profit of €40.3 million.

7.8 MILLION
PASSANGER MOVEMENTS

GOAL 1

Recover between 80% and 90% of 2019 traffic while also increasing passenger traffic in the shoulder months

Throughout 2023, Malta International Airport experienced robust demand for air travel, culminating in a record-breaking 7.8 million passenger movements by year-end. This marked a significant 6.7% increase over 2019; equivalent to nearly half a million additional passengers.

In 2023, the trend in traffic growth persisted throughout the year, with record-breaking volumes being observed in all months, bar January and February. Amongst the most significant achievements for the year under review was the fact that over 700,000 passengers travelled through the airport in April, as these volumes are usually registered in the peak months between June and October.

While passenger movements surpassed the 500,000-passenger mark in both November and December for the first time in the airport's history, December was the only month of the year to post double-digit growth over 2019 results, as the airport welcomed just over 529,000 passengers.

Despite a 1.1% decline in aircraft movements over 2019, seat capacity rose by 2.4%, with airlines deploying larger aircraft. Additionally, the seat load factor reached a peak of 91.4% in August, marking the highest occupancy rate recorded at Malta International Airport.

GOAL 2

Pursue an aviation and non-aviation revenue mix in the ratio of 70:30

Diversification has long been an important pillar of Malta International Airport's business strategy, strengthening the Company's resilience over the past few challenging years.

Record passenger volumes led the Company's aviation segment to exceed 2022 levels by just over 41%. The non-aviation segment, on the other hand, registered a more modest increase of 27.7%, with non-aviation concessions being the main drivers of the revenues stemming from this segment. Within this segment, revenues originating from rents, VIP products, parking and recharges all exceeded their respective 2022 levels.

The Company's total revenue generated in 2023 amounted to €120.2 million, with the aviation segment contributing 68.5% of this total and the non-aviation segment contributing 31.5%.

GOAL 3

Improve the Company's impact on the local economy, using the return on equity (ROE) metric to track the airport's performance

As a listed company, Malta International Airport considers this metric to be an important indicator of its overall level of profitability when compared to the level of shareholders' funds. In 2022, the Company's profit amounted to €38.9 million, inclusive of a one-time €12 million tax credit, with the ROE reaching 25.7%. Excluding the tax credit, the Company's ROE for 2022 stood at 17.8%, with this being the target for 2023. Therefore, with a profit of €40.3 million in 2023, the Company surpassed its target to achieve an ROE of 22.3%.

€40.3 MILLION

COMPANY'S PROFIT

GOAL 4

Increase Malta's direct connectivity through route development, aiming to meet or exceed 2022 levels

Effective connectivity plays a vital role in the economic, social and cultural development of island states like Malta. For this reason, Malta International Airport always works closely with the Malta Tourism Authority and partner airlines to ensure that the Maltese Islands are served by a far-reaching direct route network through the services offered by a combination of flag and low-cost carriers.

During the year under review, the airport's Traffic Development team continued to build upon the progress made in previous years by addressing the gaps in the network created by the COVID-19 pandemic. In fact, Malta International Airport was successful in increasing its direct connections for 2023, as the number of scheduled routes increased from 103 to 107, while Eurowings also resumed operations to the Maltese Islands. During the year under review, Malta International Airport was connected to 35 markets, 22 of which performed above 2019 levels.

WHAT'S NEXT

Malta International Airport's recovery is set to continue apace in 2024, with the Company eyeing 8 million passenger movements. The year has been off to a strong start, with January and February passenger numbers and seat load factors exceeding 2020 levels. However, the Company expects the pent-up demand for air travel to start levelling off as the year progresses.

In an effort to continue improving infrastructure, diversifying revenue streams and accommodating growing passenger numbers while working towards its environmental targets, the Company announced a €250 million investment plan in 2023. The coming year will be pivotal for Malta International Airport in terms of capital expenditure projects, with investments to the tune of €45 million earmarked for the ongoing transformation of the airport campus.

SOCIAL PERFORMANCE

Malta International Airport's employees are the foundations for the Company's success. For this reason, the Company continued to invest in the professional development of its team members as a means to both retain and attract talent. At the beginning of 2023, Malta International Airport signed a new collective agreement for unionised employees covering the next five years. Beyond its 400-strong team, the Company also maintained its social involvement, contributing to its neighbouring communities and beyond.

GOAL 1

Provide a minimum of 20 hours of training to employee

Employees working within the Company's different departments successfully underwent an average of 37 hours of training per person; a 19% increase over 2022 figures. The Company continued to empower its employees to become effective trainers who are now able to teach colleagues within the organisation through train-the-trainer programmes.

When asked about the training opportunities provided by the Company in the Annual Employee Survey, 87.5% of the respondents agreed that while their work was challenging, they were equipped with the adequate skills to carry out their roles.

37 HOURS

AVERAGE OF TRAINING PER EMPLOYEE

GOAL 2

Fill 60% of vacant leadership positions through internal promotions

To provide top-performing employees with further opportunities for growth and development within the organisation, the Company sought to fill more leadership roles through internal promotions during the year under review. To this end, 41 such positions were filled through internal promotions, leading Malta International Airport to surpass its target for the year by 16%. The remaining 13 vacant positions for leadership roles were filled through external recruitment since new or specific skills were required.

The Company's efforts to upskill its workforce and encourage professional development were also recognised by employees in the Annual Employee Survey. While 84% of the respondents stated that they had ample opportunities for career progression, 87% felt that their professional development was supported by the Company.

GOAL 3

Promote employee well-being, particularly through training covering mental health topics

The physical and mental well-being of employees has always been prioritised by Malta International Airport. Through a collaboration with the Richmond Foundation, more than 160 hours of mental health training were delivered to 16 employees, equipping them with the skills required to identify and assist passengers or fellow employees experiencing anxiety, mental health crises, suicidal thoughts and/or episodes triggered by substance use.

In addition to this, the Company has continued to foster a healthy lifestyle amongst employees, offering another 12 annual free mental health sessions to all employees. During the year under review, 10 employees availed themselves of a joint total of 60 sessions offered by Richmond Foundation.

160+

HOURS OF MENTAL HEALTH TRAINING

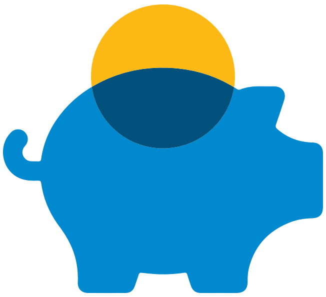
GOAL 4

Contribute to the wider community through volunteering and fundraising activities

Malta International Airport has continued to seek out opportunities to support the members of its community through charity work, donations, and social support while also engaging employees who have continued to contribute to and embrace such purpose-driven initiatives throughout the year.

The Sports and Social Committee took the lead in putting together 24 fundraising activities in 2023, with a two-fold aim of allowing employees to socialise in informal settings while raising funds for non-governmental organisations and noble causes. Amongst the variety of activities organised were a clean-up, social lunches, bingo nights, football matches, a boat cruise, a ghost tour, and a sip and paint event. By the end of 2023, Malta International Airport's employees had collected just over €8,500, which was distributed equally between the Company's chosen charities for the year: Caritas Malta and the Association for Abandoned Animals.

Other calls for support during the year saw employees donate generously in aid of other charitable causes, including research conducted by the Breast Cancer Awareness Foundation. Additionally, in December, Malta International Airport organised its annual food drive, through which a significant amount of food boxes were collected and donated to the Saint Jeanne Antide Foundation, which supports families and individuals facing hardships. An additional €870 worth of food vouchers were also collected through this initiative and donated to the same Foundation.



€8,500+

RAISED FOR CHARITIES

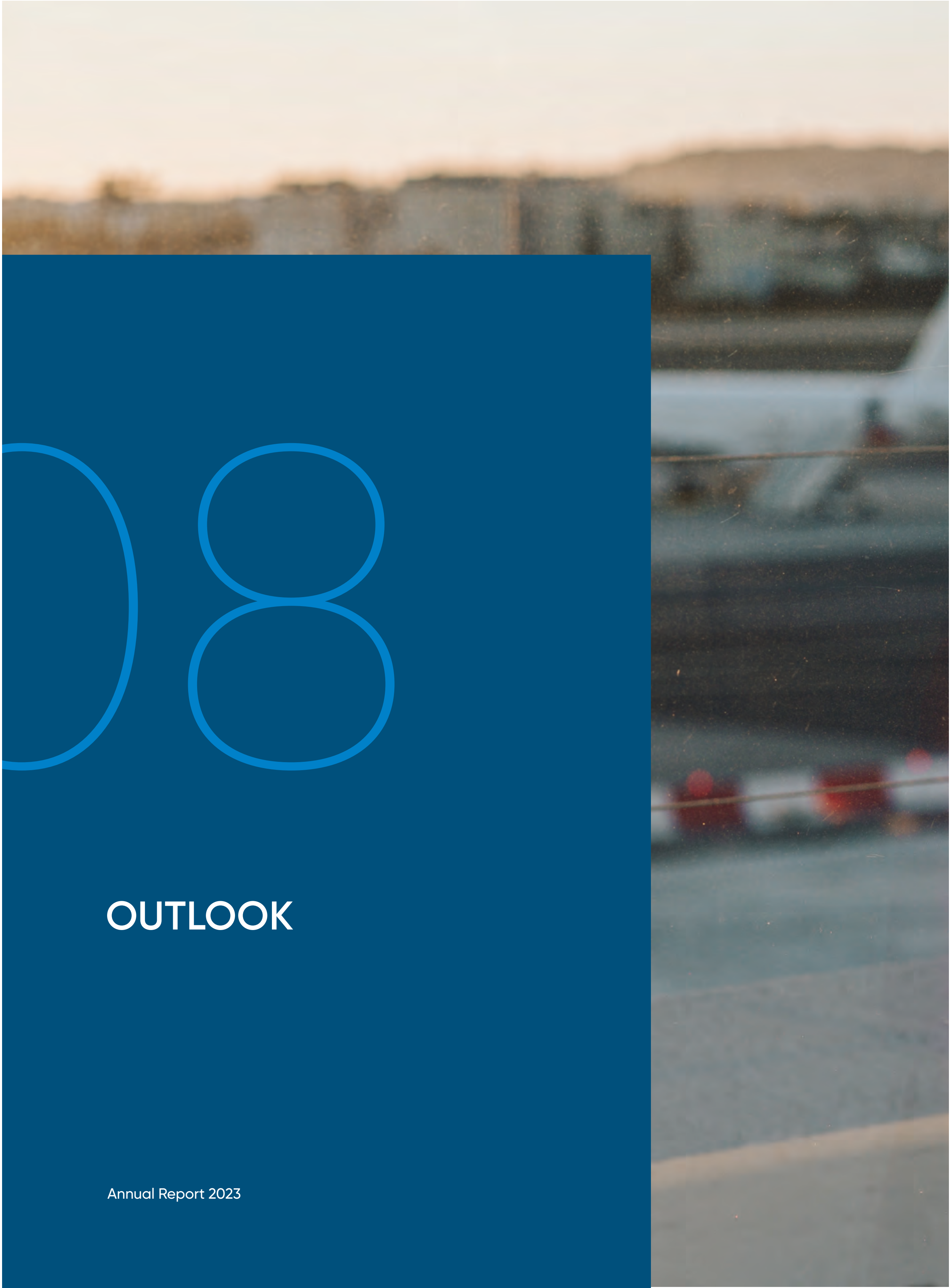
GOAL 5

Provide educational opportunities to students of different ages through different initiatives

In a bid to recruit and train future talent, address skill shortages and develop careers across core parts of its business, Malta International Airport offered several opportunities for apprenticeships and internships during the year under review. Within the Technical Services department, six MCAST students and three University of Malta students, furthering their studies in light vehicle maintenance, electrical systems and mechanical engineering were offered professional development opportunities at Malta International Airport. During the summer, the Company also employed 10 students as summer workers.

WHAT'S NEXT

Looking ahead, Malta International Airport will continue to empower its workforce as it rolls out a new performance management software, Teamflect. The software will enable employees to better understand their strengths while identifying specific skill gaps to be addressed in their individual training plans. In line with this, Malta International Airport will also continue to forge career development paths for all positions within the Company, with the final aim of providing its workforce with increased knowledge to master their current roles and offer them the opportunity to progress internally.



08

OUTLOOK

08
Outlook

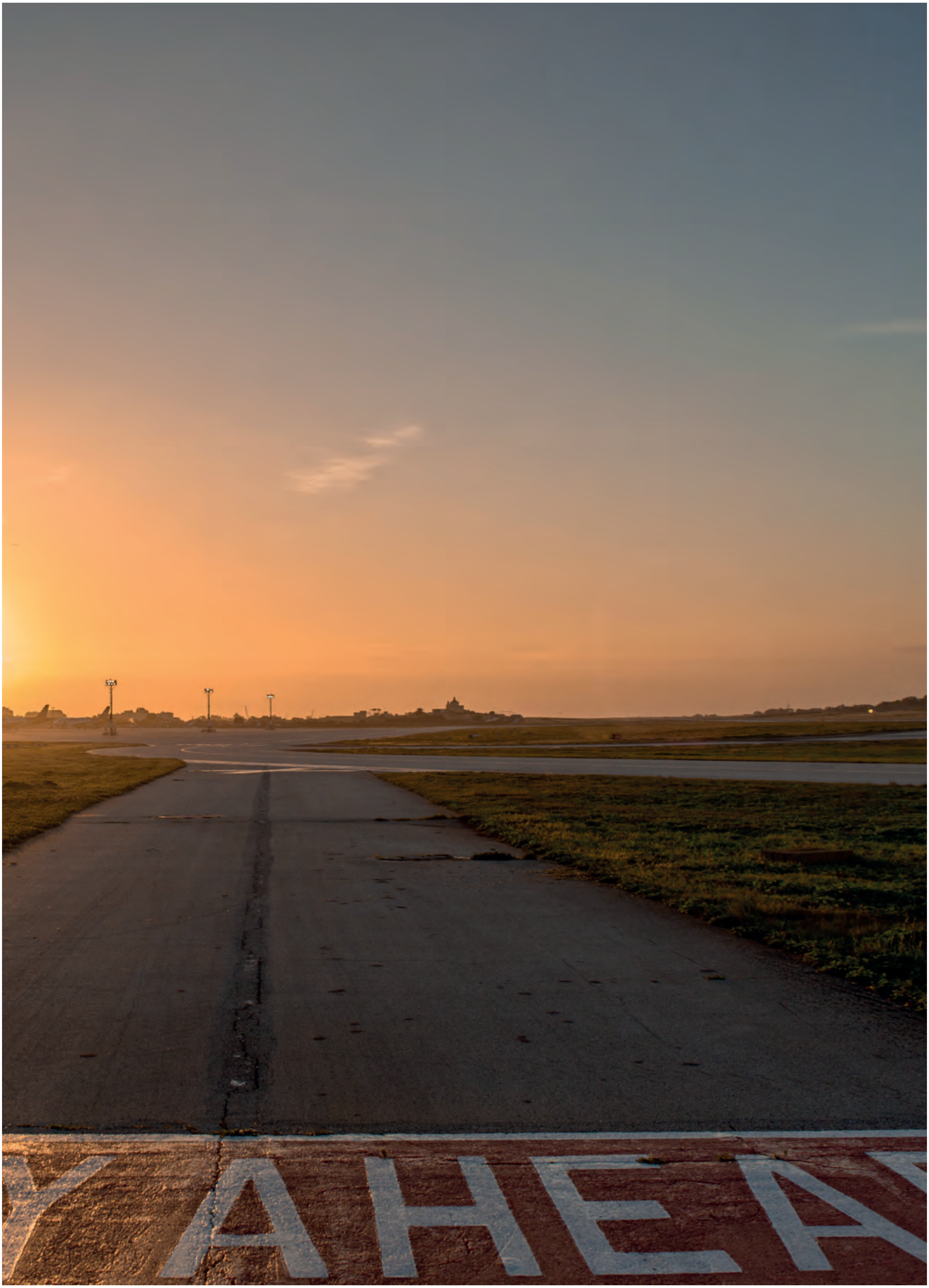
Taking into consideration the airport's traffic results for 2023, as well as the route network developments that have been confirmed for the year thus far, Malta International Airport expects passenger traffic to continue its upward trend to reach a new traffic milestone, hosting 8 million passengers in 2024.

Apart from expecting demand for air travel to level off over the coming year as rising inflation continues to weigh on passengers' wallets, the Company's forecast also takes into account the ongoing challenges impacting global aviation operations, including surges in oil prices and persisting supply chain issues.

In 2024, the Company has projected that it will generate a total revenue of over €126 million, while €45 million will be invested in capital expenditure projects aimed at addressing growing passenger demand and achieving Malta International Airport's long-term sustainability targets.

09

INVESTMENTS



09 Investments

The year 2023 has been pivotal for the transformation of the airport campus, with the Company unveiling an ambitious five-year investment programme totalling €250 million. The three-pillared programme will allow the Company to operate more efficiently and safely whilst working towards achieving its environmental targets and further developing its retail and property portfolio, even as passenger traffic continues to reach new milestones.

OPERATIONAL INVESTMENTS

The Terminal Expansion Project

Set to take around a year to complete, the first phase of the Terminal Expansion Project will bring forth improvements to the airport journey for arriving guests through a 1,550-square metre westward expansion. Once all the phases of the project are completed, Malta International Airport will occupy double its current footprint and operate with more check-in desks, security lanes, baggage reclaim belts and circulation space.

Airfield Improvements

Malta International Airport successfully completed the resurfacing of its 2.4-kilometre-long secondary runway in the last week of December, less than three months after the commencement of the infrastructural works in the first week of October. While operations on Runway 23-05 are generally limited to general aviation aircraft and aviation training institutions, the runway also carries 9% of the airport's commercial movements. The extensive rehabilitation of the runway was, therefore, critical to enhancing Malta International Airport's operational flexibility whilst also paving the way for future rehabilitation works to take place on the primary runway, Runway 13-31.

The Company is also working towards improving the airport's aircraft parking capacity. In fact, the first phase of the €40 million Apron X project entered its final stages in January 2024, paving the way for the first three parking stands to become operational by the third quarter of 2024. The development of a 10,000 cubic metre reservoir is also underway, while the construction of an electrical and control substation is nearing completion.

Works on the phased rehabilitation of Apron 9 stands, which commenced in November 2022 and will be executed over a five-year timespan, also continued apace during the year under review. This long-term project involves converting all stands on Apron 9 from asphalt to concrete. Stand 14 has been completed, while works on Stands 2 and 3, as well as Taxiway Victor, have been initiated, with the latter requiring extensive rehabilitation and asphalting.

SUSTAINABILITY-FOCUSED INVESTMENTS

As part of its strategic infrastructure enhancement, Malta International Airport formally initiated the heating, ventilation and air-conditioning project in October. This meticulous plan involves the systematic replacement of units over a 2.5-year period. The project commenced by upgrading the offices and will progressively extend to public areas, fostering an optimal working environment for employees while elevating passenger comfort throughout the airport.

Approval was also granted for the procurement of a fifth photovoltaic system on the airport campus. At 3.3 MWp, this photovoltaic system will be the largest to be installed to date and will enable Malta International Airport to generate and consume 40% of its energy through clean sources. With construction scheduled for 2024, comprehensive designs are already in place, marking a critical step for the Company as it continues to work towards reaching its ambitious target of achieving net zero status by 2050.

Further efforts to reduce Malta International Airport's carbon footprint are being made through the lighting replacement project, which involves upgrading the lighting infrastructure on the airfield to more efficient LED units. So far, one-third of the systems have been successfully updated, with the remainder being scheduled for completion in 2024 and 2025.

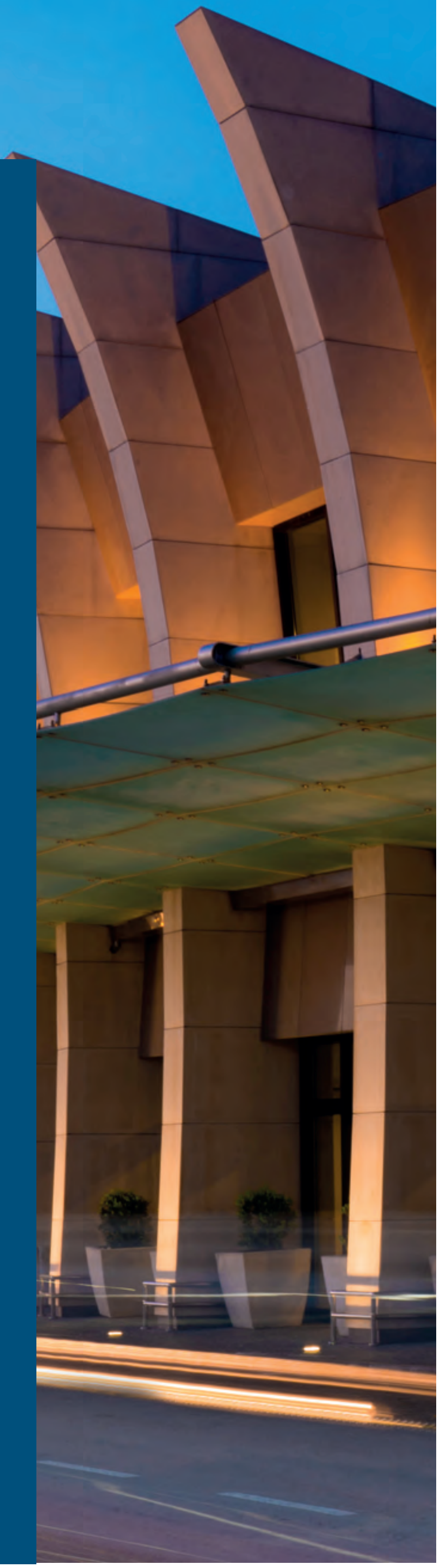
INVESTMENTS IN RETAIL AND PROPERTY

Demonstrating its commitment to expanding its retail and property portfolio, Malta International Airport considers the second SkyParks Business development project to be a cornerstone in its diversification strategy. The clearance of the area occupied by the former fuel station paved the way for site preparation and mobilisation for the second SkyParks Business development project. A contract for the programme of works has now also been executed, indicating substantial progress in the development of its facilities. This project is set to redefine the landscape of the airport over the coming years by introducing a hotel on the airport campus, thus offering new business opportunities while enhancing the overall offering for guests.

Another pivotal milestone in the pursuit of an enhanced passenger experience is the redevelopment of the VIP Terminal at Malta International Airport. In 2023, the Company not only secured a full development permit from the Planning Authority but also finalised the terminal designs and awarded tender packages for the development, with site-enabling works commencing towards the end of the year, setting the stage for the creation of a best-in-class terminal. Construction works were initiated in the first quarter of 2024.

10

FINANCIAL REPORT



Annual Report 2023

Contents

General Information

Directors	Mr Nikolaus Gretzmacher (Chairman) Mr Alan Borg (Chief Executive Officer) Mr Karl Dandler (Chief Financial Officer) Dr Cory Greenland Ms Rita Heiss Dr Wolfgang Koeberl Mr Florian Nowotny
Company Secretary	Dr Louis de Gabriele LL.D.
Registered Office	Malta International Airport, Luqa, Malta. Tel. (+356) 2124 9600
Country of Incorporation	Malta
Country Registration Number	C 12663
Auditor	PricewaterhouseCoopers, 78 Mill Street, Zone 5, Central Business District, Qormi, Malta.
Legal Advisors	Camilleri Preziosi Advocates, Level 2 - Valletta Buildings, South Street, Valletta, Malta.

Directors' Report

YEAR ENDED 31 DECEMBER 2023

The directors present their report together with the audited financial statements for the year ended 31 December 2023.

PRINCIPAL ACTIVITIES

Malta International Airport p.l.c.'s ("the Company") principal activities are the development, operation and management of Malta International Airport, for which the Company has a 65-year concession that came into effect in July 2002.

The Company has three 100% owned operating subsidiaries: Airport Parking Limited, SkyParks Development Limited and SkyParks Business Centre Limited. Airport Parking Limited operates all car parks situated on the land leased to Malta International Airport p.l.c., whilst SkyParks Development Limited and SkyParks Business Centre Limited manage the SkyParks Business Centre building. The Company and these subsidiaries are together referred to as "the Group".

Malta International Airport p.l.c. also has another 100% owned subsidiary: Kirkop PV Farm Limited, set up with the intention to explore opportunities in the generation of electricity using photovoltaic technologies. Kirkop PV Farm Limited, however, did not trade in 2023.

REVIEW OF THE BUSINESS

Traffic Development

Malta International Airport closed 2023 with a record 7.8 million passenger movements, registering an increase of 33.4% in traffic over 2022. Handling an additional circa half a million passengers over 2019, this result was achieved in parallel with an upturn of 27.3% in aircraft movements and an increase of 29.1% in seat capacity. Strong seat occupancy levels were also registered throughout the year, with seat load factor reaching an all-time high overall average of 85.2%, gaining 2.7 percentage points over 2022. While each month registered varying rates of growth, the strongest upturn in traffic was achieved in the last quarter, reflecting increased travel demand in the winter months.

All markets continued to recover at different rates. The majority of our markets reached or surpassed their respective 2019 and 2022 results, with Italy, United Kingdom, Germany, France and Poland topping Malta International Airport's market leaderboard. Whilst both the French and Polish markets registered the most significant growth, traffic from the United Kingdom and Germany performed below 2019 levels, despite registering a marked improvement over 2022, due to fewer flight connections. The Italian market also continued to perform well, retaining its spot as Malta International Airport's top driver of traffic.

Traffic Highlights

	2023	2022	+/-	% Change
Passenger Movements	**7,803,042**	5,851,079	1,951,963	33.4%
Aircraft Movements	**51,353**	40,355	10,998	27.3%
Seat Capacity	**9,155,085**	7,093,600	2,061,485	29.1%
Seat Load Factor	**85.2%**	82.5%		2.7 pp
MTOW (in tonnes)	**2,011,402**	1,564,392	447,010	28.6%
Cargo and Mail (in tonnes)	**20,645**	17,552	3,093	17.6%

	Q1 2023	Q1 2022	% Change	Q2 2023	Q2 2022	% Change
Passenger Movements	**1,245,525**	672,965	85.1%	**2,188,945**	1,672,329	30.9%
Aircraft Movements	**8,825**	5,990	47.3%	**14,514**	11,639	24.7%
Seat Capacity	**1,535,759**	1,028,045	49.4%	**2,586,398**	2,048,569	26.3%
Seat Load Factor	**81.1%**	65.5%	15.6 pp	**84.6%**	81.6%	3.0 pp
MTOW (in tonnes)	**348,466**	230,583	51.1%	**564,508**	446,678	26.4%
Cargo and Mail (in tonnes)	**4,948**	3,716	33.2%	**4,948**	4,145	19.4%

Traffic Highlights (Continued)

	Q3 2023	Q3 2022	% Change	Q4 2023	Q4 2022	% Change
Passenger Movements	**2,539,355**	2,059,920	23.3%	**1,829,217**	1,445,865	26.5%
Aircraft Movements	**15,691**	12,939	21.3%	**12,323**	9,787	25.9%
Seat Capacity	**2,824,635**	2,304,195	22.6%	**2,208,293**	1,712,791	28.9%
Seat Load Factor	**89.9%**	89.4%	0.5 pp	**82.8%**	84.4%	(1.6 pp)
MTOW (in tonnes)	**610,614**	501,517	21.8%	**487,814**	385,614	26.5%
Cargo and Mail (in tonnes)	**4,793**	4,968	(3.5%)	**5,956**	4,722	26.1%

Operational Performance Indicators

Airports Council International's (ACI) Airport Service Quality (ASQ) survey is the world's leading airport passenger satisfaction program, with close to 400 participating airports in 95 countries. This globally recognized program provides airports with tools and expertise to measure and improve passenger satisfaction, business performance and airport service quality. Malta International Airport has been participating in the program since 2005 and has consistently ranked in the top 5 airports in Europe within its size category, being awarded the 'Best Airport in Europe' title in the 5 to 15 million passenger category in 2018, 2019, 2020, 2021 and 2022.

At the start of 2022, the ASQ Departures Questionnaire was improved to better reflect airport guests' satisfaction in relation to service quality and customer experience, which are both crucial factors in the creation of memorable airport experiences. This survey gathers information from passengers just before boarding their flight and delivers an accurate picture of their satisfaction throughout the airport journey, from check-in through to boarding. The analysis of this passenger feedback enables Malta International Airport to continue improving the terminal facilities and airport services in line with changing guest expectations, with the aim of increasing the overall satisfaction of guests with their experience at the airport, improving the service offering within the terminal and increasing non-aviation revenue.

Key performance indicators (KPIs), including terminal cleanliness, waiting times, and staff courtesy and helpfulness, are consistently measured using a five-point scoring system, with five being the highest score. Malta International Airport's Overall Satisfaction scores for the four quarters of 2023 are tabulated below. The average score obtained for 2023 was 4.39, a slight drop (-0.02) over the score achieved in 2022. However, given the record passenger traffic being handled by the airport in 2023 and its effect on the limited terminal capacity, which is currently being addressed through our expansion project, this score is still a positive one.

Led by a vision of service excellence and enhanced customer experience, the Company will continue working towards maintaining high overall satisfaction scores, which will continue to place Malta International Airport among the top five European performers in ASQ in the coming years.

ASQ Scores

	2023	2022	+/-
1st Quarter	**4.46**	4.38	0.08
2nd Quarter	**4.35**	4.40	(0.05)
3rd Quarter	**4.39**	4.43	(0.04)
4th Quarter	**4.34**	4.41	(0.07)
Average for the year	**4.39**	**4.41**	**(0.02)**

To uphold its commitment to service excellence, Malta International Airport continued to roll out initiatives aimed at improving the guest experience throughout the year under review. This led the Company to apply for Level 4 of ACI's Customer Experience Accreditation Programme in November 2023 after having renewed the Level 3 Accreditation. The ACI Airport Customer Experience Accreditation Programme is the only worldwide customer experience management accreditation designed specifically to recognise the efforts and enhancements airports make to create a better customer experience.

During the coming weeks, the Company shall be notified whether Malta International Airport has attained this prestigious level in ACI Customer Experience Accreditation, which would constitute a significant accomplishment for the airport team and will be a testimony to the Company's ongoing efforts to improve the customer experience by collaborating further with its stakeholders and supporting the community it serves.

INFRASTRUCTURAL INVESTMENTS

The overall capital expenditure during the year under review amounted to EUR 44.3 million.

Within the retail & property section, the relocation of the fuel station was implemented (2023: EUR 0.5 million), with the new service station opening for business in December 2023. The clearance of the area being used by the former fuel station was a condition for site preparation and mobilisation for the SkyParks Business Centre 2 project. Works on the construction of the new business centre are planned to start during the first half of 2024. Phase 3 of the cargo village project, providing a 900 m^2 warehouse for TNT, was completed and became operational in Q1 2023 (2023: EUR 0.2 million). While the upgrade of the VIP Terminal was set into motion in Q4 2023, works on the project commenced in January 2024.

The development of Apron X also progressed during the year under review (2023: EUR 11.9 million). The first phase of the project is expected to be completed by Q3 2024, resulting in three aircraft parking stands becoming operational. Once completed, Apron X will increase the Company's aircraft parking capacity by a total of seven stands, allowing the handling of additional narrow and widebody aircraft.

Extensive resurfacing works on the airport's secondary runway were concluded in Q4 2023. Works on runway 23-05 started in October 2023 and were finalised in December 2023, with the total investment amounting to EUR 14.5 million. Furthermore, aircraft stand rehabilitation works on Apron 9, which commenced in Q4 2022, are proceeding according to plan (2023: EUR 1.4 million).

During the year under review, the Group took the first steps to increase its terminal footprint, paving the way for the EUR 11 million westward expansion project of the terminal building as well as the construction of a new Schengen arrivals route (2023: EUR 1.9 million). The expansion of the customs area was concluded in Q3 2023 (EUR 1.0 million). The next stage of this project requires the reconfiguration of the baggage reclaim area, which includes the installation of an additional reclaim belt.

The Group continued to invest in digitalisation in 2023, creating the basis for increased automation as well as for the modernisation of the existing hardware. During the same year, the replacement and upgrade of the IT network and servers was concluded (2023: EUR 1.5 million).

Other upgrades include the installation of a new heating, ventilation and air conditioning system within the terminal (2023: EUR 2.6 million), the conversion of all lighting to LED (2023: 0.6 million), the upgrading of airfield substations and the terminal switch room (2023: EUR 0.2 million), as well as the replacement of the Airfield Ground Lighting (AGL) control room system (2023: EUR 0.9 million).

Principal Risk and Uncertainties

The Board, as a whole, including the Audit Committee members, is responsible for evaluating the nature and extent of the Risk Management Framework, as well as the risk profile that is acceptable to the Board. The Audit Committee periodically reviews the work carried out by the Company's Risk Management Committee and evaluates the impact that identified risks pose to the Company's strategic objectives.

The main strategic, corporate and operational risks and uncertainties identified during the year under review are listed below.

Disruption of Critical ICT Systems
The disruption of an airport's critical ICT system or process, whether through complete or partial disruption, could result in a breakdown of essential communication channels, compromised data integrity and potential lapses in security protocols. This may lead to operational inefficiencies, hindering the airport's ability to manage flights, process passenger information and execute security measures effectively. The interconnected nature of modern airport systems amplifies the impact, with failures in hardware, networks, personnel vetting, backups, firewalls and connectivity potentially causing widespread disruptions, impacting airport operations, safety and security, regulatory compliance as well as the overall passenger experience, potentially leading to reputation damage, substantial recovery costs and financial losses. Mitigating these risks is crucial to maintaining the reliability and functionality of critical ICT systems.

Continuous monitoring and adaptive strategies are essential to sustain this risk posture and uphold the resilience of the Company's critical ICT systems against unforeseen challenges. Measures for risk mitigation within Malta International Airport include a robust backup strategy; a thorough business impact analysis; software-defined networking redundancy; the implementation of redundant hardware, software and network infrastructure; as well as the regular training of key personnel.

Pandemic Outbreak
Malta International Airport has a robust Health and Safety management framework in place. Following the COVID-19 outbreak, tailored emergency response plans, as well as protocols enabling effective case management, were implemented in order to ensure that business continuity could be maintained throughout the crisis.

To safeguard its financial stability and preserve its liquidity, the Company also carries out regular analyses of the potential impact on financial results and going concern. Additionally, the Company maintains a close relationship with financial institutions to strengthen its liquidity position should the need arise.

INFRASTRUCTURAL INVESTMENTS (CONTINUED)

Long-Term Capacity Constraints

Malta International Airport achieved strong traffic development over the past years, with significant growth rates being attained between 2016 and 2019. As a result, the capacity of the aprons and the terminal had been experiencing phases of saturation at peak times, prompting the Company to take concrete action to mitigate the impact of such peak-driven demand. The impact of COVID-19 on international travel, and consequently operations at Malta International Airport, was significant, having short to medium-term repercussions on passenger demand and aircraft movements. Following the reinstatement of unrestricted operations in June 2022, recovery to pre-Covid levels has been stronger than expected, as 2019 movements were surpassed in 2023.

During the year under review, the EU Commission strengthened its resolve to implement stronger Border Control measures by introducing the Entry/Exit System (EES). The terminal footprint required to introduce EES infrastructure while increased immigration processing times will have a significant impact on the available terminal capacity. Thus, the Company must retain its focus on maintaining sufficient capacity to meet the short-term passenger handling requirements brought about by re-stabilised travel demand while also ensuring that the terminal and airside infrastructure can sustain future growth over the longer term.

To this end, it is crucial for the Company to execute its investment program for the next five years, targeting the terminal and airfield infrastructure, in a timely and cost-effective manner. Infrastructure development is key to meeting the strategic objectives of the Group. Failure to develop infrastructure to the appropriate extent could result in facilities becoming capacity-constrained shortly after their inauguration or, conversely, becoming excessive from both a size and cost perspective.

To address these concerns, the Company regularly updates its traffic projections using a proven and reliable forecasting model and conducts extensive capacity studies combined with regular scenario analyses. At the same time, it is ensured that the setting of financial and operational goals is in line with the Company's strategy and aligned with the required resources.

Employees

The Group employed an average of 417 employees in 2023, which translates to an increase of 17.6% over the previous year. This growth in headcount was a reflection of the busiest year of operation ever recorded at Malta International Airport. The total headcount at year-end stood at 435, which included nine employees working for Airport Parking Limited and four employees working for SkyParks Business Centre. Nine out of ten employees were employed on a full-time basis, whilst the remaining 10% were employed on a part-time basis, bringing the full-time equivalent (FTE) figure for employees at year-end to 402 employees. Compared to year-end 2022, the increase in FTE was of 16.2%. Female employees accounted for 35% of the Group's workforce, which is slightly below the 37% recorded in the preceding year.

In 2023, the employee turnover rate for the Group stood at 11.9%, which was a marginal improvement when compared to turnover rate of 12.1% registered in 2022 and the lowest rate recorded since 2019. The average employee's length of service, on the other hand, dropped from 9.0 to 8.2 years, resulting from the recruitment of 106 employees during the year under review.

Training expenses for the year were just short of EUR 270,000, an increase of 22% over 2022, mainly driven by the increase in the Group's headcount. Total training hours reached a record of 16,047 hours, which does not take into account the 2,626 hours of fire recruitment training and another 6,400 hours of physical training performed by our fire-fighting team. The majority of training provided to our staff during the year was related to fire-fighting and fire awareness, which accounted for 4,704 hours. Training related to aerodrome safety totalled 2,283 hours, whilst induction training for new staff members amounted to 1,971 hours. The rest of the training, which ranged from courses targeting professional skills and service quality to courses focusing on technical skills and health and safety, amounted to 7,089 hours. The average training hours provided per employee throughout 2023 stood at 37 hours, decreasing slightly from the 42 hours of training provided in the previous year.

During the year under review, more than half of the Company's office workers availed themselves of the opportunity to work from home for up to two days per week, in line with the Company's Work from Home Policy. The Company Leave Bank, which was set up to assist employees who are going through particularly challenging circumstances and require additional leave, benefitted 5 employees in 2023.

The following table shows the HR-related indicators:

	2023	2022	+/-	% Change
Headcount - 31 December	**435**	370	65	17.6%
Headcount - Average	**417**	355	62	17.6%
FTE - 31 December	**402**	346	56	16.2%
FTE - Average	**391**	336	56	16.6%
Average age (in years)	**38.7**	39.1	(0.4)	(1.0%)
Length of service (in years)	**8.2**	9.0	(0.8)	(8.9%)
Share of women in workforce	**35.4%**	37.0%	-	(1.6pp)
Employee turnover rate	**11.9%**	12.1%	-	(0.2pp)
Training expenses (EUR)	**269,911**	221,166	48,745	22.0%
Reportable accidents	**5**	7	(2)	(28.6%)

INFRASTRUCTURAL INVESTMENTS (CONTINUED)

Corporate Responsibility

Sustainability remained at the core of Malta International Airport's corporate strategy in 2023, as it collaborated with its employees, stakeholders and neighbouring communities towards operating in a more mutually beneficial environment while also taking on forward-looking environmental initiatives aimed at setting up the Company for long-term success.

Despite the fact that passenger traffic increased by 33%, ongoing investments in energy management solutions led the Company to reduce its electricity consumption by 3% in 2023. The year under review also saw the Company generate 3.2 million KWh of energy from renewable sources, triple the amount of clean energy produced in 2019. Another significant achievement in this regard was the granting of approval for the procurement of a fifth photovoltaic system on the airport campus. At 3.3 MWp, this photovoltaic system will be the largest to be installed to date and will enable Malta International Airport to generate and consume 40% of its energy through clean sources.

In recognition of these efforts to manage and reduce the airport's carbon emissions, Airports Council International renewed Malta International Airport's Level 2 certification of the Airport Carbon Accreditation (ACA) Programme. The Company is now eyeing the next rung of the programme, where during the year under review, it officially kicked off its Stakeholder Engagement exercise, which paves the way for more efforts on engaging stakeholders in its sustainability journey. Over 110 stakeholders, ranging from ground handling companies to cleaning service providers, were approached to contribute to exercises aimed at collecting Scope 3 emission-related data.

Within the organisation, the Environmental Working Group, which was established in 2021, remained a key player in the implementation of internal sustainable policies and practices. In 2023, the Working Group endeavoured to continue fostering a culture of environmental consciousness within the organization. This effort included the development of a Waste Management Plan and Green Procurement guidance, both of which fall within the scope of the Company's broader Environmental Plan. A workshop was also organised for employees with the aim of raising awareness about the steps the Company is taking in its journey towards becoming net zero, particularly in respect to electricity consumption; the second GREENTalk to be organised since the initiative was launched in 2022.

Through its Corporate Responsibility Committee, the Company continued to seize opportunities for collaboration with neighbouring communities to achieve a genuine social impact that creates value within the region in which it operates. During the year under review, the Company's philanthropic contributions through the committee totalled over €89,000, which funds supported a number of local non-profits and community organisations.

On the other hand, the Malta Airport Foundation continued to build its track record in the field of local heritage preservation. 2023 saw the Foundation support an embellishment project inside the Parish Church of Saint Leonard in the airport's neighbouring village of Kirkop, as well as the conservation and restoration of fourteen paintings dating back to the first half of the eighteenth century, which depict the stations of the Via Sagra inside the Church of Ta' Ġieżu in Valletta. Furthermore, the Foundation entered into a collaboration with Fondazzjoni Patrimonju Malti on the restoration of the Victor Pasmore Gallery, which is also located in the capital city, and supported the voluntary organisation Friends of Villa Frere in the rehabilitation of the façade and interiors of Villa Hay in Pietà.

Efforts to showcase Malta's underwater heritage continued through the ongoing Submerged World mini-documentary project. In 2023, the Foundation shed light on the HMS Maori and Rożi shipwrecks, while the remaining three instalments of the series are set to be made public in 2024. For the fourth consecutive year, the Foundation also collaborated with two local dive clubs on the organisation of two underwater clean-ups in the localities of Birgu and St. Paul's Bay.

FINANCIAL PERFORMANCE

Financial Results

The earnings before interest, taxation, depreciation and amortisation (EBITDA) of the Group increased by EUR 20.3 million, from EUR 54.9 million in 2022 to EUR 75.2 million in 2023. The EBITDA margin improved by 0.2 percentage points, from 62.4% to 62.6%.

While the net profit for 2022 before tax credit amounted to EUR 26.9 million, and after the tax credit of EUR 12 million to EUR 38.9 million, the Group posted a net profit of EUR 40.3 million in 2023.

The total comprehensive income for 2023 attributable to shareholders of the Company (net of tax) reached EUR 40.3 million. Minimal actuarial losses on defined benefit pension plans (net of deferred taxes) of EUR 0.02 million were posted for the year under review. In the previous year, other comprehensive income of EUR 0.2 million, driven by actuarial gains, had to be reported.

FINANCIAL PERFORMANCE (CONTINUED)

Revenues

The total revenue of the Group amounted to EUR 120.2 million, translating to an increase 36.6% or EUR 32.2 million compared to 2022, up from EUR 88.0 million to EUR 120.2 million. Aviation-related revenues are the most important income stream of the Group, greatly benefitting from the high demand in air traffic. For the year under review, the airport segment contributed a share of 68.5% of total revenues (2022: 66.3%), showing an increase of 41.2% or EUR 24.0 million over 2022. Revenues from the Retail and Property segment totalled EUR 37.6 million (2022: EUR 29.5 million), which represents an increase of 27.7%. The remaining portion of EUR 0.3 million of revenues originated from the other activities and contributed a 0.2% share.

Staff Costs

The staff costs of the Group amounted to EUR 14.3 million in 2023, marking an increase of EUR 4.2 million or 42.1% over 2022. The increase is a result of the growth in headcount required to provide adequate resources to meet operational needs and to continue our excellent service delivery to the increased number of passengers. In addition to necessary adjustments in all operational areas of the Group, the increase in the staff costs was also the result of the termination of the Wage Supplement Benefit as from June 2022 and wage increases.

Other Operating Expenses

In line with a 33.4% growth in passenger volumes, the other operating expenses of the Group increased by 33.8%, rising from EUR 22.9 million in 2022 to EUR 30.7 million in 2023.

Passenger-related costs, namely the costs for the provision of customer assistance, passenger screening and cleaning services, were in line with passenger throughput. The increase in costs for VIP and lounge services in 2023 was mainly driven by the 57.1% increase of lounge guests over the previous year.

2023 also saw the Group invest heavily in the maintenance and servicing of the existing airport infrastructure. Expenses for maintenance and repair totalled EUR 4.1 million in 2023, marking a year-on-year increase of EUR 2.0 million. Necessary works included the maintenance of the terminal building, the regular upkeep of all green areas, required maintenance of the existing PV systems as well as obligatory maintenance works on the IT network infrastructure.

Other fixed operating costs registered a below-average increase, highlighting the fact that cost measures launched during the past years continue to positively affect the Group's unit costs.

Depreciation and Amortisation

Depreciation and amortisation amounted to EUR 12.6 million in the year under review, translating into an increase of EUR 1.2 million compared with the previous year.

Comprehensive Income and Dividends

The financial results of the Group and the Company for the year ended 31 December 2023 are shown in the Statement of Comprehensive Income on page 137. The Group's total comprehensive profit for the year after taxation amounted to EUR 40.3 million (2022: EUR 39.1 million).

Further to the net interim dividend of EUR 0.03 per share (Gross EUR 0.0461) paid in 2023, the Board of Directors is recommending the payment of a final net dividend of EUR 0.12 per share (Gross EUR 0.1846) on all shares settled as at close of business on 15 April 2024, which dividend shall be paid by no later than 31 May 2024.

Financial Position

The profit for the year, together with shareholders' funds brought forward from the previous year, resulted in shareholders' funds as at 31 December 2023 of EUR 190.9 million and EUR 188.6 million for the Group and the Company, respectively. These totals were up from EUR 170.9 million and EUR 168.8 million, respectively, at year end 2022.

Going Concern

After reviewing the Company's budget for the next financial year and its long-term plans, the Directors are of the opinion that, at the time of approving the financial statements, it is appropriate to adopt the going concern basis in preparing the Financial Statements.

Financial Risk Management

The financial risks of the Group and the Company identified during the year and their financial risk management objectives are outlined in detail in Note 38 of the Financial Statements.

FINANCIAL PERFORMANCE (CONTINUED)

Financial Key Performance Indicators

Financial Indicators (EUR mn)	2023	2022	Variance abs.	Variance in %
Total Revenue	**120.2**	88.0	32.2	36.6%
thereof Aviation Revenue	**82.4**	58.3	24.0	41.2%
thereof Non-Aviation Revenue	**37.9**	29.7	8.2	27.6%
EBITDA	**75.2**	54.9	20.3	37.0%
EBITDA Margin (in %)	**62.6%**	62.4%		0.2 pp
EBIT	**62.7**	43.5	19.2	44.1%
EBIT Margin (in %)	**52.1%**	49.4%		2.7 pp
Net Profit	**40.3**	38.9	1.4	3.7%
ROCE (in %) *	**23.5%**	17.0%		6.5 pp
Cash (incl. term deposits) & Treasury Bills	**76.4**	68.7	7.7	11.2%
Equity	**190.9**	170.9	20.0	11.7%
Balance Sheet Total	**330.6**	285.1	45.5	15.9%
Capital Expenditure	**44.3**	12.4	31.8	256.2%
Taxes on Income	**21.9**	2.9	19.1	660.9%
Average Employees (No.)	**417**	355	62	17.5%

*2022: EUR 12mn tax credit not included in ROCE calculation

Share Capital

The share capital of the Company is EUR 33,825,000 divided into three classes of shares as follows:

- 81,179,990 Ordinary 'A' Shares representing approximately 60% of the total issued share capital;
- 54,120,000 Ordinary 'B' Shares representing 40% of the total issued share capital; and
- 10 Ordinary 'C' Shares.

All shares issued have a nominal value of EUR 0.25 and are fully paid up and allotted.

The Ordinary 'A' Shares are admitted to the official list of the Malta Stock Exchange, whilst the Ordinary 'B' and Ordinary 'C' Shares are not admitted or traded on an exchange.

The Ordinary 'A' Shares and Ordinary 'B' Shares shall entitle their holders to the same rights, benefits and powers in the Company save for the transferability thereof. The Ordinary 'A' Shares shall be freely transferable whilst the Ordinary 'B' Shares were non-transferable for a period of fifteen (15) years from 26 July 2002, upon which date they automatically became fully and freely transferable without the need of any formality.

The Ordinary 'C' Shares are held by and, in terms of the Memorandum of Association, may only be held by the Government of Malta. It does not carry any right to receive dividends or assets on a winding up or other return of capital but entitles the Government of Malta to appoint members on the National Interest Matters Committee pursuant to Article 58.10 of the Articles of Association of the Company.

Save for the above, there are no other restrictions attached to the shares of the Company.

No changes in the share capital of the Company were made, nor did the Company acquire ownership of, or any rights over, any portion of its own share capital.

The following shareholders have an interest in more than 5% of the issued share capital of the Company:

- Malta Mediterranean Link Consortium Ltd
- Government of Malta
- VIE (Malta) Ltd

DIRECTORS

Appointment and Replacement of Directors

The Board of Directors of the Company is composed of a maximum of eight (8) directors. Five (5) directors are non-executive directors and a maximum of three (3) directors, amongst whom is the CEO, are executive directors.

Any shareholder holding not less than 20% of the issued share capital of the Company having voting rights is entitled to appoint one director for each 20% shareholding by a letter addressed to the Company. In this respect, Malta Mediterranean Link Consortium Limited is entitled to appoint two (2) non-executive directors and the Government of Malta is entitled to appoint one (1) non-executive director. The remaining non-executive directors are appointed by the shareholders in a general meeting pursuant to the Articles of Association.

Unless appointed for a longer term, a director holds office from one Annual General Meeting to the next and is eligible for re-appointment. The maximum period for which a director may be appointed is a term of three (3) years, following the lapse of which such director shall be eligible for re-appointment.

In terms of the Articles of Association, the CEO of the Company shall occupy one of the executive director positions. The other executive directors to be co-opted to the Board are the Chief Financial Officer and the Chief Commercial Officer.

Powers of Directors

The directors of the Company have all the powers necessary to manage and direct the Company. The Company is empowered to buy back any of its shares, subject to the limitations and restrictions at law and the capital market rules. Subject to the authority of shareholders, to be given at three (3) year intervals, the directors are also empowered to issue further shares in the Company.

Directors

The directors who served during the year under review were:

Director	Title	Director since
Mr Nikolaus Gretzmacher	Chairman & Non-Executive Director	2012
Ms Rita Heiss	Non-Executive Director	2015
Dr Cory Greenland	Non-Executive Director	2015
Dr Wolfgang Koeberl	Non-Executive Director	2016
Mr Florian Nowotny	Non-Executive Director	2017
Mr Alan Borg	CEO and Executive Director	2012
Mr Karl Dandler	CFO and Executive Director	2014

In accordance with paragraph 56.1 of the Company's Articles of Association, all the present directors are to retire at the forthcoming Annual General Meeting. The appointment of the new directors will take place in accordance with paragraphs 55 and 56 of the same Articles of Association at the Annual General Meeting.

Directors' Interests in Material Contracts

The following directors have declared their interests in the share capital of the Group:

- Mr Nikolaus Gretzmacher — a non-beneficial interest[1]
- Ms Rita Heiss — a non-beneficial interest[2]
- Dr Cory Greenland — a beneficial interest

No other director has a beneficial or non-beneficial interest in the Company's share capital.

[1] These shares are held by MMLC and VIE Malta Limited, companies of which Mr Gretzmacher is a director.

[2] These shares are held by MMLC and VIE Malta Limited, companies of which Ms Heiss is a director.

AUDITOR

A resolution to reappoint PricewaterhouseCoopers as auditor of the Company will be proposed at the forthcoming Annual General Meeting.

OUTLOOK

Traffic Development

The outlook for this year is positive, with a number of airlines planning to continue to deliver growth, mainly through an increase in the number of weekly flights on existing routes. Moreover, we also expect to address the gaps in two of the airport's core markets, the United Kingdom and Germany, with several airlines deploying additional seat capacity to both destinations. As already announced, a new national carrier will also be replacing the current Air Malta carrier with the new KM Malta Airlines. While the new airline will be launching operations in April 2024 with the same number of aircraft, capacity will be deployed predominantly into primary airports in Europe. The industry continues to navigate a challenging landscape characterised by geo-political instability, aircraft shortages, slot constraints and industrial action. As pent-up demand is also expected to level off, the record levels of seat occupancy on flights are unlikely to continue their upward trend.

Nevertheless, our outlook for 2024 is still optimistic, albeit mindful of the risk involved. Whilst forecasting an increase in seat capacity, we are expecting a dip in seat load factor this year to achieve an overall 2.5% increase in traffic over 2023. We, therefore, expect to handle 8 million passengers by the end of 2024.

Financial Performance

Based on the projected passenger numbers for 2024, the total revenue of the Group for the year is expected to reach EUR 126 million. Projected EBITDA and Net Profit are to be at EUR 79 million and EUR 42 million, respectively. The capital expenditure of the Group during the year is expected to reach EUR 45 million.

Signed on behalf of the Company's Board of Directors on 28 February 2024 by Nikolaus Gretzmacher (Chairman), Alan Borg (Chief Executive Officer) and Karl Dandler (Chief Financial Officer) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report 2023.

Statement of Directors' Responsibilities

The directors are required by the Companies Act (Cap. 386) to prepare financial statements in accordance with International Financial Reporting Standards as adopted by the EU which give a true and fair view of the state of affairs of the Company and the Group at the end of each financial year, and of the profit or loss of the Company and the Group for the year then ended.

In preparing the financial statements, the directors should:

- select suitable accounting policies and apply them consistently;
- make judgments and estimates that are reasonable; and
- prepare the financial statements on a going concern basis, unless it is inappropriate to presume that the Company and the Group will continue in business as a going concern.

The directors are responsible for ensuring that proper accounting records are kept which disclose with reasonable accuracy at any time the financial position of the Company and the Group and which enable the directors to ensure that the financial statements comply with the Companies Act (Cap. 386). This responsibility includes designing, implementing and maintaining such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error. The directors are also responsible for safeguarding the assets of the Company and the Group and, hence, for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Additionally, the directors are responsible for:

- the preparation and publication of the Annual Financial Report, including the consolidated financial statements and the relevant tagging requirements therein, as required by Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS,
- designing, implementing, and maintaining internal controls relevant to the preparation of the Annual Financial Report that is free from material non-compliance with the requirements of the ESEF RTS, whether due to fraud or error, and consequently, for ensuring the accurate transfer of the information in the Annual Financial Report into a single electronic reporting format.

STATEMENT OF RESPONSIBILITY PURSUANT TO THE CAPITAL MARKET RULES ISSUED BY MFSA

We confirm that to the best of our knowledge:

a) in accordance with the Capital Market Rules, the financial statements give a true and fair view of the financial position of the Company and the Group as at 31 December 2023 and of their financial performance and cash flows for the year then ended, in accordance with International Financial Reporting Standards as adopted by the EU; and

b) in accordance with the Capital Market Rules, the Directors' Report includes a fair review of the performance of the business and the financial position of the issuer and the undertakings included in the consolidation taken as a whole, together with a description of the principal risks and uncertainties that they face.

Approved by the Board of directors on 28 February 2024.

Corporate Governance

Statement of Compliance

YEAR ENDED 31 DECEMBER 2023

INTRODUCTION

Pursuant to the Capital Markets Rules issued by the Capital Markets Authority, Malta International Airport p.l.c. (the "Company") should endeavour to adopt the Code of Principles of Good Corporate Governance contained in Appendix 5.1 to Chapter 5 of the Capital Markets Rules (the "Code"). In terms of Capital Markets Rule 5.94, the Company hereby reports on the extent of its adoption of the principles of the Code for the financial year being reported upon.

The Company acknowledges that the Code does not dictate or prescribe mandatory rules but recommends principles of good practice. However, the directors strongly believe that such practices are generally in the best interests of the Company and its shareholders and that compliance with the principles of good corporate governance is not only expected by investors but also evidences the directors' and the Company's commitment to a high standard of governance.

The Board of Directors (the "Board") has carried out a review of the Company's compliance with the Code for the financial year being reported upon, namely the year ended 31 December 2023.

GENERAL

The directors believe that good corporate governance is a function of a mix of checks and balances that best suit the Company and its business. Accordingly, whilst there are best practices that can be of general application, the structures that may be required within the context of larger companies are not necessarily and objectively the best structures for companies whose size and/or business dictate otherwise. It is in this context that the directors have adopted a corporate governance framework within the Company that is designed to better suit the Company, its business, scale and complexity whilst still ensuring a robust framework of manual and automated controls.

GENERAL (CONTINUED)

The Company has a corporate decision-making and supervisory structure that is tailored to suit the Company's requirements and designed to ensure the existence of a framework of controls within the Company.

In general, the directors believe that the Company has adopted appropriate structures to achieve an adequate level of good corporate governance, together with an adequate system of controls in line with the Company's requirements.

This corporate governance statement (the "Statement") will now set out the structures and processes in place within the Company and how these effectively achieve the goals set out in the Code. For this purpose, this Statement will make reference to the pertinent principles of the Code and then set out the manners in which the directors believe that these have been adhered to. Where the Company has not complied with any of the principles of the Code, this Statement will give an explanation for non-compliance.

For the avoidance of doubt, reference in this Statement to compliance with the principles of the Code means compliance with the Code's main principles and the Code Provisions.

COMPLIANCE WITH THE CODE

Principle One: The Board

The directors believe that for the period under review, the Company has generally complied with the requirements of this principle and the relative code provisions.

The Board is composed of members who are fit and proper to direct the business of the Company with honesty, competence and integrity. All the members of the Board are fully aware of and conversant with the statutory and regulatory requirements connected to the business of the Company. The Board is accountable for its performance and that of its delegates too.

The Board is responsible for determining the Company's strategic direction and organisational requirements whilst ensuring that the Company has the appropriate mix of financial and human resources to meet its objectives and improve its performance. Throughout the period under review, the Board provided the necessary leadership in the overall direction of the Company and has adopted prudent and effective systems whereby it obtains timely information from the Chief Executive Officer (the "CEO") as the head of the Executive Committee to ensure an open dialogue between the CEO and directors at regular intervals and not only at meetings of the Board. The Company has a structure that ensures a mix of Executive and Non-Executive Directors that enables the Board, and particularly the Non-Executive Directors, to have direct information about the Company's performance and business activities from the head of executive management that is also a director on the Board.

Principle Two: Chairman and Chief Executive Officer

In line with the requirements of Principle Two, the Company has segregated the functions of the CEO and the Chairman. Whilst the CEO heads the Executive Committee, the Chairman's main function is to lead the Board and set its agenda. The Chairman is also responsible to ensure that the Board receives accurate, timely and objective information so that the directors can take sound decisions and effectively monitor the performance of the Company. The Chairman exercises independent judgement and ensures that, during Board meetings, there is effective communication with stakeholders as well as active engagement by all directors for the discussion of complex and/or contentious issues.

The CEO is accountable to the Board of the Company for all business operations. He has the power and authority to appoint the persons to fill in the post of each member of the Executive Committee. He also has the discretion to ask any one or more of such members, from time to time, to address the Board on matters relating to the operations of the Company and its Subsidiaries. The Board, of course, is entitled to call in, at its discretion, any one or more of the executives of the Company.

Principle Three: Composition of the Board

The full maximum complement of the Board, in line with Principle Three, is of five (5) Non-Executive Directors and three (3) Executive Directors, a balance that is entrenched in the Company's Memorandum and Articles of Association, which requires that the CEO is an ex officio director together with a maximum of two (2) other senior executives of the Company. The presence of top executives on the Board is designed to ensure that all the Non-Executive Directors have direct access to the individuals who have the prime responsibility for the day-to-day operations and executive management of the Company. Furthermore, the presence of top executives allows for the implementation of policies that allow effective discussion and the availability of all the information necessary for the Board to carry out its function in the best possible manner.

The members of the Board for the year under review were:

Director	Title	Director Since
Mr Nikolaus Gretzmacher	Chairman & Non-Executive Director	2012
Ms Rita Heiss	Non-Executive Director	2015
Dr Cory Greenland	Non-Executive Director	2015
Dr Wolfgang Koeberl	Non-Executive Director	2016
Mr Florian Nowotny	Non-Executive Director	2017
Mr Alan Borg	CEO and Executive Director	2012
Mr Karl Dandler	CFO and Executive Director	2014

COMPLIANCE WITH THE CODE (CONTINUED)

Pursuant to generally accepted practices, as well as the Company's Articles of Association, the appointment of non-executive directors to the Board is reserved exclusively to the Company's shareholders, except in so far as an appointment is made to fill a vacancy on the Board.

The Board normally meets every eight (8) weeks, and as a matter of Board policy, a guideline was established whereby, at its first meeting, meetings are scheduled for the full year. Board meetings concentrate mainly on strategy, operational performance, and financial performance. The Board also delegates specific responsibilities to the CEO and the Committees, notably the Executive Committee and the Audit Committee which operate under their respective formal terms of reference. Directors may, in the furtherance of their duties, take independent professional advice on any matter at the Company's expense.

For the purposes of Code Provision 3.2, requiring the Board to report on whether it considers each Non-Executive Director as independent in line with the requirements of that Code Provision, the Board considers each of the Non-Executive Directors as independent within the meaning of the Code.

Save for what is stated hereunder, none of the Non-Executive Directors:

a) are or have been employed in any capacity by the Company;

b) have or have had a significant direct or indirect relationship with the Company;

c) receive significant additional remuneration from the Company;

d) have close family ties with any of the executive members of the Board;

e) have served on the Board for more than twelve consecutive years;

f) have been within the last three years an engagement partner or a member of the audit team of the present or past external auditor of the Company or any Company forming part of the same group; and

g) have a significant business relationship with the Company.

Mr Nikolaus Gretzmacher and Ms Rita Heiss (Non-Executive Directors) are currently members of the Board of Directors of Malta Mediterranean Link Consortium Limited, a Company holding 40 per cent of the issued and voting capital of the Company, and, together with Dr Wolfgang Koeberl, are also employees of Flughafen Wien AG, the company's ultimate parent company. Notwithstanding the above relationship, the Board still considers Mr Gretzmacher, Ms Heiss and Mr Koeberl as having the required skills, experience and integrity to retain their impartiality in acting as directors of the Company.

In terms of Principle 3.4, each Non-Executive Director has declared in writing to the Board that he/she undertakes:

- to maintain in all circumstances his/her independence of analysis, decision and action;
- not to seek or accept any unreasonable advantages that could be considered as compromising his/her independence; and
- to clearly express his/her opposition in the event that he/she finds that a decision of the Board may harm the Company.

Principle Four: The Responsibilities of the Board

IIn line with the requirements of Principle Four, it is the Board's responsibility to ensure a system of accountability, monitoring, strategy formulation and policy development.

The Board believes that this responsibility includes the appropriate delegation of powers to management and the organization of the executive team in a manner that is designed to provide high levels of comfort to the directors that there is proper monitoring and accountability apart from appropriate implementation of policies. The Board delegates specific responsibilities to committees, which operate under their respective formal Terms of Reference.

Executive Committee

The Board's link to the Executive Committee is principally the CEO, together with the other Executive Director on the Board, both of whom are members of the Executive Committee.

The Executive Committee comprises the Executive Directors and the heads of each business unit of the Group. The role of the Executive Committee is to implement the Company`s strategy and policies through the various departments within the organisation. It also makes recommendations to the Board on matters which are beyond its remit. The Chief Executive Officer chairs the Executive Committee.

The members of the Committee for the period under review were:

- Mr Alan Borg (Chief Executive Officer)
- Mr Karl Dandler (Chief Financial Officer)
- Ing. Martin Dalmas (Operations & Business Continuity)
- Mr George Mallia (Retail & Property) [3]
- Mr Gayle Lynn Callus (Retail & Property, Marketing & Communications) [4]
- Mr Ian Maggi (Innovation & Technology)
- Mr Patrick Murgo (Safety & Security, Fire Services & Procurement)
- Ms Tina Lombardi (People & Strategy)
- Mr Alex Cardona (Traffic Development, Customer Services & Administration)
- Ing. Kevin Alamango (Technical Services)
- Mr Robert Mizzi (Aerodrome Safety & Compliance)
- Ms Justine Baldacchino (Sustainability & Business Analytics) [5]

The Executive Committee has met 35 times during the year under review.

[3] Until 31 July 2023
[4] As from 1 Aug 2023
[5] As from 27 Mar 2023

COMPLIANCE WITH THE CODE (CONTINUED)

The Company has also established three cross-functional Committees, the Corporate Responsibility (CR) Committee, the Customer Experience (CE) Committee and the Finance Committee, which meet on a regular basis.

The CR Committee is responsible for the company's overall CR policy and strategy, including the respective formulation and implementation thereof, as well as the company's environmental planning, Airport Carbon Management and supervises the Malta Airport foundation.

The CE Committee systematically deals with how to improve the airport's Customer Experience with a special focus on customer journeys, touch points, pain points and delighters, as well as ASQ benchmarking, customer feedback and ASQ's Customer Experience Accreditation programme.

The Finance Committee analyses and interprets the company's financial information on a monthly and quarterly basis with a special focus on current and future income streams, cost drivers and margins to secure a sustainable growth for the Company.

The Chief Executive Officer chairs these cross-functional Committees and all meetings are minuted.

Audit Committee

As part of its corporate governance structures, the Company has an Audit Committee in line with the requirements of the Capital Markets Rules. The principal roles of the Audit Committee are in line with the requirements of Capital Markets Rule 5.127 and include the following:

- informing the Board of the Company of the outcome of the statutory audit and explaining how the statutory audit contributed to the integrity of financial reporting and what the role of the audit committee was in that process;
- monitoring the financial reporting process and submitting recommendations or proposals to ensure its integrity;
- monitoring of the effectiveness of the company's internal quality control and risk management system and, where applicable, its internal audit regarding the financial reporting of the Issuer without breaching its independence;
- monitoring of the audit of the annual and consolidated financial statements;
- reviewing additional reports prepared by the statutory auditor/s or audit firm/s;
- reviewing and monitoring the independence of the statutory auditors or the audit firms;
- taking responsibility for the procedure for the selection of statutory auditor/s or audit firm/s; and
- recommending the statutory auditor/s or the audit firm/s to be appointed.

During the year ended 31 December 2023, the Committee consisted of three (3) Non-Executive Directors, namely Mr Florian Nowotny, Ms Rita Heiss and Dr Cory Greenland. The Committee has the power and authority under its Terms of Reference to summon any person to assist it in the performance of its duties. The directors believe that, during the year under review, Mr Florian Nowotny was independent and competent in accounting and/or auditing in terms of Capital Markets Rule 5.117. Mr Nowotny is considered as competent in accounting and/or auditing in view of his qualifications and experience.

When the Audit Committee's monitoring and review activities reveal cause for concern or scope for improvement, it shall make recommendations to the Board on the action needed to address the issue or make improvements. In the period under review, the Audit Committee has held 7 meetings.

Company Executives participate in periodic strategic reviews, which include consideration of long-term projections and the revaluation of the business objectives in the short term. Regular budgets and strategic plans are prepared, which are incorporated into a comprehensive strategic plan for the Company. Performance against these plans is actively monitored and reported to the Board using key risk and performance indicators so that corrective measures can be taken to address any deficiencies and to ensure the future sustainability of the Company. These key risk and performance indicators are benchmarked against industry norms so that the Company's performance can be effectively evaluated.

In view of the number of members of the Board, the directors believe that its size is manageable to be able to address most issues as a Board rather than create sub-committees of the Board that may be more suitable in the case of companies having larger Boards. Indeed, the Board feels that its size and membership allow directors the opportunity to discuss matters directly and that this is a more effective and efficient manner to conduct its business.

The directors, however, are aware that there may be situations that require the delegation to certain committees of certain tasks or assignments, and the Board has, on occasion, composed ad hoc committees for this purpose.

Notwithstanding that the board has established no formal policy on the matter, as part of succession planning, the Board and CEO ensure that the Company implements appropriate schemes to recruit, retain and motivate employees and senior management.

In ensuring compliance with other statutory requirements and with continuing listing obligations, the Board is advised directly, as appropriate, by its appointed broker, legal advisor and external auditors. The Board also ensures that appropriate policies and procedures are in place to assure that the highest standards of corporate conduct are maintained.

Directors are entitled to seek independent professional advice at any time on any aspect of their duties and responsibilities at the Company's expense.

COMPLIANCE WITH THE CODE (CONTINUED)

Principle Five: Board Meetings

The Board believes that it complies fully with the requirements of this principle and the relative Code Provisions in that it has systems in place to ensure the reasonable notice of meetings of the Board and the circulation of discussion papers in advance of meetings so as to provide adequate time for directors to prepare themselves for such meetings. Minutes are prepared during Board meetings, recording faithfully attendance, discussions and resolutions. These minutes are subsequently circulated to all directors as soon as practicable after the meeting.

The Board meets as often and as frequently as required in line with the nature and demands of the business of the Company. During the financial year under review, the Board held six (6) meetings:

Director	Attendance Board Meetings 2023
Mr Nikolaus Gretzmacher	6/6
Ms Rita Heiss	5/6
Dr Cory Greenland	6/6
Dr Wolfgang Koeberl	5/6
Mr Florian Nowotny	6/6
Mr Alan Borg	6/6
Mr Karl Dandler	6/6

The Chairman ensures that all relevant issues are on the agenda and supported by all available information whilst encouraging the presentation of views pertinent to the subject matter and giving all directors every opportunity to contribute to relevant issues on the agenda. The agenda on the Board strikes a balance between long-term strategic and short-term performance issues.

Directors attend meetings on frequent and regular basis and dedicate the necessary time and attention to their duties as directors of the Company.

Principle Six: Information and Professional Development

The CEO is appointed by the directors and enjoys the full confidence of the Board. The CEO, although responsible for the selection of the Executive Committee and the recruitment of senior executives, regularly updates the directors on the appointment of senior executives. The Board is satisfied that the current schemes for executive compensation and professional development are designed to render the Company an attractive proposition for the retention of top executives within the Company and to motivate the Executive Committee.

The Board intends to organise other professional development sessions for directors and executives designed specifically to enable them to discharge their functions more efficiently and in line with the high standards expected of them.

Directors have access to the advice and services of the Company Secretary, who is also the legal counsel to the Board and the Company. As part of succession planning and employee retention, the Board and CEO ensure that the Company implements appropriate schemes to attract, retain, and develop the best talent and keep employees engaged and motivated.

Principle Seven: Evaluation of the Board's Performance

The Board has not appointed a committee for the purpose of undertaking an evaluation of the Board's performance in accordance with the requirements of Code Provision 7.1 but has conducted an informal review of its own performance over the period under review. Refer to the note under the Section on 'Non-Compliance with the Code'.

Principle Eight: Committees

A. Remuneration Committee

The Company has no performance-related remuneration payable to its Non-Executive Directors, and accordingly, as allowed by Code Provision 8.A.2, it has not appointed a Remuneration Committee. Instead, the functions of the Remuneration Committee are vested in the Board, which itself establishes the remuneration policies of the Company. The Non-Executive members of the Board establish the policies and decide on the performance-related remuneration of its Executive Directors. Further details on remuneration of the directors are set out in the Remuneration Report for the financial year under review and is in compliance with the requirements of Capital Markets Rule 12.26 and contains the information required by Appendix 12.1 of the Capital Markets Rules.

COMPLIANCE WITH THE CODE (CONTINUED)

The Board notes that the organizational set-up of the Company and the size of the Board itself, together with the fact that Non-Executive Directors are not entitled to performance-related remuneration, does not, in the opinion of the directors, warrant the establishment of a Remuneration Committee. Remuneration policies have, therefore been retained within the remit of the Board itself, and as already stated in the case of the Executive Directors, it is the Non-Executive members of the Board that decide on their performance-related remuneration.

The directors believe that certain committees that are suggested in the Code are either not required by the Company or the functions of a number of committees may efficiently be merged or undertaken by the Board itself. In addition, the Board believes that its size and composition is sufficient for the proper direction and management of the Company and its business and that there would be no value added to the Company and its shareholders to increase the number of Board members simply to be able to have separate committees of the Board – when the same functions can properly be undertaken by the Board itself. The directors will retain the need of such committees under review and, as in the past, may appoint ad hoc committees of directors to deal with specific issues as and when these arise.

For the purposes of the provisions of Article 63 of the Company's Articles of Association, the aggregate emoluments paid to the directors is EUR 666,514, which is within the amount approved by the shareholders of EUR 989,160 for the purpose of that article. The aggregate emoluments paid to the members of the Executive Committee, excluding executive directors, amount to EUR 775,721.

B. Nomination Committee

The Board believes that the main principle has been duly complied with, in that it is the Articles of Association themselves that establish a formal and transparent procedure for the appointment of directors. The Company has, however, not established a Nominations Committee as suggested by the Code.

Principle Nine: Relations with Shareholders and with the Market and Principle Ten: Institutional Shareholders

The Board serves the legitimate interests of the Company, accounts to shareholders fully and ensures that the Company communicates with the market effectively through a number of Company announcements, informing the market of significant events happening within the Company.

The Company also communicates with its shareholders through the Annual General Meeting (AGM), where the Board communicates directly with shareholders on the performance of the Company over the last financial year and informs shareholders of the challenges that lie ahead.

Business at the Company's AGM will cover the approval of the Annual Report and the audited Financial Statements; the declaration of a dividend, if any; the election of directors; the determination of the maximum aggregate emoluments that may be paid to directors; the appointment of auditors and the authorisation of the directors to set the auditors' remuneration. Any other matter that may be placed by the directors before the AGM will be dealt with as "Special Business".

Apart from the AGM, the Company has continued to communicate with its shareholders and the market by way of the Annual Report and Financial Statements, by publishing its results on a six-monthly basis during the year and through the directors' statements, which are also published on a six-monthly basis, as well as the publication of results for each of quarter 1 and quarter 3 in a financial year. Generally, the company also communicates with the market through Company announcements to the market in general. Regular meetings are carried out between Malta International Airport p.l.c. and Malta Association of Small Shareholders (MASS) to discuss matters of mutual interest.

The Company recognises the importance of maintaining a dialogue with the market to ensure that its strategies and performance are well understood. The Company's website (www.maltairport.com) also contains information about the Company and its business and is a source of further information to the market.

The Company's Articles of Association allow minority shareholders to call special meetings on matters of importance to the Company, provided that the minimum threshold of ownership established in the Articles of Association is met.

Principle Eleven: Conflicts of Interest

The Board has established procedures on how conflicts are to be handled if and when they arise. A director having a personal conflict on any matter is bound to inform the other members of the Board of such a conflict, whether it is an actual, potential or a perceived conflict. It is then the other members of the Board that would decide on whether there exists such a conflict, actual or potential. By virtue of the Memorandum and Articles of Association, in the event that, in the opinion of the Board, such a conflict exists, then the conflicted director is invited to leave the meeting when it proceeds to the vote, if any, on the matter concerned. As a matter of practice, discussions of such matters are normally conducted in the absence of the conflicted director. The Board feels that this is a procedure that achieves compliance with both the letter and the rationale of principle eleven.

COMPLIANCE WITH THE CODE (CONTINUED)

Commercial relationships between the Company and other companies may be related by way of common directors and shareholders ("Related Party Transactions"). Contracts are entered into in the ordinary course of business with shareholders and other parties in which the directors have a beneficial interest. Terms and conditions of contracts negotiated with related parties are reviewed by the Company's Audit Committee. Full disclosure of Related Party Transactions entered into during the financial year under review is made in note 33 to the Financial Statements.

The following directors have declared their interests in the share capital of the Company:

- Nikolaus Gretzmacher — a non-beneficial interest [6]
- Rita Heiss — a non-beneficial interest [7]
- Cory Greenland — a beneficial interest

No other director has a beneficial or non-beneficial interest in the Company's share capital.

Principle Twelve: Corporate Social Responsibility

The directors are committed to high standards of Corporate Responsibility, specifically in the social, economic and environmental fields, both internally and externally. This is being done for the benefit of its key stakeholders, which include its shareholders, employees, customers as well as the local community at large.

[6] These shares are held by MMLC and VIE (Malta) Limited, companies of which Mr Gretzmacher is a director.

[7] These shares are held by MMLC and VIE (Malta) Limited, companies of which Ms Heiss is a director.

NON-COMPLIANCE WITH CODE PROVISIONS

The directors set out below the code provisions with which they do not comply and a careful explanation as to the reasons for such non-compliance:

Code Provision	Explanation
2.1	Whilst the Company has segregated the functions of the Chairman and the CEO, in that the two posts are occupied by different persons, the division of responsibilities between them has not been established in writing, although there is significant experience and practice that determines the two roles.
4.2	The Board has not formally developed a succession policy for the future composition of the Board of Directors as recommended by Code Provision 4.2.7. In practice, however, the Board and CEO are actively engaged in succession planning and in ensuring that appropriate schemes to recruit, retain and motivate employees and senior management are in place.
6	Over the course of the year under review and taking into account the annual sessions held in past years with respect to directors' duties, the board has not formally held any professional development sessions for directors.
7.1	The Board believes that the size of the Company and the Board itself does not warrant the establishment of a committee specifically for the purpose of carrying out a performance evaluation of its role. Whilst the requirement under Code Provision 7.1 might be useful in the context of larger companies having a more complex set-up and a larger Board, the size of the Board is such that it should enable it to evaluate its own performance without the requirement of setting up an ad hoc committee for this purpose. The Board shall retain this matter under review over the coming year. Having conducted an informal review of its own performance over the period under review, it is the Board's view that all members of the Board, individually and collectively, have contributed in line with the required levels of diligence and skill. In addition, the Board believes that its current composition endows the Board with a cross-section of skills and experience, not only with respect to the specific business of the Company but also in a wider range of business areas and skills. This process was conducted by the Board itself rather than by a Committee chaired by a Non-Executive Director as required by the Code.

NON-COMPLIANCE WITH CODE PROVISIONS (CONTINUED)

Code Provision	Explanation
8B	The Board has not appointed a Nominations Committee in line with Code Provision 8B, particularly in the light of the specific manner in which the Articles of Association require that Non-Executive Directors be appointed by a shareholding qualification to the Board. The Executive Directors are, in accordance with the Articles, appointed by the Non-Executive Directors after their appointment, as aforesaid. The Board believes that the current Articles of Association do not allow the Board itself to make any recommendations to the shareholders for appointments of directors and that if this function were to be undertaken by the Board itself or a Nominations Committee, they would only be able to make a non-binding recommendation to the shareholders having the necessary qualification to appoint directors pursuant to the Articles of Association. The Board intends to keep under review the utility and possible advantages of having a Nominations Committee and, following an evaluation, may, if the need arises, make recommendations to the shareholders for a change to the Articles of Association.
9.3	The Memorandum and Articles of Association does not provide any mechanism for the resolution of conflicts between shareholders or any process that would trigger arbitration in these instances. This is mitigated by ongoing open dialogue between executive management and Non-Executive Directors of the Company, to ensure that such conflicts do not arise.
9.4	The Company does not have a policy in place to allow minority shareholders to present an issue to the Board.

INTERNAL CONTROL

The Board is ultimately responsible for the Company's system of internal controls and for reviewing its effectiveness. Such a system is designed to manage rather than eliminate risk to achieve business objectives and can provide only reasonable, and not absolute, assurance against normal business risks or loss.

Through the Audit Committee, the Board reviews the effectiveness of the Company's system of internal controls, which are monitored by the Internal Auditors on a regular basis.

The key features of the Company's system of internal control are as follows:

Organisation

The Company operates through the CEO and Executive Committee with clear reporting lines and delegation of powers.

Control Environment

The Company is committed to standards of business ethics that emulate best practice and seeks to maintain these standards across all of its operations. Company policies and employee procedures are in place for the reporting and resolution of improper activities.

The Company has an appropriate organisational structure for planning, executing, controlling and monitoring business operations in order to achieve Company objectives.

Risk Identification

Company management is responsible for the identification and evaluation of key risks applicable to their respective areas of business. A Risk Management Committee serves as a primary champion of risk management at a strategic and operational level to ensure that a sound system is in place that identifies, assesses, manages and monitors risk. In addition, through regular checks, the internal auditors test the Company's internal control systems and processes and make recommendations to management and the audit committee on any deficiency in such systems.

GENERAL MEETINGS

The general meeting is the highest decision-making body of the Company and is regulated by the Company's Articles of Association. All shareholders registered on the register of members of the Company on a particular record date are entitled to attend and vote at general meetings. A general meeting is called by twenty-one (21) days' notice.

At an Annual General Meeting, what is termed as "ordinary business" is transacted, namely, the declaration of a dividend; the consideration of the accounts, balance sheets and the reports of the directors and the auditors; the election of directors; the appointment of auditors; and the fixing of remuneration of directors and auditors. Other business which may be transacted at a general meeting (including at the Annual General Meeting) will be dealt with as "Special Business".

Voting at any general meeting takes place by a show of hands or a poll where this is demanded. Subject to any rights or restrictions for the time being attached to any class or classes of shares, on a show of hands, each shareholder is entitled to one vote, and on a poll, each shareholder is entitled to one vote for each share carrying voting rights of which he is a holder. Shareholders who cannot participate in the general meeting may appoint a proxy by written or electronic notification to the Company. Appointed proxy holders enjoy the same rights to participate in the general meeting as those to which the shareholder they represent is entitled.

Every shareholder represented in person or by proxy is entitled to ask questions which are pertinent and related to the items on the agenda of the general meeting and to have such questions answered by the directors or such persons as the directors may delegate for such purpose.

The directors' statement of responsibilities for preparing the Financial Statements is set out on page 113.

The information required by:

a) Capital Markets Rule 5.97.5 is found in the Directors' Report;

b) Capital Markets Rule 12.26 and Appendix 12.1 will be found in the Remuneration Report.

Approved by the Board of Directors on 28 February 2024.

Remuneration Report

This Report on the remuneration of Malta International Airport p.l.c.'s (the "Company" or "MIA") Board of Directors, including the Chief Executive Officer (CEO) and the Chief Financial Officer (CFO), has been drawn up in compliance with the requirements of Chapter 12 of the Capital Markets Rules and contains information required by the provisions of Appendix 12.1 of the Capital Markets Rules.

The Company's remuneration of its Board of Directors and executive management is based on the Remuneration Policy adopted and approved by shareholders at the annual general meeting of 11 November 2020. This policy may be viewed on the Company's website at https://www.maltairport.com/corporate/investors/publications/.

THE REMUNERATION POLICY

The Company's Remuneration Policy determines the basis for remuneration of all members of the Board of Directors of the Company. It defines the principles and guidelines that apply to both fixed and variable remuneration, including all bonuses and benefits which can be awarded to directors, and in the case of variable remuneration, indicates the relative proportion between fixed and variable components.

The Company's Remuneration Policy is intended as a measure to attract and retain suitable candidates to serve as directors and to provide the Company with the appropriate skills, technical knowledge, experience, and expertise both for the determination of policies and strategies of the Company as well as the supervisory role of the Board.

The overall remuneration of the Board distinguishes between the remuneration of the non-executive directors and executive directors. In the case of the non-executive directors, including the Chairman, the only component of remuneration is the fixed honorarium received by the non-executive directors, whilst in the case of the executive directors, the remuneration consists of two components:

- the basic salary for the role as executive; and
- a bonus linked to individual performance and the performance of the Company.

THE DECISION-MAKING PROCESS WITH RESPECT TO REMUNERATION

The aggregate emoluments that may be paid to the directors, including the executive directors, is decided upon by the shareholders in general meeting following a recommendation made to shareholders by the Board.

The Board then decides on the remuneration of the Chairman and the other non-executive directors, consisting of a fixed honorarium to each director. The Board also establishes and approves the remuneration of the CEO and CFO with respect to their executive roles within the Company.

KEY PRINCIPLES OF REMUNERATION

The Board of Directors of the Company consists of seven (7) individuals. Five (5) are non-executive directors, and two (2) are executive directors, including the CEO.

The aggregate remuneration approved by shareholders for the financial year ended 31 December 2023 was set at EUR 989,160. This includes components of remuneration of both non-executive and executive directors.

In accordance with Capital Markets Rule 12.26, transposing the requirements of the new EU Shareholders' Rights Directive (2019), the Remuneration Policy was approved by the shareholders at the annual general meeting 11 November 2020.

Accordingly, this is the fourth year that the Company is publishing a Remuneration Statement in line with the Remuneration Policy adopted by shareholders at the AGM 11 November 2020. The comparable figures refer to the financial years 2022, 2021 and 2020 for comparability.

THE CHAIRMAN AND THE NON-EXECUTIVE DIRECTORS

Fixed Component

The Board believes that, in line with local practice, the fixed honorarium for non-executive directors is the principal component that compensates directors for their contribution as members of the Board. The Chairman's honorarium reflects the role as the most senior non-executive director on the Board and as the person responsible, amongst others, for chairing Board meetings and co-ordinating Board assignments.

Non-executive directors who are also delegated to sit on a sub-committee of the Board or otherwise chair such a sub-committee are paid additional fixed honoraria for each such assignment.

None of the directors have service contracts with the Company, and each non-executive director serves from one annual general meeting to the next, when the appointment of directors is conducted at the annual general meeting. Accordingly, none of the non-executive directors are entitled to any compensation if they are removed from office. Such removal would require an ordinary resolution of the shareholders at a general meeting.

The directors are entitled to be paid travelling and other reasonable expenses incurred by them in the performance of their duties as directors. The Company does not remunerate the Chairman or the other non-executive directors in any other manner, nor does it provide any loans or other guarantees to them.

Variable Component

The Chairman and non-executive directors of the Company do not receive any variable component of remuneration.

Table 1 shows the overall remuneration of the Chairman and non-executive directors for the financial years ended 31 December 2023, 2022, 2021 and 2020.

Office	Fixed Honorarium	Remuneration for sitting in subcommittees	Total 2023	Total 2022	Total 2021	Total 2020	Paid 2021	Paid 2020
Mr Nikolaus Gretzmacher	€25,006		€25,006	€23,294	€23,294	€23,294	€22,420	€20,964
Ms Rita Heiss	€13,956	€3,542	€17,498	€16,300	€11,647	€11,647	€11,210	€10,482
Dr Cory Greenland	€13,956	€3,542	€17,498	€16,300	€11,647	€11,647	€11,210	€10,482
Dr Wolfgang Koeberl	€13,956		€13,956	€13,000	€9,318	€9,318	€8,968	€8,386
Mr Florian Nowotny	€13,956	€3,542	€17,498	€16,300	€11,647	€11,647	€11,210	€10,482
Total	**€80,830**	**€10,626**	**€91,456**	**€85,194**	**€67,553**	**€67,553**	**€65,018**	**€60,796**

Table 1: Remuneration of non-executive directors

THE CHAIRMAN AND THE NON-EXECUTIVE DIRECTORS (CONTINUED)

Due to the COVID-19 crisis and the material adverse impact which this had on the Company, the non-executive directors offered to have their remuneration reduced by 30% between April and July 2020 and again by 15% between February and April 2021. These reductions in remuneration are shown in Table 1. Effective 1st January 2022, the remuneration for a Non-Executive Director and a Non-Executive Director and Committee Member was increased from EUR 9,318 to EUR 13,000 and from EUR 11,647 to EUR 16,300, respectively, whereas the remuneration for the Chairman remained unchanged. The last review of the remuneration of Non-Executive Directors took place in 2005. Effective 1st January 2023, the remuneration for a Non-Executive Director and a Non-Executive Director and Committee Member was increased based on the Retail Price Index.

EXECUTIVE DIRECTORS

The Company has two executives that are appointed members of the Board. The executive directors are the CEO and the CFO, both of whom have service contracts with the Company of a definite duration, which entitle them to a fixed salary.

Fixed Remuneration – Salary

The CEO was entitled to receive a gross salary for the financial year ended 31 December 2023 of EUR 206,969 (2022: EUR 206,866; 2021: EUR 201,210; 2020: EUR 200,794). During 2020, due to the events occasioned by the COVID-19 crisis and the material adverse impact which this had on the Company, the CEO offered to have his salary reduced by 30% between April and July 2020. During 2021, due to the ongoing COVID-19 crisis, the CEO offered again a salary reduction of 15% between February and April 2021, and consequently, the remuneration received for the year 2021 was of EUR 193,696 (2020: EUR 180,766). The CEO also receives the following benefits: Insurance (Health-Private Hospital Scheme, Accident & Disability Insurance, and Directors & Officers' Insurance), a Company car and a fully expensed mobile phone service.

The CFO was entitled to receive a gross salary for the financial year ended 31 December 2023 of EUR 173,179 (2022: EUR 161,357; 2021: EUR 157,054; 2020: EUR 156,963). During 2020, due to the events caused by the COVID-19 crisis and the material adverse impact which this had on the Company, the CFO offered to have his salary reduced by 30% between April and July 2020. During 2021, due to the then ongoing COVID-19 crisis, the CFO again offered a salary reduction of 15% between February and April 2021, and consequently, the remuneration received for the year 2021 was of EUR 151,184 (2020: EUR 141,318). The CFO also receives the following additional benefits: Insurance (Health-Private Hospital Scheme, Accident & Disability Insurance, and Directors & Officers' Insurance), a Company car and a fully expensed mobile phone service.

Variable Remuneration – Bonus

Both the CEO and the CFO are entitled to a bonus scheme which is linked to the performance of the Company and their individual performance over the course of the financial year. The Chairman sets targets at the beginning of the year to be reached by each executive, and then assesses the performance of each executive against the benchmarks set at the beginning of each year and awards the bonus accordingly. The variable component of the executive directors' remuneration is based on a balance scoring system which includes both financial and non-financial Key Performance Indicators (KPIs) and targets. The Chairman has full discretion in evaluating the performance and attainment of such KPIs and targets.

In the year 2023, the CEO received a bonus of EUR 142,927 (2022: EUR 100,186; 2021: EUR 50,070; 2020: EUR 98,844), whilst the CFO received a bonus of EUR 48,253 (2022: EUR 46,963; 2021: EUR 23,468; 2020: EUR 46,316), both in respect of the year 2022.

In terms of the requirements within Appendix 12.1 of the Capital Market Rules, the annual change of the average remuneration on a full-time equivalent basis of employees other than directors was 15.0% (2023 vs 2022), 1.7% (2022 vs 2021) and 3.8% (2021 vs 2020). In relation to the performance of the Company, we refer to page 108 of the Directors' Report: 'Financial Key Performance Indicators'.

The foregoing Remuneration Statement is being put forward to an advisory vote of the 2023 AGM in accordance with the requirements of the MFSA Capital Markets Rule 12.26 L.

The contents of the Remuneration Report have been reviewed by the external Auditors to ensure that it conforms with the requirements of Appendix 12.1 to Chapter 12 of the Capital Market Rules.

Approved by the Board of directors on 28 February 2024.

Income Statements

YEAR ENDED 31 DECEMBER 2023

		The Group		The Company	
(in EUR)	Notes	2023	2022	2023	2022
Revenue	6	**120,247,948**	88,016,852	**115,378,805**	83,644,230
Staff costs	11	**(14,327,716)**	(10,082,051)	**(13,997,077)**	(9,810,124)
Other operating expenses	9	**(30,670,557)**	(22,925,386)	**(29,757,301)**	(22,441,167)
Impairment losses on financial assets	21	**(26,701)**	(121,639)	**(29,256)**	(89,724)
Depreciation	15/16	**(12,567,502)**	(11,411,003)	**(10,697,872)**	(9,605,555)
Release of deferred income arising on the sale of terminal buildings upon privatisation	23	**283,603**	283,603	**283,603**	283,603
Investment income	7	**1,481,698**	70,636	**2,915,167**	824,218
Finance cost	8	**(2,172,154)**	(2,080,491)	**(2,172,154)**	(2,080,491)
Profit before tax		**62,248,619**	41,750,521	**61,923,915**	40,724,990
Income tax expense	13	**(21,944,766)**	(2,884,210)	**(21,820,838)**	(2,524,543)
Profit for the year attributable to the ordinary equity holders of the Company, net of tax		**40,303,853**	38,866,311	**40,103,077**	38,200,447
Earnings per share attributable to the ordinary equity holders of the Group	30	**0.298**	0.287	**-**	-

Statements of Comprehensive Income

YEAR ENDED 31 DECEMBER 2023

		The Group		The Company	
(in EUR)	Notes	2023	2022	2023	2022
Profit for the year attributable to the ordinary equity holders of the Company, net of tax		**40,303,853**	38,866,311	**40,103,077**	**38,200,447**
Items that will not be reclassified subsequently to profit or loss:					
Actuarial (loss) / gain on defined benefit pension plans	**24/25**	(36,757)	359,133	(36,757)	359,133
Deferred tax debit / (credit)	**19**	12,865	(125,697)	12,865	(125,697)
Other comprehensive income for the year attributable to the ordinary equity holders of the Company, net of tax		**(23,892)**	233,436	**(23,892)**	**233,436**
Total comprehensive income for the year attributable to the ordinary equity holders of the Company, net of tax		**40,279,961**	39,099,747	**40,079,185**	**38,433,883**

Statements of Financial Position

AS AT 31 DECEMBER 2023

		The Group		The Company	
(in EUR)	Notes	2023	2022	2023	2022
Assets					
Property, plant and equipment	15	**202,120,085**	170,078,670	**187,265,334**	154,231,504
Investment property	16	**15,529,126**	15,875,216	**306,615**	313,584
Investment in subsidiaries	17	**-**	-	**2,004,800**	2,004,800
Loans receivable	18	**-**	-	**22,742,598**	26,533,318
Other receivables	21	**1,900,124**	1,992,558	**1,974,970**	1,977,871
Deferred tax assets	19	**5,546,733**	5,620,139	**5,346,063**	5,395,516
Non-current assets		**225,096,068**	**193,566,583**	**219,640,380**	**190,456,593**
Inventories	20	**1,280,119**	1,162,402	**1,280,119**	1,162,402
Loans receivable	18	**-**	-	**1,937,663**	1,290,720
Trade and other receivables	21	**27,857,390**	21,706,912	**29,859,224**	25,167,482
Short-term Treasury Bills	27	**14,699,519**	24,789,438	**14,699,519**	24,789,438
Term deposits	28	**37,000,000**	19,500,000	**37,000,000**	19,500,000
Cash and cash equivalents	29	**24,674,829**	24,420,042	**21,759,733**	19,421,903
Current assets		**105,511,857**	**91,578,794**	**106,536,258**	**91,331,945**
Total Assets		**330,607,925**	**285,145,377**	**326,176,638**	**281,788,538**

Statements of Financial Position

AS AT 31 DECEMBER 2023
(CONTINUED)

		The Group		The Company	
(in EUR)	Notes	2023	2022	2023	2022
Equity and Liabilities					
Equity attributable to ordinary equity holders of the Company					
Share capital	26	33,825,000	33,825,000	33,825,000	33,825,000
Retained earnings		157,026,288	137,041,327	154,797,850	135,013,665
Total Equity		190,851,288	170,866,327	188,622,850	168,838,665
Lease liability	34	54,374,185	54,042,492	54,374,185	54,042,492
Deferred income	23	5,049,058	5,372,926	5,049,058	5,372,926
Other payables	22	1,957,908	1,184,025	1,770,277	996,394
Employee benefit obligations	24	2,890,265	2,964,300	2,890,265	2,964,300
Provision for MIA benefit fund	25	264,827	359,188	264,827	359,188
Non-current liabilities		64,536,243	63,922,931	64,348,612	63,735,300
Trade and other payables	22	55,803,964	48,379,099	53,712,808	47,320,812
Current tax liabilities		19,416,430	1,977,020	19,492,368	1,893,761
Current liabilities		75,220,394	50,356,119	73,205,176	49,214,573
Total Liabilities		139,756,637	114,279,050	137,553,788	112,949,873
Total Equity and Liabilities		330,607,925	285,145,377	326,176,638	281,788,538

The financial statements on pages 136 to 213 were approved and authorised for issue by the Board of Directors on 28 February 2024. The financial statements were signed on behalf of the Company's Board of Directors by Nikolaus Gretzmacher (Chairman), Alan Borg (Chief Executive Officer) and Karl Dandler (Chief Financial Officer) as per the Directors' Declaration on ESEF Annual Financial Report submitted in conjunction with the Annual Financial Report 2023.

Statements of Changes in Equity

YEAR ENDED 31 DECEMBER 2023

The Group	Equity attributable to ordinary equity holders of the Company		
(in EUR)	Share capital	Retained earnings	Total
Balance at 1 January 2022	**33,825,000**	**97,941,580**	**131,766,580**
Profit for the year	-	38,866,311	38,866,311
Other comprehensive income	-	233,436	233,436
Total comprehensive income for the year	**-**	**39,099,747**	**39,099,747**
Balance at 31 December 2022	**33,825,000**	**137,041,327**	**170,866,327**
Balance at 1 January 2023	**33,825,000**	**137,041,327**	**170,866,327**
Profit for the year	-	40,303,853	40,303,853
Other comprehensive income	-	(23,892)	(23,892)
Total comprehensive income for the year	**-**	**40,279,961**	**40,279,961**
Transactions with owners of the company:			
Dividends (Note 14)	-	(20,295,000)	(20,295,000)
Balance at 31 December 2023	**33,825,000**	**157,026,288**	**190,851,288**

Statements of Changes in Equity

YEAR ENDED 31 DECEMBER 2023

(CONTINUED)

The Company	Equity attributable to ordinary equity holders of the Company		
(in EUR)	Share capital	Retained earnings	Total
Balance at 1 January 2022	**33,825,000**	**96,579,782**	**130,404,782**
Profit for the year	-	38,200,447	38,200,447
Other comprehensive income	-	233,436	233,436
Total comprehensive income for the year	**-**	**38,433,883**	**38,433,883**
Balance at 31 December 2022	**33,825,000**	**135,013,665**	**168,838,665**
Balance at 1 January 2023	**33,825,000**	**135,013,665**	**168,838,665**
Profit for the year	-	40,103,077	40,103,077
Other comprehensive income	-	(23,892)	(23,892)
Total comprehensive income for the year	**-**	**40,079,185**	**40,079,185**
Transactions with owners of the company:			
Dividends (Note 14)	-	(20,295,000)	(20,295,000)
Balance at 31 December 2023	**33,825,000**	**154,797,850**	**188,622,850**

Statements of Cash Flows

YEAR ENDED 31 DECEMBER 2023

		The Group		The Company	
(in EUR)	Notes	2023	2022	2023	2022
Cash flows from operating activities					
Profit before tax		**62,248,619**	**41,750,521**	**61,923,915**	**40,724,990**
Adjustments for:					
Depreciation	**15/16**	12,567,502	11,411,003	10,697,872	9,605,555
Investment income	**7**	(1,481,698)	(70,636)	(2,915,167)	(824,218)
Finance cost	**8**	2,144,381	2,131,404	2,144,381	2,131,404
Gain on sale of PPE		–	(24,650)	–	(24,650)
Release of deferred income arising on the sale of terminal buildings upon privatisation	**23**	(283,603)	(283,603)	(283,603)	(283,603)
Amortisation of grants	**23**	(40,255)	(40,255)	(40,255)	(40,255)
Provision for employee benefit obligations	**24**	93,510	36,419	93,510	36,419
Provision for MIA benefit plan	**25**	(93,703)	46,597	(93,703)	46,597
Provision for impairment of trade receivables	**21**	26,701	121,639	29,255	89,725
		75,181,454	**55,078,439**	**71,556,205**	**51,461,964**
Working capital movements:					
Movement in inventories	**20**	(117,717)	(277,338)	(117,717)	(277,338)
Movement in trade and other receivables	**21**	(5,163,190)	(5,968,383)	(3,010,016)	(5,795,416)
Movement in trade and other payables	**22**	2,200,369	5,966,853	1,324,544	5,305,445
Cash flows from operations		**72,100,916**	**54,799,571**	**69,753,016**	**50,694,655**
Lease interest paid	**34**	(1,812,688)	(1,732,798)	(1,812,688)	(1,732,798)
Income taxes paid		(4,419,086)	(2,933,820)	(4,159,913)	(3,074,325)
(Payments)/Receipts of deposit to/from tenants		(293,600)	332,362	(293,600)	300,000
Retirement benefit paid	**24**	(204,960)	(692,005)	(204,960)	(692,005)
Net cash flows from operating activities		**65,370,582**	**49,773,310**	**63,281,855**	**45,495,527**

Statements of Cash Flows

YEAR ENDED 31 DECEMBER 2023
(CONTINUED)

		The Group		The Company	
(in EUR)	Notes	2023	2022	2023	2022
Cash flows from investing activities					
Purchase of PPE	15	(37,747,232)	(12,178,991)	(37,589,808)	(11,433,677)
Additions to investment property	16	(223,626)	(1,637,454)	-	-
Proceeds from sale of property, plant & equip.	15	-	24,650	-	24,650
Investments in short-term treasury bills	27	10,089,919	(24,789,438)	10,089,919	(24,789,438)
Investments in term deposits	28	(17,500,000)	(9,000,000)	(17,500,000)	(9,000,000)
Receipts from intracompany loans	18	-	-	3,790,720	1,290,720
Interest received	7	560,144	12,963	560,144	327,284
Net cash flows used in investing activities		**(44,820,795)**	**(47,568,270)**	**(40,649,025)**	**(43,580,461)**
Cash flows from financing activities					
Dividends paid	14	**(20,295,000)**	**-**	**(20,295,000)**	**-**
Net cash flows used in financing activities		**(20,295,000)**	**-**	**(20,295,000)**	**-**
Net movement in cash and cash equivalents		**254,787**	**2,205,040**	**2,337,830**	**1,915,066**
Cash and cash equivalents at the beginning of the year		**24,420,042**	**22,215,002**	**19,421,903**	**17,506,837**
Cash and cash equivalents at the end of the year	29	**24,674,829**	**24,420,042**	**21,759,733**	**19,421,903**

Net Debt Reconciliation

All the movements in the Group's and the Company's net debt (Lease liability net of cash and cash equivalents) related only to cash flow movements and are disclosed as part of the operating activities in the Statements of Cash Flows above (refer to Note 34).

Notes to the Financial Statements

YEAR ENDED 31 DECEMBER 2023

1. REPORTING ENTITY

The Company is a public limited liability company whose shares are publicly listed and traded on the Malta Stock Exchange. The Company's registration number is C12663, the country of incorporation is Malta, and the Company's registered office is Malta International Airport, Luqa, Malta.

The principal activities of the Company are the development, operation and management of Malta's airport. On 11 February 2008, the Company set up a wholly owned subsidiary, Sky Parks Limited, to take over the operations of the car park business. The name of this subsidiary was changed to Airport Parking Limited on 27 October 2009. Another subsidiary, Sky Parks Development Limited, was set up by the Company on 29 October 2009. The main activity of Sky Parks Development Limited is to manage real estate projects within the land which is currently under the management of the Group. Another subsidiary, Sky Parks Business Centre Limited, was set up by the Company on 26 April 2012. The principal activity of the subsidiary is to operate the Business Centre within the limits of the airport. On 20 June 2013, the Company set up another wholly owned subsidiary, Kirkop PV Farm Limited. The main activity of this company is to explore opportunities in the generation of electricity using photovoltaic technologies.

The Company and the subsidiaries are together referred to as 'the Group'.

2. BASIS OF PREPARATION

Under the Companies Act, Cap. 386 of the Laws of Malta, the Company is required to present individual and consolidated financial statements. The financial statements of the Group and the Company have been prepared on a historical cost basis except for the subsequent measurement of the employee benefit obligations and the provision for the MIA Benefit fund and are prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the EU and comply with the Companies Act, Cap. 386 of the Laws of Malta. The functional currency of the Company is the Euro, which is also the presentation currency of the Group.

The consolidated financial statements comprise the financial statements of Malta International Airport p.l.c. and its subsidiaries, as mentioned in Note 1 above. For more details on the scope of consolidation, see Note 41.

3. JUDGMENTS IN APPLYING ACCOUNTING POLICIES AND KEY SOURCES OF ESTIMATION UNCERTAINTY

Except as discussed below and in the remaining notes to the financial statements, the directors did not make any significant judgments in the process of applying the Company's and the Group's accounting policies which can significantly affect the amounts recognized in the consolidated and the individual financial statements and, at the end of the reporting period, there were no key assumptions concerning the future, or any other key sources of estimation uncertainty that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

3.1. Service Concession Arrangements in terms of IFRIC 12

IFRIC 12 Service Concession Arrangements was endorsed by the EU for financial years beginning after 29 March 2009. The Interpretation, which is limited in scope, clarifies the accounting of service concession arrangements by private sector operators which provide public services on behalf of government or other public sector entities.

The Interpretation of IFRIC 12 provides guidance on the scope of arrangements based on the influence of the guarantor in regulating what services the operator must provide with the infrastructure, to whom it must provide services, and at what price. For arrangements falling within the Interpretation's scope, the infrastructure assets are not recognized as property, plant and equipment of the operator. Rather, depending on the terms of the arrangement, the operator will recognise:

(i) a financial asset (where the operator has an unconditional right to receive a specified amount of cash or other financial asset over the life of the arrangement); or

(ii) an intangible asset (where the operator's future cash flows are not specified, for example, where they will vary according to usage of the infrastructure asset); or

both a financial asset and an intangible asset where the operator's return is provided partially by a financial asset and partially by an intangible asset.

The Group and Company's business activities and operations are governed under a 65-year concession granted in July 2002. The nature of the Group's and Company's operations, including various revenue streams from a number of third party entities are not influenced by the grantor of the concession. The setting of prices by the Group and Company's operational team are based on local and international market forces including seasonality, demand and market rates. The regulator and the Group and the Company collaborate to set rates for regulated revenues with a view of attaining a healthy traffic of travel to the island, rates are discussed and mutually agreed but not imposed. The Company's and the Group's proportion of unregulated activities is also not insignificant. Based on the foregoing the directors conclude that accounting under IFRIC 12 rules does not apply to the Group and to the Company.

3.2. Lessee accounting in terms of IFRS 16

Judgments and estimates with regards to IFRS 16 Leases that warrant additional disclosures in terms of IAS 1 comprise (a) the judgment in connection with the inclusion of the aerodrome licence within the scope of IFRS 16 and (b) the estimate in connection with the determination of the incremental borrowing rate upon the implementation of IFRS 16 on 1 January 2019.

The Group concluded that the licence over the aerodrome, which includes the Airfield, falls within the scope of IFRS 16, and the contractual payments in this respect have therefore been included within right-of-use assets and lease liabilities, amounting to EUR 10.7 million upon the adoption of IFRS 16 on 1 January 2019. The Group arrived at this conclusion by taking into consideration the following factors: (a) the management of the Airfield is considered to be integral to the use of the land and buildings held as temporary emphyteusis, with the Group having an obligation to manage the Airfield for the same duration of the emphyteusis; (b) the Group considers the licence as being inseparable from the right to use the Airfield (being the tangible component); (c) it is not possible to split the right to operate the Airfield from the right to use the Airfield; and (d) the Group considers the use of the Airfield to be the most significant element of the transaction.

Upon the implementation of IFRS 16, lease liabilities at 1 January 2019 were measured at the present value of the remaining lease payments, discounted using the incremental borrowing rate as of that date. The incremental borrowing rate reflects the rate of interest that the Group would have to pay to borrow over a similar term and with a similar security the funds necessary to obtain an asset of a similar value to the right-of-use asset in a similar economic environment. To determine this rate, the Group obtained information from its bank for the particular purpose and extrapolated it to reflect the specific characteristics of the lease, in particular, the long remaining lease term of the temporary emphyteusis and the related aerodrome licence until 2067. The weighted average incremental borrowing rate that the Group applied to its lease liabilities as at 1 January 2019 was 4.07% per annum.

4. APPLICATION OF NEW AND REVISED IFRS

4.1. Standards, interpretations and amendments to published standards effective in 2023

The following amended standards became applicable for the current reporting period. The group did not have to change its accounting policies or make retrospective adjustments as a result of adopting these amended standards.

Amendments to IAS 1 and IFRS Practice Statement 2 – Disclosure of Accounting Policies
The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. The term ‘significant’ was replaced with ‘material’ in the context of disclosing accounting policy information. In assessing the materiality of the accounting policy information, the Group considers the size of transactions, other events or conditions and their nature.

IAS 12 Amendment – Deferred Tax related to Assets and Liabilities arising from a Single Transaction
Prior to the amendments, there had been some uncertainty about whether the IAS 12 exemption from recognising deferred tax applied to transactions for which companies recognise both an asset and liability, for example, leases. The amendments clarify that the exemption does not apply and that companies are required to recognise deferred tax on such transactions. The Group and the Company now disclose the deferred tax on lease liabilities and right-of-use assets separately arising from the application of IFRS 16, as shown in note Note 19.

4.2. Standards, interpretations and amendments to published standards that are not yet effective

At the date of approval of these financial statements, a number of other International Financial Reporting Standards were either not yet endorsed by the EU or were not yet applicable to the Group. The Board of Directors anticipate that the adoption of these Standards will have no material impact on the financial statements of the Group in the period of initial application.

5. OPERATING SEGMENTS

IFRS 8 requires operating segments to be identified on the basis of internal reports about components of the Group that are regularly reviewed by the chief operating decision-maker in order to allocate resources to the segments and to assess their performance.

For management purposes, the Group is organised into operating segments based on the nature of its operations and has the reportable segments as shown below.

Management monitors the operating results of its segments separately for the purposes of making decisions about resource allocation and performance assessment. Segment performance is evaluated based on earnings before interest, tax and deferred income arising from the sale of terminal buildings upon privatisation (EBIT). Revenues and certain costs are allocated in full to particular segments. The remaining costs are allocated across the different segments on the basis of square meters or revenues, as applicable. The Group and the Company financing (including finance income and finance costs), deferred income arising from the sale of terminal buildings upon privatisation and income tax are managed on a Group and Company basis and are not allocated to operating segments.

Airport Segment

The Airport Segment comprises of the activities usually carried out by an airport. These services include revenue from airport-regulated fees, aviation concessions, and PRMs (persons with reduced mobility) and their associated costs. This segment also includes the operations and maintenance of the terminal, runways, taxiways and aircraft parks.

Retail and Property Segment

The Retail and Property Segment includes various services that support the airport operations. These include the operations of the various retail outlets within the airport perimeter, advertising sites and rental of offices, warehouses, and income from the running of the VIP lounges. Income and costs from Airport Parking Limited, Sky Parks Business Centre Limited and Sky Parks Development Limited are also allocated within the Retail and Property Segment.

Other Segment

This comprises services that do not fall under the Airport and the Retail and Property Segments, which include miscellaneous income and disbursement fees from third parties as well as any costs associated with this income.

5. OPERATING SEGMENTS (CONTINUED)

The results of the operating segments are reported below:

2023 (in EUR)	Airport	Retail & Property	Other	The Group
Revenue (external)	82,364,410	37,609,762	273,776	120,247,948
Staff costs	(12,297,411)	(2,030,305)	-	(14,327,716)
Other operating costs	(24,892,057)	(5,778,500)	-	(30,670,557)
Impairment losses on financial assets	(21,356)	(5,345)	-	(26,701)
EBITDA	**45,153,586**	**29,795,612**	**273,776**	**75,222,974**
Depreciation	(7,517,150)	(5,050,352)	-	(12,567,502)
EBIT	**37,636,436**	**24,745,260**	**273,776**	**62,655,472**
Investment income				1,481,698
Finance cost				(2,172,154)
Release of deferred income arising on the sale of terminal buildings upon privatisation				283,603
Profit before tax				**62,248,619**

2022 (in EUR)	Airport	Retail & Property	Other	The Group
Revenue (external)	58,327,579	29,457,009	232,264	88,016,852
Staff costs	(8,545,001)	(1,537,050)	-	(10,082,051)
Other operating costs	(18,473,144)	(4,452,242)	-	(22,925,386)
Impairment losses on financial assets	(65,499)	(56,140)	-	(121,639)
EBITDA	**31,243,935**	**23,411,577**	**232,264**	**54,887,776**
Depreciation	(6,880,184)	(4,530,819)	-	(11,411,003)
EBIT	**24,363,751**	**18,880,758**	**232,264**	**43,476,773**
Investment income				70,636
Finance cost				(2,080,491)
Release of deferred income arising on the sale of terminal buildings upon privatisation				283,603
Profit before tax				**41,750,521**

Airport segment revenues generated from two clients, with each generating 10% or more of revenues, amounted to EUR 33,806,146 and EUR 20,516,118 (2022: EUR 22,477,640 and EUR 16,056,395).

6. REVENUE

In the following table, revenue of the Group is disaggregated by revenue category. The table also includes a reconciliation of the disaggregated revenue with the Group's operating segments (see Note 5).

The Group 2023 (in EUR)	Airport	Retail & Property	Other	Total
Revenue from Services provided				
Regulated revenue	66,372,926	-	-	**66,372,926**
Unregulated revenue	15,991,484	9,936,797	273,776	**26,202,057**
Revenue from Contracts with Customers	**82,364,410**	**9,936,797**	**273,776**	**92,574,983**
Revenue from leases (Note 34)	**-**	**27,672,965**	**-**	**27,672,965**
Total Revenue	**82,364,410**	**37,609,762**	**273,776**	**120,247,948**

The Group 2022 (in EUR)	Airport	Retail & Property	Other	Total
Revenue from Services provided				
Regulated revenue	47,529,981	-	-	**47,529,981**
Unregulated revenue	10,797,598	7,440,984	232,264	**18,470,846**
Revenue from Contracts with Customers	**58,327,579**	**7,440,984**	**232,264**	**66,000,827**
Revenue from leases (Note 34)	**-**	**22,016,025**	**-**	**22,016,025**
Total Revenue	**58,327,579**	**29,457,009**	**232,264**	**88,016,852**

6. REVENUE (CONTINUED)

In the following table, revenue of the Company is disaggregated by revenue category:

The Company (in EUR)	2023	2022
Revenue from Services provided		
Regulated revenue	66,372,926	47,529,981
Unregulated revenue	24,584,035	17,232,659
Revenue from Contracts with Customers	**90,956,961**	**64,762,640**
Revenue from leases (Note 34)	**24,421,844**	**18,881,590**
Total Revenue	**115,378,805**	**83,644,230**

All the Group's revenues and its non-current assets other than financial assets are attributable to the Company's country of domicile.

Revenue generated with entities under government control is disclosed in notes 33 and 35.

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period either relates to contracts that have an original expected duration of one year or less or is in relation to contracts for which the Company and the Group provide a daily service of access that is distinct, with the uncertainty related to the consideration receivable being also resolved on that basis.

Details of the contract assets and contract liabilities are disclosed in Notes 21 and 22, respectively.

7. INVESTMENT INCOME

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Interest income on loans receivable	–	–	1,433,469	753,582
Interest income on treasury bills	728,996	19,867	728,996	19,867
Interest income on term deposits	752,702	50,769	752,702	50,769
Investment income	**1,481,698**	**70,636**	**2,915,167**	**824,218**

8. FINANCE COST

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Lease interest	2,172,154	2,080,491	2,172,154	2,080,491
Finance cost	**2,172,154**	**2,080,491**	**2,172,154**	**2,080,491**

9. OTHER OPERATING EXPENSES

		The Group		The Company	
(in EUR)	Notes	2023	2022	2023	2022
Air traffic services	35	**929,611**	929,611	**929,611**	929,611
Bad debts	21	**326,277**	17,031	**305,350**	14,701
Cleaning		**1,985,251**	1,462,374	**1,885,735**	1,394,416
Ground handling services	35	**1,493,832**	1,172,302	**1,493,832**	1,172,302
Insurance		**594,963**	486,328	**580,184**	470,538
IT Expenses		**2,998,499**	2,777,227	**2,998,499**	2,777,227
Legal and professional fees		**1,107,718**	951,529	**1,083,958**	930,139
Lease payments on low-value items	34	**12,488**	6,766	**12,488**	6,766
Marketing and communication costs		**7,299,577**	5,624,496	**7,354,375**	5,787,753
Miscellaneous operating expenses		**2,671,036**	1,752,221	**2,401,297**	1,563,679
Other security services		**413,952**	144,298	**341,062**	87,446
Airport security costs	35	**4,157,174**	3,062,148	**4,157,174**	3,062,148
Repairs and maintenance		**4,117,871**	2,083,615	**3,661,444**	1,799,033
Net exchange differences		**23,272**	4,601	**23,227**	4,211
Telecommunications		**100,298**	108,854	**98,375**	107,156
Utilities		**2,438,738**	2,341,985	**2,430,690**	2,334,041
Other operating expenses		**30,670,557**	**22,925,386**	**29,757,301**	**22,441,167**

Expenses incurred with entities under government control are disclosed in Notes 33 and 35.

Included in the legal and professional fees are amounts that are payable to the parent Company's auditor:

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Audit of the financial statements	**121,000**	110,000	**106,000**	96,500
Other assurance	**14,150**	22,800	**14,150**	22,800
	134,563	**132,800**	**119,563**	**119,300**

Other non-assurance services amounting to EUR 14,000 (2022: EUR -) have been charged to the Company by connected undertakings of the audit firm.

10. KEY MANAGEMENT PERSONNEL COMPENSATION

	The Group		The Company	
Directors' Compensation (in EUR)	2023	2022	2023	2022
Short-term benefits:				
Fees	**91,456**	85,195	**91,456**	85,195
Management remuneration	**575,148**	521,552	**575,148**	521,552
Social security costs	**2,683**	2,598	**2,683**	2,598
	669,287	**609,345**	**669,287**	**609,345**

In addition, during the year under review, the Company granted other benefits to its directors. The aggregate amount of benefits, which includes monetary and non-monetary benefits, amounted to EUR 53,217 (2022: EUR 28,738). These amounts are included with other operating expenses.

Also, during the year under review, the Company maintained professional indemnity insurance for its directors. The aggregate amount of premiums paid in respect thereof amounted to EUR 20,200 (2022: EUR 13,125). These amounts are included with other operating expenses.

11. STAFF COSTS AND EMPLOYEE INFORMATION

	The Group		The Company	
Staff Costs (in EUR)	2023	2022	2023	2022
Wages and salaries	**13,090,383**	9,182,929	**12,782,314**	8,929,029
Recharge from parent	**223,695**	200,000	**223,695**	200,000
Social security costs	**900,655**	616,106	**878,085**	598,079
Retirement benefit costs (Notes 24 & 25)	**112,983**	83,016	**112,983**	83,016
	14,327,716	**10,082,051**	**13,997,077**	**9,810,124**

The above amounts include the directors' compensation disclosed in Note 10.

The average number of persons employed during the year, including Executive Directors, was made up as follows:

	The Group		The Company	
Average No. of Employees (Number)	2023	2022	2023	2022
Business development, operations and marketing	**244**	208	**232**	198
Finance, IT and IM	**29**	25	**29**	25
Firemen	**48**	47	**48**	47
Met office	**13**	13	**13**	13
Technical and engineering	**83**	62	**83**	62
	417	**355**	**405**	**345**

12. GOVERNMENT ASSISTANCE

In 2020, the Maltese Government announced the COVID Wage Supplement Scheme, which was in effect until May 2022. Malta International Airport was eligible to benefit from the COVID Wage Supplement, receiving EUR 800 on a monthly basis per full-time employee starting from 9 March 2020 until May 2022.

During the preceding period, the Company received EUR 1,138,040 in government grants under the COVID Wage Supplement. These amounts were deducted from the line item 'Staff Costs' in the Consolidated Statement of Comprehensive Income.

No government assistance was received during the current reporting period.

13. INCOME TAX EXPENSE

Income tax recognized in profit or loss is as follows:

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Current tax expense	21,858,496	2,309,317	21,758,520	2,450,993
Deferred tax	86,270	574,893	62,318	73,550
Income tax expense for the year	**21,944,766**	**2,884,210**	**21,820,838**	**2,524,543**

13. INCOME TAX EXPENSE (CONTINUED)

Tax applying the statutory domestic income tax rate and the income tax expense for the year is reconciled as follows:

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Profit before Tax	62,248,619	41,750,521	61,923,915	40,724,990
Tax at applicable rate of 35 %	21,787,017	14,612,682	21,673,370	14,253,747
Tax effect of:				
Depreciation charges not deductible by way of capital allowances in determining taxable income	378,243	380,200	319,501	321,458
Other net difference between accounting and tax deductible items of expenditure	(82,286)	(54,642)	(31,623)	(5,171)
Tax credit	-	(12,000,000)	-	(12,000,000)
Other differences	(138,208)	(54,030)	(140,410)	(45,491)
Income tax expense for the year	**21,944,766**	**2,884,210**	**21,820,838**	**2,524,543**

Deferred tax recognized in other comprehensive income is as follows:

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Deferred tax debit / (credit) on defined benefit pension plans	**12,865**	(125,697)	**12,865**	(125,697)

In the prior year, the European Commission and Government of Malta approved a EUR 12 million aid measure to compensate Malta International Airport p.l.c. for part of the losses suffered due to the coronavirus pandemic. This measure was aimed at compensating Malta International Airport p.l.c. for the material losses suffered during the period between 21 March and 30 June 2020 due to the coronavirus pandemic and the travel ban imposed by Malta to limit the spread of the virus, together with the closure of non-essential shops which had an impact on the Group and Company's retail and property segment. Malta International Airport p.l.c. has received the compensation for the losses directly caused by the pandemic, as stipulated in "Legal Notice 247 of 2022 Tax Credit".

14. DIVIDENDS

The net final dividend for 2022 of EUR 16,236,000 (EUR 12.0 cents per ordinary share) proposed by the directors of the Company for the previous financial year was approved by the shareholders at the Annual General Meeting on 10 May 2023 and was paid during the reporting period on 26 May 2023. No dividends were paid in the comparative period.

On 11 September 2023, a net interim dividend of EUR 4,059,000 (EUR 3.0 cents per share) was paid to ordinary shareholders of the Company. No interim dividend payment was made in the prior year.

The Directors propose that a net final dividend of EUR 12.0 cents per ordinary share will be paid to ordinary shareholders in respect of the year ended 31 December 2023. This dividend is subject to approval by the shareholders at the Annual General Meeting and has not been included as a liability in the financial statements. The total proposed dividend to be paid is EUR 16,236,000 (2022: 16,236,000).

15. PROPERTY, PLANT AND EQUIPMENT

The Group

(in EUR)	Land held on temporary emphyteusis		Related Aerodrome Licence	Buildings		Furniture, fixtures, plant and equipment	Motor vehicles	Advance deposits	Total
Cost	Subject to operating leases - The Group as lessor	Not subject to operating leases		Subject to operating leases - The Group as lessor	Not subject to operating leases				
At 1 January 2022	17,986,515	58,567,090	10,746,985	16,669,023	63,906,516	98,293,814	1,948,104	-	268,118,047
Additions	-	-	-	3,085	8,735	10,916,110	96,988	-	11,024,918
Disposals	-	-	-	-	-	-	(13,983)	-	(13,983)
At 1 January 2023	17,986,515	58,567,090	10,746,985	16,672,108	63,915,251	109,209,924	2,031,109	-	279,128,982
Additions	-	-	-	189,096	488,666	36,049,581	40,868	7,007,303	43,775,514
At 31 December 2023	17,986,515	58,567,090	10,746,985	16,861,204	64,403,917	145,259,505	2,071,977	7,007,303	322,904,496
Accumulated depreciation									
At 1 January 2022	3,026,714	11,670,677	664,761	7,305,991	25,621,174	48,773,855	1,414,573	-	98,477,745
Provision for the year	274,416	1,084,080	221,587	417,241	1,181,383	7,239,156	168,687	-	10,586,550
Disposal Adjustments	-	-	-	-	-	-	(13,983)	-	(13,983)
At 1 January 2023	3,301,130	12,754,757	886,348	7,723,232	26,802,557	56,013,011	1,569,277	-	109,050,312
Provision for the year	268,982	1,089,514	221,587	445,402	1,151,022	8,392,666	164,926	-	11,734,099
At 31 December 2023	3,570,112	13,844,271	1,107,935	8,168,634	27,953,579	64,405,677	1,734,203	-	120,784,411
Carrying amount									
At 31 December 2022	14,685,385	45,812,333	9,860,637	8,948,876	37,112,694	53,196,913	461,832	-	170,078,670
At 31 December 2023	14,416,403	44,722,819	9,639,050	8,692,570	36,450,338	80,853,828	337,774	7,007,303	202,120,085

No depreciation is being charged on assets not yet available for use amounting to EUR 23,502,461 (2022: EUR 13,649,300).

The Company

(in EUR)	Land held on temporary emphyteusis		Related Aerodrome Licence	Buildings		Furniture, fixtures, plant and equipment	Motor vehicles	Advance deposits	Total
Cost	Subject to operating leases - The Group as lessor	Not subject to operating leases		Subject to operating leases - The Group as lessor	Not subject to operating leases				
At 1 January 2022	**26,314,185**	**50,239,420**	**10,746,985**	**15,405,770**	**55,265,295**	**89,016,571**	**1,925,749**	**-**	**248,913,975**
Additions	-	-	-	2,553	9,266	11,162,992	96,991	-	11,271,802
Disposals	-	-	-	-	-	-	(13,983)	-	(13,983)
At 1 January 2023	**26,314,185**	**50,239,420**	**10,746,985**	**15,408,323**	**55,274,561**	**100,179,563**	**2,008,757**	**-**	**260,171,794**
Additions	-	-	-	163,415	500,875	36,012,276	40,864	7,007,303	43,724,733
At 31 December 2023	**26,314,185**	**50,239,420**	**10,746,985**	**15,571,738**	**55,775,436**	**136,191,839**	**2,049,621**	**7,007,303**	**303,896,527**
Accumulated depreciation									
At 1 January 2022	**4,735,745**	**9,961,647**	**664,761**	**7,118,672**	**25,560,799**	**46,921,843**	**1,392,220**	**-**	**96,355,687**
Provision for the year	465,964	892,532	221,587	299,717	1,087,863	6,462,235	168,688	-	9,598,586
Disposal Adjustments	-	-	-	-	-	-	(13,983)	-	(13,983)
At 1 January 2023	**5,201,709**	**10,854,179**	**886,348**	**7,418,389**	**26,648,662**	**53,384,078**	**1,546,925**	**-**	**105,940,290**
Provision for the year	460,528	897,962	221,587	340,581	1,043,893	7,561,420	164,932	-	10,690,903
At 31 December 2023	**5,662,237**	**11,752,141**	**1,107,935**	**7,758,970**	**27,692,555**	**60,945,498**	**1,711,857**	**-**	**116,631,193**
Carrying amount									
At 31 December 2022	**21,112,476**	**39,385,241**	**9,860,637**	**7,989,934**	**28,625,899**	**46,795,485**	**461,832**	**-**	**154,231,504**
At 31 December 2023	**20,651,948**	**38,487,279**	**9,639,050**	**7,812,768**	**28,082,881**	**75,246,341**	**337,764**	**7,007,303**	**187,265,334**

15. PROPERTY, PLANT AND EQUIPMENT (CONTINUED)

In addition, the cost of fully depreciated plant and equipment amounts to EUR 26,953,507 (2022: EUR 21,015,919) for both the Group and the Company.

Included in the additions for the reporting period is an amount of capitalised lease interest of EUR 12,508 (2022: EUR 50,913).

The Group's assets under construction as at 31 December 2023 amounted to EUR 23,502,461 (2022: EUR 13,649,300) and includes EUR 22,775,550 (2022: EUR 13,484,524) of furniture, fixtures, plant & equipment and EUR 726,911 (2022: EUR 81,132) of buildings. No depreciation is being charged on these assets. The Group has no motor vehicles forming part of the assets under construction (2022: 83,644).

The Company's assets under construction as at 31 December 2023 amounted to EUR 20,670,655 (2022: EUR 12,358,067) and includes EUR 19,943,744 (2022: EUR 12,193,291) of furniture, fixtures, plant & equipment and EUR 726,911 (2022: EUR 81,132) of buildings. No depreciation is being charged on these assets. The Company has no motor vehicles forming part of the assets under construction (2022: 83,644).

Included under advance deposits are amounts in relation to Apron X, HVAC upgrade and new baggage reclaim belts. Details of right-of-use assets presented under property, plant and equipment are provided in note 34.

As at 31 December 2023, management has assessed and is of the opinion that no triggering event has occurred in accordance with IAS 36.

16. INVESTMENT PROPERTY

The investment property relates to the business centre, which is located on a portion of the land held on temporary emphyteusis. The carrying amount of the property includes the cost of construction and the cost of items that are an integral part of the building. The carrying amount also includes the portion of the right-of-use asset in relation to the temporary emphyteusis of the leasehold land classified as investment property, as further disclosed in note 34.

(in EUR)	The Group	The Company
Cost		
At 1 January 2022	**22,716,180**	**341,460**
Additions from subsequent expenditure	1,401,785	-
At 1 January 2023	**24,117,965**	**341,460**
Additions from subsequent expenditure	487,313	-
At 31 December 2023	**24,605,278**	**341,460**
Accumulated depreciation		
At 1 January 2022	**7,418,295**	**20,907**
Provision for the year	824,454	6,969
At 1 January 2023	**8,242,749**	**27,876**
Provision for the year	833,403	6,969
At 31 December 2023	**9,076,152**	**34,845**
Carrying amount		
At 31 December 2022	**15,875,216**	**313,584**
At 31 December 2023	**15,529,126**	**306,615**

The Company's investment property comprises the portion of the right-of-use asset in relation to the temporary emphyteusis of the leasehold land classified as investment property with a carrying amount of EUR 313,584 at 1 January 2023 (2022: EUR 320,553), less depreciation charge for the year of EUR 6,969 (2022: EUR 6,969), resulting in the carrying amount of EUR 306,615 at 31 December 2023 (2022: EUR 313,584).

During the year, direct operating expenses of EUR 1,351,065 (2022: EUR 951,693), which arose from the investment property, were incurred. Such expenses were incurred in generating rental income during the year.

The operating lease income generated from the investment property is disclosed under note 34.

16. INVESTMENT PROPERTY (CONTINUED)

Fair Value

Based on an internal valuation carried out by the directors of the Company, the fair value of the Group's investment property was in the region of EUR 32 million at the balance sheet date (2022: EUR 31 million).

The fair value measurement is categorised within Level 3 of the fair value hierarchy. The model is based on the present value of the net cash flows expected to be generated by the property on the basis of market expectations and includes the rates stipulated in the existing contracts with tenants, expected increase in rents after the non-cancellable period, occupancy rates and all other costs attributable to these assets. The expected net cash flows are discounted using a discount factor representing a weighted average cost of capital that is considered appropriate in the circumstances. The net cash flows reflect the amounts in the 2024 budget and long-term corporate planning.

In estimating fair value, the highest and best use of the property is its current use.

17. INVESTMENT IN SUBSIDIARIES

The Company's investment in subsidiaries is stated at cost and comprises:

	The Company	
Share Capital (in EUR)	**2023**	**2022**
Airport Parking Limited	1,200	1,200
Sky Parks Development Limited	2,001,200	2,001,200
Sky Parks Business Centre Limited	1,200	1,200
Kirkop PV Farm Limited	1,200	1,200
Investment in subsidiaries	**2,004,800**	**2,004,800**

The Company holds a 100% (2022: 100%) ownership in the ordinary share capital of Airport Parking Limited, a limited liability company incorporated in Malta, whose principal activity is the operation of car parks within the limits of the airport.

The Company holds a 100% (2022: 100%) ownership in the ordinary share capital of Sky Parks Development Limited, a limited company incorporated in Malta, whose principal activity is to manage real estate projects within the land which is currently under the management of the Group.

The Company holds a 100% (2022: 100%) ownership in the ordinary share capital of Sky Parks Business Centre Limited, a limited liability company incorporated in Malta, whose principal activity is to operate the Business Centre within the limits of the airport.

The Company holds a 100% (2022: 100%) ownership in the ordinary share capital of Kirkop PV Farm Limited, a limited liability company incorporated in Malta. The principal activity of this company is to explore opportunities in the generation of electricity using photovoltaic technologies.

The principal place of business of the company's subsidiaries is Malta. The registered offices for these subsidiaries are as follows:

Airport Parking Ltd	Level 2 Malta International Airport Head Office Malta International Airport Luqa LQA 4000
Sky Parks Development Ltd	Malta International Airport Head Office Malta International Airport Luqa LQA 4000
Sky Parks Business Centre Ltd	Malta International Airport Head Office Malta International Airport Luqa LQA 4000
Kirkop PV Farm Limited	Malta International Airport Head Office Malta International Airport Luqa LQA 4000

17. INVESTMENT IN SUBSIDIARIES (CONTINUED)

The following table shows financial information for the consolidated subsidiaries:

Airport Parking Ltd (in EUR)	2023	2022
(Loss)/Profit for the year	**(166,444)**	27,670
Share Capital	**1,200**	1,200
Retained earnings	**1,448,751**	1,615,195
Total Equity	**1,449,951**	1,616,395

Sky Parks Development Ltd (in EUR)	2023	2022
Profit for the year	**334,692**	517,545
Share Capital	**2,001,200**	2,001,200
Accumulated Losses	**(858,860)**	(1,193,552)
Total Equity	**1,142,340**	807,648

Sky Parks Business Centre Ltd (in EUR)	2023	2022
Profit for the year	**32,524**	120,647
Share Capital	**1,200**	1,200
Retained earnings	**1,682,245**	1,649,721
Total Equity	**1,683,445**	1,650,921

18. LOANS RECEIVABLE

The Company (in EUR)	Loans to subsidiary
Amortised cost	
At 31 December 2023	**24,680,261**
Less: Amount expected to be settled within 12 months (shown under current assets)	(1,937,663)
Amount expected to be settled after 12 months	**22,742,598**

The Company (in EUR)	Loans to subsidiary
Amortised cost	
At 31 December 2022	27,824,038
Less: Amount expected to be settled within 12 months (shown under current assets)	(1,290,720)
Amount expected to be settled after 12 months	26,533,318

The Company has granted four unsecured loans to subsidiaries. One of these loans was granted in 2019 and represents a loan commitment of EUR 20 million, which was partly drawn down during the prior years (EUR 14.2 million). The interest rates of all loans are at arm's length and comprise a margin which is over and above the EURIBOR.

Two loans with a total amount outstanding as at the end of the reporting period of EUR 8.4 million (2022: EUR 9.0 million) are being repaid on equal annual instalments until 2029. Payments amounting to EUR 2.5 million were made during the year against the loan of EUR 14.2 million, which shall be repaid in full by the year 2044. Repayments of the fourth loan with an amount outstanding of EUR 4.6 million (2022: EUR 4.6 million) will commence in 2030.

18. LOANS RECEIVABLE (CONTINUED)

The following table shows a reconciliation from the opening to the closing balances for the loans to the subsidiaries:

The Company (in EUR)	Loans to subsidiary
Carrying amount	
At 31 December 2021	**29,114,758**
Additions	-
Repayments	(1,290,720)
At 31 December 2022	**27,824,038**
Repayments	(3,143,777)
At 31 December 2023	**24,680,261**

Details on the Company's exposure to credit risk, the risk management policy and the expected credit losses on the loans receivable are provided in note 38.

19. DEFERRED TAXATION

The Group (in EUR)	31.12.2021	Movement for the year	31.12.2022	Movement for the year	31.12.2023
	Assets / (Liabilities)		*Assets / (Liabilities)*		*Assets / (Liabilities)*
Arising on:		***Recognized in Total Comprehensive Income:***			
Accelerated tax depreciation	(3,174,701)	25,596	(3,149,105)	(239,411)	**(3,388,516)**
Provision for pension costs	1,312,591	(338,843)	973,748	(58,939)	**914,809**
Deferred income	1,492,384	(73,068)	1,419,316	(73,068)	**1,346,248**
Unabsorbed capital allowances	2,343,472	(592,816)	1,750,656	(98,060)	**1,652,596**
Lease income adjustment	(672,858)	(110,937)	(783,795)	(67,657)	**(851,452)**
Right-of-Use assets	(14,977,920)	333,462	(14,644,458)	329,134	**(14,315,324)**
Lease liabilities	18,775,421	139,451	18,914,872	116,093	**19,030,965**
Future deductions of refinancing costs	636,101	(82,077)	554,024	(82,077)	**471,947**
Other temporary differences	380,035	(1,358)	378,677	100,579	**479,256**
Subtotal	6,114,525	(700,590)	5,413,935	(73,406)	**5,340,529**
Arising on:		***Other movements:***			
Provision for pension costs	206,204	-	206,204	-	**206,204**
Subtotal	206,204	-	206,204	-	**206,204**
Total	**6,320,729**	**(700,590)**	**5,620,139**	**(73,406)**	**5,546,733**

19. DEFERRED TAXATION (CONTINUED)

The Company (in EUR)	**31.12.2021**	Movement for the year	**31.12.2022**	Movement for the year	**31.12.2023**
	Assets / (Liabilities)		*Assets / (Liabilities)*		*Assets / (Liabilities)*
Arising on:	***Recognized in Total Comprehensive Income:***				
Accelerated tax depreciation	(931,456)	(106,051)	(1,037,507)	(380,235)	**(1,417,742)**
Provision for pension costs	1,312,591	(338,843)	973,748	(58,939)	**914,809**
Deferred income	1,492,384	(73,068)	1,419,316	(73,068)	**1,346,248**
Lease income adjustment	(610,277)	(102,351)	(712,628)	7,323	**(705,305)**
Right-of-Use assets	(14,973,593)	329,135	(14,644,458)	329,134	**(14,315,324)**
Lease liabilities	18,775,421	139,451	18,914,872	116,093	**19,030,965**
Other temporary differences	323,489	(47,520)	275,969	10,239	**286,208**
Subtotal	5,388,559	(199,247)	5,189,312	(49,453)	**5,139,859**
Arising on:	***Other movements:***				
Provision for pension costs	206,204	-	206,204	-	**206,204**
Subtotal	206,204	-	206,204	-	**206,204**
Total	**5,594,763**	**(199,247)**	**5,395,516**	**(49,453)**	**5,346,063**

Included in Total Comprehensive Income is an amount of EUR 12,865 deferred tax debit (2022: EUR 125,697 deferred tax credit) recorded in Other Comprehensive Income during the year for both the Group and the Company in connection with the provision for pension costs.

Deferred tax assets are recognized to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. The amount of deferred tax assets that can be recognized is based upon the likely timing and level of future taxable profits together with future tax-planning strategies.

20. INVENTORIES

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Consumables	**1,280,119**	1,162,402	**1,280,119**	1,162,402

The cost of inventories recognized as an expense during the year was of EUR 1,464,791 (2022: EUR 748,133).

21. TRADE AND OTHER RECEIVABLES

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Short-term receivables				
Trade receivables	**13,514,621**	10,221,210	**11,540,047**	9,457,594
Receivables from other related parties	**7,608,010**	8,656,393	**7,210,826**	8,318,209
Receivables from subsidiaries	**-**	-	**4,871,962**	5,193,271
Other receivables	**3,053,338**	613,491	**2,783,989**	325,399
Prepayments	**3,681,421**	2,215,818	**3,452,400**	1,873,009
	27,857,390	**21,706,912**	**29,859,224**	**25,167,482**
Long-term receivables				
Other receivables	**1,900,124**	1,992,558	**1,974,970**	1,977,871
Total receivables	**29,757,514**	**23,699,470**	**31,834,194**	**27,145,353**

21. TRADE AND OTHER RECEIVABLES (CONTINUED)

The terms and conditions of the receivables from subsidiaries and related parties are disclosed in Note 33. Trade receivables are non-interest bearing and are generally on 30-day terms.

The receivables from other related parties of the Group and the Company of EUR 7,608,010 (2022: EUR 8,656,393) and EUR 8,210,826 (2022: EUR 8,318,209), respectively, are made up entirely from balances owed from entities under government control. Receivables from other related parties are non-interest bearing and are generally on 30-to-90-day terms.

Impairment of Trade Receivables

For details on the accounting policies with respect to trade receivables and impairment of trade receivables, refer to Note 41.

The movement in the credit loss allowance in respect of trade receivables during the year for the Group and the Company was as follows:

	Loss Allowance		
The Group (in EUR)	**Individual Assessment**	**Collective Assessment**	**Total**
At 1 January 2022	299,591	592,475	892,066
Credit loss allowances	35,536	86,102	121,638
At 31 December 2022	**335,127**	**678,577**	**1,013,704**
Credit loss allowances	15,808	346,473	362,281
Reversal of impairment loss	(335,580)	–	(335,580)
At 31 December 2023	**15,355**	**1,025,050**	**1,040,405**

The Company (in EUR)	**Individual Assessment**	**Collective Assessment**	**Total**
At 1 January 2022	252,473	445,814	698,287
Credit loss allowances	61,727	27,997	89,724
At 31 December 2022	**314,200**	**473,811**	**788,011**
Credit loss allowances	6,732	337,175	343,907
Reversal of impairment loss	(314,651)	–	(314,651)
At 31 December 2023	**6,281**	**810,986**	**817,267**

The Group

LT-ECL (in EUR)	Collective (not credit-impaired)	Collective (credit-impaired, but not POCI)	Individual (credit-impaired, but not POCI)	Total
Balance as at 1 January 2022	420,736	171,737	299,591	892,064
Addition	60,322	25,782	35,536	121,640
Balance as at 31 December 2022	**481,058**	**197,519**	**335,127**	**1,013,704**
Addition	229,879	116,594	15,808	362,281
Reversal	-	-	(335,580)	(335,580)
Balance as at 31 December 2023	**710,937**	**314,113**	**15,355**	**1,040,405**

The Company

LT-ECL (in EUR)	Collective (not credit-impaired)	Collective (credit-impaired, but not POCI)	Individual (credit-impaired, but not POCI)	Total
Balance as at 1 January 2022	317,162	128,650	252,473	698,285
Addition	87,516	(59,517)	61,727	89,726
Balance as at 31 December 2022	**404,678**	**69,133**	**314,200**	**788,011**
Addition	149,889	187,286	6,732	343,907
Reversal	-	-	(314,651)	(314,651)
Balance as at 31 December 2023	**554,567**	**256,419**	**6,281**	**817,267**

The Group and the Company do not hold any collateral over the past due but not impaired balances. These trade receivables are substantially companies with good track records with the Group.

Details on the Group's risk management policies in relation to credit risk are provided in Note 38.

22. TRADE AND OTHER PAYABLES

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Short-term payables				
Trade payables	**5,825,200**	4,133,140	**5,610,635**	3,932,785
Other payables	**521,995**	376,517	**348,193**	275,263
Payables due to other related party	**641,641**	3,031,086	**641,641**	3,031,086
Payables due to subsidiaries	**-**	-	**66,375**	66,375
Deferred income related to subsidiaries	**-**	-	**81,445**	-
Contract liabilities	**539,334**	367,649	**539,334**	367,649
Deferred income & related payables	**3,233,118**	2,726,224	**2,017,388**	2,211,289
Other Deferred income	**323,898**	323,888	**323,898**	323,888
Accruals	**44,718,778**	37,420,595	**44,083,899**	37,112,477
	55,803,964	**48,379,099**	**53,712,808**	**47,320,812**
Long-term payables				
Other payables	**1,957,908**	1,184,025	**1,770,277**	996,394
Total Payables	**57,761,872**	**49,563,124**	**55,483,085**	**48,317,206**

Contract liabilities represent prepayments from contracts with customers in relation to VIP services. The balance as at 31 December 2022 of EUR 367,649 was fully recognized as revenue during the reporting period, and the balance as at 31 December 2021 of EUR 165,384 was fully recognized as revenue during the comparative period.

Accruals at the end of the year, amounting to EUR 22.1 million (2022: EUR 16.4 million), are in respect to related parties.

Terms and conditions of the above financial liabilities:

- Trade payables are non-interest bearing and are normally settled on 30-day terms.
- Other payables are non-interest bearing and have an average term of three months.
- The terms and conditions of the payables due to the related party and the subsidiaries are disclosed in Note 33.
- Long-term other payables are non-interest bearing and are expected to be settled in between one and five years.

All the above amounts are unsecured.

23. OTHER DEFERRED INCOME

The Group (in EUR)	2022	Movement for the year Amortisation	2023
Deferred income arising on the sale of terminal buildings upon privatisation	5,495,519	(283,603)	**5,211,916**
European Commission grant	201,295	(40,255)	**161,040**
Total deferred income as at 31 December	**5,696,814**	**(323,858)**	**5,372,956**
Less amounts included in trade and other payables	(323,888)		**(323,898)**
Amounts included in non-current liabilities	**5,372,926**		**5,049,058**

The Group (in EUR)	2021	Movement for the year Amortisation	2022
Deferred income arising on the sale of terminal buildings upon privatisation	5,779,122	(283,603)	5,495,519
European Commission grant	241,550	(40,255)	201,295
Total deferred income as at 31 December	**6,020,672**	**(323,858)**	**5,696,814**
Less amounts included in trade and other payables	(323,878)		(323,888)
Amounts included in non-current liabilities	**5,696,794**		**5,372,926**

23. OTHER DEFERRED INCOME (CONTINUED)

The Company (in EUR)	2022	Movement for the year Amortisation	2023
Deferred income arising on the sale of terminal buildings upon privatisation	5,495,519	(283,603)	**5,211,916**
European Commission grant	201,295	(40,255)	**161,040**
Total deferred income as at 31 December	**5,696,814**	**(323,858)**	**5,372,956**
Less amounts included in trade and other payables	(323,888)		**(323,898)**
Amounts included in non-current liabilities	**5,372,926**		**5,049,058**

The Company (in EUR)	2021	Movement for the year Amortisation	2022
Deferred income arising on the sale of terminal buildings upon privatisation	5,779,122	(283,603)	5,495,519
European Commission grant	241,550	(40,255)	201,295
Total deferred income as at 31 December	**6,020,672**	**(323,858)**	**5,696,814**
Less amounts included in trade and other payables	(323,878)		(323,888)
Amounts included in non-current liabilities	**5,696,794**		**5,372,926**

The deferred income arising on the sale of terminal buildings that took place on the date of the privatisation of the Company in 2002 is being taken to income in accordance with the accounting policy stated in Note 41.

The European Commission grant is composed of grants related to assets and which were received in 2006 and 2011 in respect of the upgrading of the taxiways project.

24. EMPLOYEE BENEFIT OBLIGATIONS

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Non-current provision	**2,890,265**	2,964,300	**2,890,265**	2,964,300

The provision at year end represents the estimated amounts that are to be reimbursed by the Company to the Government of Malta. The provision for retirement benefits is unfunded and represents the Company's and the Group's share of the year-end provision in accordance with the Pensions Ordinance (Cap 93) for obligations relating to pensions of employees who joined the public service before 15 January 1979 and were transferred to the Company.

The provision has been computed in accordance with the accounting policy stated in Note 41 and represents the Company's and the Group's obligation (i) discounted to the net present value at the rate which has been determined by reference to market yields at the end of the reporting period on high-quality corporate bonds in Euros (ii) after considering the average life expectancy of such employees based on the latest publicly available mortality tables and (iii) where applicable, expected rates of salary increases based on the inflation and previous increases given to employees and (iv) the Company's expectations, based on historic data, of the payment options that will be selected by the plan members, being either an annual benefit per employee or a lump sum payment plus a reduced annual benefit per employee until death, capped in accordance with statutory requirements.

The movement in the provision for retirement benefit plan may be analysed as follows:

The Group & The Company (in EUR)	2023	2022
Present value of the provision for retirement benefits at 1 January	**2,964,300**	3,954,173
Payments effected	**(200,760)**	(692,005)
Recognized in Staff costs		
Charge for the year	**93,510**	36,419
thereof Service costs	90,406	35,071
thereof Interest costs	3,104	1,348
Recognized in Other Comprehensive Income		
Actuarial gains resulting from changes in financial assumptions, gross of deferred tax	**33,215**	(334,287)
Present value of the provision for retirement benefits at 31 December	**2,890,265**	**2,964,300**

24. EMPLOYEE BENEFIT OBLIGATIONS (CONTINUED)

The year-end obligation of EUR 2,890,265 (2022: EUR 2,964,300) is fully in relation to retired employees.

The plan exposes the Group and the Company to such risks as (i) interest risk, since a decrease in market yields will increase the plan liability; (ii) longevity risk, since an increase in the life expectancy of the plan participants will increase the plan liability; and (iii) salary risk, since an increase in the salary of the plan participants will increase the plan liability.

The significant actuarial assumptions used to determine the present value of the retirement benefit plan were as follows:

	2023	2022
Discount rate(s)	**3.32%**	3.70%
Mortality rate(s) in years		
- Males	**79**	79
- Females	**83**	83

The sensitivity analyses below are in connection with each significant actuarial assumption and are prepared as of the end of the reporting period, showing how the defined benefit obligation would have been affected by hypothetical changes in the relevant actuarial assumption that were reasonably possible at that date while holding all other assumptions constant.

The sensitivity analyses presented below are for illustrative purposes only and may not be representative of the actual change in the defined benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated. In presenting the sensitivity analyses, the present value of the obligation has been calculated using the projected unit credit method at the end of the reporting period. The amounts generated from the sensitivity analyses represent forward-looking estimates, and hence, actual results in the future may differ materially from those projected results.

- If the discount rate is 25 basis points higher (lower) with all other assumptions held constant, the defined benefit obligation decreases by EUR 21,975 (increases by EUR 22,457) (2022: decreases by EUR 24,835 (increases by EUR 25,403)).
- If the life expectancy increases (decreases) by one year for both men and women with all other assumptions held constant, the defined benefit obligation increases by EUR 176,970 (decreases by EUR 179,644) (2022: increases by EUR 150,250 (decreases by EUR 159,732)).

The weighted average duration of the defined benefit obligation at 31 December 2023 is 7 years (2022: 8 years) in relation to retired employees.

25. PROVISION FOR THE MIA BENEFIT PLAN

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Non-current provision	**264,827**	359,188	**264,827**	359,188

The provision for the MIA benefit plan is unfunded and represents the year-end provision for obligations relating to payments to employees after their retirement as per the Company's Collective Agreement. The provision has been computed in accordance with the accounting policy stated in Note 41 and represents the Company's possible obligation discounted to the net present value at the rate which has been determined by reference to market yields at the end of the reporting period on high-quality corporate bonds in Euros after considering the probability that employees reach the applicable retirement age when they are still in employment with the Company.

The movement in the provision for retirement pension plan may be analysed as follows:

The Group & The Company (in EUR)	2023	2022
Present value of the provision for MIA Benefit Plan at 1 January	**359,188**	337,437
Payments effected	**(4,200)**	-
Recognized in Staff costs		
Charge for the year	**(93,703)**	46,597
Recognized in Other Comprehensive Income		
Actuarial gains resulting from changes in financial assumptions, gross of deferred tax	**3,542**	(24,846)
Present value of the provision for MIA Benefit Plan at 31 December	**264,827**	**359,188**

26. SHARE CAPITAL

The Company (in EUR)	Authorised	Issued and called up
	As at 31.12.2023 and 31.12.2022	
111,809,746 "A" ordinary shares of EUR 0.25 each (81,179,990 of which have been issued, called up and fully paid)	27,952,436	20,294,997
74,539,840 "B" ordinary shares of EUR 0.25 each (54,120,000 of which have been issued, called up and fully paid)	18,634,960	13,530,000
14 "C" ordinary shares of EUR 0.25 each (10 of which have been issued, called up and fully paid)	4	3
	46,587,400	**33,825,000**

The Ordinary 'A' and 'B' shares have the same rights, benefits, powers in the Company and are freely transferable. Ordinary 'C' shares carry no voting rights and do not receive dividends.

Shareholders owning 5% or more of the Company's equity share capital at 31 December 2023 were:

Shareholder	Share	Type
Malta Mediterranean Link Consortium Ltd *	**40.0%**	'B' shares
Government of Malta	**20.0%**	'A' and 'C' shares
VIE (Malta) Limited	**10.1%**	'A' shares

* of which VIE (Malta) Limited constitutes 95.85%

The number of shareholders developed as follows:

Number of Shareholders	24.01.2024	15.09.2023	Change
1-500 shares	608	599	9
501-1,000 shares	886	861	25
1,001-5,000 shares	3,547	3,575	(28)
5,001 and over	1,409	1,429	(20)
	6,450	**6,464**	**(14)**

27. SHORT-TERM TREASURY BILLS

Treasury bills amounting to EUR 15 million were bought during the reporting period. EUR 5 million will mature after 182 days, and the other EUR 10 million will mature after 273 days.

28. TERM DEPOSITS

During the reporting period, the Company increased its fixed-term deposits by EUR 17.5 million. The accounts have a maturity date of between 3 months and one year and carry a fixed interest rate.

29. CASH AND CASH EQUIVALENTS

Cash and cash equivalents shown in the statements of cash flow comprise the following amounts presented in the Statements of Financial Position:

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Cash at bank	**24,674,829**	24,420,042	**21,759,733**	19,421,903

30. EARNINGS PER SHARE

Earnings per ordinary share attributable to the owners of the parent have been calculated by dividing the Group's net profit for the year after taxation attributable to the ordinary equity holders of the Group by the weighted average number of ordinary shares in issue during the year.

	The Group	
	2023	2022
Profit for the year attributable to ordinary equity holders of the Group (in EUR)	**40,303,853**	38,866,311
Weighted average number of A and B shares	**135,299,990**	135,299,990
Earnings per share attributable to ordinary equity holders of the Group (in EUR)	**0.298**	0.287

There is no difference between the basic and diluted earnings per share as the Company has no potential dilutive ordinary shares.

31. CAPITAL COMMITMENTS

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Property, plant and equipment:				
Contracted but not provided for	**44,744,911**	34,085,719	**44,744,911**	34,085,719
Authorised but not contracted for	**32,385,635**	25,862,131	**32,285,635**	25,777,131
Investment property:				
Contracted but not provided for	**85,314,509**	-	**-**	-
Authorised but not contracted for	**150,000**	8,623,513	**-**	-

In the current reporting period, no PPE was contracted but not provided for (2022: EUR 346,997), whereas the amount of PPE authorised but not contracted for, which will be leased out, amounts to EUR 12,474,000 (2022: EUR 9,457,717).

Further to the capital commitments disclosed above, the Group has discussed plans covering a six-year period which amount to a combined spend of around EUR 250 million, starting from the reporting period. The EUR 250 million includes the capital commitments disclosed in the table above, and further tranches of commitments will be authorised by the Board in the coming years in a piece-meal manner.

32. CONTINGENT LIABILITIES

At reporting date, there existed the following contingent liabilities:

(i) claims filed by former employees of the Company for unfair dismissal and wrong application of disciplinary procedures, the amount of which has not been determined;

(ii) A judicial protest first lodged by the Government of Malta in 2008 relating to reimbursement of specified expenses and which were last estimated by the Government to amount to approximately EUR 7.5 million as at 31 December 2022. The amount is expected to be updated by the Government of Malta in line with prior year increases.

In the directors' opinion, all the above contingent liabilities are unfounded.

33. RELATED PARTY DISCLOSURES

During the course of the year, the Group and the Company entered into transactions with related parties as set out below. Transactions between the Company and its subsidiaries have been eliminated on consolidation.

The related party transactions in question were:

The Group (in EUR)	2023 Related party activity	2023 Total Activity	2023 %	2022 Related party activity	2022 Total Activity	2022 %
Revenue						
Related party transaction with:						
Entities controlled by Government *	21,159,142			15,502,538		
	21,159,142	**120,247,948**	**18**	**15,502,538**	**88,016,852**	**18**
Other operating costs						
Related party transaction with:						
Entities controlled by Government *	4,033,744			4,023,668		
Key management personnel of the Group	742,704			651,208		
Entities that control the Company's parent	345,023			200,846		
	5,121,471	**30,670,557**	**17**	**4,875,722**	**22,925,386**	**21**

The Company (in EUR)	2023 Related party activity	2023 Total Activity	2023 %	2022 Related party activity	2022 Total Activity	2022 %
Revenue						
Related party transaction with:						
Entities controlled by Government *	21,015,661			15,334,027		
Subsidiaries	3,443,903			2,642,142		
Entities that control the Company's parent	-			-		
	24,459,564	**115,378,805**	**21**	**17,976,169**	**83,644,230**	**21**
Other operating costs						
Related party transaction with:						
Entities controlled by Government *	4,033,744			4,023,668		
Key management personnel of the Company	742,704			651,208		
Subsidiaries	225,000			225,000		
Entities that control the Company's parent	345,023			200,846		
	5,346,471	**29,757,301**	**18**	**5,100,722**	**22,441,167**	**23**

* This balance is exclusive of material contracts shown in Note 35.

33. RELATED PARTY DISCLOSURES (CONTINUED)

The Company has earned interest income amounting to EUR 1,433,469 (2022: EUR 753,582) on the loans granted to subsidiaries (see Note 18).

The amounts due to/from related parties are disclosed in Notes 18, 21 and 22. The terms and conditions do not specify the nature of the consideration to be provided in settlement. No guarantees have been given or received. These amounts were unsecured and, except as specified in Note 18, are interest-free.

In addition to the above, the details of the material contracts entered into by the Company in the year ended 31 December 2023 with its substantial shareholders and their related parties are disclosed in Note 35.

Lease liabilities presented in the Statement of Financial Position within non-current liabilities and recognized on 1 January 2019 in terms of IFRS 16 include the Group's obligation in relation to the right to use the land and the buildings held on temporary emphyteuses. Annual ground rents are payable to Malita Investments p.l.c. (previously to the Government of Malta) and the corresponding licence payable to the Government of Malta, as further disclosed in Note 34.

34. LEASE ARRANGEMENTS

The Group and the Company as lessee

The Group and the Company recognized right-of-use assets within Property, Plant and Equipment and Investment Property.

Right-of-use assets are primarily in relation to the temporary emphyteusis of the leasehold land and buildings with ground rents payable by the Group to Malita Investments p.l.c. (previously to the Government of Malta) and further payments for the related aerodrome licence fee payable to the Government of Malta. The lease payments on the temporary emphyteusis are adjusted upwards periodically by a specified rate. The payments for the related aerodrome licence fee are subject to revisions in terms of the Airport Economic Regulations and are directly linked to revisions in airport charges. There are no residual value guarantees in this respect. The lessor has a special privilege in relation to the obligations emanating from the temporary emphyteuses and a general hypothec over all the property of the Company, present and future. The Group is entitled to enjoy and make full use of the emphyteutical site as provided in the contractual arrangement, with the terminal building to be used only as an airport passenger terminal; the terminal land to be used for the purposes necessary for, ancillary to and/or related with the operation of an international airport; and the aerodrome sites to be used for such commercial, industrial or administrative purposes as the Company may consider appropriate, provided that such activities are related or ancillary to the aviation industry or are designed to provide facilities and services which are complimentary to the operation of the terminal site and all the activities therein carried out.

The lease terms under IFRS 16 for the temporary emphyteuses and the related aerodrome licence do not involve significant judgment as there are no extension, termination or purchase options from the perspective of the Group beyond the non-cancellable and enforceable period, with clauses for remote contingencies that are customary for the type of lease in place. The lease terms range from 58 years to 65 years, which are governed under a concession which was granted by the Government and which commenced in 2002 and ends in 2067 with a smaller lease being granted for the period 2010 to 2067.

For leases of low-value assets, which relate to the multi-function printers situated in the administration offices, the Company has applied the optional recognition exemptions to not recognise right-of-use assets as at the date of initial application of the standard. This expense is presented in Note 9.

The movements during the current year and the comparative year in relation to right-of-use assets classified as property, plant and equipment are disclosed below:

The Group & The Company (in EUR)	Carrying amount 1 Jan 2023	Depreciation charge for the year	Carrying amount 31 Dec 2023
Land held on temporary emphyteusis	60,503,471	(1,358,496)	59,144,975
Related aerodrome licence	9,860,637	(221,587)	9,639,050
Buildings	20,875,723	(1,074,702)	19,801,021
Total right-of-use assets classified as property, plant and equipment	**91,239,831**	**(2,654,785)**	**88,585,046**

The Group & The Company (in EUR)	Carrying amount 1 Jan 2022	Depreciation charge for the year	Carrying amount 31 Dec 2022
Land held on temporary emphyteusis	61,861,967	(1,358,496)	60,503,471
Related aerodrome licence	10,082,224	(221,587)	9,860,637
Buildings	21,950,425	(1,074,702)	20,875,723
Total right-of-use assets classified as property, plant and equipment	**93,894,616**	**(2,654,785)**	**91,239,831**

34. LEASE ARRANGEMENTS (CONTINUED)

The movements during the current year and the comparative year in relation to lease liabilities are disclosed below:

The Group & The Company (in EUR)	Carrying amount 1 Jan 2023	Cash Outflows	Lease Interest Expense	Carrying amount 31 Dec 2023
Lease Liability	54,042,492	(1,812,688)	2,144,381	**54,374,185**

The Group & The Company (in EUR)	Carrying amount 1 Jan 2022	Cash Outflows	Lease Interest Expense	Carrying amount 31 Dec 2022
Lease Liability	53,644,066	(1,732,798)	2,131,224	54,042,492

Expenses relating to low-value assets for which the recognition exemption is applied are presented in Note 9.

Lease liabilities are classified as non-current in the Statement of Financial Position to the extent that over the next 12 months interest will exceed the contractual cash payments.

The Group classifies all interest payments in relation to the lease liability within its operating cash flows in the Statement of Cash Flows to the extent that interest during the period exceeds the contractual cash payments.

The Group and the Company as lessor

The table below represents the lease income under operating leases recognized as income for the year:

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Lease income under operating leases recognized as income for the year	**7,006,490**	6,884,105	**3,457,313**	3,471,474
Lease income under operating leases relating to variable lease payments that do not depend on an index or a rate	**20,666,475**	15,131,920	**20,964,531**	15,410,116
Total lease income	**27,672,965**	**22,016,025**	**24,421,844**	**18,881,590**

Below is the 'Minimum Lease Payment Receivables' table showing the amounts to be received from next year onwards:

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Year 1	**16,491,844**	15,554,275	**12,558,868**	12,050,326
Year 2	**15,405,328**	14,969,255	**12,811,036**	12,072,116
Year 3	**11,242,772**	14,238,023	**10,437,009**	12,328,279
Year 4	**2,831,460**	10,695,854	**2,088,507**	10,578,309
Year 5	**1,995,761**	2,778,301	**1,771,307**	2,234,046
Year 6 and onwards	**16,016,735**	17,772,628	**17,337,327**	19,108,634
	63,983,900	**76,008,336**	**57,004,054**	**68,371,710**

34. LEASE ARRANGEMENTS (CONTINUED)

Operating lease income receivable by the Group includes income from leases of portions of land held on temporary emphyteuses and classified as property, plant and equipment. The term of the principal non-cancellable lease arrangements ranges between 3 months and 26 years, and the lease receivables are adjusted upwards periodically by a specified rate.

Operating lease income receivable by the Group also includes the lease of the investment property built on a portion of land held on temporary emphyteuses . The term of the principal non-cancellable lease arrangements ranges between 9 months and 13 years. The leases include periodic adjustments by a specified rate and variable portions linked to the turnover of the lessees.

Operating lease income receivable by the Group also includes the lease of office and parking spaces inside the multi-storey car park built on a portion of land held on temporary emphyteuses . The term of the principal non-cancellable lease arrangements is of 20 months. The leases include periodic adjustments by a specified rate.

Operating lease income also includes income from the lease to tenants of commercial property within the building held on temporary emphyteusis. The terms of these leases range from 2 months to 26 years. The leases include periodic adjustments by a specified rate and variable portions linked to the turnover of lessees.

Operating lease income receivable by the Company also includes income from the lease to a subsidiary of certain car parks situated on portions of land held on temporary emphyteusis and classified as property, plant and equipment and income from the lease of the land on which the investment property is built, which investment property is also situated on portions of land held on temporary emphyteusis. The leases terminate in 2048 and 2034, respectively. One of the leases includes periodic adjustments by a specified rate, and the other comprises fixed annual amounts and variable portions linked to the turnover of the lessee.

Where the lease income is adjusted periodically by a specified rate, the lease income is recognized on a straight-line basis over the lease term.

The income above includes an amount of EUR 3,283,623 (2022: EUR 2,973,228) generated by the Group in relation to the business centre classified as investment property as well as an amount of EUR 75,443 (2022: EUR 75,443) generated by the Company in relation to the corresponding right-of-use assets in relation to the land on which the business centre is located. The Group and the Company generated EUR 24,389,342 and EUR 24,346,401 (2022: EUR 19,042,798 and EUR 18,806,147), respectively, from subleasing right-of-use assets that are classified as property, plant and equipment.

All operating lease contracts contain market review clauses in the event that the lessee exercises its option to renew. The lessee does not have an option to purchase the property at the expiry of the lease period. The Group manages credit risk from operating lease contracts by implementing contractual terms that ensure that rentals are payable quarterly in advance. All leases include clauses to enable upward revision of the rental charge according to prevailing market conditions or at pre-fixed rates. In addition, the Group obtains security deposits from tenants in the form of bank guarantees for the term of the lease.

35. MATERIAL CONTRACTS

The material contracts entered into by the Company in the year ended 31 December 2023 with its current substantial shareholders and their related parties are the following:

The Government of Malta

(i) The terminal and other land lease agreements with Malita Investments p.l.c. for EUR 1,316,531 (2022: EUR 1,236,821);

(ii) Licence Fee payable to the Government of Malta for the airport operation amounting EUR 496,157 (2022: EUR 496,157);

(iii) The contract for contribution to the Malta Tourism Authority for EUR 232,937 (2022: EUR 232,937); the contracts for contributions payable towards the Route Development Fund that is administered by the Malta Tourism Authority for EUR 4,000,000 (2022: EUR 5,100,000); the contracts for contributions payable towards the events for EUR 800,000 (2022: EUR 0); the contracts for contributions payable towards Cruise & Fly for EUR 400,000 (2022: EUR 0)

(iv) The contract with the Armed Forces of Malta for the security of the restricted areas at the Airport is no longer effective in the current year (2022: EUR 276,368);

(v) The provision of Air Navigation Services and other services by Malta Air Traffic Services Limited for an expense of EUR 929,611 (2022: EUR 929,611);

(vi) The provision of Meteorological Services and other services to Malta Air Traffic Services Limited for revenue of EUR 743,688 (2022: EUR 743,688);

(vii) The contract with Enemed Co. Ltd for fuel throughput charges generated the amount of EUR 426,194 (2022: EUR 370,938) in revenue;

(viii) The ground handling and concession agreements with Air Malta p.l.c. and its subsidiaries that generated income of EUR 1,029,144 (2022: EUR 1,741,466); and

(ix) The contracts with Indis Malta Ltd for the lease of land that generated income of EUR 1,105,591 (2022: EUR 1,093,000).

36. PARENT COMPANY

For the purposes of IFRS 10 Consolidated Financial Statements, it is considered that Articles 58.2 and 58.7 of the Company's Articles of Association combine so as to give Malta Mediterranean Link Consortium Limited ("MMLC"), which has its registered office at Palazzo Pietro Stiges, 60 St Christopher Street, Valletta, Malta, control over the Company. MMLC has a 40% equity interest in Malta International Airport p.l.c. (the "Company").

Effective as at 26 November 2019, MMLC's majority shareholders VIE (Malta) Limited (which has an equity interest of 57.1% in MMLC) and MMLC Holdings Malta Limited (previously SNC-Lavalin (Malta) Limited) (which has an equity interest of 38.75% in MMLC) merged, leading to VIE (Malta) Limited being MMLC's majority shareholder with an equity interest of 95.85% in MMLC.

VIE (Malta) Limited also holds an additional 10.1% equity stake in the Company.

VIE (Malta) Limited is controlled by VIE International Beteiligungsmanagement GmbH ("VINT"), which also controlled MMLC Holdings Malta Limited until the merger in November 2019. VINT does not produce consolidated financial statements. The ultimate parent of the Company is Flughafen Wien AG, whose registered office is Postfach 1, A-1300 Wien-Flughafen. Flughafen Wien AG's consolidated share in the Company amounts to 48.44%.

The financial results and financial position of the Company are included in the consolidated financial statements of Flughafen Wien AG. Copies of these consolidated financial statements may be obtained from Investor Relations department of Flughafen Wien or online.

37. FAIR VALUES OF FINANCIAL ASSETS AND FINANCIAL LIABILITIES

At 31 December 2023 and 2022, the carrying amounts of financial assets and financial liabilities classified within non-current and current assets/liabilities, respectively, comprising trade and other receivables, cash and cash equivalents, term deposits, investments in treasury bills, current loans receivable, and trade and other payables, approximated their fair values due to the short-term maturities of these assets and liabilities.

The fair values (Level 2) of non-current financial assets that are not measured at fair value and that carry a floating rate of interest, comprising of loans receivable by the Company, are not materially different from their carrying amounts because they carry an arm's length interest rate that is repriced periodically and the margin continues to be reflective of the credit risk of the borrower at the year-end (see Note 18).

38. FINANCIAL RISK MANAGEMENT

The Group's and the Company's principal financial liabilities comprise of trade payables and lease liabilities. The principal recognized financial assets of the Group and the Company are trade receivables, loans receivable, term deposits, investments in treasury bills, and cash and cash equivalents.

The carrying amount of principal financial instruments are as follows:

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Loans receivable	-	-	24,680,261	27,824,038
Trade receivables	20,907,477	13,832,817	22,575,309	16,951,056
Investments in treasury bills	14,699,519	24,789,438	14,699,519	24,789,438
Term deposit	37,000,000	19,500,000	37,000,000	19,500,000
Cash and cash equivalents	24,674,829	24,420,042	21,759,733	19,421,903
Lease liabilities	(54,374,185)	(54,042,492)	(54,374,185)	(54,042,492)
Trade and other payables	(53,660,874)	(46,140,714)	(52,597,817)	(45,409,732)

Net gains/(losses) arising from these financial instruments are classified as follows:

	The Group		The Company	
(in EUR)	2023	2022	2023	2022
Recorded in profit or loss:				
Loans receivable - interest	-	-	1,433,469	753,582
Trade and other receivables - ECL	(352,978)	(138,670)	(334,605)	(104,426)
Investments in treasury bills - interest	728,996	19,867	728,996	19,867
Term deposit – interest	752,702	50,769	752,702	50,769
Financial liabilities at amortised cost - interest	(2,172,154)	(2,080,491)	(2,172,154)	(2,080,491)

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

The main risks arising from the Group's and the Company's financial instruments are changes in interest rate, liquidity risk and credit risk, which are summarised below.

Interest Rate Risk

The Group and the Company have treasury bills, as disclosed in Note 27; term deposits, as disclosed in Note 28; and cash at bank balances, as disclosed in Note 29. The Company has also granted interest-bearing loans to its subsidiaries, as disclosed in Note 18.

The Group and the Company are exposed to cash flow interest rate risk on financial instruments carrying a floating interest rate. Management monitors the movement in interest rates and, where possible, reacts to material movements in such rates by restructuring its investing and financing structure.

The following table demonstrates the sensitivity to a reasonably possible change in interest rates, with all other variables held constant, of the Group's and Company's profit before tax. The Group and Company consider the reasonably possible changes in interest rates to be a change in 25 basis points.

		Effect on Profit before tax	
	Increase or Decrease (basis points)	**The Group** (in EUR)	**The Company** (in EUR)
2023	**+ 25**	**115,742**	**169,298**
	- 25	**(115,742)**	**(169,298)**
2022	+ 25	84,235	140,452
	- 25	(84,235)	(140,452)

The effect on profit takes into consideration both interest payable and interest receivable based on the financial instruments, as disclosed in Notes 18, 27, 28 and 29.

Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations, resulting in financial loss to the Group or the Company. Financial assets which potentially subject the Group and/or the Company to concentrations of credit risk consist principally of the following:

- Loans receivable from subsidiary undertakings
- Loan commitments to subsidiary undertakings
- Trade and other receivables
- Treasury bills
- Term deposits
- Cash and cash equivalents

Such financial assets are presented net of a loss allowance, where applicable. The maximum exposure to credit risk for recognized financial assets is the carrying amounts of each class of asset, as disclosed in Notes 18, 21, 27, 28 and 29, respectively. The maximum exposure to credit risk for the loan commitment is disclosed in Note 18.

Management considers the quality of its financial assets as being acceptable, as further detailed below.

Allowances for provision for impairment on financial assets measured at amortised cost are made in line with the accounting policies outlined in Note 41.

Trade and other receivables
Credit risk with respect to trade and other receivables is managed and assessed through the adherence to credit control procedures, which include client acceptance procedures, and is also limited through the number of customers comprising the Group's and Company's debtor base. Outstanding trade receivables are regularly monitored by management.

For trade receivables, the Group and the Company have applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL.

Where the Group has reasonable and supportable information that is available without undue cost or effort to measure LT-ECLs on an individual instrument basis, such an individual assessment is carried out. LT-ECLs on the remaining financial assets are measured on a collective basis, using a provision matrix, estimated based on historical credit loss experience based on the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions.

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Trade receivables – tested individually:

LT-ECL (credit-impaired but not POCI) (in EUR)	The Group 2023	The Group 2022	The Company 2023	The Company 2022
Internal rating grades				
Performing	–	–	–	–
In default	15,355	335,127	6,281	314,200
Gross carrying amount at 31 December	**15,355**	**335,127**	**6,281**	**314,200**
Loss allowance at 31 December	(15,355)	(335,127)	(6,281)	(314,200)
Net carrying amount at 31 December	**–**	**–**	**–**	**–**

Trade receivables – tested collectively:

The table below details the risk profile of trade receivables for which a provision matrix is applied:

The Group

31 December 2023 (in EUR)	Expected Credit Loss Rate	Gross Carrying Amount	LT-ECL	Net Carrying Amount
Current (not past due)	1.0%	10,604,958	106,050	10,498,908
30 to 90 Days	1.2%	7,944,726	95,336	7,849,390
91 to 180 Days	10.5%	2,491,161	261,572	2,229,589
181 to 270 Days	34.4%	448,185	154,176	294,009
271 to 360 Days	72.5%	129,385	93,804	35,581
> 360 Days	100.0%	314,112	314,112	–
		21,932,527	**1,025,050**	**20,907,477**

The Group

31 December 2022 (in EUR)	Expected Credit Loss Rate	Gross Carrying Amount	LT-ECL	Net Carrying Amount
Current (not past due)	1.2%	6,914,762	82,977	6,831,785
30 to 90 Days	1.4%	5,533,155	77,464	5,455,691
91 to 180 Days	12.1%	1,491,747	180,501	1,311,246
181 to 270 Days	29.8%	300,115	89,434	210,681
271 to 360 Days	68.4%	74,096	50,682	23,414
> 360 Days	100.0%	197,519	197,519	-
		14,511,394	**678,577**	**13,832,817**

The same ECL Rates are applied to the Company's debtors with a gross carrying amount of EUR 23,386,294 (2022: EUR 17,424,866), resulting in a net carrying amount of EUR 22,575,309 (2022: EUR 16,951,056) and a collective LT-ECL of EUR 810,986 (2022: EUR 473,811), of which an amount of EUR 256,419 (2022: EUR 69,133) is in relation to trade debtors that are more than 360 days past due.

The 2nd-largest single customer of the Group, Air Malta p.l.c., will be shut down on 30 March 2024, and a new airline owned by the government of Malta, named KM Malta Airlines Ltd, will start to operate from 31 March 2024 onwards, reflecting the Maltese government commitment that Malta will continue to have a national airline. The replacement company will act as a separate economic operator and not as a legal successor of Air malta. Air Malta p.l.c. accounts for EUR 6.6 million (2022: EUR 7.8 million) of the Group's trade and other receivables at year end and 18% (2022: 19%) of the Group's revenue for the year (recorded in all segments). The Company's exposure to this customer is not materially different to that of the Group. The maximum exposure in the reporting period to this customer was in the region of EUR 9.3 million (2022: EUR 7.4 million). The Board feels confident that the Group's and the Company's exposure to Air Malta p.l.c. will not jeopardize in any way the Group's ability to continue operations for the foreseeable future and that Air Malta p.l.c. will meet its obligations arising until the termination of its operation.

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Cash and cash equivalents

The cash at bank balances held by the Group and the Company are disclosed in Note 29. Currently, the Group holds its cash at bank balances with reputable and investment-grade rated banking institutions.

12-M-ECL (in EUR)	The Group 2023	The Group 2022	The Company 2023	The Company 2022
External rating grades				
BBB- (stable) (S&P)	19,481,017	21,869,811	16,565,921	16,871,672
BBB+ (stable) (S&P)	3,000	-	3,000	-
A- stable (S&P)	2,105,476	2,050,231	2,105,476	2,050,231
A stable (S&P)	3,085,336	500,000	3,085,336	500,000
Gross/Net Carrying Amount at 31 December	**24,674,829**	**24,420,042**	**21,759,733**	**19,421,903**

On the basis of the low credit risk exemption, the resulting 12-M-ECL in terms of IFRS 9 are not considered to be material.

Treasury Bills

The Group has invested in treasury bills with the Government of Malta, as disclosed in Note 27.

12-M-ECL (in EUR)	The Group 2023	The Group 2022	The Company 2023	The Company 2022
External rating grades				
A- stable (S&P)	14,699,519	24,789,438	14,699,519	24,789,438
Gross/Net Carrying Amount at 31 December	**14,699,519**	**24,789,438**	**14,699,519**	**24,789,438**

On the basis of the low credit risk exemption, the resulting 12-M-ECL in terms of IFRS 9 are not considered to be material.

Term Deposits

The Group holds its term deposits with the same reputable and investment-grade rated banking institutions as its cash and cash equivalents as outlined above.

12-M-ECL (in EUR)	The Group 2023	2022	The Company 2023	2022
External rating grades				
BBB+ (stable) (S&P)	15,000,000	-	15,000,000	-
A2 stable (S&P)	15,000,000	10,000,000	15,000,000	10,000,000
A stable (S&P)	7,000,000	9,500,000	7,000,000	9,500,000
Gross/Net Carrying Amount at 31 December	**37,000,000**	**19,500,000**	**37,000,000**	**19,500,000**

On the basis of the low credit risk exemption, the resulting 12-M-ECL in terms of IFRS 9 are not considered to be material.

Loans receivable

Loans receivable and undrawn loan commitments of the Company are disclosed in Note 18. The credit risk is contained within the Group.

12-M-ECL (in EUR)	The Company 2023	2022
Internal rating grades		
Performing	24,680,261	27,824,038
Gross/Net Carrying Amount at 31 December	**24,680,261**	**27,824,038**

The Company determined that the loans and the undrawn loan commitments did not result in a significant increase in credit risk, as compared to the risk of default on initial recognition, and accordingly, a 12m-ECL applies. On the basis of the expected manner of recovery of the loans and the possible alternative strategies available to the borrower, the Company concluded that full recovery is expected, taking into consideration the financial position of the respective counterparty and, where applicable, forward-looking information that addresses the future prospects of the industries in which the borrower operates and information that relates to the borrower's core operations. Consequently, the resulting 12m-ECL in terms of IFRS 9 are not considered to be material.

38. FINANCIAL RISK MANAGEMENT (CONTINUED)

Liquidity Risk

The tables below summarise the maturity profile of the Group's and Company's financial liabilities as at 31 December 2023 and 2022 based on contractual undiscounted payments.

The Group 31 December 2023 (in EUR)	Carrying Amount	Gross Cash Flows	< 1 year	1-5 Years	> 5 years
Lease Liability	54,374,185	130,578,350	1,812,688	7,575,263	121,190,399
Other payables	2,479,903	2,479,903	521,995	1,957,908	-
Accruals	44,718,779	44,718,779	44,718,779	-	-
Trade payables	6,466,841	6,466,841	6,466,841	-	-
	108,039,708	**184,243,873**	**53,520,303**	**9,533,171**	**121,190,399**

The Group 31 December 2022 (in EUR)	Carrying Amount	Gross Cash Flows	< 1 year	1-5 Years	> 5 years
Lease liability	54,042,492	132,391,038	1,812,688	7,377,783	123,200,567
Other payables	1,585,736	1,585,736	401,711	1,184,025	-
Accruals	37,420,595	37,420,595	37,420,595	-	-
Trade payables	7,164,226	7,164,226	7,164,226	-	-
	100,213,049	**178,561,595**	**46,799,220**	**8,561,808**	**123,200,567**

The Company 31 December 2023 (in EUR)	Carrying Amount	Gross Cash Flows	< 1 year	1-5 Years	> 5 years
Lease liability	54,374,185	130,578,350	1,812,688	7,575,263	121,190,399
Other payables	2,118,470	2,118,470	348,193	1,770,277	-
Accruals	44,083,899	44,083,899	44,083,899	-	-
Trade payables	6,318,651	6,318,651	6,318,651	-	-
	106,895,205	**183,099,370**	**52,563,431**	**9,345,540**	**121,190,399**

The Company 31 December 2022 (in EUR)	Carrying Amount	Gross Cash Flows	< 1 year	1-5 Years	> 5 years
Lease liability	54,042,492	132,391,038	1,812,688	7,377,783	123,200,567
Other payables	1,384,585	1,384,585	388,191	996,394	-
Accruals	37,112,477	37,112,477	37,112,477	-	-
Trade payables	7,030,246	7,030,246	7,030,246	-	-
	99,569,800	**177,918,346**	**46,343,602**	**8,374,177**	**123,200,567**

The Group monitors and manages its risk to a shortage of funds by monitoring forecast and actual cash flows.

Capital Management

One of the objectives of the Group and the Company is to ensure that it maintains a strong credit rating and healthy capital ratios by means of proper management of its capital. The Group and the Company manage their capital structure and adjust it in light of changes in economic conditions. No changes were made in the objectives and processes during the years ended 31 December 2023 and 31 December 2022.

The Company monitors its capital requirement on a periodic basis, considering its current requirements. Capital primarily includes equity attributable to the equity holders. Based on recommendations of the directors, the Group and the Company balance their overall capital structure through the payments of dividends, new share issues, as well as the issue of new debt or the redemption of existing debt.

Other than as disclosed in that note, the Group's and Company's policy in managing capital has remained unchanged from the prior year.

39. EVENTS AFTER THE REPORTING PERIOD

All events occurring after the balance sheet date until the date of authorisation for issue of these financial statements and that are relevant for valuation and measurement as of 31 December 2023 for the Group and the Company, such as outstanding legal proceedings or claims for damages and other obligations or impending losses that must be recognized or disclosed in accordance with IAS 10, are included in these consolidated financial statements. No relevant events after the reporting period occurred.

40. COMPARATIVE INFORMATION

Comparative figures disclosed in the main components of these financial statements have been reclassified to conform with the current year's presentation format for the purpose of fair presentation.

41. MATERIAL ACCOUNTING POLICY INFORMATION

Scope of Consolidation

The consolidated financial statements include all subsidiaries, with the exception of Kirkop PV Farm Limited, as its economic significance and influence on the financial position, financial performance, and cash flows of the Group is immaterial. The net liability position of Kirkop PV Farm Limited is under EUR 3,000 (2022: under EUR 3,000). Kirkop PV Farm Limited did not commence to trade by the balance sheet date.

The 2023 and 2022 consolidated financial statements include Malta International Airport p.l.c. as well as three domestic subsidiaries that are controlled by Malta International Airport p.l.c.

Subsidiaries included in the consolidated financial statements 2023 and 2022 are Airport Parking Limited, Sky Parks Development Limited and Sky Parks Business Centre Limited. For financial information on these subsidiaries, see Note 17.

The financial statements of the subsidiaries are prepared for the same reporting period as that of the Company, using consistent accounting policies. All intra-group balances, transactions, income and expenses, and profits and losses resulting from intra-group transactions and dividends are eliminated in full.

Subsidiaries are fully consolidated from the date of acquisition, being the date on which the Group obtains control, or from the date of set-up under the control of the Company and continue to be consolidated until the date such control ceases.

Property, Plant and Equipment

The Group's and the Company's property, plant and equipment are classified into the following classes – land held as temporary emphyteusis, related aerodrome licence, buildings, furniture, fixtures, plant and equipment, motor vehicles. Advance deposits paid to suppliers of property, plant & equipment are recognized as part of property, plant & equipment.

Upfront payments in relation to the temporary emphyteusis of the leasehold land and buildings are reclassified to right-of-use assets, which are included under property, plant and equipment in terms of IFRS 16. The accounting policy for right-of-use assets is included below in the Section entitled 'Leases'.

Property, plant and equipment also include the right-of-use assets in relation to the related licence over the aerodrome, which includes the Airfield. The management of the Airfield is considered to be integral to the use of the land and buildings held as temporary emphyteusis, with the Group having an obligation to manage the Airfield for the same duration of the emphyteusis. The Group considers the licence as being inseparable from the right to use the Airfield (being the tangible component). It is also not possible to split the right to operate the Airfield from the right to use the Airfield, and the Group considers the use of the Airfield to be the most significant element of the transaction.

Property, plant and equipment are initially measured at cost. Such cost includes borrowing costs for long-term construction projects if the recognition criteria are met. Subsequent costs are included in the asset's carrying amount when it is probable that future economic benefits associated with the item will flow to the Group or the Company, and the cost of the item can be measured reliably. Expenditure on repairs and maintenance of property, plant and equipment is recognized as an expense when incurred.

Subsequent to initial recognition, property, plant and equipment are stated at cost less any accumulated depreciation and any accumulated impairment losses.

Property, plant and equipment are derecognized on disposal or when no future economic benefits are expected from their use or disposal. Gains or losses arising from derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount. Any gains or losses arising on derecognition are included in profit or loss in the year the asset is derecognized.

Properties in the Course of Construction

Properties in the course of construction for production supply or administrative purposes are classified as property, plant and equipment and are carried at cost less any identified impairment loss. Cost includes professional fees, and for qualifying assets, borrowing costs capitalised in accordance with the Company's accounting policy on borrowing costs. Depreciation of these assets, on the same basis as other property assets, commences when the assets are available for use.

Properties in the course of construction for future use as investment property are classified as investment property. Existing investment property that is being redeveloped for continued future use as investment property continues to be classified as investment property.

41. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Investment Property

Investment property also includes right-of-use assets in terms of IFRS 16. The accounting policy for right-of-use assets is included below in the Section entitled 'Leases'.

Investment property is property held to earn rentals, or for capital appreciation, or both. Investment property is recognized as an asset when it is probable that the future economic benefits that are associated with the investment property will flow to the entity, and the cost can be measured reliably. Investment property is initially measured at cost, including transaction costs. Subsequent to initial recognition, investment property is stated at cost less any accumulated depreciation and any accumulated impairment losses.

Investment property is derecognized on disposal or when it is permanently withdrawn from use and no future economic benefits are expected from its disposal. Gains or losses on derecognition represent the difference between the net disposal proceeds, if any, and the carrying amount and are recognized in profit or loss in the period of derecognition.

Depreciation

Depreciation commences when the depreciable assets are available for use and is charged to profit or loss so as to write off the cost, less any estimated residual value, over their estimated useful lives (unless this exceeds the end of any applicable leases or emphyteuses, in which case the accounting policy in the Section entitled 'Leases' applies), using the straight-line method on the following bases:

Land held on temporary emphyteusis	by equal annual instalments over the remaining term of the emphyteusis
Buildings classified within Property, Plant and Equipment	2% to 5% per annum
Furniture, fixtures, plant and equipment classified within Property, Plant and Equipment	10% to 33 1/3% per annum
Motor vehicles classified within Property, Plant and Equipment	20% per annum
Investment property (other than the land component)	5% to 15% per annum

Right-of-use assets are depreciated over the shorter period of the lease term and the useful life of the underlying asset.

The depreciation method applied, the residual value and the useful life are reviewed at each financial year end and adjusted prospectively as appropriate.

Investments in Subsidiaries

A subsidiary is an entity that is controlled by the Company. The Company controls an investee when the Company is exposed or has rights to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee. Investment in subsidiaries in the separate financial statements of the Company is accounted for on the basis of the direct equity interest and is stated at cost less any provisions for impairment where, in the opinion of the directors, any impairment in value has taken place. Dividends from the investment are recognized in profit or loss.

Financial Instruments

Financial assets and financial liabilities are recognized when the Group entities become a party to the contractual provisions of the instrument. Unless otherwise stated below, financial assets and financial liabilities are initially recognized at their fair value plus directly attributable transaction costs for all financial assets or financial liabilities not classified at fair value through profit or loss.

Financial assets and financial liabilities are offset, and the net amount is presented in the Statement of Financial Position when the Group entities have a legally enforceable right to set off the recognized amounts and intend either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or when the entity transfers the financial asset and the transfer qualifies for derecognition. Financial liabilities are derecognized when they are extinguished. This occurs when the obligation specified in the contract is discharged, cancelled or expires.

Financial Assets
This accounting policy is in relation to the following financial assets:

- Trade and other receivables
- Term deposits
- Treasury Bills
- Cash and cash equivalents
- Loans receivable

These assets are held for collection of contractual cash flows, whereby these cashflows represent solely payments of principal and interest; hence, these financial instruments are subsequently carried at amortised cost. Interest income from these financial assets is included in profit or loss under investment income using the effective interest rate method. Any gain or loss on derecognition is also recognized in profit or loss. Trade receivables which do not have a significant financing component are initially measured at their transaction price and are subsequently stated at their nominal value less any loss allowance for expected credit losses.

41. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Impairment of Financial Assets

Credit losses are determined based on the ECL model. The ECL model applies to financial assets measured at amortised cost, debt investments at FVOCI, lease receivables and contract assets but not to investments in equity instruments. The amount of ECLs is updated at each reporting date to reflect changes in credit risk since the initial recognition.

ECLs are probability-weighted estimates of credit losses with the respective risks of a default occurring as the weights. Credit losses are measured at the present value of all expected cash shortfalls. ECLs are discounted at the effective interest rate of the financial asset. The measurement of ECLs is a function of the probability of default, loss given default (that is, the magnitude of the loss if there is a default) and the exposure at default.

The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information, where applicable. Forward-looking information considered includes economic and industry indicators such as GDP, unemployment rates and/or industry projections, as well as factors that are specific to the debtors unless the effect is considered to be immaterial.

ECLs are determined by means of a three-stage model for impairment (the general approach) based on changes in credit risk since initial recognition.

- **Stage 1** includes financial instruments that have not had a significant increase in credit risk since initial recognition or that have low credit risk at the reporting date. For these assets, 12-month ECLs (12-M-ECLs) are recognized. 12-M-ECLs are the ECLs that result from default events that are possible within 12 months after the reporting date.
- **Stage 2** includes financial instruments that have had a significant increase in credit risk since initial recognition – unless they have low credit risk at the reporting date – but that do not have objective evidence of impairment. For these assets, lifetime ECLs (LT-ECLs) are recognized. LT-ECLs are the ECLs that result from all possible default events over the expected life of a financial asset.
- **Stage 3** includes financial assets that have objective evidence of impairment at the reporting date. For these assets, LT-ECLs are recognized. A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of the financial asset have occurred.

Impairment gains or losses are recognized in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

Loss allowances are measured according to the above outlined three-stage model (the general approach) except for trade receivables and contract assets that do not contain a significant financing component or for which the practical expedient for contracts that are one year or less is applied. For these financial assets, the simplified approach is applied, and LT-ECLs are recognized.

Simplified approach

The Group applies the simplified approach for trade receivables and contract assets that do not contain a significant financing component. The Group's trade receivables are of a short-term nature as they are based on credit terms of less than one year and, thus, do not include a significant financing component.

Where the Group does not have reasonable and supportable information that is available without undue cost or effort to measure LT-ECLs on an individual instrument basis and in order to ensure that LT-ECLs are recognized before an asset becomes credit-impaired or an actual default occurs, LT-ECLs on the remaining financial assets are measured on a collective basis.

In such instances and where appropriate, the financial instruments are grouped on the basis of shared credit risk characteristics, and the LT-ECLs are estimated using a provision matrix based on actual credit loss experience over past years, which is adjusted to reflect current conditions and the Group's view of economic conditions over the expected lives of the receivables. Such adjustments are based on factors that are specific to the debtors and economic and industry indicators such as GDP, unemployment rates, and/or industry projections, where applicable, unless the effect is considered to be immaterial. For the purpose of the provision matrix, loss rates are calculated using a 'roll rate' method based on the probability of a receivable progressing through successive stages of delinquency over a selected period, taking into consideration the applicable credit terms for such debtors and the past due status. Unless the effect is immaterial, for receivables after 360 days, the loss rate is adjusted to take into consideration the proportion of actual recoveries over the selected period.

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition: an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating, significant deterioration in external market indicators of credit risk for a particular financial instrument, existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the borrower's ability to meet its debt obligations, an actual or expected significant deterioration in the operating results of the borrower, an actual or expected significant adverse change in the regulatory, economic, or technological environment of the borrower that results in a significant decrease in the borrower's ability to meet its debt obligations.

41. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Forward-looking information considered includes economic and industry indicators such as GDP, unemployment rates and/or industry projections, as well as factors that are specific to the debtors unless the effect is considered to be immaterial.

Irrespective of the outcome of the above assessment, it is presumed that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due unless there is reasonable and supportable information that is available without undue cost or effort that demonstrates otherwise.

Despite the aforegoing, it is assumed that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if i) the financial instrument has a low risk of default, ii) the borrower has a strong capacity to meet its contractual cash flow obligations in the near term, and iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations. A financial asset is considered to have low credit risk when it has an internal or external credit rating of 'investment grade' as per globally understood definitions. The Group and the Company have applied the low credit risk assumption for the following classes of financial assets – cash at bank with an external credit rating of Investment grade.

Definition of default

For internal credit risk management purposes, the Group considers it as constituting an event of default when historical experience or information indicates that a financial asset is generally not recoverable as the debtor is unlikely to pay its creditors in full, without taking into account any collateral held by the Group or the Company.

Irrespective of the above analysis, default is considered to have occurred when a financial asset is more than 90 days past due unless reasonable and supportable information is available to demonstrate that a more lagging default criterion is more appropriate. The Group and the Company rebut the 90 days past due presumption for trade receivables since they have reasonable and supportable information to demonstrate that a more lagging default criterion of 360 days past due is more appropriate.

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events: significant financial difficulty of the issuer or the borrower; a breach of contract, such as a default or delinquency in interest or principal payments; the probability to enter bankruptcy or other financial reorganisation; the lender(s) of the borrower, for economic or contractual reasons relating to the borrower's financial difficulty, having granted to the borrower a concession(s) that the lender(s) would not otherwise consider; the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group and the Company write off a financial asset when there is information indicating that the counterparty is in severe financial difficulty and there is no realistic prospect of recovery, for example, when the counterparty has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognized in profit or loss.

Loan commitments

For loan commitments, the date that the Company becomes a party to the irrevocable commitment is considered to be the date of initial recognition for the purposes of assessing the financial instrument for impairment. In assessing whether there has been a significant increase in the credit risk since initial recognition of a loan commitment, the Company considers changes in the risk of a default occurring on the loan to which a loan commitment relates. For undrawn loan commitments, the ECL is the present value of the difference between the contractual cash flows that are due to the Company if the holder of the loan commitment draws down the loan and the cash flows that the Company expects to receive if the loan is drawn down. For loan commitments, the loss allowance is recognized as a provision.

Inventories

Inventories are stated at the lower of cost and net realisable value. Cost is calculated using the weighted average method and comprises expenditure incurred in acquiring the inventories and other costs incurred in bringing the inventories to their present location and condition. Net realisable value represents the estimated selling price in the ordinary course of business less the estimated costs of completion.

Revenue Recognition

The Group and the Company generate income from regulated revenue, unregulated revenue and leases.

- **Regulated revenue** comprises income from aviation services, which arises from income from passenger service charges and aircraft landing and parking fees.
- **Unregulated revenue** consists of security fees, PRM charges, income from ground handling charges, certain car parking revenue, income from VIP services, as well as meteorological services and other income.

Revenue from operating leases reflects all income from renting office, retail, food and beverage, and advertising space, including commissions based on sales, as well as income from renting certain car parks. The accounting policies for this revenue stream are addressed under "Leases – the Group as a lessor" below.

41. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

The remainder of this note addresses regulated and unregulated revenue from contracts with customers.

Revenue from contracts with customers is measured based on the consideration specified in a contract with a customer and excludes amounts collected on behalf of third parties. The Group and the Company recognise such revenue when (or as) they satisfy a performance obligation by transferring control of a promised good or service to the customer.

Regulated Revenue

Regulated revenue constitutes income based on fees that are subject to the Airport Economic Regulations. These fees are charged to airlines and aircraft operators for the use of the airport infrastructure and include passenger service charges as well as landing and parking fees.

The performance obligation is to make the airport available as and when each airline makes use of it. The transaction price follows a set fee structure and is based on a variety of underlying metrics, such as the number of departing passengers and the maximum take-off weight, which metrics become known by the time the services are provided and thus, no significant estimates are required in this respect.

In determining the transaction price, consideration is taken of variable fee-reducing rebates based on incentive agreements. Incentives are deducted from revenue in full and are included within the line item 'Trade and other payables'. Any such incentives which are not taken up are recognized as revenue only when it is highly probable that a significant reversal will not occur, that is, when the uncertainty associated with the incentives is subsequently resolved.

The performance obligation in relation to regulated revenue is satisfied at a point in time. A receivable is recognized as the services are provided and included in the line item 'Trade and other receivables' until the actual payment is made by the respective customers.

In determining the transaction price, consideration is also made of contributions payable to airlines through a government entity in an effort to improve the number of passengers departing from the airport, thus resulting in additional revenues to the Company and the Group. Such contributions are payable to an Air Route Development Fund that is administered by the government entity, with a particular focus being made on the timing and destination of strategic routes, which result in increased revenues. The allocations that are made by this Fund to the respective airlines are subject to the satisfaction by the airlines of the conditions attaching to eligibility for such contributions, and accordingly, any revenues disclosed in the respective notes are net of any such contributions. The amounts payable by the Company and the Group to the Fund are non-refundable and vary with the number of passenger departures, subject to a fixed cap. These amounts are treated as a reduction of the transaction price (and, therefore, of revenue) since such payments are not considered to be in exchange for a distinct good or service that the customers or the government entity transfer to the Company or the Group. These amounts are included within the line item 'Trade and other payables' until they are settled. No estimates are required in this regard since the extent of the consideration payable is dependent on the number of passenger departures and thus corresponds to the Company's and the Group's efforts to satisfy its performance obligation, with such allocation being consistent with the objective of allocating the transaction price in an amount that depicts the amount of consideration to which the Company and the Group expect to be entitled in exchange for transferring the promised services to the customers.

Unregulated revenue

Unregulated revenue is income based on charges that are not regulated but subject to fee structures that are negotiated with the Group's customers. Fees for each service are uniform among all customers.

- **Security fees** are charged to airlines in order to recover costs relating to the security function of the Group. The performance obligation is to provide a safe and secure environment for all stakeholders of the airport campus. The transaction price is represented by a set fee that is based on the number of departing passengers of an airline or aircraft operator. The performance obligation is satisfied over time.
- **PRM fees** are charged to airlines in order to recover costs emanating to the Group for the provision of assistance to persons with reduced mobility (PRM) in line with Regulation (EC) 1107/2006. The performance obligation is to arrange the required services for persons with reduced mobility on behalf of the airline or aircraft operator. The transaction price is represented by a set fee that is based on the number of departing passengers of an airline or aircraft operator. The performance obligation is satisfied at a point in time.
- **Ground handling concession income** is revenue from ground handling and infrastructure providers for the right to provide their services (ground handling, fuelling) within the airport perimeter for the duration of the respective contracts. The performance obligation is to make the maintained airport infrastructure and equipment available so that the ground handling provider is able to provide its services to airlines and aircraft operators. The transaction price follows a fee structure that is based on a variety of underlying metrics, such as the number of departing passengers, aircraft movements, maximum take-off weight, kilograms of freight and mail, and litres of fuel. The Group has determined that it provides a daily service of access that is distinct, with the uncertainty related to the consideration receivable being also resolved on that basis, and accordingly, no further estimates are required in this regard. The performance obligation is satisfied over time. A receivable is recognized as the services are provided and included in the line item "Trade and other receivables" until the actual payment is made by the respective ground handling provider.
- **Car parking income** primarily represents revenue generated through the provision of car parking spaces at the car parks within the airport perimeter other than revenue from rental income resulting from the lease of car parks, which is addressed by the accounting policy on leases. The performance obligation is to provide and maintain car parking space for the duration of the stay. The transaction price follows a pre-determined fee structure that is based on parking time and that is payable immediately upon use. The performance obligation is satisfied over time. Besides, income from the sale of car park access cards, which allow customers to make use of the car park over a fixed period of time, is recognized over time on straight-line basis for the duration of the contract.

41. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

- **Income from VIP services** primarily represents revenue generated through the provision of services, such as access to airport lounges and ancillary services (e.g. porterage, meet-and-greet). The Group's performance obligation is to provide the services if and when requested by customers in line with underlying terms and conditions. The transaction price follows a fixed price structure. The performance obligation is satisfied over time. In addition, the Group issues membership cards that enable members to make use of a variety of VIP services and facilities provided by the airport, such as lounges and access to car parks, over a fixed period. Such revenue is recognized over time on a straight-line basis for the duration of the contract, with any deferred income being recognized as a contract liability within the line item 'Trade and other payables'.
- **Revenue from meteorological services** is generated from the provision of meteorological services to Malta Air Traffic Services (MATS). The Group's performance obligation is to provide meteorological services in respect of air navigation, as well as for public, maritime and agricultural purposes, and to maintain the equipment and facilities necessary to do so over the specified contractual period. The transaction price is a contractually agreed amount recognized over the term of the agreement. The performance obligation is satisfied over time.

In addition to the above-mentioned revenue streams, the Group and the Company generate other income that is classified within unregulated revenue, which arises from a variety of services, such as the issuance of security passes, the provision of luggage trolleys, lost and found services, and left luggage.

Government Grants

Grants are recognized when there is reasonable assurance that all the conditions attached to them are complied with and the grants will be received. Grants related to income are recognized in the profit or loss over the periods necessary to match them with the related costs which they are intended to compensate on a systematic basis. Such grants are presented as part of profit or loss by deducting them from the related expense. Grants related to assets are presented in the Statement of Financial Position as deferred income, which is recognized as income on a systematic basis over the useful life of the asset.

Deferred Income

Deferred income arising from the sale of terminal buildings that took place on the date of the privatisation of the Company in 2002 is transferred separately to the income statement in equal annual instalments over the remaining life of the underlying assets.

Leases

The Group as a lessee

For any contract entered into by the Group, it considers whether the contract is or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'.

To apply this definition, the Group assesses whether the contract meets three key evaluations, which are (1) whether the contract contains an identified asset, (2) whether the Group has the right to obtain substantially all of the economic benefits from use throughout the period of use and (3) whether the Group has the right to direct the use of the identified asset throughout the period of use.

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet.

The Group measures the lease liability at the lease commencement date at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease (if that rate is readily determined) or the Group's incremental borrowing rate.

Lease payments included in the measurement of the lease liability are made up of fixed payments (including in-substance fixed) less any incentives receivable, variable payments based on an index or rate (initially measured using the index or rate at the commencement date), amounts expected to be payable under a residual value guarantee and payments arising from purchase options or termination penalties reasonably certain to be exercised.

Variable lease payments not included in the measurement of the lease liability are recognized in profit or loss (unless the costs are included in the carrying amount of another asset) in the period in which the event or condition that triggers those payments occurs.

The right-of-use asset is initially measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease, and any lease payments made at or before the lease commencement date.

Right-of-use assets are subsequently measured using the cost model. The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. If a lease transfers ownership of the underlying asset or the cost of the right-of-use asset reflects that the Group expects to exercise a purchase option, the related right-of-use asset is depreciated over the useful life of the underlying asset. The Group also assesses the right-of-use asset for impairment when such indicators exist, in which case the recoverable amount of the asset is estimated.

41. MATERIAL ACCOUNTING POLICY INFORMATION (CONTINUED)

Subsequent to initial measurement, the liability is reduced for payments made and increased for interest (using the effective interest method). It is remeasured to reflect any reassessment or modification or if there are changes in in-substance fixed payments.

When the lease liability is remeasured, the corresponding adjustment is reflected in the right-of-use asset or profit and loss if the right-of-use asset is already reduced to zero.

The Group accounts for short-term leases and leases of low-value assets using the recognition exemptions. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognized as an expense in profit or loss on a straight-line basis over the lease term or another systematic basis that is more representative of the pattern of the lessee's benefit.

As a practical expedient, a lessee is permitted not to separate non-lease components from lease components and instead account for any lease and associated non-lease components as a single lease component. The Group has not used this practical expedient. For contracts that contain a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Group does not present right-of-use assets separately from other assets in the statement of financial position. It includes such assets within the same line item as that within which the corresponding underlying assets would be presented if they were owned. Right-of-use assets are presented within Property, plant and Equipment and Investment Property. The Group presents lease liabilities separately from other liabilities in the Statement of Financial Position.

In the Statement of profit or loss and other comprehensive income, the Group presents interest expense on the lease liability separately from the depreciation charge for the right-of-use asset. The lease payments attributable to low-value items and short-term leases for which the recognition exemption is applied, together with variable lease payments not included in the measurement of the lease liability, are presented within 'other operating expenses'.

In the Statement of Cash Flows, the Group classifies cash payments for the principal portion of the lease liability within financing activities and the cash payments for the interest portion of the lease liability within operating activities.

The Group as a lessor

As a lessor, the Group classifies its leases as either operating or finance leases. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to ownership of the underlying asset and classified as an operating lease if it does not. Lease classification is made at inception of the lease, which was the earlier of the date of the lease agreement and the date of commitment by the parties to the principal terms and conditions of the lease.

Rentals receivable under operating leases are recognized as income in profit or loss on a straight-line basis over the lease term unless another systematic basis is more representative of the pattern in which use benefit derived from the leased asset is diminished.

When the Group is an intermediate lessor, it accounts for the head lease and the sublease as two separate contracts. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

Furthermore, for a contract that contains a lease component and one or more additional lease or non-lease components, the Group allocates the consideration in the contract applying IFRS 15. With respect to modifications to an operating lease in which the Group is a lessor, such modifications are accounted for as a new lease from the effective date of the modification, considering any prepaid or accrued lease payments relating to the original lease as part of the lease payments for the new lease.

Employee Benefits

Employee benefits include short-term benefits and post-employment benefits.

Short-term employee benefits

The Group and the Company contribute towards the state pension fund in accordance with local legislation. The only obligation of the Group and the Company is to make the required contribution. Costs are expensed in the year in which they are incurred.

Retirement plans

For defined benefit plans, the cost of providing benefits is determined using the projected unit credit method, with estimations being carried out at each reporting date. Past service cost is recognized as an expense at the earlier of the following dates (a) when the plan amendment or curtailment occurs and (b) when the entity recognises related restructuring costs or termination benefits. The amount recognized in the Statement of Financial Position represents the present value of the expected future payments required to settle the obligation resulting from employee service in the current and prior periods. The service cost and the net interest on the net defined benefit liability are recognized in profit or loss.

Remeasurements of the net defined benefit liability, comprising actuarial gains and losses, are recognized in other comprehensive income and are not reclassified to profit or loss in a subsequent period. Such remeasurements are reflected immediately in retained earnings.

Actuarial gains and losses are changes in the present value of the defined benefit obligation resulting from experience adjustments and the effects of changes in actuarial assumptions. Actuarial assumptions are an entity's best estimates of the variables that will determine the ultimate cost of providing post-employment benefits.

Independent Auditor's Report

To the Shareholders of Malta International Airport p.l.c.

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our opinion

In our opinion:

- The Group financial statements and the Parent Company financial statements (the "financial statements") of Malta International Airport p.l.c. give a true and fair view of the Group and the Parent Company's financial position as at 31 December 2023, and of their financial performance and cash flows for the year then ended in accordance with International Financial Reporting Standards ('IFRSs') as adopted by the EU; and
- The financial statements have been prepared in accordance with the requirements of the Maltese Companies Act (Cap. 386).

Our opinion is consistent with our additional report to the Audit Committee.

What we have audited

Malta International Airport p.l.c.'s financial statements comprise:

- the Consolidated and Parent Company income statements and statements of comprehensive income for the year ended 31 December 2023;
- the Consolidated and Parent Company statements of financial position as at 31 December 2023;
- the Consolidated and Parent Company statements of changes in equity for the year then ended;
- the Consolidated and Parent Company statements of cash flows for the year then ended; and
- the notes to the financial statements, comprising material accounting policy information and other explanatory information.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Independence

We are independent of the Group and the Parent Company in accordance with the International Code of Ethics for Professional Accountants (including International Independence Standards) issued by the International Ethics Standards Board for Accountants (IESBA Code) together with the ethical requirements of the Accountancy Profession (Code of Ethics for Warrant Holders) Directive issued in terms of the Accountancy Profession Act (Cap. 281) that are relevant to our audit of the financial statements in Malta. We have fulfilled our other ethical responsibilities in accordance with these Codes.

To the best of our knowledge and belief, we declare that non-audit services that we have provided to the parent company and its subsidiaries are in accordance with the applicable law and regulations in Malta and that we have not provided non-audit services that are prohibited under Article 18A of the Accountancy Profession Act (Cap. 281).

The non-audit services that we have provided to the parent company and its subsidiaries, in the period from 1 January 2023 to 31 December 2023, are disclosed in note 9 to the financial statements.

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Our audit approach

Overview

- Overall group materiality: €3,100,000 which represents 5% of profit before tax.
- The audit carried out by the group engagement team covered the parent company and the three subsidiaries consolidated as part of the group.
- Recognition of revenue

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the consolidated financial statements. In particular, we considered where the directors made subjective judgements; for example, in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain. As in all of our audits, we also addressed the risk of management override of internal controls, including among other matters consideration of whether there was evidence of bias that represented a risk of material misstatement due to fraud.

Materiality

The scope of our audit was influenced by our application of materiality. An audit is designed to obtain reasonable assurance whether the financial statements are free from material misstatement. Misstatements may arise due to fraud or error. They are considered material if individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of the consolidated financial statements.

Based on our professional judgement, we determined certain quantitative thresholds for materiality, including the overall group materiality for the consolidated financial statements as a whole as set out in the table below. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures and to evaluate the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Overall group materiality	€3,100,000
How we determined it	5% of profit before tax
Rationale for the materiality benchmark applied	We chose profit before tax as the benchmark because, in our view, it is the benchmark against which the performance of the Group is most commonly measured by users, and is a generally accepted benchmark by ISAs for profit based entities. We chose 5% which is within the range of quantitative materiality thresholds that we consider acceptable.

We agreed with the Audit Committee that we would report to them misstatements identified during our audit above €155,000 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key audit matter	How our audit addressed the Key audit matter
Recognition of revenue Revenue recognition has been selected as a key audit matter due to the significance of the amount to the consolidated income statement of Malta International Airport p.l.c.'s financial statements. Furthermore, the matter requires significant audit attention due to the various revenue streams and the manner in which each revenue stream is computed. The determination of revenue is complex in nature and treated as a significant risk in the audit. Revenue recognition is governed by IFRS 15 'Revenue from contracts with customers' and IFRS 16 'Leases'. For the year ended 31 December 2023 the Group's revenue amounted to €120,247,948 (2022: €88,016,852). Revenue is a key driver of the profitability before tax of the Group, which for the year ended 31 December 2023 amounted to €62,248,619 (2022: €41,750,521).	We tested the recognition of revenue as follows: • We performed a detailed understanding of the revenue process including an understanding of the design and implementation of the manual and automated controls surrounding revenue recognition. • Our IT audit specialists have directed their efforts at systems and business processes that have a significant impact on financial reporting to ensure an appropriate level of control operates within the IT general control environment with targeted areas including overall IT management and governance, access to programs and data, computer operations, program changes and development. Furthermore, the IT audit specialists ensured that an appropriate level of automated and manual application controls are in place to support the processing of transactions by the key financial systems. • We reconciled revenue streams, including airport regulated and unregulated revenue, income from tenants through leasing and parking revenue, to listings extracted from operating systems. These listings were deemed to be key reports and therefore we performed testing on these listings to obtain comfort on the accuracy and completeness of these key reports. Key variables including passenger numbers, maximum take-off weight ("MTOW") figures and aircraft parking area have been confirmed to third party supporting documentation and certificates.

Key audit matter	How our audit addressed the Key audit matter
The Group generates income from regulated revenue, unregulated revenue and leases. Regulated revenue comprises income from aviation services which arise from income from passenger services charges. Regulated revenue also comprises aircraft landing and parking fees which are based on maximum take-off weight and aircraft area. Unregulated revenue consists of security fees, PRM (persons with reduced mobility) charges and income from ground handling services which are also based on passenger numbers, and maximum take-off weight. Unregulated revenue also comprises certain car parking revenue, income from VIP services, recharges for utilities as well as meteorological services, fuel throughput charges, charges for the use of common areas and other income. Revenue from leases reflects all income from renting office, retail, food and beverage, and advertising space including commissions based on sales as well as income from renting certain car parks. The revenue recognition accounting policies are disclosed in note 41 to these financial statements. Further detail covering revenue can be found in note 6 to the financial statements.	• We recomputed, based on the key reports tested as per above and through the use of a data science and analytics automation platform, the airport revenue derived from airlines and ground handlers based on passenger numbers, maximum take-off weight ("MTOW") figures and aircraft parking area. • We tested relevant manual controls, mainly cash reconciliations performed by car park attendants and members of the finance team, relating to parking revenue which includes revenue collected through cash. • We tested a sample of other revenue transactions by agreeing the revenue to supporting documentation including contracts, invoices and cash receipts and ensuring that revenue is recognized appropriately. • We performed testing surrounding revenue recognized in the last few days of 2023 and initial days of 2024 to ensure that revenue is recognized in the correct period. Based on work carried out as detailed in the paragraphs above, we found revenue recognition to be appropriate and in line with the expected treatment of IFRS 15 'Revenue from contracts with customers' and IFRS 16 'Leases'.

How we tailored our group audit scope

The Group is composed of four components: Malta International Airport p.l.c. (the parent company) and its three wholly owned subsidiaries. We tailored the scope of our audit in order to perform sufficient work to enable us to provide an opinion on the financial statements as a whole, taking into account the structure of the Group, the accounting processes and controls, and the industry in which the Group operates.

The group audit team performed all of this work by applying the overall Group materiality, together with additional procedures performed on the consolidation. This gave us sufficient appropriate audit evidence for our opinion on the Group financial statements as a whole.

Other information

The directors are responsible for the other information. The other information comprises all of the information in the Annual Financial Report (but does not include the financial statements and our auditor's report thereon).

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon except as explicitly stated within the Report on other legal and regulatory requirements.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors and those charged with governance for the financial statements

The directors are responsible for the preparation of financial statements that give a true and fair view in accordance with IFRSs as adopted by the EU and the requirements of the Maltese Companies Act (Cap. 386), and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Group's and the Parent Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or the Parent Company or to cease operations, or have no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Group's financial reporting process.

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Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's and the Parent Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's or the Parent Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group or the Parent Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

Report on compliance with the requirements of the European Single Electronic Format Regulatory Technical Standard (the "ESEF RTS"), by reference to Capital Markets Rule 5.55.6

We have undertaken a reasonable assurance engagement in accordance with the requirements of Directive 6 issued by the Accountancy Board in terms of the Accountancy Profession Act (Cap. 281) - the Accountancy Profession (European Single Electronic Format) Assurance Directive (the "ESEF Directive 6") on the Annual Financial Report of Malta International Airport p.l.c. for the year ended 31 December 2023, entirely prepared in a single electronic reporting format.

Responsibilities of the directors

The directors are responsible for the preparation of the Annual Financial Report, including the consolidated financial statements and the relevant mark-up requirements therein, by reference to Capital Markets Rule 5.56A, in accordance with the requirements of the ESEF RTS.

Our responsibilities

Our responsibility is to obtain reasonable assurance about whether the Annual Financial Report, including the consolidated financial statements and the relevant electronic tagging therein, complies in all material respects with the ESEF RTS based on the evidence we have obtained. We conducted our reasonable assurance engagement in accordance with the requirements of ESEF Directive 6.

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Our procedures included:

- Obtaining an understanding of the entity's financial reporting process, including the preparation of the Annual Financial Report, in accordance with the requirements of the ESEF RTS.
- Obtaining the Annual Financial Report and performing validations to determine whether the Annual Financial Report has been prepared in accordance with the requirements of the technical specifications of the ESEF RTS.
- Examining the information in the Annual Financial Report to determine whether all the required taggings therein have been applied and whether, in all material respects, they are in accordance with the requirements of the ESEF RTS.

We believe that the evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Opinion
In our opinion, the Annual Financial Report for the year ended 31 December 2023 has been prepared, in all material respects, in accordance with the requirements of the ESEF RTS.

Other reporting requirements

The *Annual Financial Report and Financial Statements 2023* contains other areas required by legislation or regulation on which we are required to report. The Directors are responsible for these other areas.

The table below sets out these areas presented within the Annual Financial Report, our related responsibilities and reporting, in addition to our responsibilities and reporting reflected in the *Other information* section of our report. Except as outlined in the table, we have not provided an audit opinion or any form of assurance.

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Area of the Annual Financial Report and Financial Statements 2023 and the related Directors' responsibilities	Our responsibilities	Our reporting
Directors' report The Maltese Companies Act (Cap. 386) requires the directors to prepare a Directors' report, which includes the contents required by Article 177 of the Act and the Sixth Schedule to the Act.	We are required to consider whether the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements. We are also required to express an opinion as to whether the Directors' report has been prepared in accordance with the applicable legal requirements. In addition, we are required to state whether, in the light of the knowledge and understanding of the Company and its environment obtained in the course of our audit, we have identified any material misstatements in the Directors' report, and if so to give an indication of the nature of any such misstatements.	In our opinion: • the information given in the Directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and • the Directors' report has been prepared in accordance with the Maltese Companies Act (Cap. 386). We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the Other information section.

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Area of the Annual Financial Report and Financial Statements 2023 and the related Directors' responsibilities	Our responsibilities	Our reporting
Corporate Governance – Statement of Compliance The Capital Markets Rules issued by the Malta Financial Services Authority require the directors to prepare and include in the Annual Financial Report a Statement of Compliance with the Code of Principles of Good Corporate Governance within Appendix 5.1 to Chapter 5 of the Capital Markets Rules. The Statement's required minimum contents are determined by reference to Capital Markets Rule 5.97. The Statement provides explanations as to how the Company has complied with the provisions of the Code, presenting the extent to which the Company has adopted the Code and the effective measures that the Board has taken to ensure compliance throughout the accounting period with those Principles.	We are required to report on the Statement of Compliance by expressing an opinion as to whether, in light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have identified any material misstatements with respect to the information referred to in Capital Markets Rules 5.97.4 and 5.97.5, giving an indication of the nature of any such misstatements. We are also required to assess whether the Statement of Compliance includes all the other information required to be presented as per Capital Markets Rule 5.97. We are not required to, and we do not, consider whether the Board's statements on internal control included in the Statement of Compliance cover all risks and controls, or form an opinion on the effectiveness of the Company's corporate governance procedures or its risk and control procedures.	In our opinion, the Statement of Compliance has been properly prepared in accordance with the requirements of the Capital Markets Rules issued by the Malta Financial Services Authority. We have nothing to report to you in respect of the other responsibilities, as explicitly stated within the *Other information* section.

Area of the Annual Financial Report and Financial Statements 2022 and the related Directors' responsibilities	Our responsibilities	Our reporting
Remuneration report The Capital Markets Rules issued by the Malta Financial Services Authority require the directors to prepare a Remuneration report, including the contents listed in Appendix 12.1 to Chapter 12 of the Capital Markets Rules.	We are required to consider whether the information that should be provided within the Remuneration report, as required in terms of Appendix 12.1 to Chapter 12 of the Capital Markets Rules, has been included.	In our opinion, the Remuneration report has been properly prepared in accordance with the requirements of the Capital Markets Rules issued by the Malta Financial Services Authority.

Area of the Annual Financial Report and Financial Statements 2022 and the related Directors' responsibilities	Our responsibilities	Our reporting
	Other matters on which we are required to report by exception We also have responsibilities under the Maltese Companies Act (Cap. 386) to report to you if, in our opinion: • adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us. • the financial statements are not in agreement with the accounting records and returns. • we have not received all the information and explanations which, to the best of our knowledge and belief, we require for our audit. We also have responsibilities under the Capital Markets Rules to review the statement made by the directors that the business is a going concern together with supporting assumptions or qualifications as necessary.	We have nothing to report to you in respect of these responsibilities.

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Other matter – use of this report

Our report, including the opinions, has been prepared for and only for the Parent Company's shareholders as a body in accordance with Article 179 of the Maltese Companies Act (Cap. 386) and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior written consent.

Appointment

We were first appointed as auditors of the Company on 11 May 2022. Our appointment has been renewed annually by shareholder resolution representing a total period of uninterrupted engagement appointment of 2 years.

For and on behalf of:
PricewaterhouseCoopers
78, Mill Street
Zone 5, Central Business District
Qormi
Malta

STEPHEN MAMO
Principal
28 February 2024