



**Consolidated Interim Financial
Report as at 30 June 2022**

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Interim report on operations

ENAV in figures

Performance	1st Half 2022	1st Half 2021	Change	%
Total revenues	412,107	374,993	37,114	9.9%
EBITDA	97,010	76,614	20,396	26.6%
EBITDA margin	23.5%	20.4%	3.1%	
EBIT	37,686	14,830	22,856	n.a.
EBIT margin	9.1%	4.0%	5.1%	
Profit for the year attributable to shareholders of the Parent Company	28,001	13,667	14,334	n.a.
			<i>(thousands of euros)</i>	
Financial position	30.06.2022	31.12.2021	Change	%
Net capital employed	1,646,614	1,646,610	4	0.0%
Consolidated equity	1,152,794	1,163,081	(10,287)	-0.9%
Net financial debt	493,820	483,529	10,291	2.1%
			<i>(thousands of euros)</i>	
Other indicators	1st Half 2022	1st Half 2021	Change	%
En-route service units	4,068,151	1,572,514	2,495,637	158.7%
Terminal service units Charging Zone 1	67,430	23,948	43,482	181.6%
Terminal service units Charging Zone 2	142,906	58,796	84,110	143.1%
Terminal service units Charging Zone 3	193,637	69,634	124,003	178.1%
Free cash flow (thousands of euros)	(19,568)	(146,335)	126,767	-86.6%
Headcount at end of period	4,218	4,203	15	0.4%

Corporate bodies

BOARD OF DIRECTORS

(2020-2022)

CHAIRMAN	Francesca Isgrò
CHIEF EXECUTIVE OFFICER	Paolo Simioni
DIRECTORS	Angela Stefania Bergantino
	Laura Cavallo
	Giuseppe Lorubio
	Fabiola Mascardi
	Fabio Pammolli
	Carlo Paris
	Antonio Santi

CONTROL, RISK AND RELATED PARTIES COMMITTEE

CHAIRMAN	Antonio Santi
MEMBER	Laura Cavallo
	Fabio Pammolli

REMUNERATION AND APPOINTMENTS COMMITTEE

CHAIRMAN	Giuseppe Lorubio
MEMBER	Laura Cavallo
	Antonio Santi

SUSTAINABILITY COMMITTEE

CHAIRMAN	Carlo Paris
MEMBER	Angela Stefania Bergantino
	Fabiola Mascardi

MAGISTRATE OF THE COURT OF AUDITORS DESIGNATED TO CONTROL ENAV S.p.A.

Tammaro Maiello

BOARD OF AUDITORS (*)

(2022-2024)

CHAIRMAN	Dario Righetti
STANDING AUDITORS	Giuseppe Mongiello
	Valeria Maria Scuteri
ALTERNATE AUDITORS	Roberto Cassader
	Flavia Daunia Minutillo

SUPERVISORY BODY (**)

(2022-2024)

CHAIRMAN	Maurizio Bortolotto
MEMBER	Domenico Gullo
	Marina Scandurra

AUDIT FIRM

(2016-2024)

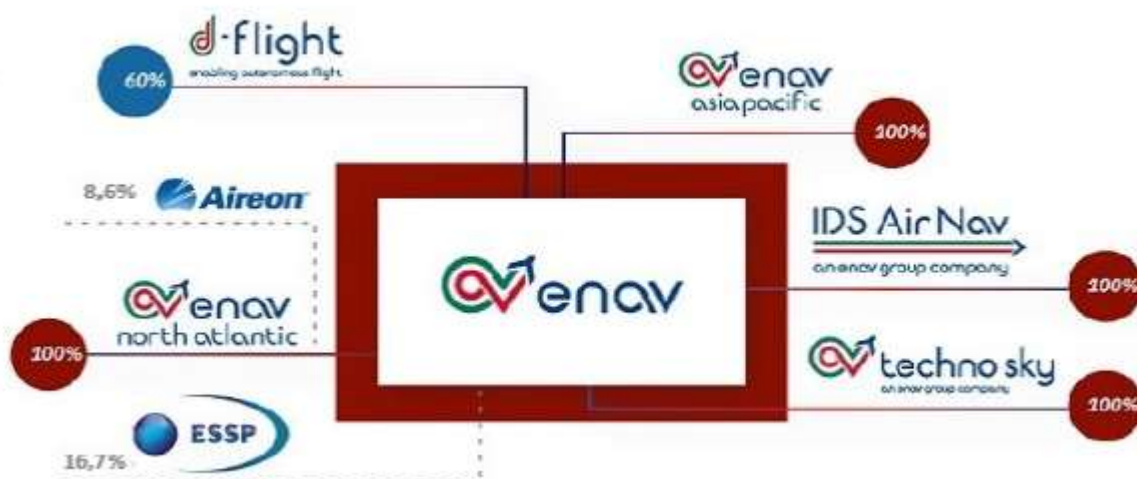
EY S.p.A.

(*) The Board of Auditors was appointed for the 2022 – 2024 term by the Shareholders' Meeting on 3 June 2022.

(**) The Supervisory Body was appointed for the 2022 – 2024 term by the Board of Directors on 12 May 2022.

Business and structure of the ENAV Group

The ENAV Group's business can be broken down into four operational sectors to which all the companies within the scope of consolidation have been allocated, namely i) air navigation services; ii) maintenance services; and iii) AIM (Aeronautical Information Management) software solutions and iv) other services.



The *air navigation services* sector is the exclusive domain of **ENAV S.p.A.** whose core business is providing air traffic control and management services and other essential air navigation services in Italian airspace and at the national civil airports for which it is responsible, ensuring the highest technical and system standards in flight safety and upgrading the technology infrastructure of air navigation systems. ENAV is the fifth-ranked player in Europe and a major actor at the global level in the Air Traffic Control (ATC) industry.

The *maintenance services* sector is covered by **Techno Sky S.r.l.** wholly owned by ENAV, whose core business is the management and maintenance of the equipment and systems used to for national air traffic control, ensuring its full operational efficiency and uninterrupted availability around the clock.

The *AIM (Aeronautical Information Management) software solutions* segment is occupied by **IDS AirNav S.r.l.**, wholly owned by ENAV, which is involved in the development and sale of software solutions for the management of aeronautical information and air traffic, as well as delivering a range of commercial services. The products are currently in use with a variety of customers in Italy, Europe and elsewhere in the world.

The residual *other sectors* segment includes:

- **Enav Asia Pacific Sdn Bhd**, a Malaysian company wholly owned by ENAV, which is involved in business development and the delivery of services on the non-regulated market, with particular regard to the areas of strategic interest in Southeast Asia.
- **Enav North Atlantic LLC**, which through Aireon Holdings LLC currently holds 8.60% (pre-redemption) of the share capital of Aireon LLC, which will rise to 10.35% post redemption. That post-redemption interest was diluted from 11.11% to 10.35% as a result of the capital increase approved by part of the shareholders in May 2022 and carried out in June 2022 but not subscribed by Enav North Atlantic. Aireon developed and operates the first global satellite monitoring system for air traffic control, with the aim of enabling the comprehensive surveillance of all routes worldwide, with a focus on the polar, oceanic and

other remote areas currently not covered by the radar-based air traffic control services, and enabling the optimisation of routes and achieving ever higher standards of flight safety and efficiency.

- **D-Flight S.p.A.** a company 60% held by ENAV and 40% held by the industrial partnership formed by Leonardo S.p.A. and Telespazio S.p.A. through the specifically established company UTM Systems & Services S.r.l.. D-Flight is involved in the development and provision of services for low-altitude air traffic management of remotely piloted aircraft and all other types of aircraft that fall within the unmanned aerial vehicles category.

Information on ENAV's stock in the first half of 2022

During the first half of 2022, the stock registered a slight decline, starting from an opening price at the beginning of the year of €4.03 and closing on June 30 at a price of €3.99, a marginal easing of 1.2%.

At 30 June, the company's market capitalisation was about €2.16 billion, an increase of 20.8% compared with about €1.79 billion at the time of the company's listing.

In the first half of the year, the stock reached a low on 7 March, when it closed at €3.54, and a high on 19 April, when it closed at €4.70.

Market and air traffic developments

In the first half of 2022, the euro-area economy was impacted by the tensions connected with the Russia-Ukraine conflict and developments in the global macroeconomic situation. In particular, the cost of energy commodities and inflation rose sharply, as also reported by the Bank of Italy in its July *Economic Bulletin*, creating procurement difficulties for in supplying companies. Despite the complexity of the situation, Italian GDP growth has proved to be generally resilient, boosted in part by the increase in the consumption of goods and services associated in particular with the gradual recovery of tourist-recreational activities and transport.

In line with this trend, the first half of 2022 saw a further increase in air traffic volumes, building on developments in the first quarter of the year, driven by the increasing traffic on routes along the Adriatic backbone, reflecting connections between northern Europe and the eastern Mediterranean area. Thanks to a renewed propensity to travel, we are witnessing a decisive "return to normal" in the market, which had been hit so severely by the adverse impact of the COVID-19 pandemic starting in March 2020.

In addition to registered significant growth compared with the first half of 2021, total en-route service units (*) in the first half of 2022 for Italy showed a significant recovery toward the traffic levels achieved in the first half of 2019, the last "pre-pandemic" year, reaching 89.8%. The comparison with this period of 2019 demonstrates how the recovery in traffic is common to all European states and, in particular, those in the continental Europe comparator group, where the figure for Spain slightly outpaces that recorded by Italy, which has recouped 90.6% of the service unit level, while France, Germany and Great Britain have recovered about 81%.

In Italy, en-route service units in the first half of 2022 recorded an increase of 158.8%, compared with the same period in 2021, which was affected by severe restrictions imposed on travel. The result for the Eurocontrol member states as a whole was a gain of 128.7%, while among the comparator group countries gains were posted by Spain (+186.9%), Great Britain (+170.7%), France (+163.8%) and Germany (+130.6%).

Terminal service units registered in Italy also recorded an increase of 165.5% compared with the first half of 2021, slightly greater than the figure for en-route traffic. All the main Italian airports benefited from the resumption of air transport activities, including Rome Fiumicino, which displayed signs of a decisive expansion of operations after a 2021 conditioned by the pandemic and the termination of flight operations by Alitalia.

Total en-route traffic service units (**)			Change	
	1st Half 2022	1st Half 2021	no.	%
France	8,416,672	3,190,806	5,225,866	163.8%
Germany	5,873,439	2,546,919	3,326,520	130.6%
Great Britain	4,827,031	1,783,194	3,043,837	170.7%
Spain	4,921,742	1,715,536	3,206,206	186.9%
Italy (***)	4,066,632	1,571,497	2,495,135	158.8%
EUROCONTROL	60,508,544	26,460,286	34,048,258	128.7%

(*) 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 half of 2022 increased by 158.8% in the number of service units (SUs) reported by Eurocontrol (158.7% if the residual category *Exempt not reported to Eurocontrol* is included) and an increase of 147.9% in the number of flights handled (+144.5% including the residual category *Exempt not reported to Eurocontrol*) compared with the year-earlier period.

The significant increase in traffic flows is connected with a gradual "return to normal" associated with the improvement in the health emergency and, consequently, in travel conditions, compared with a 2021 whose winter-spring season was still struggling with the impact of the pandemic.

More specifically, the second quarter of the year alone recorded an increase of 153.4% in service units compared with the corresponding period of 2021, returning to 94.9% of its level in the second quarter of 2019.

The first half of 2022 displayed no particular impacts connected with the Russia-Ukraine crisis, which began in February 2022, except for those associated with the current ban on flights to and from the countries involved and on flights operated by Russian companies. However, these flights represent a very negligible share of the overall flight volume handled by the Parent Company.

France, Spain, Germany and Great Britain are again the most frequent destination countries for flights that cross national airspace as well as all the countries bordering the Mediterranean basin. Longer-distance flights in national airspace (>700 km) achieved the largest recovery, even growing by comparison with the first six months of 2019 (+3.6%).

En-route traffic (number of flights)	1st Half 2022	1st Half 2021	no.	Change %
Domestic	132,767	68,450	64,317	94.0%
International	374,278	113,555	260,723	229.6%
Overflight	274,784	117,328	157,456	134.2%
Paying total	781,829	299,333	482,496	161.2%
Military	18,885	18,508	377	2.0%
Other exempt	10,536	9,377	1,159	12.4%
Total exempt	29,421	27,885	1,536	5.5%
Total reported by Eurocontrol	811,250	327,218	484,032	147.9%
Exempt not reported to Eurocontrol	10,925	9,007	1,918	21.3%
Total	822,175	336,225	485,950	144.5%

En-route traffic (service units)	1st Half 2022	1st Half 2021	no.	Change %
Domestic	879,481	407,916	471,565	115.6%
International	1,467,396	409,889	1,057,507	258.0%
Overflight	1,648,199	683,468	964,731	141.2%
Paying total	3,995,076	1,501,273	2,493,803	166.1%
Military	63,714	63,992	(278)	-0.4%
Other exempt	7,842	6,232	1,610	25.8%
Total exempt	71,556	70,224	1,332	1.9%
Total reported by Eurocontrol	4,066,632	1,571,497	2,495,135	158.8%
Exempt not reported to Eurocontrol	1,519	1,017	502	49.4%
Total	4,068,151	1,572,514	2,495,637	158.7%

An analysis of the composition of en-route traffic shows:

- international commercial traffic, the category of flights departing or arriving at an airport in Italy, posting a gain of 258% in terms of service units and one of 229.6% in flights handled, reversing the negative performance posted in the first half of 2021 (-38% in SUs on the 1st Half of 2020). Comparing the 1st Half of 2022 with the same period of 2019, Air traffic handled in the first half of 2022 managed recover 79% of its level in the first half of 2019, a smaller gain than other types of traffic, 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 all categories showed significant recoveries in service units by comparison with the same period of 2021.

With regard to flight routes by continent, the first half of 2022 recorded a substantial increase of 306% in service units generated on connections between Italy and the rest of Europe, representing about 85% of total international traffic service units. Connections between Italy and the American continent, which account for 4% of international service units, recorded a larger increase (+173%) than connections between Italy and Africa (+166%) and between Italy and Asia (+42%), which respectively represent about 5% and 6% of total international service units. Compared with the first half of 2019, traffic between Italy and the rest of Europe registered the largest rebound (+86% in SUs);

- **commercial overflight traffic**, a category that includes flights that only cross through domestic airspace, which in the first six months of 2022 registered an increase in service units (+141.2%) and in the number of assisted flights (+134.2%). This category also showed a rebound in service units for the period compared with the same period of 2019, recouping 94% of its former level. With regard to flight distance, all routes recorded major increases in volumes of traffic handled in terms of service units, and the short and long-distance segments also exceeded the level they achieved in the same period of 2019. All the main traffic routes showed substantial gains in the first half of 2022, notably flights within Europe (+199% in SUs), which account for 53% of total overflight service units, while Europe-Africa routes posted a gain of 111% in terms of service units and Europe-Asia connections expanded by 71% in terms of service units, with these two representing about 24% and 13% of total overflight service units. Compared with the first half of 2019, intra-European traffic recouped 93% of its earlier level, while Europe-Africa routes recovered 96% of their pre-pandemic level. Routes involving the American continent also registered sharp gains, especially in comparison with the first half of 2019;
- **domestic commercial traffic**, which in the first half of 2022 registered an increase in both service units (+115.6%) and in the number of assisted flights (+94%), as well as a significant increase in the average distance travelled (+7.5%) and the average weight of the aircraft used (+9,9%). The good performance of traffic flows is also confirmed in a comparison with the first half of 2019, showing a gain of 3.6% in terms of service units. With regard to flight distance, in the first half of 2021 longer distance flights (>700 km), which connect the northern and southern parts of the country and represent about 53% of total domestic service units, posted an increase of 116% in terms of service units. Medium-distance flights, which mainly connect the airports of Rome and Naples with the rest of the country, showed an increase of 111% in terms of service units. Longer distance flights also outperformed the same period of 2019, posting a gain of 18% in terms of service units;
- **exempt traffic** is divided into: i) *exempt traffic reported by Eurocontrol*, which increased by 1.9% in terms of service units and by 5.5% in terms of the number of assisted flights. The performance of this category is impacted by developments in military flights (-0.4% in SUs), which represent about 89% of exempt traffic; and ii) *exempt traffic not reported to Eurocontrol*, which accounts for only a residual proportion of revenues, posted an increase 49.4% in service units and one of 21.3% in the number of assisted flights. Exempt traffic accounted for just 1.8% of service units in the first half of 2022.

With regard to carriers, in the first six months of 2022 the flight operations of the low-cost segment progressively began to improve, contributing to the general recovery in air traffic. Among these companies, **Ryanair** stands out, confirming its position as the leading carrier in Italy with an increase of 335% in service units while also improving its positioning in the Italian market, as its share of total service units rose to 22.5%. The Irish company is the leader in terms of the number of flights departing from the airports of Bergamo, Venice Tessera, Bologna, Catania, Naples, Rome Ciampino, Palermo, Turin Caselle, Cagliari and Bari. Significant increases were also recorded for **Wizz Air** (+252% in SUs) and **Easyjet** (+438% in SUs), both with a market share of about 6%. Other airlines such as **Volotea** (+209% in SUs), **Vueling** (+456% in SUs), **Eurowings** (+454%) and **Aegean** (+164%) also confirmed their presence in the Italian market with significant improvements compared with the first half of 2021, when operations were much reduced due to the health emergency. Among traditional carriers, increases were recorded both among Middle Eastern airlines such as **Turkish Airlines** (+81% in SUs), **Emirates** (+137% in SUs) and **Qatar Airways** (+25% in SUs) and among European carriers such as **Air France** (+113% in SUs), **Lufthansa** (+174% in SUs) and **British Airways** (+305%

in SUs). The new Italian airline **ITA** (Italia Trasporti Aereo) ranked fourth in terms of number of service units in the first half of 2022, with a market share of 5.6%.

Terminal traffic

In the first six months of 2022, terminal traffic reported by Eurocontrol, which includes departing and arriving traffic within 20 km of the runway, expanded by 165.5% in terms of service units and 147.6% in terms of the number of assisted flights. Air traffic volumes recovered 83.9% of their level in the same period of 2019.

Terminal traffic (number of flights)	1st Half 2022	1st Half 2021	no.	Change %
Domestic				
Chg. Zone 1	14,573	8,572	6,001	70.0%
Chg. Zone 2	31,452	15,182	16,270	107.2%
Chg. Zone 3	82,170	40,763	41,407	101.6%
Total domestic flights	128,195	64,517	63,678	98.7%
International				
Chg. Zone 1	31,480	9,149	22,331	244.1%
Chg. Zone 2	73,495	25,148	48,347	192.2%
Chg. Zone 3	80,645	21,405	59,240	276.8%
Total international flights	185,620	55,702	129,918	233.2%
Paying total	313,815	120,219	193,596	161.0%
Exempt				
Chg. Zone 1	120	45	75	166.7%
Chg. Zone 2	440	647	(207)	-32.0%
Chg. Zone 3	10,367	10,247	120	1.2%
Total exempt flights	10,927	10,939	(12)	-0.1%
Total reported by Eurocontrol	324,742	131,158	193,584	147.6%
Exempt not reported to Eurocontrol				
Chg. Zone 1	0	0	0	n.a.
Chg. Zone 2	196	173	23	13.3%
Chg. Zone 3	5,938	5,441	497	9.1%
Total exempt flights not reported to Eurocontrol	6,134	5,614	520	9.3%
Total by Charging Zone				
Chg. Zone 1	46,173	17,766	28,407	159.9%
Chg. Zone 2	105,583	41,150	64,433	156.6%
Chg. Zone 3	179,120	77,856	101,264	130.1%
Total	330,876	136,772	194,104	141.9%

Terminal traffic (service units)	1st Half 2022	1st Half 2021	no.	Change %
Domestic				
Chg. Zone 1	19,202	10,579	8,623	81.5%
Chg. Zone 2	39,610	18,267	21,343	116.8%
Chg. Zone 3	97,925	45,142	52,783	116.9%
Total domestic SUs	156,737	73,988	82,749	111.8%
International				
Chg. Zone 1	47,930	13,260	34,670	261.5%
Chg. Zone 2	103,096	40,166	62,930	156.7%
Chg. Zone 3	91,401	20,373	71,028	348.6%
Total international SUs	242,427	73,799	168,628	228.5%
Paying total	399,164	147,787	251,377	170.1%
Exempt				
Chg. Zone 1	298	109	189	173.4%
Chg. Zone 2	184	349	(165)	-47.3%
Chg. Zone 3	3,887	3,740	147	3.9%
Total exempt SUs	4,369	4,198	171	4.1%
Total reported by Eurocontrol	403,533	151,985	251,548	165.5%
Exempt not reported to Eurocontrol				
Chg. Zone 1	0	0	0	n.a.
Chg. Zone 2	16	14	2	14.3%
Chg. Zone 3	424	379	45	11.9%
Total exempt SUs not reported to Eurocontrol	440	393	47	12.0%
Total by Charging Zone				
Chg. Zone 1	67,430	23,948	43,482	181.6%
Chg. Zone 2	142,906	58,796	84,110	143.1%
Chg. Zone 3	193,637	69,634	124,003	178.1%
Total	403,973	152,378	251,595	165.1%

Overall, performance in the first half of 2022 compared with the same period of the previous year shows a major recovery in operations in terms of service units in all charging zones:

- **Charging Zone 1**, represented by Rome Fiumicino airport, experienced an increase in traffic in the first three months of 2022 of 181.6% in terms of service units and 159.9% in the number of flights handled, bearing in mind the low level of traffic in the first half of 2021. Compared with the same period of 2019, total traffic volumes recouped only 59.9% in terms of service units owing to the decline in international traffic, especially extra-EU flights.
- **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 (+143.1%) and assisted flights (+156.6%), mainly reflecting international traffic (+156.7% in SUs). Among the airports in this charging zone, strong performance was posted by all airports, including Milano Malpensa (+94.8% in SUs) and Milan Linate (+166% in SUs), Bergamo Orio al Serio (+251% in SUs) and Venice Tessera (+265% in SUs). Compared with the same period of 2019, all airports recovered 90% of their traffic, with the exception of Venice Tessera, which showed a recovery of 75%;
- **Charging Zone 3**, which includes all other Italian airports, recorded gains both in terms of service units (+178.1%) and the number of assisted flights (+130.1%). The positive performance in the first three six of 2022 is attributable to both domestic traffic (+116.9% in SUs) and international traffic (+348.6% in SUs). Compared with the same period of 2019, this charging zone recouped 95.1% of its traffic, with a number

of main airports even outperforming the corresponding period of 2019, including Napoli (+1% in SUs), Palermo (+9% in SUs), Bari (+20% in SUs) and Brindisi (+25% in SUs).

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, 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, intangible fixed assets, 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;
- **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, and cash and cash equivalents. Net financial debt 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 ENAV Group's first half of 2022 fully reflects the resumption of activities in the air traffic sector, which although it has not yet returned to the levels recorded before the health emergency, has recovers about 90% of the air traffic measured in terms of en-route service units registered in the first half of 2019.

The first half of 2022 recorded increases in assisted air traffic in terms of service units of 158.8% for en-route traffic and 165.1% for terminal traffic compared with the first half of 2021, with an increase in core business revenues of €252.6 million, which fully offsets the decline in balance revenues, which are calculated in compliance with normal rate regulations based on the traffic-risk sharing mechanism.

By contrast, in the first half of 2021 balance revenues were determined by applying the mechanism envisaged in Regulation (EU) 2020/1627 issued by the European Commission for the 2020-2021 combined period and on the basis of efficiency targets set out in Decision 2021/891 of 2 June 2021. Given the differences in the rules governing the calculation of balance revenues, the figures for that item in the two periods under review are not fully comparable, as already noted for the results for the first quarter of 2022.

Operating expenses increased by 5.6%, mainly attributable to the costs associated with the resumption of air traffic operations, which impacted personnel costs and other operating expenses, producing EBITDA of €97 million, an increase of €26.6 million compared with the corresponding period of 2021.

Depreciation and amortisation, together with the use of risk provisions and writedowns of receivables, which incorporate the prudential assessment of the status of customers belonging to the Russian Federation, produced EBIT of €37.7 million, an increase of €22.9 million compared with the first half of 2021.

These positive factors were reflecting in performance for the period, which showed a profit of €27.7 million, an increase of €14.2 million compared with the same period of 2021, which recorded a profit of €13.5 million.

	1st Half 2022	1st Half 2021	Amount	Change %
Revenues from operations	392,481	142,353	250,128	n.a.
Balances	3,084	212,722	(209,638)	-98.6%
Other operating income	16,542	19,918	(3,376)	-16.9%
Total revenues	412,107	374,993	37,114	9.9%
Personnel costs	(258,507)	(247,351)	(11,156)	4.5%
Capitalised costs	13,704	12,446	1,258	10.1%
Other operating expenses	(70,294)	(63,474)	(6,820)	10.7%
Total operating costs	(315,097)	(298,379)	(16,718)	5.6%
EBITDA	97,010	76,614	20,396	26.6%
EBITDA margin	23.5%	20.4%	3.1%	
Net amortisation of investment grants	(58,010)	(61,339)	3,329	-5.4%
Writedowns, impairment (reversal of impairment) and provisions	(1,314)	(445)	(869)	n.a.
EBIT	37,686	14,830	22,856	n.a.
EBIT margin	9.1%	4.0%	5.1%	
Financial income/(expense)	2,267	1,494	773	51.7%
Income before taxes	39,953	16,324	23,629	n.a.
Income taxes	(12,232)	(2,836)	(9,396)	n.a.
Profit (loss) for the period	27,721	13,488	14,233	n.a.
Profit (loss) for the period pertaining to shareholders of the Parent Company	28,001	13,667	14,334	n.a.
Profit (loss) for the period pertaining to non-controlling interests	(280)	(179)	(101)	56.4%

(thousands of euros)

Revenues from operations amounted to €392.5 million, a jump of €250.1 million compared with the same period of the previous year, with revenues from the Parent Company's core business amounting to €379.9 million (+252.6 million on the first half of 2021), while those from the Group's operations on the non-regulated market totalled €12.6 million, down €2.4 million as a result of the postponement of certain activities to subsequent periods. The increase in revenues is strictly connected with the recovery in activity in the air transport sector, which is returning to normal thanks to the spread of vaccination coverage and the removal of limitations on travel between countries, unlike the first half of 2021 when activity was still subject to restrictions. Positive signs also emerged for core business revenues in comparison with the 1st Half of 2019, the pre-pandemic period, with the shortfall down to -10.7%, recovering much of the air traffic lost in the two years of full pandemic.

The balance component, which is also part of the Parent Company's operating activities, had a positive impact of €3.1 million, a decrease of €209.6 million compared with the first half of 2021. It mainly regards traffic risk, which was being reimbursed to carriers for both en-route traffic and the Charging Zone 2 of terminal traffic, with the final figure for service units exceeding that forecast in the performance plan. As noted earlier, the two periods are not comparable, as balances for the first half of 2021 were determined on the basis of a different approach in compliance with the provisions of Regulation (EU) 2020/1627 of the European Commission for the 2020-2021 combined period and with Decision 2021/891.

Operating expenses increased by 5.6% compared with the year-earlier period to a total of €315.1 million, reflecting an increase in personnel costs of 4.5%, an increase in other operating expenses of 10.7% and an increase of 10.1% in capitalised costs connected with the activity of personnel involved in ongoing investment projects.

Personnel costs amounted to €258.5 million, an increase of €11.2 million compared with the first half of 2021, strictly connected with the resumption of operations in the air traffic sector, which is reflected in the variable component of remuneration with an increase in the overtime of air traffic controllers, in the provision for the performance bonus linked to an increase in service units handled and in the decrease in holiday entitlement accrued but not used by Group personnel. By contrast, the fixed component of remuneration was 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 14 compared with the first half of 2021, while the effective workforce expanded by 15, closing the first half of 2022 with an effective Group workforce of 4,218.

Other operating expenses amounted to €70.3 million, an increase of 10.7% compared with the corresponding period of the previous year, mainly reflecting the increase in electricity costs across the country as electricity prices rose and a rise of €0.9 million in costs connected with the increase in business travel by Group staff connected with sales orders.

These developments produced EBITDA of €97 million, an increase of 26.6% compared with the first half of 2021.

EBIT reflected a decrease of 5.4% in depreciation and amortisation net of investment grants and the writedown of receivables, which together with the reversal of risk provisions for the positive settlement of a number of disputes had a total negative impact of €1.3 million, a deterioration of €0.9 million compared with the year-earlier period. The change is mainly attributable to the Group's prudential writedown of €0.9 million on creditor positions in respect of Russia. These factors generated EBIT of €37.7 million, an improvement of €22.9 million compared with the same period of 2021.

Financial income and expense show net income of €2.3 million, an increase of 51.7% on the first half of 2021. The improvement mainly reflected an increase in financial income for the period connected with the discounting of balance receivables.

Income taxes for the period amounted to €12.2 million, an increase of €9.4 million compared with the same period of 2021, mainly due to the increase in the taxable income and developments in deferred taxation.

As a result of the foregoing, profit pertaining to shareholders of the Parent Company amounted to €28 million, an increase of €14.3 million on the profit of €13.7 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

	30.06.2022	31.12.2021	Amount	Change %
Property, plant and equipment	846,921	879,281	(32,360)	-3.7%
Right-of-use assets	4,842	5,434	(592)	-10.9%
Intangible assets	178,334	176,193	2,141	1.2%
Investments in other entities	65,970	47,253	18,717	39.6%
Non-current trade receivables	635,254	687,253	(51,999)	-7.6%
Other non-current assets and liabilities	(156,696)	(161,721)	5,025	-3.1%
Net non-current assets	1,574,625	1,633,693	(59,068)	-3.6%
Inventories	62,185	61,519	666	1.1%
Trade receivables	312,301	177,161	135,140	76.3%
Trade payables	(106,940)	(116,425)	9,485	-8.1%
Other current assets and liabilities	(162,215)	(74,585)	(87,630)	n.a.
Net working capital	105,331	47,670	57,661	n.a.
Gross capital employed	1,679,956	1,681,363	(1,407)	-0.1%
Employee benefit provisions	(42,625)	(47,896)	5,271	-11.0%
Provisions for risks and charges	(13,483)	(13,914)	431	-3.1%
Deferred tax assets net of liabilities	22,766	27,057	(4,291)	-15.9%
Net capital employed	1,646,614	1,646,610	4	0.0%
Shareholders' equity pertaining to Parent Company sharehold	1,151,227	1,161,234	(10,007)	-0.9%
Shareholders' equity pertaining to non-controlling interests	1,567	1,847	(280)	-15.2%
Shareholders' equity	1,152,794	1,163,081	(10,287)	-0.9%
Net financial debt	493,820	483,529	10,291	2.1%
Total funding	1,646,614	1,646,610	4	0.0%

(thousands of euros)

Net capital employed amounted to €1,646.6 million at 30 June 2022, virtually unchanged on 31 December 2021, although its composition changed. Of the total, 70% was funded by consolidated shareholders' equity and 30% by net financial debt.

Net non-current assets amounted to €1,574.6 million, down €59.1 million on 31 December 2021, mainly reflecting: i) a decrease of €32.4 million in property, plant and equipment as a result of the recognition of greater depreciation than investments under construction during the first half; ii) an increase in the value of investments in other entities of €18.7 million, accounted for by the fair value adjustment of the investment in Aireon, producing an increase of €13.8 million, and the impact of the change in the dollar/euro exchange rate; iii) a net decrease of €52 million in non-current trade receivables following reclassification to current assets of balance receivables that will be incorporated in unit rates in 2023 net of balances for the first half of 2022 recognised as non-current assets.

Net working capital amounted to €105.3 million, an increase of €57.6 million compared with 31 December 2021, when it amounted to €47.7 million. The main changes regarded: i) a net increase of €135.1 million in trade receivables, of which €62.5 million in receivables from Eurocontrol, reflecting the invoicing of increased

flight volumes for May and June, which have not yet fallen due. This increase in the receivable was partially offset by receipt of the receivable from Alitalia for flights in two months of 2021. Other components included an increase of €15 million in the receivable from the Ministry of Sustainable Infrastructure and Mobility for the grant to guarantee the safety of plant and operational safety accruing at 30 June 2022 and €63.7 million in respect of the balance receivable classified under this item, net of financial effects, from non-current assets; ii) a decrease of €9.5 million in trade payables, mainly due to an increase in payment to Group suppliers; iii) the change in other current assets and liabilities, which resulted in a net increase in liabilities of €87.6 million, mainly as a result of an increase in amounts due to personnel as a result of provisions recognised for the first half of 2022, an increase of €28.8 million in other liabilities in respect of the Italian Air Force and ENAC for the amount accrued in the period, corresponding to their share of collections of en-route and terminal receivables accrued during the period, and the recognition of the liability of €58.5 million to shareholders in respect of the dividend authorised by the Shareholders' Meeting on 3 June 2022, which will be paid in October. These effects were partially offset by payment of €16.2 million in respect of the liability to the Ministry for the Economy and Finance and collections under projects funded within the Transport NOP and the Connecting Europe Facility.

In determining **net capital employed**, employee benefit provisions had a negative impact of €42.6 million, with the decrease of €5.3 million reflecting the benefits paid and the actuarial gain recognised at 30 June 2022. Provisions for risks and charges amounted to €13.5 million, down €0.4 million, while net deferred tax assets amounted to €22.8 million.

Consolidated shareholders' equity totalled €1,152.8 million, a net decrease of €10.3 million on 31 December 2021. The change mainly reflects €27.7 million from the consolidated profit for the period recognised for the first half of 2022, the actuarial gain on the reserve for employee benefits, which net of tax effects amounted to €3.4 million, the fair value adjustment of the investment in Aireon in the amount of €10.9 million, net of tax effects, and the positive impact of €5.7 million from the reserve for the translation into euros of the financial statements of foreign subsidiaries. These positive factors were offset by the recognition under other current liabilities of €58.5 million in respect of the Parent Company's 2021 earnings, which will be paid as a dividend in October 2022.

Net financial debt amounted to €493.8 million at 30 June 2022, an increase of €10.3 million compared with 31 December 2021.

	30.06.2022	31.12.2021	Amount	Change %
Cash and cash equivalents	175,533	225,310	(49,777)	-22.1%
Current financial receivables	179	70	109	155.7%
Current financial debt	(252,107)	(250,325)	(1,782)	0.7%
Current financial debt for IFRS 16 lease liabilities	(2,202)	(1,907)	(295)	15.5%
Net current financial position	(78,597)	(26,852)	(51,745)	192.7%
Non-current financial receivables	0	83	(83)	-100.0%
Non-current financial debt	(379,508)	(411,428)	31,920	-7.8%
Non-current financial debt for IFRS 16 lease liabilities	(3,112)	(3,771)	659	-17.5%
Non-current trade payables	(32,603)	(41,561)	8,958	-21.6%
Non-current financial debt	(415,223)	(456,677)	41,454	-9.1%
Net financial debt	(493,820)	(483,529)	(10,291)	2.1%

(thousands of euros)

The increase in net financial debt was due to developments in collections and payments connected with ordinary operations, which generated a negative cash flow, as it does not yet reflect receipts for flights in the busiest months of the first half, namely May and June, and also includes the receipts from projects financed at the European level and under the Transport NOP in the total amount of €17.4 million. In addition to ordinary operations, the period also saw the payment of the debt to the Ministry for the Economy and Finance in the amount of €16.2 million and the payment of the balance and first payment on account of current taxes.

At 30 June 2022, the Group had unused short-term credit lines totalling €294 million, of which committed lines of €220 million and uncommitted lines of €74 million.

Consolidated statement of cash flows

	1st Half 2022	1st Half 2021	Change	%
Cash flow generated/(absorbed) by operating activities	16,194	(132,250)	148,444	n.a.
Cash flow generated/(absorbed) by investing activities	(35,762)	(14,085)	(21,677)	n.a.
Cash flow generated/(absorbed) by financing activities	(30,502)	(30,383)	(119)	0.4%
Cash flow for the year	(50,070)	(176,718)	126,648	-71.7%
Cash and cash equivalents at the beginning of the year	225,310	317,419	(92,109)	-29.0%
Exchange rate differences on cash	293	96	197	n.a.
Cash and cash equivalents at end of the year	175,533	140,797	34,736	24.7%
Free cash flow	(19,568)	(146,335)	126,767	n.a.

(thousands of euros)

Cash flows from operating activities

Cash flows generated by operating activities in the first six months of 2022 amounted to €16.2 million, an improvement of €148.4 million compared with the corresponding period of 2021, which absorbed cash in the amount of €132.2 million. This positive flow was determined by the following factors: i) a net increase in current and non-current trade receivables of €83.9 million, primarily connected with the increase in the receivable from Eurocontrol as a result of the resumption of air transport operations, regarding positions

that have not yet fallen due and, in a small amount, the balance receivable. This represented a decrease of €128.7 million compared with the first half of 2021, when balances for the period were calculated on the basis of Regulation (EU) 2020/1627 in effect for the 2020-2021 combined period; ii) a smaller reduction in tax receivables compared with the first half of 2021, which included the collection of a reimbursement of a principal amount of €5.5 million on the IRES credit; iii) a net increase in other current assets and liabilities of €12.3 million, reflecting both a net decrease in other current assets following the collection of amounts due under projects funded within the CEF and the Transport NOP, whereas the year-earlier period had registered a larger receivable connected with projects funded under the CEF for which final accounting was carried out in the first half of 2021, and a reduction in other current liabilities following the payment of the debt to the Ministry of Economy and Finance in the amount of €16.2 million, offset by an increase in the debt to the Italian Air Force and ENAC for the portion of en-route and terminal collections accruing in the period pertaining to them, in addition to an increase in liabilities in respect of personnel provisions; iv) a decrease of €14 million in current and non-current trade payables, mainly as a result of an increase in payments to suppliers for operating activities made in the first half of 2022; and v) an increase of €14.2 million in profit for the period.

Cash flows from investing activities

Cash flows absorbed by investing activities in the first six months of 2022 amounted to €35.8 million, an increase of €21.7 million on the same period of 2021. This increase, with capital expenditure of €31.5 million (up €1.1 million on the year-earlier period), was due to an increase in payments to suppliers for investment projects thanks to the resumption of air transport operations, which generated an increase in inward cash flows.

Cash flows from financing activities

Cash flows absorbed by financing activities in the first half of 2022 amounted to €30.5 million, broadly in line with the corresponding period of the previous year, reflecting the payment of quarterly and half-yearly instalments on outstanding loans.

Free cash flow was a negative €19.5 million, a sharp improvement of €126.8 million on the same period of 2021, when it was a negative €146.3 million, reflecting the fact that liquidity generated by operating activities did not fully cover cash used in investing activities despite the significant recovery in core business activities compared with the year-earlier period.

Human resources

At 30 June 2022 the ENAV Group workforce numbered 4,218, an increase of 15 in effective terms on the end of the first half of 2021.

The Group provides flight assistance services, operational system maintenance and AIM software solutions throughout the national territory, and is engaged in aeronautical consulting activities in Malaysia.

With regard to industrial relations, during the first half of 2022 dialogue with the social partners addressed various operational issues such as the transfer of approach control from radar-equipped towers to the Area Control Centres, the professional development of operational staff, the reorganisation of the responsibilities

of certain personnel within the operational rooms of the strategic towers, the staffing policy and the implementation of digital towers. In this latter case, on 13 June the Group's first digital tower was inaugurated in Brindisi. In addition, in order to further enhance the efficiency of the organisation of the work of operating personnel using the 35 weekly hours flexibility system in the summer, for June, July, August and September the Company has implemented an attendance bonus differentiated by type of plant and professional category, with a view to ensuring full performance during all ordinary shift segments provided for in the overall shift schedule, including the use of holidays, eliminated holiday entitlement and end-of-shift relief, where applicable.

Finally, in the first half of 2022, five local-level strike actions were carried out.

Other information

2020 – 2024 Performance Plan

In the wake of the COVID-19 pandemic, which had a major impact on the air transport industry, the 2020-2024 Performance Plan was regulated by the European Commission with Regulation (EU) no. 2020/1627, which established a new timeline for the revision of Performance Plans for the 2020-2024 reference period (RP3) and introduced a combined period (2020-2021) for the purposes of measuring performance and determining balance revenues, while new European cost efficiency targets were established in Decision no. 891 of 2 June 2021, as follows:

- for 2020-2021, a DUC (Determined Unit Cost) target rate for 2020-2021 equal to +120.1% from the DUC rate for 2019;
- for 2022, a DUC target rate of -38.5% from the DUC rate for 2020-2021;
- for 2023, a DUC target rate of -13.2% from the DUC rate for 2022;
- for 2024, a DUC target rate of -11.5% from the DUC rate for 2023.

In compliance with Regulation (EU) no. 2020/1627, the providers and the member states presented their new Performance Plans in the second half of November 2021, with which the Company planned its own cost and traffic levels for the purpose of determining unit rates for the 2022-2024 period.

The plan, together with those of the other member states, was assessed by the Performance Review Body (PRB), a technical support body of the European Commission responsible for assessing financial and operational performance, which issued a favourable opinion.

With Decision 2022/773 of 13 April 2022, published in the *Official Journal of the European Union* on 18 May 2022, the European Commission determined that the performance targets for all the performance areas included in the Performance Plan presented by Italy were consistent with the Union-wide performance targets for the third reference period, set out in Implementing Decision (EU) 2021/891.

This Decision concluded a long and complex process leading to the recognition of ENAV's performance in terms of the quality and cost-efficiency of the service provided to airlines, acknowledging ENAV as a leading provider on the European scene. The approval of the Performance Plan also enabled the Parent Company to consolidate the reference regulatory and rate framework until 2024 and begin its financial and operational planning along the strategic lines of the Business Plan.

Business Plan

In an environment of progressively recovering traffic volumes, although forecasts are still highly volatile, the ENAV Group prepared its new 2022-2024 Business Plan and launched Future Sky 2031, as approved by the

Board of Directors on 12 May 2022. It envisages investments of some €350 million over the three-year period, and seeks to achieve sustainable success, keeping safety as a priority element and undertaking a path of development characterised by technological innovation and digitalisation. The Plan is founded on six pillars that will enable the achievement of the defined objectives. The three vertical pillars, which are directly linked to the Parent Company's operations, focus on technological and operational excellence, the digital transformation and commercial repositioning. The other three pillars represent a series of transversal actions that intersect the three vertical pillars and focus on the centrality of people, which will enable the generation of long-term value for all stakeholders, with a positive impact on the sector and the entire broader industry to the benefit of local communities and the country's economy.

In order to better address the uncertainty engendered by the pandemic and lay the foundations for revival in the post-pandemic decade, the strategic development of the ENAV Group has been divided into three phases, namely:

- Resilience, which covers the 2020-2021 period, during which the Parent Company ensured the continuity of services under crisis conditions, adopting measures to contain expenditure;
- Growing Digital, which covers the medium term - until 2025 – when the goal is to refresh and develop the role of ENAV as an efficient and innovative player through a new technical-operational model, digital transformation, synergies and the reorganisation of subsidiaries and imparting a new impulse to activities in the non-regulated market;
- Future Sky, which covers the longer term - to 2031 - in which the Parent Company will become a fully digital organisation, leveraging sustainability and efficiency and consolidating its leadership in the Single European Sky.

The Business Plan is organised around specific objectives that are leading the ENAV Group towards a new industrial phase, generating efficiency and value for stakeholders:

- **cutting edge service provider**, a leader in the provision of core services through the evolution of the technical-operational model with a view to automation & virtualisation;
- **orientation towards innovation and sustainability**, thanks to technological development and the digitalisation of the core business and internal processes.
- **global leader in contestable markets**, expanding and enhancing our offering of digital solutions (R-TWR, unmanned services, satellite surveillance, etc.);
- **talent attractor**, thanks to our positioning on frontier issues and a culture oriented towards open innovation and diversity management.

Purchase of treasury shares

The Shareholders' Meeting of 3 June 2022 authorised the Board of Directors to purchase and dispose of treasury shares of ENAV, in compliance with applicable regulations and for a period of eighteen months from the date of the resolution, for the following purposes: i) to implement the remuneration policies adopted by ENAV and specifically to satisfy the obligations deriving from share option programmes or other grants of shares to employees or members of the Company's administrative bodies and/or of companies directly or indirectly controlled by ENAV; and ii) to support market liquidity in accordance with the market practices permitted pursuant to Article 180, paragraph 1, letter c) of the Consolidated Law on Financial Intermediation. A maximum of 1,300,000 shares were authorised for purchase. No purchases were made in the first half of 2022.

At 30 June 2022, ENAV held 518,823 treasury shares equal to 0.10% of share capital, representing the remainder of the shares acquired in implementation of the previous authorisation of the Shareholders' Meeting on 27 April 2018.

Transactions with related parties

Related parties refer to entities directly or indirectly controlled by ENAV, the Ministry for Economy and Finance (MEF, the parent entity), subsidiary and associated entities controlled directly or indirectly by the MEF and the Ministry with oversight responsibility, namely the Ministry of Sustainable Infrastructure and Mobility. Other related parties are the directors and their immediate family, standing members of the Board of Auditors and their immediate family, key management personnel of the Parent Company and companies directly and/or indirectly controlled by it and their immediate family and the post-employment benefit plan funds for Group employees.

Related-party transactions conducted by the ENAV Group in the first half of 2022 essentially involved services that were provided as part of ordinary operations and settled on market terms and conditions, as described in more detail in Note 32 of the interim condensed consolidated financial statements at 30 June 2022.

In conformity with the provisions of Article 2391-bis of the Civil Code and in compliance with the principles set out in the Regulation containing provisions governing related-party transactions adopted with Consob resolution no. 17221 of 12 March 2010, as amended, the Parent Company established, with effect from the date of the admission of the company's shares to trading on the Mercato Telematico Azionario (now EXM – Euronext Milan) organised and operated by Borsa Italiana, a procedure governing related-party transactions approved by the Board of Directors on 21 June 2016. This procedure has been updated and amended, with the latest version being approved by the Board of Directors, having obtained the favourable opinion of the Control, Risks and Related-Parties Committee, on 1 July 2021. The new procedure governing transactions with related parties incorporates the amendment of the Related Parties Regulation implemented by Consob with Resolution no. 21624 of 10 December 2020 in implementation of the enabling authority granted in Article 2391-bis of the Civil Code. The procedure is available on the ENAV website www.enav.it/en in the Governance section in the company documents area.

In the first half of 2022, no transactions of greater importance as identified in Annex A of the related-party transaction procedure were carried out. Nor were there any transactions subject to disclosure obligations because they qualify as cases exempt under the procedure or transactions that had a significant impact on the consolidated financial position or the consolidated performance of the ENAV Group for the period.

Risk management

The ENAV Group has long adopted an Enterprise Risk Management (ERM) process to identify, assess and monitor Group-wide risks and to define and manage mitigation actions to contain the level of risk within the propensity thresholds approved by the Board of Directors (risk appetite).

An analysis of the most significant risks, as defined in the 2022 Corporate Risk Profile, for the Group is provided below, taking due consideration of the analysis of the external environment and the scenarios delineated in the Group's 2022-2024 Business Plan.

For an analysis of purely financial risks, please see the explanatory notes of the consolidated financial statements at 31 December 2021.

Safety in air navigation services

The prevention and containment of the risks associated with the provision of our core business activities is a primary objective of the ENAV Group. The level of operational safety of air navigation services is an indispensable priority for ENAV, which in pursuing its institutional objectives reconciles the interdependencies of the various performance areas with achievement of pre-eminent safety objectives.

Safety performance is monitored through dedicated organisational arrangements that are entirely independent of the operational units, and we have developed and operate a specific Safety Management System, approved and validated by ENAC as part of its surveillance of the certification of ENAV as an Air Navigation Service Provider.

The Parent Company prepares its own safety policies and a plan for improvement of those policies (the Safety Plan), which programmes the activities that it intends to carry out in order to achieve the specified safety performance objectives and to improve safety as a whole.

The monitoring of risk levels associated with the provision of air navigation services and verification of their consistency with safety objectives and tolerated levels is performed with the assistance of specific indicators, such as monitoring developments in safety events.

Reputational risk

The creation of reputational value is a process implemented on an ongoing basis by the ENAV Group on the basis of specific policies, systematically managing communication and relations with stakeholders.

Corporate image and reputation are factors of success for organisations that have to interact with customers, institutions, authorities, shareholders and other stakeholders in the conduct of their business. This is especially true for companies like ENAV who are listed on regulated markets, as the community of investors is highly sensitive to events that could jeopardise their reputation.

In view of the disclosure obligations incumbent upon the Group, the Parent Company takes specific steps to safeguard its corporate image and reputation and constantly monitors image-relevant content in the press, on the radio, television, the Internet and social media.

In general, image and reputation management arrangements comprise: i) compliance with regulations governing financial disclosure (press releases, rules of engagement, equal access to information, the use of regulated information services); and ii) contacts with the specialist press (economic/financial).

As far as crisis communication is concerned, ENAV has implemented specific processes to manage major events and handle the associated external communication effort.

Business continuity

The Group has developed specific business continuity plans following thorough business impact analysis, defining appropriate procedures to be applied in the case of events that cause a significant deterioration or interruption of services, in order to preserve continuity in various possible emergency scenarios. The availability of operational personnel is ensured on a continuous basis, putting this staff through periodic training programmes in order to maintain their required professional qualifications, while also guaranteeing the necessary availability of technology systems with specific functional redundancies and an extensive maintenance plan for all systems and equipment supporting air navigation services. The service level of

systems is also supported by specific investments designed to maintain and enhance the reliability, availability, safety and efficiency of systems and equipment.

Information security

Information security is an essential element in the provision of air navigation services. The world is experiencing a constant increase in cyber-attacks, a phenomenon that in part reflects the exploitation during the pandemic of the considerable vulnerabilities created with the massive use of remote working platforms by businesses. As a result of the increasingly aggressive actions of external attackers, the risk exposure of the Group's activities has increased, despite the deployment of all appropriate mitigation measures.

Information security is managed by a dedicated organisational structure, with the implementation and maintenance of a Security Management System certified in accordance with the ISO/IEC 27001:2014 standard.

The confidentiality, integrity and availability of operational and corporate information are constantly monitored and guaranteed through a complex architecture of physical and logical security controls as well as internal rules and procedures. Additional security is provided through coordination with the competent civil and military authorities for the protection of operational data, in particular in the context of the National Plan for Cyber Protection and IT Security, and collaborative initiatives with the Italy's CSIRT (Computer Security Incident Response Team) and CNAIPIC (National IT Crime Centre for the Protection of Critical Infrastructure).

Compliance

The Parent Company constantly monitors potential risks engendered by the evolution of applicable legislation in order to ensure prompt compliance, in accordance with best practices and the relevant legal and regulatory framework, taking care to constantly adjust governance and control responsibilities, processes and organisational systems.

The ENAV Group manages the risks associated with market abuse in order to prevent and manage the possible dissemination of false or misleading information to manipulate the financial markets and to prevent the use of inside information in order to take advantage of it (so-called internal dealing). In this regards, the Compliance Model implemented pursuant to Legislative Decree 231 of 8 June 2001 comprises market abuse offenses, for whose prevention the Group has established a centralised organisational and procedural architecture, accompanied by training programmes for the corporate bodies and top management as well as all other personnel in order to create the necessary culture and sensitivity regarding inside information and compliance with applicable regulations.

The ENAV Group also pays close attention to environmental issues, both with a view to regulatory compliance but also with the deployment of proactive actions aimed at limiting environmental impact in all its forms.

In order to address environmental issues more effectively, the Group has implemented an Environmental Management System, which is UNI EN ISO 14001 compliant.

In addition, the Group has established a system of employer-designated environmental officers as well as persons in charge of managing the industrial waste cycle. They are called upon to ensure compliance with the provisions of Legislative Decree 152/06.

As part of its ongoing enhancement of compliance risk mitigation arrangements, ENAV has obtained anti-bribery certification under UNI ISO 37001: Anti-bribery management systems. ENAV also participates in Transparency International Italia, which with its Business Integrity Forum is committed together with major Italian companies to develop common projects to prevent and combat bribery by strengthening the concept of integrity as a guide for business, as well as other important issues relevant for the corporate ecosystem and the Italian ecosystem in general.

In consideration of its commercial activities in the non-regulated market at an international level, ENAV has developed company processes and structures to ensure strict compliance with applicable laws and the rules established by the competent trade compliance authorities or in the context of the export of goods and services that can be classified as dual-use or subject to regulatory requirements and obligations connected with embargoes, sanctions or other trade restrictions. During the period, the ENAV Group constantly monitored the effects of the international crisis on its business activities, with a specific focus on compliance with international restrictions in view of the broad and comprehensive sanctions imposed on Russian natural and legal persons and, more generally, in relations between the international community and the Russian Federation.

Health and safety

Among the Group companies, ENAV, Techno Sky, IDS AirNav and D-Flight have established Occupational Health and Safety Management Systems certified in accordance with the ISO 45001:2018 standard.

The constant governance of these systems, together with centralised monitoring and ongoing training and awareness-raising activities with Group personnel, ensures ongoing compliance with applicable regulations. Particular attention is also paid to measures to guarantee the safety of workers operating abroad in countries at risk (so-called “travel security”). To this end, health and safety assessments of the destination country and evaluation of the specific duties of the personnel involved are carried out, with the issue of specific recommendations and the definition of contingency plans for missions in non-low risk countries, the organisation of training/information sessions for workers and the planning of “emergency response” services.

Institutional relations

Pursuing the ENAV Group’s strategic objectives requires constant management of institutional relations, representing corporate interests within the decision-making process in Italy’s public institutions. To this end, a proactive and reliable network of institutional relations at the national and international levels has been developed with decision-makers, channelling documentation and position papers on issues of strategic interest for the Group. Relations with the Parliament, the Government, ministries and local public institutions are therefore constantly managed.

Human capital

The adequacy of human capital represents a critical success factor both for the operation of the services we deliver and, more generally, the achievement of corporate objectives. It is preserved through specific models, processes and staff development tools, which are also helpful for mapping training needs with a view to developing skills.

The continuous improvement of technical knowledge, skills and capabilities is not just an aspect of compliance with laws and regulations at operational level, which is periodically verified by external regulators. It is also considered an opportunity for planning the overall growth of the Group, including with regard to non-regulated activities and future technological and business challenges. In addition, the ENAV Group has envisaged a broad recruitment plan in its Business Plan, designed to strengthen its human capital, both in terms of skills and the number of personnel.

Merit-based incentive systems have been adopted for all staff.

Finally, appropriate succession plans have been established for key corporate officers on the basis of periodic internal evaluations conducted using performance assessment systems and metrics designed to help identify high potential talent (using a variety of assessment techniques), also with a view to ensuring that skills and company positions are aligned.

Macro trends and cost governance

Deviations in air traffic from forecasts levels may have an impact on the ability of the ENAV Group to create value, mainly in terms of changes in the parameters that determine regulated revenues compared with the estimates made at the time unit rates are determined. The current regulatory framework envisages compensation mechanisms for revenue shortfalls compared with planned levels. A revenue stabilisation mechanism (the traffic-risk sharing mechanism) has been implemented., which is based on sharing risk with airspace users (airlines) by significantly limiting losses attributable to decreases in demand of more than 2%. In line with existing performance scheme, the Parent Company is required to provide its services in compliance with the capacity targets set out in the national Performance Plan, applying a symmetric bonus/malus incentive system to foster high levels of operational performance at the local level.

Climate change risks

The impacts of the phenomena caused by climate change on air traffic stakeholders have been identified and studied at the international level for years. In particular, the Eurocontrol document “European Aviation in 2040 - Challenges of growth - Adapting aviation to a changing climate” (June 2018) identifies five main types of meteorological factors that could potentially impact the aviation world: 1) precipitation, comprising rain, snow and hail, which when they become intense can require greater separation distances between aircraft, directly impacting airport capacity; 2) temperature, an increase in which impact infrastructures; 3) sea level rise and river flooding, with risk concentrated at airports adjacent to bodies of water; 4) wind, meaning changes in direction and intensity, which in the airport environment can generate strong crosswinds that can impact flight safety as runways are constructed along the prevailing local wind direction; 5) extreme events such as thunderstorms and hurricanes that could impact on-time flight performance. All these possible impacts could affect the Parent Company in terms of lost revenues and/or higher operating costs.

ENAV has developed business continuity plans, specifying the procedures to be followed in the case of events that lead to a deterioration or interruption of services, in order to preserve their continuity in the various possible emergency scenarios. However, ENAV’s ability to guarantee the pursuit of its business objectives in the medium-long term, first and foremost by ensuring continuity of the delivery of its services, is strongly dependent on the resilience of the entire air transport system to the effects of climate change. In particular, the airport system involves a complex interaction between various actors (airport operators, carriers, land transport and road infrastructure management companies, utilities, etc.), meaning that long-term mitigation

solutions may in some cases require a coordinated and agreed approach among all the actors involved in order to reduce the overall impact on the sector's activities.

Consistent with the growing need to monitor the impacts of climate change, as well as in relation to the issues relevant to the aeronautical industry listed above, the Group has undertaken a detailed study to provide a specific and detailed assessment the effects of climate change and any corrective actions to take, if necessary, in the locations where the Parent Company provides services in Italy, notably airports, developing short, medium and long-term scenarios.

Russia – Ukraine conflict

Following Russia's invasion of Ukraine, profound changes have developed in geopolitical balances, with inevitable repercussions on the global macroeconomic scenario. Following the imposition of sanctions on Russian natural and legal persons by the European Union, the Group took immediately steps to examine the restrictions, including limitations on the financial and capital markets of the European Union, the closure of the airspace to carriers connected with the Russian Federation and restrictions on the export of goods, services and technologies in order to verify the impact on our business and take all appropriate initiatives to ensure full compliance the sanctions.

During the first half of 2022, the Group fully wrote off open positions with customers in the Russian Federation and has no further relationships outstanding. The continuation of the conflict between Russia and Ukraine is having a global impact on the supply of commodities and has fuelled significant increases in energy prices. In the first half of 2022, the ENAV Group registered a significant increase in energy costs. However, in view of the Group's business model, we face no significant inflation risks. Furthermore, with regard to the possible effects of the shortage of electronic components, at present no supply-chain problems have been encountered that might have a negative impact on business continuity. The possible continuation of the semiconductor crisis could have an impact on the availability, in the short term, of IT products and technology systems of interest to the ENAV Group. To this end, the Group is continuing to monitor the impact on its business and to take every appropriate step to ensure full compliance with the sanctions adopted by the European Union and to promptly identify the possible impact on its current and future business of any continuation of this constantly evolving scenario.

Outlook for operations

The first half of 2022 saw the consolidation of the trend already observed during the first quarter, with the rapid recovery in the technical-operational activities of the companies of the ENAV Group in the wake of the gradual relaxation of the restrictive measures imposed to contain the pandemic and consequent "return to normal" of the air transport market.

This development is confirmed by the level of service units registered in Italy during the period, with a significant increase compared with the corresponding period of 2021 and a substantial recovery of the levels registered in 2019, a pre-pandemic year. The trend detected and confirmed by Eurocontrol's STATFOR service therefore points to an even larger volume of traffic and service units at the end of 2022 compared with budget forecasts.

This positive environment, supported by the publication of the European Commission’s Conformity Decision concerning the national Performance Plan, not only strengthens the regulatory and rate framework, but represents a sound basis for the implementation of the strategic projects envisaged by the ENAV Group in the new Business Plan.

Even in an environment of general macroeconomic weakness, the Group confirms its commitment to innovation and sustainability in the current year, targeting the technological development and digitalisation of our core business and internal processes in line with the guidelines set out in the Business Plan, with a particular focus on monitoring the impacts associated with climate change and the Russia-Ukraine conflict.

As a tool for implementing the pillars of its business strategy, the ENAV Group plans to continue its constant monitoring of expenditure over the coming months and maximising capacity and safety in the provision of its service, not only to maintain the commitments undertaken in the national Performance Plan, but also to contribute to the revival of the sector after the sharp contraction imposed by COVID-19.

**Interim condensed consolidated financial statements
at 30 June 2022**

Consolidated Financial Statements

Interim Consolidated Statement of Financial Position

ASSETS

<i>(euros)</i>	Notes	30.06.2022	of which related parties (Note 32)	31.12.2021	of which related parties (Note 32)
Non-current assets					
Property, plant and equipment	7	851,763,352	0	884,715,291	0
Intangible assets	8	178,334,029	0	176,192,810	0
Investments in other entities	9	65,970,074	0	47,253,016	0
Non-current financial assets	10	344,319	0	426,874	0
Deferred tax assets	11	30,094,061	0	33,246,034	0
Non-current tax receivables	12	33,091	0	715,754	0
Non-current trade receivables	13	635,254,074	0	687,253,421	0
Other non-current assets	15	6,381,384	6,333,285	6,362,903	6,312,216
Total non-current assets		1,768,174,384		1,836,166,103	
Current assets					
Inventories	14	62,185,078	0	61,518,741	0
Current trade receivables	13	312,300,890	55,399,644	177,161,512	44,270,001
Current financial assets	10	178,564	0	70,238	0
Tax receivables	12	3,873,118	0	5,564,549	0
Other current assets	15	47,577,165	19,548,498	50,323,565	28,356,001
Cash and cash equivalents	16	175,533,057	158,256	225,309,927	30,874,698
Total current assets		601,647,872		519,948,532	
Total assets		2,369,822,256		2,356,114,635	

SHAREHOLDERS' EQUITY AND LIABILITIES

<i>(euros)</i>	Notes	30.06.2022	of which related parties (Note 32)	31.12.2021	of which related parties (Note 32)
Shareholders' equity					
Share capital	17	541,744,385	0	541,744,385	0
Reserves	17	492,857,393	0	469,279,232	0
Retained earnings/(loss carryforward)	17	88,624,128	0	71,838,340	0
Profit (loss) for the year	17	28,001,668	0	78,371,693	0
Total shareholders' equity pertaining to shareholders of the Parent Company	17	1,151,227,574	0	1,161,233,650	0
Non-controlling interests and reserves		1,847,184	0	2,188,502	0
Profit/(loss) pertaining to non-controlling interests		(280,342)	0	(341,318)	0
Total shareholders' equity pertaining to non-controlling interests		1,566,842	0	1,847,184	0
Total shareholders' equity	17	1,152,794,416		1,163,080,834	
Non-current liabilities					
Provisions for risks and charges	18	3,450,072	0	3,601,072	0
Severance pay and other employee benefits	19	42,625,482	0	47,895,752	0
Deferred tax liabilities	11	7,328,485	0	6,188,240	0
Non-current financial liabilities	20	382,620,076	0	415,199,419	0
Non-current trade payables	21	32,603,431	111,474	41,561,039	139,789
Other non-current liabilities	22	163,453,600	0	169,143,537	0
Total non-current liabilities		632,081,146		683,589,059	
Current liabilities					
Short-term portion of provisions for risks and charges	18	10,033,372	0	10,313,372	0
Current trade payables	21	106,939,756	11,309,833	116,424,813	15,793,571
Tax and social security payables	23	48,945,542	0	32,890,186	0
Current financial liabilities	20	254,309,386	0	252,231,730	0
Other current liabilities	22	164,718,638	66,215,887	97,584,641	43,558,504
Total current liabilities		584,946,694		509,444,742	
Total liabilities		1,217,027,840		1,193,033,801	
Total shareholders' equity and liabilities		2,369,822,256		2,356,114,635	

Interim Consolidated Income Statement

<i>(euros)</i>	Notes	1st Half 2022	of which related parties (Note 32)	1st Half 2021	of which related parties (Note 32)
Revenues					
Revenues from operations	24	392,480,704	7,551,139	142,352,667	5,726,806
Balances	24	3,084,358	0	212,721,781	0
<i>Total revenues from contracts with customers</i>	24	395,565,062		355,074,448	
Other operating income	25	20,832,596	16,965,712	24,399,367	17,453,798
Total revenues		416,397,658		379,473,815	
Costs					
Costs for raw materials, supplies, consumables and goods	26	(2,371,610)	(361,008)	(3,528,774)	(389,680)
Costs for services	26	(65,645,036)	(1,604,195)	(57,735,478)	(4,345,470)
Personnel costs	27	(258,506,921)	0	(247,351,385)	0
Costs leases and rentals	26	(813,449)	(16,975)	(816,329)	(22,625)
Other operating expenses	26	(1,463,129)	0	(1,393,392)	0
Capitalisation of costs	28	13,703,876	0	12,445,549	0
Total costs		(315,096,269)		(298,379,809)	
Depreciation and amortisation	7 and 8	(62,301,373)	0	(65,819,556)	0
Writedowns/(writebacks) for impairment of receivables	13	(1,695,393)	0	(1,102,700)	0
Writedowns/(writebacks) for impairment of property, plant and equipment and intangible assets	7	0	0	0	0
Provisions	18	381,000	0	658,200	0
Operating income		37,685,623		14,829,950	
Financial income and expense					
Financial income	29	5,135,365	0	4,651,921	0
Financial expense	29	(3,504,116)	0	(3,283,766)	0
Exchange rate gains (losses)	29	636,198	0	126,276	0
Total financial income and expense		2,267,447		1,494,431	
Income before taxes		39,953,070		16,324,381	
Income taxes	30	(12,231,744)	0	(2,836,417)	0
Profit (loss) for the year		27,721,326		13,487,964	
<i>Pertaining to shareholders of the Parent Company</i>		28,001,668		13,667,466	
<i>Pertaining to non-controlling interests</i>		(280,342)		(179,502)	
Basic earnings/(loss) per share	36	0.05		0.02	
Diluted earnings/(loss) per share	36	0.05		0.02	

Interim Consolidated Statement of Other Comprehensive Income

<i>(euros)</i>	Notes	1st Half 2022	1st Half 2021
Profit (loss) for the period	17	27,721,326	13,487,964
<i>Other comprehensive income recyclable to profit/(loss):</i>			
- Differences arising from the translation of foreign financial statements	17	5,720,604	1,774,281
- Fair value of derivative financial instruments	10 and 17	25,771	105,831
- Tax effect of the valuation at fair value of derivative financial instruments	11 and 17	(6,185)	(25,399)
Total other comprehensive income recyclable to profit or loss		5,740,190	1,854,713
<i>Other comprehensive income not recyclable to profit or loss:</i>			
- Fair value measurement of investments in other entities	9	13,830,264	102,980
- Actuarial gains/(losses) on employee benefits	17 and 19	4,490,209	1,020,848
- Tax effect of actuarial gains/(losses) on employee benefits	11 and 17	(3,982,005)	(266,630)
Total other comprehensive income not recyclable to profit or loss		14,338,468	857,198
Comprehensive income		47,799,984	16,199,875
Pertaining to shareholders of the Parent Company		48,080,326	16,379,377
Pertaining to non-controlling interests		(280,342)	(179,502)

Interim Consolidated Statement of Changes in Shareholders' Equity

	Reserves					Total reserves	Retained earnings/(loss carryforward)	Profit (loss) for the year	Total shareholders' equity	Non-controlling interests	Total shareholders' equity
	Social capital	Legal reserve	Sundry reserves	Reserve from actuarial gains/(losses) for employee benefits	Cash flow hedges						
(euros)											
Balance at 31 December 2020	541,744,385	37,403,860	439,724,625	(11,554,724)	1,912,771	467,486,532	19,763,486	54,283,479	1,083,277,882	2,188,502	1,085,466,384
Allocation of net profit from the previous year	0	2,167,114	0	0	0	2,167,114	52,116,365	(54,283,479)	0	0	0
Dividend distribution	0	0	0	0	0	0	0	0	0	0	0
(Purchase)/Award of Treasury shares	0	0	1,049,667	0	0	1,049,667	0	0	1,049,667	0	1,049,667
Currency translation difference reserve	0	0	1,774,281	0	0	1,774,281	0	0	1,774,281	0	1,774,281
Long-Term Incentive Plan	0	0	(592,327)	0	0	(592,327)	(41,511)	0	(633,838)	0	(633,838)
Comprehensive income, of which:											
- Profit (loss) recognised directly in equity	0	0	81,354	775,844	80,432	937,630	0	0	937,630	0	937,630
- Profit (loss) for the year	0	0	0	0	0	0	0	13,667,466	13,667,466	(179,502)	13,487,964
Balance at 30 June 2021	541,744,385	39,570,974	442,037,600	(10,778,880)	1,993,203	472,822,897	71,838,340	13,667,466	1,100,073,088	2,009,000	1,102,082,088
Balance at 31 December 2021	541,744,385	39,570,974	440,045,096	(12,410,133)	2,073,295	469,279,232	71,838,340	78,371,693	1,161,233,650	1,847,184	1,163,080,834
Allocation of net profit from the previous year	0	3,079,422	0	0	0	3,079,422	75,292,271	(78,371,693)	0	0	0
Dividend distribution	0	0	0	0	0	0	(58,506,483)	0	(58,506,483)	0	(58,506,483)
(Purchase)/Award of treasury shares	0	0	0	0	0	0	0	0	0	0	0
Currency translation difference reserve	0	0	5,720,604	0	0	5,720,604	0	0	5,720,604	0	5,720,604
Long-Term Incentive Plan	0	0	420,081	0	0	420,081	0	0	420,081	0	420,081
Comprehensive income, of which:											
- Profit (loss) recognised directly in equity	0	0	10,925,909	3,412,559	19,586	14,358,054	0	0	14,358,054	0	14,358,054
- Profit (loss) for the year	0	0	0	0	0	0	0	28,001,668	28,001,668	(280,342)	27,721,326
Balance at 30 June 2022	541,744,385	42,650,396	457,111,690	(8,997,574)	2,092,881	492,857,393	88,624,128	28,001,668	1,151,227,574	1,566,842	1,152,794,416

Interim Consolidated Statement of Cash Flows

	Notes	1st Half 2022		1st Half 2021		
			of which related parties		of which related parties	
A - CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE YEAR	16	225,310		317,419		
Net cash flow generated/(absorbed) from operating activities						
Profit (loss) for the year	17	27,721	0	13,488	0	
Depreciation and amortisation	7 e 8	62,301	0	65,820	0	
Net change in liabilities for employee benefits	19	(781)	0	(1,641)	0	
Change resulting from exchange rate differences	17	(165)	0	(103)	0	
Loss on sale of property, plant and equipment and impairment loss of property, plant and equipment and intangible assets	7 and 8	42	0	33	0	
Provision for stock grant plans	27 and 28	421	0	416	0	
Net provisions for risks and charges	18	(381)	0	(658)	0	
Net change in deferred tax assets and deferred tax liabilities	11	1,009	0	(1,222)	0	
Decrease/(increase) in inventories	14	(656)	0	355	0	
Decrease/(increase) in current and non-current trade receivables	13	(83,890)	(11,130)	(212,631)	(10,410)	
Decrease/(increase) in tax receivables and tax and social security payables	12 and 23	18,431	0	31,419	0	
Change in other current assets and liabilities	15 and 22	12,352	32,492	(13,538)	(1,510)	
Change in other non-current assets and liabilities	15 and 22	(5,709)	(21)	5,957	(27)	
Increase/(decrease) in current and non-current trade payables	21	(14,501)	328	(19,945)	(383)	
B - TOTAL CASH FLOW FROM OPERATING ACTIVITIES		16,194		(132,250)		
			of which taxes paid (20,679)		(2,077)	
			of which interest paid (711)		(229)	
Net cash flow generated/(absorbed) from investing activities						
Investments in property, plant and equipment	7	(23,465)	0	(23,326)	0	
Investments in intangible assets	8	(8,078)	0	(7,158)	0	
Increase/(decrease) in trade payables for investments	21	(3,942)	(4,841)	15,809	5,268	
Sales of property, plant and equipment	7	0	0	0	0	
Decrease/(increase) in trade receivables for investments	13	750	0	750	0	
Investments in other shares	9	0	0	0	0	
Increase/(decrease) in trade payables for equity investments	9	(1,027)	(1,027)	(160)	0	
Investments in financial assets	10	0	0	0	0	
C - TOTAL CASH FLOW FROM INVESTING ACTIVITIES		(35,762)		(14,085)		
Net cash flow generated/(absorbed) from financing activities						
New medium and long term loans	20	0	0	0	0	
(Repayments) of medium and long term loans	20	(31,880)	0	(31,817)	0	
Net change in short-term financial liabilities	20	0	0	(974)	0	
Bond issue	20	0	0	0	0	
Net change in short-term financial liabilities	20	1,378	0	1,605	0	
(Increase)/Decrease in current/non-current financial assets	10	0	0	803	0	
Dividend distribution	17	0	0	0	0	
D - TOTAL CASH FLOW FROM FINANCING ACTIVITIES		(30,502)		(30,383)		
E - Total cash flow (B+C+D)		(50,070)		(176,718)		
F - Exchange rate differences on cash		293		96		
G - CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR (A+E+F)	16	175,533		140,797		

(thousands of euros)

Explanatory notes to the Interim Condensed Consolidated Financial Statements

1. General information

ENAV S.p.A. (hereinafter also the “Company” or “Parent Company”) was established in 2001 following the transformation with Law 665/1996 of the “Ente Pubblico Economico denominato Ente Nazionale di Assistenza al Volo” (the National Agency for Flight Assistance), a public enterprise, that was formerly known as the “Azienda Autonoma di Assistenza al Volo per il Traffico Aereo Generale” (A.A.A.V.T.A.G.) (Autonomous Company providing Flight Assistance for General Traffic) and has its registered office in Rome, 716 via Salaria and other secondary offices and operating facilities located throughout Italy.

Since 26 July 2016, ENAV shares have been listed on the Mercato Telematico Azionario (now EXM – Euronext Milan) organised and operated by Borsa Italiana S.p.A. and, at 30 June 2022, 53.28% of the Company was owned by the Ministry for the Economy and Finance (MEF) and 46.62% by institutional and individual shareholders, with 0.10% being held by ENAV itself as treasury shares.

The activity of the ENAV Group consists of the air traffic control and management services and other essential services provided by the Parent Company for air navigation in Italian airspace skies and at the national civil airports for which it is responsible, and services provided to subsidiaries as well as the technical operation and maintenance of air traffic control equipment and systems, the sale of aeronautical software solutions and commercial development and aeronautical consulting activities and the provision of unmanned aerial traffic management (UTM) services. The measurement and presentation of operations is broken down into four operating sectors, namely *air navigation services*, *maintenance services*, *AIM software solutions* and a residual sector defined as *other sectors*.

These interim condensed consolidated financial statements regard the six months ending 30 June 2022 and have been prepared in euros, the functional currency adopted by the Group.

Publication of this Consolidated Interim Financial Report was authorised by the Board of Directors on 3 August 2022 and it has undergone a limited review by EY S.p.A.

2. Form and content of the interim condensed consolidated financial statements

The interim condensed consolidated financial statements at 30 June 2022 of ENAV S.p.A. and its subsidiaries (hereinafter also the “Group”) have been prepared in conformity with the International Accounting Standards (IAS) and International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and the related interpretations (IFRIC and SIC), endorsed by the European Union in accordance with the provisions of Regulation (EC) No. 1606/2002 as well as Legislative Decree 38 of 28 February 2005, which governed the application of the IFRS under the scope of Italian law.

In particular, these financial statements, which have been drafted on a going-concern basis, have been prepared in compliance with IAS 34 *Interim Financial Reporting* and Article 154-ter paragraph 3 of the Consolidated Law on Financial Intermediation. In application of the option granted by IAS 34, the disclosures contained in the interim condensed consolidated financial statements are less complete than those provided in complete annual financial statements, as they are aimed at providing an update on the activities, facts and circumstances that occurred in the reference period as well as some minimum supplementary information expressly requested by the standard, thus omitting information, data and notes already presented and discussed in the consolidated financial statements of the ENAV Group as at 31 December 2021. Accordingly, the interim condensed consolidated financial statements at 30 June 2022 should be read in conjunction with

the consolidated financial statements of the Group for the year ended 31 December 2021, which readers are invited to consult for a more complete understanding of the information reported in this document.

Note that the ENAV Group has designated the first half of the year as the interim reference period for the purpose of applying IAS 34 and the definition of interim financial statements.

With regard to the method for presenting the financial statements, the distinction between current and non-current assets and liabilities has been adopted for the *statement of financial position*. The *income statement* was prepared by classifying operating costs by nature and the *statement of cash flows* has been prepared using the indirect method.

In compliance with the provisions of Consob Resolution no. 15519 of 27 July 2006, the statement of financial position, the income statement and the statement of cash flows report the value of positions or transactions with related parties in order to ensure an understanding of the financial position, performance and cash flows.

3. Scope and basis of consolidation

The basis of consolidation adopted in preparing the interim condensed consolidated financial statements at 30 June 2022 is consistent with that adopted in preparing the consolidated financial statements at 31 December 2021, approved on 21 April 2022 and available at www.enav.it/en in the section <https://www.enav.it/en/investors/financial-statements-presentations-reports>.

In the first half of 2022 the scope of consolidation did not change compared with 31 December 2021.

There were no significant transactions or unusual events in the first half of 2022.

Translation of financial statements of foreign companies

The interim statements of financial position and income statements of subsidiaries are prepared using the currency of the primary economic environment in which they operate. For the purpose of the interim condensed consolidated financial statements, the statement of financial position and income statement of each foreign company are translated into euros, which is the Group's functional currency. The exchange rates used to translate the statements of financial position and income statements of companies that use a functional currency other than the euro are shown in the table below:

	1st Half 2022		31.12.2021		1st Half 2021	
	6-month average	at 30 June	12-month average	at 31 December	6-month average	at 30 June
Malaysian ringgit	4.6704	4.5781	4.9026	4.7184	4.9385	4.9336
US dollar	1.0940	1.0387	1.1835	1.1326	1.2057	1.1884

4. New accounting standards and interpretations

The accounting standards adopted in the preparation of the interim condensed consolidated financial statements at 30 June 2022 are consistent with those used for the preparation of the consolidated financial

statements at 31 December 2021, which readers are invited to consult for a more extensive discussion, with the exception of the adoption of new standards, amendments and interpretations in force as from 1 January 2022. The Group has not opted for early adoption of any new standard, amendment or interpretation issued but not yet in force.

New accounting standards, interpretations and amendments taking effect as from 1 January 2022 that did not have an impact on the Group's interim condensed consolidated financial statements

The following is a list of the new accounting standards, amendments and interpretations applicable to the Group as from 1 January 2022 with no impact on the Group's interim condensed consolidated financial statements:

- *Amendments to IFRS 3: Business Combinations - Reference to the Conceptual Framework* – issued on 14 May 2020 and endorsed on 28 June 2021. In May 2020, the IASB published amendments to IFRS 3 Business Combinations - Reference to the Conceptual Framework. The amendments are intended to replace references to the Framework for the Preparation and Presentation of Financial Statements, published in 1989, with references to the Conceptual Framework for Financial Reporting published in March 2018 without significantly changing its provisions. The Board also added an exception to the recognition principle of IFRS 3 to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of IAS 37 or IFRIC 21 Levies, if incurred separately. At the same time, the Board decided to clarify existing guidance in IFRS 3 for contingent assets that would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements.
- *Amendments to IAS 16 Property, Plant and Equipment: Proceeds before Intended Use* – issued on 14 May 2020 and endorsed on 28 June 2021. These amendments prohibit an entity from deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. An entity shall recognise the proceeds from the sale of these items, and the costs to produce them, in profit or loss.
- *Amendment to IAS 37 Provisions, Contingent Liabilities and Contingent Assets: Onerous Contracts – Costs of fulfilling a contract* – issued on 14 May 2020 and endorsed on 28 June 2021. The amendments clarify which costs must be considered by an entity in assessing whether a contract is onerous, i.e. loss-making. The amendment provides for the application of a "directly related costs approach". Costs that relate directly to a contract for the supply of goods or services consist of both incremental costs and other costs that relate directly to fulfilling contracts. General and administrative costs are not directly related to a contract and are excluded unless they are explicitly charged to the counterparty under the terms of the contract.
- *Annual Improvements 2018-2020* – issued on 14 May 2020 and endorsed on 28 June 2021. As part of the cycle of improvements of accounting standards, the IASB published an amendment of IFRS 1 First Time Adoption, which permits a subsidiary that elects to apply paragraph D16 (a) of IFRS 1 to measure the cumulative translation differences at the amounts that would be included in the parent's consolidated financial statements, based on parent's date of transition to the IFRSs. The amendment also applies to associates and joint ventures. The IASB also amended IFRS 9, clarifying that the fees that an entity

includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. In particular, these include only fees paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. An entity shall apply the amendment to financial liabilities that are modified or traded subsequent to the date of the first reporting period in which the entity applies the amendment for the first time.

New accounting standards, interpretations and amendments taking effect for periods after 31 December 2022 and not adopted early by the Group

The following is a list of new accounting standards, amendments and interpretations that will be applied by the Group in annual accounting periods after that ending 31 December 2022. The Group will assess the expected impact of their first-time adoption:

- *Amendments to IAS 12 Income Taxes: Deferred Tax related to Assets and Liabilities arising from a Single Transaction* – issued on 7 May 2021, endorsement pending. IAS 12 requires the recognition of deferred taxes or assets for all temporary differences, i.e. temporary differences that are taxable or deductible in future periods.

In particular, it was established that companies, in specific circumstances, can be exempted from recognising the deferred tax when they recognise assets or liabilities for the first time. This provision previously raised some uncertainty as to whether the exemption would apply to transactions such as leases and decommissioning obligations, transactions for which companies recognise both an asset and a liability. With the amendment to IAS 12, the IFRS clarifies that the exemption does not apply and that companies are required to recognise the deferred tax on such transactions. The aim of the amendments is to reduce the diversity in accounting for deferred taxes on leases and decommissioning obligations. The amendments will take effect for annual periods beginning on or after 1 January 2023 and early adoption is permitted.

- *Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors: Definition of Accounting Estimates* – issued on 12 February 2021. The amendments introduce a definition of accounting estimates to replace the concept of changes in accounting estimates. Under the new definition, accounting estimates are monetary amounts in financial statements that are subject to measurement uncertainty. Entities develop an accounting estimate if an accounting policy may require items in financial statements to be measured in a way that involves measurement uncertainty. Furthermore, the Board clarifies that a change in an accounting estimate that results from new information or new developments is not the correction of an error. In addition, the effects of a change in an input or a change in a measurement technique are changes in accounting estimates if they do not result from the correction of prior period error. An effect of a change in an accounting estimate is recognised in profit or loss in the period of the change, if the change affects that period only or the period of the change and future periods, if the change affects both. The amendments will take effect, subject to endorsement, for annual periods beginning on or after 1 January 2023.

- *Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2: Disclosure of Accounting Policies* – issued on 12 February 2021. The amendments are intended to help preparers in deciding which accounting policies to disclose in their financial statements. More specifically, an entity is now required to disclose its material accounting policy information instead of its significant accounting

policies and several paragraphs are added to explain how an entity can identify material accounting policy information, which may be material because of its nature, even if the related amounts are immaterial. Accounting policy information is material if users of an entity's financial statements would need it to understand other material information in the financial statements. In addition, IFRS Practice Statement 2 was amended by adding guidance and examples to explain and demonstrate the application of the 'four-step materiality process' to accounting policy information in order to support the amendments to IAS 1. The amendments will take effect, subject to endorsement, for annual periods beginning on or after 1 January 2023.

- *Amendment to IAS 1: Classification of Liabilities as Current or Non-current* – issued on 23 January 2020, with deferral of initial application issued on 15 July 2020. With this amendment, the IASB modified paragraphs 69 to 76 of IAS 1 to specify the requirements for classifying liabilities as current or non-current. The amendments clarify what is meant by the right to defer settlement, that this right must exist at the end of the financial year and that classification is unaffected by the likelihood that an entity will exercise its deferral right. Finally, the amendment also clarifies that only if an embedded derivative in a convertible liability is itself an equity instrument would the terms of a liability not impact its classification. The amendments will take effect for annual reporting periods beginning on or after 1 January 2023. The Group is monitoring the activities of the IFRS Interpretations Committee and the IASB.

5. Use of estimates and management judgements

The preparation of the interim condensed consolidated financial statements requires management to make estimates and assumptions that have an effect on the values of revenues, costs, assets and liabilities in the financial statements and on the disclosures concerning contingent assets and liabilities at the reporting date. Changes in the conditions underlying the assumptions and judgments adopted could have a significant impact on subsequent results. For the purposes of preparing these interim condensed consolidated financial statements, estimates were used for the same cases for which estimates were made in preparing the annual financial statements.

For a more extensive discussion of the Group's most significant valuation processes, please see the section "5. Use of estimates and management judgements, including those connected with the COVID-19 pandemic" of the notes to the consolidated financial statements at 31 December 2021.

With regard to the "Measurement of revenues for the balance", compared with the discussion in the 2021 Annual Financial Report in that section, in the first half of 2022 balance revenues were determined in compliance with the rate regulations based on the traffic-risk sharing mechanism in compliance with Regulation (EU) 2019/317. Balance revenues were measured considering the Performance Plan presented in November 2021 and the efficiency targets specified in European Commission Decision no. 891 of 2 June 2021 and rendered definitive with Decision 2022/773 of 13 April 2022, with which the European Commission declared that the performance targets contained in the Performance Plan presented in November 2021 were consistent with the targets set at the EU level for the third reference period in Implementing Decision (EU) 2021/891.

Due to the extraordinary conditions created by the impact of the pandemic on traffic volumes and the change in the regulatory scheme, which impacted the measurement of the balance item for the 2020-2021 combined period, the first half of 2022 is not fully comparable with the corresponding period of the previous year, as

balances are currently measured using the traffic-risk sharing mechanism, which was not applied during the 2020-2021 combined period.

6. 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, air traffic fluctuates significantly depending on the time of year, reflecting changes in tourist flows.

Specifically, revenues level, which is linked to the performance of air traffic, is not uniform throughout the year and tend to peak in the summer months, while costs of operations tend to be more linear over the year. As a result the interim performance of the Group does not contribute uniformly to economic and financial performance for the year as a whole.

Notes to the interim consolidated statement of financial position

7. Property, plant and equipment

The table below shows changes in property, plant and equipment at 30 June 2022 compared with 31 December 2021:

	Land and Buildings	Plants and machinery	Ind. and comm. equipment	Other assets	Asset under construction	Total
Cost	559,710	1,997,624	272,434	335,704	240,099	3,405,571
Accumulated depreciation	(282,563)	(1,693,917)	(235,814)	(308,562)	0	(2,520,856)
Balance at 31.12.2021	277,147	303,707	36,620	27,142	240,099	884,715
Increases	2,627	12,799	3,280	3,192	23,465	45,363
Disposals - cost	(42)	(380)	(463)	(4,115)	0	(5,000)
Disposals - accumulated depreciation	27	368	460	4,103	0	4,958
Reclassification	0	(1)	0	0	(22,149)	(22,150)
Depreciation	(10,487)	(37,630)	(3,637)	(4,369)	0	(56,123)
Total changes	(7,875)	(24,844)	(360)	(1,189)	1,316	(32,952)
Cost	562,295	2,010,042	275,251	334,781	241,415	3,423,784
Accumulated depreciation	(293,023)	(1,731,179)	(238,991)	(308,828)	0	(2,572,021)
Balance at 30.06.2022	269,272	278,863	36,260	25,953	241,415	851,763

(thousands of euros)

Property, plant and equipment in the first half of 2021 decreased by a net €32,952 thousand, reflecting:

- depreciation for the period of €56,123 thousand (€59,092 thousand in the first half of 2021), including right-of-use assets of €929 thousand;
- an increase in property, plant and equipment of €45,363 thousand, of which 21,898 thousand relating to investments that entered service during the period. These included: i) the construction of Italy's first remotely managed control tower implemented at Brindisi airport, which enables air traffic controllers to handle all takeoff, landing and ground handling operations from a so-called Remote Tower Module (RTM), which can also be located many kilometres away from the airport. Inside the RTM, controllers have a range of tools that support them in their air traffic management duties, increasing the safety and operational efficiency of the airport. The exact reconstruction of the 360° view of the panorama visible from a traditional control tower is provided by 18 fixed cameras that send the images to 13 high-definition monitors positioned inside the digital tower; ii) a program for moving the approach radar control stations from the current dedicated rooms at Rome Ciampino airport to the pertinent Area Control Centre (ACC); iii) the technological upgrade of the Brindisi airport LAN; iv) the upgrade of ground-ground and air-ground voice communications; v) the implementation of new features in the EAWOS airport weather system in compliance with the Regulation (EU) 2017/373 at various airport sites.

Increases of €23,465 thousand refer to progress on assets under construction as part of investment projects, including: i) the 4-Flight programme, whose objective is to develop the entire Air Traffic Management (ATM) technology platform of the ACCs based on SESAR operational concepts and taking the Coflight system as a basic component. This flight data processing system supports air traffic controllers in calculating expected flight trajectories and was developed in collaboration with the French

provider DSNA; ii) the program for transferring approach radar control stations from the current dedicated rooms at airports to the higher-level Area Control Centres; iii) the modernisation and upgrading of airport voice recording systems; and iv) the new tower and technical area of the Treviso airport; vii) the construction of the new ENET-2 communication network, which will replace the existing ENET network connecting all national operational sites, transmitting operational voice communications, radar data, flight plans, weather information, AIS and plant control information;

- the decrease due to reclassifications totalling €22,150 thousand mainly regards investment projects that were completed and entered service during the year.

It should be noted that part of the investments, with a historical cost of €292,267 thousand, is financed by capital grants disbursed under the National Operational Programme (NOP) for Transport for the years 2000-2006 and 2007-2013 for initiatives at southern airports, grants from the Ministry of Infrastructure and Transport for investments in military airports, in accordance with Law 102/09 and projects financed at the European level. The capital grants for these investments are accounted for as other liabilities and reversed to profit or loss in line with the depreciation of the investments to which they refer. The amount attributable to the period is equal to €4,291 thousand.

8. Intangible assets

Intangible assets at 30 June 2022 amounted to €178,334 thousand, a net increase of €2,141 thousand compared with the end of 2021, as indicated in the table:

	Industrial patent and intellectual property rights	Other intangible assets	Assets under development	Goodwill	Total
Cost	188,825	12,333	56,964	93,472	351,594
Accumulated amortisation	(170,637)	(4,764)	0	0	(175,401)
Balance at 31.12.2021	18,188	7,569	56,964	93,472	176,193
Increases	8,667	0	8,078	0	16,745
Disposals	0	0	0	0	0
Reclassifications	0	0	(8,426)	0	(8,426)
Amortisation	(5,596)	(582)	0	0	(6,178)
Total changes	3,071	(582)	(348)	0	2,141
Cost	197,492	12,333	56,616	93,472	359,913
Accumulated amortisation	(176,233)	(5,346)	0	0	(181,579)
Balance at 30.06.2022	21,259	6,987	56,616	93,472	178,334

(thousands of euros)

The change in the period is mainly attributable to amortisation for the period, which amounted to €6,178 thousand (€6,516 thousand at the first half of 2021), increases in intangible assets in the total amount of €16,745 thousand, of which €8,667 thousand regarding assets completed and entered into service in the first half of the year, mainly software for management systems such as the logistics configuration system, a high-level management dashboard, and various other licenses for management and operational software. The

remainder of €8,078 thousand regards progress on various projects, including the implementation of the Group's ERP system.

Decreases due to reclassifications totalled €8,426 thousand and mainly regarded the completion of investment projects in the period, which entered into service with classification under their own heading.

With regard to intangible assets including goodwill, there were no internal and/or external indicators of impairment that would require verification of the recoverability of the assets at 30 June 2022, in application of the methodology provided for in IAS 36 *Impairment of Assets*, including with regard to the impact of the Russia-Ukraine conflict. Accordingly, the values reported in the 2021 Annual Financial Report are confirmed. More specifically, goodwill totals €93,472 thousand and includes €66,486 thousand in respect of the positive difference between the acquisition value of the subsidiary Techno Sky S.r.l. and its net assets at fair value, and is representative of future economic benefits. This value is entirely allocated to the Maintenance Services CGU, coinciding with the legal entity Techno Sky S.r.l.. It should be noted that, except for goodwill, no other intangible assets with an indefinite useful life have been allocated to the CGU in question.

The remainder of goodwill, equal to €26,986 thousand, reflects the positive difference between the acquisition value of the subsidiary IDS AirNav S.r.l. and its net assets at fair value, and is representative of future economic benefits. This value, which was determined during the purchase price allocation process, is allocated entirely to the AIM Software Solutions CGU, coinciding with the legal entity IDS AirNav. For more on the impact of COVID-19 on the CGU, please see note 32 *Segment reporting*.

9. Investments in other entities

At 30 June 2022, investments in other entities amounted to €65,970 thousand, an increase of €18,717 thousand compared with 31 December 2021, associated entirely with the investment in Aireon LLC through Aireon Holding Company (Hold Co), which is accounted in accordance to the fair value criteria with no recycling to profit or loss, which reflects the adjustment of the investment to the fair value and translation at the period-end exchange rate.

In June 2022, the Aireon board finalised a capital increase to pursue a new business opportunity described in a business case highlighting the investment required to support this initiative. The capital increase was subscribed only by one shareholder, without the participation of the Parent Company, resulting in a dilution of its pre-redemption stake from 9.1% to 8.60%, which after exercise of the redemption clause will amount to 10.35% (11.11% pre-dilution).

At 30 June 2022, the Parent Company updated the estimate of the fair value of the investment using the following inputs: the Long Term Operating Plan (LTOP) updated in May 2022 by the Aireon Board of Directors from that presented at the Aireon board meeting on 16 February 2022, which had been used to measure the investment at 31 December 2021, with a period that covers 2022-2033 and takes account of the positive effects of the new investment; the official stock market prices and historical and forecast economic-financial data for the sector and the market price of government securities. As a result of the valuation exercise, the fair value of the investment in Aireon as at 30 June 2022 is estimated to be €65.8 million (€47.1 million as of 31 December 2021), corresponding to \$68.3 million, an increase of €18.7 million compared with 31 December 2021.

The fair value was measured using the valuation techniques provided for in IFRS 13, under which the calculation of fair value should maximise the use of observable data and minimise unobservable data in order to estimate the price at which it would be sold in an orderly transaction to transfer the equity instrument

would take place between market participants at the measurement date. With a non-active market, the inputs used are consistent with Level 3 of the fair value hierarchy. There were no changes in hierarchy during the period.

The valuation model used is based on the following assumptions: i) fair value, determined from an equity-side perspective, based on a model involving the discounting of the dividends drawn from the explicit period of the plan; ii) the terminal value of the investment was determined by assuming sustainable cash flows at a long-term nominal average growth rate (g-rate); iii) the discount rate used is a cost of capital (Ke) of 13.73%, calculated using the CAPM (Capital Asset Pricing Model) method, and rose slightly compared with 31 December 2021.

In order to verify the robustness of the estimate, a sensitivity analysis was conducted for the Ke and the growth rate g: maintaining a growth rate of 3.4% and assuming a Ke of 14.23% (+0.5%), the value of the investment would decrease by about \$2.7 million.

10. Current and non-current financial assets

Current and non-current financial assets amounted to €179 thousand and €344 thousand, respectively, an overall increase of €26 thousand. The rise was mainly attributable to financial derivatives and represents the positive fair value registered at 30 June 2022, classified in full under current financial assets.

11. Deferred tax assets and deferred tax liabilities

Deferred tax assets and deferred tax liabilities, as well as offsettable deferred tax assets, where permitted, against deferred tax liabilities, are reported in the following below, with amounts impacting profit and loss and those impacting other comprehensive income (equity) reported separately.

	31.12.2021		Increase/decrease through profit or loss		Increase/decrease through OCI		Exchange differences	30.06.2022	
	Temporary differences	Deferred Tax assets/liabilities	Temporary differences	Deferred Tax assets/liabilities	Temporary differences	Deferred Tax assets/liabilities		Temporary differences	Deferred Tax assets/liabilities
Deferred tax assets									
Taxed provisions	33,065	7,935	(275)	(66)	0	0	0	32,790	7,869
Write-down of inventories	9,257	2,221	33	8	0	0	0	9,290	2,229
Discounting of receivables	25,422	6,102	(4,132)	(992)	0	0	0	21,290	5,110
Tax effect of IFRS conversion	296	91	0	0	0	0	0	296	91
Discounting of severance pay provisions	5,467	1,331	0	0	(4,490)	(1,078)	0	977	253
Non-deductible portion of severance pay	89	22	0	0	0	0	0	89	22
Fair value of derivatives	4	1	0	0	0	0	0	4	1
Fair value of investment	6,970	1,464	0	0	(6,970)	(1,464)	0	0	0
Other	58,191	14,079	(1,319)	(265)	0	0	705	56,872	14,519
Total	138,761	33,246	(5,693)	(1,315)	(11,460)	(2,542)	705	121,608	30,094
Deferred tax liabilities									
Other	7,232	1,736	453	109	0	0	0	7,685	1,845
Discounting on debts	452	109	(116)	(28)	0	0	0	336	81
Tax effect of IFRS conversion	1,812	544	(111)	(27)	0	0	0	1,701	517
Fair value of investment	0	0	0	0	6,860	1,441	0	6,860	1,441
Fair value of derivatives	2,733	656	0	0	26	5	0	2,759	661
PPA	0	3,143	0	(360)	0	0	0	0	2,783
Total	12,229	6,188	226	(306)	6,886	1,446	0	19,341	7,328

(thousands of euros)

The change in the year in deferred tax assets and deferred tax liabilities, which have a balance at 30 June 2022 of €30,094 thousand and €7,328 thousand, respectively, is attributable to the following factors:

- the use of the deferred tax liabilities associated with the discounting of receivables and payables for balances following recognition of the share pertaining to the period through profit or loss, net of new amounts recognised at 30 June 2022;
- the utilisation and recognition of new taxable risk provisions and the provision for doubtful accounts as a result of the circumstances discussed in Notes 13 and 18;
- the recognition of employee severance pay in accordance with the actuarial method, which produced an actuarial loss for the year recognised in other comprehensive income;
- the reversal of deferred tax assets and the concomitant recognition of deferred tax liabilities on the measurement at fair value through OCI of the investment in Aireon, as reported in Note 9, which was revalued during the first half of the year;
- the measurement and reversal to profit or loss of the elimination of margins on intercompany transactions;
- the reversal of the deferred tax liabilities connected with the purchase price allocation of the subsidiary IDS AirNav.

The Group has determined that it is reasonably certain that the deferred tax assets recognised on the basis of future taxable income inferable in the business plan approved by the Board of Directors on 12 May 2022 can be recovered.

12. Current and non-current tax receivables

Non-current tax receivables amounted to €33 thousand, a decrease of €683 thousand on 31 December 2021 in reflection of the collection of the receivable for the excess IRES paid in 2008 by the subsidiary Techno Sky. Current tax receivables amounted to €3,873 thousand, a decrease of €1,691 thousand compared with 31 December 2021, reflecting the decrease in receivables for direct taxes as the change in the difference between the receivable accrued in respect of payments on account in June and the tax liability accrued in the first half of 2022 and the reduction in indirect taxes following the use of €1.5 million of the VAT credit as an offset in the payment of the balance and first payment on account of IRES (corporate income tax).

13. Current and non-current trade receivables

Current trade receivables amounted to €312,301 thousand and non-current trade receivables amounted to €632,254 thousand, with changes in the first half of 2022 compared with 31 December 2021 indicated in the following table:

	30.06.2022	31.12.2021	Change	%
Current trade receivables				
Receivables from Eurocontrol	197,084	134,557	62,527	46.5%
Receivables from the Ministry for the Economy and Finance	6,454	10,993	(4,539)	-41.3%
Receivables from the Ministry of Sustainable Infrastructure and Mobility	45,000	30,000	15,000	50.0%
Receivables from others	36,810	37,244	(434)	-1.2%
Receivables for balances	63,680	0	63,680	n.a.
	349,028	212,794	136,234	64.0%
Provision for doubtful accounts	(36,727)	(35,633)	(1,094)	3.1%
Total	312,301	177,161	135,140	76.3%
Non-current trade receivables				
Receivables for balances	635,254	687,253	(51,999)	-7.6%
Total	635,254	687,253	(51,999)	-7.6%

(thousands of euros)

Receivables from Eurocontrol regard to the fees in respect of en-route and terminal revenues not yet received as of 30 June 2022, most of which had not yet fallen due, amounting to €140,426 thousand (€87,461 thousand at 31 December 2021) and €56,658 thousand (€47,096 thousand at 31 December 2021), respectively, gross of the provision for doubtful accounts. The overall increase of €62,527 thousand mainly reflected an increase of €74.1 million in turnover in May and June 2022 compared with the last two months of the previous year, thanks to the recovery in air traffic volumes. The increase was partly offset by the receipt of payment of receivables from Alitalia for 2021. The receivable from Eurocontrol, net of the provision for doubtful accounts, amounted to €171,502 thousand (€109,304 thousand at 31 December 2021).

Receivables from the Ministry for the Economy and Finance (MEF) of €6,454 thousand are entirely accounted for by the en-route and terminal exemptions recognised in the first half of 2022. The receivable at 31 December 2021 of €10,993 thousand was offset, after approval of the 2021 financial statements, with the payable to the Italian Air Force for collections in respect of en-route charges of €26,295 thousand, which left a payable of €15,302 thousand due to the MEF, which was recognised under other liabilities.

Receivables from the Ministry of Sustainable Infrastructure and Mobility includes the operating grant intended to offset the costs incurred by the Parent Company to guarantee the safety of its plant and operational safety, as provided for by Article 11-septies of Law 248/05, increased by €15 million for the amount accruing in the first half of 2022.

The provision for doubtful accounts amounted to €36,727 thousand, with changes in the first half of 2022 breaking down as follows:

	31.12.2021	Increases	Decreases		30.06.2022
			reversals	cancellations	
Provision for doubtful accounts	35,633	3,121	(1,304)	(723)	36,727

(thousands of euros)

The increase in the period in the provision for doubtful accounts reflected both the valuation produced by the model used to assess the recoverability of receivables and the economic impact of the Russia-Ukraine conflict, which prompted of the writedown of receivables due from customers in the Russian Federation.

The decrease in the provision for doubtful accounts includes €1,304 thousand in respect of receivables prudentially written down in previous years and collected during the first half of 2022, while €723 thousand regards the writeoff of receivables in respect of Eurocontrol, which does not affect the right to take action to recover the receivable.

The uses are recognised through profit or loss under the item “writedowns and impairment (reversals of impairment)”.

Balance receivables amounted to €698,934 thousand net of discounting effects (€687,253 thousand at 31 December 2021), of which the portion classified under current receivables amounted to €63,680 thousand and regards, net of the financial income component, the amount that will be incorporated in unit rates in 2023. The change in balances under non-current receivables reflects not only the reclassification to current of the above, but also the recognition of the positive balances generated in the first half of 2022, which mainly regarded the balance for traffic risk for terminal Charging Zone 1 and the balance for Charging Zone 3, which is determined on a cost recovery basis, for a total of €3.7 million, in addition to the Eurocontrol cost delta balance, which amounted to €3.2 million. Balances generated in the period were recognised in conformity with the traffic-risk sharing mechanism envisaged under Regulation (EU) 2019/317 concerning the performance and charging scheme applicable to en-route traffic and the first and second terminal charging zones on the basis of the 2020-2024 Performance Plan, which incorporated targets established by the European Commission with Implementing Decision 2021/819.

14. Inventories

Inventories, which are mainly represented by spare parts, amounted to €62,185 thousand net of the provision for inventory losses (€61,469 thousand at 31 December 2021), a net increase of €666 thousand on 31 December 2021, reflecting purchases during the year that were not used in operational systems.

15. Other current and non-current assets

Other non-current assets totalled €6,381 thousand, broadly unchanged on the end of 2021 (€6,363 thousand at 31 December 2021).

Other current assets amounted to €47,577 thousand (€50,324 thousand at 31 December 2021), a net decrease of €2,747 thousand, attributable to the collection of part of the financing for investment projects funded under the NOP for a total of €8.8 million and the collection of financing for projects under the CEF (Connecting Europe Facility) for a total of €8.5 million. These decreases were partially offset by the recognition of prepaid expenses for personnel costs pertaining to subsequent months, mainly in respect of the “14th month” deferred wage payment, which is disbursed in June with deferral under prepaid expenses of the portion not pertaining to the period.

16. Cash and cash equivalents

Cash and cash equivalents totalled €175,533 thousand, a net decrease of €49,777 thousand on 31 December 2021. With developments in receipts and payments connected with ordinary operations producing a negative cash flow as they still do not reflect the increase in cash flow from flights in the summer months, the decline also reflected: i) the payment of the liability to the Ministry for the Economy and Finance for 2020 in the amount of €16.2 million; and ii) the repayment of quarterly and half-yearly instalments on loans in the amount of €31.9 million; and iii) the payment of the balance and first payment on account of taxes in the

amount of about €20 million. These factors were partly offset by receipts from projects funded under the NOP and CEF initiatives in the total amount of €17.4 million.

17. Shareholders' equity

Consolidated shareholders' equity at 30 June 2022 amounted to €1,152,794 thousand and breaks down as follows:

	30.06.2022	31.12.2021	Change
Share capital	541,744	541,744	0
Legal reserve	42,650	39,571	3,079
Other reserves	447,629	436,283	11,346
Translation reserve	12,359	6,639	5,720
IAS FTA reserve	(727)	(727)	0
Reserve for actuarial gains/(losses) for employee benefits	(8,998)	(12,410)	3,412
Cash flow hedge reserve	2,093	2,073	20
Reserve for treasury shares	(2,150)	(2,150)	0
Retained earnings/(loss carryforward)	88,624	71,838	16,786
Profit (loss) for the period	28,002	78,372	(50,370)
Total shareholders' equity pertaining to shareholders of the Parent Company	1,151,226	1,161,233	(10,007)
Share capital and reserves pertaining to non-controlling interests	1,848	2,189	(341)
Profit/(loss) pertaining to non-controlling interests	(280)	(341)	61
Total shareholders' equity pertaining to non-controlling interests	1,568	1,848	(280)
Total shareholders' equity	1,152,794	1,163,081	(10,287)

(thousands of euros)

On 3 June 2022, the Ordinary Shareholders' Meeting called, inter alia, to approve the financial statements at 31 December 2021 resolved to allocate profit for the year in the amount of €3,079 thousand to the legal reserve, pursuant to the provisions of Article 2430, first paragraph, of the Civil Code, €58,506 thousand to dividends for distribution to shareholders (equal to a dividend of €0.1081 for each share in circulation at the ex-dividend date) and €2,530 to retained earnings.

At 30 June 2022 share capital consisted of 541,744,385 ordinary shares with no par value.

Among reserves, the reserve for the fair value adjustment of the investment in other entities (Aireon) increased, net of deferred taxes, by €10.9 million, the negative reserve for employee benefits attributable to the actuarial gain recognised at 30 June 2022, net of tax effects, decreased by €3.4 million and the translation reserve for the conversion of financial statements denominated in foreign currencies, reflecting exchange differences generated by the translation into euros of the financial statements of companies operating in currencies other than the euro, increased by €5.7 million.

18. Provisions for risks and charges

Provisions for risks and charges amounted to €13,483 thousand, of which the portion classified in current liabilities totalled €10,033 thousand, and decreased by €431 thousand in the first half of 2022 as a result of

the favourable settlement of a number of disputes with personnel and a review of the provision prompted by new information, which led to the updating of estimates as a result of a decrease in the liabilities that could emerge from labour disputes of various types.

	31.12.2021	Increases	To profit or loss	Uses	30.06.2022
Provisions for disputes with personnel	641	0	(381)	(50)	210
Provisions for other pending litigation	50	0	0	0	50
Other risk provisions	883	0	0	0	883
Provisions for other charges	12,340	0	0	0	12,340
Total provisions for risks and charges	13,914	0	(381)	(50)	13,483

(thousands of euros)

At 30 June 2022, the total value of legal claims relating to outstanding disputes for which Group legal counsel have deemed the risk of a loss to be possible was €1.4 million.

19. Severance pay and other employee benefits

The provision for severance pay and other employee benefits amounted to €42,625 thousand (€47,896 at 31 December 2021), and is composed of the severance pay provision governed by Article 2120 of the Civil Code, which reports the estimated liability determined using actuarial techniques in respect of amounts payable to ENAV Group employees at the end of their employment relationship.

Developments in the liability for severance pay and other employee benefits during the period break down as follows:

	30.06.2022	31.12.2021
Liabilities for employee benefits at the beginning of the period	47,896	49,943
Interest cost	253	237
Actuarial (gains)/losses on defined benefits	(4,490)	1,126
Advances, benefit payments and other variations	(1,034)	(3,410)
Liabilities for employee benefits at the end of the period	42,625	47,896

(thousands of euros)

The interest cost component of the provision, equal to €253 thousand, was recognised under financial expense. The utilisation of €1,034 thousand of the severance pay provision reflected benefits paid out to personnel leaving the Group during the period and advances disbursed to personnel who so requested. The difference between the expected value of provision at the end of observation period and the expected present value of benefits payable in the future, recalculated at period end on the basis of the updated assumptions, represents the actuarial gain (loss). At 30 June 2022 this calculation generated actuarial gains of €4,490 thousand.

20. Current and non-current financial liabilities

Current and non-current financial liabilities include: i) payables to credit institutions for medium/long-term loans with the short-term portion reported under current financial liabilities inclusive of interest expense recognised on an accrual basis; ii) the bond issued by the Parent Company on 4 August 2015, with interest expense accrued for the first half of 2022, included under current liabilities. The bond matures on 4 August

2022 and will be repaid using the term loan obtained in July 2022, as indicated in note 37; and iii) lease liabilities emerging from the application of IFRS 16.

The values of these items at 30 June 2022 compared with those at 31 December 2021 and the associated changes are shown below:

	30.06.2022			31.12.2021			Change		
	current	non-current	Total	current	non-current	Total	current	non-current	Total
Bank loans	68,966	379,508	448,474	68,907	411,428	480,335	59	(31,920)	(31,861)
Bond	183,141	0	183,141	181,418	0	181,418	1,723	0	1,723
Lease liabilities under IFRS 16	2,202	3,112	5,314	1,907	3,771	5,678	295	(659)	(364)
Total	254,309	382,620	636,929	252,232	415,199	667,431	2,077	(32,579)	(30,502)

(thousands of euros)

Bank loans at 30 June 2022 registered a net decrease of €31,861 thousand as a result of the repayment of instalments on outstanding loans and the effects of amortised cost measurement. More specifically, repayments regarded the following loans: i) the repayment of two quarterly instalments on a loan from Intesa San Paolo in the total amount of €16,667 thousand; ii) the repayment of two quarterly instalments in the amount of €8,333 thousand on a loan from Mediobanca; iii) the repayment of a half-year instalment on a loan from the EIB (with an initial value of €80 million) in the amount of €2,667 thousand; and iv) the repayment of a half-year instalment on another loan from the EIB (with an initial value of €100 million) in the amount of €4,213 thousand.

The instalments of loans falling due by the first half of 2023 in line with the repayment plans are recognised under current liabilities in the total amount of €68,966 thousand, which includes the effect of amortised cost measurement.

At 30 June 2022, the Group had unused committed and uncommitted short-term credit lines totalling €294 million, unchanged on the amount reported in the 2021 Annual Financial Report, which you are invited to consult for more information.

The average annual interest rate on bank loans in the reference period was 0.99%.

On 4 August 2015, the Parent Company issued a bond with a nominal value of €180 million, which is listed on the Luxembourg Stock Exchange's regulated market and has a maturity of seven years, with full bullet repayment at maturity on 4 August 2022. The bond issue provides for the deferred payment of an annual fixed-rate coupon of 1.93% of the nominal value. Interest accrued for the period amounted to €1,723 thousand.

In relation to the disclosure required under IFRS 7, the fair value of the bond, understood as the price that would be paid to transfer a liability in an orderly transaction between market participants at the measurement date, was estimated at €183.8 million at 30 June 2022. The Group estimated the fair value of the instrument using market data from a leading information provider, applying the Mid-Z spread for ENAV to the zero curve.

With regard to other financing transactions, note that the fair value of bank loans at 30 June 2022 was estimated at €423.4 million. The estimate was made considering a free risk curve of market rates, plus a spread equal to the BTP/Bund differential to reflect the credit risk component.

Lease liabilities under IFRS 16 include a total of €5,314 thousand in financial liabilities in respect of rights of use, broken down into long- and short-term in accordance with contractual due dates. During the period, that liability decreased as a consequence of payments made.

The following table reports the composition of net financial debt at 30 June 2022 determined in accordance with the guidelines on disclosure requirements under the Prospectus Regulation issued by the European Securities & Markets Authority (ESMA) on 4 March 2021, which took effect on 5 May 2021, and were incorporated in CONSOB warning notice no. 5/21 of 29 April 2021.

The following table provides an analysis of the loans with the general conditions for each individual Group credit relationship with the lenders. With regard to advances from the Unicredit and Intesa San Paolo, note that the conditions applied are agreed on a case-by-case basis and reflect market developments, while the conditions of the committed credit lines are determined on the basis of percentage use of the facilities.

	30.06.2022		31.12.2021	
		of which with related parties		of which with related parties
(A) Cash	175,533	158	225,310	30,875
(B) Other cash equivalents	0	0	0	0
(C) Trading securities	0	0	0	0
(D) Liquidity (A)+(B)+(C)	175,533	158	225,310	30,875
(E) Current financial receivables	0	0	0	0
(F) Current financial debt	(183,141)	0	(181,418)	0
(G) Current portion of non-current debt	(68,966)	0	(68,907)	0
(H) Other current financial debt	(2,202)	0	(1,907)	0
(I) Current financial debt (F)+(G)+(H)	(254,309)	0	(252,232)	0
(J) Net current financial debt/Liquidity (D)+(E)+(I)	(78,776)	158	(26,922)	30,875
(K) Non-current bank loans	(379,508)	0	(411,428)	0
(L) Bonds issued	0	0	0	0
(M) Other non-current debt	(3,112)	0	(3,771)	0
(N) Trade payables and other non-current liabilities	(32,603)	0	(41,561)	0
(O) Non-current financial debt (K)+(L)+(M) + (N)	(415,223)	0	(456,760)	
(P) Total net financial debt pursuant to ESMA guidelines (J)+(O)	(493,999)	158	(483,682)	30,875
(Q) Current and non-current derivatives	179	0	153	0
(R) Non-current financial receivables	0	0	0	0
(S) ENAV Group net financial debt (P)+(Q)+(R)	(493,820)	158	(483,529)	30,875

(thousands of euros)

21. Current and non-current trade payables

Current trade payables amounted to €106,940 thousand at 30 June 2022, while non-current trade payables totalled €32,603 thousand, decreases of €9,485 thousand and €8,958 thousand, respectively, compared with 31 December 2021, as broken down in the following table:

	30.06.2022	31.12.2021	Change	%
Current trade payables				
Payables to suppliers	77,437	100,349	(22,912)	-22.8%
Payables for advances received for projects with EU financing	3,035	3,389	(354)	-10.4%
Payables for balances	26,468	12,687	13,781	108.6%
Total	106,940	116,425	(9,485)	75.3%
Non-current trade payables				
Payables to suppliers	789	572	217	37.9%
Payables for balances	31,814	40,989	(9,175)	-22.4%
Total	32,603	41,561	(8,958)	-21.6%

(thousands of euros)

Payables to suppliers of goods and services necessary for the Group's operations show a net decrease of €22,695 thousand, mainly reflecting an increase in payments during the period as normal contractual deadlines approached.

Eurocontrol balance payables amounted to €58,282 thousand, of which the part classified under current payables came to €26,468 thousand, which corresponds on the one hand to the amount that will be taken to profit or loss in 2022 in conformity with the adjustment of rates and on the other to the debt that will be reimbursed to air lines through unit rates in 2023. The net increase in liabilities for balances of €4,606 thousand regards balances recognised during the period, mainly balances for traffic risk to be reimbursed to airlines for en-route rates and rates for terminal Charging Zone 2 in the total amount of €9.7 million, reduced by the amount accruing for the period in respect of balances taken to profit or loss in the amount of €5.8 million.

22. Other current and non-current liabilities

Other current and non-current liabilities showed an overall increase of €61,445 thousand compared with 31 December 2021 as a result of the changes in the items reported in the following table:

	30.06.2022			31.12.2021			Change		
	current	non-current	Total	current	non-current	Total	current	non-current	Total
Payments on account	31,169	0	31,169	38,271	0	38,271	(7,102)	0	(7,102)
Other payables	123,865	0	123,865	51,046	0	51,046	72,819	0	72,819
Deferred income	9,685	163,454	173,139	8,267	169,144	177,411	1,418	(5,690)	(4,272)
Total	164,719	163,454	328,173	97,584	169,144	266,728	67,135	(5,690)	61,445

(thousands of euros)

Payments on account amounted to €31,169 thousand and include €26,884 thousand in respect of the debt to the Italian Air Force (IAF) for the portion of accrued revenues received in the first half of 2022 for en-route and terminal services and €4,285 thousand in respect of the debt to Italian Civil Aviation Authority (ENAC) for accrued revenues concerning the same services. During the period, the IAF was paid its accrued share for terminal services in the total amount of €9.6 million and IAF payments on account for en-route services

registered at 31 December 2021 were offset against the receivable due from the Ministry for the Economy and Finance (MEF), which produced a payable of €15.3 million, which was recognised under other payables. Other payables amounted to €123,865 thousand, a net increase of €72,819 thousand compared with 31 December 2021, which in addition to the payable to the MEF noted earlier also reflected the recognition of the liability to shareholders for the dividend authorised by the Ordinary Shareholders' meeting of 3 June 2022, which will be paid in October 2022 in the total amount of €58,506 thousand. During the period, €16.2 million were paid on the liability to the MEF and provisions for personnel accruing in the period were recognised.

Deferred income mainly refers to deferred income relating to investment projects that had received grant support, of which the current portion represents the amount that will be reversed to profit or loss in the next 12 months. The change in the period is mainly due to the recognition through profit or loss of the share of grants for specific funded investment projects for which amortisation has begun.

23. Tax and social security payables

Tax and social security payables amounted to €48,945 thousand, an overall increase of €16,055 thousand (€32,890 thousand at 31 December 2021) that reflected an increase in personal income tax (IRPEF) withholdings and social security contribution payments in July, which were recognised in respect of the payment of the "14th month" deferred wage payment made in June to employees, and an increase in current tax liabilities recognised in the first half of 2022.

Notes to the interim consolidated income statement

24. Revenues from contracts with customers

Revenues from contracts with customers, represented by revenues from operating activities and the balance adjustment component, totalled €395,565 thousand, up €40,490 thousand on the first half of 2021, which had been especially hard hit by the effects of the COVID-19 pandemic. By contrast, the first half of 2022 saw air traffic rebound strongly, generating an increase of more than €252.6 million in revenues from our core business, partly offset by a decrease in balance revenues, which totalled €3,1 million, highlighting a reduction of €209.6 million compared to the first half 2021. Note that for the purpose of calculating balance revenues the two periods are not comparable, as the balance for the first half of 2021 was determined in accordance with Regulation (EU) 2020/1627 of 3 November 2020 of the European Commission in force for the 2020-2021 combined period and with Decision 2021/891, which had specified efficiency coefficients to be applied to costs in determining balances. As note earlier, in the first half of 2022 the normal charging scheme based on the traffic-risk sharing mechanism (i.e. a mechanism adjusting revenues up or down in order to reflect effective performance during the period) was reinstated.

The following tables provide a breakdown of the individual items that make up the revenues from contracts with customers in addition to a breakdown of those revenues by nature and type of activity in accordance with the requirements of IFRS 15.

	1st Half 2022	1st Half 2021	Change	%
En-route revenues	274,764	86,138	188,626	219.0%
Terminal revenues	98,647	35,563	63,084	177.4%
En-route and terminal exemptions	6,453	5,607	846	15.1%
Revenues from non-regulated market	12,617	15,045	(2,428)	-16.1%
Total revenues from operations	392,481	142,353	250,128	175.7%
Balances	3,084	212,722	(209,638)	-98.6%
Total revenues from contracts with customers	395,565	355,075	40,490	11.4%

(thousands of euros)

En-route revenues amounted to €274,764 thousand, up €188,626 thousand on the same period of 2021, reflecting both an increase of 166.1% in service units generated during the period (-17.6% in first half of 2021 on the first half of 2020), recovering much of the air traffic volumes lost as a result of the pandemic, with a shortfall of just 10.4% on the number of service units generated in the pre-pandemic first half of 2019. The increase in revenues also reflected the increase of 20.33% in the unit rate applied in 2022 (€75.42 in 2022 compared with €62.68 in 2021), which amounted to 16.67% considering charges net of the balance.

Considering en-route revenues including the exempt flights component, which posted an increase of 23.1% as a result of the rise of 2.6% in service units during the period and the adjustment component for balances, en-route revenues totalled €278.9 million, an increase of €33.8 million, as reported below:

	1st Half 2022	1st Half 2021	Change	%
En-route revenues	274,764	86,138	188,626	219.0%
En-route exemptions	5,072	4,120	952	23.1%
<i>Subtotal en-route revenues</i>	<i>279,836</i>	<i>90,258</i>	<i>189,578</i>	<i>242.1%</i>
En-route balances for the period	(8,177)	152,258	(160,435)	-105.4%
Discounting of balances for the period	48	(5,149)	5,197	-100.9%
Change in balances	3,254	(4,570)	7,824	-171.2%
Use of en-route balances n-2	3,914	12,260	(8,346)	-68.1%
<i>Subtotal balances</i>	<i>(961)</i>	<i>154,799</i>	<i>(155,760)</i>	<i>-100.6%</i>
Total revenues from en-route operations net of	278,875	245,057	33,818	13.8%

(thousands of euros)

En-route balances for the period were a negative €8.2 million and mainly comprise the balance for traffic risk being reimbursed to carriers, as the actual number of service units generated exceeded those forecast in the Performance Plan by 15.09% . In the first half of 2021, the balance had been determined by applying the provisions for the 2020-2021 combined-period set out in Regulation (EU) 2020/1627 of 3 November 2020 of the European Commission and in compliance with the efficiency percentages specified in Decision 2021/891, whereas in the first half of this year the system has returned to the normal rate scheme based on the traffic risk mechanism. Accordingly, balance revenues in the two periods are not comparable. Balances also reflect the definitive Eurocontrol cost balance, which as a positive €3.2 million and the recognition of a positive €3.9 million in profit or loss for balances recorded in previous years being reimbursed to airlines through 2022 unit rates.

Commercial terminal revenues amounted to €98,647 thousand, an increase of €63,084 thousand on the first half of 2021, reflecting the rise of 170.1% in service units posted by the individual airports in the different charging zones (-21.1% in the first half of 2021 on the first half of 2020) and the increase in unit rates in the first two charging zones. The increase in air traffic was reflected in the excellent results achieved, recouping the traffic lost in the first halves of 2021 and 2020 and even recovering much of the ground lost in comparison with the pre-pandemic first half of 2019, with the shortfall in service units narrowing to 16.3%.

Charging Zone 1, represented by Rome Fiumicino airport, posted an increase in assisted air traffic, expressed in service units, of 181.6% compared with the same period of 2021 (-44.4% in the first half of 2021 on the first half of 2020). The unit rate applied in 2022 rose by 10.98% to €182.61 from €164.55 in 2021.

Charging Zone 2, represented by the airports of Milan Malpensa, Milan Linate, Venice Tesserà and Bergamo Orio al Serio registered an increase in assisted air traffic, expressed in service units, of 144.2% on the first half of 2021 (-16.8% in the first half of 2021 on the first half of 2020). The unit rate for 2022 is equal to €214.89, up 33.59% on the rate of €160.86 applied in 2021.

Charging Zone 3, which comprises 40 medium- and low-traffic airports, posted an increase in assisted air traffic, expressed in service units, of 189.0% compared with the same period of 2021 (-11.7% in the first half of 2021 on the first half of 2020) and a decrease of 5.1% on the pre-pandemic first half of 2019, underscoring the strong recovery in air traffic in the period under review. The unit rate for 2022 is equal to €334.24, a decrease of 15.46% on the rate of €395.35 applied in 2021.

Considering terminal revenues together with revenues for exempt flights, which decreased by 7.1% compared with the same period of the previous year, and the adjustment component for balances, terminal revenues totalled €104,073 thousand, an increase of €9,100 thousand on the first half of 2021, as reported below:

	1st Half 2022	1st Half 2021	Change	%
Terminal revenues	98,647	35,563	63,084	177.4%
Terminal exemptions	1,381	1,487	(106)	-7.1%
<i>Subtotal</i>	<i>100,028</i>	<i>37,050</i>	<i>62,978</i>	<i>170.0%</i>
Terminal balances for the period	2,147	55,222	(53,075)	-96.1%
Discounting of balances for the period	(21)	(1,887)	1,866	-98.9%
Change in balances	0	(448)	448	-100.0%
Use of terminal balances n-2	1,919	5,036	(3,117)	-61.9%
<i>Subtotal</i>	<i>4,045</i>	<i>57,923</i>	<i>(53,878)</i>	<i>-93.0%</i>
Total revenues from terminal operations net of	104,073	94,973	9,100	9.6%

(thousands of euros)

Terminal balances had a positive impact of €2.1 million, a decrease of €53.1 million compared with the first half of 2021. Once again, the terminal balances for the first two charging zones (totalling €817 thousand) cannot be compared with the first half of 2021 (balances of €24,314 thousand), as the same traffic-risk sharing mechanism used for the en-route charge was adopted this year, while the balance for the third charging zone continues to be determined using a cost recovery method and amounted to €1,330 thousand (€30.9 million at the first half of 2021). Terminal balances for the period also reflect the recognition through profit or loss of terminal balances recorded in previous years in the positive amount of €1.9 million for reimbursement to carriers through unit rates in 2022.

Revenues from the non-regulated market amounted to €12,617 thousand, a decrease of €2,428 thousand compared with the corresponding period of the previous year, mainly due to the postponement of certain activities of Group companies to the second half of the year. The item reports revenues from the Parent Company's flight inspection activities for radio aids installed at airports in Greece and Qatar, aeronautical consulting, and maintenance and service activities associated with existing contracts with customers around the world.

The following table provides a breakdown of non-regulated market revenues by type of activity.

	1st Half 2022	1st Half 2021	Change	%
Revenues from non-regulated market				
Sale of licences and provision of services	8,188	10,584	(2,396)	-22.6%
Flight inspection	804	337	467	n.a.
Aeronautical consulting	595	1,118	(523)	-46.8%
Technical and engineering services	1,755	1,960	(205)	-10.5%
Services for unmanned aerial vehicles	275	288	(13)	-4.5%
Training	36	44	(8)	-18.2%
Other revenues	964	714	250	35.0%
Total revenues from non-regulated market	12,617	15,045	(2,428)	-16.1%

(thousands of euros)

25. Other operating income

Other operating income amounted to €20,833 thousand, a decrease of 3,567 thousand on the first half of 2021, mainly reflecting a decrease in revenue from European financing compared with the year-earlier period, which included the reporting of the accounts for projects under the Connecting Europe Facility (CEF) calls 2014, 2016 and 2017. The balance of the item primarily regards: i) the portion of capital grants recognised in profit or loss in an amount equal to the depreciation charges on the assets to which the grant, equal to €4,291 thousand; and ii) operating grants of €15 million in respect of the amount paid to the Parent Company under Article 11-*septies* of Law 248/05 measured for the period, to offset the costs incurred to guarantee the safety of its plant and operational safety.

The following table provides a breakdown of revenues for first half of 2022 and the same period of 2021 by geographical area.

Revenues	% of		% of	
	1st Half 2022	revenues	1st Half 2021	revenues
Italy	406,321	97.6%	366,569	96.6%
EU	4,424	1.1%	3,625	1.0%
Non-EU	5,653	1.4%	9,280	2.4%
Total revenues	416,398		379,474	

(thousands of euros)

26. Costs for goods, services, leases and rentals and other operating expenses

Costs for goods, services, leases and rentals and other operating expenses totalled €70,294 thousand, an increase of 6,820 thousand on the same period of 2021, breaking down as indicated in the following table:

	1st Half 2022	1st Half 2021	Change	%
Costs for the purchase of goods	2,372	3,529	(1,157)	-32.8%
Costs for services:				
Maintenance costs	10,014	10,171	(157)	-1.5%
Costs for Eurocontrol fees	18,572	17,679	893	5.1%
Costs for utilities and telecommunications	16,312	12,225	4,087	33.4%
Costs for insurance	1,639	1,569	70	4.5%
Cleaning and security	2,650	2,415	235	9.7%
Other personnel-related costs	5,167	4,183	984	23.5%
Professional services	6,029	5,111	918	18.0%
Other costs for services	5,262	4,383	879	20.1%
Total costs for services	65,645	57,736	7,909	13.7%
Costs for leases and rentals	813	816	(3)	-0.4%
Other operating expenses	1,464	1,393	71	5.1%
Total costs for services	70,294	63,474	6,820	10.7%

(thousands of euros)

Costs for the purchase of goods decreased by a net €1,157 thousand as a result of a decline in the use of spare parts in flight assistance equipment, which contrasted with an increase in purchases of spare parts and no change in materials needed for the renovation and modernisation of national and international airport facilities.

Costs for services posted a net increase of 13.7% generalised across the various cost items, mainly reflecting the recovery in air traffic compared with the year-earlier period, including: i) costs for utilities and telecommunications, reflecting an increase in electricity costs across the country as a result of a rise in electricity prices; ii) other personnel costs due to the resumption of operations and greater employee travel; iii) professional services connected with activities involved in sales order and with specialist support for Group activities; and iv) other costs for aeronautical fuel services, which also reflected the increase in activities on the non-regulated market for radio aid control activities and participation in national and international events.

27. Personnel costs

Personnel costs totalled €258,507 thousand, an increase of €11,156 thousand on the first half of 2021, largely accounted for by the increase in variable remuneration as a result of the revival of operations in the air traffic sector, which saw air traffic controllers (ATC) return to normal operating conditions.

	1st Half 2022	1st Half 2021	Change	%
Wages and salaries, of which:				
Fixed remuneration	144,109	143,334	775	0.5%
Variable remuneration	38,364	30,226	8,138	26.9%
Total wages and salaries	182,473	173,560	8,913	5.1%
Social security contributions	60,074	57,522	2,552	4.4%
Employee severance pay	12,132	11,627	505	4.3%
Other costs	3,828	4,642	(814)	-17.5%
Total personnel costs	258,507	247,351	11,156	4.5%

(thousands of euros)

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 14 compared with the first half of 2021, while the effective workforce expanded by 15, closing the first half of 2022 with an effective Group workforce of 4,218. Variable remuneration increased by 26.9%, mainly attributable to an increase in the number of days of holiday entitlement accrued and not used by Group personnel, which had an impact of €6.3 million, up €1.9 million on the first six months of 2021, and to the items variable remuneration directly associated with air traffic controllers and the increase in air traffic, which translated into greater overtime for ATC personnel, an increase in the provision for performance bonuses connected with service units handled, ancillary remuneration and an increase in costs for indemnities for holidays not falling on business days. Social security contributions increased by 4.4%, in line with the rise in the tax base, to €60.1 million, while other personnel costs declined by 17.5% as use of termination incentive programmes decline compared with the first half of 2021.

The following table provides a breakdown of Group's workforce by professional category:

	1st Half 2022	1st Half 2021	Change
Executives	51	48	3
Middle managers	415	418	(3)
Office staff	3,752	3,737	15
Workforce at period end	4,218	4,203	15
Average workforce	4,199	4,213	(14)

28. Capitalised costs

Capitalised costs amounted to €13,704 thousand, an increase of €1,258 thousand on the same period of the previous year, reflecting the hours worked by employees involved in investment projects and the activities of subsidiaries on the internal implementation of investment projects.

29. Financial income and expense

Financial income and expense show net income of €2,267 thousand, an increase of €1,440 thousand compared with the first half of 2021, reflecting financial income of €5,135 thousand, financial expense of €3,504 thousand and foreign exchange gains of €636 thousand.

Financial income breaks down as follows:

	1st Half 2022	1st Half 2021	Change	%
Income from investments in other entities	667	667	0	0.0%
Financial income from discounting of balances and receivables	4,019	2,535	1,484	58.5%
Other interest income	449	1,450	(1,001)	-69.0%
Total financial income	5,135	4,652	483	10.4%

The increase of €1,150 thousand in financial income is mainly attributable to the financial income from the discounting of balance receivables, which was recognised through profit or loss on an accruals basis, offsetting the decline in other interest income, which in the year-earlier period included interest income on the IRES receivable for which reimbursement had been requested, which was collected in the early months of 2021.

	1st Half 2022	1st Half 2021	Change	%
Interest expense on bank loans	1,476	1,390	86	6.2%
Interest expense on bonds	1,723	1,723	0	0.0%
Interest expense on employee benefits	253	91	162	178.0%
Interest expense on lease liabilities	51	70	(19)	-27.1%
Other interest expense	1	10	(9)	-90.0%
Total financial expense	3,504	3,284	220	6.7%

(thousands of euros)

Financial expense increased slightly, mainly in connection with a rise in interest expense on Group employee benefits as a result of an increase in the discount and inflation rates used in determining the present value of the provision, which reflected developments in market conditions.

30. Income taxes

Income taxes for the period amounted to €12,232 thousand, an increase of €9,396 thousand on the first half of 2021, reflecting the increase in current taxes associated with the rise in taxable income and the negative impact of deferred taxes, which in the first half of 2021 had generated a positive effect.

	1st Half 2022	1st Half 2021	Change	%
IRES (corporate income tax)	9,348	4,117	5,231	n.a.
IRAP (regional business tax)	1,875	(59)	1,934	n.a.
Total current taxes	11,223	4,058	7,165	n.a.
Deferred tax assets	1,315	(409)	1,724	n.a.
Deferred tax liabilities	(306)	(813)	507	-62.4%
Total current tax and deferred tax assets and liabilities	12,232	2,836	9,396	n.a.

(thousands of euros)

Other information

31. Segment reporting

The ENAV Group is organised in strategic units identified on the basis of the nature of the services provided and, for the purposes of monitoring by management, has the three operating segments described below:

- **Air navigation services:** this operating segment coincides with ENAV, the Parent Company, whose core business is providing air traffic control and management services and other essential air navigation services in Italian airspace and at the national civil airports for which it is responsible, ensuring the highest technical and system standards in flight safety and upgrading the technology infrastructure of air navigation systems;
- **Maintenance services:** this operating segment coincides with the subsidiary Techno Sky S.r.l. whose core business is the technical management and maintenance of air traffic control equipment and systems. *Air infrastructure*, like the country's other logistics infrastructure, requires constant maintenance and continuous development to ensure safety, punctuality and operational continuity. This is clearly stated in the European Union's Single European Sky regulations, which on the one hand define the future structure of the air traffic management system and on the other set the technological, qualitative, economic and environmental targets that all service providers must meet;
- **AIM software solutions:** this operating segment coincides with the subsidiary IDS AirNav S.r.l., whose core business is the development of software solutions for the management of aeronautical information and air traffic and the provision of associated commercial and maintenance services, for a range of customers in Italy, Europe and around the world.

In addition, the column *Other segments* includes the Group's remaining activities that are not categorised in the other two segments subject to monitoring.

No operating segment has been aggregated to create the operating segments subject to reporting indicated below for the first half of 2022 and the first half of 2021.

First half of 2022

	Air navigation services	Maintenance services	AIM software solutions	Other sectors	Consolidation adjustments/reclassification	Enav Group
Revenues from third parties	406,156	1,453	8,238	551	0	416,398
Intersegment revenues	4,208	45,028	2,039	184	(51,459)	0
Total revenues	410,364	46,481	10,277	735	(51,459)	416,398
Personnel costs	(224,843)	(28,747)	(4,915)	(2)	0	(258,507)
Other net costs	(91,929)	(9,475)	(4,665)	(949)	50,428	(56,590)
Total operating costs	(316,772)	(38,222)	(9,580)	(951)	50,428	(315,097)
Depreciation and amortisation	(60,932)	(577)	(867)	(485)	560	(62,301)
Writedowns and provisions	(450)	(1)	(862)	(1)	0	(1,314)
EBIT	32,210	7,681	(1,032)	(702)	(471)	37,686
Financial income and expense	2,185	32	97	(48)	1	2,267
Income before taxes	34,395	7,713	(935)	(750)	(470)	39,953
Income taxes	(10,181)	(2,352)	184	(7)	124	(12,232)
Net profit (loss) for the period	24,214	5,361	(751)	(757)	(346)	27,721
Total assets	2,375,239	120,027	33,558	82,966	(241,968)	2,369,822
Total liabilities	1,270,213	62,014	24,782	6,920	(146,901)	1,217,028
Net financial debt	(498,720)	1,629	(3,775)	6,429	617	(493,820)

(thousands of euros)

First half of 2021

	Air navigation services	Maintenance services	AIM software solutions	Other sectors	Consolidation adjustments/reclassification	ENAV Group
Revenues from third parties	366,062	1,769	10,585	1,058	0	379,474
Intersegment revenues	4,459	45,167	1,729	0	(51,355)	0
Total revenues	370,521	46,936	12,314	1,058	(51,355)	379,474
Personnel costs	(215,141)	(27,910)	(4,292)	(8)	0	(247,351)
Other net costs	(85,698)	(9,749)	(4,374)	(1,178)	49,971	(51,028)
Total operating costs	(300,839)	(37,659)	(8,666)	(1,186)	49,971	(298,379)
Depreciation and amortisation	(64,512)	(607)	(960)	(301)	560	(65,820)
Writedowns and provisions	(440)	114	(116)	(3)	0	(445)
EBIT	4,730	8,784	2,572	(432)	(824)	14,830
Financial income and expense	1,738	112	(74)	(27)	(255)	1,494
Income before taxes	6,468	8,896	2,498	(459)	(1,079)	16,324
Income taxes	128	(2,432)	(845)	88	225	(2,836)
Net profit (loss) for the period	6,596	6,464	1,653	(371)	(854)	13,488
Total assets	2,229,216	113,243	29,636	73,075	(232,875)	2,212,295
Total liabilities	1,147,334	68,290	20,914	5,821	(132,146)	1,110,213
Net financial debt	(401,881)	(2,840)	4,789	10,296	0	(389,636)

(thousands of euros)

32. Related parties

ENAV Group related parties were identified in accordance with the provisions of IAS 24 Related-party disclosures and are involved in transactions carried out in the interest of the Group, are part of ordinary operations and are settled on market terms and conditions unless otherwise indicated. On 1 July 2021, the Board of Directors of the Parent Company, having obtained a favourable opinion of the Control, Risks and Related Parties Committee, approved the new "Procedure governing related-party transactions", which incorporates the amendment of the Related Parties Regulation introduced by CONSOB with Resolution no. 21624 of 10 December 2020 in implementation of the enabling authority contained in the amended version of Article 2391-bis of the Italian Civil Code. The procedure was prepared in conformity with that article of the

Civil Code and in compliance with the principles dictated by the “Regulation containing provisions on related-party transactions” approved with CONSOB Resolution no. 17221 of 12 March 2010 as amended.

The following tables report the balances of the income statement and statement of financial position resulting from Group transactions with related entities outside the Group for the first half of 2022 and 2021 and at 30 June 2022 and 31 December 2021, respectively.

At 30 June 2022 and 1st Half 2022

	Trade receivables and other current and non-current assets	Cash and cash equivalents	Trade payables and other current liabilities	Revenues and other operating revenues	Cost of goods and services	Costs for leases and rentals
External related parties						
Ministry for the Economy and Finance	6,454	158	66,202	6,453	0	0
Ministry of Sustainable Infrastructure and Mobility	70,823	0	0	16,940	0	0
Enel Group	0	0	34	0	123	0
Leonardo Group	549	0	9,623	250	1,430	0
CDP Group	3,455	0	1,763	849	319	0
Other external related parties	0	0	16	26	93	17
Balance in financial statements	366,259	175,533	304,262	413,313	68,017	813
Related parties as % of balance in financial statement	22.2%	0.1%	25.5%	5.9%	2.9%	2.1%

(thousands of euros)

At 31 December 2021 and 1st Half 2021

Denominazione	Trade receivables and other current and non-current assets	Cash and cash equivalents	Trade payables and other current liabilities	Revenues and other operating revenues	Cost of goods and services	Costs for leases and rentals
External related parties						
Ministry for the Economy and Finance	10,993	30,875	42,518	5,606	0	0
Ministry of Sustainable Infrastructure and M	64,654	0	0	17,383	0	0
Enel Group	0	0	102	0	3,199	0
Leonardo Group	813	0	14,209	121	1,096	0
CDP Group	2,478	0	2,637	0	-	0
Other external related parties	0	0	26	71	440	23
Balance in financial statements	233,848	225,310	255,571	166,572	61,264	1,393
Related parties as % of balance in financial sta	33.8%	13.7%	23.3%	13.9%	7.7%	1.7%

(thousands of euros)

The nature of the main transactions with external related entities, namely the Ministry for the Economy and Finance (MEF) and the Ministry of Sustainable Infrastructure and Mobility (MSIM) and the entities subject to the control of the MEF, is consistent with the disclosures provided in the 2021 Annual Financial Report, which readers are invited to consult for more information.

33. Disclosures on the long-term incentive plan

On 21 May 2020, the Parent Company's Shareholders' Meeting approved the *Long-term share-based incentive plan for the management of ENAV and its subsidiaries* for 2020-2022 and on 22 December 2020 the Board of Directors approved the Plan Rules, which were subsequently amended on 18 February 2021, marking the start of the first vesting cycle for 2020-2022. The Board of Directors approved the start of the second vesting cycle for 2021-2023 on 11 November 2021.

The characteristics of the above plan are discussed in note 34 of the 2021 Annual Financial Report, which readers are invited to consult as there were no grants of shares or the start of a new cycle during the first half of 2022. In the first half of 2022, the amounts recognised in respect of existing plans for the period amounted to a total of €304.2 thousand, while the balance of amounts in respect of the third vesting cycle of the 2019-2021 Plan, awarded to beneficiaries in July 2022, was recognised in the amount of €115.9 thousand.

34. Derivatives

In April 2019, the Parent Company entered into five derivative contracts, four of which already exercised, with the aim of hedging exposure to unfavourable developments in the euro/dollar exchange rate deriving from the Data Services Agreement signed by the Parent Company with Aireon LLC for the acquisition of satellite surveillance data. This contract provides for the payment in dollars of service fees on an annual basis until 2023. The exchange risk was managed through forward currency purchases whose residual notional value at the reporting date was \$1.4 million.

The fair value of the derivative was a positive €179 thousand at 30 June 2022. In accordance with IFRS 13, the mark-to-market value was adjusted to also take account of the effect of non-performance risk (CVA), i.e. the risk that one of the parties will not meet its contractual commitments as the result of a possible default. From an accounting perspective, the positive or negative fair value was recognised in current/non-current financial assets/liabilities based on the contractual maturity, with a matching entry in an equity reserve.

Indeed, pursuant to IFRS 13, the fair value of a derivative must incorporate the risk that one or both counterparties may not meet their obligations (credit risk adjustment). More specifically, from the financial perspective, the Credit Valuation Adjustment (CVA) is the expected value of the loss deriving from the default of the counterparty, if the derivative has a positive fair value. Conversely, a Debit Valuation Adjustment (DVA) represents the value of the expected loss on the default of the Company if the fair value is negative.

The contractual characteristics and the relative fair value at 30 June 2022, as indicated in bank notices, are reported below:

Counterparty	Type of transaction	Start date	Expiry date	Notional (thousands of USD)	Forward rate	Forward value (thousands of euros)	MtM Bank (thousands of euros)
BNL - BNP Paribas	Buy USD (Fwd)	02/04/2019	13/01/2023	1,392	1.2340	1,328	179.8
Total				1,392		1,328	179.8

It was not possible to identify an active market for that instrument. The fair value was therefore calculated using a method consistent with level 2 of the fair value hierarchy defined by IFRS 7 and IFRS 13. Although

quotes on an active market are not available for the instruments (level 1), it was possible to find data observable directly or indirectly on the market on which the measurements could be based.

35. Assets and liabilities by maturity

	Within the next financial year	From 2nd to 5th year	Beyond 5th year	Total
Non-current financial assets	0	344	0	344
Deferred tax assets	0	30,094	0	30,094
Non-current tax receivables	0	33	0	33
Non-current trade receivables	0	564,093	71,161	635,254
Other non-current receivables	0	6,381	0	6,381
Total	0	600,945	71,161	672,106
Financial liabilities	254,309	284,180	98,440	636,929
Deferred tax liabilities	0	7,328	0	7,328
Other non-current liabilities	0	32,759	130,695	163,454
Non-current trade payables	0	32,603	0	32,603
Total	254,309	356,870	229,135	840,314

(thousands of euros)

Non-current trade receivables maturing at more than 5 years regard balances recognised in 2020 and 2021 that will be recovered over five years beginning in 2023, in accordance with the EU regulation governing rates.

Financial liabilities falling due after the 5th year refer to bank loans.

Other non-current liabilities maturing in more than 5 years refer to the share of capital grants recognised in line with the depreciation of the investment projects to which they refer for the amount that will be reversed to profit or loss after the fifth year.

36. Basic and diluted earnings per share

Basic earnings per share and diluted earnings per share, which both amount to €0.05 per share, are reported at the end of the income statement and are calculated by dividing the profit for the period attributable to the shareholders of the Parent Company by the weighted average number of ordinary shares outstanding during the period.

37. Events after the reporting date

The events subsequent to 30 June 2022 include the grant by a pool of banks of a variable-rate term loan of €180 million euros, with a term of up to 12 months, an operation conducted for refinancing purposes to fund repayment of a private placement maturing on 4 August 2022. As part of the overall debt sustainability financial strategy, the Group is also evaluating possible and further future transactions.

**Attestation of the Chief Executive Officer and the Manager responsible for
financial reporting**



Attestation of the condensed consolidated interim financial statement for the six months ended 30 June 2022 pursuant to art. 154-bis, paragraph 5, of Legislative Decree 58 of 24 February 1998 and art. 81-ter of Consob Regulation 11971 of 14 May 1999

1. The undersigned Paolo Simioni, as Chief Executive Officer, and Luca Colman as Manager responsible for ENAV Spa's financial reporting, having also taken account of the provisions of art. 154 bis, paragraphs 3 and 4 of Legislative Decree 58 of 24 February 1998, hereby attest to:
 - the adequacy regarding the nature of the Company and
 - the effective application of the administrative and accounting procedures adopted in preparation of the ENAV Group's condensed consolidated interim financial statements during the period from 1 January 2022 to 30 June 2022.
2. In this regard, it should be noted that:
 - the administrative and accounting procedures adopted in preparation of the of the ENAV Group's condensed consolidated interim financial statements during the period from 1 January 2022 to 30 June 2022 were drawn up, and their adequacy assessed, based on the regulations and methods adopted by ENAV S.p.A. in accordance with the *Internal Control – Integrated Framework Model* issued by the *Committee of Sponsoring Organizations of the Treadway Commission*. This Commission has established a body of general principles providing a standard for internal control and risk management systems that is generally accepted at international level;
 - the assessment of the internal control system over financial reporting did not identify any material issues.
3. We also attest that:
 - 3.1 the ENAV Group's condensed consolidated interim financial statements for the six months ended 30 June 2022:
 - a) have been prepared in compliance with the International Financial Reporting Standards endorsed by the European Union through EC Regulation 1606/2002, issued by the European Parliament and by Council on 19 July 2002;
 - b) are consistent with the underlying accounting books and records;
 - c) give a true and fair view of the financial position and results of operations of the issuer and the companies included in the scope of consolidation.
 - 3.2 the Directors' Interim Report on Operations includes a reliable analysis of significant events during the first six months of the year and of their impact on the condensed consolidated interim financial statements, together with a description of the main risks and uncertainties for the remaining six months of the year.

Rome, 3 August 2022

Chief Executive Officer
Paolo Simioni

Manager responsible for financial reporting
Luca Colman

(This certification has been translated from the original which was issued in accordance with Italian legislation)

Independent Auditors' Report



Enav S.p.A.

**Interim condensed consolidated financial statements as of
30 June 2022**

**Review report on the interim condensed consolidated
financial statements**

(Translation from the original Italian text)

Review report on the interim condensed consolidated financial statements (Translation from the original Italian text)

To the Shareholders of
Enav S.p.A.

Introduction

We have reviewed the interim condensed consolidated financial statements, comprising the statement of financial position, the income statement, the statement of other comprehensive income, the statement of changes in shareholders' equity and the statement of cash flows and the related explanatory notes of Enav S.p.A. and its subsidiaries (Enav Group) as of 30 June 2022. The directors of Enav S.p.A. are responsible for the preparation of the interim condensed consolidated financial statements in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union. Our responsibility is to express a conclusion on these interim condensed consolidated financial statements based on our review.

Scope of Review

We conducted our review in accordance with review standards recommended by Consob (the Italian Stock Exchange Regulatory Agency) in its Resolution no. 10867 of 31 July 1997. A review of interim condensed consolidated financial statements consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (ISA Italia) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion on the interim condensed consolidated financial statements.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the interim condensed consolidated financial statements of Enav Group as of 30 June 2022 are not prepared, in all material respects, in conformity with the International Financial Reporting Standard applicable to interim financial reporting (IAS 34) as adopted by the European Union.

Rome, 4 August 2022

EY S.p.A.
Signed by: (Riccardo Rossi), Statutory Auditor

This report has been translated into the English language solely for the convenience of international readers

Legal information and contacts

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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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