

Turnaround for Schiphol in first half year of 2023

2023 Interim Results of Royal Schiphol Group

Schiphol's first six months marked the beginning of a turnaround for passengers, employees and the airport's future plans. Passengers had a good travel experience again and Schiphol intensified its initiatives to improve working conditions. Another development that characterised the first six months was the plan Schiphol presented to be quieter, cleaner and better. The Group's underlying net result for the first half year is 44 million euros. While passenger numbers compared to last year are higher, the aviation business is loss making due to a higher level of operational costs.

CEO Ruud Sondag: *"First and foremost, our focus was to provide passengers a pleasant journey again during the holiday season. I think for now it is fair to say we have achieved this and everyone at Schiphol can be proud of that. However, we are not there yet. For the sake of passengers, we and our partners have to keep improving."*

Turnaround on several topics

The turnaround does not only apply to the passenger experience in the short term. It also applies to reduction of nuisance, improving working conditions and a long-term vision on investments in the quality of Amsterdam Airport Schiphol. *Sondag: "The new standard for Schiphol is that we put our money where our mouth is. In a short period of time we have substantially improved the experience of passengers, improved rest areas for employees, ordered nearly fifty lifting aids, made the decision to build a new, modern baggage basement and presented eight decisions that will lead to quieter, cleaner and better aviation. Quality over low cost. Quality has a fair price and we have outlined this during the ongoing conversations with every partner involved."*

Traffic

The total number of passengers at Royal Schiphol Group airports in the Netherlands increased by 22% to 33.2 million (HY 2022: 27.3 million).

Passengers (in millions)

	Amsterdam Airport Schiphol	Eindhoven Airport	Rotterdam The Hague Airport	Total
HY 2023	28.7	3.5	1.0	33.2
HY 2022	23.8	2.7	0.8	27.3
HY 2021	5.6	0.3	0.1	6.0
HY 2020	13.1	1.1	0.3	14.5
HY 2019	34.5	3.2	1.0	38.7

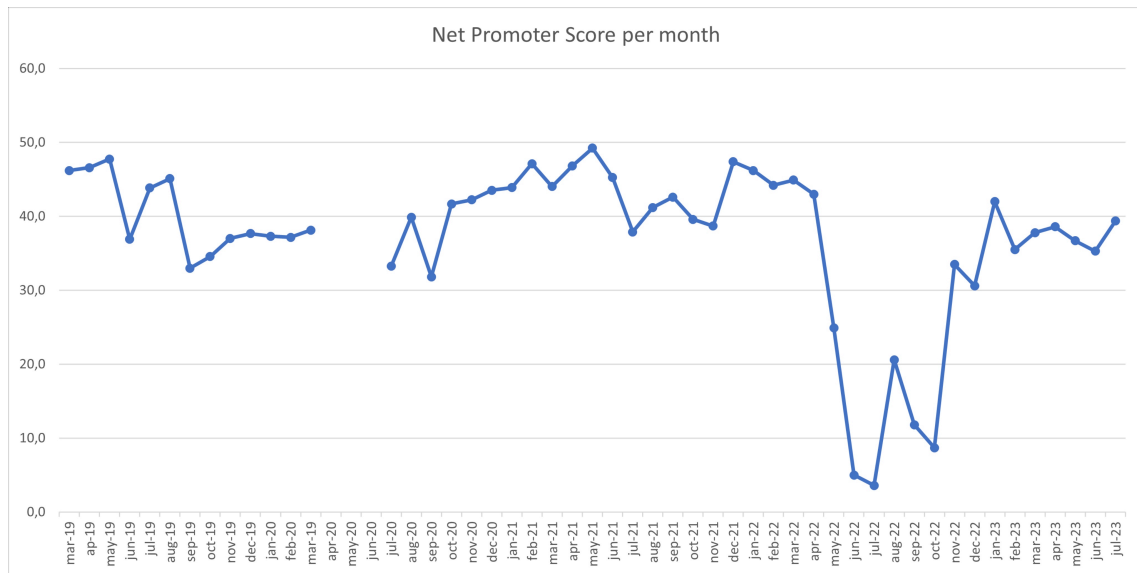
There were 206,198 air traffic movements at Amsterdam Airport Schiphol. A 9% increase compared to the first half year of 2022 (189,506 air traffic movements) yet still 15% below 2019 pre-COVID-19 air traffic movements (242,107). Cargo volumes at Amsterdam Airport Schiphol decreased by 6% to 0.7 million tonnes.

Air traffic movements

	Amsterdam Airport Schiphol	Eindhoven Airport	Rotterdam The Hague Airport	Total
HY 2023	206,198	20,042	7,582	233,822
HY 2022	189,506	18,314	6,413	214,233
HY 2021	86,037	3,745	690	90,472
HY 2020	115,952	8,338	2,514	126,804
HY 2019	242,107	19,864	7,902	269,873

Customer experience

The current Net Promoter Score (NPS) clearly reflects the better experience of passengers travelling to and from Amsterdam Airport Schiphol. The scores in May, June and July this year are considerably higher than in the same period last year, when operational problems led to extremely low NPS scores. Currently, passengers are rating the customer experience almost as high as the 2019 summer (July 2019: 44, July 2023: 39).



*due to corona no data between March and July 2020.

Financials

The underlying net result for the first half year of 2023 amounted to 44 million euros compared to a loss of 29 million euros for the first half year of 2022. The result is 15 million euros in the first half year of 2023 compared to a net result of 65 million euros in the HY1 2022.

Key financials

<i>EUR million</i>	HY 2023	HY 2022	%
Revenue	854	665	28.4
Underlying EBITDA	218	163	33.7
Underlying operating result	59	2	>100
Underlying result	44	-29	<100
Result	15	65	-76.9

Outlook for 2023

In the first half year of 2023, Royal Schiphol Group has seen further recovery in passenger numbers since the COVID-19 pandemic and we expect this trend to continue for the remainder of 2023. Passengers had a good travel experience during the May holiday period, which is traditionally a peak moment in traffic numbers. Travel experience and good operational performance remains a strong focus point for the Royal Schiphol Group airports. For the full year 2023, we expect total passenger numbers at Amsterdam Airport Schiphol to reach between 60 and 64 million. The expected number of flights for the full year is between 430.000 and 445.000. Despite continuing inflationary pressure, consumer spending on air travel has remained resilient in the first half year of 2023 and was supported by a strong pent-up demand. However, economic uncertainty remains.

Other key developments in the first half year of 2023

- As of 1 February, Royal Schiphol Group changed the management structure for more effective leadership. The board of management has been transformed into a broader Executive Team that is responsible for managing the company. The Executive Team of Royal Schiphol Group consists of Ruud Sondag (CEO), Robert Carsouw (CFO), Patricia Vitalis (Operations), Sybren Hahn (Asset Management), Arthur Reijnhart (Commercial) and Esmé Valk (HR).
- Medy van der Laan and Chris Figeer were appointed as Supervisory Board members of Royal Schiphol Group. Royal Schiphol Group shareholders voted on this during the shareholder meeting on 11 April. Both board members were appointed for a period of four years.
- Robert Jan van de Kraats was reappointed as Supervisory Board member for a third term of one year to ensure a smooth transition.
- At the start of April, Schiphol presented a plan of 8 measures that will lead to quieter, cleaner and better aviation. According to Schiphol, it is time to give the local environment, employees and the aviation industry perspective. The plans include that Schiphol wants no aircraft to take-off between 00:00 and 06:00 and none to land between 00:00 and 05:00, that there will be no second Kaagbaan Runway, and that private jets and the noisiest aircraft will no longer be welcome. This will lead to a reduction in the number of people experiencing noise nuisance.
- Schiphol welcomed the Ministry of Infrastructure & Water Management's decision to free up land that had been reserved for a possible second Kaagbaan Runway. This measure represents a positive development for the airport's neighbours and is one of the eight measures proposed in Schiphol's plan mentioned above.

- Since April, passengers had the possibility to reserve time slots, free of charge, for the security check at Schiphol. At first, these pre-booked time slots were available to passengers flying to a destination within the Schengen Zone. Since July, all passengers have been able to use this service.
- The 2023 May holiday, which was an important test for the summer holiday period, passed smoothly without any significant operational disruptions and with only minor capacity regulations in place. As of 15 May, all capacity restraints have been lifted and Schiphol is operating at full capacity, facilitating all of the demand for air travel.
- Schiphol announced the renewal, renovation and innovation of the baggage basements. This includes preparations for the construction of a new baggage basement with an innovative handling system, which will ensure operational continuity for passengers and airlines and helps to further improve the working conditions of baggage employees. Construction is expected to begin in 2026.
- Schiphol has continued its efforts to improve the working conditions of people working at the airport. Schiphol is working with baggage handling companies to implement two new technologies aimed at improving the work of employees in the baggage handling hall: a robot that has been developed for lifting suitcases at Schiphol and new lifting aids that help employees moving suitcases. Both innovations have been purchased and other solutions will be tested.
- Schiphol is taking measures to reduce emissions from diesel and aircraft engines and is creating a complete package of measures to minimise employee exposure. That includes: measures to replace all diesel-powered equipment on airside, measures on the apron to remove the source of emissions, measures to increase the distance between the source of emissions and employees, such as adjusting departure procedures and providing face masks, and experimental research into cleaning the air on the apron and improving air quality.
- Schiphol submitted an action plan, incorporating input from partners at the airport, to the Human Environment and Transport Inspectorate (ILT) aimed at reducing the use of auxiliary power units (APU) by aircraft parked on the apron. Schiphol views reducing APU use as a priority in light of the tangible improvement this makes to healthy working conditions for apron workers. It also contributes to reducing CO2 emissions from aviation as a whole.
- A strategic cooperation between Maastricht Aachen Airport (MAA) and Royal Schiphol Group commenced. On 8 June 2023, the province of Limburg and Schiphol signed the cooperation agreement, resulting in Schiphol acquiring a 40% stake in MAA and the province of Limburg keeping a 60% stake. The parties are committed to further developing MAA into a sustainable, environment-conscious and future-proof airport for both passengers and cargo.

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Key figures

EUR million unless stated otherwise	HY 2023	HY 2022	%
Underlying results			
Revenue	854	665	28.4
Other results from investment property	0	0	0.0
Operating expenses (excluding depreciation, amortisation and impairment)	636	503	26.4
Underlying EBITDA¹	218	163	33.7
Depreciation, amortisation and impairment	159	161	-1.2
Underlying operating result	59	2	>100
Financial income and expenses	-10	-47	78.7
Share of results of associates and joint ventures	10	5	100.0
Underlying result before tax	59	-41	>100
Corporate income tax	-15	11	>100
Underlying result	44	-29	>100
Attributable to non-controlling interests	4	4	0.0
Underlying result for the period attributable to shareholders	40	-33	>100
<i>Adjustments for:</i>			
NOW government grants and Reorganisation provision	-	9	
Other results from investment property (including the share of results of associates and joint ventures)	-71	42	
Settlement cash tender offer certain EMTN Notes	30	-	
Other results from financial assets	-	60	
Other results from financial liabilities	-	-15	
Tax impact (including the share of results of associates and joint ventures)	12	-1	
Total adjustments	-29	95	>100
Result for the period	15	65	-76.9
Attributable to non-controlling interests	4	4	-
Result for the period attributable to shareholders	11	61	-82.0
Total equity			
	3,506	3,651	-4.0
Investments in intangible assets and property, plant & equipment	308	162	90.1
Cash flow from operating activities	168	76	>100
Ratios			
	HY 2023	HY 2022	
Underlying return on equity (ROE) ²	1.3%	-1.8%	
Net leverage (underlying EBITDA) ³	8.9x	14.4x	
FFO / Net debt ⁴	8.3%	3.0%	
FFO interest coverage ratio ⁵	4.7x	4.4x	

EUR million unless stated otherwise	HY 2023	HY 2022	%
Solvency ⁶	37.3%	35.8%	
Basic earnings per share (in EUR 1) ⁷	61	330	
Business volume (in numbers)			
Air traffic movements ⁸	233,822	214,233	9.1
Passenger movements (x 1,000) ⁸	33,215	27,312	21.6
Cargo (x 1,000 tonnes) ⁸	679	722	-5.9
Workforce in full-time equivalents ⁸	2,721	2,443 ⁹	11.4

1 Operating result plus depreciation, amortisation and impairment.

2 Underlying net result attributable to shareholders / average total equity attributable to shareholders.

3 Net leverage: (interest-bearing debt - cash and cash equivalents*) / underlying EBITDA. * Cash and cash equivalents for this calculation include deposits > 3 Months.

4 Funds from operations (cash flow from operating activities before change in working capital) / (interest-bearing debt - cash and cash equivalents*).

* Cash and cash equivalents for this calculation include deposits > 3 Months.

5 Funds from operations plus gross interest expense / gross interest expense.

6 Total equity attributable to owners of the Company / Total assets.

7 Based on net result attributable to shareholders.

8 Schiphol Group: Amsterdam Airport Schiphol, Eindhoven Airport, Lelystad Airport and Rotterdam The Hague Airport.

9 On average, 11 employees are included from the reported workforce in full-time equivalents. These employees are technically part of the Schiphol workforce but are non-active as a result of Project Reset. The active workforce is 2,432.

Financial performance

For the first six months of 2023, Royal Schiphol Group's underlying result amounted of 44 million euros compared to a loss of 29 million euros for the first six months of 2022. The increase in underlying result was mainly driven by a continued increase in passenger numbers and ATM's compared to the first six months of 2022. The increase in revenues is for the most part offset by an increase in underlying operating expenses.

Underlying result to net result

Other results from investment property

Market developments, during the first six months of 2023, in the logistics real estate sector were unfavorable. This resulted in a decrease of Schiphol's real estate portfolio. Drivers for this negative adjustment are rising interest rates on the capital market that resulted in an increase in the Net Initial Yield (NIY) for all asset classes and an increase in Dutch transfer tax as per 1 January 2023 from 8% to 10.4%. We see demand is reducing in the commercial space whereas logistics increased reflecting limited availability. In total a fair value loss of other results from investment property of 71 million euros is recognized (compared with a gain of 42 million euros for the first six month of 2022).

Settlement cash offer certain EMTN notes

Royal Schiphol Group executed a cash tender offer on three of its outstanding EMTN notes resulting into a 380 million euros notional repayment against a cash settlement of 350 million euros, hence a one-off financial gain of 30 million euros was realised.

This press release may contain certain forward-looking statements that are subject to risk in connection with financial factors and results of Royal Schiphol Group's operations, and in connection with certain plans and objectives of Royal Schiphol Group in this context. By their nature, forward-looking statements involve risk and uncertainty because they relate to or depend on future events and/or circumstances and there are many factors that could cause actual results and developments to differ materially from those expressed or implied by these forward-looking statements. Forward-looking statements and forecasts are based on current data and historical experience which are not necessarily indicative of future outcomes or the financial performance of Royal Schiphol Group and should therefore not be considered in isolation.

Other results from financial assets and financial liabilities

During the first six months of 2023 no adjustments of other financial assets and liabilities were made to calculate the underlying result. The 2022 adjustment of other results of financial assets amounting to 60 million euros reflects the fair value remeasurement of the investment (shares) in groupe ADP classified as an Asset held for sale. In addition, the other results from financial liabilities reflect the impact of the remeasurment of the share buy-back obligation amounted to 15 million euros negative. Both these adjustments related to the unwinding of the cooperation agreement with Groupe ADP.

NOW government grants and Reorganisation provision

Schiphol Group recognised NOW government grants (Noodmaatregel Overbrugging Werkgelegenheid; temporary governmental compensation for labour costs) to the amount of 9 million euros.

These adjustments and one off transactions resulted in a result of 15 million euros for the first six months of 2023 (HY1 2022: result of 65 million euros).

Revenue

EUR million	HY 2023	HY 2022	%
Airport charges	525	398	31.9
Concessions	94	67	40.3
Rent and leases	100	94	6.4
Parking fees	69	57	21.1
Other activities	66	49	34.7
Total revenue	854	665	28.4

Revenue increased by 189 million euros (28%), from 665 million euros for the first half year of 2022 to 854 million euros for the first half year of 2023. The higher revenue was mainly driven by a continued increase in passenger numbers and ATMs compared to the first half year of 2022 that was still impacted by travel restrictions caused by the COVID-19 pandemic. The increase in airport charges at Amsterdam Airport Schiphol, effective per 1 April 2023, also contributed to the increase in revenue. Total number of passengers using Schiphol Group's airports increased by 22% to 33.2 million (HY1 2022: 27.3 million).

Revenue from airport charges at Amsterdam Airport Schiphol, Eindhoven Airport and Rotterdam The Hague Airport increased with 31.9%, from 398 million euros in the first half year of 2022 to 525 million euros in the first half year of 2023.

At Amsterdam Airport Schiphol, passenger numbers went up by 21% to 28.7 million (HY1 2022: 23.8 million) while the number of air traffic movements also increased by 9% to 206,198 (HY1 2022: 189,506). Cargo volumes decreased by 43,000 tonnes to 679,000 tonnes (HY1 2022: 722,000 tonnes). Revenue from airport charges at Amsterdam Airport Schiphol improved by 120 million euros to 484 million euros (HY1 2022: 364 million euros).

At Eindhoven Airport, passenger numbers were significantly up by 29% to 3.5 million (HY1 2022: 2.7 million) and the number of air traffic movements also increased by 9% to 20,042 (HY1 2022: 18,314). As a result, revenue from airport charges increased with 13% to 24.8 million euros (HY1 2022: 21.9 million euros).

Total revenue from airport charges at Rotterdam The Hague Airport improved with 32% or 3.8 million euros to 15.7 million euros compared with the first half year of 2022. This increase is caused by an increase of both passengers and security fees as of 1 April 2023. The number of passengers served by Rotterdam The Hague Airport increased by 27% to 1.0 million (HY1 2022: 0.8 million). The number of air traffic movements also increased by 18% to 7,582 (HY1 2022: 6,413).

Revenue generated by Schiphol Group through concessions increased by 40.3% to 94 million euros following an increase in passenger numbers at Amsterdam Airport Schiphol as well as our regional airports. Revenue from concessions is positively impacted by the absence of COVID-19 restriction. Contrary to 2022 all shops are open with full opening hours. The return of passengers with destination China and Hong Kong has a positive impact on the passenger mix resulting in a higher spend per passenger. The improved operation at Schiphol airport led to longer dwell time in which passengers visit stores or consume food and drinks.

The average spend per passenger retail airside at Amsterdam Airport Schiphol increased by 14.1% from 11.88 euros in the first half year of 2022 to 13.56 euros in the first half year of 2023. Food & beverage (F&B) spending per departing passenger increased by 5.0% from 5.80 euros to 6.09 euros.

Revenue from rents and leases increased slightly by 6.4% from 94 million euros to 100 million euros. This is primarily caused by higher indexation. The average occupancy rate of Schiphol's total real estate portfolio in the first half year of 2023 was 94,5%, which is slightly higher than the average occupancy rate of 93,8% during the same period last year. This increase in occupancy can be attributed to the higher occupancy rate of the office and freight portfolio.

Total parking revenue increased by 21.1% to 69 million euros (HY1 2022: 57 million euros). Parking revenue at Amsterdam Airport Schiphol increased by 9 million euros, driven by the increase in local, departing passengers and higher rates. Similar developments are seen at Eindhoven Airport and Rotterdam The Hague Airport.

Revenue from other activities increased by 34.7% to 66 million euros mainly due to an increase in passengers with reduced mobility, more passengers using premium services as well as advertising (media) activities due to more arriving and departing passengers.

Underlying operating expenses

EUR million	HY 2023	HY 2022	%
Outsourcing and other external costs	360	291	23.7
Employee benefits	137	123	11.5
Security	139	89	56.2
Underlying operating expenses (excl. Depreciation, amortisation and impairment)	636	503	26.4

Underlying operating expenses increased by 133 million euros from 503 million to 636 million euros for the first half year of 2023. This increase results from an increase in passenger numbers, increased operational expenses to ensure a stable and robust operation across the entire airport and increasing inflation compared to HY1 2022 reflected in our workforce costs and services purchased.

Costs of outsourced work and other external charges increased from 291 million euros to 360 million euros. Increase was mainly driven by an increase of temporary personnel to support the airport operations for which

central recruitment was done by Schiphol Group. Furthermore, external resources were hired to improve the operations process and additional IT costs were recognized for these improvements as well.

Employee benefits increased with 14 million euros when compared with the first half year of 2022 as a result of an increase of the active workforce (and costs) of Schiphol, ramping up resources post the reorganization that took place during COVID-19.

The increase in security costs amounted to 50 million euros resulting from salary increases due to high inflation and labor market shortages, roster measures and specific allowances and increase of passenger numbers. Overall an increase of the cost base (139 million euros compared with 89 million euros).

Underlying depreciation, amortisation and impairment

Depreciation, amortisation and impairment is at the same level compared to the first half year of 2022. No material impairment charges were recognized during the first half year of 2023 (half year 2022: none).

Underlying operating result per Business Area

EUR million	HY 2023	HY 2022	%
Aviation	-71	-96	26.0
Schiphol Commercial	121	95	27.4
Alliances & Participations	<u>9</u>	<u>3</u>	<u>>100</u>
Underlying operating result	59	2	>100

Relative to the same period in the preceding year, the underlying operating result for the first half year of 2023 increased by 57 million euros to 59 million euros (HY1 2022: 2 million euros).

The underlying operating result from Aviation recovered from 96 million euros negative to 71 million euros negative. This is attributable to an increase in the number of passengers and ATM's as well as an increase in airport charges (from April 2023). This increase is largely offset with higher operational costs and due to higher inflation and salary increases that were not foreseen in the fixed tariff setting applicable up to April 2025.

The underlying operating result of Schiphol Commercial increased from 95 million euros to 121 million euros compared to HY1 2022. This increase in revenues and operating result is mainly a result of significantly improved concession income and parking fees, both effects driven by an increase in passenger numbers and higher average spend per passenger. In addition rental income increased due to higher indexation compared to first half year of 2022

The underlying operating result for Alliances & Participations increased by 6 million euros compared to first six months of 2022, mainly due to the increased revenue from domestic airports and increase in results from our international investments also benefitting from the return to travel.

Financial income and expenses

The underlying financial income and expenses for the first half year of 2023 amounted to a net expense of 10 million euros compared to a net expense of 47 million euros for the first half year of 2022. The decrease of net financial expenses is a result of increased interest rates on cash and cash equivalents, short term deposits and loans receivable.

Share in results of associates and joint ventures

EUR million	HY 2023	HY 2022	%
Brisbane Airport Corporation Holdings	6	2	>100
Hobart International Airport (TGHC)	0	2	<100
Other results of associates	4	1	>100
Underlying result of share in results of associates and joint ventures	10	5	100.0
<i>Adjustments for:</i>			
Other results from investment property	3	22	-86.4
Tax impact (including the share of results of associates and joint ventures)	-	5	-100.0
Total adjustments	3	27	-88.9
Share in results of associates and joint ventures	13	32	-59.4

The underlying share in results of associates and joint ventures increased with 5 million euros to 10 million euros in the first half year of 2023 (HY1 2022: 5 million euros). The increase in the underlying share in the results of associates and joint ventures was mainly driven by an increase in results on our international activities, in particular Brisbane airport.

Following international and domestic border openings in Australia and a strong pent up demand, passenger numbers have been trending higher than anticipated. Although operational performance of Hobart Airport continues to be strong, net results are affected by fair value changes of their interest rate swap.

Other results from investment properties comprise for both Brisbane airport and Hobart airport fair value gains as a result of favourable market and economic factors.

The 2022 tax adjustment amounting to 5 million euros related to an adjustment on the deferred tax position for Hobart.

Corporate income tax

The underlying corporate income tax expense amounted to 15 million euros in the first half year of 2023, compared with and income of 11 million euros for HY1 2022. This excludes the tax impact on adjustments to the underlying result, with a total impact of 12 million euros for first six months of 2023 (HY1 2022: negative 1 million euros).

Underlying result

As a result of the developments outlined above, the underlying result for the first half year of 2023 increased by 73 million euros to 44 million euros (HY1 2022: 29 million euros negative).

Result

Taken into account the adjustments from underlying result to result, the result for the first six months of 2023 amounts to 15 million euros (HY1 2022: 65 million euros). The return on equity (ROE) amounts to 3.9% negative in HY1 2023 (HY1 2022: 1.7% positive).

Corporate income tax (underlying + tax effect on adjustments)

Corporate income tax expense amounted to 3 million euros in HY1 2023 compared to an income amounting to 5 million euros in HY1 2022. The first six months of 2022, as stated above, were impacted by a non-taxable fair value gain of 60 million euros, resulting into a tax benefit. For the first six months of 2023, the effective tax rate was lower than the domestic income tax rate of 25,8% (HY1 2022: lower). The lower tax burden was mainly attributable to the application of the participation exemption to the results (and fair value gain) of associates and joint ventures. The effective tax rate for the 2023 financial half-year was 18.0% (HY1 2022: 8.4%).

Balance sheet and cash flow developments

The balance sheet total as at 30 June 2023 amounted to 9,246 million euros. This figure is 4% down compared to 31 December 2022 (9,604 million euros). Total equity decreased by 1 million euros to 3,506 million euros, due to positive accumulated 2023 half-year results of 15 million euros lowered with negative other comprehensive income. No dividends were paid over 2022 and no dividends are expected to be paid over 2023.

Non-current assets increased by 45 million euros to 7,629 million euros as at 30 June 2023. The increase is mainly as a result of an increase in Assets under construction or development. This item increased by 112 million euros compared to 31 December 2022, largely due to the investments in fixed assets listed below, offset by assets which were commissioned during the first half of 2023. Within investment property, fair value losses of 71 million euros are included. The deferred tax asset increased with an amount of 10 million euros mainly as a result these aforementioned fair value losses.

Current assets decreased by 403 million euros compared to 2022, in particular due to a decrease in cash and cash equivalents of 474 million euros. Decrease is mainly a result of early repayment of certain EMTN notes following the cash tender offer and capital expenditures. As at 30 June 2023, Schiphol Group holds 577 million euros in cash, of which 423 million euros in bank deposits (with initial maturities less than three months) and money market funds.

With shareholders' equity of 3,447 million euros and interest-bearing debts of 4,928 million euros, the 12 months net leverage as at 30 June 2023 is 8.9x (compared with 14.4x as at 30 June 2022).

Investments

In the first six months of 2023, Schiphol invested 308 million euros in assets, an increase of 85% compared with the first half of 2022 (HY1 2022: 162 million euros). The most significant investments in the first half of 2023:

- development Pier-A;
- execution of maintenance on runway 18C-36R (Zwanenburgbaan);
- redevelopment Terminal 1;
- development Hangar 17;
- execution of the multi-year maintenance plan.

Cash flow developments

Cash flow from operating activities amounted to an inflow of 168 million euros in the first half of 2023, compared with 76 million euros in the first half of 2022. Improved working capital movements contributed to this improvement. This increase in working capital was sharply influenced by the increase in aviation taxes collected during the quarter on behalf of the government and paid after the quarter end.

Cash flow from investing activities during the first half year of 2023 amounted to an outflow of 251 million euros compared with 165 million euros over the same period last year. This is mainly a result of higher investments in Property, Plant and Equipment.

Cash flow from financing activities amounted to 390 million euros negative, mainly due to the cash tender offer on three of its outstanding EMTN Notes executed during the first half of the year, which resulted in a cash outflow of 350 million euros. In addition, Schiphol repaid the 25 million euros Namensschuldverschreibung, which matured during the first half of the year. No additional debt was attracted by Schiphol during the first six months of 2023 (first six months 2022: none).

Mostly as a consequence of the aforementioned developments net cash flow in the first half of 2023 amounted to 474 million euros negative (HY1 2022: 91 million euros negative). As a result, the net amount of cash balances (excluding deposits > 3 months), taking into account exchange and translation differences, decreased from 1,051 million euros as at 31 December 2022 to 577 million euros as at 30 June 2023.

In addition to these cash (and short term deposit) balances, Royal Schiphol Group has an amount of 645 million euros short term deposits presented as receivables (with initial maturities exceeding three months) and access to 500 million euros in committed and 150 million euros in uncommitted undrawn bank facilities.

Financing

The total amount of outstanding borrowings decreased by 438 million euros in the first half of 2023 to 4,928 million euros (31 December 2022: 5,365 million euros). This decrease was mainly caused by repaying 380 million euros in June 2023, of outstanding EMTN Notes. This as a result of the Cash Tender Offer on Schiphol's 2025, 2026 & 2027 EUR Notes. In addition, Schiphol repaid 25 million euros Namensschuldverschreibung which matured in the first half of 2023. At present, it is possible to raise funds of up to 5 billion euros under the EMTN Programme, of which 4,033 million euros is currently outstanding. Schiphol Group has a number of committed undrawn credit facilities to the value of 500 million euros with BNP Paribas, ABN Amro, ING, NatWest Markets, SMBC, Rabobank and BNG.

Other developments

The nature permit process is still ongoing. Schiphol is awaiting a response from the Ministry of Agriculture, Nature and Food Quality.

Passengers have rated Amsterdam Airport Schiphol's website and digital services as the world's best. This is according to Skytrax's annual customer satisfaction survey of 550 airports worldwide. Schiphol received the 'Skytrax Award for World's Best Airport Website & Digital Services' at the World Airport Awards 2023 for the second year in a row.

EasyPark Group has signed a deal with Amsterdam Airport Schiphol for P1 Short-term car park. Entering and exiting through the car park barrier and paying will be fully automated using an app.

Runway maintenance

In the first half of the year, maintenance works were carried out on two runways: the Zwanenburgbaan Runway and the Aalsmeerbaan Runway. From Monday 2 January to early May, the Zwanenburgbaan runway was not available to air traffic, due to major maintenance works that need to be done every 40 to 60 years. The runway asphalt – with a surface area equal to 86 football pitches – was completely renewed. During this process, 60% of the asphalt was reused. Schiphol also renewed 12,000 square metres of markings on the

runway and replaced 6 kilometres of guttering and drains on and around the runway. The runway lighting and corresponding electric cables were replaced by a more sustainable and more reliable LED lighting system. From Monday 22 until Wednesday 31 May, annual maintenance works were carried out on the Aalsmeerbaan Runway, so it remains in good condition.

Appointments and organization

As of 1 February, Royal Schiphol Group (RSG) changed the management structure towards more effective leadership. The board of management has been transformed into a broader Executive Team that is responsible for managing the company. The Executive Team of Royal Schiphol Group consists of Ruud Sondag (CEO), Robert Carsouw (CFO), Patricia Vitalis (Operations), Sybren Hahn (Asset Management), Arthur Reijnhart (Commercial) and Esmé Valk (HR). COO Hanne Buis left Royal Schiphol Group on 1 February.

As of 1 February 2023, Lennert l'Amie is Director IT&Data at Royal Schiphol Group. He succeeded Sjoerd Blüm.

Esther Bosch is the new Director Risk & Audit at Royal Schiphol Group, per 1 April 2023. She succeeded Ridder Ralph van der Hoff, who has held the position on an interim basis since 1 September 2022.

Medy van der Laan and Chris Figee have been appointed as Supervisory Board members of Royal Schiphol Group. Royal Schiphol Group shareholders voted on this during the shareholder meeting on 11 April. Both board members have been appointed for a period of four years. After two terms on the Supervisory Board, Mikael Olsson stepped down from his position.

Robert Jan van de Kraats has been reappointed as Supervisory Board member for a third term of one year to ensure a smooth handover.

As of 1 June 2023, Baukje Dreimüller is the Director of Corporate Legal at Royal Schiphol Group. She succeeded Anne Hustinx, who combined this role with her position as Director of Procurement & Contracting.

In June, Wilma van Dijk, CEO of Rotterdam The Hague Airport, was elected to the ACI Europe Board at the ACI World Assembly in Barcelona. She will represent the West 2 sub-region, comprising Andorra, Belgium, France, Luxembourg, Monaco and the Netherlands.

Risk management

As a result of its vital role in Dutch infrastructure to connect the Netherlands and to ensure Royal Schiphol Group is a safe as well as financially robust business, our Company is subject to a range of strategic, operational, financial and compliance risks. Risk management is an integral part of our business. The 2022 Annual Report describes Schiphol Group's risk management policy and the following most important risks facing Schiphol Group.

As part of the company's regular risk management assessment, our risks have been evaluated at half-year 2023. The outcome of the risk assessment has led, compared to 2022, that the Category Organisation was added to mitigate the risks of an ineffective operating model. Constraints to the model were revealed when many interrelated risks, as the labor market shortages and Schiphol Group's dependency on sector partners and suppliers, cumulated in our inability in 2022 to scale-up airport capacity in time to the increased demand. Short term improvements resulted in a 'smooth' 2023 May holiday due to, amongst others, our collaboration on sector-wide challenges by solving resource scarcity. Now, the focus is also on increased and longer-term sector-wide collaboration, enhanced steering mechanisms, improved sector attractiveness, including compensation, healthy working conditions and planning schedules, and sector-wide staff recruitment and

retention. Also, the shortage of human resources in the construction market is impacting our project execution risks. The projects are vital for maintaining and improving the infrastructure at the airports. In addition, we also see environmental regulations and changing stakeholder demands putting the realisation of the project portfolio under pressure.

As a result of the half year evaluation, a number of other key risks appear more prominent. These include maintenance and reliability of our (technical) assets, potential power failure and external threats including cybercrime potentially impacting business continuity. Environmental responsibility continues to be an important topic in response to climate change. It is not only crucial for Schiphol Group to operate sustainably in order to achieve our ambition of 2030 most sustainable airports, but also to be a frontrunner in influencing the industry to be more environmentally conscious (a series of decisions were taken that will lead to quieter, cleaner and better aviation).

Compliance risk, as the laws and regulations could become increasingly stringent, remain high on the management agenda including the impact caused by the intention of the Dutch Government to cap the number of air traffic movements at Amsterdam Airport Schiphol.

Due to the nature of its activities, Royal Schiphol Group faces a variety of major impact risks (such as another potential pandemic) and financial risks, including market risks, counterparty risks, liquidity risks and tax risks. The economic downturn including inflation and political uncertainty could potentially impact our performance for the rest of 2023.

The risks associated with business operations could result in discrepancies between the actual results and the results described in forward-looking statements in this document.

This press release may contain information that qualifies as inside information about Royal Schiphol Group within the meaning of Article 7(1) of the Market Abuse Regulation (596/2014/EU).

For more information, please contact Marije Sotthewes, Senior Manager Finance Operations & Reporting

Note for editors and investors:

Royal Schiphol Group also provides access to the 2023 Interim Report via <https://www.schiphol.nl/en/schiphol-group/page/financial-information/>

Royal Schiphol Group 2023 condensed consolidated interim financial statements

Condensed consolidated statement of income for the first half year of 2023

(in thousands of euros)

	HY 2023	HY 2022
Revenue	854,147	665,390
Other results from investment property	-73,576	19,272
Cost of outsourced work and other external costs	498,955	380,022
Employee benefits	137,088	113,591
Depreciation, amortisation and impairment	159,172	160,805
Total operating expenses	795,215	654,419
Operating result	-14,644	30,243
Financial income	68,106	66,718
Financial expenses	-48,272	-68,916
Financial income and expenses	19,834	-2,197
Share in result of associates and joint ventures	12,500	31,867
Result before tax	17,690	59,913
Income tax expense	-3,176	5,036
Result for the period	14,514	64,950
Attributable to:		
Non-controlling interests	4,044	3,562
Shareholders (net result)	10,470	61,389
Basic earnings per share (in euros)	61	330
Diluted earnings per share (in euros)	61	330

Condensed consolidated statement of comprehensive income for the first half year of 2023

(in thousands of euros)	HY 2023	HY 2022
Result	14,514	64,950
Foreign currency translation differences	-15,135	11,631
Changes in fair value on hedge transactions	5,753	24,571
Share of OCI of associates after taxes	-1,826	18,732
Other comprehensive income, net of tax, to be reclassified to profit or loss in subsequent periods	-11,208	54,934
Other comprehensive income for the period	3,306	119,884
Attributable to:		
Non-controlling interests	1,300	3,562
Shareholders (net result)	2,006	116,322

Condensed consolidated statement of financial position as at 30 June 2023

Assets

(in thousands of euros)

30 June 2023 31 December 2022

Intangible assets	143,515	131,259
Assets used for operating activities	3,444,605	3,443,513
Assets under construction or development	1,417,288	1,305,383
Investment property	1,657,126	1,699,706
Deferred tax assets	339,838	329,595
Investments in associates and joint ventures	481,452	492,328
Loans to associates and joint ventures	112,573	136,159
Other non-current receivables	32,853	46,635
Non-current assets	7,629,250	7,584,578
Trade and other receivables	1,039,082	968,346
Current income tax receivables	-	-
Cash and cash equivalents	577,231	1,050,846
Current assets	1,616,313	2,019,192
Total assets	9,245,563	9,603,770

Equity and liabilities

(in thousands of euros)

30 June 2023 31 December 2022

Issued share capital	84,511	84,511
Share premium	362,811	362,811
Retained profits	3,427,440	3,416,970
Other reserves	-7,772	3,436
Treasury shares	-420,320	-420,320
Equity attributable to owners of the company	3,446,670	3,447,408
Non-controlling interests	59,778	58,478
Total equity	3,506,448	3,505,886
Borrowings	4,608,232	5,319,296
Employee benefits	41,284	41,451
Provisions	22,390	29,161
Deferred tax liabilities	13,481	13,739
Other non-current liabilities	101,648	103,363
Non-current liabilities	4,787,035	5,507,010
Borrowings	306,025	30,912
Current income tax liabilities	12,540	8,626
Provisions	10,025	19,924
Trade and other payables	623,490	531,412
Current liabilities	952,080	590,874
Total liabilities	5,739,115	6,097,884
Total equity and liabilities	9,245,563	9,603,770

Condensed consolidated statement of changes in equity for the first half year of 2023

(in thousands of euros)

	Attributable to shareholders						Total
	Issued share capital	Share Premium	Retained profits	Other reserves	Treasury shares	Non-controlling interests	
Balance at 31 December 2021	84,511	362,811	3,082,906	-48,907	-	49,516	3,530,837
Comprehensive income	-	-	61,389	54,934	-	3,562	119,885
Dividend paid	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Balance at 30 June 2022	84,511	362,811	3,144,295	6,027	-	53,078	3,650,722
Other comprehensive income	-	-	-147,645	-2,591	-	5,400	-144,836
Acquisition of treasury shares	-	-	420,320	-	-420,320	-	0
Payments of dividend	-	-	-	-	-	-	-
Other	-	-	-	-	-	-	-
Balance at 31 December 2022	84,511	362,811	3,416,970	3,436	-420,320	58,478	3,505,886
Other comprehensive income	-	-	10,470	-11,208	-	4,044	3,306
Payments of dividend	-	-	-	-	-	-2,744	-2,744
Other	-	-	-	-	-	-	-
Balance at 30 June 2023	84,511	362,811	3,427,440	-7,772	-420,320	59,778	3,506,448

	dividend for 2022, paid in 2023	dividend for 2021, paid in 2022
Dividend attributable to shareholders (in euros)	-	-
Average number of issued shares in issue	171,255¹	186,147
Dividend per share (in euros)	-	-

¹ The 14,892 treasury shares are deducted as they are not eligible for dividend distribution

No dividends will be distributed for financial year 2022 (for financial year 2021: none).

Condensed consolidated statement of cash flows for the first half of 2023

(in thousands of euros)

	HY 2023	HY 2022
Result	14,514	64,950
Income tax expense recognised in the profit or loss	3,176	-5,036
Share of results of associates and joint ventures	-12,500	-31,867
Financial income and expenses	-19,834	2,197
	<u>-29,158</u>	<u>-34,707</u>
Operating result	-14,644	30,243
Adjustments for:		
Depreciation and amortisation expenses	158,806	159,275
Impairment loss	365	1,530
Fair value changes of investment property	73,894	-19,272
Other non cash changes other receivables and liabilities	-865	-2,487
Result on disposal of property, plant and equipment	-	-
Change in employee benefits and other provisions	-14,915	8,954
	<u>217,285</u>	<u>148,000</u>
Operating result after adjustments	202,641	178,243
Movement in working capital	-674	-51,469
	<u>201,967</u>	<u>126,774</u>
Cash flow from operations	201,967	126,774
Cash flow from operating activities		
Income tax paid	-9,616	-6,384
Interest paid	-42,419	-47,998
Interest received	12,287	3,358
Dividends received	5,859	613
Cash flow from operating activities	168,078	76,363
Cash flow from investing activities		
Payments for intangible assets	-23,454	-13,560
Payments for property, plant and equipment and investment property	-288,768	-145,076
Proceeds from disposals of assets	0	-
Share capital withdrawals (contributions) to associates	-332	-809
Proceeds from other loans	21,279	9,501
Purchased assets held for sale	-2,436	-
Investments in deposits	-465,000	-100,000
Proceeds from deposits	507,522	85,000
Cash flow from investing activities	-251,189	-164,944
Free cash flow	-83,111	-88,581

(in thousands of euros)	HY 2023	HY 2022
Cash flow from financing activities		
Repayment of borrowings	-379,499	-16,500
Dividend paid	-2,772	-
Proceeds from other non-current liabilities	521	679
Payment of lease liabilities	-1,703	-2,307
Cash flows from collaterals	-7,020	15,960
Cash flow from financing activities	-390,473	-2,168
Net cash flow	-473,584	-90,749
Opening balance of cash and cash equivalents	1,050,846	919,760
Net cash flow	-473,584	-90,749
Exchange and translation differences	-31	-56
Closing balance of cash and cash equivalents	577,231	828,954

Notes to the condensed consolidated interim financial statements

General information

Royal Schiphol Group N.V. is a public limited liability company with its registered office in the municipality of Haarlemmermeer. The address of the company's registered office is Evert van de Beekstraat 202, 1118 CP Schiphol, the Netherlands. Royal Schiphol Group N.V. trades under the names of Schiphol Group, Luchthaven Schiphol and Royal Schiphol Group N.V.

Royal Schiphol Group N.V. is an airport company with an important socio economic function. Airports in the Group create value for society and for the economy. 'Connecting your world' embodies 'the Why' of Royal Schiphol Group: 'Connecting your world' by orchestrating inspiring journeys and creating the world's most sustainable, high-quality airports. Our airports allow international trade, tourism and knowledge exchange to flourish by providing top-quality aviation infrastructure as well as air traffic facilities for passengers and cargo.

Accounting policies

These condensed consolidated interim financial statements (hereinafter: 'interim financial statements') have been prepared in accordance with IAS 34 *Interim Financial Reporting* and have not been audited but have been reviewed. These interim financial statements should be read in conjunction with the Schiphol Group financial statements for the financial year ended 31 December 2022.

Full details of the accounting policies for consolidation, measurements, assumptions and estimates used in these interim financial statements can be found in Schiphol Group's 2022 financial statements. These accounting policies are in accordance with IFRS and have been consistently applied to all the information presented in these interim financial statements.

The corporate income tax in the interim financial statements is based on the expected average tax rate for 2023 and was adjusted for untaxed and non-deductible items in line with the preceding year.

New standards and amended standards which are mandatory with effect from 2023 or later

A number of new standards and amendments to standards are effective for annual periods beginning after 1 January 2023 and earlier adoption is permitted. Schiphol Group has not early adopted any new or amended standards effective after 1 January 2024 in preparing these condensed consolidated interim financial statements.

There are a number of standards and interpretations applicable as of 1 January 2023:

- IFRS 17 Insurance Contracts
- Amendments to IAS 1 and IFRS Practice Statement 2: Disclosure of Accounting Policies
- Amendments to IAS 8: Definition of Accounting Estimates
- Amendments to IAS 12: Deferred Tax related to Assets and Liabilities from a Single Transaction

The following standards and interpretations are applicable as of 1 January 2024:

- Amendments to IAS 1: Non-current liabilities with covenants
- Amendments to IFRS 16: Lease liability in sale and leaseback

The amendments to IFRS 10 and IAS 28: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture are available for optional adoption/ effective date deferred indefinitely.

These new standards, new amendments and new interpretations have been determined to have no material impact on the financial reporting of Schiphol Group.

Management of financial risks and financial instruments

Due to the nature of its activities, Schiphol Group faces a variety of financial risks, including market risks, counterparty risks, liquidity risks and tax risks. These interim financial statements must be read in conjunction with the Schiphol Group 2022 financial statements, which include comprehensive descriptions of these risks. There have been no significant changes to these financial risks and other circumstances which, other than described, have an effect on the value of the assets and liabilities.

Fair value of financial instruments

No shifts have occurred between the different levels of valuation at fair value. Derivatives are measured at fair value (level 2). Fair value is based on quoted prices for similar assets and liabilities in active markets or inputs that are derived from or corroborated by observable market data. This valuation is updated in each reporting period. With regard to trade receivables, cash and cash equivalents, debts to suppliers and interest payable, it is assumed that the carrying amount approximates the fair value. There has not been a significant increase in the credit risk and on the measurement of the expected credit losses, Schiphol Group has experienced a limited impact as a result of the conflict in Ukraine (also refer below).

Fair value of investment property

All building and land properties are measured at fair value. Investment property is classified as level 3 valuation. The fair value is based on the market value, being the estimated amount for which investment property can be traded on the valuation date between a buyer and a seller willing to do business in an objective, arm's length transaction. The calculation of the cash flows, which is a factor in determining the fair value at which investment property is stated in the balance sheet, takes into account the lease incentives

granted. After all, the lease incentives are recognised separately as assets on the balance sheet under other non-current receivables and trade and other receivables.

At 30 June 2023, 100% of the building portfolio was externally appraised by independent external appraisers. In 2023, the appraisers are JLL, CBRE and Savills. The variables for the land positions were provided by CBRE and Savills.

The valuation method used in order to appraise buildings is a combination of the net initial yield (NIY) method and the discounted cash flow (DCF) method. The NIY method uses a net market rent which is capitalised with an NIY and is adjusted for all elements that differ from the market assumptions. The NIY is determined on the basis of comparable market transactions, supplemented with market and object-specific knowledge. Deviating assumptions include contractual rent, vacancy information, deferred maintenance and rent holidays. The net cash flows estimated via the DCF method are discounted at a risk-adjusted discount rate which includes specific object and location assumptions.

Information on seasonal effects

Operating airports is subject to seasonal effects. Usually, the income and expenditure included in these interim financial statements for the first six months of 2023 relate to approximately 46% of the expected number of air traffic movements for the full year and approximately 44% of the expected number of passenger movements for the full year.

Schiphol Group's ability to continue as a going concern

Further recovery of traffic from the COVID-19 pandemic has been observed the first six months of 2023, which have a positive impact on the operations and results of Schiphol Group. A net result of 15 million euros was recognised for the six months ending 30 June 2023 (compared with a net result of 65 million euros for the first half year of 2022).

Schiphol Group has focused on operational recovery and in that optimising the financial position (with early repayment of 380 million euros of certain EMTN notes) and as well as focus on size and timing of CAPEX spending and remaining flexible to adjust CAPEX target setting.

Schiphol has experienced limited impact on the passenger numbers, cargo traffic and revenue (from airlines, rents and leases and concessions) as a result of the conflict in Ukraine. In the five years preceeding the conflict, the share of passengers to / from Russia and Ukraine was approximately 1.5% or 1 million passengers per annum. Schiphol continues to use the traffic scenarios which were in place before the conflict started, since the bandwidth of these scenarios are still considered accurate.

Schiphol Group has seen continued recovery in passenger numbers from the COVID-19 pandemic during the first six months of 2023 and expects this trend to continue for the next 6 months ahead. Passenger numbers in first half year of 2023 are only 14% less than in the first half year of 2019. Full traffic recovery towards 2019 levels remains uncertain and is subject to, potential operational constraints to cope with the strong pick-up in demand, and - in the medium term – the announcement by the Dutch Government to cap the number of flight movements at Amsterdam Airport Schiphol.

Schiphol Group receives a credit rating from both S&P and Moody's, and is currently rated A- with stable outlook (S&P) and A2 with a stable outlook (Moody's). During the second half of 2022, Royal Schiphol Group was downgraded by both S&P (A negative to A- stable) and Moody's (A1 negative to A2 stable) in direct response to the Dutch government's announced intention to ultimately reduce the annual number of aircraft

movements from to 440,000 at Amsterdam Airport Schiphol. Despite continued recovery of operational performance and credit metrics from the COVID-19 pandemic, no further rating actions have been taken towards Royal Schiphol Group during HY1 2023. Schiphol Group continues to meet all its financial covenants.

Schiphol Group evaluated its ability to continue as a going concern, based on a detailed cash flow forecast analysis for the next 18 months. Schiphol has sufficient funding available to continue to finance the ongoing operational cash flows and the committed capital investments. Management therefore expects that Schiphol Group has adequate resources to continue in operations for at least the next 12 months and that the going concern basis of accounting remains appropriate.

Impairment assessments of non-financial assets:

No external sources of information indicate the possible existence of an impairment for the half-year period ending 30 June 2023. For the period ending 30 June 2023, a qualitative assessment turned out that no impairment is required for Cash Generating Unit (CGU) Amsterdam Airport Schiphol, Eindhoven Airport, Lelystad Airport, Rotterdam The Hague Airport, Hobart International Airport and Brisbane Airport. The fair value of each CGU exceeds the invested capital.

Over the first six months of 2023, Amsterdam Airport Schiphol started with slower months due to traffic capacity regulations between January and March and temporary fleet availability issues with certain airlines. The 2023 May holiday, which was an important test for the summer holiday period, passed smoothly without any significant operational disruptions and with only minor capacity regulations in place. As of 15 May, all capacity restraints have been lifted and Schiphol is operating at full capacity, facilitating all of the demand for air travel. Traffic at Eindhoven Airport and Rotterdam The Hague Airport exceeded expectations over the first six months of 2023.

Judgement is required in projecting future cash flows of a CGU given the uncertain path towards a reduction in the number of ATMs, execution of a large CAPEX portfolio and potential operational constraints. Full traffic recovery towards pre-pandemic levels remains uncertain. The 2023 forecast of Amsterdam Airport Schiphol assumes traffic to recover in line with most other airports. As of 2024, the lowered cap on ATMs is assumed to be implemented and traffic will gradually recover to the 2019 level by the year 2027.

Traffic at Brisbane and Hobart Airport recovered strongly over 2022 and first six months of 2023, following international and domestic border openings, resulting in passenger numbers trending higher than anticipated.

Lelystad

Under the 2008 Alders Agreement, Lelystad Airport is intended to serve as an overflow airport for Schiphol for non-mainport traffic. The opening of Lelystad Airport has been postponed several times. The decision to postpone the opening of Lelystad Airport was also to provide sufficient time for Lelystad Airport to secure a nature permit and resolve the discussion on low approach routes. Lelystad has acquired sufficient nitrogen emission rights for commercial opening of the airport. On this basis, no impairment is deemed necessary based on the current governmental decision to delay the airport's opening until April 2025 at the earliest.

Income tax expenses:

As at 30 June 2023, Schiphol Group has accumulated assessed losses of 189 million euro. For these losses Schiphol Group recognized a deferred tax asset in terms of IAS 12 *Income Taxes*. Management assessed the estimates of future taxable profits as part of the scenario forecast and concluded that Schiphol Group will recover the deferred tax asset against future taxable profit.

Government grants:

The other receivables balance include an amount of 36 million euros (half year 2022: 34 million euros) relating to NOW government grants to be received from financial year 2022 and 2021. The receivable is a result of audited filings less received amounts. In 2022 Schiphol Group applied for the NOW 6 government grant (Noodmaatregel Overbrugging Werkgelegenheid, NOW) for the amount of 9 million euros. The grant was recognised as a deduction to the related operating expenses in the condensed consolidated statement of profit and loss and OCI for the first six months of 2022.

Provisions - update:

Provisions amounted to 32 million euros as at 30 June 2023 (49 million euros as at 31 December 2022) and are updated to reflect the extent that Schiphol considers itself to be liable. There were no major new topics for the first half year of 2023 for which new provisions are recognized.

Contingent assets and liabilities

Reference is made to the 2022 financial statements for an overview of the contingent assets and liabilities. Unless elaborated below there are no material changes during the first six months of 2023 that require disclosing.

Settlement of airport charges - update on the contingent asset:

The Annual Report of 2022 refers to an expected settlement claim on the sector of 105-140 million euros. In May 2023, the Regulatory Accounts 2022 were published, which included a final settlement of 114.4 million euros receivable. The settlement is divided into 3 parts: a traffic and transport related part of 107.8 million euros receivable, a non traffic and transport related part of 1.3 million euros owed and an interest part of 7.9 million euros receivable. In the consultation for the airport charges setting of 2024, Schiphol has proposed to spread out the 2022 settlement in three equal annual parts, with the first part being part of the 2024 airport charges.

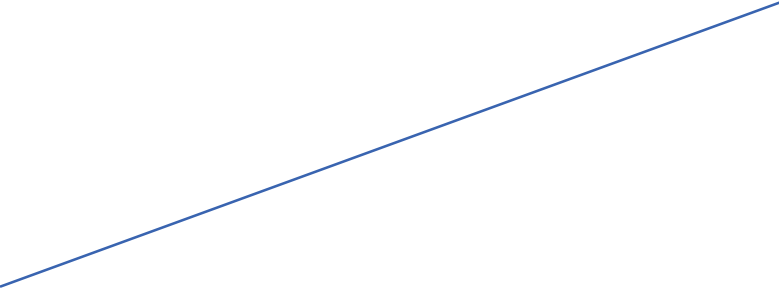
As of 1 april 2023 the airport charges increased with 12% in line with consultation. However, a number of airlines and representative organizations submitted complaints to the regulator in response to Schiphol's final setting of airport charges 2023. The regulator (Dutch Authority for Consumers & Markets) concluded in March 2023 that the airport charges and conditions as proposed by Schiphol are in accordance with the Aviation Act.

A number of airlines and representative organizations have submitted complaints to the regulator in response to Schiphol's final setting of airport charges 2022-2024. The regulator (Dutch Authority for Consumers & Markets) concluded in April 2022 that airport charges and conditions as proposed by Schiphol are in accordance with the Aviation Act. One complaint is partially justified, however, this does not justify the conclusion that charges and conditions would be contrary to rules laid down by or pursuant to the Aviation Act.

A number of airlines disagree with the decision of the ACM (for both this year and last year) and appealed to the CBB (College van Beroep voor het bedrijfsleven). The CBB is in the process of assessing the appeal.

BN-TAV claims with regards to the construction of Pier A

BN-TAV final account includes an updated contractual interim claim of EUR 135 million euros, unlawful termination of EUR 53 million euros and miscellaneous claims of subcontractors of EUR 17 million euros. In total, the amount claimed by BN-TAV is EUR 282 million euros in addition to payments already made by Schiphol. The additional EUR 77 million euros consists largely of claimed variations to the contract.



Until the end of June, SNBV had submitted to BN-TAV a counterclaim of EUR 93 million euros for delay damages, costs of rectifying defective work, additional costs and recoverable costs. This claim only covers the period up to termination (November 2021). In July 2023 a second interim counterclaim has been submitted, covering the costs of repairing defects and the “extra over” cost to complete post-termination up to the end of 2022, with a value of EUR 44 million euros. The finalization of Schiphol's counterclaims is dependent on the completion of the project, which is still in progress.

There is no change to the legal status of the dispute process. SNBV is still actively preparing for litigation, supported by De Brauw and delay, design and quantum experts. Please note that all figures are interim and both BN-TAV and SNBV are in a continuous process of updating the figures.

Other notes

Segment information

HY 2023	Aviation	Schiphol Commercial	Alliances & Participations	Total
(in thousands of euros)				
Airport charges	484,285	-	40,810	525,095
Concessions	7,363	80,634	5,965	93,962
Rent and leases	214	111,136	3,442	114,792
Parking fees	-	56,873	14,010	70,883
Other activities	22,386	20,224	61,229	103,839
Total revenue	514,248	268,867	125,456	908,571
Elimination of intercompany revenue	-490	-16,018	-37,916	-54,424
Revenue	513,758	252,849	87,540	854,147
Other income and results from investment property	-	-73,576	-	-73,576
Operating result	-70,931	46,956	9,331	-14,644
Total assets	4,580,911	3,495,149	1,169,503	9,245,563

HY 2022	Aviation	Schiphol Commercial	Alliances & Participations	Total
(in thousands of euros)				
Airport charges	364,087	-	34,129	398,217
Concessions	6,106	56,564	4,395	67,065
Rent and leases	133	105,070	2,985	108,188
Parking fees	-	47,576	10,743	58,319
Other activities	15,367	14,417	57,651	87,435
Total revenue	385,693	223,627	109,904	719,223
Elimination of intercompany revenue	-596	-15,180	-38,058	-53,833
Revenue	385,098	208,446	71,846	665,390
Other income and results from investment property	-	19,272	-	19,272
Operating result	-90,703	115,880	5,066	30,243
Total assets	4,227,543	3,670,555	2,145,907	10,044,005

Aviation (in thousands of euros)	Aviation		Security		Total	
	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022
Airport charges	316,609	237,200	167,676	126,887	484,285	364,087
Concessions	7,361	6,106	2	-	7,363	6,106
Rent and leases	99	93	115	41	214	133
Other activities	19,547	12,552	2,840	2,815	22,386	15,367
Total revenue	343,616	255,950	170,632	129,744	514,248	385,693
Elimination of intercompany revenue	-429	-476	-61	-120	-490	-596
Revenue	343,187	255,474	170,572	129,624	513,758	385,098
Operating result	-23,747	-63,842	-47,184	-26,861	-70,931	-90,703
Total assets	4,023,141	3,692,321	557,770	535,222	4,580,911	4,227,543

Schiphol Commercial (in thousands of euros)	Concessions		Parking & Mobility Services		Commercial Real Estate		Terminal Real Estate		Other		Total	
	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022
Concessions	76,975	53,273	3,192	2,896	467	395	0	-	0	-	80,634	56,564
Rent and leases	9,144	8,579	249	174	72,032	67,910	29,711	28,408	0	-1	111,136	105,070
Parking fees	-	-	53,691	44,813	3,182	2,764	-	-	-	-	56,873	47,576
Other activities	441	65	478	693	511	696	79	94	18,715	12,869	20,224	14,417
Total revenue	86,560	61,916	57,610	48,576	76,192	71,765	29,790	28,502	18,715	12,868	268,867	223,627
Elimination of intercompany revenue	8	1	-940	-833	-9,895	-9,730	-5,136	-4,626	-55	8	-16,018	-15,180
Revenue	86,568	61,917	56,670	47,743	66,296	62,034	24,654	23,876	18,660	12,876	252,849	208,446
Other income and results from investment property	-	-	-	-	-73,576	19,272	-	-	-	-	-73,576	19,272
Operating result	56,879	38,014	19,081	17,457	-33,225	56,981	-563	1,678	4,785	1,750	46,956	115,880
Total assets	287,053	282,992	360,272	355,521	2,416,243	2,613,064	397,402	384,506	34,180	34,472	3,495,149	3,670,555

Alliances & Participations (in thousands of euros)	International airports		Domestic airports		Other subsidiaries		Total	
	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022	HY 2023	HY 2022
Airport charges	-	-	40,810	34,129	-	-	40,810	34,129
Concessions	0	-	5,964	4,395	1	-	5,965	4,395
Rent and leases	0	0	3,441	2,984	1	1	3,442	2,985
Parking fees	-	-	14,010	10,743	-	-	14,010	10,743
Other activities	7,608	5,948	3,266	2,655	50,355 ¹	49,047	61,229	57,651
Total revenue	7,608	5,948	67,492	54,907	50,357	49,048	125,456	109,904
Elimination of intercompany revenue	-1	-2	-719	-603	-37,196	-37,453	-37,916	-38,058
Revenue	7,607	5,947	66,772	54,305	13,161	11,595	87,540	71,846
Fair value gains and losses on investment property	-	-	-	-	-	-	-	-
Operating result	4,003	2,479	2,102	29	3,226	2,558	9,331	5,066
Total assets	615,211	1,622,191	409,183	401,629	145,110	122,087	1,169,503	2,145,907

¹ The other activities includes revenues from Utilities (supply of gas, electricity and water) and telecommunication services.

Assets used for operating activities

(in thousands of euros)	Runways, taxiways and aprons	Paved areas, roads etc.	Buildings	Installations	Other assets	Total
Carrying amount as at 1 January 2022	517,853	593,687	1,117,229	956,051	313,469	3,498,289
Movements in first half of 2022						
Completions	11,181	6,612	9,297	60,368	20,314	107,772
Depreciation	-16,901	-10,120	-32,591	-59,836	-29,295	-148,743
Disposals	-140	-25	-388	-18	-86	-657
Reclassifications	-	-0	17,443	-	-127	17,316
Acquisitions	-	-	-	131	933	1,064
Lease	-	-	-	-	-	-
Other	-21	-914	-	-	287	-648
Total movements	-5,882	-4,446	-6,239	645	-7,974	-23,896
Carrying amount as at 30 June 2022	511,971	589,241	1,110,990	956,696	305,495	3,474,393
Movements in second half of 2022						
Completions	22,191	85,240	15,388	56,651	-62,986	116,484
Additions	-	-	-	-	-	-
Depreciation	-17,502	-9,920	-33,564	-62,004	-28,433	-151,423
Disposals	-4,029	25	-0	-767	-276	-5,047
Reclassifications	-21	0	-	-137	367	209
Acquisitions	303	71	785	3,890	3,200	8,250
Other	22	913	-	0	-288	648
Total movements	964	76,329	-17,391	-2,366	-88,416	-30,880
Carrying amount as at 31 December 2022	512,935	665,570	1,093,599	954,330	217,079	3,443,513
Movements in first half of 2023						
Completions	55,064	16,090	3,048	58,460	21,301	153,963
Additions	-	-	-	-	90	90
Depreciation	-17,643	-11,420	-33,126	-59,115	-26,464	-147,768
Disposals	-	-130	184	-342	-150	-438
Reclassifications	-	-1,654	-281	-	280	-1,655
Acquisitions	-	-	-	-	-	-
Leases	-	-	-	-	-	-
Other	-	-1,742	-	-	-1,358	-3,100
Total movements	37,421	1,144	-30,175	-997	-6,301	1,092
Carrying amount as at 30 June 2023	550,356	666,714	1,063,424	953,333	210,778	3,444,605

Assets under construction or development

(in thousands of euros)

Assets under construction
for operating activities

Carrying amount as at 1 January 2022 **1,183,541**

Movements in first half of 2022

Capital expenditure	130,144
Construction period borrowing cost capitalised	3,300
Completed assets	-107,885
Acquisitions	439
Other	-29

Total movements

25,990

Carrying amount as at 30 June 2022

1,209,531

Movements in second half of 2022

Capital expenditure	203,772
Construction period borrowing cost capitalised	4,840
Completed assets	-122,150
Reclassifications	9,501
Acquisitions	707
Disposal	-717
Impairment	-21
Other	-80

Total movements

95,852

Carrying amount as at 31 December 2022

1,305,383

Movements in first half of 2023

Capital expenditure	258,450
Construction period borrowing cost capitalised	3,738
Completed assets	-150,283
Acquisitions	-
Impairment	-
Reclassifications	-
Other	-

Total movements

111,905

Carrying amount as at 30 June 2023

1,417,288

Investment property

(in thousands of euros)	Buildings	Sites	Assets under construction	Total
Carrying amount as at 1 January 2022	1,245,950	430,807	145,623	1,822,380
Movements in first half of 2022				
Capital expenditure	-	-	18,452	18,452
Completions	4,786	77	-4,863	-
Fair value gains and losses	12,983	8,467	-2,179	19,271
Acquisitions	-	-	-	-
Other	-	-	274	274
Reclassifications	-17,401	-1,721	771	-18,351
Total movements	369	6,822	12,456	19,647
Carrying amount as at 30 June 2022	1,246,318	437,630	158,079	1,842,027
Movements in second half of 2022				
Capital expenditure	-	-	56,475	56,475
Completions	9,833	-39	-12,231	-2,437
Fair value gains and losses	-157,120	-20,191	-33,592	-210,903
Acquisitions	15,971	-	-	15,971
Other	-685	-	-274	-958
Reclassifications	9,801	-7,951	-2,318	-468
Total movements	-122,200	-28,181	8,060	-142,322
Carrying amount as at 31 December 2022	1,124,118	409,449	166,139	1,699,706
Movements in first half of 2023				
Capital expenditure	-	-	26,078	26,078
Completions	6,633	-	-6,161	472
Fair value gains and losses	-73,846	-2,115	2,067	-73,894
Reclassifications	1,655	-	-	1,655
Other	2,953	-1,606	1,760	3,107
Total movements	-62,604	-3,721	23,744	-42,581
Carrying amount as at 30 June 2023	1,061,514	405,728	189,884	1,657,126

Borrowings

The movements in borrowings during the six-month period were as follows:

(in thousands of euros)	Borrowings > 1 year	Borrowings <= 1 year	Total
Carrying amount as at 1 January 2022	5,383,598	6,299	5,389,897
Movements in 2022			
New borrowings	-	-	-
Fair value movement	-4,448	-	-4,448
Transferred to current liabilities	-51,581	51,581	0
Repayments	-	-27,000	-27,000
Exchange differences	-11,398	-	-11,398
Other movements	3,124	32	3,156
Total movements in the year	-64,302	24,613	-39,689
Carrying amount as at 31 December 2022	5,319,296	30,912	5,350,208
Movements in first half of 2023			
New borrowings	-	-	-
Fair value movement	1,252	-	1,252
Transferred from current liabilities	-300,126	300,126	0
Repayments	-354,499	-25,000	-379,499
Exchange differences	-24,523	-1	-24,524
Other movements	28,246	-12	28,234
Total movements in the year	-649,650	275,113	-374,537
Carrying amount as at 30 June 2023	4,669,646	306,025	4,975,671

Schiphol Group has a Euro Medium Term Note (EMTN) Programme. Under the programme Schiphol Group can raise funds up to 5.0 billion euros as required, provided the prospectus is updated annually. The prospectus was updated in May 2023. The covenants of the EMTN Programme provision that a 'change in control' in combination with a 'downgrade below investment grade' triggers early redemption. There was no obligation to do so in the first half of 2023.

As at 30 June 2023, borrowings under the programme totaled 4,005 million euros (31 December 2022: 4,409 million euros), of which 1,750 million euros (2022: 1,750 million euros) specifically relate to green bonds. No additional debt was issued under the EMTN Programme in 2023. In May and June 2023, Schiphol executed a liability management exercise by way of a Cash Tender Offer on its outstanding 2025, 2026 and 2027 EUR Notes, which resulted in the repayment and cancellation of a total notional amount of 380 million euros.

Schiphol has a number of facility agreements with the European Investment Bank for a total original amount of 900 million euros, of which a part has been repaid. Per 30 June 2023, 617 million euros is outstanding.

Schiphol Group paid 4.5 million euros as part of the semi-annual repayment during the six-month period ending 30 June 2023. No additional facilities were drawn. Schiphol Group could be obliged to redeem part of the loans early if (in addition to the usual circumstances) other loans are repaid early or equity attributable to owners of the Company declines below 30% of total assets. Additional security will be demanded if the credit rating drops to BBB or lower (S&P) or to Baa2 or lower (Moody's). The loan agreement also contains a 'change of control' clause

Schiphol Group has three loan agreements with KfW IPEX-Bank for a total of 290 million euros. The 25 million Namensschuldverschreibung matured and was repaid in April 2023. No new facilities were entered into during the first half of 2023.

Borrowings under the EMTN programme, the EIB facilities and the KfW facilities are not subordinated to other liabilities. Schiphol Group has access to 500 million euros in committed and 150 million in uncommitted undrawn bank facilities

The remaining terms of the borrowings as at 30 June 2023 are as follows:

(in thousands of euros)	Total	<= 1 year	> 1 year	> 1 year and <= 5 years	> 5 years
EMTN programme	4,005,268	-2,730	4,007,998	1,241,199	2,766,799
European Investment Bank	614,517	209,000	405,517	298,517	107,000
KfW IPEX-Bank	289,829	99,930	189,899	94,899	95,000
Namensschuldverschreibung	-	-	-	-	-
Other borrowings	4,643	-175	4,818	-	4,818
Total borrowings	4,914,257	306,025	4,608,232	1,634,615	2,973,617

Events after the balance sheet date

Besides the information included in the contingent assets and liabilities there are no other reportable events after the balance sheet date.

Responsibility statement

The Management Board of Royal Schiphol Group declares that to the best of its knowledge:

- the condensed consolidated interim financial statements of the first six months ended 30 June 2023, prepared in accordance with IAS 34 [*Interim Financial Reporting*], give a true and fair view of the assets, liabilities, financial position and results of Royal Schiphol Group and its consolidated Group companies taken as a whole; and
- the interim report of the Management Board gives a true and fair view of the information required pursuant to section 5:25d, subsection 8 of the Dutch Financial Markets Supervision Act ("*Wet op het Financieel Toezicht*").

Schiphol, 24 August 2023

For the 2023 interim financial statements:

Management Board

L.M. Sondag, President and Chief Executive Officer

R.J. Carsouw, Chief Financial Officer

Supervisory Board

J. Winter, Chair

R.J. van de Kraats, Vice Chair

S.G. Brummelhuis

D. Collier

C. Figeo

E. van Galen

M.C. van der Laan

INDEPENDENT AUDITOR'S REVIEW REPORT

To: the Supervisory Board and Management Board of Royal Schiphol Group N.V.

Our conclusion

We have reviewed the accompanying 2023 condensed consolidated interim financial statements of Royal Schiphol Group N.V. (or hereafter: the "Company") based in Schiphol, as included on pages 15 to 34 of the 2023 Interim Results of Royal Schiphol Group. Based on our review, nothing has come to our attention that causes us to believe that the 2023 condensed consolidated interim financial statements are not prepared, in all material respects, in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union.

The 2023 condensed consolidated interim financial statements comprise:

- the condensed consolidated statement of financial position as at 30 June 2023;
- the following condensed consolidated statements for the first half of 2023: the statement of income, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows; and
- the notes, comprising a summary of the accounting policies and other explanatory information.

Basis for our conclusion

We conducted our review in accordance with Dutch law, including the Dutch Standard 2410, 'Het beoordelen van tussentijdse financiële informatie door de accountant van de entiteit' (Review of interim financial information performed by the independent auditor of the entity). A review of interim financial information in accordance with the Dutch Standard 2410 is a limited assurance engagement. Our responsibilities under this standard are further described in the 'Our responsibilities for the review of the interim financial information' section of our report.

We are independent of Royal Schiphol Group N.V. in accordance with the Verordening inzake de onafhankelijkheid van accountants bij assurance-opdrachten (ViO, Code of Ethics for Professional Accountants, a regulation with respect to independence) and other relevant independence regulations in the Netherlands. Furthermore we have complied with the Verordening gedrags- en beroepsregels accountants (VGBA, Dutch Code of Ethics).

We believe the assurance evidence we have obtained is sufficient and appropriate to provide a basis for our conclusion.

Responsibilities of the Management Board and the Supervisory Board for the 2023 condensed consolidated interim financial statements

The Management Board is responsible for the preparation and presentation of the 2023 condensed consolidated interim financial statements in accordance with IAS 34 'Interim Financial Reporting' as adopted by the European Union. Furthermore, the Management Board is responsible for such internal control as it determines is necessary to enable the preparation of the 2023 condensed consolidated interim financial statements that are free from material misstatement, whether due to fraud or error.

The Supervisory Board is responsible for overseeing the Company's financial reporting process.

Our responsibilities for the review of the 2023 condensed consolidated interim financial statements

Our responsibility is to plan and perform the review in a manner that allows us to obtain sufficient and appropriate assurance evidence for our conclusion.

The level of assurance obtained in a limited assurance engagement is substantially less than the level of assurance obtained in an audit conducted in accordance with the Dutch Standards on Auditing. Accordingly, we do not express an audit opinion.

We have exercised professional judgement and have maintained professional scepticism throughout the review, in accordance with Dutch Standard 2410.

Our review included among others:

- Updating our understanding of the entity and its environment, including its internal control, and the applicable financial reporting framework, in order to identify areas in the 2023 condensed consolidated interim financial statements where material misstatements are likely to arise due to fraud or error, designing and performing procedures to address those areas, and obtaining assurance evidence that is sufficient and appropriate to provide a basis for our conclusion;
- Obtaining an understanding of internal control, as it relates to the preparation of the 2023 condensed consolidated interim financial statements;
- Making inquiries of management and others within the entity;
- Applying analytical procedures with respect to information included in the 2023 condensed consolidated interim financial statements;
- Obtaining assurance evidence that the 2023 condensed consolidated interim financial statements agree with, or reconcile to the entity's underlying accounting records;
- Evaluating the assurance evidence obtained;
- Considering whether there have been any changes in accounting principles or in the methods of applying them and whether any new transactions have necessitated the application of a new accounting principle;
- Considering whether management has identified all events that may require adjustment to or disclosure in the 2023 condensed consolidated interim financial statements; and
- Considering whether the 2023 condensed consolidated interim financial statements have been prepared in accordance with the applicable financial reporting framework and represent the underlying transactions free from material misstatement.

The Hague, 24 August 2023

KPMG Accountants N.V.

R.R.J. Smeets RA