

## SAGAT GROUP: CONSOLIDATED DRAFT FINANCIAL STATEMENTS 2021

*First signs of recovery in 2021, despite the continuing effects of Covid-19*

- *Passenger traffic: 2.1 million, +47% on 2020*
- *Operating revenues: Euro 37.2 million, +40% on 2020*
- *EBITDA: Euro -5.1 million, Euro +14 million on 2020*
- *Net result: Euro -8.4 million, Euro +10.2 million on 2020*
- *Net Financial Position: Euro 16.7 million, Euro +9.4 million on 2020*
  - *Investments: over Euro 5 million*

*In 2021, SAGAT Group recorded an increase in traffic volumes and financial results, although remaining below 2019 levels. Despite the complexity of the period, there has never been a lack of commitment to overcome the crisis and ensure the sustainable development of the airport.*

*Caselle Torinese, March 30, 2022* - The Board of Directors of SAGAT S.p.A. met today under the chairmanship of Elisabetta Oliveri and approved the Draft Financial Statements of the Parent Company and the Consolidated Financial Statements as of December 31<sup>st</sup> 2021 of the SAGAT Group.

### Traffic trends

In 2021, Torino Airport served **2,066,106 passengers**, recording an increase in traffic of 658,734 passengers, equal to **+46.8% compared to 2020**, and standing at 52.3% of 2019 volumes, the last year not fully affected by the pandemic. This confirms the impact on traffic data of the consequences of the spread of the Covid-19 virus and its variants, as well as on the entire international and national airport environment.

Despite the persistence of the pandemic, in 2021 Torino Airport was able to partly recover volumes lost in 2020 due to Covid-19.

In this scenario, the recovery of the **domestic segment** recorded volumes of **1.5 million passengers** was significant and amounted in 2021 to **+68%** on 2020 and **-21.9%** on 2019 figures. The domestic market, developed mainly on routes to Southern Italy and the islands, showed particular strength during the summer peak period, recording its best ever figure in August 2021, thanks to the recovery in travel demand.

The **international scheduled segment** recorded **575,000 passengers** in 2021, up **+11%** on 2020, but still significantly below 2019 levels (-72%).

The gap in the international segment compared to the pre-pandemic era was greatly reduced in the last two months of the year: with the start of the 2021/2022 winter season in November, Ryanair began the operations of its **new base**, positioning two aircraft in Turin and launching **19 new routes, 17 of which were international**.

The combination of these factors has allowed Torino Airport to rank among the best regional airports in Europe in terms of traffic performance recovery in December 2021: in the month the airport recorded overall volumes of 86.4% compared to those of December 2019.

In 2021, nine out of ten of the busiest routes were domestic, due to the many improvements in the domestic network and the continuing difficulties caused by the pandemic that still limited travel to and from many foreign countries.

Before the summer season, **new connections were opened on domestic destinations already served**: this was the case with the routes to **Palermo** opened by Blue Air and **Wizz Air**; the routes to **Olbia** launched by **Blue Air** and **easyJet**; the routes to **Cagliari, Lamezia Terme and Naples** served by **Ryanair**; and the flight to **Bari** operated by **Wizz Air**. **Blue Air** also launched the new flight to **Reggio Calabria**, while **Ryanair** launched the connection to **Pescara**. In terms of reinforcements, the 2021 summer season saw a significant increase in frequencies on practically all destinations in Southern Italy and the islands. Finally, with the winter season, **Ryanair** launched a new connection to **Trapani**.

In the international segment, in Summer the airline **Binter** made its debut on the Italian market from Torino Airport with its new connection to **Gran Canaria**; new routes to Greece and the Balearic Islands have also been launched, with **Volotea's Mykonos and Menorca** and the new **Ryanair** flights to **Chania (Crete), Corfu, Rhodes and Palma de Mallorca**; finally, new connections have also been added to Eastern Europe, with **Ryanair's Lviv**, in Ukraine, and **Bacau**, in Romania, with **Wizz Air**.

The novelty of the year, however, was the opening of the **Ryanair base** from the winter season, with two aircraft serving 33 routes, including the new international ones to **Birmingham, Budapest, Krakow, Copenhagen, Edinburgh, Kyiv, Lanzarote, London Luton, Madrid, Malaga, Marrakech, Paris Beauvais, Shannon, Seville and Tel Aviv**. Finally, the new flight to **Paris Orly** operated by **Vueling** from 2 November 2021.

### **Consolidated financial performance**

The **SAGAT Group's total revenues amounted** to Euro **37.2 million** in 2021, an increase of +40% compared to 2020.

The **Group's EBITDA** (Earnings Before Interest Taxes Depreciation & Amortisation) for 2021 is still negative at **Euro -5.1 million**, an improvement of Euro 14 million compared to the EBITDA for 2020 (amounting to Euro -19.1 million).

The 2021 financial year ended with a **negative Group Net Result of Euro -8.4 million**, a loss more than halved compared to the EUR -18.6 million in 2020.

In 2021, the **SAGAT Group's investments amounted to Euro 5.1 million**, giving priority to interventions needed to deal with the health emergency and those focused on environmental sustainability.

During the year, the Group's **Net Financial Position** increased by Euro 9.4 million, from a value of Euro 7.3 million at 31 December 2020 to a value of **Euro 16.7 million** at 31 December 2021.

The Financial Statements as at 31 December 2021 of the Parent Company SAGAT S.p.A. show a Net result for the year of Euro -7.8 million, improved by Euro 10.2 million compared to the Net result for 2020 (equal to Euro -18.6 million)

### **Significant elements of the 2021 financial year**

During the financial year, as well as the commitment to traffic development, the SAGAT Group faced the continuing health crisis by reinforcing **actions to prevent contagion for employees, passengers and the airport community**, and activated every possible lever to mitigate the economic effects deriving from a level of traffic still in strong contraction compared to 2019, without stopping the projects of innovation and environmental sustainability.

As part of the measures launched by the Group to face the pandemic, it is worth highlighting the use of the airport ski terminal for the **opening in April 2021 of the vaccination hub dedicated to public**, also allowing Group employees and their families to be vaccinated in advance of the normal healthcare channels (over 95 thousand doses administered in 2021).

The airport's correct and effective application of the anti-Covid-19 procedures led to the renewal of the **Airport Health Accreditation certification issued by ACI World and ACI Europe**, while its commitment to listening to passengers, despite the difficult circumstances, earned it the **'The Voice of the Customer'** award from **ACI World for the** second year.

Assiduous dialogue with all partners has led to the gradual full reopening of commercial activities, while constant monitoring of passenger needs has also made it possible to identify and propose new services.

**On sustainability**, great effort has been made by the SAGAT Group during 2021, not only maintaining its commitment to the environment and the community to **reduce carbon dioxide emissions** from operations under its control to **zero by 2050**, but also publicly choosing the path of sustainability. In July 2021, the **'Torino Green Airport'** project was launched, bringing together all the sustainability-oriented actions already implemented, underway and planned for the future, communicated through a dedicated visual identity and internal and external communication campaigns with the aim of involving the entire community and activating collaboration strategies.

In this context, Torino Airport has been selected in 2021 as a **partner of the European consortium H2020 TULIPS for a more sustainable aviation industry**, the only Italian representative together with the Polytechnic of Turin, and in December started the flagship project of 'Torino Green Airport', represented by a **hydrogen-ready fuel cell system** in cogeneration mode of 1.2 MW of power at the airport, able to work using variable percentages of hydrogen blending with natural gas for the combined generation of electricity and heat.

## Outlook

In the first two months of 2022, the SAGAT Group showed significant growth compared to the same period of 2021, recording a total of **469,926 passengers** and 5,666 movements. However, the spread of the Omicron variant of Covid-19 and the actions decided by the competent national and foreign authorities aimed at containing its effects on the population led to a renewed alteration in passenger traffic, which in the first two months of 2022 stood at 75% of 2019 volumes.

In view of the termination on 31 March 2022 of the pandemic state of emergency in Italy, it is possible to foresee a significant increase in volumes for the summer, both on domestic and international destinations, driven by the Ryanair base operating with 2 aircraft from November 2021.

However, these positive prospects for the coming months could be negatively affected by the **ongoing conflict in Ukraine**, whose evolution at the moment presents a very high degree of uncertainty both in terms of duration and social and economic consequences. Although the impact on traffic volumes has not been significant to date, as flight cancellations have currently only affected connections with Ukraine (Kyiv and Lviv) and Moldova (Chisinau), which together accounted for 1.6% of expected

passenger traffic in the first quarter of 2022, it is not possible to exclude reduced impacts on passenger mobility and economic impacts due to higher prices for energy sources.

In addition, in order to safeguard its economic and social sustainability, the Group will continue to implement all possible variable and cost containment actions compatible with maintaining the airport's full operations.

With regard to significant events occurring after the end of the financial year, it should be noted that on 7 March 2022, the Civil Aviation Authority announced the disbursement of Euro 300 million to airport management companies in Italy, as an advance of 50% of the amount requested for compensation for damages caused by the Covid-19 health emergency, in accordance with the provisions of the 2021 Budget Law, Law Decree 73/2021 and the interministerial decree of 28 December 2021. On 8 March 2022, the Parent Company SAGAT S.p.A. received payment of Euro 5.02 million as an advance on 50% of the amount requested. On March 29, 2022, ENAC announced that it had begun disbursement of 50% of the amount requested for handling service providers, also indicating the amount of 510 thousand euros to be advanced to SAGAT Handling.

**The Board of Directors convened the Shareholders' Meeting on 29 April and 20 May 2022**, on first call and second call respectively, to resolve on the approval of the 2021 Financial Statements.

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