

## ENAV's Board of Directors approves the 2021 draft Financial Statements and the 2021 Group's Consolidated Financial Statements

### *Solid air traffic recovery and revenue increase from non-regulated business*

- **En-route and terminal traffic** grew YoY by 44.9% and 36.2% respectively, in terms of service units<sup>1</sup> vs. 2020;
- **Consolidated revenue** of 836.6 million euro, 8.5% increase vs. 2020;
- **Revenues from non-regulated business** at 33.0 million euro, 22.3% increase vs. 2020;
- **Consolidated EBITDA** at 222.4 million euro, 5.5% YoY increase; EBITDA margin at 26.6%;
- **Consolidated Net Profit** of 78.0 million euro, 44.6% increase vs. 2020;
- **Dividend:** the Board of Directors proposal to pay a dividend of 0.1081 euro per share for 2021.

Rome, 21 April 2022 – ENAV SpA Board of Directors meeting, held today under the chairmanship of Francesca Isgrò, approved the 2021 draft Financial Statements and the 2021 Consolidated Financial Statements of the Group.

Although the impact of Covid-19 pandemic was still visible, 2021 saw a progressive and solid increase in the number of flights, especially in the second half of the year, with the beginning of the summer season, managing up to approximately 90% of 2019 traffic in the last few months of the year, with peaks at pre-pandemic levels on certain summer days.

The increase in en-route air traffic volumes in Italy (+44.9% compared to 2020) was higher than the one recorded by main European countries' and better than the average data recorded by Eurocontrol and including all Member States which was +26.9% in terms of service units compared to 2020. In detail: Germany +12.9%, Great Britain +8.5%, Spain +43.9%, and France +30.8%.

ENAV's CEO Paolo Simioni stated: *"We are proud of the economic and financial results of the Group, which exceeded our expectations, but we are even more satisfied for the solid and stable traffic recovery and for the excellent operating performance of our personnel, who is supporting the sector's upturn. This has also allowed us to return to propose the remuneration of our shareholders to the AGM. At the same time, we are moving further on our path towards digitisation and innovation of Group's systems and the implementation of our outlined strategies. The solid performance obtained in the non-regulated business are among the tangible outcomes achieved through investing in our personnel's professional growth and in the recruitment of new digital native people. In the near future, we will continue to be a main actor in supporting the sector's sustainable evolution, where the development of drones and urban air mobility are expected to play a key role."*

<sup>1</sup> a conventional weighted measurement unit which takes into account the aircraft certified take-off weight and, in case of en-route traffic, the distance travelled in the Italian airspace.

**En-route traffic**, in terms of service units, increased by 44.9% vs. 2020. Specifically, domestic traffic (flights both taking off and landing within the Italian territory) grew by 51.3% and international commercial traffic (flights taking off or landing from an Italian airport) increased by 36.7%. Overflight traffic (flights passing through the Italian airspace) went up by 51.2%.

En-route traffic (service units)	2021	2020	no.	Change %
Domestic	1,373,896	908,068	465,828	51.3%
International	1,826,296	1,336,127	490,169	36.7%
Overflight	2,447,068	1,618,124	828,944	51.2%
<b>Paying total</b>	<b>5,647,260</b>	<b>3,862,319</b>	<b>1,784,941</b>	<b>46.2%</b>
Military	122,561	114,869	7,692	6.7%
Other exempt	13,076	12,656	420	3.3%
<b>Total exempt</b>	<b>135,637</b>	<b>127,525</b>	<b>8,112</b>	<b>6.4%</b>
<b>Total reported by Eurocontrol</b>	<b>5,782,897</b>	<b>3,989,844</b>	<b>1,793,053</b>	<b>44.9%</b>
Exempt not reported to Eurocontrol	2,672	2,208	464	21.0%
<b>Total</b>	<b>5,785,569</b>	<b>3,992,052</b>	<b>1,793,517</b>	<b>44.9%</b>

**Terminal traffic<sup>2</sup>** in 2021, in terms of services units, increased by 36.2% compared to 2020. This increase in traffic volumes was recorded throughout Italy.

Terminal traffic (service units)	2021	2020	no.	Change %
<i>Domestic</i>				
Chg. Zone 1	29,013	27,347	1,666	6.1%
Chg. Zone 2	59,883	39,743	20,140	50.7%
Chg. Zone 3	156,628	102,698	53,930	52.5%
<b>Total domestic SUs</b>	<b>245,524</b>	<b>169,788</b>	<b>75,736</b>	<b>44.6%</b>
<i>International</i>				
Chg. Zone 1	50,023	45,707	4,316	9.4%
Chg. Zone 2	130,965	102,314	28,651	28.0%
Chg. Zone 3	116,031	77,644	38,387	49.4%
<b>Total international SUs</b>	<b>297,019</b>	<b>225,665</b>	<b>71,354</b>	<b>31.6%</b>
<b>Paying total</b>	<b>542,543</b>	<b>395,453</b>	<b>147,090</b>	<b>37.2%</b>
<i>Exempt</i>				
Chg. Zone 1	301	330	(29)	-8.8%
Chg. Zone 2	571	1,084	(513)	-47.3%
Chg. Zone 3	7,507	7,445	62	0.8%
<b>Total exempt SUs</b>	<b>8,379</b>	<b>8,859</b>	<b>(480)</b>	<b>-5.4%</b>
<b>Total reported by Eurocontrol</b>	<b>550,922</b>	<b>404,312</b>	<b>146,610</b>	<b>36.3%</b>
<i>Exempt not reported to Eurocontrol</i>				
Chg. Zone 1	0	0	0	n.a.
Chg. Zone 2	27	28	(1)	-3.6%
Chg. Zone 3	781	754	27	3.6%
<b>Total exempt SUs not reported to Eurocontrol</b>	<b>808</b>	<b>782</b>	<b>26</b>	<b>3.3%</b>
<b>Total by Charging Zone</b>				
Chg. Zone 1	79,337	73,384	5,953	8.1%
Chg. Zone 2	191,446	143,169	48,277	33.7%
Chg. Zone 3	280,947	188,541	92,406	49.0%
<b>Total</b>	<b>551,730</b>	<b>405,094</b>	<b>146,636</b>	<b>36.2%</b>

<sup>2</sup> The take-off and landing activities within a radius of about 20 km from the airport runway.

## **ECONOMIC-FINANCIAL PERFORMANCE**

**Total consolidated revenue** in 2021 amounted to 836.6 million euro, increasing by 8.5% vs. 2020. **Revenue from operations** stood at 504.3 million euro, with an increase of 43.2% compared to 2020, mainly due to the higher traffic volumes managed. The effect of **balance**<sup>3</sup>, an essential component of revenues from operations, was positive for 294.4 million euro. Balance was determined in line with the European Commission's (EC) Decision issued on 4 November 2020, in compliance with the targets issued on 2 June 2021, and considering the Performance Plan submitted to EC in November 2021. The European Commission, after receiving in March 2022 the positive opinion of the Performance Review Board (PRB), a body appointed by the EC to assess the operational performance of Air Navigation Service Providers, on April 13, with document n° C(2022) 2294 *final*, has notified the Italian State that the performance targets, included in the Performance Plan submitted in November 2021, are compliant with the EU wide targets for the Third Regulatory Period as set in Decision n° (UE) 2021/891.

**Revenues from non-regulated business achieved a record level result in ENAV Group's history**, reaching 33.0 million euro with an increase of 22.3% compared to 2020, mainly due to revenue from the subsidiary IDS AirNav. The revenues refer to the sale of software licensing, to the provision of services and maintenance connected to products sold, to aeronautical consultancy, to flight inspection and engineering services, traded to various clients worldwide.

**Total operating costs** stood at 614.2 million euro, up by 9.6% vs. 2020 mainly due to a year-on-year increase in the number of managed flights. **External costs** grew by 11.9% vs. 2020, due to the recovery of both, the "core" business and the subsidiary companies' activities. **Personnel costs** amounted to 499.2 million euro, with an increase of 8.3% compared to 2020, mainly coming from increased variable retribution due to recovery of operations, and as an effect of the use of outstanding holiday entitlement by all our personnel, which had a negative impact of 1.4 million euro in 2021 compared to 2020, when it had a positive impact of 10.1 million euro due to the almost complete utilization of the previous years' backlog.

These results contributed to reach an **EBITDA** which stood at 222.4 million euro, with an increase of 5.5% compared to 2020. EBITDA margin was 26.6%.

**Consolidated EBIT** stood at 98.3 million euro in 2021, with an increase of 38.2% compared to 2020, due to lower amortisation and depreciation throughout the year. 2021 EBIT margin was of 11.7%.

**Consolidated net profit** stood at 78.0 million euro in 2021, up by 44.6% compared to 2020, mainly thanks to the positive effect of financial management.

The **net financial position** at 31 December 2021 showed a balance of 483.5 million euro, a drop of 238.4 million euro compared to 31 December 2020. This negative variation is due to the effect of income and payment dynamics related to day-by-day operations which produced a negative cashflow, despite the larger amount of air traffic managed in

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<sup>3</sup> The mechanism that allows ENAV to partially recover from or return to carriers, the amounts resulting from the difference between the planned air traffic and the actual traffic, as well as the recovery of costs and traffic for services provided to Terminal Zone 3 airports – those with less than 70,000 movements per year

comparison with the previous year – traffic, which have not yet reached the 2019 levels – and to higher non-current trade payables mainly referred to the balances accrued in 2021.

The Group to cope with cash burn, used external financing, taking advantage of favourable market conditions, obtaining funds to utilize for daily operations. In addition, it should be noted that the Group has short-term committed and uncommitted credit facilities still unused as of 31 December 2021, amounting to 294 million euro.

### **Sustainability Report 2021**

The Board of Directors meeting held today approved ENAV Group's 2021 Sustainability Report and Consolidated Non-Financial Statement.

### **Management's Foreseeable Development**

The uncertainty coming from both the COVID-19 pandemic and the recent tragic events related to the potential escalation of the Russian-Ukrainian conflict, could have an impact in the year 2022. As of today, taking into account the positive trend of air traffic in the first months of the year, current estimates on traffic volumes for 2022, amounting to around 85% of the pre-pandemic period, have been confirmed, in line with Eurocontrol's forecasts.

In this context, the Group foresees to maintain continuity in the management's conduct and activities taken so far even throughout 2022; this continuity will touch on the control of expenditure, the implementation of industrial strategies, the improvement of net financial position and the maximization of operational capacity which allowed the achievement of the positive results of 2021.

The Group will also pay utmost attention in developing activities on the non-regulated market, linked to both pending orders and new acquisitions.

### **SHAREHOLDERS MEETING**

The Board of Directors resolved to convene a Shareholders Meeting on single call-in ordinary session for 3 June 2022 to approve, among other items, the Financial Statement as at 31 December 2021 and for the appointment of the Board of Statutory Auditors for the three-year period 2022-2024 and the establishment of the relative remuneration.

### **Corporate Governance**

In today's meeting, the Board of Directors approved the Corporate Governance and Ownership Structure Report laid down in art. no. 123-*bis* of the Italian Legislative Decree no. 58 of 24 February 1998 (Testo Unico della Finanza – Consolidated Finance Act).

The BoD also approved the Report Report, as for art. no. 123-*ter* of Testo Unico della Finanza, which will be subject to the Shareholders Meeting's resolutions which are binding for the first section of the report, pursuant par. 3-bis of the article, and non-binding for the second section of the report, pursuant par. 6 of the article.

The Reports, together with all additional meeting documents, will be made available to the public within the modes and times provided for by the law, also in the Company's website at [www.enav.it](http://www.enav.it).

### **Dividend proposal 2021**

The BoD agreed to submit to the Shareholders Meeting the proposal to pay 2021 dividends amounting to 58,506,483.25 euro, corresponding to 0.1081 euro per share.

The BoD also proposed to pay the dividend on 26 October 2022, with receipt date of 24 October 2022 and *record date* of 25 October 2022.

### Purchase of treasury shares

The Board of Directors resolved to submit to the Shareholders' Meeting the authorization proposal, pursuant to articles 2357 of the Civil Code, 132 of Legislative Decree 58/98 and 144-bis of Consob Regulation 11971/1999, to treasury shares, for a maximum duration of 18 months from the date of the Shareholders' Meeting resolution of 3 June 2022, up to a maximum of no. 1,300,000 shares as well as to the disposal without time limits and even before having exhausted the purchases of all or part of the treasury shares subject to the purchase authorization in question as well as those already held. The authorization in question is functional to the Company's variable share-based incentive plans, as well as for any activities to support market liquidity, in line with the practice accepted in this regard by Consob, in accordance with Article 13 of the Regulation (EU) n. 596/2014, pursuant to art. 180, c. 1 letter c) of Legislative Decree 58/98.

### CONSOLIDATED INCOME STATEMENT

	2021	2020	Amount	Change %
Revenues from operations	504,307	352,216	152,091	43.2%
Balance	294,398	383,378	(88,980)	-23.2%
Other operating income	37,874	35,701	2,173	6.1%
<b>Total revenues</b>	<b>836,579</b>	<b>771,295</b>	<b>65,284</b>	<b>8.5%</b>
Personnel costs	(499,241)	(460,957)	(38,284)	8.3%
Capitalised costs	27,442	27,727	(285)	-1.0%
Other operating expenses	(142,404)	(127,280)	(15,124)	11.9%
<b>Total operating costs</b>	<b>(614,203)</b>	<b>(560,510)</b>	<b>(53,693)</b>	<b>9.6%</b>
<b>EBITDA</b>	<b>222,376</b>	<b>210,785</b>	<b>11,591</b>	<b>5.5%</b>
<b>EBITDA margin</b>	<b>26.6%</b>	<b>27.3%</b>	<b>-0.7%</b>	
Net amortisation of investment grants	(120,724)	(128,501)	7,777	-6.1%
Writedowns, impairment (reversal of impairment) and provisions	(3,366)	(11,160)	7,794	-69.8%
<b>EBIT</b>	<b>98,286</b>	<b>71,124</b>	<b>27,162</b>	<b>38.2%</b>
<b>EBIT margin</b>	<b>11.7%</b>	<b>9.2%</b>	<b>2.5%</b>	
Financial income/(expense)	4,500	(6,125)	10,625	n.a.
<b>Income before taxes</b>	<b>102,786</b>	<b>64,999</b>	<b>37,787</b>	<b>58.1%</b>
Income taxes	(24,755)	(11,027)	(13,728)	n.a.
<b>Profit (loss) for the year</b>	<b>78,031</b>	<b>53,972</b>	<b>24,059</b>	<b>44.6%</b>
<b>Net profit/(loss) pertaining to shareholders of the Parent Company</b>	<b>78,372</b>	<b>54,283</b>	<b>24,089</b>	<b>44.4%</b>
<b>Net profit/(loss) pertaining to non-controlling interests</b>	<b>(341)</b>	<b>(311)</b>	<b>(30)</b>	<b>9.6%</b>

(thousands of euros)

## **RECLASSIFIED CONSOLIDATED STATEMENT OF FINANCIAL POSITION**

	<b>31.12.2021</b>	<b>31.12.2020</b>	<b>Change</b>	
Property, plant and equipment	879,281	922,623	(43,342)	-4.7%
Right-of-use assets	5,434	6,910	(1,476)	-21.4%
Intangible assets	176,193	175,629	564	0.3%
Investments in other entities	47,253	50,122	(2,869)	-5.7%
Non-current trade receivables	687,253	385,971	301,282	78.1%
Other non-current assets and liabilities	(161,721)	(139,434)	(22,287)	16.0%
<b>Net non-current assets</b>	<b>1,633,693</b>	<b>1,401,821</b>	<b>231,872</b>	<b>16.5%</b>
Inventories	61,519	61,561	(42)	-0.1%
Trade receivables	177,161	136,582	40,579	29.7%
Trade payables	(116,425)	(149,812)	33,387	-22.3%
Other current assets and liabilities	(74,585)	(88,119)	13,534	-15.4%
Assets held for sale net of related liabilities	0	1,427	(1,427)	-100.0%
<b>Net working capital</b>	<b>47,670</b>	<b>(38,361)</b>	<b>86,031</b>	<b>n.a.</b>
<b>Gross capital employed</b>	<b>1,681,363</b>	<b>1,363,460</b>	<b>317,903</b>	<b>23.3%</b>
Employee benefit provisions	(47,896)	(49,943)	2,047	-4.1%
Provisions for risks and charges	(13,914)	(3,341)	(10,573)	n.a.
Deferred tax assets net of liabilities	27,057	20,419	6,638	32.5%
<b>Net capital employed</b>	<b>1,646,610</b>	<b>1,330,595</b>	<b>316,015</b>	<b>23.7%</b>
Equity pertaining to shareholders of the Parent Company	1,161,234	1,083,278	77,956	7.2%
Non-controlling interests	1,847	2,189	(342)	-15.6%
<b>Shareholders' equity</b>	<b>1,163,081</b>	<b>1,085,467</b>	<b>77,614</b>	<b>7.2%</b>
Net financial debt	483,529	245,128	238,401	97.3%
<b>Total funding</b>	<b>1,646,610</b>	<b>1,330,595</b>	<b>316,015</b>	<b>23.7%</b>

(thousands of euros)

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*The manager in charge of compiling the company's accounting documents, Luca Colman hereby declares, pursuant to art. 154-bis, par. 2, of the Consolidated Act on Finance, that the accounting information contained in this release tallies with the information set forth in the company's accounting documents, books and records.*

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*It is hereby informed that the 2021 Annual Financial Report, pursuant to art. 154-ter, paragraph 2, of Legislative Decree no. 58 of 24 February 1998 together with the independent auditor's report attached thereto, the Remuneration Report and the Report on Corporate Governance and Ownership Structure will be available for public consultation at the Company's registered office, via Salaria 716, Rome, on the Company's website ([www.enav.it](http://www.enav.it)), and on the "Info" authorised storage system webpage ([www.info.it](http://www.info.it)) on the dates prescribed by the law*



**Alternative performance indicators**

**EBITDA** (Earnings Before Interest, Taxes, Depreciation and Amortization): is an indicator of profit before the effects of financial management and taxation, as well as depreciation, amortisation and write-downs on fixed assets and receivables and provisions, adjusted for investment subsidies directly related to the investments in depreciation and amortisation to which they refer;

**EBITDA margin:** is EBITDA expressed as a percentage of total revenues and adjusted for investment subsidies as specified above;

**EBIT** (Earnings Before Interest and Taxes): is EBITDA less depreciation and amortisation adjusted for investment subsidies and write-downs of fixed assets and receivables and provisions;

**EBIT margin:** is EBIT expressed as a percentage of total revenues less investment subsidies as specified above;

**Net fixed capital:** is a capital parameter which is equal to the net fixed capital employed in business operations and includes items relating to tangible assets, intangible assets, investment in other companies, non-current trade receivables and payables, and other non-current assets and liabilities;

**Net working capital:** is the capital employed in business operations which includes the line items inventory, trade receivables, and other non-financial current assets, net of trade payables and other current liabilities excluding those of a financial nature, plus assets held for disposal net of related liabilities;

**Gross net fixed capital:** is the sum of Net fixed capital and Net working capital;

**Net invested capital:** is the sum of the Gross net fixed capital, less the employee severance indemnity and other benefits, the provision for risks and charges and the deferred tax assets net of liabilities;

**Net financial debt:** the sum of the current and non-current financial liabilities, current and non-current financial receivables, non-current trade payables, net of cash and cash equivalents. The net financial debt of the ENAV Group is determined in accordance with the provisions of Guideline no. 39 issued by ESMA, applicable from 05 May 2021, and in line with warning notice no. 5/21 issued by Consob on 29 April 2021;

**Free cash flow:** is the sum of the cash flow generated or absorbed.