PRB | Performance review body of the single european sky

Performance Review Body Monitoring Report

Italy - 2020

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1 OVERVIEW

1.1 Contextual information

National performance plan adopted following Commission Decision (EU) 2022/773 of 13 April 2022

List of ACCs 4
- Brindisi ACC
- Milano ACC
- Padova ACC
- Rome ACC

No of airports in the scope of the performance plan:
- **≥80'K** 5
- **<80'K** 0

Exchange rate (1 EUR=)
- 2017: 1 EUR
- 2020: 1 EUR

Share of Union-wide:
- **traffic (TSUs) 2020** 7.6%
- **en route costs 2020** 9.6%

Share en route / terminal costs 2020 87% / 13%

En route charging zone(s)
- Italy

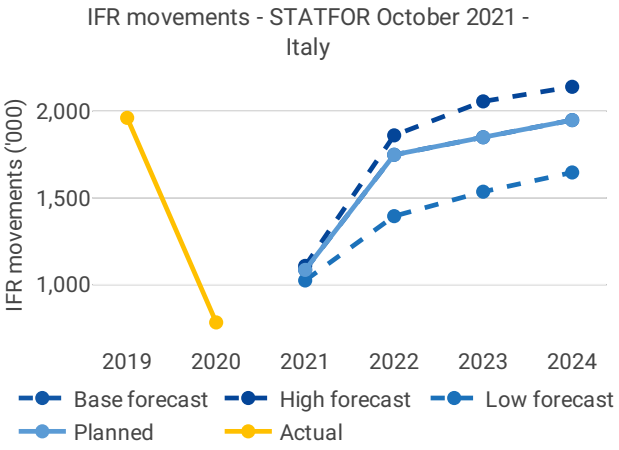
Terminal charging zone(s)
- Italy Zone 1
- Italy Zone 2

Main ANSP
- ENAV

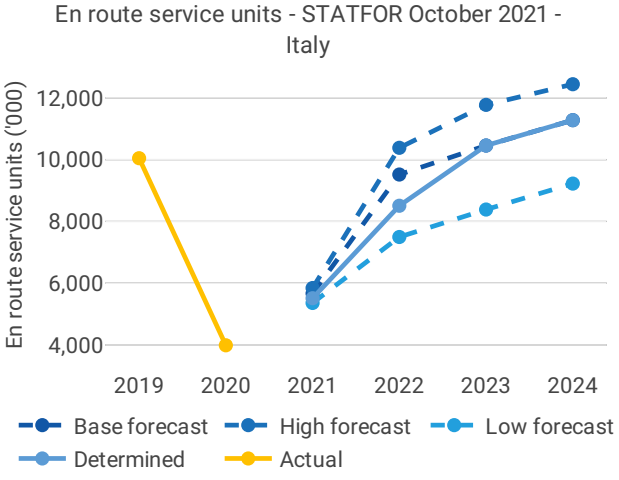
Other ANSPs
- ITAF

MET Providers
–

1.2 Traffic (En route traffic zone)

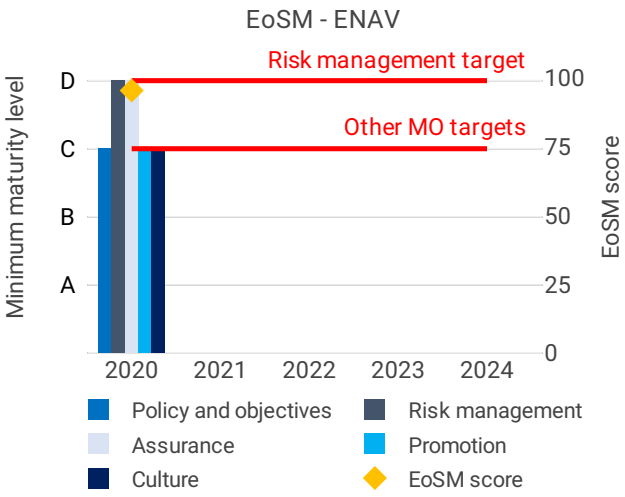


- Italy recorded 782K actual IFR movements in 2020, -60% compared to 2019 (1,962K).
- Italy IFR movements reduced more than the average reduction at Union-wide level (-57%).



- Italy recorded 3,990K actual en route service units in 2020, -60% compared to 2019 (10,046K).
- Italy service units reduced more than the average reduction at Union-wide level (-57%).

1.3 Safety (Main ANSP)

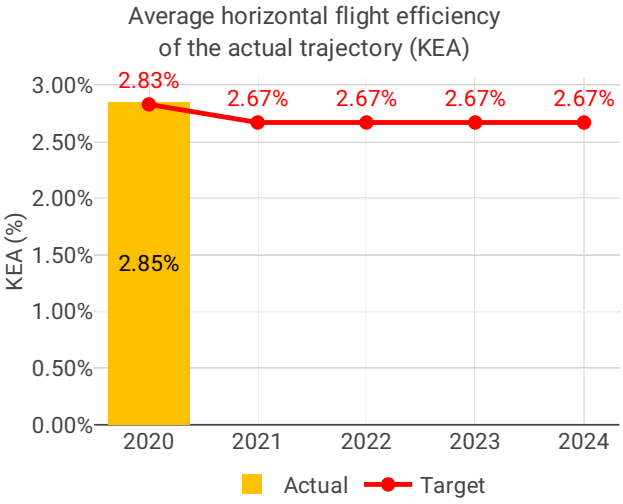


• ENAV achieved the RP3 EoSM targets in 2020 and exceeded the target maturity for the safety assurance objective. The achieved levels are consistent with what was planned in the draft 2019 performance plan.

• Italy recorded better performance with respect to safety occurrences compared to 2019 with lower rates of SMIs and RIs in 2020 compared to 2019.

• ENAV should improve its SMS by implementing automated safety data recording systems.

1.4 Environment (Member State)



• Italy achieved a KEA performance of 2.85% compared to its reference value of 2.83% and therefore did not contribute positively towards achieving the Union-wide target.

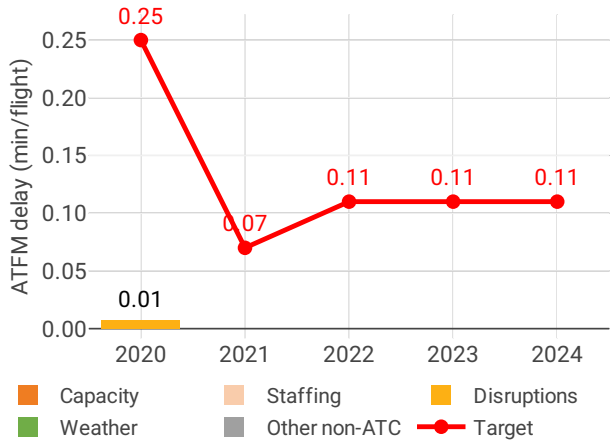
• Italy did not provide further explanations of its performance within the monitoring report, which is disappointing as the PRB expects the NSA to provide complete monitoring reports.

• While the share of flights operating CCO/CDO at Italian airports improved in 2020 compared to 2019, the CDO performance was below the level achieved in 2016, which suggests there was not a specific focus to improve this metric.

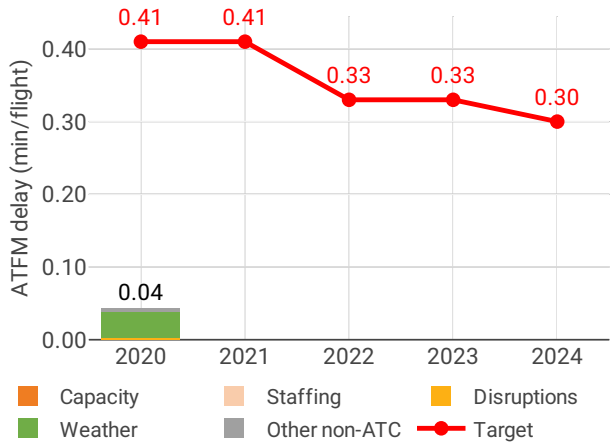
• The additional time airspace users spent taxiing or holding in terminal airspace reduced by 53% compared to 2019.

1.5 Capacity (Member State)

Average en route ATFM delay per flight by delay groups



Average arrival ATFM delay per flight by delay groups



• ENAV registered 0.01 minutes of average en route ATFM delay per flight during 2020, thus meeting the local breakdown value of 0.25.

• Delays must be considered in the context of the traffic evolution: IFR movements in 2020 were 60% below the 2019 levels in Italy.

• Italy reported no capacity issues and did not submit any data regarding ATCO FTE numbers.

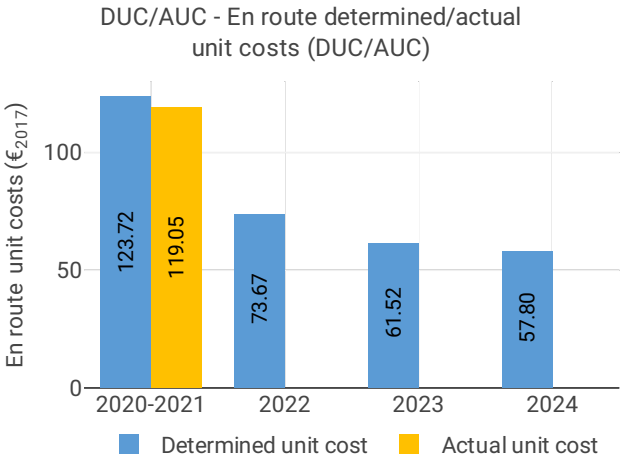
• Delays were mostly driven by disruptions (ATC industrial actions).

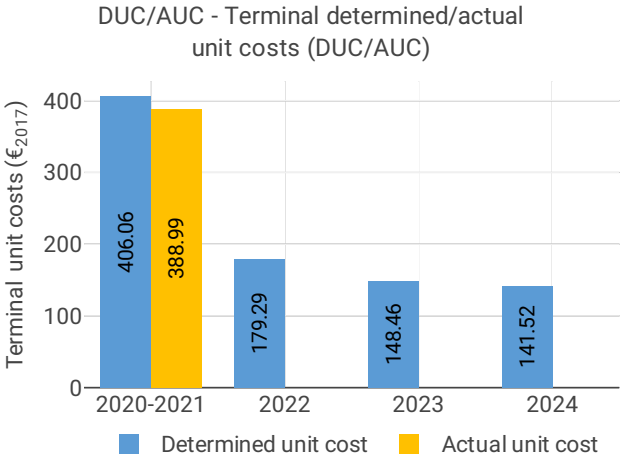
• The share of delayed flights with delays longer than 15 minutes in Italy increased by 16.31 p.p. compared to 2019.

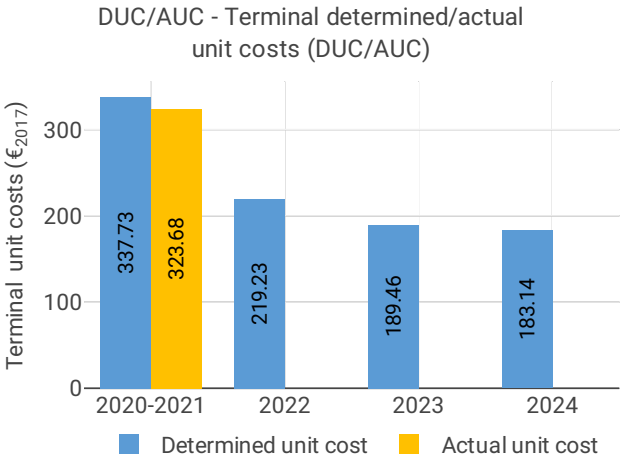
• The yearly total of sector opening hours in Brindisi ACC was 12,442, showing a 38.6% decrease compared to 2019. The yearly total of sector opening hours in Milano ACC was 45,142, showing a 48.1% decrease compared to 2019. The yearly total of sector opening hours in Padova ACC was 27,510, showing a 50.7% decrease compared to 2019. The yearly total of sector opening hours in Rome ACC was 60,829, showing a 10.6% increase compared to 2019.

• Brindisi ACC registered 11.15 IFR movements per one sector opening hour in 2020, being 37.9% below 2019 levels. Milano ACC registered 8.1 IFR movements per one sector opening hour in 2020, being 22.8% below 2019 levels. Padova ACC registered 10.54 IFR movements per one sector opening hour in 2020, being 22.9% below 2019 levels. Rome ACC registered 6.14 IFR movements per one sector opening hour in 2020, being 62.6% below 2019 levels.

1.6 Cost-efficiency (En route/Terminal charging zone(s))







• The 2020 actual service units (3,990K) were 60% lower than the actual service units in 2019 (10,060K).

• In 2020, Italy reduced total costs by 62 M€2017 (-10%) compared to 2019 actual costs. Italy capped its cost of capital in order to achieve such result. Moreover, Italy reduced staff costs by 30 M€2017 (-9%) due to an increase of days of holidays, the suspension of the management incentive scheme, a decrease of overtime, costs for unused holidays, trips allowances and social security contribution.

• ENAV spent 77 M€2017 in 2020 related to costs of investments, 38% less than planned in the 2019 draft performance plan (124 M€2017). Such decrease is partially due the national restrictions in relation to COVID-19.

2 SAFETY - ITALY

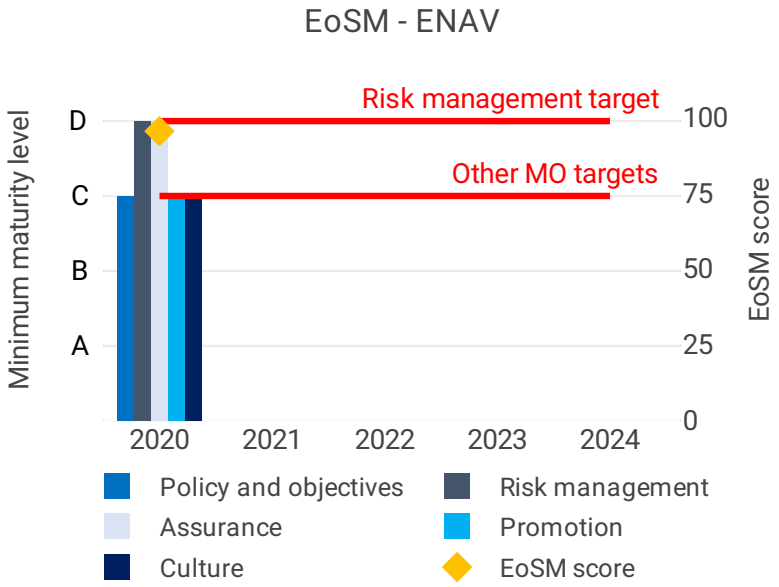
2.1 PRB monitoring

• ENAV achieved the RP3 EoSM targets in 2020 and exceeded the target maturity for the safety assurance objective. The achieved levels are consistent with what was planned in the draft 2019 performance plan.

• Italy recorded better performance with respect to safety occurrences compared to 2019 with lower rates of SMIs and RIs in 2020 compared to 2019.

• ENAV should improve its SMS by implementing automated safety data recording systems.

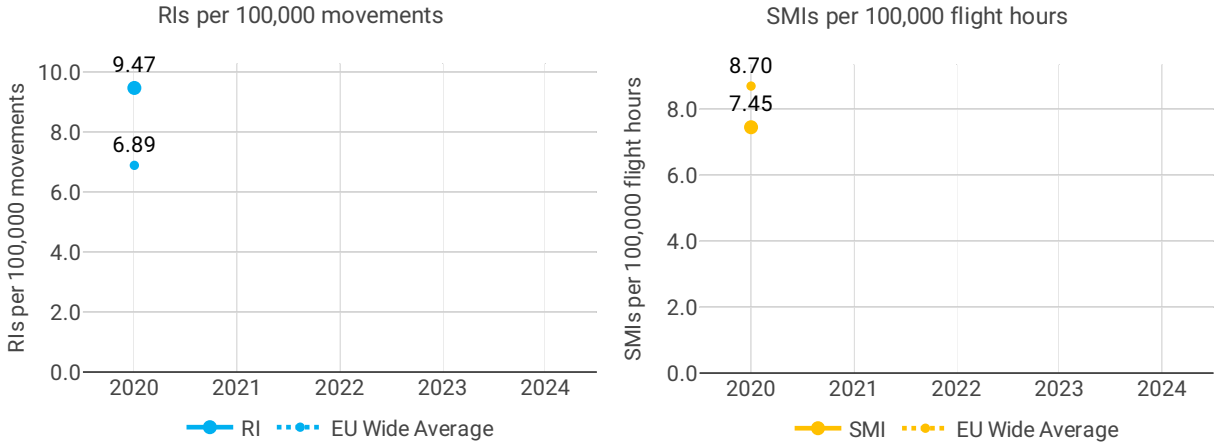
2.2 Effectiveness of Safety Management (EoSM) (KPI#1)



Focus on EoSM

All five EoSM components of the ANSP meet, or exceed, already the 2024 target level.

2.3 Occurrences - Rate of runway incursions (RIs) (PI#1) & Rate of separation minima infringements (SMIs) (PI#2)



3 ENVIRONMENT - ITALY

3.1 PRB monitoring

• Italy achieved a KEA performance of 2.85% compared to its reference value of 2.83% and therefore did not contribute positively towards achieving the Union-wide target.

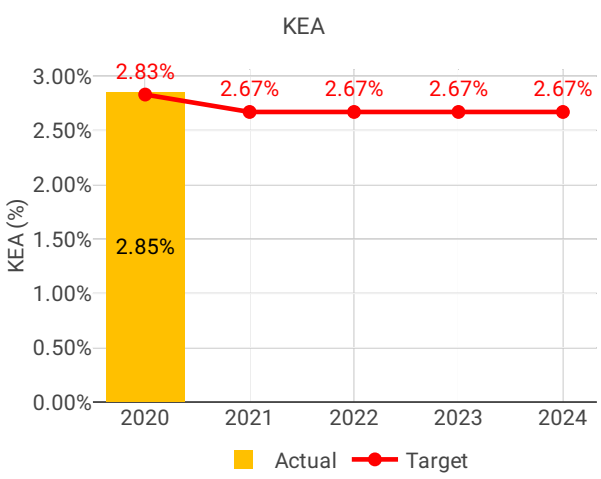
• Italy did not provide further explanations of its performance within the monitoring report, which is disappointing as the PRB expects the NSA to provide complete monitoring reports.

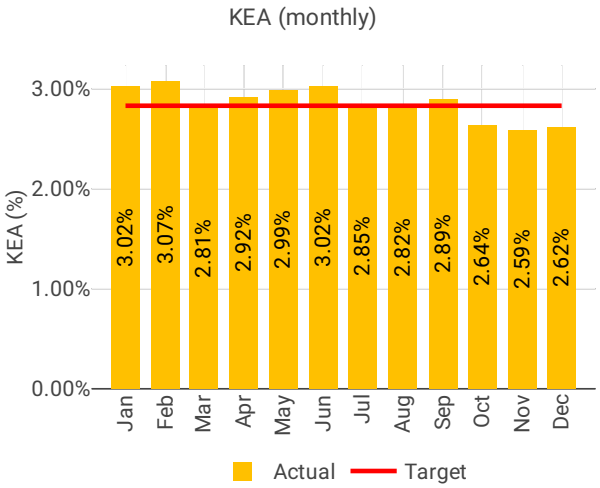
• While the share of flights operating CCO/CDO at Italian airports improved in 2020 compared to 2019, the CDO performance was below the level achieved in 2016, which suggests there was not a specific focus to improve this metric.

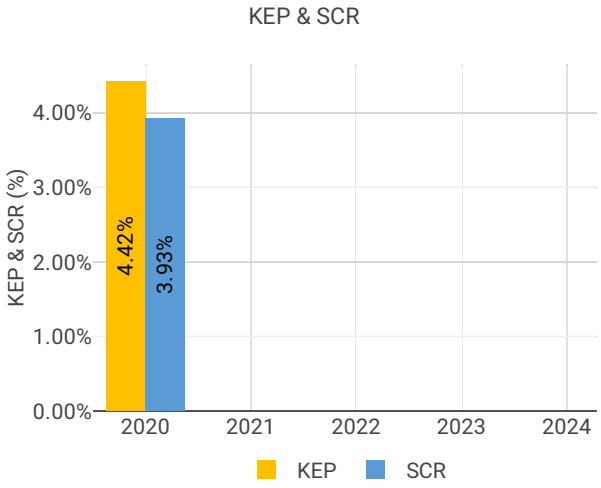
• The additional time airspace users spent taxiing or holding in terminal airspace reduced by 53% compared to 2019.

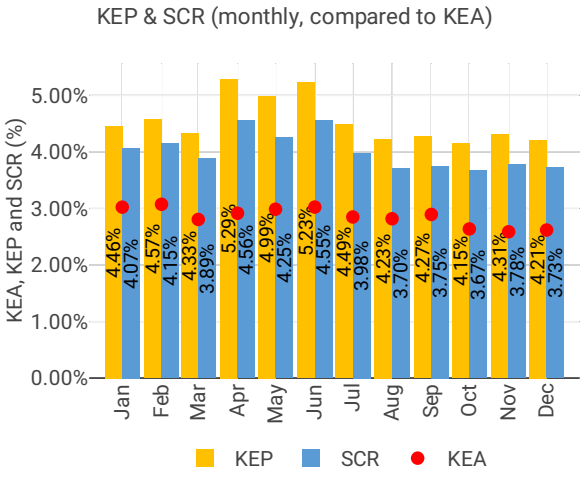
3.2 En route performance

3.2.1 Horizontal flight efficiency of the actual trajectory (KEA) (KPI#1), of the last filed flight plan (KEP) (PI#1) & shortest constrained route (SCR) (PI#2)



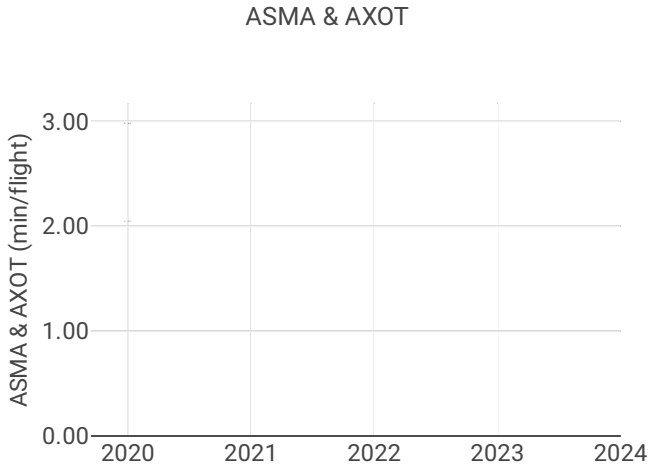


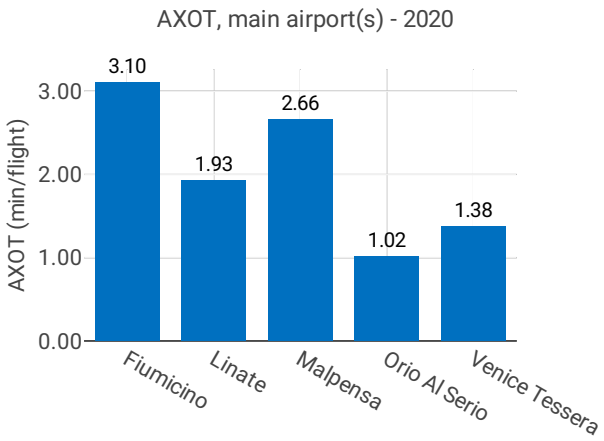


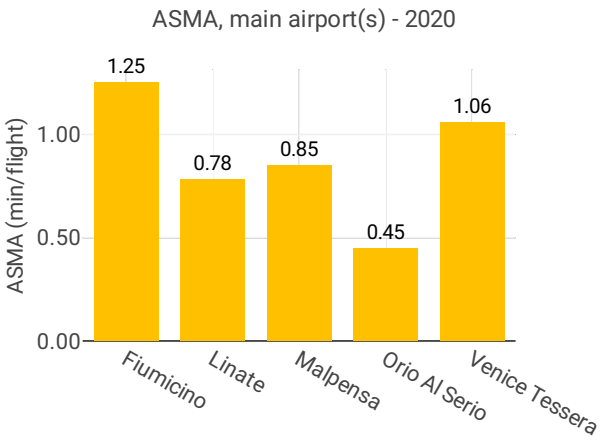


3.3 Terminal performance

3.3.1 Additional taxi-out time (AXOT) (PI#3) & Arrival Sequencing and Metering Area (ASMA) time (PI#4)







Focus on ASMA & AXOT

AXOT

Additional taxi-out times at Rome Fiumicino observed the highest reduction (LIRF; 2019: 7.87 min/dep.; 2020: 3.1 min/dep.), however this is the worst performance observed in 2020 at the RP3 airports subject to monitoring of this indicator. The performance was worse in the first 5 months of the year, with the highest average times observed in April, despite being the lowest month in traffic. From June to December additional taxi-out times at Fiumicino averaged 1.62 min/dep.

Malpensa (LIMC; 2019: 4.76 min/dep.; 2020: 2.66 min/dep.) had notably improved additional taxi-out times as of March, and especially from June to November (when they averaged 1.62 min/dep.) but then in December these increased again back to 4.66 min/dep. (probably influenced by remote de-icing procedures)

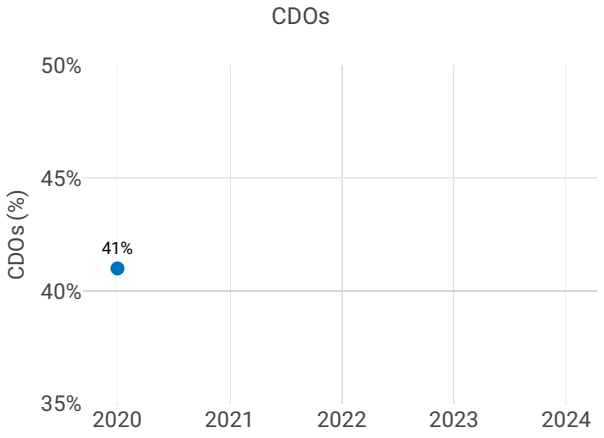
At Bergamo (LIME) and Venice (LIPZ) the additional taxi-out times decreased by approximately 45%, while at Milan Linate (LIML) they have reduced by 20%.

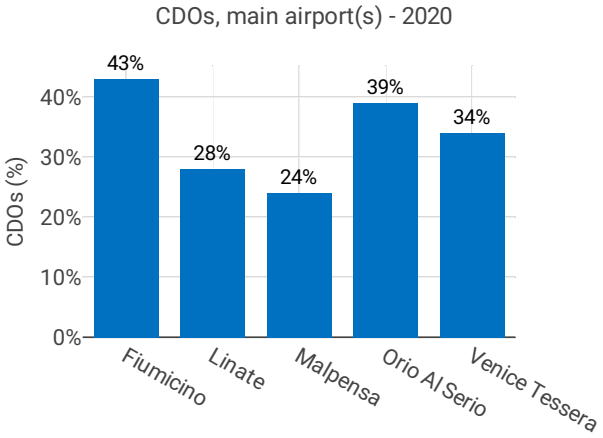
ASMA

The additional ASMA times showed a drastic reduction associated to the decrease in traffic, averaging zero min/arr. at Rome Fiumicino, Milan Malpensa and Bergamo in April and May.

The highest annual reduction in additional times in the terminal airspace at Italian airport was observed at Milan Malpensa (LIMC; 2019: 2.59 min/arr.; 2020: 0.85 min/arr.) where these times were zero in April and May and averaged 0.55 min/arr. from May to December.

3.3.2 Share of arrivals applying continuous descent operations (CDOs) (PI#5)





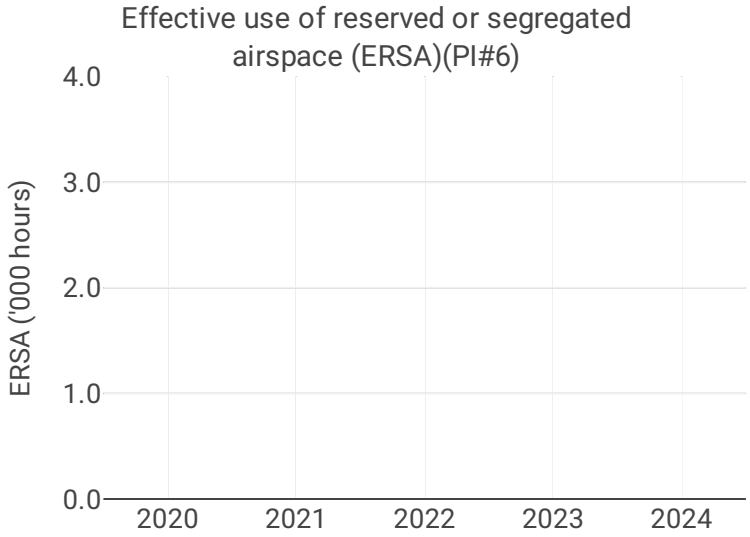
Focus CDOs

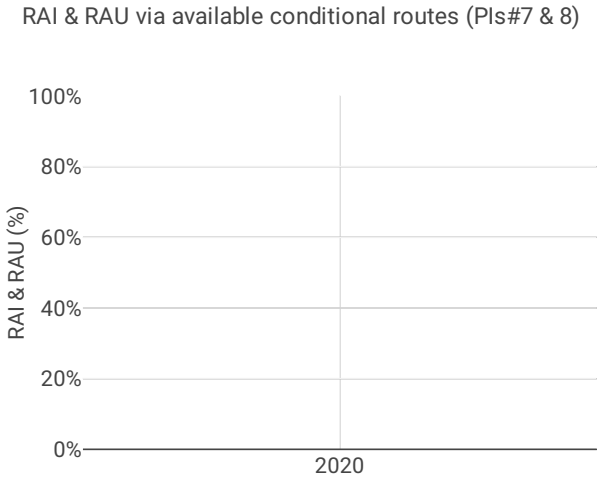
Rome-Fiumicino (LIRF), being the major airport in Italy, has the highest share of CDO flights of the 5 airports: 42.9% which is above the overall RP3 value in 2020 (32.5%). Bergamo (LIME) and Venice (LIPZ) also have shares of CDO flights higher than the overall RP3 value (LIME: 39.0%; LIPZ: 33.8%).
Milan-Linate (LIML) and Milan-Malpensa respectively have 27.9% and 24.0% of CDO flights.

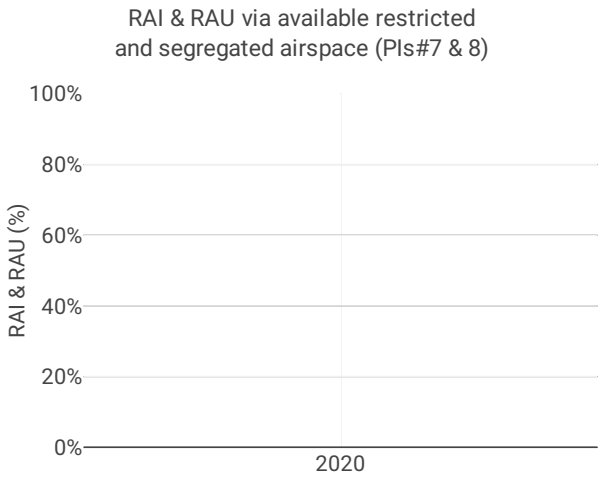
Airport level

	Additional taxi-out time (PI#3)					Additional ASMA time (PI#4)					Share of arrivals applying CDO (PI#5)				
Airport Name	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024	2020	2021	2022	2023	2024
Orio Al Serio	1.02	NA	NA	NA	NA	0.45	NA	NA	NA	NA	39%	NA	NA	NA	NA
Linate	1.93	NA	NA	NA	NA	0.78	NA	NA	NA	NA	28%	NA	NA	NA	NA
Malpensa	2.66	NA	NA	NA	NA	0.85	NA	NA	NA	NA	24%	NA	NA	NA	NA
Fiumicino	3.10	NA	NA	NA	NA	1.25	NA	NA	NA	NA	43%	NA	NA	NA	NA
Venice Tessera	1.38	NA	NA	NA	NA	1.06	NA	NA	NA	NA	34%	NA	NA	NA	NA

3.4 Civil-Military dimension







Focus on Civil-Military dimension

Update on Military dimension of the plan

No data available

Military - related measures implemented or planned to improve environment and capacity

No data available

Initiatives implemented or planned to improve PI#6

No data available

Initiatives implemented or planned to improve PI#7

No data available

Initiatives implemented or planned to improve PI#8

No data available

4 CAPACITY - ITALY

4.1 PRB monitoring

• ENAV registered 0.01 minutes of average en route ATFM delay per flight during 2020, thus meeting the local breakdown value of 0.25.

• Delays must be considered in the context of the traffic evolution: IFR movements in 2020 were 60% below the 2019 levels in Italy.

• Italy reported no capacity issues and did not submit any data regarding ATCO FTE numbers.

• Delays were mostly driven by disruptions (ATC industrial actions).

• The share of delayed flights with delays longer than 15 minutes in Italy increased by 16.31 p.p. compared to 2019.

• The yearly total of sector opening hours in Brindisi ACC was 12,442, showing a 38.6% decrease compared to 2019. The yearly total of sector opening hours in Milano ACC was 45,142, showing a 48.1% decrease compared to 2019. The yearly total of sector opening hours in Padova ACC was 27,510, showing a 50.7% decrease compared to 2019. The yearly total of sector opening hours in Rome ACC was 60,829, showing a 10.6% increase compared to 2019.

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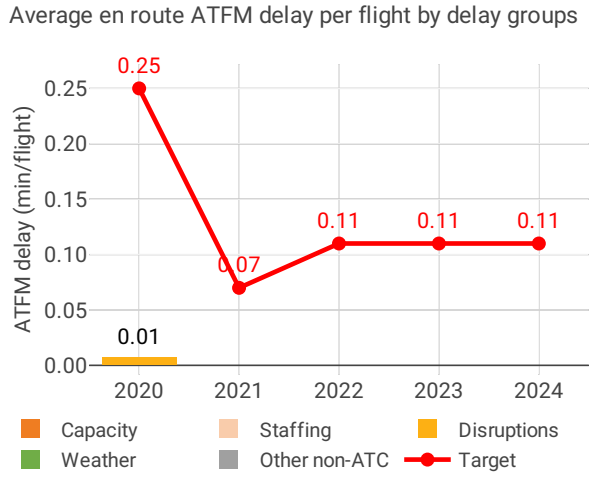
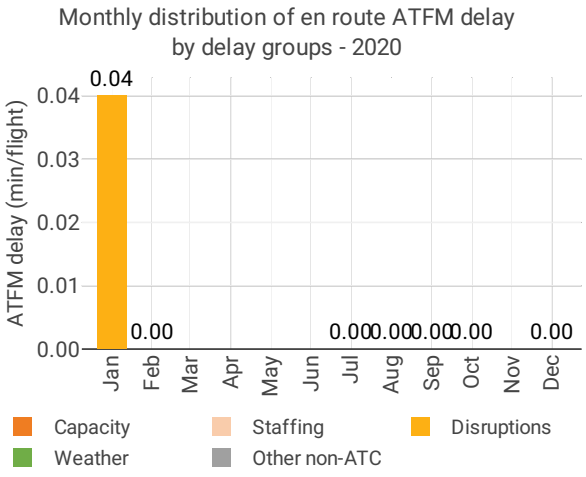
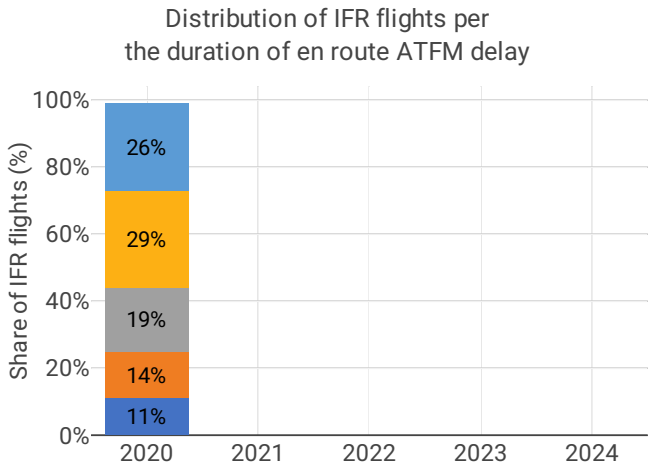
4.2 En route performance

4.2.1 En route ATFM delay (KPI#1)







Focus on en route ATFM delay

Summary of capacity performance

Italy experienced a traffic reduction of 60% from 2019 levels, to 782k flights. The traffic level was accommodated with just over 5k minutes en route ATFM delays to airspace users, all of which were attributed to ATC industrial action in January 2020.

NSA's assessment of capacity performance

[Capacity] target has been largely exceeded as a consequence of lack of traffic.

Monitoring process for capacity performance

No data available

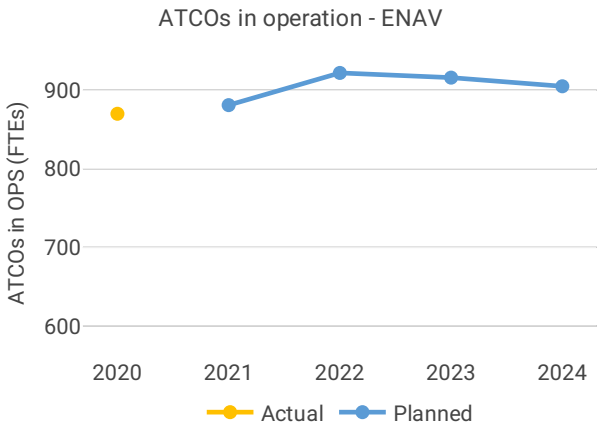
Capacity planning

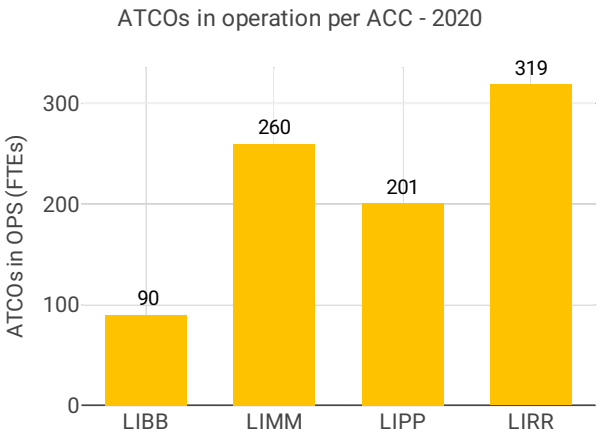
No data available

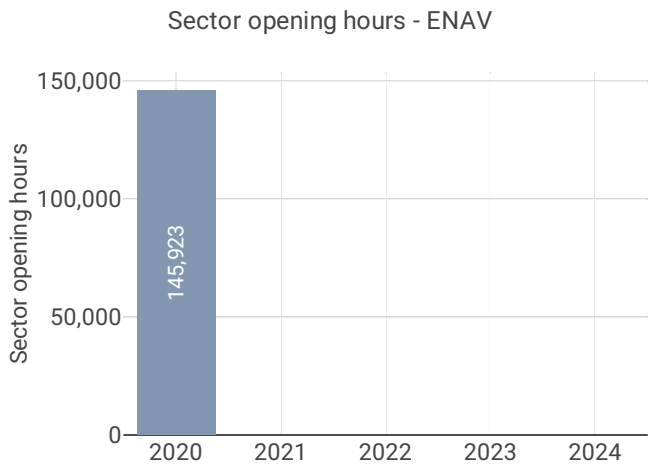
Application of Corrective Measures for Capacity (if applicable)

No data available

4.2.2 Other indicators





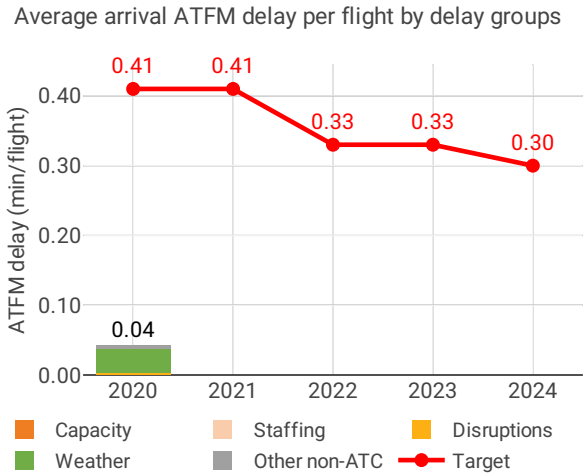


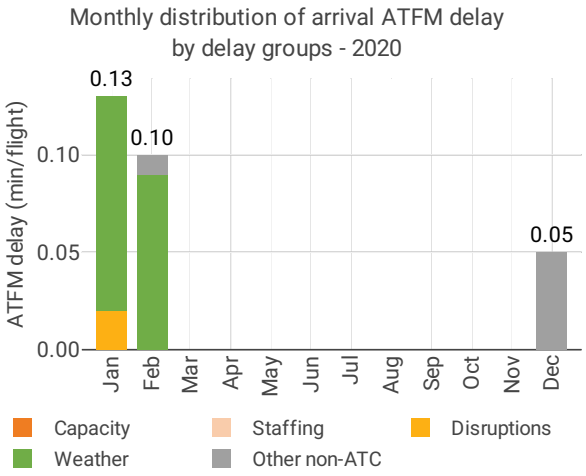
Focus on ATCOs in operations

No information on actual ATCO in OPS was provided in monitoring report.

4.3 Terminal performance

4.3.1 Arrival ATFM delay (KPI#2)





Focus on arrival ATFM delay

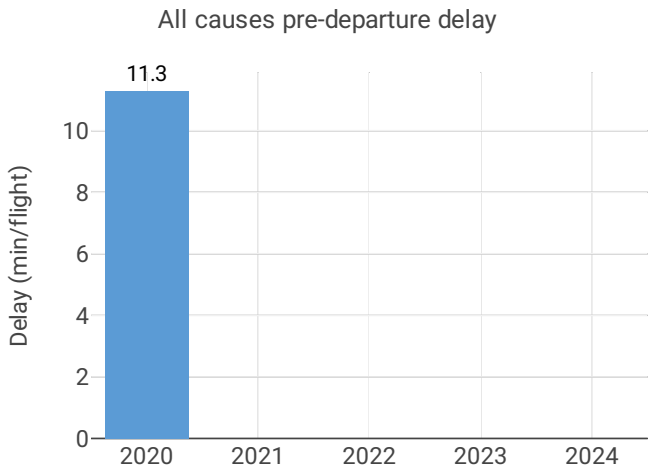
Italy identified five airports as subject to RP3 monitoring. All of them have a fully implemented data flow that allows the proper monitoring of pre-departure delays. Nevertheless, the quality of the reporting does not allow for the calculation of the ATC pre-departure delay at both Milan airports, with more than 60% of the reported delay not allocated to any cause.
Traffic at the ensemble of these Italian airports decreased by 62% in 2020 with respect to 2019, and Milan Linate was closed to commercial traffic from the 16th of March till the 13th of July 2020.
Arrival ATFM delays were 85% lower than in 2019 following the drastic drop in traffic. All causes pre-departure delay at Malpensa (LIMC) was the highest in the SES area, with almost 18 min/dep annual average.

The national average arrival ATFM delay at Italian airports in 2020 was 0.04 min/arr, significantly lower than the 0.29 min/arr in 2019 (-85%).
Most delays were recorded in the first two months of the year. After that, in line with the drop in traffic, the delays disappeared and only in December some minor delays due to industrial action were recorded at Milan Malpensa.
84% of all delays at Italian airports were attributed to weather.
Some delays associated with industrial action were also recorded in January and Bergamo.

At airport level, the worst delays were observed at Venice (LIPZ), even if only in January and February, resulting in an annual average of 0.16 min/arr.

The provisional national target on arrival ATFM delay in 2020 was met.
In accordance with Article 3 (3) (a) of Implementing Regulation (EU) 2020/1627: The incentive scheme shall cover only the calendar years 2022 to 2024.

4.3.2 Other terminal performance indicators (PI#1-3)



Airport level

	Avg arrival ATFM delay (KPI#2)				Slot adherence (PI#1)			
Airport name	2020	2021	2022	2023	2020	2021	2022	2023
Fiumicino	0.02	NA	NA	NA	98.0%	NA%	NA%	NA%
Linate	0.06	NA	NA	NA	96.1%	NA%	NA%	NA%
Malpensa	0.02	NA	NA	NA	97.3%	NA%	NA%	NA%
Orio Al Serio	0.04	NA	NA	NA	94.8%	NA%	NA%	NA%
Venice Tessera	0.16	NA	NA	NA	90.0%	NA%	NA%	NA%

	ATC pre departure delay (PI#2)				All causes pre departure delay (PI#3)			
Airport name	2020	2021	2022	2023	2020	2021	2022	2023
Fiumicino	0.64	NA	NA	NA	6.4	NA	NA	NA
Linate	0.05	NA	NA	NA	5.1	NA	NA	NA
Malpensa	0.36	NA	NA	NA	17.8	NA	NA	NA
Orio Al Serio	0.52	NA	NA	NA	8.0	NA	NA	NA
Venice Tessera	0.85	NA	NA	NA	9.8	NA	NA	NA

Focus on performance indicators at airport level

ATFM slot adherence

With the drastic drop in traffic, the share of regulated departures from Italian airports virtually disappeared as of April. The annual figures are therefore driven by the performance in the first trimester.
All Italian airports showed adherence at or above 90% and the national average was 95.9%. With regard to the 4.1% of flights that did not adhere, 3.2% was early and 0.9% was late.
It is worth noticing that 8.4% of the regulated departures from Venice (LIPZ) departed early.

ATC pre-departure delay

The performance at all three Italian airports where this indicator can be calculated has notably improved with respect to the previous year (LIRF; 2019: 1.47 min/dep.; 2020: 0.64 min/dep.; LIME: 2019: 0.99 min/dep.; 2020: 0.53 min/dep.; LIPZ; 2019: 1.75 min/dep.; 2020: 0.86 min/dep.)
The quality of the airport data reported by Milan Linate and Milan Malpensa was too low, preventing the calculation of this indicator for these two airports.
The calculation of the ATC pre-departure delay is based on the data provided by the airport operators

through the Airport Operator Data Flow (APDF) which is properly implemented at Copenhagen.
However, there are several quality checks before EUROCONTROL can produce the final value which is established as the average minutes of pre-departure delay (delay in the actual off block time) associated to the IATA delay code 89 (through the APDF, for each delayed flight, the reasons for that delay have to be transmitted and coded according to IATA delay codes.
However, sometimes the airport operator has no information concerning the reasons for the delay in the off block, or they cannot convert the reasons to the IATA delay codes. In those cases, the airport operator might:

- Not report any information about the reasons for the delay for that flight (unreported delay)
- Report a special code to indicate they do not have the information (code ZZZ)
- Report a special code to indicate they do not have the means to collect and/or translate the information (code 999)

To be able to calculate with a minimum of accuracy the PI for a given month, the minutes of delay that are not attributed to any IATA code reason should not exceed 40% of the total minutes of pre-departure delay observed at the airport.
Finally, to be able to produce the annual figure, at least 10 months of valid data is requested by EUROCONTROL.
Both Milan airports had proper reporting before April 2020, but the special traffic composition since then resulted in the share of unidentified delay exceeding the 40%.

All causes pre-departure delay

The total (all causes) delay in the actual off block time at Italian airports in 2020 was between 5.14 min/dep for Milan Linate (LIML), which is the second lowest among the RP3 monitored airports, and 17.81 min/dep. for Milan Malpensa (LIMC) which is the highest among the RP3 monitored airports.
The higher delays per flight at Malpensa were observed in the second trimester of the year, due to the lower traffic and extraordinary circumstances, but the last trimester there was also an important increase of delays with an average delay in December above 30 min/dep.
Bergamo (LIME: 2020: 8.00 min/dep.) also observed a drastic increase of the all causes pre-departure delay in December, reaching an average of 25 min/dep.
This performance indicator has been introduced in the performance scheme for the first time this year, so no evolution with respect to 2019 can be analysed.

5 COST-EFFIENCY - ITALY

5.1 PRB monitoring

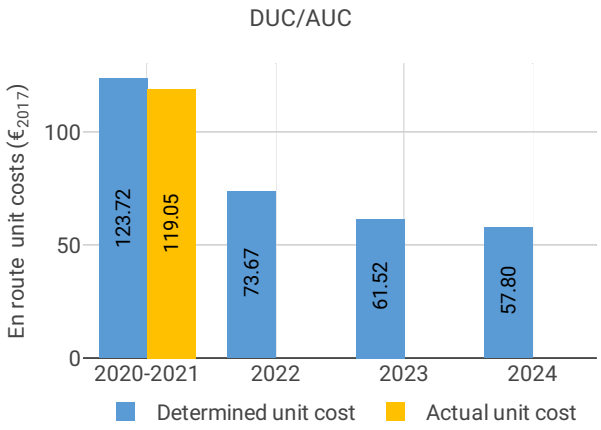
• The 2020 actual service units (3,990K) were 60% lower than the actual service units in 2019 (10,060K).

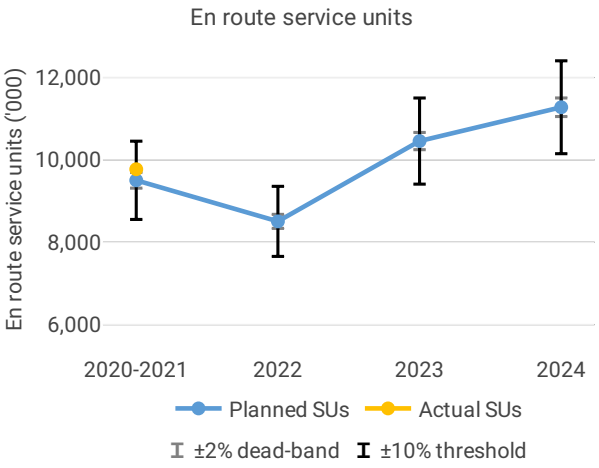
• In 2020, Italy reduced total costs by 62 M€2017 (-10%) compared to 2019 actual costs. Italy capped its cost of capital in order to achieve such result. Moreover, Italy reduced staff costs by 30 M€2017 (-9%) due to an increase of days of holidays, the suspension of the management incentive scheme, a decrease of overtime, costs for unused holidays, trips allowances and social security contribution.

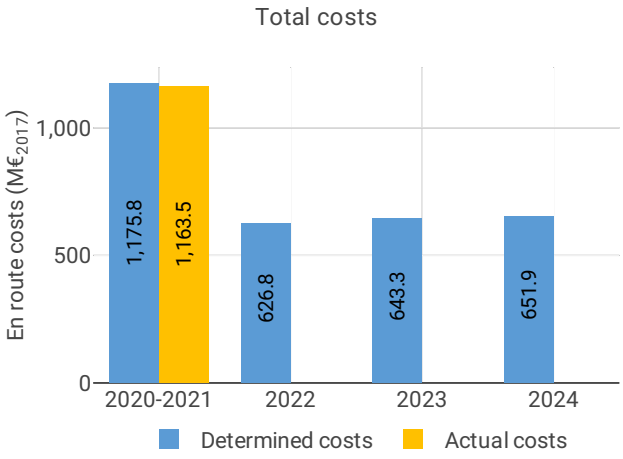
• ENAV spent 77 M€2017 in 2020 related to costs of investments, 38% less than planned in the 2019 draft performance plan (124 M€2017). Such decrease is partially due the national restrictions in relation to COVID-19.

5.2 En route charging zone

5.2.1 Unit cost (KPI#1)

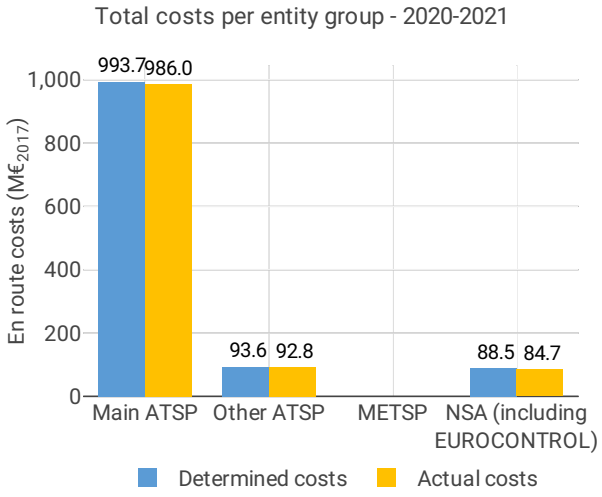


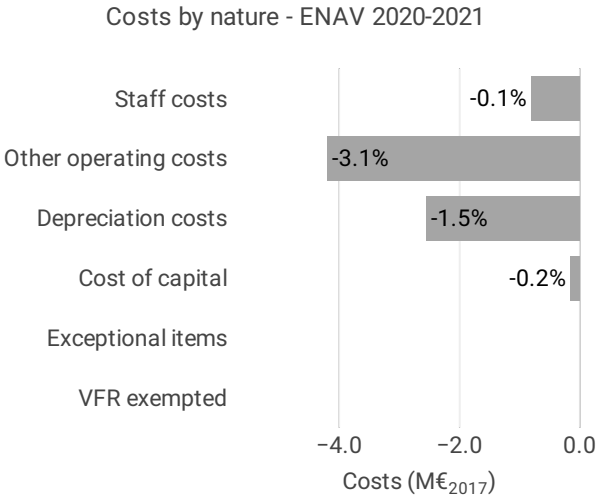




Actual and determined data

Total costs - nominal (M€)	2020-2021	2022	2023	2024
Actual costs	1,186	NA	NA	NA
Determined costs	1,197	651	674	689
Difference costs	-12	NA	NA	NA
Inflation assumptions	**2020-2021**	**2022**	**2023**	**2024**
Determined inflation rate	NA	1.8%	1.2%	1.2%
Determined inflation index	NA	105.3	106.6	107.9
Actual inflation rate	NA	NA	NA	NA
Actual inflation index	NA	NA	NA	NA
Difference inflation index (p.p.)	NA	NA	NA	NA





Focus on unit cost

AUC vs. DUC

In the combined year 2020-2021, the AUC was lower than the planned DUC (-3.5%, or -4.36€2017). This results from the combination of higher than planned TSUs (+2.8%) and lower than planned en route costs in real terms (-0.8%, or -9.4 M€2017).

En route service units

The difference between actual and planned TSUs (+2.8%) falls outside of the ±2% dead band. Hence, the resulting gain is shared between the ANSP and airspace users, with the ANSP retaining an amount of 22.2 M€ (see items 10 to 14).

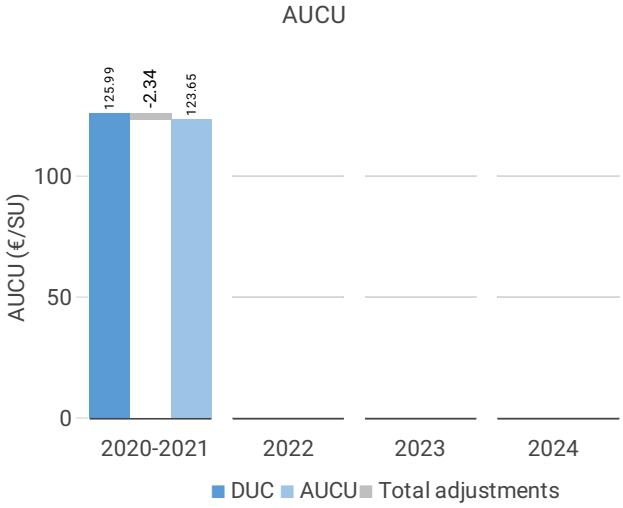
En route costs by entity

Actual real en route costs for 2020-2021 are -0.8% (-9.4 M€2017) lower than planned. This reflects the results across all the entities in the charging zone: main ANSP - ENAV (-0.6%, or -5.5 M€2017), other ANSP - ITAF (-0.9%, or -0.8 M€2017) and the NSA/EUROCONTROL (-3.5%, or -3.1 M€2017).

En route costs for the main ANSP at charging zone level

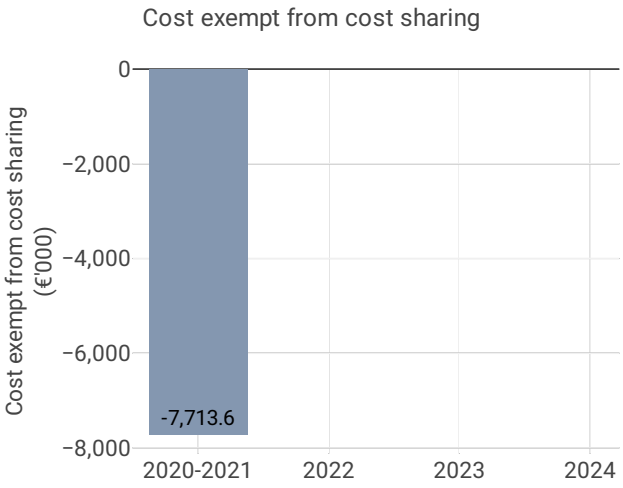
The lower than planed en route costs in real terms for ENAV in 2020-2021 reflects a combination of:
- slightly lower staff costs (-0.1%);
- lower other operating costs (-3.1%), which are understood to reflect costs savings for utilities and communications, external services and maintenance of non-operational equipment;
- lower depreciation costs (-1.5%); and,
- higher cost of capital (+2.2%), resulting from the use of higher than planned average interest rate on debts (from 1.9% to 3.04%) to compute the WACC.

5.2.2 Actual unit cost incurred by the users (AUCU) (PI#1)



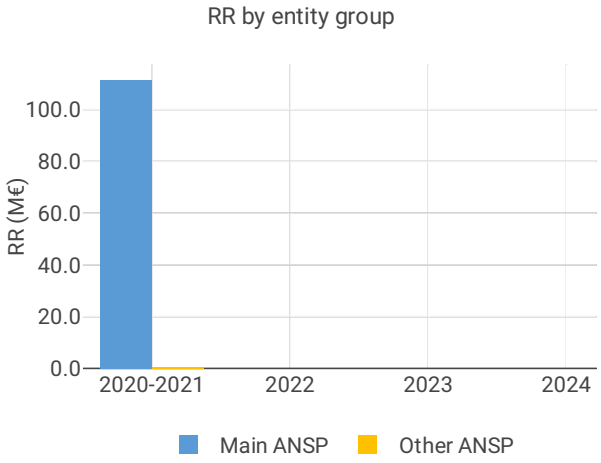
AUCU components (€/SU) – 2020-2021

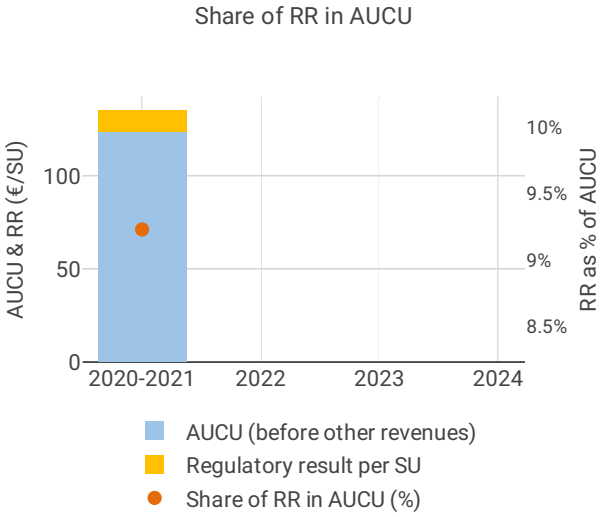
Components of the AUCU in 2020-2021	€/SU
DUC	**125.99**
Inflation adjustment	0.10
Cost exempt from cost-sharing	-0.79
Traffic risk sharing adjustment	-0.59
Traffic adj. (costs not TRS)	-0.61
Finantial incentives	0.00
Modulation of charges	0.00
Cross-financing	0.00
Other revenues	-0.46
Application of lower unit rate	0.00
Total adjustments	-2.34
AUCU	**123.65**
AUCU vs. DUC	**-1.9%**

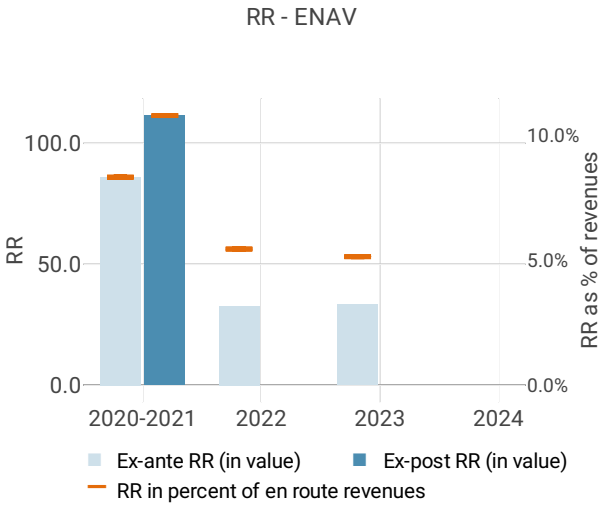


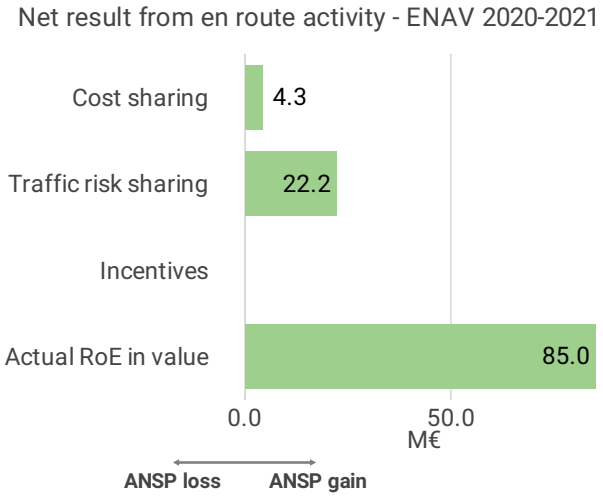
Cost exempt from cost sharing by item - 2020-2021	€'000	€/SU
New and existing investments	-4,376.8	-0.45
Competent authorities and qualified entities costs	-718.0	-0.07
Eurocontrol costs	-3,075.2	-0.31
Pension costs	0.0	0.00
Interest on loans	456.4	0.05
Changes in law	0.0	0.00
Total cost exempt from cost risk sharing	**-7,713.6**	**-0.79**

5.2.3 Regulatory result (RR)









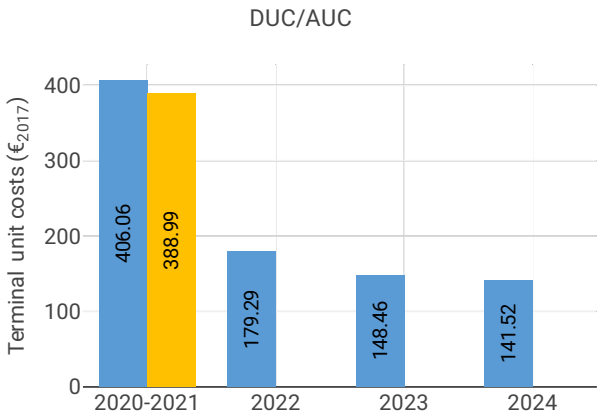
Focus on regulatory result

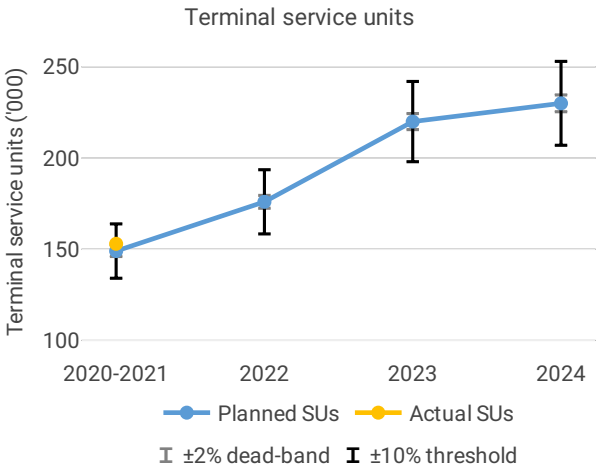
ENAV net gain on en route activity in the Italian charging zone in the combined year 2020-2021
ENAV's net gain amounts to +25.3 M€, as a combination of a gain of +3.1 M€ arising from the cost sharing mechanism and a gain of +22.2 M€ arising from the traffic risk sharing mechanism.

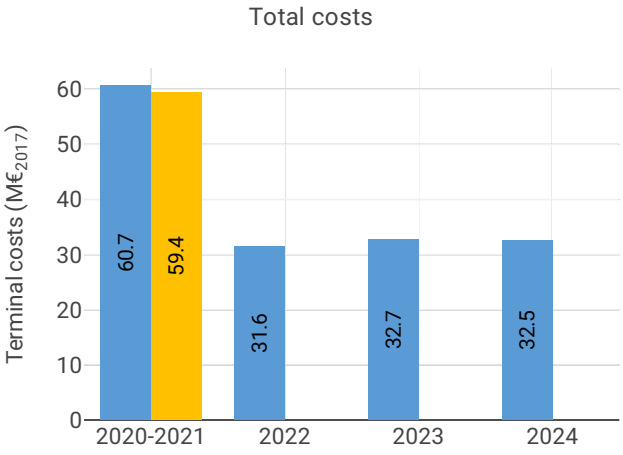
ENAV overall regulatory results (RR) for the en route activity
Ex-post, the overall RR taking into account the net gain from the en route activity mentioned above (+25.3 M€) and the actual RoE (+85.0 M€) amounts to +110.3 M€ (10.7% of the en route revenues). The resulting ex-post rate of return on equity is 7.4%, which is higher than the 5.7% planned in the PP.

5.3 Terminal charging zone - Italy Zone 1

5.3.1 Unit cost (KPI#1)

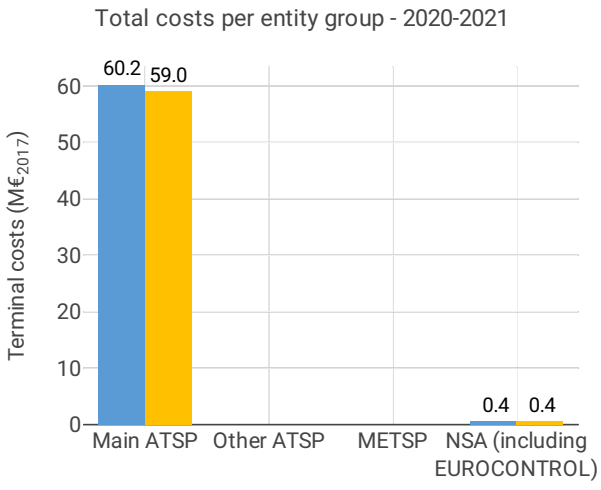


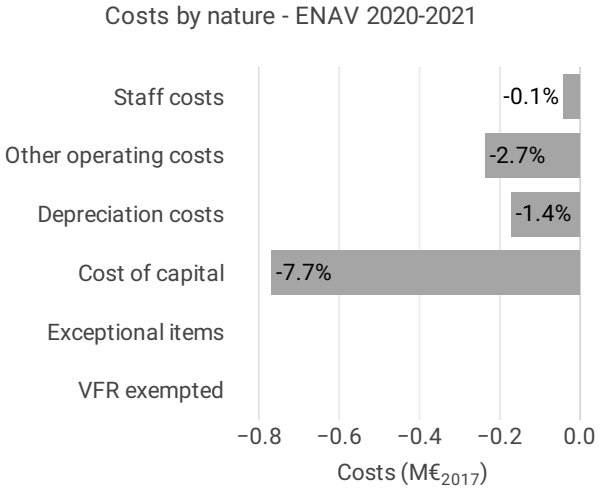




Actual and determined data

Total costs - nominal (M€)	2020-2021	2022	2023	2024
Actual costs	60	NA	NA	NA
Determined costs	62	33	34	34
Difference costs	-1	NA	NA	NA
Inflation assumptions	**2020-2021**	**2022**	**2023**	**2024**
Determined inflation rate	NA	1.8%	1.2%	1.2%
Determined inflation index	NA	105.3	106.6	107.9
Actual inflation rate	NA	NA	NA	NA
Actual inflation index	NA	NA	NA	NA
Difference inflation index (p.p.)	NA	NA	NA	NA





Focus on unit cost

AUC vs. DUC

In the combined year 2020-2021, the AUC for Italy TCZ1 was lower than the planned DUC (-3.9%, or -15.78€). This results from the combination of higher than planned TNSUs (+2.2%) and lower than planned terminal costs in real terms (-1.7%, or -1.1 M€2017).

Terminal service units

The difference between actual and planned TNSUs (+2.2%) falls outside of the ±2% dead band. Hence, the resulting gain is shared between the ANSP and airspace users, with the ANSP retaining an amount of 1.2 M€.

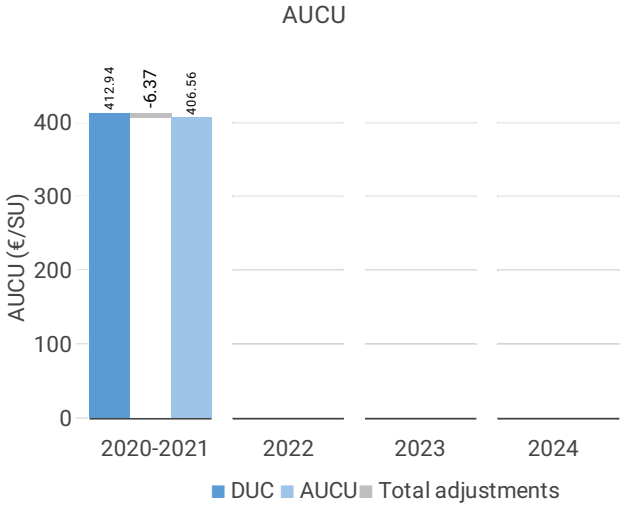
Terminal costs by entity

Actual real terminal costs for 2020-2021 in the Italian TCZ1 are -1.7% (-1.1 M€2017) lower than planned. This mainly reflects lower than planned costs for the main ANSP - ENAV (-1.8%, or -1.1 M€2017), while the costs for the NSA were in line with the plan.

Terminal costs for the main ANSP at charging zone level

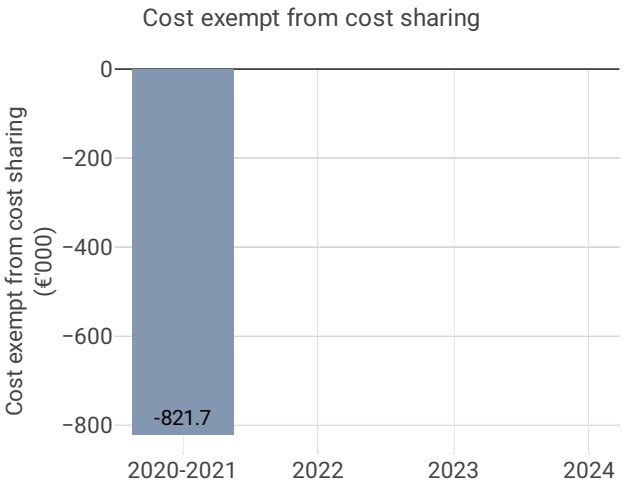
The lower than planed terminal costs in real terms for ENAV in 2020-2021 reflects a combination of:
- slightly lower staff costs (-0.1%);
- lower other operating costs (-2.7%), which are understood to reflect costs savings for utilities and communications, external services and maintenance of non-operational equipment;
- lower depreciation costs (-1.4%); and,
- lower cost of capital (-6.0%), which are understood to reflect lower than planned asset base used to compute the cost of capital.

5.3.2 Actual unit cost incurred by the users (AUCU) (PI#1)



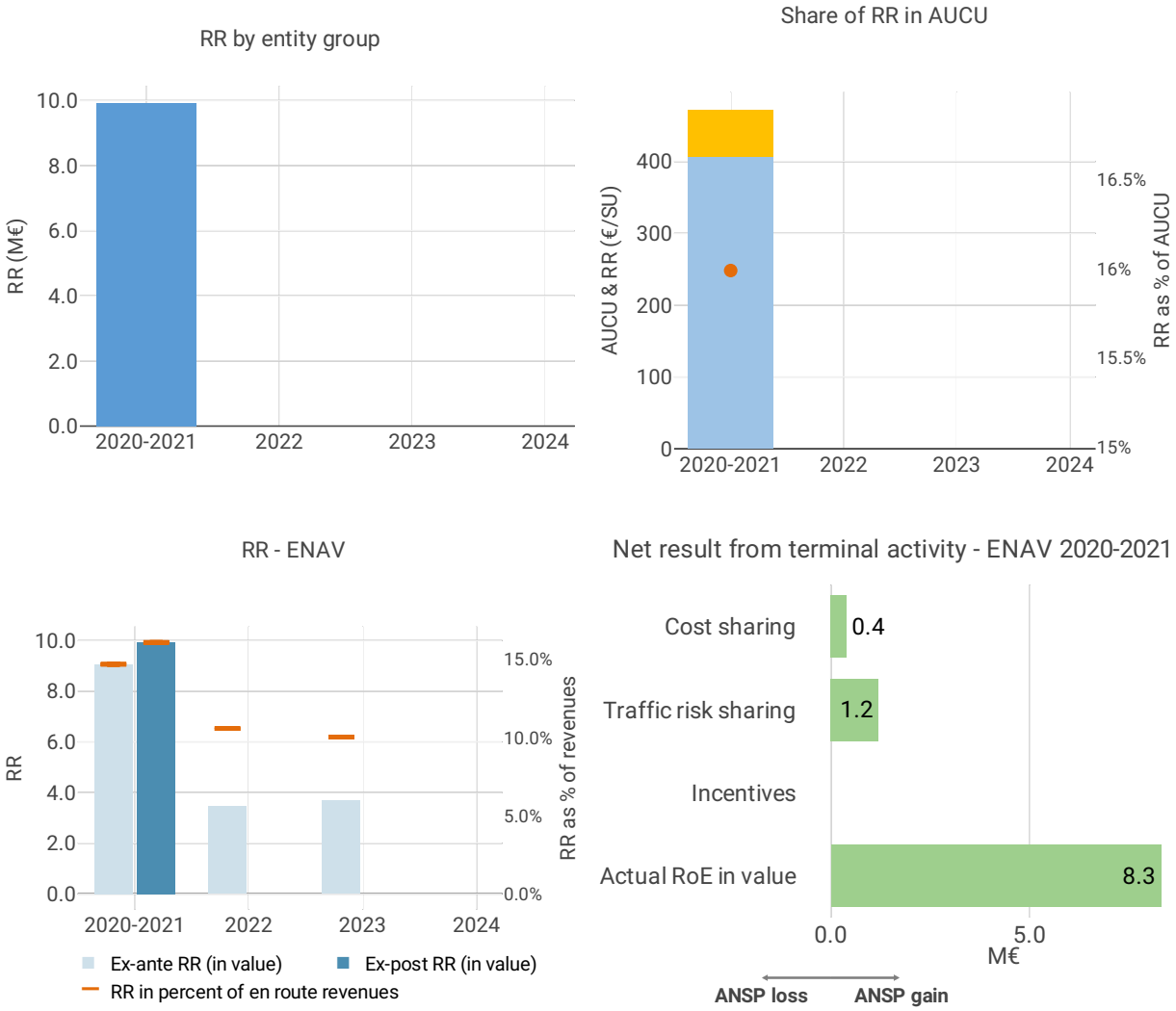
AUCU components (€/SU) – 2020-2021

Components of the AUCU in 2020-2021	€/SU
DUC	**412.94**
Inflation adjustment	0.32
Cost exempt from cost-sharing	-5.38
Traffic risk sharing adjustment	-0.61
Traffic adj. (costs not TRS)	-0.70
Finantial incentives	0.00
Modulation of charges	0.00
Cross-financing	0.00
Other revenues	0.00
Application of lower unit rate	0.00
Total adjustments	-6.37
AUCU	**406.56**
AUCU vs. DUC	**-1.5%**



Cost exempt from cost sharing by item - 2020-2021	€'000	€/SU
New and existing investments	-808.0	-5.29
Competent authorities and qualified entities costs	-32.5	-0.21
Eurocontrol costs	0.0	0.00
Pension costs	0.0	0.00
Interest on loans	18.8	0.12
Changes in law	0.0	0.00
Total cost exempt from cost risk sharing	**-821.7**	**-5.38**

5.3.3 Regulatory result (RR)



Focus on regulatory result

ENAV net gain on terminal activity in the Italian TCZ1 in the combined year 2020-2021

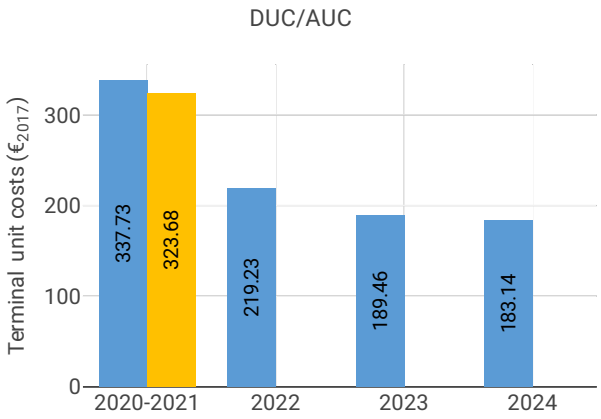
ENAV's net gain amounts to +2.1 M€, as a combination of a gain of +0.9 M€ arising from the cost sharing mechanism and a gain of +1.2 M€ arising from the traffic risk sharing mechanism.

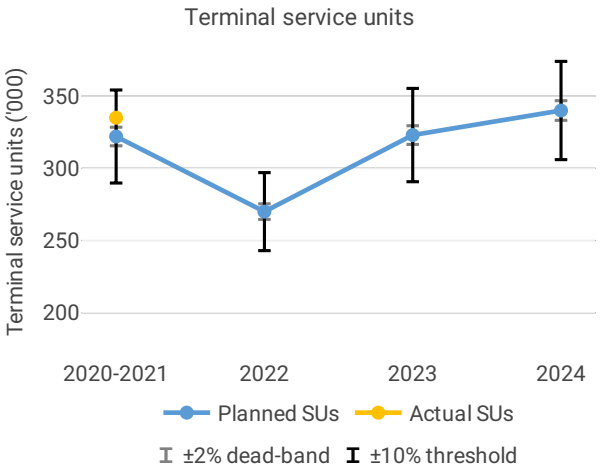
ENAV overall regulatory results (RR) for terminal activity

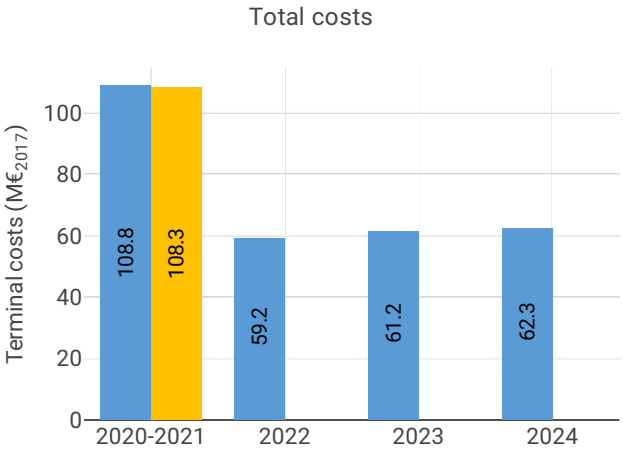
Ex-post, the overall RR taking into account the net gain from the terminal activity mentioned above (+2.1 M€) and the actual RoE (+8.3 M€) amounts to +10.4 M€ (16.7% of the terminal revenues in TCZ1). The resulting ex-post rate of return on equity is 7.4%, which is higher than the 5.8% planned in the PP.

5.4 Terminal charging zone - Italy Zone 2

5.4.1 Unit cost (KPI#1)

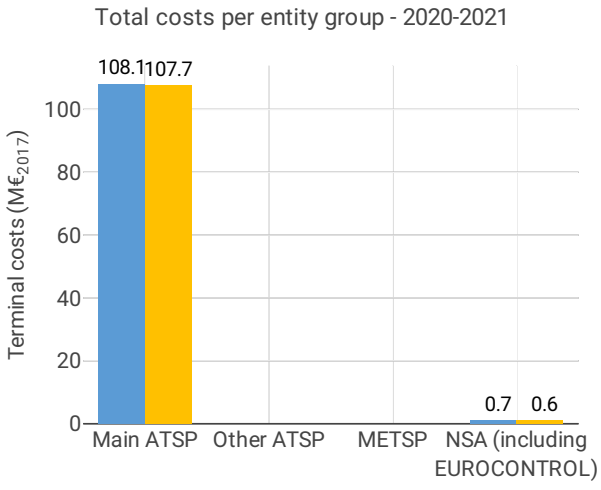


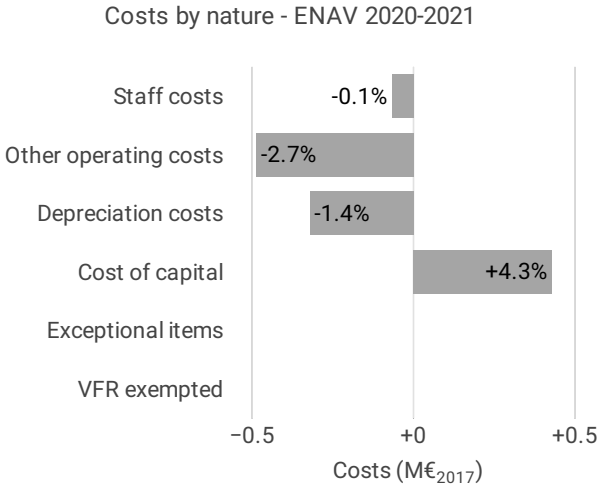




Actual and determined data

Total costs - nominal (M€)	2020-2021	2022	2023	2024
Actual costs	110	NA	NA	NA
Determined costs	111	61	64	66
Difference costs	0	NA	NA	NA
Inflation assumptions	**2020-2021**	**2022**	**2023**	**2024**
Determined inflation rate	NA	1.8%	1.2%	1.2%
Determined inflation index	NA	105.3	106.6	107.9
Actual inflation rate	NA	NA	NA	NA
Actual inflation index	NA	NA	NA	NA
Difference inflation index (p.p.)	NA	NA	NA	NA





Focus on unit cost

AUC vs. DUC

In the combined year 2020-2021, the AUC for Italy TCZ2 was lower than the planned DUC (-3.9%, or -13.14€). This results from the combination of higher than planned TNSUs (+3.9%) and slightly lower than planned terminal costs in real terms (-0.2%, or -0.2 M€2017).

Terminal service units

The difference between actual and planned TNSUs (+3.9%) falls outside of the ±2% dead band. Hence, the resulting gain is shared between the ANSP and airspace users, with the ANSP retaining an amount of 2.6 M€.

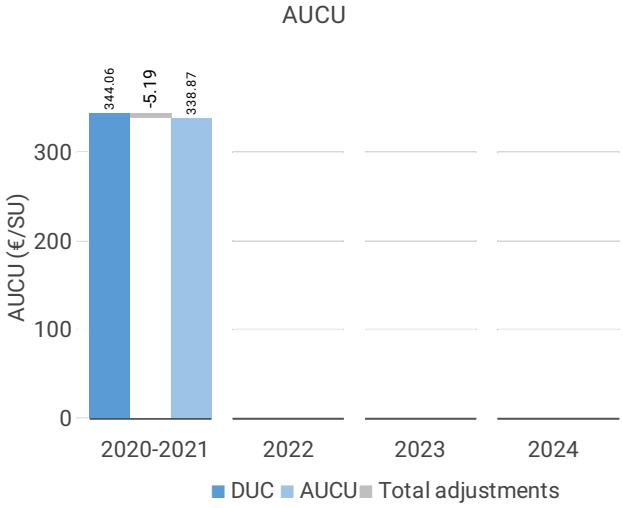
Terminal costs by entity

Actual real terminal costs for 2020-2021 in the Italian TCZ2 are -0.2% (-0.2 M€2017) lower than planned. This mainly reflects lower than planned costs for the main ANSP - ENAV (-0.2%, or -0.2 M€2017), while the costs for the NSA were in line with the plan.

Terminal costs for the main ANSP at charging zone level

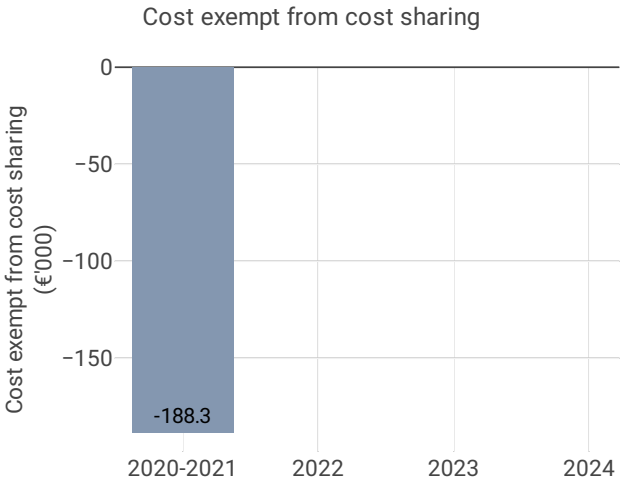
The lower than planed terminal costs in real terms for ENAV in 2020-2021 reflects a combination of:
- slightly lower staff costs (-0.1%);
- lower other operating costs (-2.7%), which are understood to reflect costs savings for utilities and communications, external services and maintenance of non-operational equipment;
- lower depreciation costs (-1.4%); and,
- higher cost of capital (+6.8%), which are understood to reflect a combination of slightly higher actual asset base as well as the use of higher than planned average interest rate on debts (from 1.9% to 3.04%) to compute the WACC.

5.4.2 Actual unit cost incurred by the users (AUCU) (PI#1)



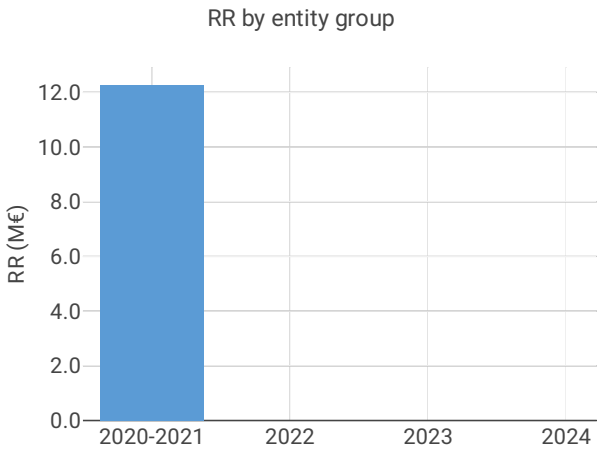
AUCU components (€/SU) – 2020-2021

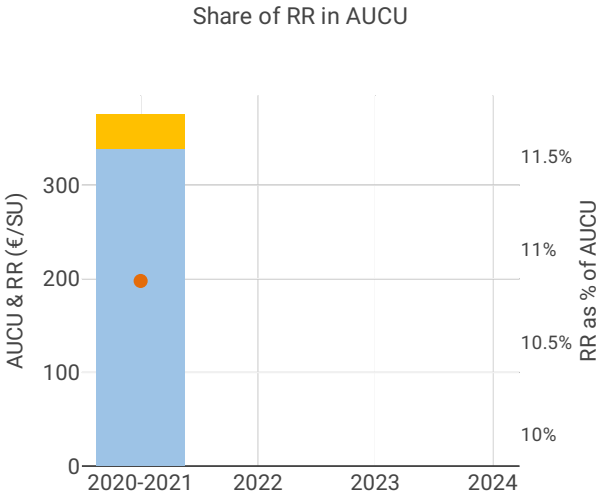
Components of the AUCU in 2020-2021	€/SU
DUC	**344.06**
Inflation adjustment	0.29
Cost exempt from cost-sharing	-0.56
Traffic risk sharing adjustment	-4.01
Traffic adj. (costs not TRS)	-0.91
Finantial incentives	0.00
Modulation of charges	0.00
Cross-financing	0.00
Other revenues	0.00
Application of lower unit rate	0.00
Total adjustments	-5.19
AUCU	**338.87**
AUCU vs. DUC	**-1.5%**

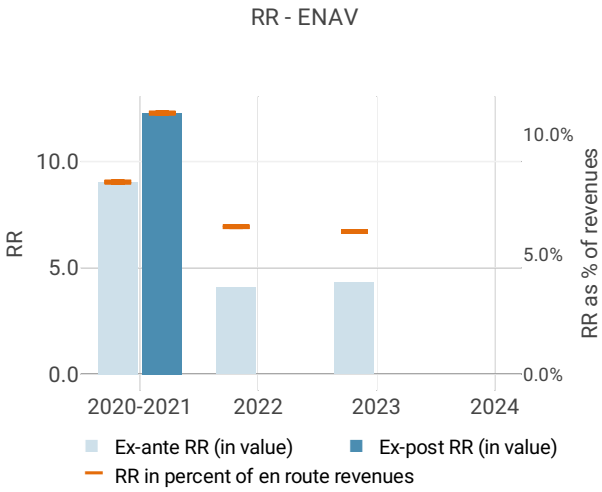


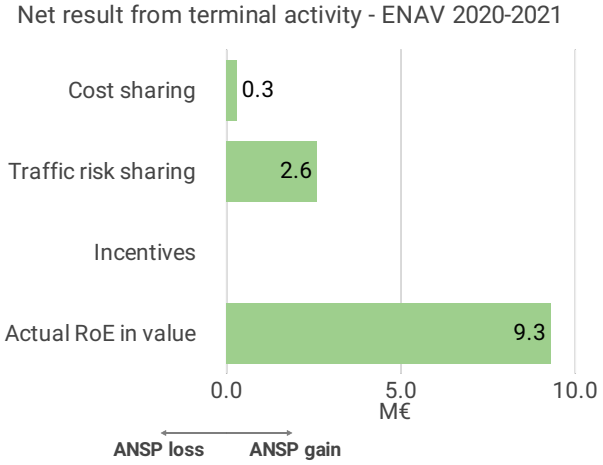
Cost exempt from cost sharing by item - 2020-2021	€'000	€/SU
New and existing investments	-187.4	-0.56
Competent authorities and qualified entities costs	-50.6	-0.15
Eurocontrol costs	0.0	0.00
Pension costs	0.0	0.00
Interest on loans	49.8	0.15
Changes in law	0.0	0.00
Total cost exempt from cost risk sharing	**-188.3**	**-0.56**

5.4.3 Regulatory result (RR)









Focus on regulatory result

ENAV net gain on terminal activity in the Italian TCZ2 in the combined year 2020-2021

ENAV's net gain amounts to +2.5 M€, as a combination of a loss of -0.1 M€ arising from the cost sharing mechanism and a gain of +2.6 M€ arising from the traffic risk sharing mechanism.

ENAV overall regulatory results (RR) for the terminal activity

Ex-post, the overall RR taking into account the net gain from the terminal activity mentioned above (+2.5 M€) and the actual RoE (+9.3 M€) amounts to +11.8 M€ (10.5% of the terminal revenues in TCZ2). The resulting ex-post rate of return on equity is 7.2%, which is higher than the 5.7% planned in the PP.