

SOCIETÀ DI PROGETTO
BREBEMI SPA

Half-yearly report
as at 30 June 2020

Shareholders	Number of shares	Share capital	% of share capital
Autostrade Lombarde S.p.A.	271,290,457	39,919,589	76.5605%
Impresa Pizzarotti & C. S.p.A.	44,850,078	6,599,556	12.6571%
Unieco Società Cooperativa	17,815,000	2,621,425	5.0276%
CCC Società cooperativa	7,193,000	1,058,429	2.0299%
Società per Azioni Autostrade Centro Padane	3,745,000	551,066	1.0569%
Mattioda Autostrade S.p.A.	2,000,000	294,294	0.5644%
Mattioda Pierino & Figli S.p.A.	2,016,500	296,722	0.5691%
Autostrada Brescia Verona Vicenza Padova S.p.A.	1,800,000	264,865	0.5080%
CMB Soc. Coop. Muratori e Braccianti di Carpi	1,612,000	237,201	0.4549%
Milano Serravalle - Milano Tangenziali S.p.A.	1,300,000	191,291	0.3669%
Intesa Sanpaolo S.p.A.	180,001	26,487	0.0508%
SPEA Engineering S.p.A.	180,000	26,486	0.0508%
Pegaso Ingegneria S.r.l.	163,000	23,985	0.0460%
Milano Serravalle Engineering S.r.l.	71,500	10,521	0.0202%
Alpina S.p.A.	66,635	9,805	0.0188%
Aegis Srl Cantarelli & Partners	22,000	3,237	0.0062%
Cremonesi Workshop S.r.l.	16,500	2,428	0.0047%
A.B.M. Azienda Bergamasca Multiservizi S.r.l.	13,000	1,913	0.0037%
Grandi Lavori Fincosit S.p.A.	13,000	1,913	0.0037%
Itinera S.p.A.	100	15	0.0000%
Total	354,347,771	€ 52,141,227	100.000%

SOCIETA' DI PROGETTO AUTOSTRADA DIRETTA BRESCIA MILANO S.P.A.	Subject to the management and coordination of Autostrade Lombarde S.p.A.
SHORTENED	Registered office: via Somalia, 2/4 – 25126 BRESCIA Fully paid-in Share Capital 52,141,227 REA no. 455412
SOCIETA' DI PROGETTO BREBEMI S.P.A.	Entry in the Brescia Companies Register Tax Code and VAT No. 02508160989

BOARD OF DIRECTORS	<i>Chairman</i> Francesco Bettoni
	<i>Vice Chairman</i> Riccardo Marchioro
	<i>Board Members</i> Fabio Santicoli Marco Tarantino Andrea Livio Rocco Corigliano Patrizia Mattioda Andrea Mascetti
	<i>General Manager</i> Duilio Allegrini

The Board of Directors was appointed by the Shareholders' Meeting of 29 March 2019 and will remain in office until the approval of the 2021 financial statements.

BOARD OF STATUTORY AUDITORS	<i>Chairman</i> Quirino Cervellini (*)
	<i>Standing auditors</i> Paolo Panteghini Riccardo Ranalli Pietro Paolo Rampino Sara Riva (**)
	<i>Alternate Auditors</i> Leonardo Cossu Flavio Gnecci

() appointed by the Ministry of Economy and Finance, (**) appointed by CAL S.p.A.
The Board of Statutory Auditors was appointed by the Shareholders' Meeting of 17 June 2019 and will remain in office until approval of the 2021 financial statements.*

INDEPENDENT AUDITORS	KPMG S.p.A.
-----------------------------	-------------

The appointment of the Independent Auditors was conferred by resolution of the Shareholders' Meeting of 29 March 2019 and will expire upon approval of the 2021 financial statements.

REPORT ON FIRST HALF OF 2020

INTRODUCTION

This report accompanies the interim financial statements as at 30 June 2020. It has been drawn up in accordance with the provisions of OIC 30, also pursuant to Article 2381 of the Italian Civil Code and contains information on operations in the first half of 2020.

The Half-Yearly Report as at 30 June 2020 consists of the Balance Sheet, Income Statement, Cash Flow Statement and Additional Note, as required by Art. 2423 of the Civil Code. These tables have been drawn up in accordance with the OIC 2016 national accounting standards implementing Legislative Decree 139/2015 published in the OJ of 4 September 2015.

AGREEMENT SIGNED BETWEEN INTESA SANPAOLO AND ALEÁTICA S.A.U.

On 26 June 2020, the Company received formal notice from the Shareholder Intesa Sanpaolo S.p.A. announcing its intention to sell its shareholding in the Parent Company Autostrade Lombarde SpA (260,905,020 shares, equal to 55.78% of the share capital) and in Brebemi SpA (180,001 shares, equal to 0.05% of the share capital) to Società Aleática S.A.U. The transaction also envisages Aleatica taking over all the economic interests held by Intesa Sanpaolo.

The Closing of the operation is subject, inter alia, to the completion of the statutory pre-emption procedure which was initiated in accordance with the statutory procedures on 2 July 2020.

OPERATIONS ON THE COMPANY'S CAPITAL AND ASSETS

The Extraordinary Shareholders' Meeting of 11 October 2019 approved the operation to strengthen the Company's capital structure, consisting of the issue, in several tranches, up to a maximum amount of EUR 350,000,000, of participative financial instruments, pursuant to Article 2346, paragraph six, of the Italian Civil Code, to be offered in subscription to all shareholders, in compliance with their option rights, against cash contributions to be made also through the use and voluntary offsetting of receivables due from the Company. For this purpose, a resolution to amend the clauses of the articles of association and to adopt special regulations was passed.

In a meeting held on 9 December 2019, the Board of Directors, consistently with the commitments taken under the Economic and Financial Plan, decided to issue 80,000,000 participative financial instruments, also establishing that any PFIs that were not subscribed by shareholders would be released through offsetting of receivables due from the Company to parties who undertook commitments in Subordinated Shareholders Loan. The participative financial instruments were subscribed on 15 January 2020 through proportional conversion of the total receivables due to shareholders from the Company as at 30 November 2019.

The Shareholders' Meeting of 15 January 2020 also approved a capital increase, excluding pre-emption rights pursuant to Article 2441(5) of the Italian Civil Code, for a nominal sum of EUR 1,000,000.00, plus a premium of EUR 21,230,078.00 and, therefore, for a total of EUR 22,230,078.00. A total of 20,230,078 of the newly-issued issue shares are reserved for subscription by the Shareholder Impresa Pizzarotti & C. S.p.A. and 2,000,000 by the Shareholder Consorzio Cooperative Costruzioni -- CCC Società Cooperativa, and they are all to be released through offsetting for an equal amount of the receivables due, respectively, to Impresa Pizzarotti & C. S.p.A. and to Consorzio Cooperative Costruzioni -- CCC Società Cooperativa from the Company, pursuant to the agreements in place with the Company in relation to the repayment of the higher expropriation charges paid in advance by Consorzio BBM when carrying out the design and development works for the motorway.

The capital increase was completed on 22 July 2020 via the issuance of 22,230,078 new ordinary Brebemi shares, without par value, with regular dividends and the same characteristics as those outstanding at the issue date, at an issue price of EUR 1.00 per share, of which approximately EUR 0.045 for share capital and approximately EUR 0.955 for share premium.

INVESTOR RELATIONS AND ACTIVITIES UNDERTAKEN

On 30 June 2020, in line with similar actions generally taken by other operators in the transportation sector and with the aim of further mitigating the financial impact caused by the outbreak and spread of the coronavirus disease (“COVID-19”), Società di Progetto Brebemi S.p.A. (the “Company”) delivered a STID Proposal (the “STID Proposal”) to the holders of the (i) €15,000,000 Class A1 Senior Secured Amortizing Floating Rate Notes due 2038, (ii) the €934,000,000 Class A2 Senior Secured Amortizing 3.375 per cent. Fixed Rate Notes due 2038, (iii) the €1,205,000,000 Class A3 Senior Secured Zero Coupon Notes due 2042 and (iv) the €172,000,000 Subordinated Secured Extendable Floating Rate Notes due 2029 (the “Noteholders”), the lenders under the EUR 359,115,910.00 Senior Facilities Agreement entered into by the Company, as borrower, on October 15, 2019 (the “Initial Senior Secured Lenders”) and the hedge counterparties in respect of the above financial indebtedness.

By means of such STID Proposal, is requesting that the relevant Qualifying Secured Creditors:

- i. consent to a covenant holiday of the testing of certain financial ratios, namely the BLCR, the Historic DSCR and the Projected DSCR ratios, which would run for 12 months, from and including the test date falling on June 30, 2020 to and including the test date falling on June 30, 2021; and
- ii. approve the permission to dispose on a non-recourse basis (pro soluto), to one or more financial institutions, of the 2029 instalment payment of €20 million due to the Company by Concessioni Autostradali Lombarde S.p.A. (the “Grantor”), in connection with the public grant, amounting overall to €260 million, which was awarded to the Company pursuant to Law No. 199 of 23 December 2014, which the Company is currently considering although no formal decisions have been made yet.

The agreement was approved on 20 July 2020 in relation to the first point while the minimum quorum for approving the transfer without recourse of the public contribution was not reached.

INCOME STATEMENT, BALANCE SHEET AND CASH FLOW DATA

The Company's Income Statement, Balance Sheet and Cash Flow Statement are provided below with explanatory comments.

The key figures of the Income Statement as at 30 June 2020 compared with the corresponding data of the previous financial year can be summarized as follows:

	30/06/2020		30/06/2019		Variations
Revenues from motorway operations (*)	31,144,184		43,696,983		(12,552,799)
Other revenues	1,082,621		1,535,346		(452,725)
Operating costs (*)	(15,529,339)		(16,012,822)		483,483
Gross operating margin (EBITDA)	16,697,466	51.8%	29,219,507	64.6%	(12,522,041)
Amortization, depreciation, provisions and reserves used	(6,135,346)		(5,580,409)		(554,937)
Operating income (EBIT)	10,562,120	32.8%	23,639,098	52.3%	(13,076,978)
Financial income	186,635		223,965		(37,330)
Bank financial charges	(39,863,276)		(39,574,720)		(288,556)
Financial charges shareholders loans	(13,914,870)		(5,154,633)		(8,760,237)
CFH reserve release	(22,012,716)		0		(22,012,716)
Other financial charges	(152,882)		(364,449)		211,567
Value adjustments derivative instrum.	(3,864,970)		0		(3,864,970)
Balance of financial management	(79,622,079)		(44,869,837)		(34,752,242)
Income before tax	(69,059,959)		(21,230,739)		(47,829,220)
Income Taxes	16,328,405		(3,781,301)		20,109,706
Profit/(Loss) for the period	(52,731,554)		25,012,040		(27,719,514)

(*) Amounts after the surcharge payable to ANAS (EUR 1,321 thousand as at 30.06.2020, EUR 1,895 thousand as at 30.06.2019)

The item " Revenues from motorway operations" totalled EUR 31.1 million (EUR 43.7 million in the same period of the previous financial year) and breaks down as follows:

	30/06/2020	30/06/2019	Variation
Net toll revenues	33,493,553	46,967,070	(13,473,517)
Surcharge payable to ANAS	(1,320,664)	(1,894,691)	574,027
Discounts and other adjustments	(1,028,705)	(1,375,396)	346,691
Total motorway sector revenues	31,144,184	43,696,983	(12,552,799)

The reduction in "Net toll revenues" of EUR 13.5 million (28.7%) compared to 30 June 2019 is strictly related to the restrictions imposed as a result of the Covid-19 health emergency. As a result of the gradual easing of the lockdown measures, traffic volumes on the motorway section and their revenues are gradually recovering. As at 30 June 2020 there was still a reduction in volumes, in terms of vehicle kilometres, compared to the same period of the previous year, of approximately 36.9%, divided between light vehicles 45.0% and heavy vehicles 15.8%. Although the effect and impact that travel restrictions will have on traffic levels in the future cannot be fully forecast, it is believed that they will continue to adversely affect the Company's traffic figures for the current fiscal year.

The trend in traffic volumes for the first half of 2020 is summarized in the following table:

Monthly traffic data Paying Veh *km	Light Vehicles			Heavy Vehicles			Total Vehicles		
	2020	2019	Δ%	2020	2019	Δ%	2020	2019	Δ%
January	27.755.119	25.738.789	7,83%	10.965.056	10.189.991	7,61%	38.720.175	35.928.780	7,77%
February	26.299.152	26.205.577	0,36%	11.205.581	10.326.246	8,52%	37.504.733	36.531.823	2,66%
March	7.514.148	30.459.250	-75,33%	8.363.958	11.403.829	-26,66%	15.878.106	41.863.079	-62,07%
April	3.055.273	29.876.538	-89,77%	6.032.354	11.042.920	-45,37%	9.087.627	40.919.458	-77,79%
May	11.364.043	30.960.452	-63,29%	9.331.187	12.367.740	-24,55%	20.695.230	43.328.192	-52,24%
June (*)	20.749.100	32.829.950	-36,80%	10.716.295	11.863.864	-9,67%	31.465.395	44.693.814	-29,60%
Total	96.736.835	176.070.556	-45,06%	56.614.431	67.194.590	-15,75%	153.351.266	243.265.146	-36,96%

Operating costs and financial management components will be described in detail in the relevant paragraphs of the Additional Note.

In order to better understand the equity and financial situation of the company, some financial statements reclassification tables are provided below. With regard to the illustration of the aspects of the company's balance sheet, reference should be made to the comments on the individual items in the Additional Note.

	30/06/2020	30/06/2019	Variations
Intangible fixed assets	4,604	4,500	104
Tangible fixed assets	1,101,309	1,168,533	(67,224)
Assets deriving from concession right	1,621,991,245	1,627,662,823	(5,671,578)
Financial fixed assets	43,860,645	44,910,498	(1,049,853)
Working capital	338,070,955	338,466,187	(395,232)
Invested Capital	2,005,028,758	2,012,212,541	(7,183,783)
Prov.s for risks and charges and emp. sev.	885,451	836,712	48,739
Net invested capital	2,004,143,307	2,011,375,829	(7,232,522)
Share capital	51,141,227	51,141,227	0
Other reserves	80,000,000	25,012,040	54,987,960
Cash flow hedge reserve	(322,359,155)	(331,995,086)	9,635,931
Profit (loss) for the period	(52,731,554)	(49,133,190)	(3,598,364)
Shareholders' Equity	(268,070,632)	(304,975,009)	36,904,377
Net financial indebtedness	2,272,213,939	2,316,350,838	(44,136,899)
Own capital and loan capital	2,004,143,307	2,011,375,829	(7,232,522)

“Net financial indebtedness” as at 30 June 2020 breaks down as follows:

	30/06/2020	31/12/2019	Variations
Cash and cash equivalents	134,269,816	130,121,885	4,147,931
Receivables from interconnected companies	15,482,068	24,119,046	(8,636,978)
Payables for current obligations	(13,260,262)	(10,274,367)	(2,985,895)
Current bank payables	(6,600,500)	(5,740,900)	(859,600)
Payables to interconnected companies	(281,537)	(701,303)	419,766
Net current available funds	129,609,585	137,524,361	(7,914,776)
Payables to banks	(292,207,704)	(295,319,411)	3,111,707
Payables to bondholders	(1,633,311,881)	(1,628,827,157)	(4,484,724)
Derivative financial instruments	(158,874,509)	(146,911,504)	(11,963,005)
Debt to EPC Banks	(57,277,617)	(56,580,184)	(697,433)
Payables to shareholders for loans	(259,491,155)	(325,402,122)	65,910,967
Payables to other lenders	(660,658)	(834,821)	174,163
Non-current financial indebtedness	(2,401,823,524)	(2,453,875,199)	52,051,675
Net financial indebtedness	(2,272,213,939)	(2,316,350,838)	44,136,899

LEGAL ACTIVITIES AND LITIGATION

A total of fifty-five disputes are currently pending before various courts:

- three concerning the lawfulness of the expropriation procedures implemented against private individuals for acquisition of the land required for the Works;
- twenty-eight concerning the estimates of indemnities to be provided to the owner companies, twelve of which initiated by Brebemi and sixteen by the companies owning the expropriated properties (one of these refers to a claim submitted by a professional in relation to the fee for services provided as part of a three-member technical committee set up for establishing the expropriation indemnity definitively);
- ten concerning the tax settlement rate for the expropriation decrees (expropriation and/or easement of properties) applied by the Italian Revenue Agency.

In this regard, it should be noted that no specific provision has been made for risks due to the obligations and liabilities assumed by Consorzio BBM with the signing of the Contractor General Agreement and subsequent agreements.

Another fifteen disputes which cannot be classified under a *single legal basis* are pending:

- claim for compensation for the heirs of a worker who died in an accident on the Brebemi construction site (joint and several lawsuit with others). The Court rejected the preliminary motions and the case was referred to and investigated in criminal proceedings where the liability of Consorzio BBM and Brebemi was ruled out. No provision has therefore been made;
- assessment of the CO.IN.E. Consortium's reserves. (Sub-Contractor of the General Contractor). Brebemi, which was not a party to the contractual relationship between COINE and Consorzio BBM, was involved in these proceedings as it was held jointly and severally liable for Consorzio BBM's non-payment of sums claimed by COINE. Regardless of the outcome of the proceedings, Brebemi holds a specific indemnity issued by Consorzio BBM. No provision has therefore been made;
- two petitions filed to the Regional Administrative Court by another Concession Holder: (i) the first relating to the request for annulment of the resolution of the Lombardy Regional Council and of the decisions concerning the final modification project for the A35/A4 interconnection; (ii) the second concerning the annulment of CIPE Resolutions 60/2015, 18/2016 and 19/2016. In both cases, the relief sought cannot be determined in economic terms and no provision has therefore been made;
- a petition filed by CODACONS concerning the lack of safety tutors and the absence of service areas which, according to the association, constitutes an unfair competitive advantage for Brebemi. The relief sought cannot be determined in economic terms and no provision has therefore been made. It is also pointed out that (i) no law imposes the use of the Safety Tutor system (not all Italian motorways have it), (ii) since December 2017 motorway service stations have been in operation;
- a petition filed by Legambiente by which the environmental association challenged the decisions approving the A35/A4 interconnection modification. The relief sought cannot be determined in economic terms and no provision has therefore been made;
- a petition filed to the Regional Court by the Municipality of Cassina de' Pecchi in relation to a request for declaration of nullity of the act of handover of road sections. The relief sought cannot be determined in economic terms and no provision has therefore been made. The dispute specifically concerns the recognition of extra maintenance costs for the future management of the road section in question claimed by the Municipality from the Region;
- a dispute relating to compensation claims arising from a road accident. On the matter it is pointed out that (i) any financial consequence arising from road accidents is borne by Argentea Gestioni S.c.p.A, the company entrusted with motorway management and maintenance; (ii) insurance policies have been taken out to cover damage following road accidents. No provision has therefore been made;
- a dispute relating to compensation of damage following flooding that occurred during construction works on the Motorway. Pursuant to Article 28 of the Contract of Award to a General Contractor, Consorzio BBM must hold Brebemi harmless from third party claims relating to damage arising from motorway construction works. No provision has therefore been made;

- an appeal to the Lazio Regional Administrative Court whereby Brebemi challenged Ministerial Decree 398 of 7 August 2017 of the Ministry of Infrastructure and Transport, in conjunction with the Ministry of Economy and Finance (determination of fees to be charged to operators, pursuant to Article 10(2) of Italian Legislative Decree No 35 of 15 March 2011, implementing Directive 2008/96/EC on road infrastructure safety management). No provision has been made as the dispute was initiated by Brebemi;
- a petition filed by Brebemi to the Brescia Regional Administrative Court against the forced handover of some road sections constructed by Cepav Due (RFI general contractor for construction of the HS/HC line) pursuant to Article 4(7) of the Highway Code. No provision has been made in view of the indeterminate nature of the relief sought, and in view of the extensive indemnity issued by Consorzio BBM to Brebemi;
- a dispute initiated by Brebemi before the Court of Bergamo against the order for payment of the sums relating to the uncontrolled abandonment/disposal of waste (the relief sought can be determined as EUR 309.00);
- two disputes promoted by Brebemi against CAL S.p.A. (Assignor), one of which before the Lombardy Regional Administrative Court for the silence kept by the latter on the petitions by Brebemi relating to the approval of the reservations as well as the extension of the deadline for the completion of the so called "Connected Works" (indeterminable relief sought), and one before the Civil Court of Brescia against the imposition of a penalty of EUR 1,000,000.00 for failure to comply with the deadline for completion of the aforesaid "Connected Works";
- a dispute brought by Brebemi against injunction No. 588/2020 obtained by the company entrusted with the "Tubosider" works for the payment of EUR 1,645,641.35, an amount withheld by the Contractor General to guarantee the correct execution of the works, which has not yet been released due to the failure to test the motorway section. Brebemi has filed a separate notice of opposition against the above-mentioned court order in order to be able to support its extraneousness to the above-mentioned injunction.

The arbitration established on 14 June 2018 by Consorzio BBM, Impresa Pizzarotti & C and CCC Società Cooperativa has been defined.

The procedure initiated by the extraordinary petition filed by Consul System and Brebemi to the Italian President of the Republic has also been essentially defined. The appeal requested the annulment of the note of the Ministry of Economic Development which rejected Consul System Spa's proposal concerning access to the white certificates mechanism. The petition was rejected by Opinion No. 919 dated 26 March 2019. The final decree of the Head of State has yet to be issued, but will certainly be in line with the aforesaid opinion.

Finally, on 17 July 2020 the Company filed an appeal with the Court of Milan for a payment injunction pursuant Arts. 633 and 642 of the Italian Code of Civil Procedure against ASPI (Autostrade per l'Italia) in order to obtain the recognition of a sum equal to EUR 5,600,000.00 as a supplement to the financial advance, autonomously deducted by ASI, on the payments that must be reciprocally paid with reference to tolls collected by a concessionaire for motorway transits on the sections owned by another concessionaire. In this context, it has been agreed that each month the debtor licensees will advance the amounts due to them to the creditor licensees on the basis of specific tables agreed in advance between the parties, for 92% of the collections made in the same period of the previous year. ASPI, taking into account the health emergency linked to the spread of the Covid-19 virus, having recorded a sharp drop in transits, and being the "Debtor Concessionaire of Brebemi" arbitrarily reduced the percentage relating to the financial advance, leading Brebemi to promote an action for the integration of this sum to reach the above mentioned percentage. By order of 12 August 2020, the Court of Milan upheld Brebemi's appeal, without prejudice to ASPI's right to lodge an opposition within forty days.

OTHER SPECIFIC INFORMATION REQUIRED BY CURRENT LEGISLATION**Research and development activities**

No research and development costs were incurred in the first two quarters of 2020.

Relations with subsidiary, associated and parent companies and companies subject to the parent companies' control

Counterparty	Type of transaction	Amount
<i>Services supplied by Società di Progetto Brebemi S.p.A. to Group companies</i>		
Autostrade Lombarde S.p.A.	Supply of services	165,000
Argentea Gestioni S.c.p.a.	Chargeback costs for services	211,453
Argentea Gestioni S.c.p.a.	Secondment of staff	19,977
<i>Services supplied by Group companies to Società di Progetto Brebemi S.p.A.</i>		
Autostrade Lombarde S.p.A.	Shareholders' loans	193,802,315
Autostrade Lombarde S.p.A.	Financial charges	10,678,641
Autostrade Lombarde S.p.A.	Supply of services	9,405
Argentea Gestioni S.c.p.a.	O&M contract fee	10,385,897
Argentea Gestioni S.c.p.a.	Costs for motorway management services	313,789

The costs equal to EUR 10,385,897 refer to the fee arising from the O&M Contract concerning the maintenance and management of the motorway section and in particular: routine maintenance and major maintenance, construction of civil and/or plant engineering works, collection services, toll management, road safety, structure design and structure inspection services, signed on 25 March 2013 between the Company, in the capacity of Principal, and Argentea Gestioni S.c.p.A., in the capacity of Contractor.

Related party transactions

Related party transactions were implemented on the basis of rules ensuring their transparency and their substantial and procedural correctness. In this regard it is noted that the Company has adopted a specific procedure for managing related party transactions and has set up a Related Party Committee with the task of conducting prior analysis and assessment of the related party transactions and ensuring they are consistent with the arm's length principle.

The main transactions in place with the Intesa Sanpaolo Group are listed below:

Counterparty	Type of transaction	Amount
Intesa Sanpaolo S.p.A.	Bank loans	13,622,785
Intesa Sanpaolo S.p.A.	Shareholders' loans	29,430,015
Intesa Sanpaolo S.p.A.	Hedging derivatives	65,730,948
Intesa Sanpaolo S.p.A.	Bank financial charges	165,876
Intesa Sanpaolo S.p.A.	Swap spreads	732,345
Intesa Sanpaolo S.p.A.	Financial charges for shareholders loans	1,399,675
Banca IMI	Bank loans	89,253,000
Banca IMI	Bank financial charges	1,035,125

Own shares and stocks or shares of parent companies

The Company does not hold own shares or units of Parent Companies, not even through trust companies or third parties.

Alternative performance measures

In its periodic financial reporting, Società di Progetto Brebemi SpA uses alternative performance measures which, although very common, are not defined or specified by the accounting standards to be applied when drawing up the annual financial statements or the periodic financial reports. In compliance with the ESMA/2015/1415 guidelines, a definition of these measures is provided below:

- “Revenues from motorway operations” represent toll revenues minus the fee / surcharge payable to ANAS and including discounts granted to users.
- “Gross operating margin” (EBITDA) is the synthetic measure of the profitability arising from operations, determined by deducting all recurrent operating costs, except for amortization, depreciation and provisions, from the “Total revenues” recorded in the financial statement. The Gross Operating Margin does not include non-recurring items, financial items and taxes.
- "Operating income" (EBIT) is the indicator that measures the return on the total capital invested in the company, calculated by subtracting amortization, depreciation, provisions and write-downs of intangible and tangible assets from the Gross Operating Margin.
- “Net invested capital” states the total amount of non-financial assets, minus non-financial liabilities.
- “Net financial indebtedness” represents the measure of net invested capital covered through net financial liabilities after current liquidity.

Risk management

The Company has identified both the risks linked to specific business factors and financial risks. With regard to the management of financial risks, it has identified and defined its objectives and management policies.

When carrying out its routine operations, the Company is potentially exposed to the following financial risks:

- “interest rate risk” mainly arising from the exposure to interest rate fluctuations associated with the financial assets disbursed and financial liabilities incurred;
- “liquidity risk” arising from the lack of sufficient financial resources to cover operating activities and repay liabilities incurred;
- “credit risk” represented by the risk of non-performance of obligations undertaken by the counterparty and the risk associated with normal business relationships.

These risks are analysed in detail below:

Interest rate risk

The strategy pursued by the Company to limit the risks associated with interest rate fluctuations mainly consists in carefully monitoring interest rate trends, identifying the optimal combination of variable and fixed rates and entering into specific hedging contracts.

The Company’s indebtedness as at 30 June 2020 is made up of bond issues and bank loans, for which interest rate hedges have been implemented, as described in greater detail in the explanatory notes.

Liquidity risk

The liquidity risk represents the risk that available financial resources may not be sufficient to cover maturing bonds. Despite the lower revenues temporarily recorded when the infrastructure entered into service compared to the original forecasts, the Company believes that the measures adopted in the new rebalancing plan, approved by Supplementary Deed No. 3 to the Concession Agreement, along with the generation of cash flows and the refinancing of the debt position, guarantee that the planned financial requirements will be covered.

Credit risk

In order to minimize the credit risk the Company pursues a policy of prudent use of liquidity, and at present there are no critical positions regarding individual counterparties. Trade receivables are constantly monitored by the Company, which writes down positions that need to be partially or fully written-off.

With regard to the specific activity carried out by the Company, the following risks have also been identified:

Legislative and regulatory risk

The Company offers a public service and operates in a regulated sector subject to legislative measures that may affect the determination of the fees applied to users and the imposition of unforeseen obligations and charges. The fees are subject to control and application by the Grantor and the Ministry of Infrastructure and Transport and are updated each year, as provided under the current Concession Agreement. The Company constantly monitors any new legislative arrangements with the assistance of external and internal experts.

Price risk

With regard to the Company's main investment, the procurement and service agreements in place exclude price reviews, unless these are recognized by the Grantor, as the agreements are structured with back-to-back commitments and rights deriving from the relationship between the Grantor and the Concession Holder.

The foregoing is also valid in relation to the increased construction and expropriation costs which increased following the rebalancing procedure of the Economic and Financial Plan.

Market risk

Given the nature of the activity carried out, the main market risk is attributable to "traffic risk", i.e. the risk that the traffic estimates based on the Concession Agreement's Economic and Financial Plan may be incorrect. This risk is hedged by agreement instruments that allow the concessionaire to restore economic and financial equilibrium when the Economic and Financial Plan is updated or revised.

Risks of revocation of the concession in the public interest

With reference to the events in Genoa (Morandi Bridge) and Article 35 of Decree Law No. 162 of 30 December 2019 (the so-called 'Milleproroghe' decree), we emphasize that if the Concession Agreement were to be terminated for reasons of public interest or due to breach of contract by the Grantor, appropriate safeguards have been envisaged for the Concession Holder.

In particular, it is established that the Concession Holder shall be entitled to a refund equal to: (i) the value of the works carried out plus ancillary costs, minus depreciation, (ii) the penalties and other costs incurred or to be incurred as a result of termination and (iii) an indemnity, as compensation for loss of earnings, equal to 10 percent of the value of the works still to be carried out or of the part of the service still to be managed valued on the basis of the Economic and Financial Plan.

Emerging risks

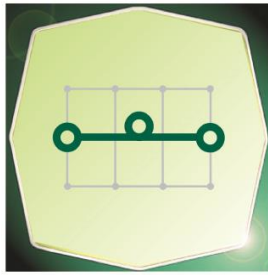
Risk management also involves the identification, understanding and monitoring of so-called emerging risks, i.e. those risks characterized by little known or rapidly evolving components that are potentially significant in the medium term with respect to the Company's financial position and business model, even if their effects cannot be easily assessed and cannot yet be fully integrated into the more consolidated risk management frameworks.

In this perspective, the perspective on global economic growth shows significant vulnerabilities mainly related to uncertainty about the recovery of global trade and manufacturing and the still high geopolitical tensions. Moreover, the spread of the Covid-19 disease, with its implications for public health, economic activity and trade, is likely to have a significant downward effect on global growth.

MANAGEMENT OUTLOOK

Although there is still a substantial situation of uncertainty linked to the Covid-19 emergency and the impact on the Company's traffic data, there is continuous and significant improvement in traffic volumes, as well as a progressive reduction in the differential with respect to the volumes forecast before the emergency. Although the effect and impact that travel restrictions will have on traffic levels in the future cannot be fully forecast, it is believed that they will continue to adversely affect the Company's traffic figures for the current fiscal year.

The Company has begun talks with the Grantor CAL on the measures to mitigate the impact of the Covid-19 emergency on traffic flows, including a potential request to review the Economic and Financial Plan in force.



SOCIETÀ DI PROGETTO
BREBEMI SPA

Half-Yearly Report
as at 30 June 2020

Balance sheet
Income Statement
Cash flow statement

BALANCE SHEET - ASSETS

Amounts in Euro	30/06/2020	31/12/2019
B Non-current assets		
I Intangible fixed assets		
4) Concessions, licenses trademarks and similar rights	4.604	4.500
Total	4.604	4.500
II Tangible fixed assets		
1) Land and buildings	883.608	927.517
4) Other tangible assets	217.701	241.016
7) Assets deriving from concession right	1.621.991.245	1.627.662.823
Total	1.623.092.554	1.628.831.356
III Financial fixed assets		
2) Receivables: d - bis) from others - after one year	43.860.645	43.674.673
4) Derivative financial instruments assets	0	1.235.825
Total	43.860.645	44.910.498
Total Non-current assets	1.666.957.803	1.673.746.354
C Current assets		
II Account receivables		
1) Trade receivables - within one year	671.571	537.403
4) Receivables from parent companies - within one year - after one year	100.650 2.044.415	146.400 2.044.415
5) Receivables from companies subject to the control of the parent companies - within one year	157.168	544.532
5-bis) Tax receivables - within one year	703.726	623.934
5-ter) Deferred Tax - after one year	214.607.120	201.199.538
5-quater) Other receivables - within one year - after one year	21.151.944 145.887.574	20.669.872 164.364.195
6) Receivable from interconnected companies	15.482.068	24.119.046
Total	400.806.236	414.249.335
IV Cash and cash equivalents		
1) Banks account	133.733.953	129.016.888
3) Cash on hand	535.863	1.104.997
Total	134.269.816	130.121.885
Total currents assets	535.076.052	544.371.220
D Accrued expenses and deferred income		
b) Prepaid expenses	2.954.903	3.167.412
Total	2.954.903	3.167.412
TOTAL ASSETS	2.204.988.758	2.221.284.986

BALANCE SHEET - LIABILITIES

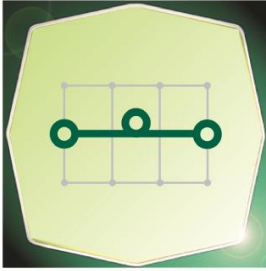
Amounts in Euro		30/06/2020	31/12/2019
A Shareholders' Equity			
I	Share Capital	51.141.227	51.141.227
VI	Other reserves, indicated separately	80.000.000	25.012.040
VII	Cash flow hedge reserve	(322.359.155)	(331.995.086)
VIII	Retained earnings (losses)	(24.121.150)	0
IX	Net income (loss) for the year	(52.731.554)	(49.133.190)
Total		(268.070.632)	(304.975.009)
B Provisions for risks and charges			
3)	Derivative financial instruments liabilities	158.874.509	146.911.504
Total		158.874.509	146.911.504
C Employees severance indemnity		885.451	836.712
D Liabilities			
1)	Bonds issues		
	- within one year	13.260.262	10.274.367
	- after one year	1.633.311.881	1.628.827.157
3)	Payables to shareholders for loans		
	- after one year	259.491.155	325.402.122
4)	Payables to banks		
	- within one year	6.600.500	5.740.900
	- after one year	349.485.321	351.899.595
5)	Payables to other lenders		
	- after one year	660.658	834.821
7)	Trade payables		
	- within one year	24.860.188	24.208.606
11)	Payables to parent companies		
	- within one year	3.103	3.290
11 - bis)	Payables to companies subject to the control of the parent companies		
	- within one year	7.668.690	7.123.991
	- after one year	8.817.576	8.664.695
12)	Tax payables:		
	- within one year	1.057.403	3.133.406
13)	Payables to social security institutions		
	- within one year	248.204	191.911
14)	Other payables		
	- within one year	2.169.467	6.137.101
	- after one year	5.170.948	5.368.514
15)	Payables to Interconnected Companies	281.537	701.303
Total		2.313.086.893	2.378.511.779
E Accrued expenses and deferred income			
b)	Deferred income	212.537	0
Total		212.537	0
TOTAL LIABILITIES		2.204.988.758	2.221.284.986

INCOME STATEMENT

Amounts in Euro	30/06/2020	30/06/2019
A Value of Production		
1) Revenues from sales of goods and services	32.464.848	45.591.674
5) Other revenues and income	1.082.621	1.535.346
Total	33.547.469	47.127.020
B Costs of Production		
6) Costs of raw materials, consumables and goods for resale	(30.802)	(29.074)
7) Costs for services	(12.662.261)	(12.967.217)
8) Costs for the use of third parties assets	(115.772)	(117.397)
9) Costs of personnel		
a) Wages and salaries	(1.215.761)	(1.110.754)
b) Social security contributions	(378.843)	(345.790)
c) Employees severance indemnity	(73.531)	(76.677)
e) Other personnel costs	(8.587)	(9.460)
Total	(1.676.722)	(1.542.681)
10) Amortization, depreciation and write-downs		
a) Amortization of intangible assets	(1.371)	(845)
b) Amortization of tangible fixed assets		
- Amortization of technical equipment	(79.594)	(83.693)
- Amortization of assets deriving from concession right	(6.054.381)	(5.495.871)
Total	(6.135.346)	(5.580.409)
14) Other operating expenses	(2.364.446)	(3.251.144)
Total	(22.985.349)	(23.487.922)
Difference between value and cost of production	10.562.120	23.639.098
C Financial Income and Expenses		
16) Other financial income		
d) Income other than the above:		
- Others	186.635	223.965
Total	186.635	223.965
17) Interests and other financial expenses		
c) To controlling companies	(10.678.641)	(1.769.169)
e) Other	(65.265.103)	(43.324.633)
Total	(75.943.744)	(45.093.802)
Total	(75.757.109)	(44.869.837)
D Adjustments to financial assets values		
18) Revaluations:		
d) Derivatives	1.347.554	0
19) Depreciation		
d) Derivatives	(5.212.524)	0
Total	(3.864.970)	0
Income (loss) before income taxes	(69.059.959)	(21.230.739)
20) Income taxes		
a) Current income taxes	(122.102)	(1.093.038)
b) Deferred income taxes	16.450.507	(2.688.263)
Total	16.328.405	(3.781.301)
21) Net earning (loss) for the period	(52.731.554)	(25.012.040)

CASH FLOW STATEMENT

Amounts in Euro	30/06/2020	30/06/2019
A. Cash flows from operating activities		
Net earning (loss) for the period	(52.731.554)	(25.012.040)
<i>Adjustments for non-monetary items that did not affect net working capital</i>		
<i>Amortizations and depreciation:</i>		
- Intangible fixed assets	1.371	845
- tangible fixed assets	79.594	83.693
- assets deriving from concession right	6.054.381	5.495.871
Net changes in termination indemnity	48.738	52.927
Provisions for other contingencies and charges	20.776.891	0
Depreciation of financial assets	3.864.970	0
1. Cash flows before changes in working capital	(21.905.609)	(19.378.704)
Changes in net working capital	1.971.629	2.660.652
2. Cash flows after changes in working capital	(19.933.980)	(16.718.052)
<i>Other adjustments</i>		
Net change in deferred tax assets and liabilities	(16.450.507)	2.688.263
Cash flow generated from operating activities (A)	(36.384.487)	(14.029.790)
B) Cash flow from investing activities		
Purchases of intangible assets	(1.475)	(5.070)
Purchases of tangible assets	(12.371)	(9.357)
Investments in Assets deriving from concession right	(1.906.182)	(3.609.641)
Increase in non-current financial assets	1.049.853	(7.521.254)
Receipts of government grants	20.000.000	0
Increase/Decrease of trade payables due to investments	1.571.778	5.534.285
Cash flow from investing activities (B)	20.701.603	(5.611.037)
C. Cash flow from financing activities		
<i>Third-party funds</i>		
Increase (decrease) in short-term financial payables	3.845.495	408.512
Increase (decrease) in medium/long-term financial payables	2.070.450	(8.838.208)
Disbursement/(Reimbursement) loans to/from shareholders	(66.085.130)	5.848.234
<i>Own funds</i>		
Other changes in financial payables (SFP issue)	80.000.000	0
Cash flow from financing activities (C)	19.830.815	(2.581.463)
Increase (decrease) in cash and banks (A±B±C)	4.147.931	(22.222.289)
Opening cash and banks	130.121.885	114.725.647
Bank deposits	129.016.888	113.668.091
Cash	1.104.997	1.057.556
Closing cash and banks	134.269.816	92.503.358
Bank deposits	133.733.953	113.668.091
Cash	535.863	1.057.556
Additional information:	30/06/2020	30/06/2019
Payed/received interests for the period	(27.264.193)	(42.960.185)
Income taxes for the period	0	0
Received dividends for the period	0	0



**SOCIETÀ DI PROGETTO
BREBEMI SPA**

**Half-Yearly Report
as at 30 June 2020**

Additional note

INTRODUCTION

The Half-yearly report at 30 June 2020 has been drawn up in compliance with the Italian Civil Code, as amended in order to implement Legislative Decree No. 139/2015, interpreted and supplemented by the Accounting Principles issued by the Italian Accounting Body (OIC), and consists of the Balance Sheet, Income Statement, Cash Flow Statement and Additional Note.

The Half-Yearly Report as at 30 June 2020 is consistent with the results of the accounting records and was drawn up in compliance with Arts. 2423, 2423-ter, 2424, 2424-bis, 2425, 2425-bis, 2425-ter of the Italian Civil Code, in accordance with the drafting principles laid down by Article 2423-bis(1) of the Italian Civil Code, and the valuation criteria laid down by Article 2426 of the Italian Civil Code. With regard to the standards used to draw up these statements, it is specified that individual items were valued by taking the “substance of the transaction or the contract” into account, as required by Article 2423-bis of the Italian Civil Code.

The Balance Sheet and Income Statement items preceded by Arabic numerals were drawn up pursuant to paragraphs 2, 3 and 4 of Article 2423-ter of the Italian Civil Code, in relation to the nature of the business conducted.

The Cash Flow Statement has been drawn up in accordance with the provisions of Art. 2425 ter of the Italian Civil Code.

Pursuant to Arts. 16 paragraphs 7 and 8 of Legislative Decree No. 213/1998 and Art. 2423(6) of the Italian Civil Code, the financial statements have been drawn up in units of EUR, without decimals.

This note consists of five parts: the first part explains the criteria adopted for drawing up the Half-Yearly Report, the second and third parts, including the information required by Arts. 2427 and 2427 bis of the Italian Civil Code, describes and comments on the main changes, compared to the previous year, in the Balance Sheet, Income Statement, Cash Flow Statement, whereas the fourth part provides the other information required by the Italian Civil Code.

GOING CONCERN PRINCIPLE

The Half-Yearly Report as at 30 June 2020 has been drawn up on a going concern basis, supported by the Economic and Financial Plan attached to the Addendum No. 3 to the Concession Agreement signed on 19 July 2016, approved by Decree No. 309 of 19 September 2016 of the Ministry of Infrastructure and Transport and subsequent publication in the Official Journal.

For the purposes of this analysis, the flow of revenue from motorway toll collections provided for in the current Economic and Financial Plan and the regulatory framework of the Concession Agreement - which provides for the right to update and rebalance the Economic and Financial Plan at the end of each five-year regulatory period - was also taken into account.

The Company has begun talks with the Grantor CAL on the measures to mitigate the impact of the Covid-19 emergency on traffic flows, including a potential request to review the Economic and Financial Plan in force.

The Directors have constantly monitored the impact of the Covid-19 emergency on traffic data for the first half of 2020; considering the liquidity currently available in the Company's accounts as well as the reserves (DSRA and MRA) earmarked in accordance with the financial documentation signed last October, the Company can reasonably assume that short-term business continuity can be guaranteed.

The application of the new accounting standards, as detailed in this additional note, has resulted in the obligation to recognize changes in the *fair value* of hedging derivatives to a positive or negative transitional reserve in shareholders' equity. As a result of this change, shareholders' equity as at 30 June 2020 was negative for EUR 268,070,632. In this regard, it should be noted that, in accordance with the applicable regulations, such reserves of a transitory nature are not considered in the calculation of shareholders' equity for the purposes of Arts. 2412, 2433, 2442, 2446 and 2447 and, if positive, are not available and cannot be used to cover losses.

VALUATION CRITERIA

The accounting standards and evaluation criteria applied in drawing up the Half-Yearly Report as at 30 June 2020 are the same as those used to draw up the financial statements as at 31 December 2019.

Intangible fixed assets

Intangible fixed assets are entered at purchase or production cost. The purchase cost also includes ancillary costs. The production cost includes all costs directly attributable to the product. The amounts are net of depreciation, which is calculated in relation to the residual possibility of use.

Licences are amortized over three years.

Fixed assets whose value at the reporting date is lower than the one determined as above, must be recorded at the lower value.

The lower value cannot be maintained in subsequent financial statements if the reasons for such adjustment no longer apply; this provision does not apply to value adjustments relating to goodwill.

Tangible fixed assets

Intangible fixed assets are entered at purchase or production cost. The purchase cost also includes ancillary costs. The production cost includes all costs directly attributable to the product.

Tangible fixed assets are divided between non-transferable and asset deriving from concession right. Non-reversible assets consisting of plant, furniture, office machinery, vehicles, equipment, land and buildings are recorded at purchase cost including directly attributable accessory charges and are adjusted by the respective accumulated depreciation.

Non-transferable assets are systematically depreciated in each financial year on a straight-line basis on the basis of economic-technical rates determined in relation to the residual possibility of use of the assets to which they refer; for increases during the year, the rates have been reduced by 50% in consideration of the fact that this is a fair approximation of the average share held.

The depreciation rates applied, broken down by category, are as follows:

- Buildings 4%
- Plant and machinery 10%
- Office equipment 15%
- Office furniture and fittings 12%
- Electronic office machines 20%

The depreciation rates are the same as the previous financial statements.

The item “Asset deriving from concession right” includes all the design and construction costs for the motorway under concession. The book value includes all the ancillary charges attributable to the fixed assets in the construction period, including the financial charges relating to the loans specifically taken out.

Any “contract reserves” agreed, that is, higher prices recognized to the General Contractor following an economic-technical assessment, are carried as an increase in the book value of the motorway works only to the extent that they are considered to increase their value.

Depreciation of “Asset deriving from concession right” is recorded at different rates calculated on the overall investments and is consistent with the provisions of the Economic and Financial Plan attached to the Addendum No. 3 to the Concession Agreement. Taking into account the specific nature of the Company’s business, as this depreciation determination method is directly dependent on the results of the Concession Agreement’s Economic and Financial Plan, it is considered compatible with the principle of a true and fair view established by Article 2423(2) of the Italian Civil Code.

In this specific case, the reasons to adopt a depreciation criterion based on different increasing rates can be summarized as follows:

- based on expected traffic estimates, the asset subject to depreciation foresees an increasing trend in vehicle transits that will justify increased depreciation over the period;
- the asset subject to depreciation is an asset deriving from concession right under concession, and depreciation has been authorized by specific provisions of the Italian Revenue Agency pursuant to Art. 104(4) of the TUIR (Consolidated Income Tax Law) approved by Presidential Decree No. 917 of 22 December 1986;
- this method is adopted by all sector operators that are comparable in terms of size and kilometres of infrastructure managed.

Fixed assets which, at the reporting date, have become impaired and whose value is lower than the one determined as above must be carried at the lower value.

The lower value cannot be maintained in subsequent financial statements if the reasons for the adjustment have ceased to apply.

Assessing recoverability of tangible and intangible fixed assets

According to OIC 9 “Write-downs for impairment losses of tangible and intangible fixed assets”, at each reporting date the Company assesses the presence of impairment indicators and, if such indicators are found, it estimates the asset’s recoverable value and records a write-down if the asset has become impaired and its value is lower than the net book value.

In the absence of indicators of potential impairment, the recoverable value is not determined.

The recoverable amount of an asset or cash generating unit is defined as the higher of its value in use and its fair value, net of selling costs.

Value in use is determined on the basis of the present value of future cash flows expected to arise from an asset over its useful life. The calculation of the value in use includes the following steps:

- estimating future cash inflows and outflows from the continuing use of the asset and its ultimate disposal,
- and applying the appropriate discount rate to those future cash flows.

For the purpose of impairment testing, the recoverable value of Brebemi's assets was determined at 31 December 2019 based on their value in use, determined by applying the discounted cash flow method (DCF).

The Economic and Financial Plan used for the *Discounted Cash Flow analysis* is based on the most recent plan adopted as part of the refinancing operation, adjusted to reflect changes occurring after the date of drawing up of the financial plan (traffic, fees, completion of the investment programme, etc.). The plan also considers the rebalancing of the plan at the end of the current regulatory period (2022) with equivalent measures to allow a rate of return on the concession in line with the provisions of CIPE Resolution No. 39 on fee regulation as confirmed by a specific legal opinion in the Company's records.

Taking into account the assumptions underlying the 2019-2039 economic and financial plan, the value in use resulting from the impairment test carried out did not show the need to reduce the value of the assets tested.

For the preparation of the impairment test, carried out for the purposes and in accordance with the provisions of OIC 9, the Company was supported by an independent external professional.

Grants for plant and equipment

Grants are recognized when there is reasonable certainty that they will be received and that all the conditions for their payment will be met. Grants in the "plant account" are recorded in the balance sheet as an adjustment to the book value of the asset to which they refer, as required by the relevant regulations in force.

Derivative financial instruments

Derivative financial instruments, even if embedded in other financial instruments, are recorded at fair value. Changes in fair value are recognised in the income statement or directly in a positive or negative equity reserve if the instrument covers the risk of changes in the expected cash flows of another financial instrument or a planned transaction. This reserve is recognized in the income statement to the extent and over a period of time corresponding to the occurrence or change in the cash flows of the hedged instrument or the hedged transaction. The elements hedged against the risk of changes in interest rates or exchange rates or market prices or against credit risk are valued symmetrically to the hedging derivative instrument; hedges are considered to exist where, from the outset, there is a close and documented correlation between the characteristics of the hedged instrument or transaction and those of the hedging instrument. Profits deriving from the fair value measurement of derivative financial instruments not used or not necessary for hedging purposes cannot be distributed. The equity reserves arising from the fair value measurement of derivatives used to hedge the expected cash flows of another financial instrument or a planned transaction are not considered in the computation of equity for the purposes of Articles 2412, 2433, 2442, 2446 and 2447 and, if positive, are not available and cannot be used to cover losses.

Fair value is determined by reference:

- (a) to market value, for financial instruments for which an active market can easily be identified;

(b) where the market value is not readily identifiable for an instrument, but can be identified in its components or a similar instrument, the market value may be derived from that of the components or the similar instrument;

(c) to the value resulting from generally accepted valuation models and techniques for instruments for which an active market cannot easily be identified; such valuation models and techniques need to ensure a reasonable approximation of the market value.

Fair value is not determined if the application of the criteria indicated does not give a reliable result.

Receivables

Receivables, classified as financial fixed assets or current assets according to their nature, are recorded in the financial statements according to the amortized cost method, taking into account the time factor and the estimated realizable value.

Provisions for risks and charges

The provisions include amounts set aside to cover losses or debts, whose existence is certain or probable, but whose actual existence or amount could not be determined at the end of the financial year, while no account is taken of risks of a remote nature.

The "Provision for deferred taxes" includes the allocation relating to taxes which, although pertaining to the year, will be due in future years.

Employees severance indemnity

It is set aside on the basis of the seniority of the individual employees, in accordance with the law and the employment contracts in force. This liability is subject to annual revaluation by applying specific indices provided for by current regulations.

Payables

Payables are recorded in the financial statements according to the amortized cost criterion, taking into account the time factor.

Accruals and deferrals

They are determined on an accruals basis in accordance with the financial year.

Revenues from sales

Motorway sector revenue is recognized including the additional charge, which, being a concession fee, was classified among "Other operating charges".

Current and deferred - prepaid taxes

Current taxes are recorded on the basis of the estimated taxable income for the period in accordance with the provisions in force.

Deferred tax assets and liabilities are recorded on the basis of current regulations, taking into account the criteria established by accounting principle OIC No. 25, drawn up by the Italian Accounting Body on the "accounting treatment of income taxes".

Deferred tax assets and deferred tax liabilities may be offset, if offsetting is legally permitted.

COMMENTS ON THE MAIN ASSET ITEMS

FIXED ASSETS

For intangible and tangible fixed assets, specific tables have been prepared, attached to these notes, which indicate for each item the data relating to the initial situation, the movements during the year and the final balances at the end of the year.

Intangible fixed assets

This item refers entirely to user licences.

For a detailed picture of the movements during the year, please refer to the table contained in Annex No. 1.

Tangible fixed assets

The total amount of this item, equal to EUR 1,623,092,554 (EUR 1,628,831,356 as at 31.12.19), includes EUR 1,621,991,245 (EUR 1,627,662,823 as at 31.12.19) fixed assets related to Asset deriving from concession right, and is net of the depreciation fund equal to EUR 65,134,521 (EUR 59,000,546 as at 31.12.19) and the public capital contribution.

The item "Land and buildings" of EUR 2,195,448, net of the related depreciation fund of EUR 1,311,840, refers to the building used as the Company's headquarters.

The item "Other assets" mainly refers to technical equipment for the motorway toll collection service such as safes and money counters.

For a more detailed picture of the changes that occurred during the year, with regard to all categories of tangible fixed assets, please refer to the specific table in Annex No. 2.

As part of the structuring of the Financing operation, the Company has established a special first-degree lien, pursuant to Article 46 of the Consolidated Banking Act, on movable assets not recorded in the assets at the date of subscription, or which will be acquired subsequently in place of the previous ones, and on receivables, including future receivables, which may arise as a result of the disposal of such assets. The owned property does not fall within the special privilege.

Assets deriving from concession right

This item consists of the costs incurred by the Company for the design and construction of the motorway. This value includes all preliminary, design and ancillary costs and, starting from 2009, amounts relating to works, expropriations and interferences arising from the execution of the activities provided for in the contract entrusted to the general contractor.

Details of costs incurred and changes compared to the previous year are shown below:

B II 7) Assets deriving from concession right	30/06/2020	31/12/2019
Motorway	1,034,195,098	1,034,195,098
Financial charges	247,459,891	247,459,891
Interference resolution	111,391,902	111,391,902
Acquisition of expropriated areas or properties and temporary occupations	332,989,166	331,399,975
Sums available to the General Contractor	85,291,932	85,291,932
General expenses and other amounts available	91,977,564	91,882,748
Other capitalized costs	33,257,040	33,257,040
A35 - A4 Interconnection	53,416,854	53,194,679
Other assets deriving from concession right	291,429	291,429
Public capital grant	(305,887,574)	(304,364,195)
Financial amortization	(62,392,057)	(56,337,676)
Total	1,621,991,245	1,627,662,823

The public contribution on account of plants, obtained for a total of EUR 320 million, was recognized in 2016 with the effectiveness of the Addendum No. 3 to the Concession Agreement. As at 30 June 2020, a total of EUR 305,887,574 is recorded at amortized cost in order to take into account the time factor relating to the collection of the long-term portion (2020-2029). The effect of the discounting back of the long-term portion for a total of EUR 14,112,426 was deducted from the item Receivables for grants to be collected.

The item "Financial amortization and depreciation" of EUR 62,392,057 includes the allocation of differentiated amortization quotas in accordance with the provisions of the Concession Agreement's Economic and Financial Plan, as better specified in the section on valuation criteria of this note.

General expenses and other amounts available include the expense item "Agreement with local authorities" which includes the costs incurred and disbursed in relation to the compensatory and mitigating measures envisaged for the Company within the Economic Expenditure Framework of the final project approved by Cipe Resolution No. 42/09 and also included in the Economic and Financial Plan.

The amount as at 30 June 2020 refers to contributions made to the following entities:

Beneficiary	Description of agreement	Amount agreed	Amount paid
Agreement between Province of Brescia – CAL S.p.A. – RFI S.p.A. – Società di Progetto Brebemi S.p.A. - Consorzio B.B.M.	Agreed design solution to maintain the east-west link in view of disposal of the former SS11	1,231,841	1,231,841
Consorzio di gestione del Parco Regionale del Serio	Environmental compensation work to be carried out by the Park	1,430,000	927,250
Parco Adda Nord	Environmental compensation work to be carried out by the Park	1,495,000	498,250
Parco Oglio Nord	Environmental compensation work to be carried out by the Park	1,495,000	1,495,000
Municipality of Cassano d'Adda	Design and construction of road access	1,821,000	1,821,000
Municipality of Chiari	Design and construction of the link between the former SS11 and the SP17 (Northern Ring Road Chiari)	4,000,000	4,000,000
Other		1,465,430	1,144,394
Total		12,938,271	11,117,735

The residual amount still to be disbursed to Local Authorities, equal to EUR 1,820,536, is shown in the section on the commitments undertaken by the Company as at 30 June 2020.

Financial fixed assets

Receivables from others

Financial fixed assets are attributable:

- to the amount paid to Consorzio BBM pursuant to the agreement defined on 30 July 2016 in relation to the recognition, by way of mere advance payment, pending the decisions of the Grantor, of a total amount of EUR 26.4 million for appraisals of variants and higher charges requested by the Concessionaire and already incurred by the Contractor General. The agreement also provides for the simultaneous waiver of the relevant reservations with respect to Brebemi;
- to the amount of € 18 million paid to Consorzio BBM pursuant to the minutes of agreement of 5 March 2018 which govern, inter alia, the recognition of a further tranche of reserves as a financial advance. Of the total amount of EUR 18 million, EUR 7.5 million were disbursed in January 2019.

If CAL does not definitively acknowledge the higher charges during the review procedure of the Economic and Financial Plan, at the end of the regulatory period starting from 13 October 2016, the advance payment must be returned to Brebemi. The advance was secured by a bank guarantee issued by BNP Paribas to cover the risk of repayment of the amount paid in advance. The amount has been entered at amortized cost to take account of the time factor relating to the possible recognition of these charges by the Grantor and their entry under asset deriving from concession right fixed assets.

Derivative financial instruments assets

Description	30/06/2020	31/12/2019
Derivative financial instruments assets	0	1,235,825
Total	0	1,235,825

The amount recorded at 31 December 2019 includes the positive fair value of derivative financial instruments outstanding at the end of the year; specifically, this value is attributable to some new interest rate swap contracts negotiated during 2019 as part of the corporate debt refinancing operation.

CURRENT ASSETS**Receivables**

Pursuant to Article 2427(6) of the Italian Civil Code, it should be noted that, given the nature of the activity carried out by the Company, all receivables are attributable to activities carried out in Italy.

Receivables from parent companies

Description	30/06/2020	31/12/2019
Service Contract Credit	100,650	146,400
Credit for participation in the tax consolidation	2,044,415	2,044,415
Total	2,145,065	2,190,815

The amount of EUR 2,044,415 refers to the transfer of the tax benefit to the parent company, equal to the IRES (corporate income tax) for 2012 and 2013, in accordance with the rules set out in the consolidation agreements signed between Autostrade Lombarde S.p.A. and Società di Progetto Brebemi S.p.A. with regard to the "domestic tax consolidation" pursuant to articles 117 et seq. of the Consolidated Income Tax Act, to which the two companies have adhered.

Receivables from companies subject to the control of the parent companies

The amount of EUR 157,168 (EUR 544,532 as at 31.12.19) relates entirely to receivables from Argentea Gestioni S.c.p.A.

Tax receivables

This item can be broken down as follows:

Description	30/06/2020	31/12/2019
VAT credit	50,414	50,414
IRES credit	2,199	2,027
IRAP credit	651,113	571,494
Total	703,726	623,934

The IRAP credit refers to the transformation of the ACE (Aid to Economic Growth) surplus into a tax credit that can be used to offset IRAP payments. Following the issue of the Relaunch Decree (Decree-Law No. 34 of 19 May 2020) the Company can benefit from the provisions of Art. 24; it is therefore not required to pay the balance of IRAP due for 2019 as well as part of the first instalment of the IRAP advance due for 2020.

Prepaid taxes

This item can be broken down as follows:

Description	30/06/2020	31/12/2019
Previous years' tax losses	91,389,200	76,427,474
Tax losses in the year	16,583,516	14,948,526
ACE	4,733,692	4,844,016
Other temporary differences	103,084	138,969
Fair value derivative instruments	101,797,628	104,840,553
Total	214,607,120	201,199,538

Changes in temporary differences that led to the recognition of deferred tax assets are provided in Attachment 8.

This tax benefit has been recognized as there is a reasonable certainty of obtaining future taxable income that will absorb the losses carried forward. Based on the flows of the Concession Agreement's Economic and Financial Plan approved by CIPE Resolution No. 60 of 6 August 2015 and recorded in the Official Journal on 29 January, 2016, the return of prepaid taxes is expected from 2023 onwards. Based on current traffic estimates, the operating activity will be able to ensure the complete recoverability of the asset recorded.

Other receivables

This item can be broken down as follows:

Description	30/06/2020	31/12/2019
Due in less than 1 year	21,151,944	20,669,872
Security deposits	13,891	13,891
Public grant to be paid	20,000,000	20,000,000
Receivables for ANAS Surcharge>	396,367	0
Other receivables due in less than 12 months	741,686	655,981
Due in more than 1 year	145,887,574	164,364,195
Public grant to be paid	145,887,574	164,364,195
Total	167,039,518	185,034,067

The public contribution to be collected refers to the provisions of the Economic and Financial Plan attached to the Addendum No. 3 to the Concession Agreement in relation to the total contribution of EUR 260 million, divided into annual instalments of EUR 20 million from 2017 to 2029. The portion relating to the current year was collected in April 2020. The short-term portion of EUR 20,000,000 refers to the year 2021 to be collected. The long-term portion of EUR 145,887,574 refers to the years 2022 to 2029 for a total of EUR 160,000,000. The receivable is recorded at amortised cost in order to take into account the time factor relating to the collection of the long-term portion (2022-2029). The effect of discounting the long-term portion as at 30 June 2020 is equal to EUR 14,112,426.

The item "Receivables for ANAS Surcharge" arising in 2020 is closely related to the negative trend in traffic volumes in the first half of 2020. The Company is creditor towards ANAS S.p.A. for the advances paid monthly on the additional fee due pursuant to Art. 19(9-bis) of Law Decree No. 78/09 and calculated on the basis of the traffic volumes trend of the previous year.

The item "other receivables" also includes receivables arising from payments made by users with credit/debit cards and collected in July 2021 as well as receivables from users for non-payment.

Receivable from interconnected companies

This item, equal to EUR 15,482,068 (EUR 24,119,046 as at 31.12.19), represents the credit relationships deriving from the amounts collected for tolls by the interconnected companies on behalf of Brebemi and to be allocated as at 30 June 2020.

Cash and cash equivalents

At 30 June 2020, this grouping was composed as follows:

Description	30/06/2020	31/12/2019
Banks account	133,733,953	129,016,888
Cash on hand	535,863	1,104,997
Total	134,269,816	130,121,885

The item "Cash and cash equivalents" as at 30 June 2020 includes, among other things:

- the amounts deposited in the "Debt Service Reserve" account, constituted for the amount of EUR 46.3 million and in the "Maintenance Reserve" account, constituted for the amount of EUR 24.8 million. These sums, deposited in accordance with the financial documentation, may be used exclusively to fulfil its obligations to pay the debt service or maintenance costs where the company does not have the relevant resources.
- EUR 25.8 million in residual cash from the enforcement of the performance bond to be used to pay the amounts still to be disbursed on expropriation activities.

It should be noted that as part of the structuring of the Financing operation, the Company has signed a deed of pledge on current accounts in favour of the lenders with reference to the credit balances on the accounts and all future additional amounts.

ACCRUALS AND DEFERRALS

As at 30 June 2020 this grouping is composed as follows:

Description	30/06/2020	31/12/2019
Fees for guarantees	39,956	67,991
Insurance	229,249	12,408
Sundry	64,241	18,031
Prepayment service areas grant	952,766	980,694
Prepayment costs incurred for refinancing transaction	1,668,691	2,088,288
Total	2,954,903	3,167,412

The item " Prepayment service areas grant " refers to the suspended portion of the subsidy paid during 2018 to the sub-concessionaires managing the Adda Nord and Adda Sud service areas. The amount paid will be issued annually in relation to the duration of the relevant agreements in force until their expiry in 2027. The quota referring to the next 12 months is equal to EUR 56,009, the quota beyond 12 months is EUR 896,757.

The prepayment costs incurred during the year in relation to the refinancing operation refer to the following:

- the commission paid to SACE for a total of EUR 1,265,937 in relation to the guarantees in place with the European Investment Bank to cover the risk of revocation of the project loan repaid for the period from 22 October 2019 to 22 October 2021;
- the insurance called *Public Offering of Securities Insurance (POSI)* underwritten with a pool of insurers in connection with the bond issue.

COMMENTS ON THE MAIN LIABILITY ITEMS

SHAREHOLDERS' EQUITY

The total changes in shareholders' equity are shown in Annex 3. In addition, in accordance with the specific requirements of point 7-bis of Article 2427 of the Italian Civil Code, an additional table has been added, Annex No. 4, indicating, for the items of Shareholders' Equity, the nature, possibility of use and distribution, as well as their use in the three previous years. In addition, in accordance with the specific requirements of point 1b) - quater of Article 2427 bis of the Italian Civil Code, an additional table (Annex 5) has been included showing changes in the fair value reserve during the year.

Share capital

The equity as of June 30, 2020 consists of 332,117,693 common shares, for a total of 51,141,227.

The Shareholders' Meeting of 15 January 2020 also approved a capital increase, excluding pre-emption rights pursuant to Article 2441(5) of the Italian Civil Code, for a nominal sum of EUR 1,000,000.00, plus a premium of EUR 21,230,078.00 and, therefore, for a total of EUR 22,230,078.00. A total of 20,230,078 of the newly-issued issue shares are reserved for subscription by the Shareholder Impresa Pizzarotti & C. S.p.A. and 2,000,000 by the Shareholder Consorzio Cooperative Costruzioni -- CCC Società Cooperativa, and they are all to be released through offsetting for an equal amount of the receivables due, respectively, to Impresa Pizzarotti & C. S.p.A. and to Consorzio Cooperative Costruzioni -- CCC Società Cooperativa from the Company, pursuant to the agreements in place with the Company in relation to the repayment of the higher expropriation charges paid in advance by Consorzio BBM when carrying out the design and development works for the motorway.

The capital increase was completed on 22 July 2020 via the issuance of 22,230,078 new ordinary Brebemi shares, without par value, with regular dividends and the same characteristics as those outstanding at the issue date, at an issue price of EUR 1.00 per share, of which approximately EUR 0.045 for share capital and approximately EUR 0.955 for share premium.

Other reserves, indicated separately

The amount of EUR 80,000,000 refers to the participative financial instruments signed on 15 January 2020.

The Extraordinary Shareholders' Meeting of 11 October 2019 approved the operation to strengthen the Company's capital structure, consisting of the issue, in several tranches, up to a maximum amount of EUR 350,000,000, of participative financial instruments, pursuant to Article 2346, paragraph six, of the Italian Civil Code, to be offered in subscription to all shareholders, in compliance with their option rights, against cash contributions to be made also through the use and voluntary offsetting of receivables due from the Company. For this purpose, a resolution to amend the clauses of the articles of association and to adopt special regulations was passed.

In a meeting held on 9 December 2019, the Board of Directors, consistently with the commitments taken under the Economic and Financial Plan, decided to issue 80,000,000 participative financial instruments, also establishing that any PFIs that were not subscribed by shareholders would be released through offsetting of receivables due from the Company to parties who undertook commitments in Subordinated Shareholder Loan. The participative financial instruments were subscribed on 15 January 2020 through proportional conversion of the total receivables due to shareholders from the Company as at 30 November 2019.

Reserve for expected cash flow hedges

This item has a negative balance of €322,359,155 (€331,995,086 at 31.12.19) and includes changes in the Fair Value of the effective component of cash flow hedging derivatives, and specifically Interest Rate Swap (IRS) contracts negotiated by the Company to hedge the interest rate risk generated by its floating rate debt. The Reserve is recognized net of deferred tax assets (deferred tax assets), which amounted to EUR 101,797,628 EUR (EUR 104,840,554 as at 31.12.19).

As part of the refinancing of the Company's debt during 2019, the IRSs in place at the end of the previous year were extinguished early on 22 October 2019 and, at the same time, new derivatives

were stipulated to hedge the exposure to interest rate risk generated by the Company's new debt structure. The extinction of the previous derivatives was financed for 70% of Fair Value through an increase in the new debt issued by the Company and for the remainder through the stipulation of new hedging IRS, whose contractual terms and conditions include an increase in periodic payment flows, attributable to the repayment of the portion of Fair Value of the previous contracts extinguished early. According to the current provisions of the OIC Principles, the hedging effects accrued on IRS extinguished early during the year (overall negative for EUR 448,507,839 and equal to the effective component of the previous hedging relationships, accrued up to the date of early termination of the contracts and consequent termination of the relationships themselves), being referred to the hedging of interest rate risk relating to future interest expense flows generated by the Company's indebtedness, must remain suspended in Shareholders' Equity and must be reclassified to the Income Statement in the same financial years in which the cash flows originally hedged have an effect on the profit (loss) for the year.

Consequently, the negative balance of the Reserve outstanding at the end of the period, gross of the related tax effects, amounts to EUR 424,156,784 (EUR 436,835,640 at 31.12.19) and is not entirely attributable to the Fair Value of derivatives outstanding at the end of the year; this Reserve is, in fact, determined by the residual negative balance (i.e. not yet released to the Income Statement during the year) of the hedging effects generated by the IRS extinguished early, amounting to EUR 417,951,255 (EUR 439,963,970 as at 31.12.2019), as well as the negative effective component, equal to EUR 6,205,529, accrued on the new IRS in place at the end of the year.

The following table summarizes the changes in the Reserve during the year and in the previous year.

Reserve for expected cash flow hedges	30/06/2020	31/12/2019
Opening balance	(436,835,640)	(331,328,806)
Increase (Decrease) due to changes in Fair Value	(9,900,333)	(143,226,194)
Increase (Decrease) for release to income statement of interest differentials accrued during the year	566,474	29,175,491
Increase (Decrease) for release to income statement of effectiveness accrued on terminated hedging relationships	22,012,716	8,543,869
Gross closing balance	(424,156,783)	(436,835,640)
Fiscal effect	101,797,628	104,840,554
Net closing balance	(322,359,155)	(331,995,086)

It should be noted that the balance of this Reserve, which is of a transitional nature, pursuant to Article 2426, paragraph 1 bis of the Italian Civil Code, is not included in the calculation of Shareholders' Equity for the purposes set out in Articles 2412, 2433, 2442, 2446 and 2447 and, if positive, is not available and cannot be used to cover losses.

PROVISIONS FOR RISKS AND CHARGES

As at 30 June 2020 this grouping is composed as follows:

Description	30/06/2020	31/12/2019
derivative financial instruments liabilities	158,874,509	146,911,504
Total	158,874,509	146,911,504

The provision for "Derivative financial instruments liabilities " includes the negative fair value of derivative financial instruments outstanding at the end of the year.

EMPLOYEE SEVERANCE INDEMNITY (TFR)

As at 30 June 2020, this item amounted to € 885,451 (€ 836,712 as at 31.12.19).

Movements during the year were as follows:

Balance as at 31 December 2019	836,712
Allocation for the year	49,805
Advance payments	0
Utilisation for personnel in the year	0
11% withholding tax on TFR revaluation	(1,067)
Balance as at 30 June 2020	885,451

PAYABLES

Pursuant to Article 2426(6) of the Italian Civil Code, it should be noted that, given the nature of the activity carried out by the Company, the debts are entirely attributable to transactions carried out at national level.

Bond issues

This item amounts to EUR 1,646,572,143 (EUR 1,639,101,524 at 31.12.19) and is broken down as follows:

Line	Nominal amount at issue	Interest rate	Fixed rate / Spread	Disbursement date	Maturity	Outstanding debt 30/06/2020
A1 - Senior Amortizing	15,000,000	Euribor 6m	3.188%	22-Oct-19	31-Dec-38	14,351,535
A2 - Senior Amortizing	934,000,000	Fixed	3.375%	22-Oct-19	31-Dec-38	909,983,489
A3 - Senior Secured - Zero Coupon	557,965,333	Fixed	3.875%	22-Oct-19	22-Jan-42	560,337,984
Subordinated Extendable to 2042 - Junior	172,000,000	MAX[Euribor 6m;0%]	6.500%	22-Oct-19	31-Jan-29	161,899,135
Total	1,678,965,333					1,646,572,143

The Bonds were issued in accordance with, and subject to, the provisions of Article 185 of Legislative Decree 50/2016 (the Public Contracts Code) and were admitted to listing on the Euronext Dublin Multilateral Trading Facility, organized and operated by the Irish Stock Exchange.

The structure of the operation, on a project-bond basis, provides:

- a Class A1 senior secured variable rate tranche with maturity 2038, issued for a total amount of EUR 15 million;
- a Class A2 senior secured fixed rate tranche maturing in 2038, issued for a total amount of EUR 934 million;
- a Class A3 senior secured zero coupon tranche, maturing in 2042, for a nominal amount of € 1,205 million and issued at the issue price of around 46.30% of the principal amount (for a countervalue of around EUR 558 million);
- a subordinated secured variable rate tranche, maturing in 2029 (extendable until 22 January 2042), for a nominal amount of EUR 172 million and issued at an issue price equal to 99% of the principal amount.

The amounts were recorded at amortized cost, in accordance with the accounting principles, recording the nominal import net of the charges incurred for their issuance. Details of changes during the year are provided below:

Line	Outstanding debt 31/12/2019	Transaction Costs 31/12/2019	Refunds	Accrued Interest	Transaction Costs of the period	Outstanding debt 30/06/2020
A1 - Senior Amortizing - FRN	15,000,000	(610,664)	(56,803)	0	19,002	14,351,535
A2 - Senior Amortizing - Fixed	934,000,000	(21,071,459)	(3,536,905)	0	591,853	909,983,489
A3 - Senior Secured - Zero Coupon	562,106,947	(12,570,973)		10,727,807	74,204	560,337,984
Subordinated Extendable - Junior	167,287,480	(5,039,806)	(541,324)	0	192,785	161,899,135
Total	1,678,394,427	(39,292,902)	(4,135,032)	10,727,807	877,843	1,646,572,143

The total amount as at 30 June 2020, equal to EUR 1,646,572,143, is also divided between the amount to be paid within the next financial year and the amount to be paid beyond it, according to the following details:

Line	Outstanding debt 30/06/2020	Short Term (Within 12 Months)	Long Term (Over 12 Months)
A1 - Senior Amortizing - FRN	14,351,535	146,470	14,205,065
A2 - Senior Amortizing - Fixed	909,983,489	9,120,204	900,863,285
A3 - Senior Secured - Zero Coupon	560,337,984	0	560,337,984
Subordinated Extendable - Junior	161,899,135	3,993,589	157,905,546
Total	1,646,572,143	13,260,262	1,633,311,881

Payables to shareholders for loans

As at 30 June 2020, this grouping refers to payables due after one year and is broken down as follows:

Description	Payable			Interests				Total
	Amount 31/12/19	Movements 2020	Amount 30/06/20	Amount 31/12/19	Accrued 2020	Movements 2020	Amount 30/06/20	
Autostrade Lombarde S.p.A.	204,682,692	(50,319,896)	154,362,797	38,036,721	10,678,641	(9,275,843)	39,439,518	193,802,315
Impresa Pizzarotti & C. S.p.A.	13,650,380	(3,355,856)	10,294,524	3,346,851	641,848	(788,095)	3,200,604	13,495,128
CCC Soc. Coop.	10,399,938	(2,556,757)	7,843,181	2,772,248	489,011	(655,097)	2,606,161	10,449,343
Mattioda Pierino & Figli S.p.A.	1,067,801	(262,512)	805,289	39,649	56,103	(9,521)	86,231	891,521
Autostrada Brescia Verona Vicenza Padova S.p.A.	5,889,488	(1,447,892)	4,441,596	1,453,065	276,927	(370,951)	1,359,040	5,800,637
C.m.b. Cooperativa Braccianti e Muratori di Carpi	707,806	(174,010)	533,796	170,632	33,281	(40,149)	163,764	697,560
Mattioda Autostrade spa	5,898,389	(1,450,080)	4,448,309	219,018	309,906	(52,596)	476,329	4,924,638
Intesa Sanpaolo S.p.A.	29,767,321	(7,318,100)	22,449,221	7,300,123	1,399,675	(1,719,004)	6,980,794	29,430,015
Total	272,063,815	(66,885,102)	205,178,714	53,338,307	13,885,392	(12,911,257)	54,312,442	259,491,155

With specific reference to the Capitalization Agreement signed on 25 March 2013, the commitments undertaken by the company and the lending shareholders regarding the conversion of shareholders' loans into Brebemi capital have been maintained and supplemented in accordance with the new financial documentation signed as part of the debt refinancing operation concluded on 22 October 2019.

More specifically, in order to implement the “Security Trust and Intercreditor Deed” provisions, each lending shareholder signed an “Amended Subordinated Shareholders Loan” with the Company, undertaking to ensure that each loan disbursed and not yet repaid will be converted in full or in part into equity or participative financial instruments of the Company, if its shareholding structure experiences a direct change of control and/or if significant losses are incurred pursuant to Articles 2446 and 2447 of the Italian Civil Code, and in order to ensure that the Company maintains a minimum equity of at least EUR 100 million.

As described in the introduction to this Half-Yearly Report, in January 2020 part of the receivables due from shareholders for a total of EUR 80,000,000 have been converted into participative financial instruments in accordance with the specific shareholders' meeting resolutions and the commitments undertaken by the shareholders. The participative financial instruments were subscribed on 15 January 2020 through proportional conversion of the total receivables due to shareholders from the Company as at 30 November 2019.

Payables to banks

This item amounts to EUR 356,085,821 and is made up as follows:

Payables to banks	Nominal amount at issue	Interest Rate	Fixed rate / Spread	Outstanding debt 30/06/2020
Senior Amortizing - Loan	307,000,000	Euribor 6m	2.600%	298,808,204
EPC Banks	55,181,487	Fixed	2.500%	57,277,617
Total	362,181,487			356,085,821

Payables to banks	Outstanding debt 31/12/2019	Transaction Costs 31/12/2019	Refunds	Accrued Interest	Transaction Costs of the period	Outstanding debt 30/06/2020
Senior Amortizing – Loan	307,000,000	(5,939,689)	(2,548,100)	0	295,993	298,808,204
EPC Banks	56,580,184	0	0	697,434	0	57,277,618
Total	363,580,184	(5,939,689)	(2,548,100)	697,434	295,993	356,085,822

As part of the overall refinancing transaction, the Company signed an amortizing loan agreement for a total amount of EUR 307 million maturing in 2033, disbursed by UniCredit S.p.A., Banco BPM S.p.A., Unione di Banche Italiane S.p.A., Monte dei Paschi di Siena S.p.A. and Intesa Sanpaolo S.p.A.

On 24 June 2019, the Company signed an agreement with the banks issuing the EPC Performance Guarantee during 2018, Consorzio BBM and the shareholders Impresa Pizzarotti and CCC. The agreement governs relations between the parties in respect of the EUR 55.2 million payable due to EPC Banks following the Performance Bond enforcement in order to define the repayment conditions. The agreement provides that the total amount of EUR 55.2 million is to be repaid in cash, including the annual interest accrued at the fixed rate of 2.5% as at 31 December 2028. However, the Company is entitled to extend the final repayment date to 30 June 2036 and subsequently to 31 December 2042, making repayment subject to the remaining cash availability after the commitments arising from the financial documents relating to the bond loans and the senior loan. Under the agreement the parties are entitled to agree that, instead of being repaid, the payable may be converted into share capital.

Payables to other lenders

The amount due to other lenders, which amounted to EUR 660,658 (EUR 834,821 as at 31.12.19), is broken down as follows:

Description	Payable			Interests				Total
	Amount 31/12/19	Movements 2020	Amount 30/06/20	Amount 31/12/19	Accrued 2020	Movements 2020	Amount 30/06/20	
UBI Banca S.p.A.	583,036	(143,335)	439,701	143,007	27,415	(33,675)	136,747	576,447
Banco BPM S.p.A.	75,275	(18,506)	56,769	33,504	2,063	(8,125)	27,442	84,211
Total	658,311	(161,841)	496,470	176,510	29,478	(41,800)	164,188	660,658

The debt, similarly to the item "Payables to shareholders for loans", refers to the sums disbursed by the Parent's Banking Shareholders as Subordinated Shareholder Loans and part of the payable to shareholders for a total of have been converted into participative financial instruments. The above amounts may be reimbursed by Brebemi only through the permitted distributions as defined in the relevant financial documentation.

Trade payables

The total amount of EUR 24,860,188 (EUR 24,208,606 as at 31.12.19) includes payables to suppliers relating to ordinary business for EUR 2.6 million and EUR 22.2 million payable to general contractors for expropriation activities.

On 7 November 2019, Società di Progetto Brebemi Spa, Consorzio BBM, Impresa Pizzarotti S.p.A. and CCC Consorzio Cooperative Costruzioni Società Cooperativa signed an agreement to settle the arbitration procedure that commenced on 14 June 2018.

Payment of the receivable accrued by Consorzio BBM, the Works General Contractor, equal to EUR 62,230,078 and included in the payable to suppliers as at 31 December 2018, was conditional on this settlement.

Under the agreement, which established the value of the shares at EUR 1 per share (including the premium), Brebemi arranged for:

- a cash payment of the payable accrued for a total amount of EUR 40 million in November 2019. The financial resources were made available as part of the refinancing transaction finalized on 22 October and described in the relevant section of the additional note;
- to submit to its Shareholders' Meeting of 15 January 2020 a capital increase, without pre-emption rights pursuant to Article 2441(5) of the Italian Civil Code, for a nominal sum of EUR 1,000,000, plus a premium of EUR 21,230,078 and, therefore, for a total of EUR 22,230,078.

The capital increase was completed on 22 July 2020 via the issuance of 22,230,078 new ordinary Brebemi shares, without par value, with regular dividends and the same characteristics as those outstanding at the issue date, at an issue price of EUR 1.00 per share, of which approximately EUR 0.045 for share capital and approximately EUR 0.955 for share premium.

Payables to parent companies

"Payables to parent companies" as at 30 June 2020 amounted to EUR 3,103 (EUR 3,290 as at 31/12/19) and related to payables for services provided by Autostrade Lombarde S.p.A..

Payables to companies subject to the control of the parent companies

This item relates to payables to Argentea Gestioni S.c.p.a.:

Description	30/06/2020	31/12/2019
Due in less than 1 year	7,668,690	7,123,991
O&M fee due in less than 12 months	7,367,261	6,877,792
Other payables to Argentea	301,429	246,199
Due in more than 1 year	8,817,576	8,664,695
O&M fee due in more than 12 months	8,817,576	8,664,695
Total	16,486,266	15,788,686

The amount due within 12 months for a total of EUR 7,367,261 (EUR 6,877,792 as at 31/12/19) mainly refers to as yet unpaid fees accrued for the O&M contract.

The amount beyond 12 months for a total of EUR 8,817,576 (€8,664,695 as at 31.12.19) refers to the deferral provided for in the O&M contract of part of the fees for the years 2015 to 2018, which will be paid on a deferred basis from 2019 until 2024. The payable as at 30 June 2020 of EUR 9,500,000 was valued according to the amortized cost method, taking the time factor into account and entered as EUR 8,817,576 minus the discounting amount, equal to EUR 682,424.

In May 2020, the Company put forward an hypothesis to revise the contractual conditions of the Global Service Contract, aimed at partially mitigating the effects on the new financial situation related to the critical issues concerning the Covid-19 health emergency and, in the mutual interest, improving the cash flow terms of the motorway project.

In particular, the following was agreed with Argentea Gestioni S.c.p.A.:

- a rescheduling of the payments provided for in Article 11 of the Global Service Contract, such as to ensure the recovery of the difference in consideration actually due to Argentea and accrued during the period 2015-2018 (equal to EUR 11 million), starting from 2021 instead of 2020 as provided for in the Contract;
- an extension of the contractual payment terms from 60 to 120 days.

Tax payables

Tax payables amount to EUR 1,057,403 (EUR 3,133,406 as at 31.12.19) and are broken down as follows:

Description	30/06/2020	31/12/2019
Withholding tax payables	225,693	589,110
Current tax payables	425,636	303,533
VAT payables	406,074	2,240,763
Total	1,057,403	3,133,406

Following the issue of the Relaunch Decree (Decree-Law No. 34 of 19 May 2020) the Company can benefit from the provisions of Art. 24; it is therefore not required to pay the balance of IRAP due for 2019, or the first instalment of the IRAP advance for 2020.

Payables to social security institutions

This item, amounting to EUR 248,204 (EUR 191,911 as at 31/12/19), relates to the payables as at 30/06/20 to these institutions for the shares borne by the company.

Other payables

The item breaks down as follows:

Description	30/06/2020	31/12/2019
Due in less than 1 year	2,169,467	6,137,101
Payables to directors and statutory auditors	73,596	7,321
Payables to employees	395,900	293,656
Payables for concession fees and surcharges	810,772	2,466,496
Payables for withholding taxes general contractor	52,543	2,028,210
Payables for area between Motorway and Railroad	773,543	1,108,610
Other payables	63,115	232,807
Due in more than 1 year	5,170,948	5,368,514
Payables for withholding taxes general contractor	5,170,948	5,368,514
Total	7,340,415	11,505,615

Payables to employees mainly include payables for wages and salaries, holidays accrued and not taken, thirteenth monthly payments and other incentives.

The decrease in item "Payables for concession fees and surcharges" is strictly related to the negative trend in traffic volumes in the first half of 2020. The Company is creditor towards ANAS S.p.A. for the advances paid monthly on the additional fee due pursuant to Art. 19, paragraph 9-bis of Law Decree No. 78/09 and calculated on the basis of the traffic volumes income of the previous year.

Payables for withholding taxes due to suppliers in less than 12 months refer to invoices to be received from the general contractor relating to the 5% withholding taxes made under the agreement. During the first half of 2020, withholdings relating to the A35-A4 Interconnection were released for a total of EUR 2 million following the provisional verification of the date of completion of the works.

Payables for withholding taxes due to suppliers in more than 12 months refer to invoices to be received from the general contractor relating to the 0.5% withholding taxes made to guarantee workers' health and safety obligations. These withholding taxes may be released at the end of the agreement.

Payables for advance payments of areas between Motorway and Railway refer to sums received from RFI and Consorzio BBM pursuant to the agreement of 22 July 2014 concerning management of payments to expropriated parties and acquisition of areas between the HV/HC line and Brebemi A35. Under this agreement, Brebemi undertook to physically implement the expropriation procedures and to open a bank account to which RFI and Consorzio BBM can pay in the sums required for payment of the aforesaid expropriations, and from which the financial outlays for the expropriated parties are managed.

Payables to Interconnected Companies

This item, equal to EUR 281,537 (EUR 701,303 as at 31/12/19), represents the debt relations with the interconnected companies arising from the amounts collected for tolls on their behalf and to be allocated at the end of the financial year.

COMMENTS ON THE MAIN ITEMS OF THE INCOME STATEMENT

VALUE OF PRODUCTION

Revenues from sales and services

Revenues from sales and services amounted to EUR 32,464,848 (EUR 45,591,674 as at 30/06/20) and are broken down as follows:

Description	30/06/2020	30/06/2019
Net toll revenues	32,172,888	45,072,379
Surcharge payable to ANAS	1,320,664	1,894,691
Toll discounts	(1,068,595)	(1,382,549)
Other toll revenues	35,374	51,885
Other adjustments	4,517	(44,733)
Total	32,464,848	45,591,674

The motorway sector revenue trends are described in the "Economic and financial data" section of the Report on the first half of 2020.

Other revenues and income

This item breaks down as follows:

Description	30/06/2020	30/06/2019
Service contract with Autostrade Lombarde S.p.A.	90,000	90,000
Secondment of staff	94,896	56,202
Management Agreement Tangenziale Esterna S.p.A.	0	127,750
Recovery of costs Argentea Gestioni S.c.p.a.	211,453	199,158
Recovery of charges for exceptional transport procedure and non-payment of tolls	127,436	143,442
Recovery of collection charges	326,242	522,136
Service area royalties	83,160	131,070
Miscellaneous	149,434	265,588
Total	1,082,621	1,535,346

The decrease in the total amount of the item "Other revenues and income" was mainly due to the negative difference compared to the same period last year in accessory motorway revenues strictly related to traffic volumes, mainly collections for recovery costs and service areas royalties.

The Management Agreement with Tangenziale Esterna S.p.A. has been concluded for the agreements relating to the use of optical fibre and the Radio Room at the Brebemi Control Centre.

The item "Miscellaneous" mainly includes ordinary maintenance costs strictly related to the construction of the Works, which were charged to the general contractor as part of the contract, and the costs for the management of the "Punto Blu" service, which were charged to Tangenziale Esterna S.p.A. for the part pertaining to it.

COSTS OF PRODUCTION**Costs for purchases**

As at 30 June 2020, this item amounted to EUR 30,802 (EUR 29,074 as at 30.06.19) and includes costs for fuel, stationery and consumables.

Costs for services

This item breaks down as follows:

Description	30/06/2020	30/06/2019
Costs for services relating to asset deriving from concession right (A)	11,044,521	10,923,122
O&M agreement Argentea Gestioni S.c.p.a.	10,385,897	10,117,056
Other maintenance	0	75,783
Insurance	209,692	208,944
Utilities	335,516	407,540
Other operating expenses	113,416	113,798
Other costs for services (B)	1,617,740	2,044,095
Directors' fees	224,202	224,209
Statutory Auditors Fees	43,760	43,773
Other fees	5,200	3,400
Independent auditors' fees	10,700	12,138
Communication, advertising, events	78,270	410,075
Utilities	33,391	29,545
Travel, subsistence and entertainment costs	21,795	29,738
IT Services	64,213	63,765
Other operating expenses	164,056	121,936
Other personnel costs	69,336	55,993
Consultancy	573,141	704,804
Bank costs and guarantee fees	329,678	344,719
Total (A) + (B)	12,662,261	12,967,217

Costs for services for asset deriving from concession right include the fees arising from the O&M agreement concerning the maintenance and management of the motorway section and in particular: routine maintenance and major maintenance, construction of civil and/or plant engineering works, collection services, toll management, road safety, structure design and structure inspection services, signed on 25 March 2013 between the Company, in the capacity of Principal, and Argentea Gestioni S.c.p.A., in the capacity of Contractor.

The item "Communication, advertising, events" includes the costs related to the advertising campaign developed during 2019 to promote the use of the infrastructure and the new A35-A4 interconnection section.

The item "Consultancy" includes legal, technical, transport consultancy related to project financing management, consultancy for technical-legal activities related to infrastructure management as well as consultancy related to management activities.

The item " Bank costs and guarantee fees" includes commissions relating to the construction and management surety, as well as credit/debit card commissions.

Costs for use of third party assets

This item totals EUR 115,772 (EUR 117,397 as at 30.06.19) and breaks down as follows:

Description	30/06/2020	30/06/2019
Car rentals	53,353	52,691
Photocopier rentals	10,471	13,022
Property rentals	51,948	51,684
Total	115,772	117,397

It includes the costs of operating leases of cars assigned to employees as well as the use for instrumental use and the costs relating to the rental of the building adjacent to the property, located in Via Somalia 6 and used as the company headquarters.

Costs of personnel

This cost item breaks down as follows:

Description	30/06/2020	30/06/2019
Wages and salaries	1,215,761	1,110,754
Social security contributions	378,843	345,790
Employees severance indemnity	73,531	76,677
Other costs	8,587	9,460
Total	1,676,722	1,542,681

The item, which stands at EUR 1.676.722, includes the entire cost for salaried employees, including merit salary increases, promotions, cost of living increases, cost of not taken leave and provisions pursuant to the law and collective agreements. The national employment contract applied is that of employees of Companies and Concessionaire Consortia of Motorways and Tunnels.

A breakdown by category of salaried employees is provided below:

	30/06/2020	30/06/2019	Variation	2020 Average
Executives	4	5	(1)	4
Managers	6	6	0	6
Employees	21	20	1	21
Totals	31	31	0	31

Amortization, depreciation and write-downs

"Depreciation and amortization" amounted to EUR 6,135,346 (EUR 5,580,409 at 30.06.19) and refer to the following categories:

Description	30/06/2020	30/06/2019
Intangible fixed assets (A)	1,371	845
Concessions, licences, trademarks and similar rights	1,371	845
Tangible fixed assets (B)	79,594	83,693
Land and buildings	43,909	43,909
Plants and machinery	0	5,273
Others	35,685	34,511
Depreciation of assets deriving from concession right	6,054,381	5,495,871
Total (A+B+C)	6,135,346	5,580,409

"Depreciation of assets deriving from concession right" for EUR 6,054,381 were recorded at different amortization/depreciation rates in accordance with the provisions of the Economic and Financial Plan attached to the Concession Agreement, as explained in greater detail in the section on valuation criteria contained in these notes.

Other operating expenses

This item breaks down as follows:

Description	30/06/2020	30/06/2019
Fees (A)	2,135,283	3,032,620
Concession fee under Article 1(1020) of Italian Law No. 296/06	775,996	1,081,732
Sub-concession fee	38,623	56,197
Fee under Article 19(9-bis) Italian Decree Law 78/09	1,320,664	1,894,691
Other charges (B)	229,163	218,524
Various taxes and duties	29,513	31,582
Membership fees and others	65,459	79,195
Agreement fees payable	38,331	31,890
Losses for non-payment of tolls	64,600	43,558
Other costs	26,309	26,429
Donations, gifts and offers	4,951	5,870
Total (A+B)	2,364,446	3,251,144

The item "Concession fee under Article 1(1020) of Italian Law 296/06" is calculated as 2.4% of net toll revenues.

The "Sub-concession fee" consists of the portion due to the Grantor (and defined by Concession Agreement) of the income relating to the fees for active agreements.

The "Fee ex Art. 19(9 bis) of Law Decree No. 78/09" is calculated on the basis of the kilometres travelled (0.0060 EUR/vehicles Km for light vehicles and 0.0180 EUR/vehicles Km for heavy vehicles).

FINANCIAL INCOME AND EXPENSES**Other financial income**

Other financial income breaks down as follows:

Description	30/06/2020	30/06/2019
Other interest income	0	42,064
Interest income on bank deposits	663	401
Interest income amortized cost	185,972	181,500
Total	186,635	223,965

The item "Other interest income" mainly refers to interest on VAT refunds collected.

Interest and other financial expenses

This item breaks down as follows:

Description	30/06/2020	30/06/2019
Due to parent companies		
Interest expense shareholders' loan	10,678,641	1,769,169
Due to credit institutions		
Loan fees	348,564	0
Interest expense loans	36,431,780	20,471,690
Interest rate swap differentials	1,909,090	18,409,428
Due to others		
Release CFH reserve	22,012,716	0
Interest expense shareholders' loans	3,206,752	3,347,609
Interest expense amortised cost	1,326,718	364,449
Others	29,483	731,457
Total	75,943,744	45,093,802

The item "Interest and other financial expenses" shows an increase of EUR 30.8 million compared to the same period of the previous year. Although the refinancing transaction finalized on 22 October 2019 through the issue of a multi-tranche secured bond for a total principal amount of 1,679 million guarantees improvement in financial ratios and covenants compared to the previous indebtedness thanks to better market conditions, the income statement is burdened by the accounting component of financial charges mainly associated with the early termination of the old derivative contracts and related to the release of the Cash Flow Hedge reserve, which will be transferred in full into the Income Statement over the years 2019 to 2033, in accordance with a specific amortization schedule.

The beneficial effect of the terms applied to the financial indebtedness for the year 2019 is only recorded for the last 90 days of the year. Furthermore, the structure of the new indebtedness is characterized by the presence of two tranches (a Class A3 senior secured zero coupon tranche and a subordinated secured variable rate tranche) which allow capitalization of the interest accrue, providing for redemption only when specific conditions are met.

This item, therefore, includes the effects of the reclassification from Shareholders' Equity to the Income Statement of the hedging effects accrued on Interest Rate Swap (IRS) contracts in place at the end of the previous year and which were subject to early termination during 2019, with the consequent termination of the related hedging relationships; this amount (negative for a total of € 448,507,839 and de facto equal to the effective component of the previous hedging relationships accrued up to the date of early extinction of the derivative instruments in question), continues to be recognized in Shareholders' Equity and is gradually reclassified in the Income Statement over the original hedging timeframe (up to 30 June 2033), i.e. in the same financial years in which the hedged interest cash flows have an effect on the profit (loss) for the year. The effect reclassified in the Income Statement as an adjustment to interest expense accrued during the first half of 2020 is negative for EUR 22,012,716 and de facto integrates the effects generated by the interest differentials accrued on the IRS that were outstanding during the current year, which were negative for a total of EUR 1,909,090.

ADJUSTMENTS TO FINANCIAL ASSETS VALUE

Revaluations of derivative financial instruments

This item amounts to EUR 1,347,554 (zero balance at 30.06.19) and includes the positive changes in Fair Value of the ineffective component of cash flow hedging derivatives.

More specifically, a number of the new Interest Rate Swap (IRS) contracts entered into in 2019 as part of the corporate debt refinancing include the periodic additional payment flows, referring to the repayment of the portion of the fair value of the previous derivatives terminated early (equal to 30% of the fair value of these contracts at the termination date), which was not refinanced by increasing the debt, but by entering into new hedging derivatives. The fair value changes generated by market interest rate trends with regard to these additional payment flows represent a source of ineffectiveness of the new hedging relationships, as they are not offset by the fair value changes generated by the hedged future interest flows, and therefore are recognized directly in the Income Statement.

Depreciation of derivative financial instruments

This item amounts to EUR 5,212,524 (zero balance at 30.06.19) and includes the negative changes in Fair Value of the ineffective component of cash flow hedging derivatives.

As explained for the corresponding item under revaluations, this amount is attributable to the ineffectiveness generated by the additional payment flows contractualized within a number of the new IRSs entered into in 2019 as part of the corporate debt refinancing.

INCOME TAXES FOR THE YEAR

This item amounts to EUR 16,328,404 (EUR 3,781,301 as at 30.06.19). The tax burden is broken down as follows:

- Current IRAP taxes EUR 425,636 (EUR 1,093,038 at 30.06.19).
- Positive tax adjustments relating to the previous year EUR 303,533
- Prepaid taxes EUR 16,450,507 (EUR 2,688,263 at 30.06.19).

Following the issue of the “*Decreto rilancio*” (Decree-Law No. 34 of 19 May 2020) the Company can benefit from the provisions of Art. 24; it is therefore not required to pay the balance of IRAP due for 2019, or the first instalment of the IRAP advance for 2020.

Attached to this Additional Note is a table detailing the temporary differences that led to the recognition of the above mentioned deferred tax assets (Annex 7).

This tax benefit was entered as there is reasonable certainty of obtaining future taxable income that will absorb the losses reported based on the flows forecast in the Economic and Financial Plan attached to the Addendum No. 3 to the Concession Agreement. Based on current traffic estimates, the operating activity will be able to ensure the complete recoverability of the asset recorded.

OTHER INFORMATION REQUIRED BY THE CIVIL CODE**Fees due to the Company's Directors and Statutory Auditors**

The cumulative amount, inclusive of national insurance contributions, is stated below:

Description	30/06/2020	30/06/2019
Directors' fees	224,202	224,209
Statutory Auditors fees	43,760	43,773

The Company did not release advance payments and loans to the directors and statutory auditors.

Fees paid to the Independent Auditors

A breakdown is provided below of the fees paid in the year to the Independent Auditors for the services supplied:

Description	30/06/2020	30/06/2019
Auditing the financial statements and proper accounting	10,700	12,138
Total	10,700	12,138

Commitments undertaken by the Company

"Bank guarantees to third parties" total EUR 52,115,910. The amount refers to the construction guarantee issued on 13 June 2013 by Intesa Sanpaolo S.p.A., Unicredit S.p.A., Unione di Banche Italiane S.c.p.a. and MPS Capital Services Banca per le Imprese S.p.A., to the Grantor in order to secure fulfilment of the obligations undertaken through the Agreement as of its signing, and excluding the obligations relating to the operational phase.

"Insurance policies guaranteeing payment to third parties" total EUR 10,736,046 and refer:

- for EUR 7,486,767 to the guarantee issued to secure the VAT claimed back in 2017.
- for EUR 3,249,279 to the guarantee issued by Reale Mutua Assicurazioni to the Grantor to secure all the obligations relating to the motorway management phase (including due maintenance). The amount is established in accordance with the provisions of point 8 of the Report Accompanying the Economic and Financial Plan attached to the Concession Agreement, which provides that "during the operational phase of the Motorway Connection, the issue of a guarantee for an amount equal to 10% of the annual operating cost to be provided from the service operation start date".

As at 30 June 2020 other commitments totalling EUR 1,820,536 have been made and refer to the remaining amount to be paid for agreements signed with Local Entities, as stated in the paragraph on tangible fixed assets.

Agreements not stated in the Balance Sheet

The Company has not entered into agreements that are not stated in the Balance Sheet that could have a significant impact on the Company's assets and liabilities, financial position and profit and loss.

Information on the fair value of financial instruments

In order to prevent the risk arising from changes in interest rates and consequently in the cash flows arising from interest expense paid on the outstanding indebtedness, during the year the Company entered into new fixed-rate-paying Interest Rate Swap contracts that convert the cost of the underlying loan from variable to fixed.

Information is provided below on the derivative financial instruments entered into by the Company and their fair values as at the reporting date.

Contract Type	Counterparty	Date of signing	Maturity	Notional amount	Receive Leg	Pay Leg	MtM
IRS	Intesa San Paolo	10/10/19	31/12/38	74,904,392	EURIBOR 6M	0.123%	(65,730,948)
IRS	Unicredit	10/10/19	31/12/38	49,936,261	EURIBOR 6M	0.157%	(65,236,023)
IRS	UBI	10/10/19	31/12/38	52,849,210	EURIBOR 6M	0.103%	(26,289,763)
IRS	MPS	10/10/19	31/12/38	50,768,532	EURIBOR 6M	0.072%	(1,055,446)
IRS	Banco BPM	10/10/19	31/12/38	27,048,808	EURIBOR 6M	0.072%	(562,328)
				255,507,203			(158,874,508)

The contracts recording a negative fair value at the reporting date incorporate the effects of the portion of derivatives terminated early in 2019, which was financed through the contractualization of additional payment flows to the market interest rate conditions observable at the contract signing date (22 October 2019). These additional payment flows therefore represent the periodic repayment of the fair value portion of the previous derivatives terminated early (equal to 30% of the fair value at the termination date), throughout the contractual duration of the new hedging derivatives.

The Fair Value of the above financial instruments is recorded under Financial Fixed Assets with reference to contracts with a positive value, and under Provisions for Risks and Charges with reference to contracts with a negative value, in accordance with the relevant Accounting Principles.

Hedging relationships designated for accounting purposes with reference to derivatives extinguished early during the year, in line with the accounting treatment applied in previous years, were considered completely effective, as the relevant contractual terms (i.e. notional amount, underlying variable rate and periodicity of interest) of the derivatives were closely correlated with the parameters used to calculate the interest expense of the project loan previously hedged; these hedging relationships were terminated at the same time as the date of extinction of the hedging instruments, and the related effective component accrued up to the date of termination remains suspended in shareholders' equity and is released to the income statement gradually over the original hedging timeframe (until 30 June 2033), i.e. in the same financial years in which the hedged interest cash flows have an effect on the profit (loss) for the year.

Instead, the new hedging relationships recorded during the year with regard to the IRSs entered into in October 2019 are not completely effective. More specifically, only two of the new contracts negotiated with new banking counterparties are completely effective, considering the close correlation between the relevant contractual terms (i.e. notional value, underlying variable rate and interest frequency) of the hedging derivatives and the parameters used to calculate the interest expense on the new variable rate indebtedness subject to hedging. The fair value changes generated by these contracts are therefore recognized entirely as a balancing entry to the specific Equity Reserve, minus the interest rate differentials accrued during the year that are carried to the Income Statement as direct adjustment of the hedged interest expense.

On the other hand, the remaining contracts that were negotiated with the same banking counterparties prior to the early extinction of the original IRS are partially effective, since the additional payment flows contractually provided for the repayment of the portion of the value of the derivatives extinguished, financed through these contracts, generate changes in Fair Value that are not offset by changes in the Fair Value of the future interest flows hedged. The fair value changes generated by these contracts are therefore recognized in Equity only for the effective portion (represented by the fair value changes offset by the expected changes in the hedged future interest flows), while the non-effective component (represented by the fair value changes in the additional payment flows described) is recognized directly in the Income Statement.

Related party transactions

Transactions with "related parties", described in the relevant section of the report on the first half of 2020, were carried out at arm's length and on the basis of rules that ensure their transparency as well as substantive and procedural fairness. With regard to transactions with parent companies, subsidiaries and associates, reference should be made to the specific section of the report on the first half of 2020.

Events after the reporting period

The capital increase decided by the Extraordinary Shareholders' Meeting of 15 January 2020 was completed on 22 July 2020 via the issuance of 22,230,078 new ordinary Brebemi shares, without par value, with regular dividends and the same characteristics as those outstanding at the issue date, at an issue price of EUR 1.00 per share, of which approximately EUR 0.045 for share capital and approximately EUR 0.955 for share premium.

As of today's date, the Company's share capital amounts to EUR 52,141,227 divided into 354,347,771 shares without par value, and the share premium reserve amounts to EUR 21,230,078. The newly-issued shares have been pledged in favour of the secured creditors.

August 2020 also saw the completion of the Assignment under Guarantee of receivables deriving from Shareholders' Loans activated in accordance with the provisions contained in Art. 9.2 (*Shareholder Loan Security Event*) of the Security Trust and Intercreditor Deed (STID), signed on 15 October 2019, according to which each *Subordinated Shareholder Liabilities Instruments Provider* undertook to assign as collateral the receivables deriving from the Shareholders' Loans following the occurrence of a *Shareholder Loan Security Event*. The *Shareholder Loan Security Event* arose following the amendment of Art. 96(11) of the Consolidated Income Tax Law (TUIR), now fully replaced by Art. 35(1) of Decree Law 26 October 2019 No. 124, converted, with amendments, by Law No. 157 of 19 December 2019.

Information on management and coordination activities

The parent company Autostrade Lombarde S.p.A. exercises management and coordination activities over the company, pursuant to Article 2497 of the Italian Civil Code.

The table below summarizes the key figures of the parent company's last approved financial statements (as at 31 December 2019).

AUTOSTRADE LOMBARDE S.P.A.	31/12/2019
BALANCE SHEET	
Intangible fixed assets	2,653
Tangible fixed assets	1,529,422
Financial fixed assets	514,813,031
Current assets	30,534,080
Accruals and deferrals	28,214
TOTAL ASSETS	546,907,400
Share Capital	467,726,626
Share premium reserve	3,080,103
Legal reserve	1,472,416
Profit (Loss) carried forward	22,572,837
Profit (Loss) for the year	2,700,308
Net Equity	497,552,290
Payables	49,336,301
Accruals and deferrals	18,809
TOTAL LIABILITIES	546,907,400
INCOME STATEMENT	
Value of Production	14,152,223
Costs of Production	(11,927,801)
Financial income and charges	678,650
Income taxes for the year	(202,764)
Profit (Loss) for the year	2,700,308

In this regard, it should be noted that as of 31 December 2018 Intesa Sanpaolo S.p.A. acquired, pursuant to articles 2359 et seq. of the Italian Civil Code, the legal control of Autostrade Lombarde S.p.A., by going from 42.5% to 55.8% of the share capital of the direct subsidiary.

Intesa Sanpaolo S.p.A., taking into account the radical diversity of the Group's business, has announced that it does not exercise management and coordination activities with regard to Autostrade Lombarde S.p.A., which is, in any case, a subsidiary pursuant to IFRS 10 and, consequently, the consolidated financial statements including the subsidiaries Brebemi and Argentea have been consolidated on a line-by-line basis, with the first consolidation as at 31 December 2018.

Autostrade Lombarde is not therefore required to draw up consolidated financial statements as at 31 December 2018 in accordance with the provisions of Italian Legislative Decree 127/1991, as amended by Italian Legislative Decree 139/2015, as it is controlled by an enterprise that draws up consolidated financial statements.

ANNEXES

The annexes contain additional information to the contents of the Additional Note, of which they form an integral part:

1. Statement of the changes in "Intangible fixed assets".
2. Statement of the changes in "Tangible fixed assets".
3. Statement of the changes in Shareholders' Equity.
4. Statement of the nature, possibility of use and distributability of "Shareholders' equity" items.
5. Statement of monthly data on toll traffic.
6. Statement of monthly data on toll traffic by vehicle class.
7. Statement of prepaid taxes.

Annex 1

Società di Progetto Brebemi S.p.A.*Statement for changes in account "Intangible Assets"*

Description	Initial situation			Movements in the period					Closing		
	Historic Cost	(Amort. Funds)	Initial Balance	Increases	Other variations Historic and	Reclassifications (Amort. Fund)	(Decreases)	(Amortizations)	Historic Cost	(Amort. Funds)	Final balance
Start-up and expansion costs	51.975	(51.975)	-	-	-	-	-	-	51.975	(51.975)	-
Concessions, licenses, trademarks and similar rights	120.033	(115.533)	4.500	1.475	-	-	-	(1.371)	121.508	(116.904)	4.604
Others	421.712	(421.712)	-	-	-	-	-	-	421.712	(421.712)	-
Total	593.720	(589.220)	4.500	1.475	-	-	-	(1.371)	595.195	(590.591)	4.604

Annex 2

Società di Progetto Brebemi S.p.A.											
<i>Statement of changes in "Tangible fixed assets" accounts</i>											
Description	Initial situation			Movements in the period					Closing		
	Cost Historic	(Funds Amort.)	Closing Balance Initial	Increases (E. Amortization)	Reclassifications	(Decreases)	Reversal of the fund	(Amortizations)	Cost Historical	(Funds Amort.)	Final balance
Land and buildings											
Buildings	2.195.448	(1.267.931)	927.517	-	-	-	-	(43.909)	2.195.448	(1.311.840)	883.608
Total	2.195.448	(1.267.931)	927.517	-	-	-	-	(43.909)	2.195.448	(1.311.840)	883.608
Plant and machinery											
Plant	52.728	(52.728)	(0)	-	-	-	-	-	52.728	(52.728)	-
Total	52.728	(52.728)	(0)	-	-	-	-	-	52.728	(52.728)	-
Others											
Office equipment	21.941	(16.968)	4.973	1.981	-	-	-	(485)	23.922	(17.452)	6.470
Furniture	206.675	(176.655)	30.020	540	-	-	-	(4.945)	207.215	(181.599)	25.616
Electro-accounting Machinery	216.737	(154.277)	62.460	-	-	-	-	(9.583)	216.737	(163.860)	52.876
Temporary ADS	170.041	(170.041)	0	-	-	-	-	0	170.041	(170.041)	0
Technical equipments	333.035	(189.471)	143.564	9.850	-	-	-	(20.673)	342.885	(210.144)	132.740
Total	948.429	(707.412)	241.017	12.371	-	-	-	(35.686)	960.799	(743.097)	217.701
Fixed assets in progress and advances											
Motorway connections and works	-	-	-	-	-	-	-	-	-	-	-
Advanced payments	-	-	-	-	-	-	-	-	-	-	-
Total	-	-	-	-	-	-	-	-	-	-	-
Assets deriving from concession right											
Motorway connections and works	1.988.073.263	(56.337.675)	1.931.735.589	1.906.182	-	-	-	(6.054.381)	1.989.979.445	(62.392.056)	1.927.587.390
Public capital contribution	(304.364.195)	-	(304.364.195)	-	-	(1.523.379)	-	-	(305.887.574)	0	(305.887.574)
Other assets deriving from concession right	291.429	-	291.429	-	-	-	-	-	291.429	0	291.429
Total	1.684.000.497	(56.337.675)	1.627.662.822	1.906.182	0	(1.523.379)	0	(6.054.381)	1.684.383.300	(62.392.056)	1.621.991.245
Total	1.687.831.902	(59.000.545)	1.628.831.356	1.918.553	0	(1.523.379)	0	(6.133.975)	1.688.227.076	(65.134.521)	1.623.092.554

Annex 3

Società di Progetto Brebemi S.p.A. <i>Statement of changes in account "equity"</i>							
Description	SHARE CAPITAL	SHARE PREMIUM RESERVE	OTHER RESERVES	CASH FLOW HEDGE	RETAINED EARNINGS (LOSSES)	NET INCOME (LOSS)	TOTAL
	I	II	VI	VII	VIII	IX	
Balances as at 31 December 2016	175.089.679	-	26.556.665	(292.548.214)	-	(49.111.943)	(140.013.813)
Allocation of 2016 result	-	-	-	-	(22.555.276)	49.111.943	26.556.667
Changes in share capital	-	-	-	-	-	-	-
Changes in Reserves	-	-	(26.556.665)	40.580.090	-	-	14.023.425
Net income 2017	-	-	-	-	-	(39.198.071)	(39.198.071)
Balance as at 31 December 2017	175.089.679	-	-	(251.968.124)	(22.555.276)	(39.198.071)	(138.631.792)
Allocation of 2017 result	-	-	-	-	(39.198.071)	39.198.071	-
Changes in share capital	(61.753.347)	-	-	-	61.753.347	-	-
Changes in Reserves	-	-	-	158.232	-	-	158.232
Net income 2018	-	-	-	-	-	(37.183.065)	(37.183.065)
Balance as at 31 December 2018	113.336.332	-	-	(251.809.892)	-	(37.183.065)	(175.656.625)
Allocation of 2018 result	-	-	-	-	(37.183.065)	37.183.065	-
Changes in share capital	(62.195.105)	-	25.012.040	-	37.183.065	-	-
Changes in Reserves	-	-	-	(80.185.194)	-	-	(80.185.194)
Net income 2019	-	-	-	-	-	(49.133.190)	(49.133.190)
Balance as at 31 December 2019	51.141.227	-	25.012.040	(331.995.086)	-	(49.133.190)	(304.975.009)
Allocation of 2019 result	-	-	(25.012.040)	-	(24.121.150)	49.133.190	-
Changes in share capital	-	-	-	-	0	-	-
Changes in Reserves	-	-	80.000.000	9.635.931	-	-	89.635.931
Result of the period	-	-	-	-	-	(52.731.554)	(52.731.554)
Balance as at 30 June 2020	51.141.227	-	80.000.000	(322.359.155)	(24.121.150)	(52.731.554)	(268.070.632)

Annex 4

Società di Progetto Brebemi S.p.A.							
<i>Nature, possibility of use and distributability of the items of Shareholders' Equity and their use</i>							
Nature and Description of Equity items	Amount as at 30/06/20	Possibility of use	Available amount	Summary of uses made in the three previous financial years			
				To cover losses	For capital increase	For distribution	For other reasons
Share Capital	51.141.227		-	123.948.452			
Capital reserves							
Shares premium reserve	-	A,B,C	-				
Participative financial instruments	80.000.000	B	80.000.000				
Earnings reserve							
Retained earnings/(losses)	(24.121.150)		-				
Net income/(loss)	(52.731.554)		-				
Cash flow hedges	(322.359.155)		-				
Total	(268.070.632)		80.000.000	123.948.452			

Key:

A: for capital increase **B:** to cover losses **C:** for distribution to members

(*) Pursuant to Article 2426(1-bis) of the Italian Civil Code, the balance of this Reserve, which is of a temporary nature, is not included in the calculation of Shareholders' Equity for the purposes set forth in Articles 2412, 2433, 2442, 2446 and 2447 and, if positive, is not available and cannot be used to cover losses.

Società di Progetto Brebemi S.p.A.**MONTHLY DATA OF PAYING TRAFFIC**

Annex 5

LIGHT TRAFFIC (km covered)

Month	30/06/2020	31/12/2019	31/12/2018
January	27.755.119	25.738.789	23.602.799
February	26.299.152	26.205.577	24.083.084
March	7.514.148	30.459.250	26.753.361
April	3.055.273	29.876.538	28.061.055
May	11.364.043	30.960.452	29.829.395
June	20.749.100	32.829.950	29.422.505
TOTAL	96.736.835	176.070.556	161.752.199

HEAVY TRAFFIC (km covered)

Month	30/06/2020	31/12/2019	31/12/2018
January	10.965.056	10.189.991	8.770.868
February	11.205.581	10.326.246	9.010.930
March	8.363.958	11.403.829	10.435.113
April	6.032.354	11.042.920	9.524.879
May	9.331.187	12.367.740	11.280.284
June	10.716.295	11.863.864	10.692.404
TOTAL	56.614.431	67.194.590	59.714.478

TOTAL TRAFFIC (km covered)

Month	30/06/2020	31/12/2019	31/12/2018
January	38.720.175	35.928.780	32.373.667
February	37.504.733	36.531.823	33.094.014
March	15.878.106	41.863.079	37.188.474
April	9.087.627	40.919.458	37.585.934
May	20.695.230	43.328.192	41.109.679
June	31.465.395	44.693.814	40.114.909
TOTAL	153.351.266	243.265.146	221.466.677

Società di Progetto Brebemi S.p.A.

MONTHLY DATA OF PAYING TRAFFIC

Annex 6

Km/1000 covered for class of vehicle

Month	A		B		3		4		5		Total	
	30/06/2020	31/12/2019	30/06/2020	31/12/2019	30/06/2020	31/12/2019	30/06/2020	31/12/2019	30/06/2020	31/12/2019	30/06/2020	31/12/2019
January	27.755	25.739	4.840	4.515	734	701	515	440	4.876	4.534	38.720	35.929
February	26.299	26.206	5.016	4.614	756	706	533	460	4.901	4.546	37.505	36.532
March	7.514	30.459	2.852	5.204	607	784	428	494	4.476	4.921	15.878	41.863
April	3.055	29.877	1.846	5.104	454	760	302	471	3.432	4.708	9.088	40.919
May	11.364	30.960	3.956	5.714	644	851	479	546	4.252	5.256	20.695	43.328
June	20.749	32.830	4.750	5.561	727	836	535	507	4.704	4.961	31.465	44.694
Total	96.737	176.071	23.261	30.711	3.921	4.639	2.792	2.919	26.640	28.925	153.351	243.265

Annex 7

Società di Progetto Brebemi S.p.A. <i>Statement of determination of prepaid taxes</i>								
	Opening balance		Movement				Final balance	
	31/12/2019		Income statement		Equity		30/06/2020	
Description	Amount of temporary differences - TAXABLE	TOTAL Deferred tax	Amount of temporary differences - TAXABLE	TOTAL Deferred tax	Amount of temporary differences - TAXABLE	TOTAL Deferred tax	Amount of temporary differences - TAXABLE	TOTAL Deferred tax
Tax losses of previous years	318.447.810	76.427.474	62.340.526	14.961.726	-	-	380.788.336	91.389.200
Tax losses for the period	62.285.527	14.948.526	6.812.455	1.634.990	-	-	69.097.982	16.583.516
ACE	20.183.401	4.844.016	(459.684)	(110.324)	-	-	19.723.717	4.733.692
Other temporary differences	511.347	138.969	(81.831)	(35.885)	-	-	429.516	103.084
Fair value derivative instruments	436.835.639	104.840.553	-	-	(12.678.855)	(3.042.925)	424.156.784	101.797.628
Deferred tax assets	838.263.724	201.199.538	68.611.466	16.450.507	(12.678.855)	(3.042.925)	894.196.335	214.607.120



Società di Progetto
Brebemi SpA

Brescia, September 24, 2020

The undersigned FRANCESCO BETTONI born in VISANO on August 23, 1948 and resident in CASTELVETRO PIACENTINO (PC), via STATALE n. 8, Italian Tax Code BTTFNC48M23M070V, acting as LEGAL REPRESENTATIVE of SOCIETA' DI PROGETTO BREBEMI S.P.A., (the "Company"), with registered office in BRESCIA, VIA SOMALIA 2/4, Fiscal Code, VAT number and registration number at the Companies Register (*Registro delle Imprese*) of BRESCIA 02508160989, with Economic and Administrative Repertory (EAR) number 455412, certifies that the Semi-Annual Financial Statements for the year ended June 30, 2020, provide a true and fair view of the Company's financial position and operations as at June 30, 2020.

Società di Progetto Brebemi S.p.A.

Legal Representative

Francesco Bettoni



SOGGETTA ALLA DIREZIONE E COORDINAMENTO DI AUTOSTRADE LOMBARDE SPA
Sede: Via Somalia, 2/4 - 25126 Brescia - Tel. 030 2926311 Fax 0302897630
PEC: sdpbrebemi@legalmail.it - EMAIL: info@brebemi.it
Cap. Soc. Euro 52.141.227,00 i.v.- REA n. 455412
Iscr. Registro Imprese di Brescia, C.F. e P.IVA 02508160989



This document contains a translation in English of the report in Italian “Relazione semestrale al 30 giugno 2020” that the Company believes is true and accurate. However, for information about Società di Progetto Brebemi S.p.A. reference should be made exclusively to the original report in Italian. The Italian version should prevail upon the English version