



**Interim Financial Report  
at 30 September 2021**

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**40<sup>enav</sup>  
2021**

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## ENAV Group in figures

<b>Performance</b>	<b>9M 2021</b>	<b>9M 2020</b>	<b>Change</b>	<b>%</b>
Total revenues	587,566	589,064	(1,498)	-0.3%
EBITDA	146,822	175,699	(28,877)	-16.4%
EBITDA margin	25.0%	29.8%	-4.8%	
EBIT	55,561	77,402	(21,841)	-28.2%
EBIT margin	9.5%	13.1%	-3.7%	
Profit for the period attributable to shareholders of the Parent Company	42,080	55,283	(13,203)	-23.9%
			<i>(thousands of euros)</i>	
<b>Financial position</b>	<b>30.09.2021</b>	<b>31.12.2020</b>	<b>Change</b>	<b>%</b>
Net capital employed	1,557,724	1,330,595	227,129	17.1%
Consolidated shareholders' equity	1,132,198	1,085,467	46,731	4.3%
Net financial debt	425,526	245,128	180,398	73.6%
			<i>(thousands of euros)</i>	
<b>Other indicators</b>	<b>9M 2021</b>	<b>9M 2020</b>	<b>Change</b>	<b>%</b>
En-route service units	3,957,707	3,188,193	769,514	24.1%
Terminal service units Charging Zone 1	51,942	60,951	(9,009)	-14.8%
Terminal service units Charging Zone 2	125,894	113,312	12,582	11.1%
Terminal service units Charging Zone 3	192,626	149,304	43,322	29.0%
Free cash flow (thousands of euros)	(184,703)	(241,403)	56,700	-23.5%
Headcount at end of period	4,216	4,185	31	0.7%

## Introduction

The ENAV Group Interim Financial Report at 30 September 2021 has been prepared on a voluntary basis in compliance with the provisions of Article 82-ter of the Issuers' Regulation, adopted with Consob Resolution no. 11971 of 14 May 1999 as amended, to ensure consistent financial disclosure to the market and investors, in line with the practice of the major listed companies that publish quarterly reports.

This document reports and discusses the reclassified consolidated income statement and the statement of financial position, the statement of changes in net financial position and the statement of cash flows of the ENAV Group at 30 September 2021, with comparative figures for the corresponding period of the previous year for the income statement and cash flow statement and at 31 December 2020 for the statement of financial position. The figures are reported in thousands of euros.

Unless otherwise stated, the consolidated financial statements have been prepared in accordance with the International Accounting Standards (IAS) and the International Financial Reporting Standards (IFRS) published by the International Accounting Standards Board (IASB) and the associated interpretations (IFRIC and SIC), endorsed by the European Commission in accordance with Regulation (EC) no. 1606/2002, that were in effect at the end of the period, and are consistent with those used to prepare the consolidated financial statements for the year ending 31 December 2020, which readers are invited to consult.

The Interim Financial Report at 30 September 2021 has not been prepared in accordance with IAS 34, and has not been audited by the audit firm.

The publication of this Interim Financial Report was authorised by the Board of Directors on 11 November 2021.

The consolidation principles used to prepare the Interim Financial Report at 30 September 2021 are consistent with those used to prepare the consolidated financial statements at 31 December 2020, approved on 28 May 2021 by the Shareholders' Meeting and available on the website [www.enav.it](http://www.enav.it) at the following address: <https://www.enav.it/sites/public/en/InvestorRelations/Financial-Statements-and-Reports.html>.

The scope of consolidation at 30 September 2021 has changed compared with that at 31 December 2020 due to the exit from the scope of consolidation of ENAV España Control Aereo S.L.U. which was placed in liquidation and definitively closed on 1 March 2021, and the Sicta Consortium, following the completion of its liquidation in February 2021.

## Market and air traffic developments

Air traffic gradually began to recover in the first nine months of 2021, despite the lingering impact of the COVID-19 pandemic, which included government restrictions on travel.

In Italy, en-route service units (\*) in the first nine months of 2021 posted an increase of 24.1% compared with the corresponding period of 2020, reversing the negative trend registered in the first half of the year (-16.6%) thanks to strong performance in the third quarter, which showed a gain of 83.1% in terms of service units.

Similar developments were found in Europe, where the overall gain in service units in the first nine months of 2021 for the member states of Eurocontrol amounted to 8.3%, with increases being posted by two countries in the continental Europe comparator group, France (+8.1%) and Spain (+17.5%), while Germany and Great Britain registered decreases of 5.2% and 12.9% respectively.

Compared with the first nine months of 2019, a year not affected by the health emergency, performance in the first nine months of this year shows traffic volumes handled contracting by over 50% for all the countries in question, including Italy.

Terminal service units in Italy increased by 14.5% in the first nine months of 2021, despite the decline at the Rome Fiumicino airport, which closed the period with a contraction of 14.8% compared with the same period of 2020, reflecting the crisis at the national carrier.

Total en-route traffic service units (**)	9M 2021	9M 2020	Change	
			no.	%
France	7,466,142	6,908,898	557,244	8.1%
Germany	5,161,917	5,445,626	(283,709)	-5.2%
Great Britain	3,558,205	4,082,975	(524,770)	-12.9%
Spain	4,209,512	3,581,341	628,171	17.5%
Italy (***)	3,955,423	3,186,317	769,106	24.1%
<b>EUROCONTROL</b>	<b>55,569,959</b>	<b>51,316,352</b>	<b>4,253,607</b>	<b>8.3%</b>

(\*) overflight traffic in Italian airspace, with or without layover.

(\*\*) "service unit" is the unit of measurement used within Eurocontrol to determine the value of services rendered. It is a combination of two elements: the weight of the aircraft at departure and the distance travelled.

(\*\*\*) excluding exempt traffic not reported to Eurocontrol.

## En-route traffic

Total en-route traffic in Italy in the first nine months of 2021 registered an increase of 24.1% in the number of service units reported by Eurocontrol (the same value if the residual category *Exempt not reported to Eurocontrol* is included) and one of 21.4% in the number of flights handled (+21.2% including the residual category *Exempt not reported to Eurocontrol*).

The gain in service units in the first nine months of 2021 compared with the corresponding period of 2020 reflects the gradual improvement in air traffic since June this year. In the first half, service units had contracted by 16.6% compared with the first half of 2020, a period which included the positive performance registered in January and February that year, which had not yet been affected by the health emergency. In the third quarter of 2021 however, air traffic volumes soared by 83.1% compared with the third quarter of 2020 (3Q 2020 down 61.1% compared with 3Q 2019). The gradual improvement in air traffic volumes handled during the first nine months of 2021 is also confirmed in the comparison with the figures for the first nine months of 2019, which show a decrease of 49.8% in terms of service units, while the third quarter of 2021 shows a decrease of 28.8% in service units, a clear improvement on the first two quarters of 2021, which had closed with contractions of 69.4% and 62.6%, respectively. The figures point to a reversal of the negative trend thanks to progress in vaccination campaigns on a global scale and the lifting of restrictions on mobility in many countries.

En-route traffic (number of flights)	9M 2021	9M 2020	Change	
			no.	%
Domestic	152,793	117,792	35,001	29.7%
International	308,856	288,344	20,512	7.1%
Overflight	301,316	220,842	80,474	36.4%
<b>Paying total</b>	<b>762,965</b>	<b>626,978</b>	<b>135,987</b>	<b>21.7%</b>
Military	27,320	23,964	3,356	14.0%
Other exempt	14,790	12,397	2,393	19.3%
<b>Total exempt</b>	<b>42,110</b>	<b>36,361</b>	<b>5,749</b>	<b>15.8%</b>
<b>Total reported by Eurocontrol</b>	<b>805,075</b>	<b>663,339</b>	<b>141,736</b>	<b>21.4%</b>
Exempt not reported to Eurocontrol	16,023	14,036	1,987	14.2%
<b>Total</b>	<b>821,098</b>	<b>677,375</b>	<b>143,723</b>	<b>21.2%</b>

<b>En-route traffic (service units)</b>	<b>9M 2021</b>	<b>9M 2020</b>	<b>no.</b>	<b>Change %</b>
Domestic	946,827	677,993	268,834	39.7%
International	1,209,863	1,114,747	95,116	8.5%
Overflight	1,697,398	1,299,304	398,094	30.6%
<b>Paying total</b>	<b>3,854,088</b>	<b>3,092,044</b>	<b>762,044</b>	<b>24.6%</b>
Military	91,489	84,479	7,010	8.3%
Other exempt	9,846	9,794	52	0.5%
<b>Total exempt</b>	<b>101,335</b>	<b>94,273</b>	<b>7,062</b>	<b>7.5%</b>
<b>Total reported by Eurocontrol</b>	<b>3,955,423</b>	<b>3,186,317</b>	<b>769,106</b>	<b>24.1%</b>
Exempt not reported to Eurocontrol	2,284	1,876	408	21.7%
<b>Total</b>	<b>3,957,707</b>	<b>3,188,193</b>	<b>769,514</b>	<b>24.1%</b>

An analysis of the composition of en-route traffic breaks down into:

- **international commercial traffic**, a category of flights departing from or arriving at an airport in Italy, which in the first nine months of 2021 posted gains both in terms of service units (SUs), which rose by 8.5%, and flights handled, which expanded by 7.1%, reversing the contraction posted in the first half of the year (-38.0% in SUs) with the gain of 76.4% posted in the third quarter. Compared with the first nine months of 2019, however, service units were down 62.1%, confirming this category of traffic as the hardest hit in terms of traffic volumes lost since the start of the health emergency.

With regard to international traffic by flight distance (short, medium and long distance flown in national airspace), during the period under review longer flights (>700 Km) showed the strongest recovery in service units by comparison with the same period of 2020 (+27.6%).

With regard to flight routes by continent, the first nine months of 2021 recorded an increase of 11% in service units generated on connections between Italy and the rest of Europe, representing about 82% of total international traffic service units, and one of 11% in connections between Italy and the American continent, representing about 4% of total international service units. Connections between Italy and Asia (-5% in SUs) and between Italy and Africa (-7% in SUs) continued to register losses, representing 9% and 5% of total international service units respectively. The above routes continue to show losses compared with the corresponding period of 2019;

- **commercial overflight traffic**, a category that includes flights that only cross through domestic airspace, which in the first nine months of 2021 registered an increase in service units (+30.6%) and in the number of assisted flights (+36.4%), with the third quarter alone posting large gains (+106.2% in SUs), offsetting the contraction registered in the first half of the year (-15.4% in SUs). This category also showed a decline in service units for the period compared with the same period of 2019, with a contraction of 47.4%, smaller than that in international traffic but still short of normal levels.

All routes recorded increases in volumes of traffic handled in terms of service units. In the first nine months of 2021, all the main traffic routes showed gains, with the sole exception of Europe-Asia flights

(-11% in SUs). More specifically, within Europe, which account for 53% of total overflight service units, showed an increase of 42% in service units. Europe-Africa routes posted a gain of 10% in SUs, while Europe-American continent routes showed an increase of 202%, with these two representing about 20% and 6% of total overflight service units. Other routes involving the American continent also registered increased traffic, with volumes rising by 88% on routes to Asia and by 115% on routes to Africa;

- **domestic commercial traffic**, which in the first nine months of 2021 registered an increase in both service units (+39.7%) and in the number of assisted flights (+29.7%), as well as an increase in the average distance travelled (+5%). This type of traffic, which reflected the attenuation of the impact of the health emergency before the other categories, also posted a significant increase in the number of SUs (+66.5%) in the third quarter of 2021 and even recorded a gain on the third quarter of 2019 (+6.1%). Nevertheless, the first nine months of 2021 as a whole registered a decline of 30.2% in service units compared with the corresponding period of 2019.

With regard to flight distance, in the first nine months of 2021 longer distance flights (>700 km), which connect the northern and southern parts of the country and represent about 52% of total domestic service units, posted an increase of 57% in terms of service units. Medium-distance flights, which mainly connect the airports of Rome and Naples with the rest of the country, and shorter-distance flights (<350 km) recorded gains in terms of service units of about 24% and 13% over the period, respectively, while they had registered decreases for the first half of the year;

- exempt traffic is divided into: i) *exempt traffic reported by Eurocontrol*, which increased by 7.5% in terms of service units and by 15.8% in terms of the number of assisted flights. The developments in this category mainly reflected an increase in the military activity (+8.3% in SUs), especially that of the EU countries (+16% in SUs), which represent about 90% of exempt traffic; and ii) *exempt traffic not reported to Eurocontrol*, which accounts for only a residual proportion of revenues, posted an increase 21.7% in service units and one of 14.2% in the number of assisted flights.

With regard to carriers, in the first nine months of 2021 the flight operations of the low-cost segment gradually began to improve, contributing to the general recovery in air traffic. Companies such as **Ryanair** (+29.5% in SUs), **Easyjet** (+9.5% in SUs), **Aegean** (+36.8% in SUs), **Vueling** (+17.6% in SUs) and **Eurowings** (+56.6% in SUs) had all recorded decreases in traffic volumes in the first half of 2021, while **Wizz Air** and **Volotea** had already posted increases and continued to see traffic expand (+102.1% in SUs and +27.0% in SUs respectively). Among the traditional airlines, certain Middle Eastern carriers posted gains, such as **Turkish Airlines** (+36.1% in SUs), **Qatar Airways** (+50.6% in SUs) and **Emirates** (+3.3% in SUs). **Air France** (+35.0% in SUs) and **Lufthansa** (+38.6% in SUs) also saw flight operations revive, although traffic remained



about 35% below 2019. Among the leading carriers, only **Alitalia** closed the period with a decline (-14.5% in SUs), confirming the difficulties faced by the national airline.

### Terminal traffic

In the first nine months of 2021, terminal traffic reported by Eurocontrol, which includes departing and arriving traffic within 20 km of the runway, expanded by 14.5% in terms of service units and 16.4% in terms of the number of assisted flights. Compared with the same period of 2019, air traffic volumes remained down on those registered in 2019 (-52.9% in SUs).

<b>Terminal traffic (number of flights)</b>	<b>9M 2021</b>	<b>9M 2020</b>	<b>no.</b>	<b>Change %</b>
<b>Domestic</b>				
Chg. Zone 1	16,057	16,598	(541)	-3.3%
Chg. Zone 2	33,519	25,102	8,417	33.5%
Chg. Zone 3	96,124	70,256	25,868	36.8%
<b>Total domestic flights</b>	<b>145,700</b>	<b>111,956</b>	<b>33,744</b>	<b>30.1%</b>
<b>International</b>				
Chg. Zone 1	21,652	25,437	(3,785)	-14.9%
Chg. Zone 2	56,577	56,448	129	0.2%
Chg. Zone 3	74,008	60,591	13,417	22.1%
<b>Total international flights</b>	<b>152,237</b>	<b>142,476</b>	<b>9,761</b>	<b>6.9%</b>
<b>Paying total</b>	<b>297,937</b>	<b>254,432</b>	<b>43,505</b>	<b>17.1%</b>
<b>Exempt</b>				
Chg. Zone 1	86	211	(125)	-59.2%
Chg. Zone 2	872	1,142	(270)	-23.6%
Chg. Zone 3	15,746	14,192	1,554	10.9%
<b>Total exempt flights</b>	<b>16,704</b>	<b>15,545</b>	<b>1,159</b>	<b>7.5%</b>
<b>Total reported by Eurocontrol</b>	<b>314,641</b>	<b>269,977</b>	<b>44,664</b>	<b>16.5%</b>
<b>Exempt not reported to Eurocontrol</b>				
Chg. Zone 1	0	0	0	n.a.
Chg. Zone 2	270	256	14	5.5%
Chg. Zone 3	9,042	8,112	930	11.5%
<b>Total exempt flights not reported to Eurocontrol</b>	<b>9,312</b>	<b>8,368</b>	<b>944</b>	<b>11.3%</b>
<b>Total by Charging Zone</b>				
Chg. Zone 1	37,795	42,246	(4,451)	-10.5%
Chg. Zone 2	91,238	82,948	8,290	10.0%
Chg. Zone 3	194,920	153,151	41,769	27.3%
<b>Total</b>	<b>323,953</b>	<b>278,345</b>	<b>45,608</b>	<b>16.4%</b>

<b>Terminal traffic (service units)</b>		<b>9M 2021</b>	<b>9M 2020</b>	<b>no.</b>	<b>Change %</b>
Domestic					
	Chg. Zone 1	20,156	21,553	(1,397)	-6.5%
	Chg. Zone 2	41,108	30,170	10,938	36.3%
	Chg. Zone 3	109,530	77,509	32,021	41.3%
	<b>Total domestic SUs</b>	<b>170,794</b>	<b>129,232</b>	<b>41,562</b>	<b>32.2%</b>
International					
	Chg. Zone 1	31,584	39,135	(7,551)	-19.3%
	Chg. Zone 2	84,313	82,211	2,102	2.6%
	Chg. Zone 3	76,802	65,579	11,223	17.1%
	<b>Total international SUs</b>	<b>192,699</b>	<b>186,925</b>	<b>5,774</b>	<b>3.1%</b>
<b>Paying total</b>		<b>363,493</b>	<b>316,157</b>	<b>47,336</b>	<b>15.0%</b>
Exempt					
	Chg. Zone 1	202	263	(61)	-23.2%
	Chg. Zone 2	451	909	(458)	-50.4%
	Chg. Zone 3	5,659	5,627	32	0.6%
	<b>Total exempt SUs</b>	<b>6,312</b>	<b>6,799</b>	<b>(487)</b>	<b>-7.2%</b>
<b>Total reported by Eurocontrol</b>		<b>369,805</b>	<b>322,956</b>	<b>46,849</b>	<b>14.5%</b>
Exempt not reported to Eurocontrol					
	Chg. Zone 1	0	0	0	n.a.
	Chg. Zone 2	22	22	0	0.0%
	Chg. Zone 3	635	589	46	7.8%
<b>Total exempt SUs not reported to Eurocontrol</b>		<b>657</b>	<b>611</b>	<b>46</b>	<b>7.5%</b>
<b>Total by Charging Zone</b>					
	Chg. Zone 1	51,942	60,951	(9,009)	-14.8%
	Chg. Zone 2	125,894	113,312	12,582	11.1%
	Chg. Zone 3	192,626	149,304	43,322	29.0%
<b>Total</b>		<b>370,462</b>	<b>323,567</b>	<b>46,895</b>	<b>14.5%</b>

Overall, the performance for the first nine months of 2021 compared with the same period of the previous year shows an increase in Charging Zones 2 and 3 in terms of service units, while Charging Zone 1 registered a contraction:

- **Charging Zone 1**, represented by Rome Fiumicino airport, experienced a decrease in traffic in the first nine months of 2021 of 14.8% in terms of service units and 10.5% in the number of flights handled, with a decrease for international traffic (-19.3% in SUs) and a smaller contraction in domestic traffic (-6.5% in SUs). In the third quarter of 2021 alone, however, traffic volumes rebounded in terms of service units, rising by 56.6%. Compared with the same period of 2019, total traffic volumes contracted by 71.1% in terms of service units. Developments in the period under review reflected both the slowdown in the flight operations of Alitalia (-30% in SUs), which accounts for about 41% of traffic, and the good performance of the low cost companies, with increases in air traffic volumes being posted by Ryanair (+27.1% in SUs), Vueling (+5.4% in SUs) and Wizz Air (+102.9% in SUs);

- **Charging Zone 2**, represented by the airports of Milan Malpensa, Milan Linate, Venice Tessera and Bergamo Orio al Serio, posted an increase for the period in terms of service units (+11.1%) and assisted flights (+10%), mainly reflecting domestic traffic (+36.3% in SUs), while the expansion in international traffic was more modest (+2.6% SUs). Among the airports in this charging zone, the strongest performance was registered by the airports of Milano Malpensa (+14.3% in SUs) and Milan Linate (+32.9% in SUs), with a smaller gain being posted by Bergamo Orio al Serio (+3.1% in SUs). By contrast Venice Tessera registered a decrease (-9.8% in SUs) as a result of the contraction in international traffic;
- **Charging Zone 3**, which includes all other Italian airports, recorded gains both in terms of SUs (+29%) and the number of assisted flights (+27.3%). The positive performance in the first nine months of 2021 is attributable to the increase in domestic traffic, which recorded a gain of 41.3% in terms of service units, while international traffic posted an increase of 17.1%. The third quarter of 2021 alone recorded an increase of +73.1% compared with the corresponding period of 2020, a result even more significant when compared with the figure for the same quarter of 2019 (-12.3% in SUs). The first nine months of 2021 saw the resumption of flight operations at all the airports of this charging zone, with particular regard to the airports in the South and the islands, such as Catania (+42.9% in SUs), Palermo (+38.5% in SUs), Olbia (+91.5 in SUs), Cagliari (+25.4% in SUs) and Bari (+36.8% in SUs), all airports where domestic traffic is predominant and competition from rail transport is less intense. The airports of Naples and Bologna recorded smaller gains of +13.3% and +15.4%, respectively, in terms of service units.

## Seasonal effects

The type of business in which the Parent Company operates is normally affected by seasonal effects. Developments in air traffic are not linear throughout the year. In particular, passenger traffic fluctuates significantly depending on the time of year, reflecting changes in tourist flows.

However, compared with previous years, seasonal effects will be considerably reduced in 2021 due to the particular impact of the pandemic on traffic volumes and the change in the regulatory system concerning the measurement of the balance, with the latter being exceptionally determined on the basis of determined costs rather than the traditional traffic-risk sharing mechanism.

## COVID-19 update

In the first nine months of 2021, the air transport sector, which had been significantly affected by the COVID-19 pandemic, registered a recovery in activity, closely associated with the progress achieved in campaigns to vaccinate the global population.

The summer saw a recovery in flights handled compared with the first nine months of 2020, with an increase, in terms of service units, in both en-route traffic (+24.1%) and terminal traffic (+14.5%), although these values remain lower than those recorded in the corresponding period of 2019 before the COVID-19 pandemic, when service units generated were double their level in the first nine months of 2021.

The resumption of flight volumes had a positive impact on revenues from operations, producing an increase of 23.8% compared with the first nine months of 2020, a year fully impacted by the health emergency, with revenues down 62.6% compared with the first nine months of 2019. In compliance with Regulation (EU) 2020/1627 of 3 November 2020 and Decision 2021/891 of 2 June 2021 of the European Commission, the recognition of revenues from balances partially offset the loss of air traffic, although cash flows were adversely affected by the fact that balances will only be recovered through charges as from 2023.

Operating expenses increased due to the resumption of air traffic control activities compared with the corresponding period of the previous year, when traffic was lower. The increase was reflected both in external costs and in personnel costs, as the level of operating personnel has returned to normal.

On 15 October Eurocontrol also published new traffic estimates that forecast a significant increase in flights to Italy in the coming years, starting from 2022. This trend shows the gradual emergence from the crisis in the coming months and a return to the traffic levels recorded before the health emergency as early as the end of next year.

## Performance and financial position of the ENAV Group

### Definition of alternative performance measures

In addition to the financial data required by the International Financial Reporting Standards and in line with Consob notice no. 0092543 of 3 December 2015, which incorporates the Guidelines (no. 2015/1415) issued on 5 October 2015 by the European Securities and Markets Authority (ESMA), the ENAV Group uses a number of measures derived from the IFRS data to provide management with an additional metric for evaluating the performance achieved by the Parent Company and its subsidiaries, as well as ensuring greater comparability, reliability and understanding of financial information.

The following alternative performance measures are used:

- **EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation):** an indicator of profit before the effects of financial operations and taxation, as well as depreciation, amortisation and writedowns of property, plant and equipment and intangible assets and receivables and provisions, adjusted for investment grants directly related to the depreciating and amortising investments to which they refer;
- **EBITDA margin:** EBITDA expressed as a percentage of total revenues and adjusted for investment grants as specified above;
- **EBIT (Earnings Before Interest and Tax):** EBITDA less depreciation and amortisation adjusted for investment grants and writedowns of property, plant and equipment and intangible fixed assets and receivables and provisions;
- **EBIT margin:** EBIT expressed as a percentage of total revenues less investment grants as specified above;
- **Net non-current assets:** a financial measure represented by the fixed capital employed in operations. It includes property, plant and equipment, intangible assets, investments in other entities, non-current trade receivables, and other non-current assets and liabilities;
- **Net working capital:** capital employed in operations comprising 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 capital employed:** the sum of net non-current assets and net working capital;
- **Net capital employed:** the sum of gross capital employed, less employee benefit provisions, the provision for risks and charges and deferred tax assets/liabilities;
- **Net financial debt:** the sum of the current and non-current financial liabilities, current and non-current financial receivables and 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 5 May 2021, and in line with Warning Notice no. 5/21 issued by CONSOB on 29 April 2021
- **Free cash flow:** the sum of the cash flow generated or absorbed by operating activities and the cash flow generated or absorbed by investing activities.

The reclassified consolidated income statement, statement of financial position and cash flow statement, the consolidated statement of net financial debt and the main performance and financial indicators used by management to monitor operating performance are shown below.

## Reclassified consolidated income statement

The overall performance of the ENAV Group in the first nine months of 2021 tracks the recovery in the activities of the air transport sector, which is reflected in most items of the income statement, although

values remain lower than in 2019, the period prior to the global health emergency. In terms of service units, air traffic increased by 24.1% for en-route traffic and 14.5% for terminal traffic compared with the corresponding period of 2020, when air traffic posted declines of 59.6% for en-route traffic and 58.8% for terminal traffic compared with the first nine months of 2019. These developments made it possible to generate revenues from operations of €341.8 million, an increase of 23.8% compared with the corresponding period of 2020.

The recognition of balances in compliance with the Regulation (EU) 2020/1627 of 3 November 2020 and Decision 2021/891 of 2 June 2021 issued by the European Commission made it possible to recover much of the loss of traffic, with the recognition - including the other components - of €217.7 million, down 24.1% compared with the first nine months of 2020, a period in which the efficiency target used differed from the current system pending the European Commission Decision.

Operating expenses increased by 6.6% overall, mainly due to the increase in operations in concomitance with the recovery in air traffic, producing EBITDA of €146.8 million for the first nine months of 2021, a decrease of 16.4% compared with the corresponding period of 2020.

Profit for the period amounted to €41.8 million, down 24.1% on the year-earlier period, when it came to €55.1 million.

In this regard, it should be noted that the comparison between the two periods is affected by regulatory changes, with specific regard to the performance target applicable in the period. The new EU regulation, which also contains provisions governing the balance mechanism, was published in November 2020, while the European Commission Decision on performance targets for the third reference period (2020-2024), which was needed to determine performance levels and therefore the value of the admissible balance for the period, was only published in June 2021.

	9M 2021	9M 2020	Amount	Change %
Revenues from operations	341,796	276,031	65,765	23.8%
Balance	217,705	286,666	(68,961)	-24.1%
Other operating income	28,065	26,367	1,698	6.4%
<b>Total revenues</b>	<b>587,566</b>	<b>589,064</b>	<b>(1,498)</b>	<b>-0.3%</b>
Personnel costs	(362,821)	(342,891)	(19,930)	5.8%
Capitalised costs	18,697	19,979	(1,282)	-6.4%
Other operating expenses	(96,620)	(90,453)	(6,167)	6.8%
<b>Total operating costs</b>	<b>(440,744)</b>	<b>(413,365)</b>	<b>(27,379)</b>	<b>6.6%</b>
<b>EBITDA</b>	<b>146,822</b>	<b>175,699</b>	<b>(28,877)</b>	<b>-16.4%</b>
<b>EBITDA margin</b>	<b>25.0%</b>	<b>29.8%</b>	<b>-4.8%</b>	
Net amortisation of investment grants	(89,542)	(94,989)	5,447	-5.7%
Writedowns, impairment (reversal of impairment) and provisions	(1,719)	(3,308)	1,589	-48.0%
<b>EBIT</b>	<b>55,561</b>	<b>77,402</b>	<b>(21,841)</b>	<b>-28.2%</b>
<b>EBIT margin</b>	<b>9.5%</b>	<b>13.1%</b>	<b>-3.7%</b>	
Financial income/(expense)	1,457	(4,372)	5,829	n.a.
<b>Income before taxes</b>	<b>57,018</b>	<b>73,030</b>	<b>(16,012)</b>	<b>-21.9%</b>
Income taxes	(15,229)	(17,949)	2,720	-15.2%
<b>Profit (loss) for the period</b>	<b>41,789</b>	<b>55,081</b>	<b>(13,292)</b>	<b>-24.1%</b>
<b>Profit (loss) for the period attributable to shareholders of the Parent Company</b>	<b>42,080</b>	<b>55,283</b>	<b>(13,203)</b>	<b>-23.9%</b>
<b>Profit (loss) for the period attributable to non-controlling interests</b>	<b>(291)</b>	<b>(202)</b>	<b>(89)</b>	<b>44.1%</b>

(thousands of euros)

## Analysis of revenues

Revenues from operations amounted to €341.8 million, an increase of 23.8% compared with the same period of the previous year, with revenues from the Parent Company's core business amounting to €321.4 million (+61.7% on the first nine months of 2020), while those from the Group's operations on the non-regulated market totalled €20.4 million, up €4 million. The increase in revenues is strictly connected with the recovery in activity in the air transport sector, which thanks to the spread of vaccination coverage was able to resume operations, albeit at levels that are still below those registered in the period prior to the health emergency.

	9M 2021	9M 2020	Change	%
En-route revenues	221,137	186,635	34,502	18.5%
Terminal revenues	91,994	65,379	26,615	40.7%
En-route and terminal exemptions	8,259	7,643	616	8.1%
Revenues from non-regulated market	20,406	16,374	4,032	24.6%
<b>Total revenues from operations</b>	<b>341,796</b>	<b>276,031</b>	<b>65,765</b>	<b>23.8%</b>
Balance	217,705	286,666	(68,961)	-24.1%
<b>Total revenues from contracts with customers</b>	<b>559,501</b>	<b>562,697</b>	<b>(3,196)</b>	<b>-0.6%</b>

(thousands of euros)

En-route revenues amounted to €221.1 million, an increase of 18.5% compared with the year-earlier period, reflecting an increase of 24.6% in service units compared with the first nine months of 2020 (-60.2% in the first nine months of 2020 on the same period of 2019), with a recovery in air traffic handled as from April. The en-route unit rate applied in 2021 was decreased by 5.06% (€62.68, as against €66.02 in 2020), a reduction that amounted to 0.89% if only the charge excluding balances is considered.

If en-route revenues include i) those from exempt flights, which increased by 2.6% compared with the figure for the first nine months of 2020, ii) the adjustment for balances, which includes the portion recognised in the period including the discounting effect and iii) the part recognised in previous years and incorporated in rates in 2021, en-route revenues totalled €396.4 million, a decrease of €8.6 million, broken down as follows:

	9M 2021	9M 2020	Change	%
En-route revenues	221,137	186,635	34,502	18.5%
En-route exemptions	5,995	5,845	150	2.6%
<i>Sub-total revenues</i>	<i>227,132</i>	<i>192,480</i>	<i>34,652</i>	<i>18.0%</i>
En-route balance for period	157,178	230,192	(73,014)	-31.7%
Discounting of balance for period	(4,696)	(13,786)	9,090	-65.9%
Change in balances	(4,570)	(4,361)	(209)	4.8%
Use of en-route balance n-2	21,333	493	20,840	n.a.
<i>Sub-total balance</i>	<i>169,245</i>	<i>212,538</i>	<i>(43,293)</i>	<i>-20.4%</i>
<b>Total en-route revenues from operations net of balances</b>	<b>396,377</b>	<b>405,018</b>	<b>(8,641)</b>	<b>-2.1%</b>

(thousands of euros)

The en-route balance for the period had a positive impact of €157.2 million, a decrease of €73 million compared with the first nine months of 2020. The balances in the respective periods were calculated using a method that provides for coverage of determined costs with an efficiency target, in accordance with Regulation (EU) 2020/1627 of 3 November 2020, but with the application of different performance targets. For the first nine months of 2021, this used the targets indicated in the European Commission's Implementing Decision 2021/891 published on 2 June 2021, which specified the reference parameter for the measurement of the balance as the determined unit cost (DUC) performance indicator, defined as the ratio between determined costs and forecast traffic expressed in terms of service units. This indicator for 2020-2021, considered as a single period, shall not exceed +120.1% of the DUC baseline value in 2019. The balance for the first nine months of 2020 was determined by applying an efficiency percentage of 2.2% on



the baseline determined costs for 2019. The difference in the method used to calculate the performance targets, combined with an increase in assisted air traffic, produced the decrease in the value of the balance for the period. In addition, the overall value for balance revenues is also impacted by the discounting of those revenues for a period consistent with the EU Regulation, which provides for their recovery through unit rates over a period of at least five years starting from 2023, producing a negative impact on profit or loss of €4.7 million, and by the recognition in profit or loss (and thus incorporation in unit rates for 2021) of balances recognised in previous years in the positive amount of €21.3 million.

Commercial **terminal revenues** amounted to €92 million, an increase of 40.7% on the first nine months of 2020, reflecting the positive developments in service units generated by the individual airports broken down by charging zone, with an overall increase of 14.5% (-59.4% in the first nine months of 2020 compared with first nine months of 2019), partially offset by the reduction in the terminal rates applied in the first two charging zones.

In particular, *Charging Zone 1*, represented by Rome Fiumicino airport, the only zone posting a decrease, saw assisted air traffic, expressed in service units, decline by 14.8% compared with the first nine months of 2020, mainly reflecting the performance of international air traffic (-66.1% in the first nine months of 2020 compared with the first nine months of 2019). This effect was compounded by the reduction of the terminal unit rate applied in 2021 by 1.66% to €164.55 (compared with €167.33 in 2020).

*Charging Zone 2*, represented by the airports of Milan Malpensa, Milan Linate, Venice Tesserà and Bergamo Orio al Serio, posted an increase in assisted air traffic, expressed in service units, of 11.1%, on the first nine months of 2020 (-56.7% in the first nine months of 2020 compared with first nine months of 2019). The terminal rate for 2021 is €160.86, a decrease of 4.0% on the rate applied in 2020 (€167.56).

*Charging Zone 3*, which comprises 40 medium- and low-traffic airports recorded an increase in assisted air traffic, expressed in service units, of 29% on the first nine months of 2020 (-56.6% in the first nine months of 2020 compared with first nine months of 2019). This was boosted by an increase in the terminal rate applied in 2021 to €395.35 (up 32.26% on the rate applied in 2020 (€298.93)).

If terminal revenues are considered together with those from exempt flights, which increased by 25.9% on the same period of 2020, and the adjustment for the balance, which includes the portion recognised in the period and the discounting effect, as well as the part recognised in previous years and incorporated in the rate in 2021, and thus profit or loss for the year, terminal revenues totalled €142.7 million, a slight increase (€1.4 million) on the first nine months of 2020, broken down as follows:

	9M 2021	9M 2020	Change	%
Terminal revenues	91,994	65,379	26,615	40.7%
Terminal exemptions	2,264	1,798	466	25.9%
<i>Sub-total</i>	<i>94,258</i>	<i>67,177</i>	<i>27,081</i>	<i>40.3%</i>
Terminal balance for period	42,122	72,839	(30,717)	-42.2%
Discounting of balance for period	(1,271)	(4,356)	3,085	-70.8%
Change in balances	(448)	0	(448)	n.a.
Use of terminal balance n-2	8,057	5,645	2,412	42.7%
<i>Sub-total</i>	<i>48,460</i>	<i>74,128</i>	<i>(25,668)</i>	<i>-34.6%</i>
<b>Total terminal revenues from operations net of balances</b>	<b>142,718</b>	<b>141,305</b>	<b>1,413</b>	<b>1.0%</b>

*(thousands of euros)*

Terminal balances had a positive impact of €48.5 million, a decrease of €25.7 million compared with the first nine months of 2020. The same rules governing the determination of the en-route balance were applied to the terminal balances for Charging Zones 1 and 2, while a cost recovery approach applies for Charging Zone 3, generating the recognition of balances totalling €42.1 million. The value of the balances for the period reflects the amount recognised through profit or loss (and therefore in the unit rate for 2021) of balances recorded in prior years (a positive €8.1 million), less the discounting adjustment connected with the fact that recovery of the balance will take place over five years beginning with the rates to be applied starting from 2023.

Revenues from the non-regulated market amounted to €20.4 million, an increase of €4 million compared with the corresponding period of the previous year, mainly due to the increase in revenues generated by the subsidiary IDS AirNav, which amounted to €13.5 million. Significant developments included the contract for the transition of the Colombian service provider from the traditional AIS system to the AIM (Aeronautical Information Management) system, the sale of licenses for the Russian service provider for the supply of a digital platform for the design of airspace and related procedures, the sale of licenses to the Brazilian service provider for the modernisation of AIM systems, the progress of activities in Zambia for the implementation of the AMHS (Aeronautical Message Handling System) and the AIM system and system maintenance for various customers.

### Developments in costs

	9M 2021	9M 2020	Amount	Change %
Personnel costs	(362,821)	(342,891)	(19,930)	5.8%
Capitalised costs	18,697	19,979	(1,282)	-6.4%
Other operating expenses	(96,620)	(90,453)	(6,167)	6.8%
<b>Total operating expenses</b>	<b>(440,744)</b>	<b>(413,365)</b>	<b>(27,379)</b>	<b>6.6%</b>

*(thousands of euros)*

Operating expenses increased by 6.6% compared with the year-earlier period to a total of €440.7 million, reflecting an increase in personnel costs of 5.8%, an increase in other operating expenses of 6.8% and a decrease in capitalised costs, mainly due to a decline in the activity of personnel involved in ongoing investment projects.

	9M 2021	9M 2020	Change	%
Wages and salaries, of which:				
fixed remuneration	214,479	214,306	173	0.1%
variable remuneration	40,441	26,130	14,311	54.8%
<b>Total wages and salaries</b>	<b>254,920</b>	<b>240,436</b>	<b>14,484</b>	<b>6.0%</b>
Social security contributions	85,013	80,191	4,822	6.0%
Employee severance pay	16,743	16,886	(143)	-0.8%
Other costs	6,145	5,378	767	14.3%
<b>Total personnel costs</b>	<b>362,821</b>	<b>342,891</b>	<b>19,930</b>	<b>5.8%</b>

*(thousands of euros)*

Personnel costs rose by 5.8% compared with the first nine months of 2020, reaching €362.8 million in response to the resumption of activity in the air traffic sector, albeit at levels below those prevailing in the corresponding period of 2019, which preceded the health emergency. More specifically, fixed remuneration remains virtually unchanged, influenced by the change in the remuneration mix as a result of retiring employees being replaced by new hires on lower salaries and by ordinary developments in remuneration. The average workforce decreased by 52 compared with the first nine months of 2020, while the effective workforce expanded by 31, closing the first nine months of 2021 with an effective Group workforce of 4,216 (4,185 in at the end of the first nine months of 2020). Variable remuneration increased by 54.8%, mainly attributable to the weaker impact of payments for holiday entitlement accrued and not used, which amounted to €0.6 million in the first nine months of 2021 as a result of the use of much of the entitlement accrued during the period, while it had a positive impact of €8.7 million in the year-earlier period, when in addition to the use of the holiday entitlement accrued in the period, it also involved the elimination of the backlog of unused holiday time from previous years. Other items that contribute to the increase in variable remuneration are associated with the increase in air traffic, which with the return to normal working conditions from the reduced level implemented in the same period of 2020 translated into greater overtime for ATC personnel, an increase in holiday work and on-call service and an increase in costs for indemnities for holidays not falling on business days. Social security contributions increased by 6% to €85 million, while other personnel costs rose by €0.8 million for termination incentives paid to outgoing personnel in the period, which totalled €2.4 million (€1.9 million in the first nine months of 2020).

Other operating expenses amounted to €96.6 million, an increase of 6.8% compared with the corresponding period of the previous year. They break down as follows.

	9M 2021	9M 2020	Change	%
Costs for the purchase of goods	5,199	5,004	195	3.9%
<b>Costs for services:</b>				
Maintenance costs	15,532	14,125	1,407	10.0%
Costs for Eurocontrol fees	27,421	25,202	2,219	8.8%
Costs for utilities and telecommunications	19,023	18,296	727	4.0%
Costs for insurance	2,384	2,368	16	0.7%
Cleaning and security	3,581	3,842	(261)	-6.8%
Other personnel-related costs	5,887	4,819	1,068	22.2%
Professional services	7,883	7,406	477	6.4%
Other costs for services	6,597	5,400	1,197	22.2%
<b>Total costs for services</b>	<b>88,308</b>	<b>81,458</b>	<b>6,850</b>	<b>8.4%</b>
Costs for leases and rentals	1,201	1,533	(332)	-21.7%
Other operating expenses	1,912	2,458	(546)	-22.2%
<b>Total</b>	<b>96,620</b>	<b>90,453</b>	<b>6,167</b>	<b>6.8%</b>

(thousands of euros)

An analysis of the individual items shows an increase in various costs linked both to the resumption of work on investment projects, with maintenance increasing by 10% compared with the corresponding period of 2020, which includes assistance provided in respect of administrative systems for personnel and the DPC of the Group, and to increased costs associated with work on foreign orders, with an increase in technical support. Other personnel-related costs rose due to an increase in business travel by Group staff and to the Eurocontrol contribution, which does not benefit from the reduction in the agency's costs recorded in the corresponding period of 2020. Finally, electricity costs also rose across the entire country. In the early months of 2020 costs had declined due to the closure and reduction of operations at various Italian airports for a number of months.

## Margins

These developments produced an increase of 16.4% in EBITDA compared with the first nine months of 2020, reaching €146.8 million. Readers should bear in mind the impact of the regulatory changes discussed earlier on any comparison of the two periods, with particular regard to the performance target applicable in the period.

EBIT reflected a decrease of 5.7% in depreciation and amortisation net of investment grants and the writedown of receivables, which in addition to the use of risk provisions for the positive settlement of a number of disputes, had a total negative impact of €1.8 million, producing EBIT of €55.6 million, down €21.8 million on the same period of 2020, when the aggregate amounted to €77.4 million.

## Financial operations

Financial income and expense show net income of €1.5 million, an improvement of €5.8 million on the net expense registered in the first nine months of 2020.

	9M 2021	9M 2020	Change	%
Income from investments in other entities	667	417	250	60%
Financial income from discounting of receivables and balance	3,801	68	3,733	n.a.
Financial income from current financial assets	0	131	(131)	-100%
Other interest income	1,699	713	986	n.a.
<b>Total financial income</b>	<b>6,167</b>	<b>1,329</b>	<b>4,838</b>	<b>n.a.</b>
	9M 2021	9M 2020	Change	%
Interest expense on bank loans	2,104	1,769	335	18.9%
Interest expense on bonds	2,598	2,598	0	0.0%
Interest expense on employee benefits	160	327	(167)	-51.1%
Interest expense on lease liabilities	117	112	5	4.5%
Financial expense on discounting	0	513	(513)	-100.0%
Other interest expense	58	66	(8)	-12.1%
<b>Total financial expense</b>	<b>5,037</b>	<b>5,385</b>	<b>(348)</b>	<b>-6.5%</b>
Exchange rate gains/(losses)	327	(316)	643	n.a.
<b>Total financial income/(expense)</b>	<b>1,457</b>	<b>(4,372)</b>	<b>5,829</b>	<b>n.a.</b>

*(thousands of euros)*

Financial income increased by €4.8 million due to the financial component pertaining to the period connected with the discounting of balance receivables in addition to interest income recognised on part of the IRES credit for which reimbursement had been requested, which was collected in the first nine months of 2021.

Financial expense decreased by 6.5% due to the elimination of charges from balance discounting and the lower interest cost recognised for Group employee benefits, effects that partially offset the increase in interest due on bank borrowings.

## Performance for the period

Income taxes for the period amounted to €15.2 million, a decrease of €2.7 million compared with the same period of 2020, mainly due to the decrease in the taxable income of the Parent Company. As a result, profit pertaining to shareholders of the Parent Company amounted to €42.1 million, a decline of €13.2 million on the €55.3 million registered for corresponding period of the previous year. The share pertaining to non-controlling interests was a loss of €0.3 million.

## Reclassified consolidated statement of financial position

	30.09.2021	31.12.2020	Amount	Change %
Property, plant and equipment	872,217	922,623	(50,406)	-5.5%
Right-of-use assets	5,441	6,910	(1,469)	-21.3%
Intangible assets	175,070	175,629	(559)	-0.3%
Investments in other entities	53,211	50,122	3,089	6.2%
Non-current trade receivables	576,786	385,971	190,815	49.4%
Other non-current assets and liabilities	(148,886)	(139,434)	(9,452)	6.8%
<b>Net non-current assets</b>	<b>1,533,839</b>	<b>1,401,821</b>	<b>132,018</b>	<b>9.4%</b>
Inventories	61,749	61,561	188	0.3%
Trade receivables	224,685	136,582	88,103	64.5%
Trade payables	(122,415)	(149,812)	27,397	-18.3%
Other current assets and liabilities	(112,700)	(88,119)	(24,581)	27.9%
Assets held for sale net of related liabilities	0	1,427	(1,427)	-100.0%
<b>Net working capital</b>	<b>51,319</b>	<b>(38,361)</b>	<b>89,680</b>	<b>n.a.</b>
<b>Gross capital employed</b>	<b>1,585,158</b>	<b>1,363,460</b>	<b>221,698</b>	<b>16.3%</b>
Employee benefit provisions	(46,346)	(49,943)	3,597	-7.2%
Provisions for risks and charges	(2,456)	(3,341)	885	-26.5%
Deferred tax assets net of liabilities	21,368	20,419	949	4.6%
<b>Net capital employed</b>	<b>1,557,724</b>	<b>1,330,595</b>	<b>227,129</b>	<b>17.1%</b>
Shareholders' equity attributable to Parent Company shareholders	1,130,301	1,083,278	47,023	4.3%
Shareholders' equity attributable to non-controlling interests	1,897	2,189	(292)	-13.3%
<b>Shareholders' equity</b>	<b>1,132,198</b>	<b>1,085,467</b>	<b>46,731</b>	<b>4.3%</b>
Net financial debt	425,526	245,128	180,398	73.6%
<b>Funding of net capital employed</b>	<b>1,557,724</b>	<b>1,330,595</b>	<b>227,129</b>	<b>17.1%</b>

(thousands of euros)

Net capital employed amounted to €1,557.7 million at 30 September 2021, up €227.1 million on 31 December 2020. Of the total, 72.7% was funded by consolidated shareholders' equity and 27.3% by net financial debt.

### Net non-current assets

Net non-current assets amounted to €1,533.8 million, up a net €132 million compared with 31 December 2020, mainly reflecting: i) a decrease of €50.4 million in property, plant and equipment as a result of the recognition of greater depreciation than investments under construction during the period; ii) an increase in the value of investments in other entities of €3.1 million, accounted for mainly by the impact of the change in the dollar/euro exchange rate on the investment in Aireon LLC; iii) an increase of €190.8 million in non-current trade receivables, reflecting the recognition of receivables for balances in the third quarter of 2021, net of the discounting component; they will be recovered as from 2023 over five years; and iv) a decline in other non-current assets and liabilities due to the collection of €5.5 million of the principal

amount of the IRES receivable for which repayment was requested in previous years and an increase in liabilities connected with the recognition of financial investments associated with the Connecting Facility Management (CEF) programme.

### **Net working capital**

**Net working capital** amounted to €51.3 million, an increase of €89.7 million on 31 December 2020, when it was a negative €38.4 million. The main changes regarded: i) a net increase of €88.1 million in trade receivables, mainly reflecting an increase of €65.1 million in the receivable from Eurocontrol as a result of the increase in invoicing not yet falling due for August and September 2021 compared with the last two months of 2020 as well as the collection of receivables for traffic in March, April and May 2020, which had benefitted from a deferral granted to airlines; an increase in the receivable in respect of the Ministry for the Economy and Finance for the grant to guarantee the safety of plant and operational safety accruing at 30 September 2021 in the amount of €22.5 million; ii) a decrease of €27.4 million in trade payables, mainly in respect of the accrued liability for balances recognised through profit or loss; iii) the change in other current assets and liabilities, which resulted in a net increase in liabilities of €24.6 million as a result of an increase in amounts due to personnel as a result of provisions recognised for the third quarter of 2021 and an increase in other liabilities relating to the net €14 million due to the Italian Air Force and ENAC, corresponding to their share of collections of en-route and terminal receivables accrued during the period, net of amounts paid. These effects were partially offset by an increase in receivables for prepayments of insurance premiums made in July and “14th-month” salary instalment paid in June, both of which pertained to subsequent months.

### **Net capital employed**

In determining **net capital employed**, employee benefit provisions had a negative impact of €46.3 million, with the decrease of €3.6 million reflecting the benefits paid and the actuarial gain recognised at 30 September 2021. Provisions for risks and charges amounted to €2.5 million, down €0.9 million, while net deferred tax assets were a positive €21.4 million.

### **Shareholders' equity**

Shareholders' equity totalled €1,132.2 million, a net increase of €46.7 million on 31 December 2020. The change mainly reflects €41.8 million from the consolidated profit for the period recognised at 30 September 2021, the actuarial gain on the reserve for employee benefits, which net of tax effects amounted to €0.9 million, and the positive impact of €3.3 million from the reserve for the translation into euros of the financial statements of foreign subsidiaries.

## Net financial debt

Net financial debt amounted to €425.5 million at 30 September 2021, an increase of €180.4 million on 31 December 2020. The figure reflects Warning Notice no. 5/21 issued by CONSOB referring to the Guidelines on disclosure requirements under the Prospectus Regulation issued by ESMA and in force since 5 May 2021. Accordingly, the Group has adopted the currently envisaged composition of the aggregate, as indicated below, which will be updated as guidance evolves.

	30.09.2021	31.12.2020	Amount	Change %
Cash and cash equivalents	267,586	316,044	(48,458)	-15.3%
Current financial receivables	46	0	46	n.a.
Current financial debt	(247,307)	(65,381)	(181,926)	n.a.
Current financial debt for IFRS 16 lease liabilities	(1,966)	(2,135)	169	-7.9%
<b>Net current financial position</b>	<b>18,359</b>	<b>248,528</b>	<b>(230,169)</b>	<b>-92.6%</b>
Non-current financial receivables	62	0	62	n.a.
Non-current financial debt	(433,254)	(480,081)	46,827	-9.8%
Non-current financial debt for IFRS 16 lease liabilities	(3,782)	(5,069)	1,287	-25%
Non-current trade payables	(6,911)	(8,506)	1,595	-19%
<b>Non-current financial debt</b>	<b>(443,885)</b>	<b>(493,656)</b>	<b>49,771</b>	<b>-10.1%</b>
<b>Net financial debt</b>	<b>(425,526)</b>	<b>(245,128)</b>	<b>(180,398)</b>	<b>73.6%</b>

(thousands of euros)

The increase of €180.4 million in net financial debt was due to developments in collections and payments connected with ordinary operations, which generated a negative cash flow, connected with the reduction in receipts from the Parent Company's core business activities despite the recovery in operations in the summer, which will be collected in the closing months of the year, albeit at a lower level than in 2019. These developments were positively influenced by the partial collection of IRES reimbursements amounting to €6.4 million and projects financed under NOP, CEF and SESAR programmes.

As at 30 September 2021, the Group has unused short-term credit lines totalling €294 million, of which committed lines of €220 million and uncommitted lines of €74 million.



## Structure of the consolidated net financial position

	30.09.2021	31.12.2020
(A) Cash	267,586	316,044
(B) Cash equivalents	0	0
(C) Other current financial assets	0	0
<b>(D) Liquidity (A)+(B)+(C)</b>	<b>267,586</b>	<b>316,044</b>
<b>(E) Current financial receivables</b>	<b>0</b>	<b>0</b>
(F) Current financial payables	(180,542)	0
(G) Current portion of non-current financial debt	(66,765)	(65,356)
(H) Other current financial debt	(1,966)	(2,135)
<b>(I) Current financial debt (F)+(G)+(H)</b>	<b>(249,273)</b>	<b>(67,491)</b>
<b>(J) Net current financial debt/Liquidity (D)+(E)+(I)</b>	<b>18,313</b>	<b>248,553</b>
(K) Non-current bank debt	(433,254)	(300,048)
(L) Bonds issued	0	(180,000)
(M) Other non-current debt	(3,782)	(5,069)
(N) Trade payables and other non-current liabilities	(6,911)	(8,506)
<b>(O) Non-current financial debt (K)+(L)+(M)+(N)</b>	<b>(443,947)</b>	<b>(493,623)</b>
<b>(P) Net financial debt - Consob (J)+(O)</b>	<b>(425,634)</b>	<b>(245,070)</b>
(Q) Current and non-current derivatives	108	(58)
(R) Non-current financial receivables	0	0
<b>(S) Net financial debt - ENAV Group (P)+(Q)+(R)</b>	<b>(425,526)</b>	<b>(245,128)</b>
		<i>(thousands of euros)</i>

## Consolidated statement of cash flows

	9M 2021	9M 2020	Change
Cash flow generated/(absorbed) by operating activities	(155,905)	(195,494)	39,589
Cash flow generated/(absorbed) by investing activities	(28,798)	(45,909)	17,111
Cash flow generated/(absorbed) by financing activities	134,691	(51,658)	186,349
<b>Cash flow for the period</b>	<b>(50,012)</b>	<b>(293,061)</b>	<b>243,049</b>
<b>Cash and cash equivalents at the beginning of the period</b>	<b>317,419</b>	<b>450,657</b>	<b>(133,238)</b>
Exchange rate difference on cash	179	(132)	311
<b>Cash and cash equivalents at end of the period</b>	<b>267,586</b>	<b>157,464</b>	<b>110,122</b>
<b>Free cash flow</b>	<b>(184,703)</b>	<b>(241,403)</b>	<b>56,700</b>
			<i>(thousands of euros)</i>

### **Cash flows from operating activities**

Cash flows used in operating activities amounted to €155.9 million in the first nine months of 2021, a decrease of €39.6 million on the corresponding period of 2020. This flow was attributable to the following factors: i) an increase of €190.8 million in non-current trade receivables in reflection of the recognition of balances generated in the period and current trade receivables on positions that have not yet fallen due in respect of Eurocontrol as a result of the increase in air traffic handled in the summer. Nevertheless, this increase is €39.4 million smaller than that registered in the first nine months of 2020, where balances recognised in the period were greater; ii) a decrease in non-current tax receivables as a result of the collection of the IRES receivable of €5.5 million in principal amount and an increase in tax and social security liabilities for taxes recognised in the period in addition to provisions recognised in respect of the remuneration of personnel; iii) an increase of €5.8 million in other current assets and liabilities due to the recognition of the receivable in respect of projects financed within the CEF subject to reporting in the course of 2021, the recognition of the liability in respect of the Italian Air Force and ENAC for their share of en-route and terminal collections and an increase in liabilities for provisions in respect of personnel. In the corresponding period of 2020, these payables had a smaller impact as they benefited from the reduction in the liabilities for holiday entitlement accrued and not taken by employees as well as a smaller liability in respect of the Italian Air Force and ENAC, reflecting the reduction in collections relating to the core business; and iv) a decrease in current and non-current trade payables, mainly due to the liability for balances recognised through profit or loss in a greater amount in 2021 than in the corresponding period of 2020.

### **Cash flows from investing activities**

Cash flows absorbed by investing activities in the first nine months of 2021 amounted to €28.8 million, a decrease of €17.1 million on the first nine months of 2020. The decrease, with capital expenditure of €44.2 million (down €3.2 million on the year-earlier period), was due to changes in the scheduling of payments to suppliers for investment projects as a result of a payment deferral implemented by the Group in response to the health emergency, which caused air transport operations and the corresponding inward cash flows to decline.

### **Cash flows from financing activities**

Cash flows from financing activities in the first nine months of 2021 amounted to €134.7 million, an improvement of €186.3 million compared with the corresponding period of the previous year, which included the payment of the 2019 dividend. That change was positively affected by the liquidity generated by the Term Loans obtained in July 2021 in the total amount of €180 million, which have a term of 24

months and repayment at maturity. That liquidity was partly offset by the payment of quarterly instalments on two ESG Sustainability-Linked Term Loans obtained in October 2020 and not present in the year-earlier period.

**Free cash flow** was a negative €184.7 million, an improvement of €56.7 million on the same period of 2020, reflecting the decline in the use of cash in operating and investing activities.

## **Declaration of the Manager responsible for financial reporting on the financial statements pursuant to Article 154-bis, paragraph 2, of Legislative Decree 58/1998**

The Manager responsible for the preparation of ENAV's financial reports, Luca Coleman, hereby declares, pursuant to Article 154-bis, paragraph 2, of Legislative Decree 58/1998 (Consolidated Law on Financial Intermediation), that the accounting information contained in the Interim Financial Report at 30 September 2021 corresponds with that contained in the accounting documentation, books and records.

Rome, 11 November 2021

[signed] Luca Colman

## Legal information and contact info

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### *Legal information*

Share capital: €541,744,385.00 fully paid-up

Tax ID and enrolment number in the Company Register  
of Rome: 97016000586

VAT Registration No. 02152021008

### *Investor Relations*

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